

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 28, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB20 by Simmons (Relating to the operations of and transportation planning and expenditures by the Texas Department of Transportation and planning organizations.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB20, As Passed 2nd House: a negative impact of (\$1,122,120,364) through the biennium ending August 31, 2017.

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
2016	(\$561,060,182)
2017	(\$561,060,182)
2018	(\$561,060,182)
2019	(\$561,060,182)
2020	(\$561,060,182)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i>	Probable Savings/(Cost) from <i>State Highway Fund</i>
	1	6
2016	(\$561,060,182)	\$561,060,182
2017	(\$561,060,182)	\$561,060,182
2018	(\$561,060,182)	\$561,060,182
2019	(\$561,060,182)	\$561,060,182
2020	(\$561,060,182)	\$561,060,182

Fiscal Analysis

The bill would amend Transportation Code Section 222.001(a), relating to the use of money in the State Highway Fund that is required to be used for public roadways by the Texas Constitution or federal law, to remove from the list of permissible uses the policing of the state highway system

and the administration of state laws relating to traffic and safety on public roads by the Department of Public Safety (DPS).

The bill would amend Section 201.809, Transportation Code, to require the Texas Transportation Commission (TTC) by rule to develop and implement a performance-based planning and programming process that would provide the governor and the Legislature with indicators that quantify and qualify progress toward attaining all of the goals and objectives established for the department by the Legislature and the commission. The bill would require TTC by rule to develop and implement certain performance metrics and measures and implement period reporting schedules for all metrics and measures prescribed by the bill.

The bill would require local transportation organizations in the state to develop a 10-year plan for the use of funding allocated to the region for which the organization develops plans under Subchapter P, Chapter 201 of the Transportation Code. The bill would require the Texas Department of Transportation (TxDOT) to assist the planning organizations by providing information as is reasonably requested by the planning organizations.

The bill would amend the Section 223.242 of the Transportation Code to specify that the Texas Department of Transportation (TxDOT) may enter into a design-build contract for a highway project with a construction cost estimate of \$150 million or more to the department rather than \$50 million or more under current law. The bill would repeal the August 31, 2015, expiration date on the provision that prohibits TxDOT from entering into more than three design-build contracts in a fiscal year. The bill would stipulate that a maintenance agreement requiring a design-build contractor to maintain a project may have an initial term of not longer than five years.

The bill would establish a nine-member House Select Committee on Transportation Planning and a five-member Senate Select Committee on Transportation Planning and require the Speaker of the House and the Lieutenant Governor to appoint the members and designate the chairs of their chambers' respective committees not later than the earlier of 30 days after the bill takes effect or September 1, 2015. The bill would require the select committees, meeting jointly or separately, to review, study, and evaluate certain aspects of transportation funding, project selection and prioritization, performance measures and metrics, and policymaking; and, not later than November 1, 2016, jointly adopt and provide a written report of recommendations on the reviewed subjects to the Legislature. The bill would require TxDOT to submit a report to the select committees that provides information necessary for those committees to review certain factors under the committees' charges.

The bill would take effect immediately upon receiving a vote of two-thirds of the members elected to each house or otherwise on August 13, 2015.

Methodology

The bill would have no effect on revenue collections from constitutionally dedicated sources deposited to the State Highway Fund (SHF). However, beginning in fiscal year 2016, the bill would exclude from the authorized uses of these funds the policing and administration of laws pertaining to the supervision of traffic and safety on public roadways, which is the responsibility of the Department of Public Safety (DPS). State Highway Fund appropriations for DPS (including employee benefits) total \$1,115,227,801 for the 2014-15 biennium. Using that amount as a basis for DPS funding levels for the 2016-17 fiscal biennium and beyond, this analysis assumes an average appropriation of \$557.6 million per fiscal year from the General Revenue Fund instead of the SHF would be made to DPS beginning in fiscal year 2016 resulting in a cost to General Revenue and savings to the SHF beginning in fiscal year 2016.

DPS also refers administrative license revocation (ALR) cases to the State Office of Administrative Hearings (SOAH), for which SOAH is appropriated \$6,892,563 (including employee benefits) from the SHF for the 2014-15 biennium. Because the proposed bill would prohibit this method of financing beginning in the 2016-17 biennium, this analysis assumes that total appropriations for ALR cases would continue at similar levels in each biennium and General Revenue would be appropriated instead of SHF, resulting in an average annual cost of \$3,446,282 to General Revenue and an equal amount of savings to the SHF beginning in fiscal year 2016.

Based on the information provided by TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

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

Source Agencies: 601 Department of Transportation

LBB Staff: UP, AG, NV, TG