

BILL ANALYSIS

Senate Research Center

H.B. 20
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Transportation
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 20 seeks to provide a framework to ensure that funds for transportation are administered in an objective and transparent manner with accountability for funds that are spent.

H.B. 20 requires the Texas Department of Transportation (TxDOT) to develop and implement and the Texas Transportation Commission (TTC) to approve a performance-based planning and programming process dedicated to providing the executive and legislative branches of government with indicators that quantify and qualify progress toward the attainment of all TxDOT goals and objectives established by the legislature and TTC. The bill requires TxDOT to develop and implement performance metrics and performance measures as part of the review of strategic planning in the statewide transportation plan, rural transportation plans, and the unified transportation program; as part of the evaluation of decision-making on projects selected for funding in the unified transportation program and the statewide transportation improvement program; and as part of the evaluation of project delivery for projects in TxDOT's letting schedule.

The bill requires all local transportation entities in Texas to develop, adopt, and submit to TxDOT guidelines governing the funding prioritization of the entities' transportation projects. The bill sets out the criteria a local transportation entity is required to consider at a minimum in developing the guidelines for funding prioritization. The bill requires each local transportation entity and TxDOT district, in prioritizing projects, to include projects that meet short-term and long-term needs of the entity's jurisdiction with emphasis given to projects already approved in a regional transportation plan. The bill requires each local transportation entity and TxDOT district to submit to TxDOT the funding prioritization for transportation projects in the entity's jurisdiction.

The bill requires TxDOT to prioritize and TTC to approve projects included in the statewide transportation plan in order to provide financial assistance. The bill requires TxDOT to establish and TTC to approve a performance-based process for setting funding levels for the categories of the projects in TxDOT's unified transportation program. The bill limits TTC authority to make discretionary funding decisions to no more than 10 percent of the current biennial budget of TxDOT.

H.B. 20 amends current law relating to the operations of and transportation planning and expenditures by the Texas Department of Transportation and planning organizations.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 201.809, Transportation Code, by adding Subsections (e) through (j), as follows:

- (e) Requires the Texas Department of Transportation (TxDOT) to develop and implement, and the Texas Transportation Commission (TTC) to approve, a performance-

based planning and programming process dedicated to providing the executive and legislative branches of government with indicators that quantify and qualify progress toward attaining all TxDOT goals and objectives established by the legislature and TTC.

(f) Requires TxDOT to develop and implement performance metrics and performance measures as part of:

- (1) the review of strategic planning in the statewide transportation plan, rural transportation plans, and unified transportation program;
- (2) the evaluation of decision-making on projects selected for funding in the unified transportation program and statewide transportation improvement program; and
- (3) the evaluation of project delivery for projects in TxDOT's letting schedule.

(g) Requires TxDOT to use and TTC to review performance metrics and measures to:

- (1) assess how well the transportation system is performing and operating;
- (2) provide TxDOT, legislature, stakeholders, and public with information to support decisions in a manner that is accessible and understandable to the public;
- (3) assess the effectiveness and efficiency of transportation projects and service;
- (4) demonstrate transparency and accountability; and
- (5) address other issues TxDOT considers necessary.

(h) Requires TxDOT to develop and implement, and TTC to approve, to the extent not in conflict with federal law, performance metrics and measures, including:

- (1) congestion reduction;
- (2) safety enhancements;
- (3) expansion of economic opportunity;
- (4) preservation of the value of existing transportation assets;
- (5) environmental considerations;
- (6) system reliability;
- (7) freight mobility;
- (8) cost efficiency of TxDOT's operations;
- (9) project procurement, delivery, and final cost; and
- (10) enhancements in public participation in the infrastructure planning process.

(i) Provides that the requirement for TxDOT to develop and implement a performance-based planning and programming process does not replace or alter the requirement of TxDOT to comply with the budgetary performance measures for each biennium as established in the General Appropriations Act. Prohibits TxDOT from relying on its requirement to report budgetary performance measures as satisfying the requirements imposed under this section.

(j) Requires TxDOT to develop and implement periodic reporting schedules for all performance metrics and measures required under this section.

SECTION 2. Amends Subchapter P, Chapter 201, Transportation Code, by adding Section 201.9901, as follows:

Sec. 201.9901. DEFINITIONS. Defines "planning organization" and "region" in this subchapter.

SECTION 3. Amends Subchapter P, Chapter 201, Transportation Code, by adding Sections 201.999 and 201.9991, as follows:

Sec. 201.999. PRIORITIZATION OF PROJECTS BY PLANNING ORGANIZATIONS.

(a) Requires all planning organizations in the state to develop, adopt, and submit to TxDOT guidelines governing the funding prioritization of the organizations' transportation projects.

(b) Requires a planning organization, in developing guidelines under Subsection (a), to at a minimum consider:

(1) the time frame over which various types of projects are needed and developed;

(2) the readiness of projects considered for short-term and long-term funding opportunities;

(3) the short-term and long-term viability of a project, including whether the project is a comprehensive solution with a measurable benefit;

(4) local criteria determined by each metropolitan planning organization policy board that focus on local goals and objectives unique to each area; and

(5) all criteria established by TTC for prioritization of projects.

(c) Requires each planning organization, in prioritizing projects, to include projects that meet short-term and long-term needs of the organization's jurisdiction with emphasis given to projects already approved in a regional transportation plan.

(d) Requires each planning organization to submit to TxDOT the funding prioritization for transportation projects in the organization's jurisdiction.

Sec. 201.9991. PRIORITIZATION OF PROJECTS BY DEPARTMENT AND APPROVED BY COMMISSION. (a) Requires TxDOT to prioritize and TTC to approve projects included in the statewide transportation plan under Section 201.601 in order to provide financial assistance under this chapter.

(b) Requires TxDOT to establish and TTC to approve a performance-based process for setting funding levels for the categories of projects in TxDOT's unified transportation program.

(c) Requires TxDOT to establish and TTC to approve a scoring system for prioritizing projects for which financial assistance is sought from TTC by planning organizations. Requires that the criteria used to score projects take into consideration TxDOT's strategic goals as approved by TTC. Requires that the system account for the diverse needs of the state so as to fairly allocate funding to all regions of the state.

(d) Authorizes TTC to make discretionary funding decisions for no more than 10 percent of the current biennial budget of TxDOT.

(e) Requires TxDOT, in scoring projects, to consider projects that:

- (1) address safety, maintenance, congestion mitigation, and connectivity;
- (2) provide assistance to urban and rural populations;
- (3) provide regional balance;
- (4) meet a high percentage of the infrastructure needs of a community;
- (5) have available funding;
- (6) are able to begin without significant delay with consideration given to the time needed to purchase rights-of-way and complete environmental studies, if required;
- (7) include public participation in the planning process and public support for the project;
- (8) are in the state highway system; and
- (9) meet other criteria adopted by TxDOT.

(f) Requires TxDOT, in addition to criteria under Subsection (e), in prioritizing projects, to consider other criteria, including:

- (1) the local contribution to be made to construct the project;
- (2) the financial capacity of the entity responsible for the project to repay the obligation if the assistance is in the form of a loan;
- (3) the ability to timely leverage state financial support with local and federal funding;
- (4) whether there is an emergency need for the project;
- (5) whether all preliminary planning and design work associated with the project necessary to reasonably predict cost, construction period, and benefits of the project have been completed;
- (6) whether all rights-of-way and easements necessary to begin construction have been acquired or approved;
- (7) the start date for and certainty of the beginning of project construction;
- (8) the demonstrated or projected impact on the community; and
- (9) the priority given the project by the applicable planning organization under Section 201.999.

SECTION 4. (a) Defines "commission" to mean TTC, and "department" to mean TxDOT in this section.

(b) Provides that, not later than the earlier of 30 days after the effective date of this Act or September 1, 2015:

(1) the speaker of the house of representatives is required to appoint nine members to a House Select Committee on Transportation Planning and designate one member as chair; and

(2) the lieutenant governor is required to appoint five members to a Senate Select Committee on Transportation Planning and designate one member as chair.

(b-1) Requires the speaker and the lieutenant governor, in making appointments under Subsection (b) of this section, to consider members that reflect diverse constituencies with respect to:

(1) geographic areas in the state;

(2) urban and rural areas; and

(3) ethnicity.

(b-1) Requires the speaker and the lieutenant governor, in making appointments under Subsection (b) of this section, to consider members that reflect diverse constituencies with respect to:

(1) geographic areas in the state;

(2) gender; and

(3) ethnicity.

(c) Authorizes the committees established under this section to meet separately at the call of the chair of the committee or jointly at the call of both chairs. Requires the chairs to act as joint chairs in joint meetings.

(d) Requires the committees established under this section, meeting separately or jointly, to review, study, and evaluate:

(1) TxDOT projections regarding the revenue needed by TxDOT to maintain current maintenance, congestion, and connectivity conditions;

(2) the development of funding categories, the allocation of funding to such categories by formula, project selection authority for each funding category, and the development of project selection criteria for TTC, TxDOT, and district-selected projects;

(3) TxDOT rules and policies regarding the development and implementation of performance-based scoring and decision making for project prioritization and selection of TTC, TxDOT, and district-selected projects;

(4) the use and utilization of alternative methods of financing that have been authorized by the legislature for projects;

(5) performance metrics and measurement tools used by TxDOT to evaluate the performance of a TxDOT project or program;

(6) TxDOT's collaboration with state elected officials, local governments, government trade associations, metropolitan planning organizations, regional mobility authorities, and other entities when adopting rules or formulating policies;

(7) any proposed rule, policy, program, or plan of TTC or TxDOT of statewide significance;

(8) any possible benefits of utilizing zero-based budgeting principles; and

(9) any other matter the committee considers appropriate.

(e) Requires the committees, following consideration of the factors described by Subsection (d) of this section, to prepare a written report on the reviewed subjects and to, not later than November 1, 2016, provide to the legislature the report.

(f) Authorizes the committees established under this section to exercise any power of a committee of their respective chambers and any powers of a joint committee. Provides that for the purposes of this section, the committees established under this section are considered a joint committee and the cost of operation of each committee may be borne in the same manner as the cost of a joint committee. Authorizes the Texas Legislative Council to provide funding for the operations of the committees. Provides that, to the extent not inconsistent with this section, the joint rules adopted by the 84th Legislature for the administration of joint interim legislative study committees apply to the committees established under this section.

(g) Requires TxDOT, not later than September 1, 2015, to submit an initial report to the select committees. Requires that the report provide information necessary for the select committees to review, study, and evaluate the factors described by Subsections (d)(1), (2), and (3) of this section. Requires TxDOT, not later than November 1, 2015, to submit to the select committees a preliminary report on the remaining factors described by Subsection (d) of this section.

(h) Requires TxDOT to submit reports to the select committees on any other matters not included in Subsection (d) of this section as requested by the committees.

(i) Provides that this section expires January 13, 2017.

SECTION 5. Effective date: upon passage or September 1, 2015.