

**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: HB2701** by Dunnam (Relating to the abolition of the Texas Transportation Commission, the creation of the commissioner of transportation as an elected statutory state officer and the commissioner's power and duties.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2701, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>State Highway Fund</i> 6	Change in Number of State Employees from FY 2009
2010	\$554,527	(4.0)
2011	\$554,527	(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 bill would require the Commissioner of Transportation to establish a rail transportation division within TxDOT. 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 bill would abolish the Texas Transportation Commission and the office of the Executive Director of TxDOT on the effective date of the bill. Until the first elected Commissioner of Transportation takes office, the bill would require the Legislature to elect the initial commissioner by the a majority of vote of each house sitting separately under the guidelines of the bill.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise 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 would result in a cost savings to the State Highway Fund of \$637,671 each year beginning in fiscal year 2010 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. For the purposes of this analysis, the table above reflects fiscal impacts with an effective date of September 1, 2009. If the bill were to receive the required vote to take effect immediately, it is assumed the resulting savings from the elimination of salary costs for the Executive Director and five commissioners would not be significant; therefore, no savings for fiscal year 2009 are reflected in the table above.

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.

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