

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 8, 2003

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3343 by Wohlgemuth (Relating to the coordination of statewide public transportation by the Texas Transportation Commission and the Texas Department of Transportation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3343, As Introduced: a positive impact of \$4,299,000 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$1,433,000
2005	\$2,866,000
2006	\$2,866,000
2007	\$2,866,000
2008	\$2,866,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Probable Savings/(Cost) from <i>FEDERAL FUNDS 555</i>	Change in Number of State Employees from FY 2003
2004	\$1,433,000	\$1,433,000	(76.5)
2005	\$2,866,000	\$2,866,000	(153.0)
2006	\$2,866,000	\$2,866,000	(153.0)
2007	\$2,866,000	\$2,866,000	(153.0)
2008	\$2,866,000	\$2,866,000	(153.0)

Fiscal Analysis

The bill would amend the Transportation Code to allow the Texas Transportation Commission (TTC) and the Texas Department of Transportation (TxDOT) to coordinate statewide public transportation. The bill would establish duties of the TTC, TxDOT, and public transportation providers. The bill would allow the TTC to establish all rules necessary to implement the provisions of the bill including rules establishing accounting standards; to require public transportation providers to provide certain information, and to require any state agency responsible for delivery of public transportation services to contract with TxDOT to assume all of the responsibilities of that agency relating to the provision of transportation services. The bill would authorize the TTC to increase or reduce grants to any public

transportation provider based on the TTC's evaluation of the provider's compliance with the provisions of the bill.

The bill would require TxDOT to identify overlaps in provided public transportation services, underutilized equipment owned by public transportation providers, and inefficiencies of services provided by public transportation providers. The bill would allow TxDOT to contract with any provider to provide or arrange for the provision of public transportation services. The bill would require an agreement among public transportation providers on an allocation of geographic areas, routes, and categories of customers to be filed with TxDOT.

The bill would amend the Labor Code, the Human Resources Code, and the Health and Safety Code to require the Texas Department of Health (TDH), the Texas Workforce Commission (TWC), the Texas Department of Protective and Regulatory Services (PRS), the Department of Human Services (DHS), the Texas Commission for the Blind (TCB), The Texas Department of Aging (TDoA), the Texas Rehabilitation Commission (TRC), the Texas Commission on Alcohol and Drug Abuse (TCADA), and the Texas Commission of Mental Health and Mental Retardation (MHMR) to contract with the Texas Department of Transportation for the provision of public transportation services. The bill would partially implement recommendation HHS 3, "Consolidate Health and Human Service Agencies to Reduce Cost and Improve Service Delivery" from the Comptroller's e-Texas report, "Limited Government, Unlimited Opportunity".

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2003.

Methodology

For the purposes of this analysis, it is assumed that agency costs associated with establishing rules, entering agreements, establishing contracts, and evaluating compliance in accordance with the provisions of the bill could be accomplished by utilizing existing resources. It is also assumed that contractual arrangements would be established in accordance with all necessary federal requirements and guidelines.

Concerning the Medical Transportation Program (MTP), it is assumed that TDH would implement a contractual arrangement with TxDOT for the MTP, which serves Medicaid clients, and that TxDOT would contract with a public transportation service provider no later than March 1, 2004. It is estimated that a contractual arrangement would result in a Full-time Equivalents (FTE) reduction totaling 76.5 in fiscal year 2004, and 153.0 in each subsequent fiscal year; that a cost savings of approximately \$1.4 million in both Federal Funds and General Revenue would be realized in fiscal year 2004; and that this amount would increase to approximately \$2.8 million in both Federal Funds and General Revenue during each subsequent year.

In addition, it is assumed that TWC, PRS, DHS, TCB, TDoA, TRC, TCADA, and MHMR would also enter into contracts with TxDOT and that TxDOT would subsequently contract with a provider to provide or arrange for the provision of public transportation services in accordance with the provisions of the bill during fiscal year 2004. It is also assumed that similar contractual agreements would continue during each subsequent year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 324 Department of Human Services, 501 Department of Health, 529 Health and Human Services Commission, 601 Department of Transportation

LBB Staff: JK, JO, RR, MW