

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 30, 2009

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB565 by McClendon (Relating to the abolition of the Texas Transportation Commission and the creation of the commissioner of transportation as an elected statutory state officer.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB565, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from State Highway Fund 6	Change in Number of State Employees from FY 2009
2010	(\$82,844)	1.0
2011	\$338,018	(4.0)
2012	\$554,527	(4.0)
2013	\$554,527	(4.0)
2014	\$554,527	(4.0)

Fiscal Analysis

The bill would amend the Transportation Code to eliminate the five-member Texas Transportation Commission and replace the commission and the Executive Director of the Texas Department of Transportation (TxDOT) with a single elected Commissioner of Transportation. The first Commissioner of Transportation would be elected at the general election held in November 2010, to serve a four-year term that would begin on January 1, 2011. The five-member commission and the Executive Director serving on the effective date of the bill would continue service until that time. The bill would require the Commissioner of Transportation to establish a rail transportation division and remove a requirement for motor vehicle titles and registration division. The bill would take effect on September 1, 2009.

Methodology

Based on the analysis and information provided by Sunset Advisory Commission staff on similar legislation, it is assumed the elimination of the five-member transportation commission (effective January 1, 2011) would result in a cost savings to the State Highway Fund of \$420,862 in fiscal year 2011 and \$637,671 each year thereafter from the elimination of salaries for five commissioners and five assistants [5 full-time-equivalent (FTE) positions] and the associated travel, operating, and employee benefits costs. It is assumed the salary costs for the full-time, new elected Commissioner of Transportation would be accommodated within existing resources.

Also based on the analysis provided by Sunset Advisory Commission staff on similar legislation, it is assumed the establishment of a rail transportation division within TxDOT would require one additional FTE for a division director at a salary of \$64,435 each year. Employee benefits costs for the additional FTE are estimated to be \$18,409 each year.

Although the bill would strike the requirement for the Commissioner establish and maintain a motor vehicle titles and registration (VTR) division within TxDOT, it is assumed the Commission would still be authorized to maintain a VTR division. Therefore, it is assumed TxDOT VTR programs and personnel would continue operations at the current level of funding and FTEs.

Based on the analysis of the Secretary of State, it is assumed any administrative costs associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 307 Secretary of State, 601 Department of Transportation

LBB Staff: JOB, KJG, MW, TG