

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 20, 2011

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

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

IN RE: SB650 by Hegar (Relating to management of certain metropolitan rapid transit authorities.),
As Passed 2nd House

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to implement recommendations from the Sunset Commission for the Capital Metropolitan Transportation Authority (Capital Metro). The bill would require the Capital Metro board to annually adopt a five-year capital plan; and adopt and annually reevaluate a strategic plan. The board would be prohibited from adopting a plan for participation of historically underutilized businesses in capital improvement projects that require a quota or any similar requirement. The board would be required to maintain, update, and post accounting records on the authority's Internet website for each authority account.

The bill also would require the board to maintain a reserve account equal to at least two months of actual operating expenses and annually adjust the amount based on the authority's actual operating expenses during the prior 12 months to be established not later than September 1, 2012 and fully funded by December 31, 2014. The board would be required to file a report on the authority's progress with the Lieutenant Governor, the Speaker of the House of Representatives, and each member of the Legislature. The board would be required to adopt a comprehensive rail safety plan that would be implemented by the general manager; and to regularly report on rail system safety to the Texas Department of Transportation. Capital Metro would be required to competitively bid and purchase all transit services not directly provided by its own employees.

Capital Metro would be authorized to issue bonds only in an amount necessary for managing or funding retiree pension benefit obligations for pension plans existing as of January 1, 2011 and that result from the competitive bidding of transit services required by Section 451.137.

The bill would add Section 451.6101 to Subchapter M, Chapter 451 to require Capital Metro to establish an alternative program to provide transportation services to persons with disabilities in a withdrawn unit of election who are eligible to receive services under the program. The bill would include procedures and requirements for the program.

Local Government Impact

According to the Sunset Commission, the section of the bill expected to have a significant fiscal impact is the requirement of competitive bidding. Based on estimates, Capital Metro could experience a net savings of \$11,800,000 in fiscal year (FY) 2013; \$16,200,000 in FY 2014 to 2015; and \$22,200,000 in FY 2016. Capital Metro would need to add three full-time employees for FY 2012 and seven full-time employees for FY 2013 through 2016.

In addition, there would be costs to Capital Metro to establish an alternative program to provide transportation services to persons with disabilities. The amounts would vary depending on the number of eligible persons and the amount of areas in a withdrawn unit of election.

Source Agencies: 116 Sunset Advisory Commission

LBB Staff: JOB, KJG, TP, SD