

LSC Greenbook

Analysis of the Enacted Budget

Transportation Budget Bill (H.B. 51 of the 130th General Assembly)

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ATTACHMENT FOR EACH AGENCY:

Budget Spreadsheet By Line Item

Transportation Budget Bill

- Total biennial funding is \$7.6 billion
- Allows the use of Turnpike bond revenues to support ODOT Major New construction projects; ODOT continues to focus motor fuel tax revenue on system preservation
- Public Works Commission to fund program years 27 and 28 of the Local Transportation Improvement Program
- Merger between DPS and Medical Transportation Board
- Development Services Agency to provide \$30.4 million for roadwork development grants

OVERVIEW

The transportation budget act contains funding for four agencies that are primarily responsible for the construction and maintenance of the state highway system, funding local infrastructure projects, and ensuring the public's safety. These agencies are the Ohio Department of Transportation (ODOT), the Department of Public Safety (DPS), the Public Works Commission (PWC), and the Development Services Agency (DSA). Unlike the main operating budget, the transportation budget does not contain GRF appropriations. Instead, most of the appropriations are backed by motor vehicle fuel taxes and fees. This Overview highlights the major features of the FY 2014-FY 2015 transportation budget for the four agencies included in the act. More detailed information can be found under the tabs for each agency within this Greenbook. This Greenbook also contains a section devoted to the Ohio Turnpike and Infrastructure Commission (renamed from the Ohio Turnpike Commission under the transportation budget act), which is not a state agency and does not receive appropriations from the General Assembly, but is affected by provisions of the transportation budget.

Department of Transportation

ODOT's budget for FY 2014 and FY 2015 is influenced by a number of factors, including moderation in the growth of state motor fuel tax revenue, flat federal funding with an uncertain outlook, rising construction costs, and the newly permitted use of Turnpike bond proceeds to fund certain Major New construction projects. Income from the state motor fuel tax, one of ODOT's two primary sources of funding for highway construction and maintenance operations, has either declined or grown slowly in recent years as a result of the slower economy and increasingly fuel efficient vehicles on the road. In addition, there is uncertainty regarding the level of future federal transportation funding, the other major component of ODOT's budget, due to the series of short-term authorizations enacted by Congress, the most recent of which extends through the end of federal fiscal year (FFY) 2014. Federal funding is also affected by sluggish revenues and increasing spending from the federal Highway Trust Fund,

which in recent years have required billions of dollars in transfers from the federal general fund to support federally funded highway projects. Under the transportation budget act, ODOT will continue to focus its state and federal motor fuel tax revenue on the preservation and maintenance of the state's highway system ahead of new construction projects. However, the act authorizes the Ohio Turnpike Commission to issue bonds to support infrastructure projects approved as part of ODOT's Major New Construction Program, which is intended to expand that program's ability to complete large-scale highway construction projects while not diverting motor fuel tax revenue away from core system preservation needs. The act appropriates \$500 million over the biennium for this purpose. ODOT's bonding authority is also increased in this budget, from \$123.0 million in the FY 2012-FY 2013 biennium to \$220.0 million in the FY 2014-FY 2015 biennium. Finally, ODOT will continue to explore public-private partnerships as a means for developing and financing selected construction projects throughout the state.

Ohio Turnpike and Infrastructure Commission

The act renames the Ohio Turnpike Commission to the Ohio Turnpike and Infrastructure Commission, expands its ability to issue bonds for non-Turnpike projects, and more closely aligns it with ODOT in regard to this bonding authority. H.B. 51 authorizes the Commission to issue additional bonds, the proceeds of which will be available to ODOT for infrastructure projects that meet certain criteria and that have a nexus to the Ohio Turnpike under the Major New Construction Program. These projects must be approved by the Commission and the Transportation Review Advisory Council (TRAC) in order to receive Turnpike funding. The act also makes changes to the Commission's membership and provides for excess Turnpike toll revenues to be used for Turnpike projects unrelated to those for which the tolls were specifically collected.

Department of Public Safety

The budget merges the Medical Transportation Board with the Board of Emergency Medical Services within the Department of Public Safety, and changes the name of the Board to the State Board of Emergency Medical, Fire, and Transportation Services. The budget also makes several changes to the license plate and motor vehicle registration laws. These changes include a reduction in the late fee for motor vehicle registrations from \$20 to \$10, with an extension of the grace period from seven to 30 days.

Public Works Commission

Funding for local infrastructure projects administered by PWC has reverted to typical levels in recent years after large infusions of cash from the Highway Operating Fund under H.B. 554, the Jobs Stimulus Bill that was enacted in the summer of 2008. In

FY 2014 and FY 2015, the transportation budget act appropriates approximately \$52.3 million per year for the Local Transportation Improvement Program (LTIP). However, some funds remaining from the stimulus transfers continue to be carried over for disbursements related to ongoing projects.

Development Services Agency

Finally, the transportation budget act continues the Development Services Agency's Roadwork Development Grant Program with funding of \$15.2 million in each fiscal year of the FY 2014-FY 2015 biennium. Local governments, port authorities, transportation improvement districts, and companies may apply for these grants to make public road and highway improvements that benefit economic development.

Appropriations for FY 2014-FY 2015

The transportation budget act provides funding of \$3.7 billion in FY 2014 and \$3.9 billion in FY 2015, for a total of \$7.6 billion over the biennium. Overall, this is an increase of approximately 1.3% from the FY 2012-FY 2013 estimated expenditures of \$7.5 billion.

Appropriations by Agency and Fund Group

Specifically, the budget appropriates \$6.1 billion for ODOT, accounting for 80.3% of the funding in the act. DPS funding of \$1.3 billion makes up a further 17.1% of the total recommended. Finally, the outlay for PWC and DSA amounts to \$136.8 million, or 1.8% of the funding included in the transportation budget act. The funding enacted in H.B. 51 is detailed by agency and fund in the table below.

FY 2014-FY 2015 Transportation Budget by Department and Fund Group			
Fund Group	FY 2013* Estimated Expenditures	FY 2014 Appropriation	FY 2015 Appropriation
Department of Transportation			
Highway Operating Fund Group	\$2,655,418,393	\$2,787,780,255	\$2,904,586,567
Highway Capital Improvement Fund Group	\$91,600,000	\$100,294,652	\$119,617,631
Infrastructure Bank Obligations Fund Group	\$98,000,000	\$96,092,215	\$97,000,000
State Special Revenue Fund Group	\$3,495,800	\$3,495,800	\$3,495,800
Subtotal	\$2,848,514,193	\$2,987,662,922	\$3,124,699,998
Department of Public Safety			
State Highway Safety Fund Group	\$490,381,271	\$515,450,460	\$517,434,364
Federal Special Revenue Fund Group	\$141,478,565	\$133,322,715	\$133,767,715
State Special Revenue Fund Group	\$15,157,224	\$15,049,767	\$15,039,767
General Services Fund Group	\$16,700,128	\$6,000,946	\$5,975,946
Holding Account Redistribution Fund Group	\$2,235,000	\$2,235,000	\$2,235,000
Agency Fund Group	\$1,500,000	\$1,500,000	\$1,500,000
Liquor Control Fund Group**	\$11,000,000	\$0	\$0
Subtotal	\$678,452,188	\$673,558,888	\$675,952,792

FY 2014-FY 2015 Transportation Budget by Department and Fund Group			
Fund Group	FY 2013* Estimated Expenditures	FY 2014 Appropriation	FY 2015 Appropriation
Public Works Commission			
Local Transportation Improvements Fund Group	\$221,825,485	\$52,292,526	\$52,296,555
Local Infrastructure Fund Group	\$910,000	\$902,579	\$909,665
Subtotal	\$222,735,485	\$53,195,105	\$53,206,220
Development Services Agency			
State Special Revenue Fund Group	\$15,199,900	\$15,199,900	\$15,199,900
Subtotal	\$15,199,900	\$15,199,900	\$15,199,900
Total All Budget Fund Groups	\$3,764,901,766	\$3,729,616,815	\$3,869,058,910

* FY 2013 figures represent estimated expenditures.

** The budget eliminates the Investigative Unit's funding from the Liquor Control Fund Group and, instead, funds the Unit via the GRF in the main operating appropriations bill.

Department of Transportation

The Department of Transportation's transportation budget appropriation is just under \$2.99 billion for FY 2014, an increase of \$139.1 million (4.9%) over estimated FY 2013 expenditures of \$2.85 billion. The FY 2015 appropriation is \$3.12 billion, an increase of \$137.0 million (4.6%) over the amount appropriated for FY 2014. Programs related to highway construction and maintenance account for over 90% of the enacted funding. The remaining portion is directed toward planning and research, public transit, rail, aviation, and administrative programs.

Department of Public Safety

The Department of Public Safety's budget for FY 2014 totals \$673.6 million, a decrease of approximately \$4.9 million, or 0.7%, from the total FY 2013 adjusted appropriation of \$678.5 million. For FY 2015, the Department receives appropriations that total \$676.0 million, an increase of \$2.4 million, or 0.4% above the FY 2014 recommendation. The primary reason for the decrease from FY 2013 to FY 2014 is due to the elimination of the funding that DPS receives from the Liquor Control Fund (Fund 7043) for the Investigative Unit's operating expenses. To make up for this loss, the Unit will be funded via GRF. This GRF line item can be found in the main operating appropriations bill.

Public Works Commission

The Public Works Commission's budget is \$53.2 million per year over the biennium. Almost all of this amount provides grants to local governments for road and bridge projects using revenue received from one cent per gallon of the state motor fuel tax. These funds will support program years 27 and 28 of the Local Transportation Improvement Program.

Development Services Agency

The transportation budget provides approximately \$15.2 million in each fiscal year for the Development Services Agency's Roadwork Development Fund. This is the same level of funding the program received in the previous transportation budget act. The grants are available to businesses and political subdivisions for road improvements that retain and attract business in Ohio. The source of funding is transfers from ODOT's Highway Operating Fund. As of May 2013, the Controlling Board has approved 25 Roadwork Development Grants for a total of \$11.3 million from FY 2013 funds.

Other Provisions

Commercial Activity Tax Revenue from Sales of Motor Fuel

The transportation budget creates a new fund, the Commercial Activity Tax Motor Fuel Receipts Fund, in the state treasury, to receive commercial activity tax (CAT) receipts that are attributable to motor fuel used for propelling vehicles on public highways, including receipts collected between December 7, 2012 and June 30, 2013. Under the act, taxpayers who file a CAT return are required to indicate on the return the portion of the taxpayer's receipts derived from motor fuel used for propelling vehicles on public highways and pay the full amount of such tax due on those receipts. The act requires the Tax Commissioner to notify taxpayers of the requirement to identify CAT taxable gross receipts that are attributable to motor fuel separately from other CAT taxable gross receipts collected between December 7, 2012 and June 30, 2013. The budget specifies that CAT taxpayers reporting taxable gross receipts attributable to motor fuel used for propelling vehicles on public highways may not utilize the statutory-based estimation procedure.

The act requires the Tax Commissioner to certify to the Director of Budget and Management, on or before June 25, 2013, an estimated amount of CAT revenue derived from taxable gross receipts that are attributable to motor fuel used for propelling vehicles on public highways received for the period between December 7, 2012 and June 30, 2013. The act also requires the Director of Budget and Management, upon such certification, to transfer the certified amount from the GRF to the Commercial Activity Tax Motor Fuel Receipts Fund on or before June 30, 2013. The budget specifies that the Director must reconcile any difference from the estimate, once the actual receipts from such sales have been reported, and offset or augment the transfer accordingly, on or before November 20, 2013. Regular quarterly deposits of CAT receipts attributable to motor fuel begin in FY 2014, and are to be made by the 20th day of February, May, August, and November.

This provision would change the allocation of CAT receipts attributable to gross receipts from the sale of motor fuel used for propelling vehicles on public highways, an amount that has been estimated at about \$140 million per year. The actual amount will

vary, depending on motor fuel prices and consumption. The amount would be credited to the newly created fund, the Commercial Activity Tax Motor Fuel Receipts Fund. The act does not specify how money in the fund will be distributed. This provision reduces amounts allocated to the GRF by half of the amount of the change, or approximately \$70 million per year. The other funds that will experience a revenue decrease are the School District Tangible Property Tax Replacement Fund (Fund 7047, which receives 35% of revenue from the CAT), and the Local Government Tangible Property Tax Replacement Fund (Fund 7081, which receives the remaining 15% of CAT revenue). Funds 7047 and 7081 reimburse school districts and political subdivisions for the phase out of the general business tangible personal property tax. School districts and political subdivisions receive set amounts from these funds, and if revenue to Fund 7047 or 7081 is insufficient to make the required payments, payments from the GRF are required.

Department of Natural Resources

Termination of Cleveland Lakefront State Park Lease

H.B. 51 provides the Department of Natural Resources (DNR) with \$14.0 million in GRF moneys to facilitate the mutual termination of a lease agreement between DNR and the city of Cleveland for the various parks and facilities that comprise the Cleveland Lakefront State Park. The act requires these funds to be used to operate and conduct necessary upgrades to these facilities until control of the parks is transferred back to the city of Cleveland.

Capital Appropriations for Dam Rehabilitation

H.B. 51 provides an additional \$30.0 million in capital funds to DNR for high-priority dam rehabilitation projects. In so doing, the act increases the appropriation to line item C725M0, Dam Rehabilitation, from \$10.0 million to \$40.0 million for the remainder of the FY 2013-FY 2014 capital biennium. DNR will use these funds to perform necessary work to ensure the safety and structural integrity of publicly owned dams throughout the state.

Casino Control Commission

H.B. 51 amends Section 10 of H.B. 386 of the 129th General Assembly to defer payments scheduled for December 31, 2012, and June 30, 2013, from the Casino Operator Settlement Fund (Fund 5KT0) to municipal corporations or townships where the state's seven commercial horse racetracks are located, excluding those in Franklin County. The act instead requires the first payments to be made within three months after receipt of cash into this fund, and requires the second payments to be made within six months after the first payments. These payments are contingent on availability of sufficient cash in the Casino Operator Settlement Fund. The amount of each payment is

unchanged at \$1 million, and the delayed payments could total \$12 million since one of the two commercial racetracks in Franklin County is being relocated.

The Casino Operator Settlement Fund is to receive any money paid to the state by casino operators in excess of licenses and fees required by Chapter 3772. of the Revised Code or by Section 6(C) of Article XV of the Ohio Constitution, and in excess of any taxes required by Title 57 of the Revised Code. Summaries released by the Governor's office in June 2011 indicate that agreements with Penn National Gaming and Rock Ohio Caesars provide for payments from each of these companies in excess of the required license fees. These additional payments total \$110 million from each company over ten years. No money has yet been received by Fund 5KT0. The casino in Cincinnati, the last of the state's four casinos to begin operations, opened on March 4, 2013.

H.B. 386 of the 129th General Assembly also provided for payment of up to \$3 million to the previous community of each abandoned racetrack from which a permit holder relocated to a new facility. The payment is to be made from the Racetrack Facility Community Economic Redevelopment Fund (Fund 5LU0), administered by the Development Services Agency. Fund 5LU0 is to receive funds transferred from the Racetrack Relocation Fund (Fund 5MG0), set up to receive money paid by horse racing permit holders to relocate.

H.B. 51 amends these provisions by specifying that if a municipal corporation or township loses a racetrack after receiving either of the payments from the Casino Operator Settlement Fund, as a result of the racetrack permit holder's decision to relocate, the maximum payment to the municipal corporation or township from the Racetrack Facility Community Economic Redevelopment Fund is capped at \$3 million minus the total amount of the payments already received from the Casino Operator Settlement Fund. In addition, that municipal corporation or township becomes eligible for the payment from the Racetrack Facility Community Economic Redevelopment Fund after all of the communities that have already lost a racetrack at the time the first payments from the Casino Operator Settlement Fund are made have each been awarded up to \$3 million for the loss of such racetracks.

Ohio State Racing Commission

The act allows the Ohio State Racing Commission, through December 31, 2013, to issue a temporary permit to conduct live horse racing meetings at a location where other permits to conduct live horse racing meetings have been issued. The time period of such permits is not to aggregate more than one year from the first date. The Commission is allowed to adopt rules, procedures, and conditions to apply for such a permit. A temporary permit holder issued a permit during calendar year (CY) 2013 may

apply for a video lottery license and televise simulcasts of horse races at the location where the holder was previously issued a permit to conduct live horse racing meetings.

These provisions were enacted to allow the permit holder for racing at River Downs, near Cincinnati, to conduct its 2013 live racing season at the Beulah Park track located in Grove City. These races are to be run from May 19 through September 23. The racing facility at River Downs is currently being rebuilt to include a racino where video lottery terminal gaming will take place. This new facility is expected to be completed in 2014. Beulah Park's 2013 live racing season ran from January through early May and is scheduled to resume in November and December, so it does not conflict with the use of its track during May through September by the River Downs permit holder.

The Commission did not charge or receive any fees from the transfer of River Downs dates to Beulah Park. Additional taxes on wagering will accrue from the added days of live racing at Beulah Park, but the increased amount of tax revenue is expected to be small. These taxes will be distributed to the Nursing Home Franchise Permit Fee Fund (Fund 5R20) for support of the PASSPORT program; to two funds used by the Racing Commission, the Ohio Thoroughbred Race Fund (Fund 5620) and the State Racing Commission Operating Fund (Fund 5650); to the Ohio Fairs Fund (Fund 7083) for distribution by the Director of Agriculture; and to Grove City.

Department of Transportation

- Total biennial budget of over \$6.1 billion with focus on system preservation
- Authorizes ODOT to apply for funding from the Ohio Turnpike for certain eligible infrastructure projects

OVERVIEW

Agency Overview

The Ohio Department of Transportation (ODOT) plans, designs, constructs, and maintains the state's network of highways and bridges and provides financial and technical assistance to the state's public transit systems, general aviation airports, and railways. ODOT's primary funding sources include state and federal motor fuel taxes and bonds, the proceeds of which are appropriated in the transportation budget bill. The Department also receives a small portion of its funding from the GRF for nonhighway programs, such as rail, transit, and aviation; these GRF appropriations are provided in the main operating budget bill. ODOT is the state's second largest agency in terms of employees by headcount, with a staff of approximately 5,600 located in 12 districts throughout the state, as well as a central office in Columbus.

Appropriation Overview

As shown in Table 1 below, ODOT's budget under H.B. 51 is approximately \$2.99 billion in FY 2014, a \$139.1 million (4.9%) increase from estimated FY 2013 spending of \$2.85 billion. The total FY 2015 appropriation is \$3.12 billion, an increase of \$137.0 million (4.6%) over the FY 2014 appropriation. The Highway Operating Fund Group provides about 93% of the operating and capital support for the agency's programs in each year of the biennium. The next largest funding sources are state and federal bond proceeds in the Highway Capital Improvement Fund and Infrastructure Bank Obligations Fund. Lastly, the State Special Revenue Fund Group supports rail and aviation projects.

Table 1. Appropriations by Fund Group, FY 2014-FY 2015					
Fund Group	FY 2013*	FY 2014	% Change, FY 2013-FY 2014	FY 2015	% Change, FY 2014-FY 2015
Highway Operating	\$2,655,418,393	\$2,787,780,255	5.0%	\$2,904,586,567	4.2%
Hwy. Capital Improvement	\$91,600,000	\$100,294,652	9.5%	\$119,617,631	19.3%
Infrastr. Bank Obligations	\$98,000,000	\$96,092,215	-2.0%	\$97,000,000	0.9%
State Special Revenue	\$3,495,800	\$3,495,800	0.0%	\$3,495,800	0.0%
TOTAL	\$2,848,514,193	\$2,987,662,922	4.9%	\$3,124,699,998	4.6%

* FY 2013 figures represent estimated expenditures.

Funding Distribution

By Functional Category

As shown in Table 2 below, the vast majority of ODOT's budget continues to be dedicated to highway construction, comprising 92.8% of appropriations over the biennium. Other categories of spending include program management, planning and research, public transportation, rail transportation, and aviation.

Table 2. FY 2014-FY 2015 Budget by Functional Category (in millions)				
Functional Category	FY 2014	FY 2015	Biennium Total	% of Total Budget
Highway Transportation	\$2,768.7	\$2,903.7	\$5,673.4	92.8%
Administration	\$91.2	\$92.5	\$183.7	3.0%
Public Transportation	\$53.8	\$53.8	\$107.6	1.8%
Planning and Research	\$50.0	\$50.7	\$100.7	1.6%
Rail Transportation	\$17.0	\$17.0	\$34.0	0.6%
Aviation	\$6.9	\$7.0	\$13.9	0.2%
TOTAL	\$2,987.7	\$3,124.7	\$6,112.4	100.0%

Figures may not add to totals due to rounding.

The Transportation Budget in Context

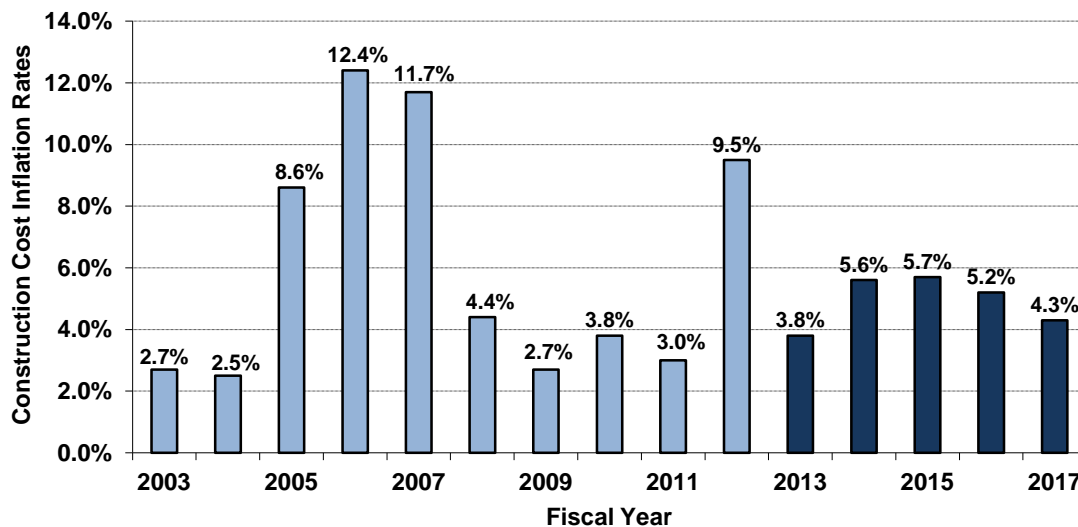
The major factors that affect the development of the transportation budget are construction cost inflation, state motor fuel tax revenue growth, and federal investments. The Department currently operates based on a "fix it first" policy, emphasizing the maintenance of existing highway infrastructure over "Major New" construction. Put another way, ODOT prioritizes its spending so that after it pays for debt service and routine operations, it prioritizes system preservation, safety, and federal funds for local projects over funding for projects that add system capacity or reduce congestion.

In addition to these factors, in the FY 2012-FY 2013 biennium, ODOT began exploring nontraditional means of developing and financing transportation projects. H.B. 114 of the 129th General Assembly, the FY 2012-FY 2013 transportation budget, authorized ODOT to enter into public-private partnerships (P3s) to augment public funding and leverage private investment in the state's transportation system. As a result, ODOT created the Division of Innovative Delivery to develop the use of P3s for "Major New" highway projects and other initiatives, and is actively developing such arrangements for the Portsmouth Bypass project and the second phase of the I-90 Cleveland Innerbelt Bridge replacement project. These initiatives are described in further detail below under the heading "**Division of Innovative Delivery.**"

Highway Construction Cost Inflation

As shown in Chart 1 below, construction cost inflation has fluctuated substantially over the last decade. After lower annual rates of inflation between FY 2008 and FY 2011 due to the recession's effect on demand for construction commodities and energy prices, inflation increased again in FY 2012, affecting ODOT's purchasing power. While the lower inflation in the latter part of the decade of the 2000s allowed more projects to be funded than originally planned, inflation in FY 2012 partially contributed to rising costs for certain maintenance activities as well as the delay of certain Major New highway construction projects. The primary drivers of this increase in costs, according to ODOT's Bid Analysis and Review Team, are rising energy costs and increasing contractor margins resulting from greater competition for bids among fewer contractors. However, ODOT expects inflation rates to moderate in FY 2013 and begin growing slightly through the middle of the decade before declining somewhat by FY 2017. ODOT's July 2012 Construction Cost Outlook and Forecast, released at the end of FY 2012, anticipates steady inflation of 4.0% after FY 2017.

Chart 1: Construction Cost Inflation Rates, FY 2003-FY 2017

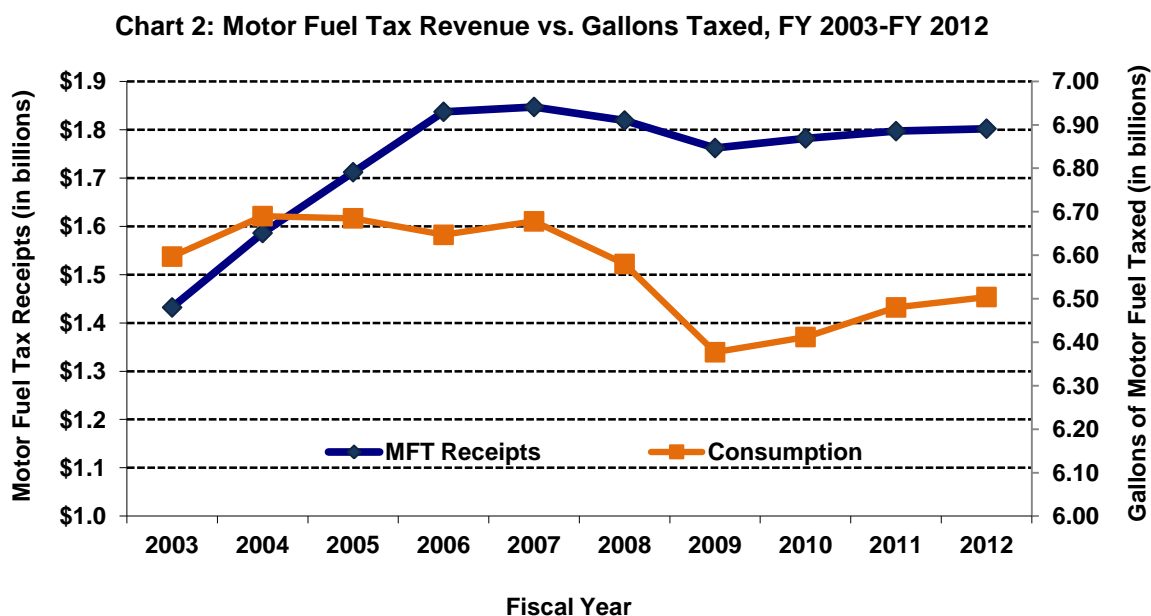


State Motor Fuel Tax Revenues

Modest Upswing in State Motor Fuel Tax Receipts

Receipts from the 28-cent-per-gallon state motor fuel tax (MFT), the principal source of state revenue to ODOT, have rebounded modestly in recent years after having declined between FY 2007 and FY 2009. Net MFT receipts (the amount collected by the state after refunds) grew by 2.3% between FY 2009 and FY 2012. According to data from the Ohio Department of Taxation (TAX), FY 2012 net MFT revenue was \$1.80 billion, 0.3% above FY 2011 receipts and the highest amount collected since FY 2008. However, this amount is still shy of the record \$1.85 billion received from the tax during FY 2007.

Chart 2 below illustrates the change in MFT receipts and motor fuel consumption over the past ten fiscal years, since FY 2003, based on MFT collection reports compiled by TAX. The large increase from FY 2004 to FY 2006 is due to the cumulative six-cent increase in the MFT in those years, bringing it up to the current level of 28 cents per gallon. Meanwhile, the number of gallons of fuel taxed remained relatively steady from FY 2004 through FY 2007 before decreasing sharply in FY 2008 and FY 2009 due to higher fuel prices and the economic slowdown. Since then, consumption has generally tracked with MFT receipts, showing modest gains starting in FY 2010. Most recently, MFT was collected on just over 6.50 billion gallons of fuel in FY 2012, up 0.4% from the 6.48 billion gallons taxed in FY 2011.



Some of the growth in fuel consumption and, by extension, MFT receipts can likely be attributed to increasing employment and the ongoing economic recovery at the national and state levels. However, the increase in MFT receipts in FY 2012 did not outpace the inflation of construction costs in that year, and MFT revenue growth overall is somewhat tempered by similarly modest growth in fuel consumption, reflecting more stringent fuel efficiency standards for new vehicles. ODOT is forecasting continued MFT revenue growth of 1% annually in FY 2014 and FY 2015, slightly higher than the flatter increases seen in the last two fiscal years. According to the state's accounting system, the tax has provided roughly \$830 million to \$925 million in revenue for ODOT in recent fiscal years after accounting for certain draws of motor fuel tax funds distributed to local governments and certain state agencies. Changes in MFT revenue not only impact ODOT programs, but also have a ripple effect on the other recipients of the MFT, such as local governments and other state agencies like the Public Works

Commission, which operates the Local Transportation Improvement Program using one cent per gallon of the MFT.

Uncertainty of Federal Funding

In addition to the state motor fuel tax, ODOT relies heavily upon its share of the federal motor fuel tax, which taxes gasoline at 18.4 cents per gallon and diesel at 24.4 cents per gallon. These taxes are deposited into the federal Highway Trust Fund (HTF) and apportioned to the states. Ohio received approximately \$1.6 billion of these funds in FY 2012. However, there is much uncertainty regarding the sustainability of federal highway funding that results from a number of factors. First, federal gas tax receipts in the Trust Fund have been declining in recent years due to a variety of factors, including more fuel-efficient vehicles and a reduction in the number of vehicle miles traveled. Additionally, HTF revenue has not been sufficient to support the Trust Fund's spending levels, which has necessitated transfers from the federal general fund totaling \$36.1 billion¹ and the federal Leaking Underground Storage Tank Trust Fund totaling \$2.4 billion² since federal fiscal year (FFY) 2008. Finally, recent federal legislation authorizing funding for surface transportation has been enacted only on a short-term basis. The previous reauthorization bill, the Safe Accountable Flexible Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU), expired on September 30, 2009. Since then, Congress enacted ten short-term reauthorizations of SAFETEA-LU until July of 2012, when it passed the Moving Ahead for Progress in the 21st Century Act (MAP-21). MAP-21 authorizes federal highway funds for two fiscal years, basing state apportionments on the most recent amounts apportioned under the SAFETEA-LU extensions. MAP-21 keeps Ohio's share of federal funding relatively flat in FFYs 2013 and 2014, at about \$1.3 billion in each year. However, because MAP-21 does not authorize federal transportation funding beyond FFY 2014, ODOT assumes 0% growth in federal revenues beyond that point, until a longer-term federal reauthorization is enacted.

Division of Innovative Delivery

A major initiative undertaken by ODOT in the FY 2012-FY 2013 biennium involved the creation of the Division of Innovative Delivery to coordinate public-private partnerships (P3s) and revenue-generating activities, as authorized in the previous transportation budget bill (H.B. 114 of the 129th General Assembly). These projects take the form of long-term highway construction projects financed through P3s

¹ \$8.02 billion transferred in FFY 2008 pursuant to P.L. 110-318, \$7.17 billion transferred in FFY 2009 pursuant to P.L. 111-46, \$14.70 billion transferred in FFY 2010 pursuant to P.L. 111-147, and \$2.40 billion transferred in FFY 2012 and \$6.20 billion transferred in FFY 2013 pursuant to P.L. 112-141.

² \$2.4 billion transferred in FFY 2012 pursuant to P.L. 112-141.

or other initiatives intended to generate revenue or savings for the Department. Among the activities of the Division have been investigations into ODOT's ability to develop rest areas on noninterstate highways into commercial service plazas and the exploration of advertising and marketing initiatives surrounding ODOT assets. Major P3 projects being pursued are the second phase of the Cleveland Innerbelt Bridge replacement project on I-90 over the Cuyahoga River and the Portsmouth Bypass project in Scioto County. Additionally, ODOT is exploring other possible opportunities for future development, such as the Brent Spence Bridge in Cincinnati, the Opportunity Corridor and Innerbelt Corridor in Cleveland, and a statewide managed lanes study that would investigate the feasibility of such projects as high-occupancy vehicle lanes and tolling lanes on certain highways.

Budget Highlights

Use of Turnpike Revenues for Major New Infrastructure Projects

The transportation budget act allows ODOT to apply to the newly renamed Ohio Turnpike and Infrastructure Commission for funding to support eligible infrastructure projects, as determined by the Commission in administrative rules. This arrangement, along with expanded bonding authority granted to the Commission in the bill, will allow for a new stream of financing for select projects that meet certain conditions and that have a transportation-related nexus to the Ohio Turnpike, and will additionally allow for increased flexibility for the use of toll revenues for Turnpike-related projects. The act provides for the Commission to set up one or more new infrastructure funds to collect the proceeds of revenue bonds it issues for infrastructure projects, which will be used to finance the ODOT projects it approves for funding. Infrastructure project bonds will be retired using future toll income.

In order to be eligible for funding from the Turnpike and Infrastructure Commission, ODOT projects must first be approved by the Transportation Review Advisory Council (TRAC), then recommended to the Commission by the Director of Transportation, and finally approved by the Commission itself. This will add a final step to the process for any Major New project that meets the conditions for funding from Turnpike bond proceeds. The transportation budget also creates a new line item within the Highway Operating Fund (Fund 7002) for these purposes. Appropriation item 772425, Highway Construction – Turnpike, is provided total funding of \$500 million over the course of the FY 2014-FY 2015 biennium. Funding is set at \$200 million in FY 2014 and \$300 million in FY 2015, substantially increasing the amount available for projects on TRAC's Major New project list.

Toll Enforcement under Public-Private Partnerships

H.B. 51 makes changes to the Revised Code relative to ODOT's relationship with private entities with which it enters into P3s. Particularly, if ODOT enters into a

public-private partnership that allows for the collection of tolls on a transportation facility, ODOT will be permitted to adopt rules providing for enforcement of toll payments by assessing certain penalties against motorists who evade tolls. ODOT will also be permitted to assess civil penalties against violators, which would be considered revenue of the Department or the private operator, as applicable under rules and P3 agreements. The act also provides for criminal penalties, which will be credited to the GRF, the Trauma and Emergency Medical Services Fund (Fund 83M0) used by the Department of Public Safety, and local governments, depending on where the prosecution takes place.

Bonding in the Highway Construction Program

In addition to state motor fuel tax funds and federal highway program revenues, ODOT also receives proceeds from bond issuances in order to finance highway construction projects. The transportation budget provides the appropriations necessary to spend these proceeds. Overall, H.B. 51 provides total bond appropriations of \$413.1 million over the FY 2014-FY 2015 biennium. This is \$141.5 million (52.1%) greater than the \$271.6 million in combined bond appropriations for FY 2012 and FY 2013. There are two types of bonds that are issued on behalf of ODOT: state highway bonds, which are retired with state motor fuel tax revenues, and federal grant anticipation revenue vehicle (GARVEE) bonds, which are retired primarily with federal highway program revenues. For each type of bond, the sections below briefly discuss the amount of FY 2014-FY 2015 bond appropriations included in the transportation budget.

State Highway Bonding

The budget provides the authority to issue up to \$220 million in state highway bonds over the FY 2014-FY 2015 biennium. This is a 78.9% increase in bonding authority over the \$123 million provided for in the FY 2012-FY 2013 biennium, and is equal to the maximum amount of highway bonds allowed by the Ohio Constitution in any single fiscal year. Under H.B. 51, about three-quarters of state highway bond proceeds in the FY 2014-FY 2015 biennium are directed toward pavement and bridge preservation, while the remainder is dedicated to Major New construction projects. The debt service on state highway bonds will total approximately \$150.8 million in FY 2013. FY 2014 appropriations for this purpose are \$127.1 million. ODOT maintains a policy of dedicating no more than 20% of state revenue to debt service on these bonds. According to the Department's FY 2012 annual report, the debt service on state highway bonds has decreased every year since FY 2009, dropping from 17.0% in that year to 11.6% in FY 2012.

GARVEE Bonding

H.B. 51 provides GARVEE bond appropriations of \$193.1 million over the biennium. All GARVEE bond appropriations will be programmed toward pavement

and bridge preservation projects for the FY 2014-FY 2015 biennium. The debt service on GARVEE bonds is paid out of the Highway Operating Fund (Fund 7002) and amounted to \$152.2 million (16.3% from state gas tax funds and 83.7% from federal gas tax funds) in FY 2012. FY 2013 appropriations for this purpose are \$205.7 million (21.6% state and 78.4% federal). Similar to the policy on state debt service costs, ODOT's policy is to have no more than 20% of federal revenue dedicated to GARVEE bond debt service. Such debt service amounted to 11.1% of federal revenues in FY 2012.

State Debt

To provide perspective on the bonding picture, as of January 31, 2013, ODOT had outstanding debt (principal and interest) of nearly \$2.4 billion. Table 3 below displays the total outstanding debt on both state bonds and GARVEE bonds.

Table 3. Total ODOT Outstanding Debt (in millions)			
	Principal	Interest	Total
GARVEE Bonds	\$990.8	\$207.3	\$1,198.1
State Highway Bonds	\$817.5	\$214.2	\$1,031.7
TOTAL	\$1,808.3	\$421.5	\$2,229.8

Force Account Changes

The budget makes changes to the law regarding ODOT's use of force accounts (that is, its ability to perform certain work without having to competitively bid for a third-party contractor) for highway, bridge, and traffic control signal maintenance projects. H.B. 51 generally narrows the scope of work for projects that use force accounts by applying them to projects for which the size or amount of materials used fall below certain thresholds, and if the overall costs fall below \$30,000 per centerline mile of highway, exclusive of traffic control signals, or \$60,000 for any traffic control signal or any other project. This differs from the \$50,000 cost threshold for any project under the previous law. By narrowing the scope of work for force account projects and setting thresholds tailored to specific types of eligible projects, ODOT could reduce its own direct labor, materials, and equipment costs for these smaller-scale projects. Conversely, this provision could have the effect of increasing the amount ODOT spends on contracting for certain smaller projects that exceed the cost thresholds and scope of work established in the transportation budget act. The overall fiscal effect will depend on the number of such projects that are engaged in by ODOT.

Speed Limit Changes

H.B. 51 raises the speed limit on rural interstate highways from 65 to 70 miles per hour, and also authorizes the Director of Transportation to increase the speed limit on rural two-lane highways from 55 to 60 miles per hour if deemed appropriate based on

the results of a geometric and traffic characteristic study. This provision would not impose substantial new costs on ODOT beyond the costs of replacing speed limit signs in the locations where the limits are being increased. These costs would likely represent a minimal impact to the Highway Operating Fund (Fund 7002).

Regional Heavy Hauling Permits

The transportation budget act creates new special regional heavy hauling permits to be issued by both ODOT and local authorities. These permits would be issued to approved vehicles or combinations of vehicles that (1) exceed legal maximum weight or load limits or are otherwise not in conformity with certain motor vehicle and traffic laws, (2) operate on any highway except those highways with a condition insufficient to bear the weight of the vehicle or vehicles, and (3) make regional trips of 150 miles or less from the applicant's point of origin. ODOT and local governments are authorized to charge fees for these permits, including a fee of up to \$100 for triple trailer units where such vehicles are authorized under federal law. Fees collected by ODOT will be deposited into the Highway Operating Fund, while local jurisdictions will determine how those fees will be deposited.

Changes to Public Bid Advertising Requirements

Previously, before entering into a construction contract, ODOT was required to advertise for bids for two weeks in a newspaper of general circulation in the county in which all or part of the construction was to occur. The budget modifies this requirement by permitting ODOT, after the first advertisement has been published, to publish an abbreviated second advertisement. This potentially reduces the Department's costs of advertising for construction bids.

Roadwork at State Historic Sites

The budget allows ODOT to perform roadwork on behalf of the Ohio Historical Society (OHS), including reconstruction or maintenance of public access roads at OHS facilities. Funding for these activities is to come from Highway Operating Fund (Fund 7002) appropriation item 772421, Highway Construction – State. This provision is comparable to continuing provisions that allow ODOT to perform similar roadwork at Department of Natural Resources' facilities or the state fairgrounds at the Ohio Expo Center.

Contractor Performance Bond Changes

Under prior law, ODOT contractors were required to post a performance bond for 100% of the estimated cost of the work they were to perform. H.B. 51 changes this requirement so that the bond must be for 100% of the amount of the contract. This potentially reduces the amount of the performance bond some contractors will pay if the contract amount is less than the estimated cost of the work.

Selected Continuing Provisions with Fiscal Effects

Use of Flexible Federal Funds for Public Transit Assistance

For FY 2014 and FY 2015, ODOT will continue to use \$20 million per year in flexible federal highway dollars to further assist transit agencies. Of this amount, \$6 million per year will be distributed to transit systems by formula while the remaining \$14 million per year will be competitively awarded to fund replacement of transit vehicles that are beyond their useful lives, capitalized operating expenses (e.g., preventive maintenance, tires, and fuel), and facility rehabilitation and renovation.

Evaporation Discount for Fuel Dealers/Retailers

The Ohio Revised Code requires motor fuel dealers to report and pay the MFT on the number of gallons of taxable fuel handled. Statutorily, motor fuel dealers are allowed to subtract 3% of those gallons as an allowance for shrinkage (except that only 2% could be claimed for fuel sold to a retail dealer) while retail dealers of motor fuel are permitted to apply for a refund under the tax base of 1% of the gallons that they handle on which tax has been paid.

Recent budgets have temporarily reduced the amount of this credit. H.B. 51 continues this for the FY 2014-FY 2015 biennium by setting the shrinkage allowance at the same amount authorized in the FY 2012-FY 2013 transportation budget. This allows wholesalers to subtract 1.0% of those gallons as an allowance for shrinkage minus 0.5% on gallons sold to retailers, while retail dealers, with some exceptions, may apply for a refund of 0.5% of the gallons that they handle. Retail dealers in motor fuel do not pay the MFT directly, but they purchase fuel from wholesalers who have paid the tax. The price that retailers pay to wholesalers therefore includes the MFT.

Deputy Inspector General for ODOT Fund

H.B. 51 authorizes the transfer of a total of \$400,000 in cash per fiscal year from the Highway Operating Fund (Fund 7002) in \$200,000 semiannual payments to the Deputy Inspector General for ODOT Fund (Fund 5FA0). If additional amounts are necessary to fund the Deputy Inspector General's operations, the bill specifies that the Inspector General, with the consent of the Director of OBM, may seek Controlling Board approval for additional transfers of cash and appropriations. The cash transfers are appropriated in line item 965603, Deputy Inspector General for ODOT, which falls under the Office of the Inspector General's section of the main operating budget.

Transfers and Reappropriations

The act includes several continuing provisions of temporary law that provide for the transfer of appropriations and cash in the Highway Operating Fund and other funds, including the reappropriation of unspent amounts. The Director of Budget and Management, subject to Controlling Board approval, may (1) approve requests for the

transfer of appropriations between various line items within the Highway Operating Fund (Fund 7002) to cover unforeseen costs and optimize the use of federal funds, (2) transfer appropriations and cash between various State Infrastructure Bank funds and line items, (3) transfer appropriations and cash from the Highway Operating Fund to the State Infrastructure Bank funds subject to certain requirements, and (4) transfer appropriations and cash of the Ohio Toll Fund and any subaccounts created within the Ohio Toll Fund. The Director may request the Controlling Board to increase appropriations out of the Highway Operating Fund in the event that revenues or apportionments or allocations from the federal and local governments exceed estimates. Finally, the act specifies that appropriations of the Highway Operating Fund (Fund 7002), the Highway Capital Improvement Fund (Fund 7042), and the State Infrastructure Bank funds remaining unencumbered at the end of FY 2013 and FY 2014 be reappropriated for the same purposes in FY 2014 and FY 2015, respectively, subject to the approval of the Director of Budget and Management.

Monthly Transfers to Gasoline Excise Tax Fund

This provision requires the Director of Budget and Management to transfer cash in equal monthly increments totaling \$171.7 million in FY 2014 and in equal monthly increments totaling \$173.9 million in FY 2015 from the Highway Operating Fund (Fund 7002) to the Gasoline Excise Tax Fund (Fund 7060). Municipal corporations receive 42.86%, counties receive 37.14%, and townships receive 20% of the revenues from this source. These are modest increases over the \$170.4 million designated for transfer in FY 2013.

ODOT Environmental Reviews

The bill permits the Director of ODOT to enter into agreements with an agency of the United States government for the purposes of dedicating staff to the review of environmentally related documents submitted by ODOT that are necessary for the approval of federal permits. The Director of ODOT is required to submit a request to the Controlling Board indicating the amount of the agreement, the services to be performed by the federal agency, and the circumstances giving rise to the agreement. This provision allows ODOT to maintain agreements with federal agencies to assist in expeditious environmental reviews, potentially limiting project delays. Similar language authorizing these state-federal agreements exists in the current transportation budget.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of the appropriations for each non-GRF appropriation item in ODOT's budget for the FY 2014-FY 2015 biennium under H.B. 51. (The Department's GRF appropriations are provided in the main operating budget bill.) In this analysis, ODOT's line items are grouped into six major categories. For each category a table is provided listing the enacted appropriation in each year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes in H.B. 51 that affect this funding. If the appropriation is earmarked, the earmarks are listed and described. The six categories used in this analysis are as follows:

1. Highway Construction
2. Transportation Planning and Research
3. Public Transportation
4. Rail Transportation
5. Aviation
6. Administration

To aid the reader in finding each item in the analysis, the following table shows the category into which each appropriation has been put, listing the line items in order within their respective fund groups and funds. This is the same order the items appear in the transportation budget act.

Table 4. Categorization of ODOT's Line items for Analysis of Enacted Budget				
Fund	ALI	ALI Name	Category	
Highway Operating Fund Group				
2120	772426	Highway Infrastructure Bank – Federal	1:	Highway Construction
2120	772427	Highway Infrastructure Bank – State	1:	Highway Construction
2120	772430	Infrastructure Debt Reserve Title 23-49	1:	Highway Construction
2130	772431	Roadway Infrastructure Bank – State	1:	Highway Construction
2130	772433	Infrastructure Debt Reserve – State	1:	Highway Construction
2130	777477	Aviation Infrastructure Bank – State	5:	Aviation
7002	771411	Planning and Research – State	2:	Transportation Planning and Research
7002	771412	Planning and Research – Federal	2:	Transportation Planning and Research
7002	772421	Highway Construction – State	1:	Highway Construction
7002	772422	Highway Construction – Federal	1:	Highway Construction
			3:	Public Transportation
7002	772424	Highway Construction – Other	1:	Highway Construction
7002	772425	Highway Construction – Turnpike	1:	Highway Construction
7002	772437	GARVEE Debt Service – State	1:	Highway Construction
7002	772438	GARVEE Debt Service – Federal	1:	Highway Construction
7002	773431	Highway Maintenance – State	1:	Highway Construction
7002	775452	Public Transportation – Federal	3:	Public Transportation
7002	775454	Public Transportation – Other	3:	Public Transportation
7002	775459	Elderly and Disabled Special Equipment	3:	Public Transportation
7002	776462	Grade Crossings – Federal	4:	Rail Transportation
7002	777472	Airport Improvements – Federal	5:	Aviation
7002	777475	Aviation Administration	5:	Aviation
7002	779491	Administration – State	6:	Administration
State Special Revenue Fund Group				
4N40	776664	Rail Transportation – Other	4:	Rail Transportation
5W90	777615	County Airport Maintenance	5:	Aviation
Infrastructure Bank Obligations Fund Group				
7045	772428	Highway Infrastructure Bank – Bonds	1:	Highway Construction
Highway Capital Improvement Fund Group				
7042	772723	Highway Construction – Bonds	1:	Highway Construction

Category 1: Highway Construction

This category of appropriations includes the major sources of state and federal funding for the design, purchase of right-of-way, building, and rehabilitation of the highway system.

Appropriations for Highway Construction				
Fund	ALI and Name		FY 2014	FY 2015
Highway Operating Fund Group				
7002	772422	Highway Construction – Federal	\$1,065,253,182	\$1,063,145,274
7002	772421	Highway Construction – State	\$583,246,763	\$585,240,020
7002	773431	Highway Maintenance – State	\$457,665,521	\$470,006,152
7002	772425	Highway Construction – Turnpike	\$200,000,000	\$300,000,000
7002	772438	GARVEE Debt Service – Federal	\$136,039,500	\$138,027,800
7002	772424	Highway Construction – Other	\$80,000,000	\$80,000,000
7002	772437	GARVEE Debt Service – State	\$31,139,500	\$31,635,300
2120	772427	Highway Infrastructure Bank – State	\$10,350,000	\$10,350,000
2120	772426	Highway Infrastructure Bank – Federal	\$5,000,000	\$5,000,000
2130	772431	Roadway Infrastructure Bank – State	\$2,475,000	\$2,475,000
2130	772433	Infrastructure Debt Reserve – State	\$650,000	\$650,000
2120	772430	Infrastructure Debt Reserve Title 23-49	\$525,000	\$525,000
Highway Operating Fund Group Subtotal			\$2,572,344,466	\$2,687,054,546
Highway Capital Improvement Fund Group				
7042	772723	Highway Construction – Bonds	\$100,294,652	\$119,617,631
Highway Capital Improvement Fund Group Subtotal			\$100,294,652	\$119,617,631
Infrastructure Bank Obligations Fund Group				
7045	772428	Highway Infrastructure Bank – Bonds	\$96,092,215	\$97,000,000
Infrastructure Bank Obligations Fund Group Subtotal			\$96,092,215	\$97,000,000
Total Funding: Highway Construction			\$2,768,731,333	\$2,903,672,177

Highway Construction and Maintenance (772421, 772422, 772424, 772425, and 773431)

Summary

This group of five line items funds ODOT's highway construction and maintenance programs using a combination of state, federal, and local participation funds. Line items 772421, Highway Construction – State and 773431, Highway Maintenance – State use state motor fuel tax revenues. Line item 772422, Highway Construction – Federal, uses revenues from the federal motor fuel tax apportioned to the state by Congress, while line item 772424, Highway Construction – Other, uses local

participation dollars. Finally, H.B. 51 creates line item 772425, Highway Construction – Turnpike, to use revenues from the Ohio Turnpike's expanded bonding authority to fund eligible infrastructure projects.

Appropriation items 772421 and 772422 are the primary source of state and federal dollars for pavement and bridge preservation, local government road projects, Major New construction, road safety, special discretionary programs, construction and rehabilitation of public access roads, and construction of grade crossing separations. Appropriation item 772424 provides for local highway and bridge design, resurfacing, restoration, replacement, and upgrading; new construction; noise walls and barriers; and pedestrian and bicycle facilities. Appropriation item 773431 funds a portion of the Highway Operating Program, while the balance funds ODOT's maintenance contracts, both of which are discussed in greater detail below. Appropriation item 772425 will support infrastructure projects under the Major New program approved by the Transportation Review Advisory Council (TRAC) and the Ohio Turnpike and Infrastructure Commission.

This core collection of appropriations comprises the largest component of ODOT's budget, totaling approximately \$2.39 billion in FY 2014 and \$2.50 billion in FY 2015 when all five line items described above are aggregated, for an increase of 5.0% over the biennium. The majority of funding in these line items is devoted to system preservation and operating expenses. Other funds are dedicated to local government programs, highway maintenance contracts, safety programs, and other expenses. A portion of these funds also supports Major New construction, which covers projects that add new capacity to the state highway system, reduce congestion, or add highway connections, and that have costs of at least \$12 million per project.

Program Details

The five core highway construction and maintenance line items described above are allocated among nine general programs: Preservation of Pavement and Bridges, Highway Operating, Local Government Programs, Major New Construction, Safety Programs, Other Construction Programs, and Highway Maintenance Contracts. These programs are described in detail below. Note that the final amounts allocated to these programs have not yet been determined by ODOT. Portions of these line items are also used to support Public Transit Assistance and Rail-Highway Grade Crossings programs, which are discussed under the Public Transportation and Rail Transportation sections of this Greenbook. The FY 2014 allocations for each of these programs are shown in the table below, followed by a detailed description of each program. Please note that the figures listed in the table below may represent only a portion of the total for that program if it is funded by other line items. The funding directed toward rail-highway grade crossings is discussed in conjunction with appropriation item 776462, Grade Crossings – Federal, in the Rail Transportation

category. In addition, note that ODOT has not yet determined the program allocations for FY 2015, which will be finalized at a later date.

Highway Construction and Maintenance Program Allocations (in millions) (FY 2013 Estimates vs. FY 2014 Appropriations)*		
Program	FY 2013 Estimate	FY 2014 Enacted
Preservation of Pavement and Bridges	\$797.0	\$859.7
Highway Operating	\$509.4	\$560.2
Local Government Programs	\$373.2	\$371.6
Major New Construction	\$77.9	\$362.4
Safety Programs	\$81.5	\$102.0
Other Construction Programs	\$308.6	\$76.9
Highway Maintenance Contracts	\$45.5	\$52.3
Rail-Highway Grade Crossings	\$1.0	\$1.1
TOTAL	\$2,214.1	\$2,386.2

* FY 2015 allocations will be made by ODOT prior to the close of FY 2014.

Preservation of Pavement and Bridges

This program is the basis for the Department's "fix it first" policy and provides funds to ODOT districts in order to maintain the existing programs on two-lane state routes (the General System); interstate routes, freeways, and multi-lane roads (the Priority System); and U.S. and state routes within municipal boundaries (the Urban System). In addition, the program remedies deficiencies in bridge paint condition, wearing surfaces, and deck condition. In the FY 2014-FY 2015 biennium, ODOT intends to prioritize pavement projects that target raised pavement markers and striping, as well as bridge projects that involve maintenance and repairs to culverts.

All of this program's funds over the biennium will be budgeted for capital expenditures, such as engineering and design services, right-of-way acquisition, utility relocation, construction, and construction inspection. All of the funding allocated to the 12 districts throughout the state is goal-driven and based on roadway condition indicators. Generally, two-thirds of this program's funding is allocated to pavement projects while the remaining one-third is allocated to bridge preservation projects. Because of the "fix it first" philosophy, pavement and bridge preservation needs are fully funded prior to addressing new capacity or congestion reduction projects.

Within the core highway construction and maintenance line items mentioned above, H.B. 51 provides \$859.7 million in FY 2014, while the FY 2015 allocation has yet to be determined by ODOT. However, this amount also supplements the state and federal motor fuel tax revenues used for the Pavement and Bridge Preservation Program with an additional \$173.6 million in FY 2014 generated from bond proceeds (in

line items 772428 and 772723). This brings the total Pavement and Bridge Preservation recommendation to \$1.03 billion in FY 2014.

Highway Operating

This program covers the operating costs, such as payroll, supplies, and equipment for all of ODOT's highway construction programs. Specifically, this program funds both district and central office personnel that administer ODOT operations, such as facilities and equipment management, aerial and geotechnical engineering, real estate management, snow and ice control, special hauling permits, coordination with federal authorities, traffic policies and procedures, legal counsel and contract administration, and construction project administration.

Over 5,000 full-time equivalent employees (FTEs) are funded under this program, which is allocated \$560.2 million in FY 2014. The FY 2014 amount is about 10.0% above the estimated FY 2013 amount of \$509.4 million for this purpose. The growth in this area between FY 2013 and FY 2014 is largely attributable to line item 773431, Highway Maintenance – State, picking up a portion of the departmental capital costs for ODOT's Lands and Buildings Program that were formerly paid out of line item 779491, Administration – State. These represent the costs of maintaining and operating ODOT's facilities, including its 12 district headquarters, 88 county garages, and 107 outposts statewide, as well as the central office in Columbus. This increase is also partially driven by growth in supply and maintenance costs resulting from overall rising prices in the construction industry and a larger anticipated volume of work in the coming biennium.

Local Government Programs

This program allocates federal funds for several local government programs, which are described in further detail below. The budget provides \$371.6 million in FY 2014 for these programs, with FY 2015 allocations to be determined before the close of FY 2014. The FY 2014 amount is \$1.6 million, or 0.4%, below estimated FY 2013 funding of \$373.2 million for these programs.

Metropolitan Planning Organizations. This program provides funds to each of the 17 Metropolitan Planning Organizations (MPOs) and four large cities for multi-modal transportation system improvement projects and programs in Ohio's urban areas. Of the amount set aside for MPOs, ODOT sub-allocates a portion of federal Surface Transportation Program (STP) funds each year to urbanized areas with populations over 200,000. ODOT also provides Transportation Enhancement funds to MPOs and Congestion Mitigation and Air Quality (CMAQ) funds to eligible MPOs based on U.S. EPA air quality criteria. STP funding can be used for a wide variety of multi-modal maintenance, operational, and new construction projects within urban areas. Overall, Ohio's share of federal transportation funds has generally been provided

to MPOs at levels greater than required by federal standards. MPO programs typically receive a majority of the funding available under the Local Government Programs area.

Local Participation. Local participation funding represents the local share of construction projects to be awarded and administered by ODOT. Funding could be supplied entirely by the local government or funded 80% by the federal government with the local government supplying the 20% match.

County Bridge and Surface Programs. These consist of the County Local Bridge (CLB) and the County Surface Transportation (CST) subprograms. The County Engineers Association of Ohio (CEAO) serves as the program manager and is responsible for project selection, funding criteria, and program priorities in both of these areas. The CLB Program provides counties with federal money for bridge replacement or rehabilitation. Each county has a \$7.5 million federal funding limit for projects within any four-year program period, subject to a six-year statewide programming limit.

The CST Program has two components: (1) a regular construction funding program for eligible roadway improvements and (2) a program administered by the Department of Public Safety (DPS) for safety studies. Out of the CST Program, \$1 million is set aside for safety studies. Like the CLB Program, each county is permitted to program eligible construction projects up to a \$7.5 million overall CST funding limit for projects within any four-year program period, subject to a six-year statewide programming limit. Specific project funding limits under the CST Program are \$300,000 per county for each guardrail project, \$150,000 per county for each pavement marking project, \$75,000 per county for each raised pavement marker project, and \$50,000 per county for each sign upgrade project.

Transportation Alternatives Program. This program provides assistance to local governments using federal Transportation Alternatives funding allocated under MAP-21. The program is designed to integrate transportation facilities into their surrounding communities and natural environment, including the preservation of historic transportation facilities, environmental mitigation, and the addition of pedestrian bicycle and walking paths throughout Ohio. Generally, local governments outside the boundaries of Metropolitan Planning Organizations are eligible for funding.

Small Cities Program. This federally funded program provides assistance to cities with populations between 5,000 and 24,999. This program may be used by incorporated localities for any road, safety, or signal project on the federal-aid highway system.

Municipal Bridge Program. This program provides federal funds for municipal bridge projects. Federal funding provides up to 80% of the eligible costs for construction only. The municipality is responsible for the balance of the construction costs and also

for all costs associated with preliminary engineering, environmental studies and documents, final design, and right-of-way. The local match for construction is required to be cash.

Safe Routes to Schools. This program provides funds to local communities to make walking and bicycling to school a safe and routine activity. Funding is available for a wide variety of programs and projects, from building safer street crossings to establishing programs that encourage children and their parents to walk and bicycle safely to school.

Other Construction Programs

There are a number of programs that fall under the Other Construction Programs banner, for which H.B. 51 provides \$76.9 million in FY 2014. Use of these moneys, derived from state and federal motor fuel tax sources, include (1) the allocation of federally earmarked funds to the appropriate local government, (2) the construction of the Appalachian corridor highways in Ohio, (3) funding for geological site management projects, including slopes and slides, rockfalls, underground mines, and erosion, (4) provision of emergency funds for the repair or reconstruction of federal-aid highways and roads on federal lands that have suffered serious damage by natural disasters or catastrophic failures from an external cause, (5) funding for the replacement and rehabilitation for the rest areas on the state and national highway system, (6) construction, reconstruction, and maintenance of public access roads to and within facilities owned or operated by the Department of Natural Resources, the Ohio Expositions Commission, the Ohio Historical Society, and within the boundaries of metropolitan parks, (7) funding for retrofitting roadways with noise barriers statewide, and (8) funding for transportation improvement projects that improve safety for motorists and horse drawn vehicles in areas with substantial Amish populations.

Safety Programs

This program provides funding for safety projects that contribute to improving safety and reducing the severity, frequency, and rate of crashes on the state highway system and local roads. The program's goals are to reduce the state's crash fatality rate by 5% and to reduce the number of serious crashes by 10% by 2015. Ohio's fatality rate per 100 million vehicle miles traveled was 0.97 in 2010, the most recent year for which the National Highway Traffic Safety Administration (NHTSA) has published data. This is a slight increase over a rate of 0.92 in 2009, but an overall improvement of approximately 26% from the rate of 1.31 in 2002.

Eligible safety projects include signing, striping, clearing brush, traffic signal coordination, two-way left turn lanes, additional lanes, and other roadway modifications. ODOT has allocated \$102.0 million in FY 2014 for these purposes. This is an approximately 25% increase over estimated FY 2013 spending of \$81.5 million for

these projects, owing to a large gain in federal funds for the Highway Safety Improvement Program under MAP-21. The increased amount will enable ODOT to support approximately 200 safety projects statewide over the course of the biennium.

Highway Maintenance Contracts

These contracts provide for the maintenance of the state highway system, including keeping the system in a safe and attractive condition, providing tourist information and clean rest areas for the motoring public, and maintaining ODOT facilities and equipment. Appropriation item 773431, Highway Maintenance – State, is the sole appropriation item for this program, which funds contracts that support several activities, described below. The allocation for this program is \$52.3 million in FY 2014, an increase of 14.8% over estimated FY 2013 spending of \$45.5 million. The bulk of these additional funds are budgeted in the category of capital expenses, and a portion of these represent contingency funds that ODOT holds for such occurrences as revenue shortfalls or weather emergency events (e.g., flooding). If necessary, excess funds in this and other operating line items can be moved to other line items to assist in funding capital projects.

Rest Area Maintenance/District Cleaning. This program employs individuals with disabilities to clean roadside rest areas and ODOT facilities along the highway system. ODOT uses contracted cleaning services to carry out this work. ODOT currently has 106 rest areas, 88 central county garages, 107 outpost facilities, and 12 district headquarters, in addition to the central office headquarters.

Traffic System Maintenance. This program maintains traffic control devices on the state highway system. Examples of traffic control signals include highway lighting, signage, striping, and raised pavement markers. The program also includes the state's Intelligent Traffic Systems (ITS), which provides real-time travel information to ODOT managers and the traveling public for travel route decision making.

Roadway Maintenance. This program consists of pothole patching, chip and crack sealing, surface paving and treatment, spot berming and restoration, and full depth repair of roadways to repair isolated damage. Also included are upgrades and repairs to guardrail systems to meet current standards. The replacement schedule for a guardrail is 20 years. ODOT invoices drivers for damage caused if cited by the State Highway Patrol. Finally, this program also is responsible for the removal of vegetation, mowing, tree/flower planting, erosion control, drainage ditch obstructions, litter, and the repair of pavement drop-offs.

Major New Construction

This program provides funding for projects that increase mobility, provide connectivity, increase the accessibility of a region for economic development, increase the capacity of a transportation facility, and reduce congestion throughout the state.

These projects must have costs of \$12 million or more. Motor fuel tax funds are dedicated to Major New construction only after basic system maintenance and operational needs are met. Once a Major New project is approved by the Transportation Review Advisory Council (TRAC), the project moves through a series of phases before completion. These phases include planning and engineering, design, right-of-way acquisition, and construction. Since the Major New Program is funded last on ODOT's list of funding priorities, the program usually absorbs the brunt of the impact if state and federal revenues decrease or if other program costs increase.

In FY 2014 and FY 2015, Major New is given a substantial boost in appropriations resulting from newly enacted authority for the Ohio Turnpike to issue additional bonds, the proceeds of which will be used for ODOT Major New projects that qualify under administrative rules and that have been cleared by TRAC. These funds are appropriated in line item 772425, Highway Construction – Turnpike, which is created in this budget act. This line item is funded at \$200 million in FY 2014 and \$300 million in FY 2015 under the transportation budget. Overall, ODOT has allocated \$305.5 million in FY 2014 for the Major New Construction Program, using state and federal motor fuel tax funds and these anticipated Turnpike bond revenues (FY 2015 allocations will be determined later). This represents a significant increase over FY 2013 estimated spending of \$77.9 million. Over the biennium, the \$500 million in appropriations from Turnpike revenues are planned to account for approximately three-quarters of all Major New funding, with the remainder derived from the state and federal gas tax.

Earmarks

H.B. 51 earmarks funds out of appropriation item 772421, Highway Construction – State, for the construction, reconstruction, or maintenance of certain roads. For instance, \$5 million in each fiscal year is slated for work on public access roads, including support features, to and within state facilities owned or operated by the Department of Natural Resources. An additional approximately \$2.2 million in each fiscal year is slated for park drives or park roads within the boundaries of metropolitan parks. The line item may also be used to perform road reconstruction or maintenance work on behalf of the Ohio Expositions Commission at the state fairgrounds and for the Ohio Historical Society at state historic sites. These earmarks, with the exception of the proposal to provide roadwork at historic sites, which is new in this budget, have also been included in recent transportation budget acts.

The transportation budget also earmarks up to \$3.5 million in each fiscal year for distribution to transportation improvement districts (TIDs) out of line item 772421, Highway Construction – State. These funds are to be distributed to TIDs to assist with eligible transportation improvement projects in amounts of up to 10% of a project's cost or \$250,000 per project, whichever is greater. Funds may be used for preliminary engineering, detailed design, right-of-way acquisition, and construction costs, and may

not be used for administrative or staffing expenses. This same provision was in place for the FY 2012-FY 2013 biennium under H.B. 114 of the 129th General Assembly.

GARVEE Debt Service (772437 and 772438)

Appropriation items 772437, GARVEE Debt Service – State and 772438, GARVEE Debt Service – Federal, provide the annual debt service for the \$1.2 billion in federal grant anticipated revenue vehicle bond (GARVEEs) principal and interest outstanding as of January 31, 2013. GARVEE bonds allow the state to issue debt to finance qualified construction projects using the expected federal motor fuel tax revenues appropriated from the federal Highway Trust Fund. The budget provides \$167.2 million in FY 2014 and \$169.7 million in FY 2015 under these line items. Total GARVEE bond debt service appropriations for FY 2014 are \$10.7 million (6.4%) below FY 2013 appropriations of \$177.9 million for this purpose. The FY 2015 amount is \$2.5 million (1.5%) greater than the FY 2014 amounts.

State Infrastructure Bank (772426, 772427, 772430, 772431, and 772433)

These line items support the State Infrastructure Bank (SIB) revolving loan program. The program provides direct loans to public entities for local highway projects in order to accelerate projects and spur economic development. Funds can be used for right-of-way and construction costs. Local governments may pledge their gas tax revenues as loan repayments. SIB was originally capitalized in 1997 with \$87 million in federal funds, \$40 million in General Revenue Funds (GRF), and \$10 million of motor fuel tax funds for a total of \$137 million. The availability of dollars is dependent upon SIB activity and loan repayments. SIB may also issue bonds on behalf of the borrower. There is no set limit and 100% financing is available. Loans have ranged in size from \$72,000 up to \$20 million and require the borrower to pay closing costs. Loans are offered to projects that typically do not qualify for federal or state funds. As of the end of FFY 2012, SIB has issued 136 loans and three bonds totaling over \$424 million since its inception. Most of this funding has gone to highway-related projects (83.1%), though SIB has also funded rail, transit, airport, and bikeway projects. There were a total of 70 active loans and three active bonds as of June 30, 2012, with 64 loans having been completely paid back. The average loan size is \$2.9 million, and the average bond amount is \$9.3 million.

The various line items that support SIB are comprised of first generation federal dollars that require a 20% state match or second generation funds, which are nonfederal funds used to pay back original loans financed with federal funds and do not require a state match. The budget funds these highway SIB line items with combined funding of \$19.0 million in each fiscal year. This is a decrease of \$4.5 million (1.9%) from the \$23.5 million estimated to be spent in FY 2013.

Highway Construction – Bonds (772723)

This line item is used for pavement preservation and Major New construction projects. Bond sales that fund this line item are dependent on cash needs related to project expenditures. The debt service on state bonds is paid from state motor fuel tax revenues from the Highway Operating Fund (Fund 7002). The budget authorizes the state to issue up to \$220.0 million in general obligation bonds over the FY 2014-FY 2015 biennium to finance highway projects. Similar to GARVEE bonds, ODOT uses state highway bonds to finance large construction projects to avoid tying up cash that could be used elsewhere. To provide flexibility with respect to cash needs, a provision in the act permits the Director of Budget and Management to transfer cash from the Highway Operating Fund (Fund 7002) to the Highway Capital Improvement Fund (Fund 7042) and to transfer the amounts from Fund 7042 to Fund 7002 up to the amounts previously transferred. The issuance of these bonds is constitutionally restricted to no more than \$220.0 million in any fiscal year and no more than \$1.2 billion can be outstanding at any one time. The debt service on the bonds issued is paid out of Fund 7072, line item 155902, Highway Capital Improvement Bond Retirement Fund, which appears under the Commissioners of the Sinking Fund section of the main operating budget. The budget provides bond appropriations of \$100.3 million in FY 2014 and \$119.6 million in FY 2015 for a biennium total of \$219.9 million, just under the \$220 million authorized to be issued for the two-year period. The appropriation for FY 2014 is 9.5% above FY 2013 appropriations of \$91.6 million. Most of these funds will be used for the Preservation of Pavement and Bridges Program, while the remainder will be used for Major New.

Highway Infrastructure Bank – Bonds (772428)

This line item funds system preservation projects with GARVEE bonds, which are issued against and retired primarily with ODOT's federal highway revenues. The debt service on these bonds is paid out of the Highway Operating Fund (Fund 7002) in line items 772437 and 772438 (discussed above within this section of the Greenbook). Although the fund group and line item reference the "Infrastructure Bank," neither have anything to do with the State Infrastructure Bank Bond and Loan Program.

For the FY 2014-FY 2015 biennium, GARVEE bond appropriations are \$193.1 million over the biennium (\$96.1 million in FY 2014 and \$97.0 million in FY 2015). The amount appropriated for FY 2014 is 1.9% lower than FY 2013 appropriations of \$98.0 million. The amount appropriated for FY 2015 is 19.3% higher than the amount for FY 2014. While some of these funds have supported Major New projects in the past, GARVEE bond appropriations in the FY 2014-FY 2015 biennium will be allocated to pavement and bridge preservation projects.

Category 2: Transportation Planning and Research

This category of appropriations is used to fund the Transportation Planning and Research Program.

Appropriations for Transportation Planning and Research				
Fund	ALI and Name		FY 2014	FY 2015
Highway Operating Fund Group				
7002	771412	Planning and Research – Federal	\$28,835,906	\$28,959,514
7002	771411	Planning and Research – State	\$21,144,581	\$21,738,277
Total Funding: Transportation Planning and Research			\$49,980,487	\$50,697,791

Planning and Research – Federal (772412)

This line item provides the federal dollars to support planning and research operations. MAP-21, the most recent federal highway program reauthorization, continues the requirement that states set aside 2% of their federal-aid highway program apportionments for statewide planning and research. Within this set aside, states must use at least 25% for research purposes, including research, development, and technology transfer activities necessary for planning, constructing, and maintaining highway, public transit, and intermodal systems. Most research and development requires a 20% state match, the funding for which is provided in appropriation item 771411, Planning and Research – State. ODOT is also required by the federal government to support urban transportation planning programs in each of Ohio's 17 Metropolitan Planning Organizations (MPOs), which cover 30 urban counties. Those programs are 80% federally funded with 10% matches each from the state and local governments.

Planning and research funds can be used for transportation planning for highways, transit (intercity passenger rail, urban passenger rail, and other transit services), and rail freight. Planning operations include traffic and roadway monitoring, roadway inventory, local road mileage certification, computer mapping and database development, air quality monitoring, special planning projects, updates to the Department's long-range plan, coordination with MPOs, and review of traffic congestion and travel demand. Research projects are conducted through contracts with research institutions. The Department also participates in pooled fund studies led by other states or the Federal Highway Administration, which generates substantial research with minimal financial investment. Estimated spending for these activities in FY 2013 is approximately \$28.9 million. Funding for the FY 2014-FY 2015 biennium is comparable, with appropriations of \$28.8 million in FY 2014 and \$29.0 million in FY 2015 for this line item.

Planning and Research – State (771411)

Approximately 69.5% of this line item provides all of the funding for payroll, supplies, and equipment for the ODOT staff involved in planning and research operations. Activities include the collection, analysis, and maintenance of various data, such as traffic information, the state's official road inventory, pavement condition ratings, environmental, geotechnical, travel demand models, and geographic information systems. A large initiative in the FY 2014-FY 2015 biennium will be the development of the Department's next long-range plan. The line item also funds the coordination and the state-match for the State Planning and Research Program, described in more detail under line item 771412, Planning and Research – Federal, as well as the Local Technical Assistance Program (LTAP), which assists local government personnel in understanding and adopting the latest data concerning roads, bridges, safety regulations, and transportation.

The budget appropriates \$21.1 million for this line item in FY 2014 and \$21.7 million for FY 2015. The amount for FY 2014 is 8.3% below FY 2013 appropriations of \$23.1 million while the amount for FY 2015 is 2.8% higher than the FY 2014 appropriation. Overall, FY 2014 and FY 2015 appropriations for this line item are below the FY 2013 level due to lower payroll costs resulting from staff attrition and leaving vacancies unfilled.

Category 3: Public Transportation

This category of appropriations funds the state's capital, operating, technical, and planning assistance to the 62 transit systems receiving state assistance. Of the 62 transit systems, 27 systems are in urban areas and 35 are in rural areas. The majority of assistance funds is from federal dollars and is used for grants to transit systems – both for operating assistance and capital purchases. Funding is also provided from the GRF and the Highway Operating Fund. Like the federal dollars, GRF dollars and other Highway Operating Fund dollars also provide operating and capital grants to public transit systems. The capital assistance grants allow transit systems to purchase transit vehicles, computer equipment, and build transit facilities.

Approximately 60% of public transit trips in urban areas are work-related. In rural areas, many public transit services are used heavily by senior citizens and the disabled. Data gathered by ODOT show that over 111 million passenger trips were provided by the state's transit systems during CY 2011. This amount has been declining in recent years due to the economic recession, which decreased both GRF and local funding for transit agencies. The recession's effect on employment also reduced the demand for transit services.

Appropriations for Public Transportation				
Fund	ALI and Name		FY 2014	FY 2015
Highway Operating Fund (HOF) Group				
7002	772422	Highway Construction – Federal	\$20,000,000	\$20,000,000
7002	775452	Public Transportation – Federal	\$27,590,748	\$27,590,748
7002	775459	Elderly & Disabled Special Equipment	\$4,730,000	\$4,730,000
7002	775454	Public Transportation – Other	\$1,500,000	\$1,500,000
Total Funding: Public Transportation			\$53,820,748	\$53,820,748

Public Transit Assistance (772422 and 775452)

Highway Construction – Federal (772422)

Under H.B. 51, \$20.0 million in flexible federal dollars each year will be used to provide additional funding to Ohio's transit systems out of line item 772422, Highway Construction – Federal. For FY 2014 and FY 2015, ODOT will continue to distribute \$6.0 million per year to transit systems by formula while the remaining \$14.0 million per year will be competitively awarded to fund replacement of transit vehicles that are beyond their useful lives, capitalized operating expenses (e.g., preventive maintenance, tires, and fuel), and facility rehabilitation and renovation. This is the same allocation of these funds that has been in effect during the FY 2012-FY 2013 biennium.

Temporary law in the act permits the Director of Transportation to use revenue from the motor fuel tax to match approved federal grants awarded to ODOT, regional transit authorities, or eligible public transportation systems, for public transportation highway purposes, or to support local or state-funded projects for public transportation highway purposes. However, motor fuel tax revenues may not be used for operating assistance or for the purchase of vehicles, equipment, or maintenance facilities. This language also appeared in the transportation budget for the FY 2012-FY 2013 biennium.

Public Transportation – Federal (775452)

This line item provides federal funding for the Ohio Public Transportation Grant Program and Ohio Coordination Program. The Ohio Public Transportation Grant Program provides grants to transit systems, both rural and urban, to cover wages, fuel, insurance, training, and vehicle and facility maintenance, as well as for planning assistance and capital purchases. Funds are allocated to transit systems based on the number of passengers transported, miles traveled, cost per mile, and the amount of local funds contributed. Capital items that are covered under the grant program include purchasing transit vehicles, computer equipment, and the construction of transit buildings.

The Ohio Coordination Program provides funding to public entities to assist in the coordination of transportation services among local human service agencies. All projects must demonstrate some level of interagency coordination in their local area to be eligible for funding. Funds are allocated to counties that do not have a public transportation system. The funding may be used for operating expenses only and is typically allocated to county offices of aging, job and family services, developmental disabilities facilities, county commissioners, senior citizen councils, and transit boards.

The appropriated funding of \$27.6 million for each fiscal year is about 2.0% above the amount budgeted for FY 2013. A small portion of this line item, about \$1.1 million (4.0%), also pays for oversight of the above programs as well as the Specialized Transportation Program, and the federally mandated Rail Fixed Guideway State Safety and Security Oversight Program. MAP-21 also requires technical assistance for two new regulations: the Transit Asset Management Plan and Public Transportation Agency Safety Plan. The technical assistance ODOT provides is designed to ensure all grantees are in compliance with federal regulations and state program requirements. ODOT staff serve as consultants to public transit systems, offer guidance on ODOT grant programs, and conduct program reviews and quality assurance reviews, site visits, and training workshops. At this funding level, ODOT expects to conduct 48 quality assurance reviews of grant recipients, attend eight Rail Fixed Guideway State Safety and Security Oversight Program meetings with the Greater Cleveland Regional Transit Authority, conduct 60 site visits to various grant recipients, and provide

24 training workshops. In addition, the Department estimates that 20 scholarships for a total of \$10,000 will be awarded to grant recipients to assist with training opportunities.

Elderly and Disabled Special Equipment (775459)

This line item provides federal capital assistance under the Specialized Transportation Program (STP) for the purchase of vehicles for urban and rural nonprofit agencies providing transportation services to the elderly and people with disabilities. STP requires a 20% local match, the funds for which are deposited into the Highway Operating Fund (Fund 7002) and expended through line item 775454, Public Transportation – Other. ODOT is recognized as the recipient of the federal funds and is required to oversee their distribution and subsequent investment in local transportation services. Thus, ODOT purchases the vehicles on behalf of the recipient agencies and receives reimbursement from the Federal Transit Administration. The budget appropriates \$4.73 million in each fiscal year for this line item, the same amounts appropriated annually for the FY 2012-FY 2013 biennium.

Public Transportation – Other (775454)

This line item provides the 20% local matching funds collected for vehicles purchased through STP described above. The Department requires the local portion of funding up front and then purchases vehicles on behalf of the recipient agencies. The federal funding for this program is found in line item 775459, Elderly and Disabled Special Equipment. The budget appropriates \$1.5 million per fiscal year for this line item, the same levels as the FY 2012-FY 2013 biennium.

Category 4: Rail Transportation

This category of appropriations is administered by the Ohio Rail Development Commission (ORDC), an independent commission within ODOT. ORDC programs support economic development and rail-highway safety, including equipment upgrades and removal of hazardous rail crossings. ORDC also receives GRF funding in the main operating appropriations bill that is used for operating expenses as well as financial assistance to railroads, businesses, and communities for rail-related infrastructure.

Appropriations for Rail Transportation				
Fund	ALI and Name		FY 2014	FY 2015
Highway Operating Fund (HOF) Group				
7002	776462	Grade Crossing – Federal	\$14,136,500	\$14,129,500
Highway Operating Fund Group Subtotal			\$14,136,500	\$14,129,500
State Special Revenue (SSR) Fund Group				
4N40	776664	Rail Transportation – Other	\$2,875,800	\$2,875,800
State Special Revenue Fund Group Subtotal			\$2,875,800	\$2,875,800
Total Funding: Rail Transportation			\$17,012,300	\$17,005,300

Grade Crossing – Federal (776462)

This line item, which constitutes 83.1% of the funding in the rail transportation category, provides federal funds for a federally mandated program that provides for the elimination of hazards at highway-railroad grade crossings by installing flashing lights and gates, closing and consolidating crossings, constructing grade separations, and resurfacing grade crossings. Implementing these safety measures helps to eliminate collisions between vehicles and trains.

According to the Railroad Information System, a database that is maintained by ORDC and the Public Utilities Commission of Ohio that contains a comprehensive listing of highway-railroad grade crossings in the state, there are 5,795 public, at-grade crossings open to traffic. Of this amount, 3,808 (65.7%) have lights or gates and 1,987 (34.3%) do not. ORDC uses these funds to operate multiple grade crossing safety programs. A formula-based program for upgrading warning devices saw 77 projects initiated between FY 2011 and FY 2012. ORDC's corridor-based program, under which stretches of track with multiple grade crossings receive upgrades and improvements, including closures of redundant crossings, has two new corridors with 203 crossings under development. A constituent-identified program relies on referrals from county task forces, railroads, local governments, county engineers, and ODOT districts to identify hazards and locations where warning device upgrades may be necessary; this program had 36 projects initiated in FY 2011 and FY 2012. Finally, the funding supports

preemption projects that interconnect grade crossings and nearby highway traffic signals so that the normal sequence of a traffic signal is interrupted to clear the grade crossing area of vehicular traffic before a train arrives. Approximately 270 locations have been identified for preemption projects, of which 40 had active projects in development in FY 2012, with 20 more beginning work in FY 2013.

The budget appropriates \$14.1 million in each year for this line item, an amount that is 0.7% lower than the FY 2013 appropriation of \$14.2 million. However, the budget also supplements the funding provided to the grade crossing program with roughly \$1.1 million per fiscal year in state motor fuel tax funds appropriated under line item 772421, Highway Construction – State, thus maintaining the overall level of funding for the program near prior fiscal year levels. The actual number of projects completed at this funding level will depend on the cost associated with each project, which can vary based on site conditions and complexity.

Rail Transportation – Other (776664)

This line item provides loans to support the rehabilitation of rail lines, the construction of rail interchanges or connections, maintenance of rail properties purchased by the state, as well as the acquisition of rail transportation or rail property. Grants for these same purposes are provided through GRF line item 776465, Ohio Rail Development Commission, which is appropriated in the main operating budget bill. Loans and grants under this program are awarded to public entities, railroads, and private companies.

The budget provides approximately \$2.9 million in each fiscal year for line item 776664, the same amount as in FY 2013. Overall, the number and amount of grants or loans issued will depend on the characteristics of projects that apply for ORDC support. A portion of this line item is also used to fund ORDC's operating expenses so that all GRF funds may be used for grant projects.

Category 5: Aviation

This category of appropriations supports the operations of the Office of Aviation. This Office is responsible for working with airports to meet national safety standards, making infrastructure improvements, coordinating with the Federal Aviation Administration (FAA) registering aircraft, providing air transportation to state officials, and maintaining the state's aircraft fleet. These programs are supplemented with a GRF appropriation in the main operating budget bill.

Appropriations for Aviation				
Fund	ALI and Name		FY 2014	FY 2015
Highway Operating Fund (HOF) Group				
7002	777475	Aviation Administration	\$4,875,000	\$4,935,000
2130	777477	Aviation Infrastructure Bank – State	\$1,000,000	\$1,000,000
7002	777472	Airport Improvements – Federal	\$405,000	\$405,000
Highway Operating Fund Group Subtotal			\$6,280,000	\$6,340,000
State Special Revenue (SSR) Fund Group				
5W90	777615	County Airport Maintenance	\$620,000	\$620,000
State Special Revenue Fund Group Subtotal			\$620,000	\$620,000
Total Funding: Aviation			\$6,900,000	\$6,960,000

Aviation Administration (777475)

This line item, along with a portion of a GRF allocation funded in the main operating budget, funds the Aviation Operating Program, which is responsible for operating ODOT's aircraft. ODOT aircraft are used to transport state officials, including the Governor, legislators, and state personnel on official business, and to perform ODOT missions such as aerial photography, emergency management, forestry missions, homeland security, prisoner transfers, Department of Natural Resources (DNR) missions, wild animal inoculations, and assisting in marihuana eradication. ODOT maintains a fleet of 24 state aircraft, which includes those of the Ohio State Highway Patrol and DNR. Any costs arising from nonhighway use of the aircraft, such as special mission flights for DNR, the Department of Public Safety, or other state agencies, must be reimbursed to ODOT. In addition, the line item funds the oversight of about 11,000 FAA-registered general aviation aircraft based in Ohio.

The budget appropriates approximately \$4.9 million in each fiscal year for this line item. The FY 2014 amount is 9.3% lower than FY 2013 appropriations of \$5.4 million, while the amount appropriated for FY 2015 is 1.2% greater than that for FY 2014. The driving factors in the budget for this line item are fuel prices and aircraft maintenance costs.

Aviation Infrastructure Bank – State (777477)

This line item supports the Aviation Infrastructure Bank Loan Program, which provides an additional resource that publicly owned airports may use to fund aviation projects. Like the Transit Infrastructure Bank Loans, the Aviation Infrastructure Bank Loan Program is a part of the State Infrastructure Bank (SIB) Program. Moneys from an initial program capitalization of GRF, federal, and motor fuel tax funds allow the program to operate as a revolving loan program. The line items are used to provide low-interest loans to local governments to fund either aviation capital improvement projects at 100% or to match available federal funding. The budget provides \$1.0 million each fiscal year for Aviation Infrastructure Bank loans, lower than the \$1.25 million budgeted for FY 2013.

County Airport Maintenance (777615)

This line item is supported by a general aviation license tax of \$15 per aircraft seat and an annual flat rate of \$15 for gliders and balloons that is deposited into the Airport Assistance Fund (Fund 5W90). Fund 5W90 received approximately \$450,000 in revenues from these sources in FY 2012. The budget provides funding of \$620,000 in each fiscal year for the line item, the same amount appropriated for FY 2013.

In conjunction with GRF and federal dollars, this line item supports the Aviation Improvement Program by providing funds to publicly owned airports for pavement maintenance and obstruction removal. These grants cover 90% of the cost of obstruction removal or pavement resurfacing or reconstruction, not including project design expenses. Ninety-nine publicly owned airports are eligible for these grants. In FY 2012, the Aviation Improvement Program awarded five grants totaling approximately \$954,000. This is down from the \$1.2 million awarded in FY 2011 and the \$1.4 million awarded in FY 2010. Changes to permanent law enacted in H.B. 51 will permit moneys in Fund 5W90 to be used for administrative costs of the Office of Aviation, which could further reduce the amount available for airport pavement and obstruction removal projects.

Airport Improvements – Federal (777472)

The source of funding for this line item is grants that the Department receives from the FAA. This funding component is also part of the Aviation Improvement Program. The budget provides \$405,000 annually for this line item, the same amounts appropriated annually for the FY 2012-FY 2013 biennium. This money can be used to support general aviation airport improvements.

Category 6: Administration

This category of appropriations provides for the management support of all the Department's programs and supports capital improvements to ODOT facilities.

Governor's Recommended Amounts for Administration				
Fund	ALI and Name		FY 2014	FY 2015
Highway Operating Fund (HOF) Group				
7002	779491	Administration – State	\$91,218,054	\$92,543,982
Total Funding: Administration			\$91,218,054	\$92,543,982

Administration – State (779491)

This line item provides funding for the management and oversight of the agency, including the Director's executive leadership staff, quality and human resources, financing and forecasting, information technology, and local programs. The line item supports approximately 375 positions with an operating program budget of about \$183.8 million over the FY 2014-FY 2015 biennium (\$91.2 million in FY 2014 and \$92.5 million in FY 2015). These amounts are substantially lower than the \$133.2 million budgeted for FY 2013 because funding that supports ODOT's facilities management functions is moved from this line item to the Highway Operating Program (consult the detailed explanation of this change covered in Category 1: Highway Construction). This change aligns the costs of ODOT's facilities maintenance more closely with those of the highway projects that those facilities support. The effect is to more accurately reflect the costs of ODOT's central administrative functions in one line item.

FY 2014 - FY 2015 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

Line Item Detail by Agency			Estimate	Appropriation	FY 2013 to FY 2014	Appropriation	FY 2014 to FY 2015	
			FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
Report For Transportation Budget			Version: Enacted					
DOT Department of Transportation								
2120	772426	Highway Infrastructure Bank-Federal	\$ 3,873,770	\$ 6,725,000	\$ 5,000,000	-25.65%	\$ 5,000,000	0.00%
2120	772427	Highway Infrastructure Bank-State	\$ 4,692,086	\$ 12,750,000	\$ 10,350,000	-18.82%	\$ 10,350,000	0.00%
2120	772430	Infrastructure Debt Reserve Title 23-49	\$ 511,259	\$ 525,000	\$ 525,000	0.00%	\$ 525,000	0.00%
2130	772431	Roadway Infrastructure Bank - State	\$ 3,414,912	\$ 2,500,000	\$ 2,475,000	-1.00%	\$ 2,475,000	0.00%
2130	772433	Infrastructure Debt Reserve - State	\$ 361,869	\$ 1,000,000	\$ 650,000	-35.00%	\$ 650,000	0.00%
2130	775457	Transit Infrastructure Bank - State	\$ 0	\$ 250,000	\$ 0	-100.00%	\$ 0	N/A
2130	777477	Aviation Infrastructure Bank-State	\$ 0	\$ 1,250,000	\$ 1,000,000	-20.00%	\$ 1,000,000	0.00%
7002	771411	Planning and Research-State	\$ 15,916,301	\$ 23,057,800	\$ 21,144,581	-8.30%	\$ 21,738,277	2.81%
7002	771412	Planning and Research-Federal	\$ 22,704,721	\$ 28,925,138	\$ 28,835,906	-0.31%	\$ 28,959,514	0.43%
7002	772421	Highway Construction-State	\$ 458,013,872	\$ 555,504,438	\$ 603,246,763	8.59%	\$ 605,240,020	0.33%
7002	772422	Highway Construction-Federal	\$ 1,387,758,129	\$ 1,180,471,714	\$ 1,065,253,182	-9.76%	\$ 1,063,145,274	-0.20%
7002	772424	Highway Construction-Other	\$ 62,026,416	\$ 80,000,000	\$ 80,000,000	0.00%	\$ 80,000,000	0.00%
7002	772425	Highway Construction - Turnpike	\$0	\$ 0	\$ 200,000,000	N/A	\$ 300,000,000	50.00%
7002	772437	GARVEE Debt Service - State	\$ 24,836,806	\$ 33,276,100	\$ 31,139,500	-6.42%	\$ 31,635,300	1.59%
7002	772438	GARVEE Debt Service - Federal	\$ 127,362,658	\$ 144,590,400	\$ 136,039,500	-5.91%	\$ 138,027,800	1.46%
7002	772454	Department of Agriculture - Federal	\$ 744,698	\$0	\$0	N/A	\$0	N/A
7002	773431	Highway Maintenance-State	\$ 401,029,971	\$ 398,132,464	\$ 457,665,521	14.95%	\$ 470,006,152	2.70%
7002	775452	Public Transportation-Federal	\$ 41,371,187	\$ 27,060,785	\$ 27,590,748	1.96%	\$ 27,590,748	0.00%
7002	775454	Public Transportation-Other	\$ 797,897	\$ 1,500,000	\$ 1,500,000	0.00%	\$ 1,500,000	0.00%
7002	775459	Elderly and Disabled Special Equipment	\$ 3,840,952	\$ 4,730,000	\$ 4,730,000	0.00%	\$ 4,730,000	0.00%
7002	775463	Federal Stimulus - Transit	\$ 6,571,987	\$0	\$0	N/A	\$0	N/A
7002	776462	Grade Crossings-Federal	\$ 15,983,558	\$ 14,240,000	\$ 14,136,500	-0.73%	\$ 14,129,500	-0.05%
7002	777472	Airport Improvements-Federal	\$ 0	\$ 405,000	\$ 405,000	0.00%	\$ 405,000	0.00%
7002	777475	Aviation Administration	\$ 3,114,643	\$ 5,374,144	\$ 4,875,000	-9.29%	\$ 4,935,000	1.23%
7002	779491	Administration-State	\$ 115,226,227	\$ 133,150,410	\$ 91,218,054	-31.49%	\$ 92,543,982	1.45%

Prepared by the Legislative Service Commission

FY 2014 - FY 2015 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2012	Estimate FY 2013	Appropriation FY 2014	FY 2013 to FY 2014 % Change	Appropriation FY 2015	FY 2014 to FY 2015 % Change
DOT Department of Transportation								
Highway Operating Fund Group Total			\$ 2,700,153,916	\$ 2,655,418,393	\$ 2,787,780,255	4.98%	\$ 2,904,586,567	4.19%
3B90	776662	Rail Transportation-Federal	\$ 460,832	\$0	\$0	N/A	\$0	N/A
Federal Special Revenue Fund Group Total			\$ 460,832	\$0	\$0	N/A	\$0	N/A
4N40	776664	Rail Transportation-Other	\$ 1,058,783	\$ 2,875,800	\$ 2,875,800	0.00%	\$ 2,875,800	0.00%
5W90	777615	County Airport Maintenance	\$ 413,340	\$ 620,000	\$ 620,000	0.00%	\$ 620,000	0.00%
State Special Revenue Fund Group Total			\$ 1,472,123	\$ 3,495,800	\$ 3,495,800	0.00%	\$ 3,495,800	0.00%
7045	772428	Highway Infrastructure Bank-Bonds	\$ 167,735,344	\$ 98,000,000	\$ 96,092,215	-1.95%	\$ 97,000,000	0.94%
Infrastructure Bank Obligations Fund Group Total			\$ 167,735,344	\$ 98,000,000	\$ 96,092,215	-1.95%	\$ 97,000,000	0.94%
7042	772723	Highway Construction-Bonds	\$ 101,235,419	\$ 91,600,000	\$ 100,294,652	9.49%	\$ 119,617,631	19.27%
Highway Capital Improvement Fund Group Total			\$ 101,235,419	\$ 91,600,000	\$ 100,294,652	9.49%	\$ 119,617,631	19.27%
Department of Transportation Total			\$ 2,971,057,634	\$ 2,848,514,193	\$ 2,987,662,922	4.88%	\$ 3,124,699,998	4.59%

Prepared by the Legislative Service Commission

Ohio Turnpike and Infrastructure Commission

- Total CY 2013 revenue estimated at \$273.8 million
- \$97.0 million capital budget for new projects in CY 2013
- Expanded bonding capability to finance eligible ODOT infrastructure projects
- New ability to use excess tolls for Turnpike projects other than those for which they were collected

OVERVIEW

The Ohio Turnpike is a publicly built, 241-mile east-west tolled expressway spanning northern Ohio. The Turnpike was built during the 1950s by the Ohio Turnpike Commission, which is renamed the Ohio Turnpike and Infrastructure Commission in H.B. 51, the FY 2014-FY 2015 transportation budget act. The Commission contracts with the Ohio State Highway Patrol (District 10) to provide law enforcement and motorist assistance along the Ohio Turnpike. The Commission is not a state agency and is not appropriated money from any state funds included within the transportation or main operating budgets. Nevertheless, the Ohio Turnpike and Infrastructure Commission (Turnpike) is required to submit its proposed budget to the Office of Budget and Management, the General Assembly, and the Legislative Service Commission under section 5537.17 of the Revised Code. However, H.B. 51 includes a major change in the Turnpike's role, allowing it to finance certain transportation infrastructure projects beyond those only along the toll road in northern Ohio. This change is discussed in further detail below.

Changes to Bonding Authority and Toll Revenue Flexibility

The FY 2014-FY 2015 transportation budget act expands the Commission's authority to issue revenue bonds to encompass the financing of infrastructure projects undertaken by the Ohio Department of Transportation (ODOT). H.B. 51 provides for the Commission to set up one or more new infrastructure funds to collect the proceeds of the bonds it issues for such projects, which will be used to finance the ODOT projects it approves for funding. The act requires infrastructure projects funded through this method to have an anticipated benefit to the system of public highways in the state of Ohio and a transportation-related nexus with and relationship to the Ohio Turnpike and the Ohio Turnpike and Infrastructure System, as defined in R.C. 5537.01. Infrastructure project bonds will be retired using future income to the Commission's infrastructure funds. Infrastructure projects receiving financing through this means will fall under ODOT's Major New Construction Program, which is designed for projects with total costs of over \$12 million and that add new highway capacity, reduce

congestion, or improve connectivity. Major New projects must be approved by the Transportation Review Advisory Council (TRAC) in various phases of development, and projects receiving Turnpike bond funding will still require TRAC approval. H.B. 51 provides ODOT with \$500 million for these projects over the course of the FY 2014-FY 2015 biennium.

In expanding the Commission's bonding authority, the Turnpike and Infrastructure Commission is also granted additional flexibility for the use of toll revenues for Turnpike projects by allowing excess toll revenues related to a specific Turnpike project to be used for Turnpike projects other than that for which the tolls were collected. H.B. 51 also allows the Commission to assess tolls in amounts "at least sufficient," rather than simply "sufficient," to cover the costs of maintenance and construction on the Turnpike. This will allow the Commission to collect additional revenues that could be directed to other purposes. Finally, the transportation budget permits the Commission to pledge certain revenues and amounts in special funds to debt service payments that are senior or subordinate to, or on parity with, other outstanding bonds, whether previously issued or to be issued in the future. This may enable the Commission to pay off certain debts faster than others.

Changes in Commission Membership

H.B. 51 alters the membership structure of the Commission, expanding the total number of members from nine to ten, and allowing for geographic representation on the Commission. Previously, the Commission consisted of four members appointed by the Governor; two legislative members, one from each chamber, appointed by the Speaker of the House and the President of the Senate, respectively; and three uncompensated ex officio members (the directors of Transportation, Development, and Budget and Management). H.B. 51 changes this to require the Governor to appoint six members, and allows these members to represent different areas of the state, taking into account the Turnpike and infrastructure projects funded by the Commission. The act also requires no more than three Commission members (rather than two, as under current law) to be members of the same political party. Additionally, the act removes the Director of Development as an ex officio member of the Commission.

CY 2013 Operating Budget

The Commission's annual operating budget for CY 2013 was adopted on December 17, 2012, under Resolution 57-2012. In a separate resolution (58-2012), the Commission also approved the Turnpike's CY 2013 capital projects budget, which will cover the costs of specific Turnpike projects. The table below displays the Turnpike's actual revenues and expenditures for CY 2011, as well as the budgeted amounts adopted for CY 2012 and CY 2013, not including depreciation. The table shows continued expected increases in toll revenue following the changes made to the

Turnpike's toll rate structure in CY 2009. Operating expenditures are slated to decrease as a result of staffing reductions and other cost-savings measures, including negotiated decreases in vendor payments and changes in employee benefits. Net operating profits, shown on the bottom line of the table, are used to finance the Turnpike's capital improvements program.

Turnpike Commission Operating Budget, CY 2011-CY 2013				
	CY 2011 Actual	CY 2012 Adopted*	CY 2013 Adopted	% CY 2012- CY 2013
Revenue Sources				
Tolls	\$231.0	\$249.1	\$254.0	2.0%
Concessions	\$14.0	\$13.7	\$14.1	2.9%
Fuel Tax Allocation	\$2.1	\$2.1	\$2.1	0.0%
Investment Earnings	\$1.0	\$0.9	\$0.6	-33.3%
Other	\$6.4	\$2.6	\$3.1	19.2%
Total Revenues	\$254.4	\$268.4	\$273.8	2.0%
Operating Expenditures				
Services and Toll Operations	\$50.5	\$54.9	\$53.5	-2.6%
Roadway and Structure Maintenance	\$36.1	\$40.9	\$37.3	-8.8%
Traffic Control, Safety, Patrol, and Comm.	\$14.9	\$15.6	\$14.3	-8.3%
Administration and Insurance	\$8.8	\$11.0	\$10.9	0.9%
Debt Service Payments	\$51.1	\$55.7	\$56.2	0.9%
Total Operating Expenditures	\$161.4	\$178.1	\$172.1	-3.4%
Net Operating Profit	\$93.0	\$90.3	\$101.7	12.6%

Note: Individual amounts may not add to totals due to rounding.

* CY 2012 actuals were not available at the time of publication.

CY 2013 Capital Projects

As noted above, the Commission's increased toll revenue and anticipated operating savings will allow for capital expenditures to be maintained at a higher level in order to complete a number of planned and ongoing improvements to the Turnpike. The Commission has approved approximately \$97.0 million for system capital projects in CY 2013, of which \$91.9 million is expected to be spent, with the remainder uncommitted. Major capital projects for CY 2013 include ongoing third lane construction in Lucas County (\$15.0 million), complete replacement of approximately 22 lane miles of base pavement in Sandusky and Cuyahoga counties (\$33.8 million), and major resurfacing projects in various locations (\$27.8 million). Other capital projects include various bridge repair and resurfacing projects and slope failure corrections.

In addition to the major capital construction and maintenance projects on the Turnpike itself, the Commission has budgeted \$9.3 million for renewal and replacement of equipment and for smaller roadwork projects. These include the continuation of a

project to update the Commission's fleet of snow and ice control dump trucks, the replacement of various maintenance and service vehicles and equipment, various maintenance projects at Commission garages and toll plazas, including the installation of automated toll payment machines to support E-Z Passes, landscaping, and routine roadwork such as replacing guardrails and performing surface repairs to pavement.

Finally, the Commission has set aside about \$4.4 million for improvements at service plazas. This includes the completion of renovations at the Mahoning Valley and Glacier Hills plazas in Mahoning County, as well as work at the Erie Islands and Commodore Perry plazas in Sandusky County. The last remaining set of original service plazas dating to 1955, the Fallen Timbers and Oak Openings plazas in Williams County, were demolished in 2012, but no work is currently being performed at these sites.

Department of Public Safety

- Funding levels sufficient to maintain existing service delivery systems
- Medical Transportation Board and Board of Emergency Management Services merged

OVERVIEW

Agency Overview

The stated mission of the Department of Public Safety is "to save lives, reduce injuries and economic loss, administer Ohio's motor vehicle laws, and preserve the safety and well-being of all citizens with the most cost-effective and service-oriented methods available." For the purposes of accomplishing this mission, the Department is organized into the following eight divisions: Ohio State Highway Patrol, Bureau of Motor Vehicles, Emergency Management Agency, Criminal Justice Services, Emergency Medical Services, Investigative Unit, Homeland Security, and Administration. The Department has about 3,900 employees, including almost 1,475 uniformed personnel.

Appropriations Overview

The transportation budget appropriates \$673.6 million in FY 2014, a decrease of \$4.9 million (0.7%) from the total adjusted FY 2013 appropriation of \$678.5 million, and \$676.0 million in FY 2015, an increase of \$2.4 million (0.4%) from the FY 2014 appropriation. Additional GRF appropriations for the Department may be included in the main operating appropriations budget; this analysis only includes the appropriations included in the transportation budget.

Department of Public Safety Appropriations by Fund Group, FY 2014-FY 2015 (Am. Sub. H.B. 51)					
Fund Group	FY 2013*	FY 2014	% change, FY 2013-FY 2014	FY 2015	% change, FY 2014-FY 2015
State Highway Safety	\$490,381,271	\$515,450,460	5.1%	\$517,434,364	0.4%
General Services	\$16,700,128	\$6,290,946	-62.3%	\$6,265,946	-0.4%
State Special Revenue	\$15,157,224	\$14,759,767	-2.6%	\$14,749,767	-0.1%
Federal Special Revenue	\$141,478,565	\$133,322,715	-5.8%	\$133,767,715	0.3%
Liquor Control	\$11,000,000	\$0	-100.0%	\$0	N/A
Agency	\$1,500,000	\$1,500,000	0.0%	\$1,500,000	0.0%
Holding Account Redistribution	\$2,235,000	\$2,235,000	0.0%	\$2,235,000	0.0%
TOTAL	\$678,452,188	\$673,558,888	-0.7%	\$675,952,792	0.4%

* FY 2013 figures represent adjusted appropriations.

The preceding table shows the budget appropriations by fund group. Of the Department's total biennial budget, the State Highway Safety Fund (HSF) Group comprises approximately 76.5% and the Federal Special Revenue Fund (FED) Group makes up another 19.8%. The remaining 3.7% of budgetary funding comes from a mix of moneys appropriated from other revenue sources: the General Services Fund (GSF) Group (0.9%), the State Special Revenue Fund (SSR) Group (2.2%), the Holding Account Redistribution Fund (090) Group (0.3%), and the Agency Fund (AGY) Group (0.2%).

Emergency Medical Services – Medical Transportation Board Merger

The budget merges the State Board of Emergency Medical Services, contained within the Department of Public Safety, and the Ohio Medical Transportation Board (OMTB), effective July 1, 2013. The budget also changes the name of the new board to the State Board of Emergency Medical and Transportation Services. The fees currently collected by OMTB for deposit to the credit of the Occupational Licensing and Regulatory Fund (Fund 4K90) will be deposited to the credit of the Trauma and Emergency Medical Services Fund (Fund 83M0) for use by the new board. The change in fee distribution will result in an annual loss in revenues of approximately \$550,000 to Fund 4K90 and a corresponding annual gain in revenues to Fund 83M0.

Changes to License Plate Law

License Plate Number Retention

The budget creates an option for persons to retain the distinctive combination of numbers and letters on certain previously issued sets of license plates upon payment of a \$10 fee charged when the registration is renewed and new plates are issued. The provision also allows a deputy registrar who handles the application to retain \$1 of the \$10 fee. Special license plates typically cost around \$7 per pair of plates to produce and the \$10 fee charged for this service is intended to cover the increase in expenditures for the BMV to produce the new license plates.

License Plate Composition

The budget specifies that license plates may be made of steel, aluminum, plastic, or any other suitable material, rather than requiring that they be made of steel as under previous law.

Company Logo License Plates for Apportioned Vehicles

The budget permits a company that owns or leases a fleet of apportioned vehicles to apply to the Registrar of Motor Vehicles for the issuance of a special license plate bearing the logo of the company under the following circumstances:

1. The initial application is required to be for not less than 50 eligible vehicles.

2. The company logo license plates are required to be issued upon payment of all applicable taxes and fees, including an additional fee of \$6 to the BMV when such a license plate is actually issued. If a company logo plate is issued to replace an existing license plate for the same vehicle, the replacement fee does not apply.
3. No validation sticker may be issued for a company logo license plate that is issued for a commercial motor vehicle.

The increase in costs for the BMV to produce company logo license plates will be offset by the additional \$6 fee collected upon the issuance of the plates.

Local Permissive Taxes for Special Reserved and Collector's License Plates

The budget clarifies that when special reserved and collector's vehicle license plates are issued, all applicable local permissive motor vehicle registration taxes are to be collected, not just two specific local taxes.

Changes to Motor Vehicle Registration Law

Farm Bus Registration Period

The budget changes the time period that a farm bus may be registered from two 90-day periods in any calendar year (at \$10 per 90-day registration) to one 210-day period in any calendar year (at \$10 per 210-day registration).

Late Fee for Motor Vehicle Registrations

The budget reduces the late fee for motor vehicle registrations from \$20 to \$10 and extends the grace period before the late fee is paid from seven days to 30 days. This provision will result in a loss in revenue for the State Highway Safety Fund (Fund 7036) of approximately \$11 million, or more, depending on the number of people who would have been late in registering their vehicles but are not under the change in the grace period.

Multi-Year Vehicle Registrations for Trailers and Semi-Trailers

The budget requires the Registrar of Motor Vehicles to adopt rules not later than December 31, 2013, to allow a trailer or semi-trailer to be registered for any number of years, including a permanent registration, rather than for a period of not more than five years as under previous law. A multi-year period of registration is not transferable to any other trailer or semi-trailer.

The provision also specifies that the annual taxes of \$25 per year must be paid at registration, but that taxes due may not exceed \$200, and that the additional fee of \$11 per year deposited to the credit of the State Highway Safety Fund (Fund 7036) that is to pay the costs of administering and enforcing traffic laws must be paid, but that those fees may not exceed \$88. Any applicable local motor vehicle taxes are required to be

paid for each year of registration, up to a maximum of eight times the annual local taxes.

Multi-Year Vehicle Registration

The budget extends from two years to a maximum of five years the optional multi-year registration generally available for motor vehicles and specifies that all annual taxes and fees must be paid for each registration year. The applicable registrar or deputy registrar service fee, however, is set as follows: \$5.25 for two years (no change from prior law), \$8.00 for three years, and \$10.00 for four or five years.

Local Motor Vehicle License Tax Fund

The budget creates the Local Motor Vehicle License Tax Fund and requires all revenue from local permissive motor vehicle registration taxes to be deposited into the fund for subsequent distribution to local authorities, instead of requiring the taxes to be deposited into the Auto Registration Distribution Fund (Fund 7051) as under previous law. Any license tax assessed under Chapters 4503. or 4504. of the Revised Code and derived from registrations processed prior to July 1, 2013 is required to be deposited to the credit of Fund 7051, even if the deposit occurs on or after July 1, 2013.

Scrap Metal Dealers

The budget makes several changes to the scrap metal dealers and bulk merchandise container dealers law. Among other things, it incorporates theft of a special purpose article or a bulk merchandise container into the offense of theft and it incorporates receiving a stolen special purpose article or a bulk merchandise container into the offense of receiving stolen property. It also removes the previous law requirement that 50% of the fees paid to recover an impounded motor vehicle must be paid to the Department of Public Safety.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of each appropriation item in the Department of Public Safety's budget. In this analysis, the Department's line items are grouped into ten major categories. For each category, a table is provided listing the appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are enacted in the budget. If the appropriation is earmarked, the earmarks are listed and described. The ten categories used in this analysis are as follows:

1. State Highway Patrol
2. Bureau of Motor Vehicles
3. Emergency Management
4. Traffic Safety and Education
5. Criminal Justice Services
6. Emergency Medical Services
7. Investigations
8. Homeland Security
9. Debt Service
10. Revenue Distribution

To aid the reader in finding each line item in the analysis, the following table shows the category in which it has been placed, listing the line items generally in order within their respective fund groups and funds. This is the same order the line items appear in the transportation budget bill.

Categorization of Public Safety's Line Items for Analysis of H.B. 51			
Fund	ALI	ALI Name	Category
State Highway Safety Fund (HSF) Group			
4W40	762321	Operating Expense – BMV	2: Bureau of Motor Vehicles
5V10	762682	License Plate Contributions	2: Bureau of Motor Vehicles
7036	761321	Operating Expense – Information & Education	4: Traffic Safety and Education
7036	761401	Lease Rental Payments	9: Debt Service
7036	764033	Minor Capital Projects	1: State Highway Patrol
7036	764321	Operating Expense – Highway Patrol	1: State Highway Patrol
7036	764605	Motor Carrier Enforcement Expenses	1: State Highway Patrol
8300	761603	Salvage and Exchange – Administration	4: Traffic Safety and Education
8310	761610	Information and Education – Federal	4: Traffic Safety and Education

Categorization of Public Safety's Line Items for Analysis of H.B. 51			
Fund	ALI	ALI Name	Category
8310	764608	FARS Grant Federal	1: State Highway Patrol
8310	764610	Patrol – Federal	1: State Highway Patrol
8310	764659	Transportation Enforcement – Federal	1: State Highway Patrol
8310	765610	EMS – Federal	6: Emergency Medical Services
8310	769610	Investigative Unit Federal Reimbursement	7: Investigations
8310	769631	Homeland Security – Federal	8: Homeland Security
8320	761612	Traffic Safety – Federal	4: Traffic Safety and Education
8350	762616	Financial Responsibility Compliance	2: Bureau of Motor Vehicles
8370	764602	Turnpike Policing	1: State Highway Patrol
8380	764606	Patrol Reimbursement	1: State Highway Patrol
83C0	764630	Contraband, Forfeiture, Other	1: State Highway Patrol
83F0	764657	Law Enforcement Automated Data System	1: State Highway Patrol
83G0	764633	OMVI Enforcement/Education	1: State Highway Patrol
83J0	764693	Highway Patrol Justice Contraband	1: State Highway Patrol
83M0	765624	Operating – EMS	6: Emergency Medical Services
83M0	765640	EMS – Grants	6: Emergency Medical Services
83R0	762639	Local Immobilization Reimbursement	2: Bureau of Motor Vehicles
83T0	764694	Highway Patrol Treasury Contraband	1: State Highway Patrol
8400	764607	State Fair Security	1: State Highway Patrol
8400	764617	Security and Investigations	1: State Highway Patrol
8400	764626	State Fairgrounds Police Force	1: State Highway Patrol
8400	769632	Homeland Security – Operating	8: Homeland Security
8410	764603	Salvage and Exchange – Highway Patrol	1: State Highway Patrol
8460	761625	Motorcycle Safety Education	4: Traffic Safety and Education
8490	762627	Automated Title Processing Board	2: Bureau of Motor Vehicles
General Services Fund (GSF) Group			
4P60	768601	Justice Program Services	5: Criminal Justice Services
5ET0	768625	Drug Law Enforcement	5: Criminal Justice Services
5LM0	768698	Criminal Justice Services Law Enforcement Support	5: Criminal Justice Services
Federal Special Revenue Fund (FED) Group			
3290	763645	Federal Mitigation Program	3: Emergency Management
3370	763609	Federal Disaster Relief	3: Emergency Management
3390	763647	Emergency Management Assistance & Training	3: Emergency Management
3CE0	768611	Justice Assistance Grants – FFY09	5: Criminal Justice Services
3DE0	768612	Federal Stimulus – Justice Assistance Grants	5: Criminal Justice Services
3DU0	762628	BMV Grants	2: Bureau of Motor Vehicles
3EU0	768614	Justice Assistance Grants – FFY10	5: Criminal Justice Services
3FK0	768615	Justice Assistance Grants – FFY11	5: Criminal Justice Services

Categorization of Public Safety's Line Items for Analysis of H.B. 51			
Fund	ALI	ALI Name	Category
3FP0	767620	Ohio Investigative Unit Justice Contraband	7: Investigations
3FY0	768616	Justice Assistance Grants – FFY12	5: Criminal Justice Services
3FZ0	768617	Justice Assistance Grants – FFY13	5: Criminal Justice Services
3GA0	768618	Justice Assistance Grants – FFY14	5: Criminal Justice Services
3L50	768604	Justice Program	5: Criminal Justice Services
3N50	763644	U.S. Department of Energy Agreement	3: Emergency Management
State Special Revenue Fund (SSR) Group			
4V30	763662	STORMS/NOAA Maintenance	3: Emergency Management
5390	762614	Motor Vehicle Dealers Board	2: Bureau of Motor Vehicles
5B90	766632	Private Investigator and Security Guard Provider	7: Investigations
5BK0	768687	Criminal Justice Services – Operating	5: Criminal Justice Services
5BK0	768689	Family Violence Shelter Programs	5: Criminal Justice Services
5BP0	764609	DPS Wireless 9-1-1 Administration	1: State Highway Patrol
5CM0	767691	Equitable Share Account	7: Investigations
5DS0	769630	Homeland Security	8: Homeland Security
5FF0	762621	Indigent Interlock and Alcohol Monitoring	2: Bureau of Motor Vehicles
5FL0	769634	Investigations	7: Investigations
5ML0	769635	Infrastructure Protection	8: Homeland Security
6220	767615	Investigative Contraband and Forfeiture	7: Investigations
6570	763652	Utility Radiological Safety	3: Emergency Management
6810	763653	SARA Title III HAZMAT Planning	3: Emergency Management
8500	767628	Investigative Unit Salvage	7: Investigations
Agency Fund (AGY) Group			
5J90	761678	Federal Salvage/GSA	4: Traffic Safety and Education
Holding Account Redistribution Fund (090) Group			
R024	762619	Unidentified Motor Vehicle Receipts	10: Revenue Distribution
R052	762623	Security Deposits	10: Revenue Distribution

Category 1: State Highway Patrol

The appropriations in this category are used by the Ohio State Highway Patrol to support the Patrol's highway and nonhighway law enforcement.

Appropriation Amounts for Highway Patrol				
Fund	ALI and Name		FY 2014	FY 2015
State Highway Safety Fund (HSF) Group				
7036	764033	Minor Capital Projects	\$1,250,000	\$1,250,000
7036	764321	Operating Expense – Highway Patrol	\$268,232,602	\$270,232,602
7036	764605	Motor Carrier Enforcement Expenses	\$2,860,000	\$2,860,000
8310	764608	FARS Grant Federal	\$175,000	\$175,000
8310	764610	Patrol – Federal	\$2,250,000	\$2,250,000
8310	764659	Transportation Enforcement – Federal	\$5,200,000	\$5,200,000
8370	764602	Turnpike Policing	\$11,553,959	\$11,553,959
83C0	764630	Contraband, Forfeiture, Other	\$622,894	\$622,894
83F0	764657	Law Enforcement Automated Data System	\$8,500,000	\$8,500,000
83G0	764633	OMVI Enforcement/Education	\$641,927	\$641,927
83J0	764693	Highway Patrol Justice Contraband	\$2,100,000	\$2,100,000
83T0	764694	Highway Patrol Treasury Contraband	\$21,000	\$21,000
8400	764607	State Fair Security	\$1,294,354	\$1,294,354
8400	764617	Security and Investigations	\$8,793,865	\$9,514,236
8400	764626	State Fairgrounds Police Force	\$1,047,560	\$1,084,559
8410	764603	Salvage and Exchange – Highway Patrol	\$1,339,399	\$1,339,399
State Highway Safety Fund Group Subtotal			\$315,882,560	\$318,639,930
State Special Revenue Fund (SSR) Group				
5BP0	764609	DPS Wireless 9-1-1 Administration	\$290,000	\$290,000
State Special Revenue Fund Group Subtotal			\$290,000	\$290,000
Total Funding: State Highway Patrol			\$316,172,560	\$318,929,930

State Highway Safety Fund (Fund 7036)

The State Highway Safety Fund receives revenue from fees, excises, and license taxes related to the registration and operation of vehicles on public highways. This category includes the following three line items within this fund.

Minor Capital Projects (764033)

This line item is used to fund minor capital projects at Patrol facilities. The budget flat funds the line item at \$1.3 million in each fiscal year.

Operating Expense – Highway Patrol (764321)

This line item is used to pay the Patrol's operating expenses (payroll, personal services contracts, maintenance, and equipment). The budget funds this line item at

\$268.2 million in FY 2014 and at \$270.2 million in FY 2015, which are annual increases of 3.8% and 0.7%, respectively.

Motor Carrier Enforcement Expenses (764605)

This line item is used in conjunction with item 764659 to enforce both federal and state laws pertaining to the safe operation of commercial motor vehicles. These funds are the state match needed in order for the Patrol to qualify for funding under the federal Motor Carrier Safety Assistance Program (MCSAP).

FARS Grant Federal (764608)

This is a new line item enacted in the budget. FARS stands for the Fatality Analysis Reporting System, which collects traffic crash data, including data specific to fatal crashes. The grant that funds this item is used to cover a portion of the Patrol's cost of collecting these data in Ohio.

Patrol – Federal (764610)

This line item is used to reimburse the Patrol for operating costs related to certain federally funded highway safety programs and activities, principally law enforcement projects and Safe Communities Program grant moneys awarded by the Ohio Traffic Safety Office.

Transportation Enforcement – Federal (764659)

This line item is used in conjunction with item 764605 to enforce both federal and state laws pertaining to the safe operation of commercial motor vehicles. This item is funded from cash transferred from the Public Utilities Commission's federal Motor Carrier Safety Fund (Fund 3500) to assist in covering the Patrol's operating costs in relation to the federal Motor Carrier Safety Assistance Program (MCSAP). MCSAP is a major grant program of the U.S. Department of Transportation for which the Public Utilities Commission has been designated the lead agency in Ohio.

Turnpike Policing (764602)

This line item's appropriations are supported by contract payments made by the Ohio Turnpike Commission to reimburse the Patrol for costs incurred in policing Turnpike projects. These moneys are used to pay the costs incurred by the Patrol in policing Turnpike projects, including the salaries of employees of the Patrol assigned to the policing, the current costs of funding retirement pensions for the employees of the Patrol and of providing workers' compensation for them, the cost of training Patrol troopers and radio operators assigned to Turnpike projects, and the cost of equipment and supplies used by the Patrol in such policing, to the extent that the equipment and supplies are not directly furnished by the Ohio Turnpike Commission.

Law Enforcement Automated Data System (764657)

This line item is used for the operation and maintenance of the Law Enforcement Automated Data System (LEADS), a computer communications network allowing local, state, and federal law enforcement agencies to access information on vehicle registration, titling, licensing, outstanding warrants, stolen vehicles, wanted and missing persons, individual criminal histories, and emergency data. Its moneys are drawn from monthly user fees charged to criminal justice agencies.

OMVI Enforcement/Education (764633)

This line item is used to enforce the state's driving under the influence laws and conducting related educational programs. Its moneys are drawn from fines received by the Patrol in relation to the arrest, and subsequent conviction, of a person for violating the state's driving under the influence laws.

State and Federal Forfeitures (764630, 764693, and 764694)

Line item 764630, Contraband, Forfeiture, Other, consists of moneys received by the Patrol from the disposal of contraband, proceeds, and instrumentalities forfeited pursuant to the state's criminal and civil forfeiture laws. The Patrol is permitted to utilize the moneys for law enforcement purposes that are determined to be appropriate, but is prohibited from using the fund's moneys for operating costs of the Patrol that are unrelated to law enforcement.

The moneys supporting the two line items described immediately below capture proceeds received by the Patrol pursuant to federal forfeiture law under the Federal Equitable Sharing Program and are required to be used according to the federal rules of equitable sharing.

Line item 764693, Highway Patrol Justice Contraband, consists of proceeds that the Patrol receives as a result of directly participating in a U.S. Department of Justice investigation or prosecution that results in a federal forfeiture. Department of Justice investigative agencies include: the Bureau of Alcohol, Tobacco, Firearms and Explosives; the Drug Enforcement Administration; and the Federal Bureau of Investigation.

Line item 764694, Highway Patrol Treasury Contraband, consists of proceeds that the Patrol receives as a result of directly participating in a U.S. Department of Treasury investigation or prosecution that results in a federal forfeiture. Department of Treasury investigative agencies include: Customs and Border Protection, Immigration and Customs Enforcement, Internal Revenue Service, and Secret Service.

State Fairgrounds (764607 and 764626)

These two line items are used to pay for operating expenses related to providing traffic control and security for the Ohio Expositions Commission and the Ohio State

Fair. Both line items draw their financing from fines, bonds, and bail collected from persons apprehended or arrested by the Ohio State Highway Patrol.

Line item 764607, State Fair Security, is used for the nonhighway-related duties of the Ohio State Highway Patrol at the Ohio State Fair. Line item 764626, State Fairgrounds Police Force, is used for providing traffic control and security for the Ohio Expositions Commission on a full-time, year-round basis.

Security and Investigations (764617)

This line item is used for: (1) providing security for the Governor, other officials and dignitaries, the Capitol Square, and other state property and (2) undertaking major criminal investigations that involve state property interests. Its moneys are drawn from fines, bonds, and bail collected from persons apprehended or arrested by the Ohio State Highway Patrol.

Salvage and Exchange – Highway Patrol (764603)

This line item, which draws its moneys from the sale of motor vehicles and other equipment used by the Patrol, is used for purchasing replacement motor vehicles and other equipment for the Patrol.

DPS Wireless 9-1-1 Administration (764609)

This is a new line item enacted in this budget. The line item will be used for costs related to ensuring that local and county 9-1-1 public safety answering points are in compliance with the requirements of the law.

Commercial Bus Safety Inspection Fee

The budget requires that the fee charged by the State Highway Patrol for the annual inspection of certain commercial buses (currently \$100 under rule) be credited directly to the State Highway Safety Fund (Fund 7036), rather than being paid into the GRF and then transferred into Fund 7036 as reimbursement after an annual certification of the inspection fee amount made by the Director of Public Safety to the Director of Budget and Management.

Clearing of Motor Vehicle Accident Scenes

The budget permits a duly authorized subordinate acting on behalf of a county sheriff, chief of police, State Highway Patrol trooper, or chief of a fire department to remove any unoccupied motor vehicle, cargo, or personal property from a motor vehicle accident scene located on a public street or highway or property ordinarily used for vehicular travel.

Superintendent and Ranks of the State Highway Patrol

The budget requires that the Superintendent of the State Highway Patrol hold the rank of colonel and requires the Superintendent to be appointed from within the

eligible ranks of the State Highway Patrol and specifies that all ranks of the Patrol below the Superintendent are classified.

Cash Transfers

In continuing temporary law, the Director of Budget and Management is required to review, on an annual basis, the cash balances for each fund in the State Highway Safety Fund Group, with the exception of the State Highway Safety Fund (Fund 7036) and the State Bureau of Motor Vehicles Fund (Fund 4W40), and recommend to the Controlling Board an amount to be transferred to the credit of Fund 7036 or Fund 4W40, as appropriate.

The budget permits the Director of Budget and Management to transfer the cash balance in the Hilltop Utility Reimbursement Fund (Fund 4S30) to Fund 7036 by January 1, 2014, and abolishes Fund 4S30 upon the completion of the transfer.

The budget requires the Director of Public Safety to deposit cash that would otherwise be deposited to the International Registration Plan Distribution Fund (Fund 7050) to Fund 7036 until the cumulative total in each of FYs 2014 and 2015 reaches \$35 million.

Collective Bargaining Increases

The budget contains continuing temporary law that permits the Controlling Board, upon the request of either the Director of Budget and Management or the Department of Public Safety with the approval of the Director of Budget and Management, to authorize expenditures in excess of appropriations and transfer appropriations, as necessary, for any fund used by the Department of Public Safety, to assist in paying the costs of increases in employee compensation that have occurred pursuant to collective bargaining agreements under R.C. Chapter 4117. and, for exempt employees, under R.C. 124.152 and appropriates any money approved for expenditure under this provision.

Category 2: Bureau of Motor Vehicles

The appropriations in this category are used by the Department's Bureau of Motor Vehicles to support driver licensing and motor vehicle registration, as well as the titling of motor vehicles.

Appropriation Amounts for Bureau of Motor Vehicles				
Fund	ALI and Name		FY 2014	FY 2015
State Highway Safety Fund (HSF) Group				
4W40	762321	Operating Expense – BMV	\$130,559,268	\$130,418,957
5V10	762682	License Plate Contributions	\$2,100,000	\$2,100,000
8350	762616	Financial Responsibility Compliance	\$5,274,068	\$5,274,068
83R0	762639	Local Immobilization Reimbursement	\$450,000	\$450,000
8490	762627	Automated Title Processing Board	\$16,675,513	\$16,467,293
State Highway Safety Fund Group Subtotal			\$155,058,849	\$154,710,318
State Special Revenue Fund (SSR) Group				
5390	762614	Motor Vehicle Dealers Board	\$150,000	\$140,000
5FF0	762621	Indigent Interlock and Alcohol Monitoring	\$2,000,000	\$2,000,000
State Special Revenue Fund Group Subtotal			\$2,150,000	\$2,140,000
Federal Special Revenue Fund (FED) Group				
3DU0	762628	BMV Grants	\$1,350,000	\$1,325,000
Federal Special Revenue Fund Group Subtotal			\$1,350,000	\$1,325,000
Total Funding: Bureau of Motor Vehicles			\$158,558,849	\$158,175,318

Operating Expense – BMV (762321)

This line item is appropriated from the State Bureau of Motor Vehicles Fund (Fund 4W40). The fund's revenue is from a variety of sources, including motor vehicle taxes, fees charged for dealer plates, driver and vehicle registration abstracts, driver licenses, and a portion of the fee paid for the reinstatement of a driver's license that was suspended for operating a vehicle while under the influence of alcohol or drugs (OVI). This line item is used to pay the operating expenses of the Bureau of Motor Vehicles. The budget combines former appropriation item 762410, Registrations Supplement, with the Bureau's operating line item. That line item was largely used to defray the cost of manufacturing and distributing license plates and stickers, and to cover the cost of motor vehicle registration.

The budget continues temporary law that: (1) allows the Registrar of Motor Vehicles to deposit revenues obtained pursuant to R.C. 4503.02 and 4504.02, less all other available cash, to meet the cash needs of the State Bureau of Motor Vehicles Fund (Fund 4W40), (2) requires revenues deposited under (1) to support, in part, appropriations for operating expenses and defray the cost of manufacturing and

distributing license plates and license plate stickers and enforcing the law relative to the operation and registration of motor vehicles, (3) notwithstanding R.C. 4501.03, requires the revenues obtained pursuant to R.C. 4503.02 and 4504.02 to be paid into Fund 4W40 before being paid into any other fund, and (4) requires the deposit of revenues to be in approximately equal amounts on a monthly basis or as otherwise determined by the Director of Budget and Management pursuant to a plan submitted by the Registrar of Motor Vehicles.

The budget also earmarks up to \$50,000 in FY 2014 in this line item for costs associated with improvements to the program to accept applications for registration transactions of apportionable vehicles electronically over the Internet.

License Plate Contributions (762682)

This line item's moneys consist of the mandatory contribution paid for the issuance and annual renewal of designated special logo license plates (professional sports, collegiate for participating schools, and certain special interests). The mandatory contribution varies by type of plate and ranges from \$2 to \$25. The Registrar of Motor Vehicles pays the contributions deposited to the credit of the fund to certain specified entities.

Financial Responsibility Compliance (762616)

This line item's moneys consist primarily of a portion of the financial responsibility reinstatement fee paid by an operator whose license has been suspended for failure to provide proof of financial responsibility. The fees are \$100 for the first violation, \$300 for a second violation, and \$600 for a third or subsequent violation, and of those amounts, \$75 for a first violation, \$250 for a second violation, and \$500 for a third violation are distributed to this line item. The remainder is distributed to the Indigent Defense Support Fund (Fund 5DY0) and is used by the Public Defender. This line item is used by the Bureau of Motor Vehicles for the administration of state laws regarding driver financial responsibility,³ as well as costs incurred by any law enforcement agency employing any peace officer who returns any license, certificate of registration, or license plate to the Registrar of Motor Vehicles.

Local Immobilization Reimbursement (762639)

This line item is funded by a \$100 immobilization fee paid to the Registrar of Motor Vehicles by an offender for the release of a motor vehicle that has been immobilized. These moneys are paid out to the appropriate county, municipality, or law enforcement agency as designated by the court to reimburse the designated entity for the costs it incurs to immobilize a vehicle for state OVI (operating a vehicle under the influence) offenses.

³ In particular, R.C. 4509.101, 4503.20, 4507.212, and 4509.81.

Automated Title Processing Board (762627)

This line item, which draws its financing from a portion of each vehicle and watercraft titling fee, is used for the following:

- Implementing and maintaining the automated title processing system (ATPS) for the issuance of motor vehicle, off-highway motorcycle, and all-purpose vehicle certificates of title in the offices of the clerks of the courts of common pleas;
- Issuing marine certificates of title in the offices of the clerks of the courts of common pleas as provided in Chapter 1548. of the Revised Code; and
- Implementing S.B. 59 of the 124th General Assembly, which enacted changes in the titling processes for motor vehicles, watercraft, outboard motors, off-highway motorcycles, and all-purpose vehicles.

The ATPS maintains the records of over 110 million motor vehicle and watercraft titles. Notable users of this system include: (1) the clerks of the courts of common pleas that collect around \$50 million annually in title fees, (2) the Ohio Department of Taxation, which uses the system to calculate and collect around \$1.46 billion in taxes related to the sale of motor vehicles and watercraft, (3) the Ohio Department of Natural Resources, which uses the system to issue watercraft titles and collect related fees, and (4) banking and lending institutions that use the system to apply lien notations on titles.

Motor Vehicle Dealers Board (762614)

This line item is used by the Motor Vehicle Dealers Board created under R.C. 4517.30, together with other moneys appropriated to it, in the exercise of its powers and the performance of its duties. Its revenue stream consists of four cents (\$0.04) of the fee that the clerk of a court of common pleas is required to charge for each certificate of motor vehicle title. In FY 2012, the fund received nearly \$190,000 in revenues.

Indigent Interlock and Alcohol Monitoring (762621)

This line item was created as a result of the enactment of S.B. 17 of the 127th General Assembly. One of the changes to state law in S.B. 17 was a \$50 increase in the minimum mandatory fine assessed against convicted OVI-related offenders, regardless of the number of prior offenses. S.B. 17 directs the increase to the sentencing court's special projects fund to be used only to pay the cost of an immobilizing or disabling device for indigent offenders. If the court does not have a special projects fund, the \$50 increase is directed for deposit in the state treasury to the credit of the Indigent Drivers Interlock and Alcohol Monitoring Fund (Fund 5FF0), created by S.B. 17. The funds are distributed to county and municipal indigent drivers interlock and alcohol monitoring funds.

BMV Grants (762628)

This line item consists of federal moneys awarded to the Bureau of Motor Vehicles, most recently an award for the purpose of improving the integrity and security of state-issued driver licenses and identification cards.

Deputy Registrars

The budget makes the following changes to the deputy registrar law:

1. Eliminates the requirement that every deputy registrar's office in each county be open to the public until 6:30 p.m. on at least one weeknight each week.
2. Allows a deputy registrar to make the equipment necessary to participate in electronic tolling on the Ohio Turnpike available to the general public, under an agreement with, and for a fee established by, the Ohio Turnpike and Infrastructure Commission. The deputy registrar is not required to obtain prior approval for this activity from the Registrar of Motor Vehicles.
3. Requires the Registrar of Motor Vehicles, as part of the selection process in awarding a deputy registrar contract, to consider the customer service performance record of any person previously awarded a deputy registrar contract.
4. Requires that the rental fees paid by a deputy registrar for the use of space in a driver's license examining station be paid into the State Bureau of Motor Vehicles Fund (Fund 4W40) rather than the Registrar Rental Fund (Fund 8380). The Director of Budget and Management is required to transfer the cash balance in Fund 8380 to Fund 4W40 on July 1, 2013 and the budget abolishes Fund 8380 upon completion of the transfer.

Vision-Only Testing for New Residents

The budget provides that a person who holds a current, valid driver's license from another state be required to pass only a vision screening, rather than a vision screening and the written test as required under previous law, to be issued a driver's license in Ohio.

Auction of Classic Motor Vehicles

The budget increases the number of classic motor vehicle auctions an individual may hold per year, from two to four, without being subject to certain licensing and place of business requirements under the Motor Vehicle Dealers Law.

Cash Transfers

In continuing temporary law, the Director of Budget and Management, upon the written request of the Director of Public Safety, may approve the transfer of cash between the following six funds: Trauma and Emergency Medical Services Fund (Fund 83M0), Homeland Security Fund (Fund 5DS0), Investigations Fund (Fund 5FL0), Emergency Management Agency Service and Reimbursement Fund (Fund 4V30), Justice Program Services Fund (Fund 4P60), and State Bureau of Motor Vehicles Fund (Fund 4W40).

The budget permits the Director of Budget and Management to transfer the cash balance in the Teen Driver Education Fund (Fund 5JS0) to the License Plate Contribution Fund (Fund 5V10) on July 1, 2013 and then abolishes Fund 5JS0 upon completion of the transfer.

Redirection of Revenue

The budget redirects a portion of the fees collected for commercial driver's licenses and skills testing from the State Highway Safety Fund (Fund 7036) to Fund 4W40.

Category 3: Emergency Management

The appropriations in this category are used by the Ohio Emergency Management Agency (EMA) to support operations, planning, and training, as well as mitigation and recovery.

Appropriation Amounts for Emergency Management				
Fund	ALI and Name		FY 2014	FY 2015
Federal Special Revenue Fund (FED) Group				
3290	763645	Federal Mitigation Program	\$10,413,642	\$10,413,642
3370	763609	Federal Disaster Relief	\$27,707,636	\$27,707,636
3390	763647	Emergency Management Assistance and Training	\$70,934,765	\$70,934,765
3N50	763644	U.S. Department of Energy Agreement	\$31,672	\$31,672
Federal Special Revenue Fund Group Subtotal			\$109,087,715	\$109,087,715
State Special Revenue Fund (SSR) Group				
4V30	763662	STORMS/NOAA Maintenance	\$4,950,000	\$4,950,000
6570	763652	Utility Radiological Safety	\$1,415,945	\$1,415,945
6810	763653	SARA Title III HAZMAT Planning	\$262,438	\$262,438
State Special Revenue Fund Group Subtotal			\$6,628,383	\$6,628,383
Total Funding: Emergency Management			\$115,716,098	\$115,716,098

Federal Mitigation Program (763645)

This line item is used as a depository for financial assistance awarded from the Federal Emergency Management Agency (FEMA) to support the management and implementation of Ohio's mitigation efforts, which are intended to reduce or minimize the impact of future disasters on individuals, businesses, and property. In general, the required nonfederal matching share is around 25% of total eligible costs, and, depending upon the grant program, can be a combination of cash, in-kind services, or materials. The majority of the appropriations in this line item are allocated for grants to be awarded to various state and local governmental units.

Federal Disaster Relief (763609)

This line item's moneys consist of federal public assistance disaster grants. More specifically, these moneys are used, subsequent to a disaster or emergency declared by the President, to provide reimbursement to the state and local governments and eligible private nonprofit organizations for removal of wreckage and debris from private and public lands, performance of emergency protective measures, emergency transportation assistance, emergency communications, and permanent restoration of eligible facilities. The federal share is at least 75% with the state and local governments responsible for

the remainder. The majority of the appropriations in this line item is distributed in the form of subsidies and shared revenues.

Emergency Management Assistance and Training (763647)

This line item's moneys consist of various grants for emergency management operations, planning, and training, the bulk of which are awarded by FEMA as part of the Homeland Security Grant Program. More specifically, these moneys are for the purpose of (1) assisting the state and local governments in enhancing and sustaining all-hazards emergency management capabilities, (2) funding various preparedness activities, for example, planning, equipment, training, and exercises, and (3) funding eligible EMA administrative and program costs. Most of the appropriations in this line item are allocated for grants to various state and local governmental units.

U.S. Department of Energy Agreement (763644)

The moneys appropriated to this line item consist of financial assistance from the U.S. Department of Energy that is passed through to EMA by the Ohio Environmental Protection Agency. This line item's purpose is to finance EMA's role in the management and oversight of U.S. Department of Energy sites located in Ohio (coordination and public awareness, emergency planning and exercising, hazard assessments, and data management).

STORMS/NOAA Maintenance (763662)

This line item is used for the costs of administering programs of EMA. It consists of moneys collected under the Emergency Management Agency Law,⁴ including reimbursement of costs associated with maintaining rain gauges that are part of the Ohio Rain/Snow Monitoring System (STORMS) and contract work.

Utility Radiological Safety (763652)

This line item is funded via a portion of the assessments that the Utility Radiological Safety Board imposes on nuclear electric utilities to fund emergency response planning and preparedness. Their use is restricted for the purpose of enabling a member agency to fulfill its authority and duties under the statutes related to nuclear safety or the Utility Safety Radiological Board, or under agreements with the Nuclear Regulatory Commission.

SARA Title III HAZMAT Planning (763653)

The moneys appropriated to this line item consist of grants from the State Emergency Response Commission, the fiscal agent of which is the Ohio Environmental Protection Agency, to implement the Emergency Management Agency's responsibilities

⁴ R.C. 5502.21 to 5502.38.

under Chapter 3750. of the Revised Code. EMA uses the moneys to support planning for hazardous and toxic chemical emergencies.

State Disaster Relief

The budget contains a continuing temporary law provision authorizing the State Disaster Relief Fund (Fund 5330) and line item 763601, which does not have a line item appropriation, to accept:

- Cash and appropriations transferred from Controlling Board line items for EMA disaster response costs and disaster program management costs;
- Transfers of cash and appropriations from Controlling Board line items for EMA public assistance and mitigation program match costs to reimburse eligible local governments and private nonprofit organizations for disaster-related costs;
- Transfers of cash to reimburse the costs associated with Emergency Management Assistance Compact (EMAC) deployments;
- Disaster-related reimbursement from federal, state, and local governments; and
- Transfers of cash and appropriations from Controlling Board line items to fund the State Disaster Relief Program and the State Individual Assistance Program.

The provision also requires EMA to publish and make available application packets outlining procedures for the State Disaster Relief Program and the State Individual Assistance Program.

Cash Transfer

In each fiscal year, the Director of Budget and Management is required to transfer \$200,000 cash from the State Fire Marshal Fund (Fund 5460) to the Emergency Management Agency Service and Reimbursement Fund (Fund 4V30). The transferred cash is earmarked for distribution to the Ohio Task Force One – Urban Search and Rescue Unit and other urban search and rescue programs around the state and for the maintenance of the statewide fire emergency response plan.

Category 4: Traffic Safety and Education

The appropriations in this category are used to support the Ohio Traffic Safety Office (OTSO) and the Administration Division.

Appropriation Amounts for Traffic Safety and Education				
Fund	ALI and Name		FY 2014	FY 2015
State Highway Safety Fund (HSF) Group				
7036	761321	Operating Expense – Information and Education	\$7,055,066	\$6,999,331
8300	761603	Salvage and Exchange – Administration	\$20,053	\$20,053
8310	761610	Information and Education – Federal	\$300,000	\$300,000
8320	761612	Traffic Safety – Federal	\$22,000,000	\$22,000,000
8460	761625	Motorcycle Safety Education	\$3,280,563	\$3,280,563
State Highway Safety Fund Group Subtotal			\$32,655,682	\$32,599,947
Agency Fund (AGY) Group				
5J90	761678	Federal Salvage/GSA	\$1,500,000	\$1,500,000
Agency Fund Group Subtotal			\$1,500,000	\$1,500,000
Total Funding: Traffic Safety and Education			\$34,155,682	\$34,099,947

Operating Expense – Information and Education (761321)

This line item, which draws its appropriations from a wide variety of sources, including fees from driver licenses and vehicle registrations, is used to support various operating expenses of two organizational units of the Department of Public Safety: the Ohio Traffic Safety Office (OTSO) and the Administration Division.

The budget contains a provision that permits the Department to spend up to \$250,000 in each fiscal year from this line item to fund state employees to staff travel information centers on the border of the state. The budget also requires the Department to conduct a study for partnering with local travel and tourism centers, as well as a study for the creation of the Ohio Ambassadors Volunteer Program at rest stops in the state.

Salvage and Exchange – Administration (761603)

This line item, which draws its funding from proceeds from the sale of motor vehicles and related equipment by the Administration Division, is used for purchasing replacement motor vehicles and related equipment.

Information and Education – Federal (761610)

Moneys appropriated to this line item are drawn from federal financial assistance (Section 402 grants) to reimburse the Department for costs to enter and analyze crash data in general, and fatal crash data specifically.

Traffic Safety – Federal (761612)

This line item, which draws its moneys from various federal highway safety grant programs, is used by OTSO to award grants to state agencies, political subdivisions, nonprofit organizations, higher education institutions, hospitals, and other interested groups to provide highway safety programs and activities identified in the state's Traffic Safety Action Plan (traffic safety, impaired driving, and seat belt programs) and to cover a portion of the Office's planning and administrative costs.

Motorcycle Programs (761625)

This line item, which is funded by a portion of the \$14 annual motorcycle registration fee, is used to pay the costs of conducting the motorcycle safety and education program known as Motorcycle Ohio. Each year, roughly 14,000 individuals participate in Motorcycle Ohio.

The program provides three motorcycle safety courses to the public: (1) a basic riding course, (2) an experienced rider course, and (3) a course for those interested in becoming a motorcycle instructor. Program staff also develop and distribute public information and education materials, make presentations regarding motorcycle safety issues, and work to improve the licensing system for motorcyclists.

Federal Salvage/GSA (761678)

This line item operates as a pass-through account through which local governments purchase surplus federal property (e.g., vehicles) from the U.S. General Services Administration (GSA).

Definition of Bicycle

The act modifies the definition of "bicycle" by specifying that a bicycle may have more than two wheels and eliminating references to wheel arrangement.

Category 5: Criminal Justice Services

This category of appropriations contains the line items that are used to support the services and activities of the Department's Division of Criminal Justice Services, which serves as the state's lead criminal justice planning agency.

Appropriation Amounts for Criminal Justice Services				
Fund		ALI and Name	FY 2014	FY 2015
General Services Fund (GSF) Group				
4P60	768601	Justice Program Services	\$900,000	\$875,000
5ET0	768625	Drug Law Enforcement	\$4,250,000	\$4,250,000
5LM0	768698	Criminal Justice Services Law Enforcement Support	\$850,946	\$850,946
General Services Fund Group Subtotal			\$6,000,946	\$5,975,946
Federal Special Revenue Fund (FED) Group				
3CE0	768611	Justice Assistance Grants – FFY09	\$400,000	\$100,000
3DE0	768612	Federal Stimulus – Justice Assistance Grants	\$1,000,000	\$300,000
3EU0	768614	Justice Assistance Grants – FFY10	\$830,000	\$500,000
3FK0	768615	Justice Assistance Grants – FFY11	\$900,000	\$900,000
3FY0	768616	Justice Assistance Grants – FFY12	\$2,200,000	\$1,500,000
3FZ0	768617	Justice Assistance Grants – FFY13	\$7,000,000	\$2,000,000
3GA0	768618	Justice Assistance Grants – FFY14	\$0	\$7,500,000
3L50	768604	Justice Program	\$10,500,000	\$10,500,000
Federal Special Revenue Fund Group Subtotal			\$22,830,000	\$23,300,000
State Special Revenue Fund (SSR) Group				
5BK0	768687	Criminal Justice Services – Operating	\$400,000	\$400,000
5BK0	768689	Family Violence Shelter Programs	\$750,000	\$750,000
State Special Revenue Fund Group Subtotal			\$1,150,000	\$1,150,000
Total Funding: Criminal Justice Services			\$29,980,946	\$30,425,946

Operating Expenses (768601 and 768687)

These two line items are used to pay the costs of administering the operations of the Division of Criminal Justice Services. The funding for line item 768601, Justice Program Services, comes primarily from a portion of a \$5 fee for driver, vehicle, and certificate of title abstracts and a portion of a \$10 additional court cost assessed for moving violations. Line item 768687, Criminal Justice Services – Operating, draws its financing from fees for certificates of birth and death and for the filing of a divorce decree or dissolution.

Drug Law Enforcement (768625)

The purpose of this line item is to provide grants to local drug task forces to defray the expenses incurred in performing their functions related to the enforcement of the state's drug laws and other state laws related to illegal drug activity.

Criminal Justice Services Law Enforcement Support (768698)

This line item receives its funding from 0.3% of all casino tax collections and is used for law enforcement training purposes.

Federal Grants (768604, 768611, 768612, 768614, 768615, 768616, 768617, and 768618)

These line items serve as the mechanism for expending various federal, principally criminal justice, grants awarded to the state for the purpose of assisting the state and local governments with efforts to: (1) improve criminal justice information systems, (2) assist in drug law enforcement and improve the functioning of the criminal justice system, (3) combat violence against women, (4) reduce family violence, and (5) reduce gun violence.

The budget requires that federal payments made to the state for the Byrne Justice Assistance Grants Program under Title II of Division A of the American Recovery and Reinvestment Act of 2009 be deposited to the credit of the Justice Assistance Grant Fund (Fund 3DE0).

Family Violence Shelter Programs (768689)

This line item, which draws its financing from fees for certificates of birth and death and for the filing of a divorce decree or dissolution, is used by the Director of Public Safety to provide grants to family violence shelters in Ohio.

Family Violence Prevention Fund (Fund 5BK0)

The budget continues temporary law that requires the first \$750,000 in revenues deposited in the state treasury to the credit of the Family Violence Prevention Fund (Fund 5BK0) in each fiscal year be appropriated to line item 768689, Family Violence Shelter Programs, the next \$400,000 in revenues in each of those fiscal years be appropriated to line item 768687, Criminal Justice Services – Operating, and any remaining revenues in excess of the aforementioned appropriated amounts in each fiscal year be appropriated to line item 768689, Family Violence Shelter Programs, with the approval of the Controlling Board.

Disposition of Vital Statistics Fee

The act requires any penalty for failure to pay or forward fees charged for copies of birth records, certifications of births, and death records, and for the filing of divorce and dissolution decrees, to be paid to Public Safety and forwarded to the Treasurer of

State for deposit to the Family Violence Prevention Fund (Fund 5BK0), rather than paid directly to the Treasurer for deposit to that fund as under previous law.

Category 6: Emergency Medical Services

The Emergency Medical Services (EMS) category captures all of the line items that are used to support the Division of Emergency Medical Services, which serves as the administrative arm of the State Board of Emergency Medical Services.

Appropriation Amounts for Emergency Medical Services				
Fund	ALI and Name		FY 2014	FY 2015
State Highway Safety Fund (HSF) Group				
8310	765610	EMS – Federal	\$225,000	\$225,000
83M0	765624	Operating – EMS	\$3,056,069	\$3,056,069
83M0	765640	EMS – Grants	\$3,300,000	\$3,300,000
Total Funding: Emergency Medical Services			\$6,581,069	\$6,581,069

EMS – Federal (765610)

This line item consists of federal grants that are awarded for the purpose of the planning, development, and improvement of emergency medical services and trauma care systems.

Operating – EMS (765624)

This line item is used for administration of the Division of Emergency Medical Services and the State Board of Emergency Medical Services. This line item is appropriated from Fund 83M0, which draws its financing from fine moneys generated from enforcement of the mandatory seat belt law and a portion of a \$5 fee for driver record and vehicle certificates of abstract.

The budget merges the Ohio Medical Transportation Board with the EMS division of Public Safety. This provision adds more responsibility to EMS, as it will be required to inspect ambulances, ambulettes, and other forms of medical transportation and regulate that industry. Beginning in FY 2014, Fund 83M0 receives the fees previously collected by the Medical Transportation Board for the registration of the different forms of medical transportation.

EMS – Grants (765640)

This line item is also appropriated from Fund 83M0. These moneys are distributed by the State Board of Emergency Medical Services in the form of grants primarily to emergency medical services organizations for the training of personnel, for the purchase of equipment and vehicles, and to improve the availability, accessibility, and quality of emergency medical services, and secondarily to entities for trauma injury, prevention, medical research, and rehabilitation issues.

Category 7: Investigations

The appropriations in this category are used to support the Department's Investigative Unit, whose role is to enforce laws, rules, and regulations, and reduce illegal activity relating to alcohol, tobacco, food stamp fraud, and gambling.

Appropriation Amounts for Investigations				
Fund	ALI and Name		FY 2014	FY 2015
State Highway Safety Fund (HSF) Group				
8310	769610	Investigative Unit Federal Reimbursement	\$1,400,000	\$1,400,000
State Highway Safety Fund Group Subtotal			\$1,400,000	\$1,400,000
State Special Revenue Fund (SSR) Group				
5B90	766632	Private Investigator and Security Guard Provider	\$1,400,000	\$1,400,000
5CM0	767691	Federal Investigative Seizure	\$300,000	\$300,000
5FL0	769634	Investigations	\$899,300	\$899,300
6220	767615	Investigative, Contraband, and Forfeiture	\$325,000	\$325,000
8500	767628	Investigative Unit Salvage	\$92,700	\$92,700
State Special Revenue Fund Group Subtotal			\$3,017,000	\$3,017,000
Federal Special Revenue Fund (FED) Group				
3FP0	767620	Ohio Investigative Unit Justice Contraband	\$55,000	\$55,000
Federal Special Revenue Fund Group Subtotal			\$55,000	\$55,000
Total Funding: Investigations			\$4,472,000	\$4,472,000

Investigative Unit Federal Reimbursement (769610)

This line item contains federal funding for the purpose of financing the Investigative Unit's food stamp trafficking, liquor, and tobacco enforcement and compliance duties as described below.

Food stamp trafficking enforcement

A portion of the line item's revenue stream consists of cash transferred from the Ohio Department of Job and Family Services' federal Fund 3840, line item 600610, Food Stamps and State Administration, which is used to pay the state and local costs of administering food stamp trafficking enforcement operations. The cash transferred for the Investigative Unit's use is to cover a portion of its operating expenses related to investigating and controlling the illegal sale of food stamp benefits. The Unit's required state matching funds are drawn from line item 769634, Investigations.

Liquor enforcement

A portion of the moneys appropriated to this line item consist of a federal grant awarded to the Investigative Unit by the Ohio Traffic Safety Office for the reimbursement of overtime expenses for liquor agents and first-level supervisors participating in directed enforcement through sobriety checkpoints.

Tobacco compliance check

Approximately \$130,000 of the federal moneys appropriated to this line item annually consists of cash provided by the Ohio Department of Alcohol and Drug Addiction Services as part of its multi-partner SYNAR Underage Tobacco Sales Compliance Initiative. The federal government requires states to decrease youth access to tobacco, have a law making the sale of tobacco to minors illegal, and to conduct random, unannounced inspections of tobacco retailers. Under its partnering arrangement with the Ohio Department of Alcohol and Drug Addiction Services, the Investigative Unit conducts unannounced inspections at randomly selected outlets that have a state-issued liquor permit. If the state falls out of compliance, it risks losing a portion of more than \$20 million in annual Substance Abuse Prevention and Treatment Block Grant funding.

Equitable Share Account (767691)

Per federal guidelines, the moneys appropriated to this line item are to be used for law enforcement-related purchases, including firearms, computers, surveillance equipment, and vehicles.

Investigations (769634)

This line item is used to cover investigative costs incurred by the Unit. Its revenue stream consists almost exclusively of a portion of a \$5 fee for driver record and vehicle certificates of abstract.

Investigative, Contraband, and Forfeiture (767615)

This line item draws its moneys from the disposal of contraband, proceeds, and instrumentalities that are forfeited pursuant to the state's criminal and civil forfeiture laws. The Department may not use these moneys for operating costs that are unrelated to law enforcement.

Investigative Unit Salvage (767628)

This line item, which draws its moneys from the sale of motor vehicles and other equipment used by the Investigative Unit, is used to purchase replacement motor vehicles and other equipment for the Investigative Unit.

Private Investigator and Security Guard Provider (766632)

This line item receives its moneys largely from examination, licensing, and registration fees paid by private investigators and security guard providers. Its purpose is to pay for the operating expenses of the Division's Private Investigator/Security Guard Section, which oversees the licensing and regulation of the private investigator and security guard provider industries in Ohio, and expenses of the Ohio Private Investigation and Security Services Commission, which advises the Director of Public

Safety on all matters related to the regulation of private investigation and the business of security services.

Ohio Investigative Unit Justice Contraband (767620)

This is a new line item enacted in the budget. The line item is used for the Ohio Investigative Unit's portion of money received as a result of federal forfeitures and seizures in accordance with the Department of Justice Equitable Sharing Program. Federal equitable sharing programs require the strict separation of funds. The Investigative Unit has another Equitable Sharing Program Fund (5CM0), but it is only used for the federal Department of Treasury Equitable Sharing Program revenue.

Category 8: Homeland Security

The appropriations in this category are used to support the Department's Division of Homeland Security, which coordinates all of Ohio's homeland security activities.

Appropriation Amounts for Homeland Security				
Fund	ALI and Name		FY 2014	FY 2015
State Highway Safety Fund (HSF) Group				
8310	769631	Homeland Security – Federal	\$750,000	\$400,000
8400	769632	Homeland Security – Operating	\$650,000	\$630,000
State Highway Safety Fund Group Subtotal			\$1,400,000	\$1,030,000
State Special Revenue Fund (SSR) Group				
5DS0	769630	Homeland Security	\$1,414,384	\$1,414,384
5ML0	769635	Infrastructure Protection	\$400,000	\$400,000
State Special Revenue Fund Group Subtotal			\$1,814,384	\$1,814,384
Total Funding: Homeland Security			\$3,214,384	\$2,844,384

Homeland Security – Federal (769631)

This line item serves as the depository of federal grants used to support the state's homeland security program and law enforcement terrorism prevention. Specific activities include the Northern Border Initiative (protection of the Lake Erie coastline and related waterways), development and maintenance of a law enforcement emergency response plan, data collection and reporting, regional planning, and training exercises.

Operating Expenses (769632 and 769630)

These two line items are used to support the Division of Homeland Security's operating expenses. Line item 769632 is used for planning, developing, and coordinating statewide resources in support of public and private entities responsible for preventing terrorism, reducing vulnerabilities, and responding to and recovering from terrorist acts. Its moneys are drawn from fines, bonds, and bail collected from persons apprehended or arrested by the Ohio State Highway Patrol. Line item 769630 is used to pay the expenses of the Executive Director of the Division of Homeland Security. Its revenue stream consists almost exclusively of a portion of a \$5 fee for driver record and vehicle certificates of abstract.

Infrastructure Protection (769635)

This line item is a new line item enacted as part of H.B. 193 of the 129th General Assembly. It is funded via scrap metal dealer registrations, annual registration renewals, and replacement registration fees and supports the scrap metal dealer oversight program created by the above-mentioned act.

Category 9: Debt Service

The line item in the Debt Service category is used for the retirement of bond debt related to various capital projects.

Appropriation Amounts for Debt Service				
Fund	ALI and Name		FY 2014	FY 2015
State Highway Safety Fund (HSF) Group				
7036	761401	Lease Rental Payments	\$2,472,300	\$2,473,100
Total Funding: Debt Service			\$2,472,300	\$2,473,100

Lease Rental Payments (761401)

This line item is used to make debt service payments to the Ohio Building Authority for bonds issued to finance the Department's capital improvements. The budget also contains associated debt service temporary law that authorizes the Treasurer of State to lease capital facilities to the Department.

Category 10: Revenue Distribution

The line items in the Revenue Distribution category are used by the Department to hold certain cash until its disposition can be properly identified.

Appropriation Amounts for Revenue Distribution				
Fund	ALI and Name		FY 2014	FY 2015
Holding Account Redistribution Fund (090) Group				
R024	762619	Unidentified Motor Vehicle Receipts	\$1,885,000	\$1,885,000
R052	762623	Security Deposits	\$350,000	\$350,000
Total Funding: Revenue Distribution			\$2,235,000	\$2,235,000

Unidentified Motor Vehicle Receipts (762619)

This line item consists of moneys received by the Department that are provisional in nature or for which proper identification or disposition cannot immediately be determined (deputy registrar receipts, contingent money for licenses or inspection fees, photographic copies, accident reports and similar evidentiary material, and other miscellaneous fees). Once proper identification has been determined, the cash is refunded, transferred, or otherwise paid out of this line item.

Security Deposits (762623)

This line item is used for the payment of any judgment for damages arising out of an accident where a security deposit was required to be made⁵ and the return of any security deposits where it is determined that one is no longer necessary.⁶

⁵ See R.C. 4509.28.

⁶ See R.C. 4509.25 and 4509.29.

FY 2014 - FY 2015 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

Line Item Detail by Agency			Estimate	Appropriation	FY 2013 to FY 2014	Appropriation	FY 2014 to FY 2015	
			FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
Report For Transportation Budget			Version: Enacted					
DPS	Department of Public Safety							
4W40	762321	Operating Expense - BMV	\$ 69,104,073	\$ 82,003,240	\$ 130,559,268	59.21%	\$ 130,418,957	-0.11%
4W40	762410	Registrations Supplement	\$ 26,286,475	\$ 29,813,532	\$ 0	-100.00%	\$ 0	N/A
5V10	762682	License Plate Contributions	\$ 2,019,713	\$ 2,100,000	\$ 2,100,000	0.00%	\$ 2,100,000	0.00%
7036	761321	Operating Expense - Information and Education	\$ 6,666,500	\$ 6,988,097	\$ 7,055,066	0.96%	\$ 6,999,331	-0.79%
7036	761401	Lease Rental Payments	\$ 9,978,235	\$ 2,315,700	\$ 2,472,300	6.76%	\$ 2,473,100	0.03%
7036	764033	Minor Capital Projects	\$ 1,451,508	\$ 1,250,000	\$ 1,250,000	0.00%	\$ 1,250,000	0.00%
7036	764321	Operating Expense - Highway Patrol	\$ 259,383,767	\$ 258,365,903	\$ 268,232,602	3.82%	\$ 270,232,602	0.75%
7036	764605	Motor Carrier Enforcement Expenses	\$ 2,960,459	\$ 2,860,000	\$ 2,860,000	0.00%	\$ 2,860,000	0.00%
8300	761603	Salvage and Exchange - Administration	\$ 0	\$ 20,053	\$ 20,053	0.00%	\$ 20,053	0.00%
8310	761610	Information and Education - Federal	\$ 130,399	\$ 409,746	\$ 300,000	-26.78%	\$ 300,000	0.00%
8310	764608	FARS Grant Federal	\$ 0	\$ 0	\$ 175,000	N/A	\$ 175,000	0.00%
8310	764610	Patrol - Federal	\$ 1,945,381	\$ 4,556,174	\$ 2,250,000	-50.62%	\$ 2,250,000	0.00%
8310	764659	Transportation Enforcement - Federal	\$ 4,457,665	\$ 5,684,913	\$ 5,200,000	-8.53%	\$ 5,200,000	0.00%
8310	765610	EMS - Federal	\$ 0	\$ 532,007	\$ 225,000	-57.71%	\$ 225,000	0.00%
8310	767610	Liquor Enforcement - Federal	\$ 842	\$ 0	\$ 0	N/A	\$ 0	N/A
8310	769610	Investigative Unit Federal Reimbursement	\$ 818,997	\$ 1,546,319	\$ 1,400,000	-9.46%	\$ 1,400,000	0.00%
8310	769631	Homeland Security - Federal	\$ 1,413,659	\$ 2,184,000	\$ 750,000	-65.66%	\$ 400,000	-46.67%
8320	761612	Traffic Safety - Federal	\$ 17,211,939	\$ 16,577,565	\$ 22,000,000	32.71%	\$ 22,000,000	0.00%
8350	762616	Financial Responsibility Compliance	\$ 4,845,387	\$ 5,274,068	\$ 5,274,068	0.00%	\$ 5,274,068	0.00%
8370	764602	Turnpike Policing	\$ 11,066,801	\$ 11,553,959	\$ 11,553,959	0.00%	\$ 11,553,959	0.00%
83C0	764630	Contraband, Forfeiture, Other	\$ 16,341	\$ 622,894	\$ 622,894	0.00%	\$ 622,894	0.00%
83F0	764657	Law Enforcement Automated Data System	\$ 4,882,816	\$ 9,053,266	\$ 8,500,000	-6.11%	\$ 8,500,000	0.00%
83G0	764633	OMVI Enforcement/Education	\$ 362,214	\$ 641,927	\$ 641,927	0.00%	\$ 641,927	0.00%
83J0	764693	Highway Patrol Justice Contraband	\$ 984,523	\$ 4,350,000	\$ 2,100,000	-51.72%	\$ 2,100,000	0.00%
83M0	765624	Operating - EMS	\$ 2,651,046	\$ 2,711,069	\$ 3,056,069	12.73%	\$ 3,056,069	0.00%

Prepared by the Legislative Service Commission

FY 2014 - FY 2015 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

Line Item Detail by Agency			Estimate	Appropriation	FY 2013 to FY 2014	Appropriation	FY 2014 to FY 2015	
			FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
DPS	Department of Public Safety							
83M0	765640	EMS - Grants	\$ 0	\$ 5,597,157	\$ 3,300,000	-41.04%	\$ 3,300,000	0.00%
83N0	761611	Elementary School Seat Belt Program	\$ 193,280	\$0	\$0	N/A	\$0	N/A
83P0	765637	EMS Grants	\$ 3,125,845	\$0	\$0	N/A	\$0	N/A
83R0	762639	Local Immobilization Reimbursement	\$ 172,473	\$ 450,000	\$ 450,000	0.00%	\$ 450,000	0.00%
83T0	764694	Highway Patrol Treasury Contraband	\$ 254,696	\$ 21,000	\$ 21,000	0.00%	\$ 21,000	0.00%
8400	764607	State Fair Security	\$ 1,254,774	\$ 1,294,354	\$ 1,294,354	0.00%	\$ 1,294,354	0.00%
8400	764617	Security and Investigations	\$ 8,121,743	\$ 8,650,895	\$ 8,793,865	1.65%	\$ 9,514,236	8.19%
8400	764626	State Fairgrounds Police Force	\$ 662,660	\$ 920,167	\$ 1,047,560	13.84%	\$ 1,084,559	3.53%
8400	769632	Homeland Security - Operating	\$ 13,228	\$ 737,791	\$ 650,000	-11.90%	\$ 630,000	-3.08%
8410	764603	Salvage and Exchange - Highway Patrol	\$ 0	\$ 1,339,399	\$ 1,339,399	0.00%	\$ 1,339,399	0.00%
8460	761625	Motorcycle Safety Education	\$ 2,326,997	\$ 3,280,563	\$ 3,280,563	0.00%	\$ 3,280,563	0.00%
8490	762627	Automated Title Processing Board	\$ 13,744,249	\$ 16,675,513	\$ 16,675,513	0.00%	\$ 16,467,293	-1.25%
State Highway Safety Fund Group Total			\$ 458,508,684	\$ 490,381,271	\$ 515,450,460	5.11%	\$ 517,434,364	0.38%
4P60	768601	Justice Program Services	\$ 544,120	\$ 1,028,047	\$ 900,000	-12.46%	\$ 875,000	-2.78%
4S30	766661	Hilltop Utility Reimbursement	\$ 345,853	\$ 540,800	\$ 0	-100.00%	\$ 0	N/A
5330	763601	State Disaster Relief	\$ 3,413,212	\$ 9,330,335	\$ 0	-100.00%	\$ 0	N/A
5ET0	768625	Drug Law Enforcement	\$ 4,529,533	\$ 4,950,000	\$ 4,250,000	-14.14%	\$ 4,250,000	0.00%
5LM0	768698	Criminal Justice Services Law Enforcement Support	\$ 0	\$ 850,946	\$ 850,946	0.00%	\$ 850,946	0.00%
General Services Fund Group Total			\$ 8,832,719	\$ 16,700,128	\$ 6,000,946	-64.07%	\$ 5,975,946	-0.42%
3290	763645	Federal Mitigation Program	\$ 9,213,441	\$ 10,413,642	\$ 10,413,642	0.00%	\$ 10,413,642	0.00%
3370	763609	Federal Disaster Relief	\$ 15,712,199	\$ 27,707,636	\$ 27,707,636	0.00%	\$ 27,707,636	0.00%
3390	763647	Emergency Management Assistance and Training	\$ 61,303,875	\$ 77,934,765	\$ 70,934,765	-8.98%	\$ 70,934,765	0.00%
3CB0	768691	Federal Justice Grants - FFY06	\$ 8,753	\$0	\$0	N/A	\$0	N/A
3CC0	768609	Justice Assistance Grants - FFY07	\$ 789,799	\$ 100	\$ 0	-100.00%	\$ 0	N/A
3CD0	768610	Justice Assistance Grants - FFY08	\$ 357,716	\$ 25,750	\$ 0	-100.00%	\$ 0	N/A
3CE0	768611	Justice Assistance Grants - FFY09	\$ 857,899	\$ 1,200,000	\$ 400,000	-66.67%	\$ 100,000	-75.00%

Prepared by the Legislative Service Commission

FY 2014 - FY 2015 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

Line Item Detail by Agency			Estimate	Appropriation	FY 2013 to FY 2014	Appropriation	FY 2014 to FY 2015	
			FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
DPS	Department of Public Safety							
3CV0	768697	Justice Assistance Grants Supplement - FFY08	\$ 1,690	\$0	\$0	N/A	\$0	N/A
3DE0	768612	Federal Stimulus - Justice Assistance Grants	\$ 5,624,087	\$ 2,215,000	\$ 1,000,000	-54.85%	\$ 300,000	-70.00%
3DH0	768613	Federal Stimulus - Justice Programs	\$ 229,937	\$ 150,000	\$ 0	-100.00%	\$ 0	N/A
3DU0	762628	BMV Grants	\$ 750,005	\$ 1,480,000	\$ 1,350,000	-8.78%	\$ 1,325,000	-1.85%
3EU0	768614	Justice Assistance Grants - FFY10	\$ 6,074,493	\$ 920,000	\$ 830,000	-9.78%	\$ 500,000	-39.76%
3FK0	768615	Justice Assistance Grants - FFY11	\$ 1,536,660	\$ 2,200,000	\$ 900,000	-59.09%	\$ 900,000	0.00%
3FP0	767620	Ohio Investigative Unit Justice Contraband	\$0	\$ 0	\$ 55,000	N/A	\$ 55,000	0.00%
3FY0	768616	Justice Assistance Grant - FFY12	\$0	\$ 5,800,000	\$ 2,200,000	-62.07%	\$ 1,500,000	-31.82%
3FZ0	768617	Justice Assistance Grant - FFY13	\$0	\$ 0	\$ 7,000,000	N/A	\$ 2,000,000	-71.43%
3GA0	768618	Justice Assistance Grant - FFY14	\$0	\$ 0	\$ 0	N/A	\$ 7,500,000	N/A
3L50	768604	Justice Program	\$ 9,324,254	\$ 11,400,000	\$ 10,500,000	-7.89%	\$ 10,500,000	0.00%
3N50	763644	U.S. Department of Energy Agreement	\$ 68,604	\$ 31,672	\$ 31,672	0.00%	\$ 31,672	0.00%
Federal Special Revenue Fund Group Total			\$ 111,853,410	\$ 141,478,565	\$ 133,322,715	-5.76%	\$ 133,767,715	0.33%
4V30	763662	STORMS/NOAA Maintenance	\$ 4,403,981	\$ 4,699,420	\$ 4,950,000	5.33%	\$ 4,950,000	0.00%
5390	762614	Motor Vehicle Dealers Board	\$ 12,305	\$ 185,400	\$ 150,000	-19.09%	\$ 140,000	-6.67%
5B90	766632	Private Investigator and Security Guard Provider	\$ 1,197,457	\$ 1,562,637	\$ 1,400,000	-10.41%	\$ 1,400,000	0.00%
5BK0	768687	Criminal Justice Services - Operating	\$ 399,624	\$ 400,000	\$ 400,000	0.00%	\$ 400,000	0.00%
5BK0	768689	Family Violence Shelter Programs	\$ 1,587,053	\$ 1,550,000	\$ 750,000	-51.61%	\$ 750,000	0.00%
5BP0	764609	DPS Wireless 911 Administration	\$0	\$ 0	\$ 290,000	N/A	\$ 290,000	0.00%
5CM0	767691	Equitable Share Account	\$ 90,918	\$ 300,000	\$ 300,000	0.00%	\$ 300,000	0.00%
5DS0	769630	Homeland Security	\$ 1,281,555	\$ 1,414,384	\$ 1,414,384	0.00%	\$ 1,414,384	0.00%
5FF0	762621	Indigent Interlock and Alcohol Monitoring	\$ 1,823,208	\$ 2,000,000	\$ 2,000,000	0.00%	\$ 2,000,000	0.00%
5FL0	769634	Investigations	\$ 924,433	\$ 899,300	\$ 899,300	0.00%	\$ 899,300	0.00%
5ML0	769635	Infrastructure Protection	\$0	\$ 0	\$ 400,000	N/A	\$ 400,000	0.00%
6220	767615	Investigative, Contraband, and Forfeiture	\$ 146,031	\$ 375,000	\$ 325,000	-13.33%	\$ 325,000	0.00%
6570	763652	Utility Radiological Safety	\$ 1,041,304	\$ 1,415,945	\$ 1,415,945	0.00%	\$ 1,415,945	0.00%

Prepared by the Legislative Service Commission

FY 2014 - FY 2015 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2012	Estimate FY 2013	Appropriation FY 2014	FY 2013 to FY 2014 % Change	Appropriation FY 2015	FY 2014 to FY 2015 % Change
DPS Department of Public Safety								
6810	763653	SARA Title III HAZMAT Planning	\$ 104,126	\$ 262,438	\$ 262,438	0.00%	\$ 262,438	0.00%
8500	767628	Investigative Unit Salvage	\$ 58,318	\$ 92,700	\$ 92,700	0.00%	\$ 92,700	0.00%
State Special Revenue Fund Group Total			\$ 13,070,313	\$ 15,157,224	\$ 15,049,767	-0.71%	\$ 15,039,767	-0.07%
7043	767321	Liquor Enforcement - Operating	\$ 9,857,489	\$ 11,000,000	\$ 0	-100.00%	\$ 0	N/A
Liquor Control Fund Group Total			\$ 9,857,489	\$ 11,000,000	\$ 0	-100.00%	\$ 0	N/A
5J90	761678	Federal Salvage/GSA	\$ 1,554,127	\$ 1,500,000	\$ 1,500,000	0.00%	\$ 1,500,000	0.00%
Agency Fund Group Total			\$ 1,554,127	\$ 1,500,000	\$ 1,500,000	0.00%	\$ 1,500,000	0.00%
R024	762619	Unidentified Motor Vehicle Receipts	\$ 1,360,438	\$ 1,885,000	\$ 1,885,000	0.00%	\$ 1,885,000	0.00%
R052	762623	Security Deposits	\$ 251,873	\$ 350,000	\$ 350,000	0.00%	\$ 350,000	0.00%
Holding Account Redistribution Fund Group Total			\$ 1,612,310	\$ 2,235,000	\$ 2,235,000	0.00%	\$ 2,235,000	0.00%
Department of Public Safety Total			\$ 605,289,052	\$ 678,452,188	\$ 673,558,888	-0.72%	\$ 675,952,792	0.36%

Prepared by the Legislative Service Commission

Public Works Commission

- H.B. 51 appropriations of \$53.2 million per year mostly fund grants for local road and bridge projects
- Includes administrative costs for SCIP and LTIP programs

OVERVIEW

Agency Overview

The Public Works Commission (PWC) acts as a public sector bank to administer grants and loans to local governments for infrastructure projects through the State Capital Improvement Program (SCIP) and the Local Transportation Improvement Program (LTIP). SCIP receives funding from infrastructure bonds and LTIP receives funding from one cent per gallon of the motor vehicle fuel tax. PWC's administrative costs are funded by interest income. In addition to these infrastructure financing programs, the Commission also administers a portion of the Clean Ohio Conservation Program (COCP). Currently, the Commission employs a staff of ten.

Appropriation Overview

The Commission's programs and operations are funded by a variety of appropriations bills. The transportation budget act contains the capital and operating appropriations for LTIP and the operating appropriations for SCIP. This analysis concentrates on the appropriations for these programs, summarized in the table below.

Funding for PWC Programs in the Transportation Budget Act, FY 2014-FY 2015					
Program	FY 2013*	FY 2014	% Change FY 2013-FY 2014	FY 2015	% Change FY 2014-FY 2015
LTIP – Capital and Operating	\$221,825,485	\$52,292,526	-76.4%	\$52,296,555	0.0%
SCIP – Operating Only	\$910,000	\$902,579	-0.8%	\$909,665	0.8%
TOTAL	\$222,735,485	\$53,195,105	-76.1%	\$53,206,220	0.0%

*FY 2013 figures represent adjusted appropriations, including funds carried over from prior fiscal years.

PWC also receives appropriations in other budget bills that go before the General Assembly. The capital bill and the capital reappropriations bill provide capital funding for SCIP. The main operating budget bill contains the debt service appropriations for SCIP and COCP, as well as the operating funding for the latter. Of the total amount appropriated in the transportation budget, about \$1.2 million per year funds the operating expenses of the Commission.

PWC's total transportation budget appropriation is \$53.2 million in each fiscal year of the FY 2014-FY 2015 biennium, of which approximately 98% in each fiscal year is appropriated for LTIP. Note that the apparent significant decrease in LTIP funding between the FY 2013 adjusted appropriations and FY 2014 funding is because the FY 2013 adjusted appropriations include unspent balances from previous fiscal years. This amount is quite a bit higher than it has been in the past because some of the funds carried forward were originally part of two transfers of \$100 million from the Highway Operating Fund (Fund 7002) to the Local Transportation Improvement Fund (Fund 7052) in FY 2010 and FY 2011 as part of H.B. 554 of the 127th General Assembly. These reappropriated funds cover LTIP projects approved in previous fiscal years, disbursements for which can often take time to complete, while new appropriations are dedicated to projects approved in the year in which they are originally appropriated.

Implications of PWC's FY 2014-FY 2015 Budget

At any given time, PWC maintains an active portfolio of approximately 1,400 ongoing SCIP projects and 600 ongoing LTIP projects. With the LTIP appropriations provided in the transportation budget, alongside the \$300 million in SCIP capital appropriations and \$63.5 million in SCIP Revolving Loan appropriations approved in the FY 2013-FY 2014 capital bill (Sub. H.B. 482 of the 129th General Assembly), PWC expects to approve approximately 1,200 SCIP projects and approximately 370 LTIP projects for program years (PYs) 27 and 28. PWC will also continue to provide technical assistance to district public works integrating committees and local governments, maintain information systems such as the statewide infrastructure needs database, and prepare capital disbursement reports generated by the Ohio Administrative Knowledge System (OAKS) to meet the needs of auditors and local government officials. Additionally, PWC is engaged in an ongoing process of developing a new information technology (IT) platform that will update and improve the Commission's ability to manage a large amount of project and financial data.

Temporary law continuing from the previous biennium authorizes the Director of PWC to use investment earnings of the SCIP and LTIP funds for administrative costs incurred by the 19 individual public works district integrating committees. The provision limits the maximum amount available for disbursement to \$1,235,000 per fiscal year, and caps the amount each district may receive at \$65,000 per fiscal year. Additionally, continuing temporary law authorizes the reappropriation of capital appropriations for local infrastructure projects in the Local Transportation Improvement Program Fund (Fund 7052) that remain unencumbered at the end of FY 2013 and FY 2014 to the following fiscal year.

ANALYSIS OF ENACTED BUDGET

Aid to Local Governments

H.B. 51, the transportation budget act for FY 2014 and FY 2015, includes the following PWC appropriations, which provide aid to local governments through the Local Transportation Improvement Program (LTIP), funded by one cent per gallon of the motor fuel tax. The act also includes funding for the operating expenses of the State Capital Improvements Program (SCIP), which are covered by interest income and a portion of SCIP bond proceeds.

Appropriations for Aid to Local Governments				
Fund	ALI and Name		FY 2014	FY 2015
Local Transportation Improvement Program Fund Group				
7052	150701	Local Transportation Improvement Program	\$52,000,000	\$52,000,000
7052	150402	Local Transportation Improvement Program Operating	\$292,526	\$296,555
Local Transportation Improvement Program Fund Group Subtotal			\$52,292,526	\$52,296,555
Local Infrastructure Improvements Fund Group				
7038	150321	State Capital Improvements Program –Operating Expenses	\$902,579	\$909,665
Local Infrastructure Improvements Fund Group Subtotal			\$902,579	\$909,665
Total Funding: Aid to Local Governments			\$53,195,105	\$53,206,220

Local Transportation Improvement Program (150701)

Funding under this line item allows LTIP to furnish financial assistance to counties, cities, townships, and villages for local road and bridge projects. LTIP grants are allocated annually on a per capita basis to each of the 19 public works district integrating committees throughout the state, and may cover up to 100% of project costs. Eligible costs include property and facility acquisition, engineering and design, and construction. Although the number of projects funded by LTIP varies from year to year, the appropriated funding levels are expected to provide for approximately 372 projects over the course of the FY 2014-FY 2015 biennium, which encompasses PYs 27 and 28 of LTIP. H.B. 51 funds this line item at \$52.0 million in each fiscal year.

Local Transportation Improvement Program Operating (150402)

Spending from this line item supports LTIP's administrative expenses, which are supported by investment income accruing to the Local Transportation Improvement Fund (Fund 7052). Investment income was approximately \$350,000 in FY 2012. H.B. 51 appropriates \$292,526 in FY 2014 and \$296,555 in FY 2015 for LTIP administration. These amounts are approximately the same as estimated expenditures for FY 2013 and

will allow the Commission to maintain current service levels. Administrative costs include those for project monitoring, processing disbursement requests, and maintaining PWC's information systems. LTIP comprises about 20% of the Commission's total administrative costs among the three infrastructure programs under its purview (the others are SCIP and COCP).

State Capital Improvements Program – Operating Expenses (150321)

This line item covers the operating expenses incurred by SCIP. Using the proceeds of state-issued bonds, SCIP provides grants and loans to local governments for improvement of their infrastructure systems. PWC's costs to administer SCIP have historically been paid by investment income from the bond proceeds. However, in FY 2012, the State Capital Improvements Fund (Fund 7038) earned about \$185,000 in investment income, down from approximately \$290,000 in FY 2011 and a substantial decrease from \$888,000 in FY 2010. The decreases in investment income in recent years have required PWC to begin funding some administrative costs directly from bond proceeds. The transportation budget provides \$902,579 in FY 2014 and \$909,665 in FY 2015 to administer SCIP, comparable to the \$910,000 appropriated for this purpose in FY 2013. The majority of this funding is used for personnel and maintenance.

Overall, SCIP administration comprises about 60% of the Commission's total operating costs. As with LTIP, administrative costs include reviewing and approving disbursement requests, providing ongoing technical assistance to district public works integrating committees, project monitoring, and providing continued maintenance for the PWC's statewide infrastructure needs database.

The appropriations in the transportation budget will allow PWC to administer PYs 27 and 28 of SCIP, authorized by Section 2p, Article VIII of the Ohio Constitution. Under this provision, the state may issue up to \$150 million per year in bonds for SCIP. Sub. H.B. 482 of the 129th General Assembly, the capital budget act for FY 2013 and FY 2014, appropriated \$300 million for SCIP, or \$150 million in each fiscal year. Eligible SCIP activities include improvements to roads, bridges, culverts, water supply systems, wastewater systems, storm water collection systems, and solid waste disposal systems. SCIP also contains two subprograms: the Small Government Program, which sets aside \$15 million each fiscal year for villages and townships with populations of less than 5,000, and the Emergency Assistance Program, which provides \$3 million in each fiscal year for infrastructure emergencies to be awarded at the PWC Director's discretion.

FY 2014 - FY 2015 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

Line Item Detail by Agency			Estimate	Appropriation	FY 2013 to FY 2014	Appropriation	FY 2014 to FY 2015	
			FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
Report For Transportation Budget			Version: Enacted					
PWC Public Works Commission								
7052	150402	Local Transportation Improvement Program - Operating	\$ 244,895	\$ 296,555	\$ 292,526	-1.36%	\$ 296,555	1.38%
7052	150701	Local Transportation Improvement Program	\$ 113,978,423	\$ 221,528,930	\$ 52,000,000	-76.53%	\$ 52,000,000	0.00%
Local Transportation Improvement Program Fund Group Total			\$ 114,223,318	\$ 221,825,485	\$ 52,292,526	-76.43%	\$ 52,296,555	0.01%
7038	150321	State Capital Improvements Program - Operating Expenses	\$ 735,489	\$ 910,000	\$ 902,579	-0.82%	\$ 909,665	0.79%
Local Infrastructure Improvement Fund Group Total			\$ 735,489	\$ 910,000	\$ 902,579	-0.82%	\$ 909,665	0.79%
Public Works Commission Total			\$ 114,958,807	\$ 222,735,485	\$ 53,195,105	-76.12%	\$ 53,206,220	0.02%

Development Services Agency

- \$15.2 million per fiscal year for roadwork development grants
- Identical to appropriations for the FY 2012-FY 2013 biennium

ANALYSIS OF ENACTED BUDGET

Roadwork Development (195629)

The transportation budget act provides the Ohio Development Services Agency (ODSA) with appropriations to support the Roadwork Development Grant Program. This program provides grant funding to local governments, port authorities, or transportation improvement districts for public roadwork improvements to accommodate the expansion or attraction of a business. The program is funded by a transfer of motor fuel tax revenues from highway moneys under the Department of Transportation budget that is deposited into the Roadwork Development Fund (Fund 4W00). Because the use of motor fuel tax revenues is restricted under Ohio Constitution, Article XII, Section 5a, Roadwork Development Grants are limited to projects to improve public roads and highways and may not be used for other economic development purposes. Eligible costs include widening, paving, road construction and reconstruction, and right-of-way infrastructure improvements such as sewer or utility lines. All Roadwork Development Grants are subject to approval by the Controlling Board.

As the table below shows, the transportation budget act funds the Roadwork Development Grant Program at \$15,199,900 in each fiscal year of the FY 2014-FY 2015 biennium, identical to the amounts appropriated in the previous biennium. As of May 2013, the Controlling Board has approved 25 Roadwork Development Grants for a total of \$11.3 million from FY 2013 funds.

Appropriations for Roadwork Development				
Fund	ALI and Name		FY 2014	FY 2015
State Special Revenue Fund (SSR) Group				
4W00	195629	Roadwork Development	\$15,199,900	\$15,199,900
State Special Revenue Fund Group Subtotal			\$15,199,900	\$15,199,900
Total Funding: Roadwork Development			\$15,199,900	\$15,199,900

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FY 2014 - FY 2015 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

Line Item Detail by Agency			Estimate	Appropriation	FY 2013 to FY 2014	Appropriation	FY 2014 to FY 2015	
			FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
Report For Transportation Budget			Version: Enacted					
DEV Development Services Agency								
4W00	195629	Roadwork Development	\$ 13,674,978	\$ 15,199,900	\$ 15,199,900	0.00%	\$ 15,199,900	0.00%
State Special Revenue Fund Group Total			\$ 13,674,978	\$ 15,199,900	\$ 15,199,900	0.00%	\$ 15,199,900	0.00%
Development Services Agency Total			\$ 13,674,978	\$ 15,199,900	\$ 15,199,900	0.00%	\$ 15,199,900	0.00%