

## **BILL ANALYSIS**

H.B. 3185  
By: Hill  
Transportation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The purpose of this bill is to provide for changes in the formula program for distribution of state grants to public transportation providers.

Subchapter B, Chapter 456, Transportation Code, establishes the formula program under which most state grants to public transportation providers are distributed. These grants are distributed partly on the basis of a formula tied to the grants received by entities during the previous biennium and partly on the basis of a formula tied to the amount entities received in federal grants. In practice, the formula distribution has proved to be rigid and to perpetuate the historical allocation of funds at the expense of efficiency and increased service. In addition, although Section 456.026, Transportation Code, requires the Texas Transportation Commission (commission) to administer a performance-based reporting system, the existing system fails to incorporate performance as a relevant factor in the allocation of funding. As a result, the commission has been unable to allocate funds in a way that will encourage, enhance, and reward efficiency so that better service can be provided to users and potential users of public transportation services.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 (Section 456.022 , Transportation Code) of this bill.

### **ANALYSIS**

SECTION 1. Amends Chapter 456, Transportation Code, as follows:

Sec. 456.022. FORMULA ALLOCATION. Provides that the commission shall adopt rules establishing a formula for allocating funds among eligible public transportation providers.

SECTION 2. Repeals Section 456.024, Transportation Code.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003

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