CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

The Central Texas Regional Mobility Authority (CTRMA), formed in 2002 to improve the transportation system in Williamson and Travis counties, has a mission to implement innovative, multi-modal transportation solutions that reduce congestion and enhance quality of life and economic vitality. We appreciate the opportunity to provide written testimony before the House Committee on Transportation. Our testimony addresses:

- **Interim Charge 1B**: SB 282 and SB 962, which relate to the funding for the State Highway Fund. Study the current mix of user fee- based funding for the state highway system, including registration fees, tolls, and fuel tax, and determine if current funding generated is sufficient to maintain cost demands. Examine whether current legislative appropriations, including projections for Proposition 1 (severance tax) and Proposition 7(sales tax) funds, are keeping pace with Texas' highway funding needs to accommodate population and economic development growth. Make recommendations for additional methods of funding or innovative tools that the state could utilize to deliver road infrastructure projects.

CTRMA uses a system financing model. System financing refers to the use of other revenues from one project to help support the financing of others. It is a funding solution that allows a region to accomplish several projects over time. In the case of an enterprise agency such as an RMA, where funding comes solely from revenue generated from tolls and fees, it is a vital tool to implement community adopted plans. While a new project may not actually need revenue from another project, the capital markets clearly want their debt secured as comprehensively as possible. Since the State of Texas provides no backstop for the financing of toll projects over the life of project bonds, this is a critical element to get the best possible bond rating. System financing does not necessarily extend the term of debt with each issuance, it simply creates a financing umbrella for security. Without System financing many of the projects approved by the local communities through their MPOs would not be able to be financed. System financing creates revenue and geographic diversity that actually lowers risk in the analysis of the investment community, much like any enterprise (banking) that is dispersed around a community, region, or state. A negative impact is considered lower on a system than on any one element or facility, thus higher bond ratings and lower interest cost. Lower interest rates result in in the ability to lower toll rates/user fees, which puts money back into the pockets of drivers. The current CTRMA system consists of 183A (Phases 1 & 2), 290 Toll, 71 Toll, 45SW and the initial Phase of 183 South. The MoPac Express Lane is not currently included in the CTRMA system.

COVID-19 has impacted everyone and every industry on many levels. CTRMA has definitely been negatively impacted by COVID-19. Our tolled roads provide a reliable travel option when roads are congested, and drivers need/want to get to their destination. Since less drivers have been on the roads since the peak of COVID-19 in March 2020, our transactions and revenues are been reduced, effecting the operational budget for CTRMA. While not as many drivers have been using the CTRMA tolled roads, the enhancements to the non-tolled lanes are providing an improved experience for drivers using in the general-purpose lanes. Elements such as PFC (permeable friction course) pavement, landscaping and other critical operational improvements are providing the opportunity for a better experience for drivers using the general-purpose lanes. This is not just the case for MoPac, but virtually all roadways we construct have a tremendous amount of non-tolled improvements.

COVID-19 has impacted both traffic and revenue of the CTRMA system as well as the MoPac Express Lane. February 2020 was the highest monthly peak of transactions for the system at 9,550,152 and January Revenues at $9,906,272. With the onset of COVID-19, transactions decreased monthly, hitting the lowest level in April at 4,807,224; revenue decreased to $6,065,314. Since then, each month's transactions and revenue have slightly increased. August transactions were 8,168,115 and revenue was $8,283,941. The CTRMA system transactions are down 10.34% for the 2020 calendar year. Therefore, the CTRMA's operating budget for fiscal year 2021, which started July 1, 2020 was reduced based on the uncertainty of how quickly the economy would recover. Stantec's new forecast, incorporating COVID-19 reductions, was used as the basis for the budget. July and August revenues were above budget by approximately $200,000 and $450,000 respectively.

It is critical for the legislature to keep all of the transportation funding tools in the toolbox to help ensure CTRMA can continue to plan, develop critical transportation projects in the future.

Thank you for your time and consideration of this written testimony from the Central Texas Regional Mobility Authority.