



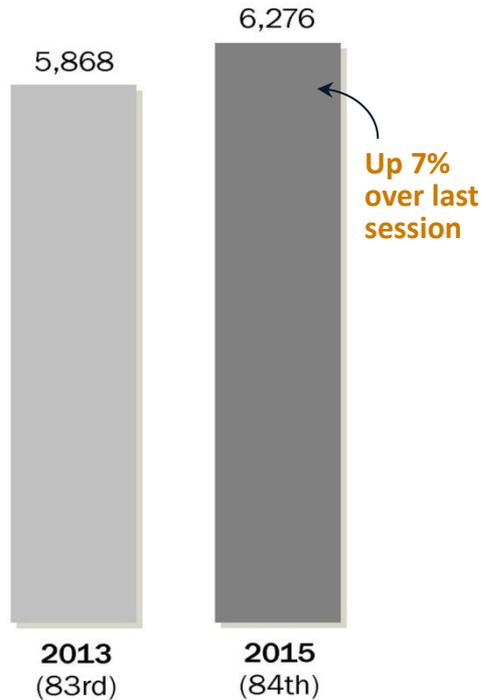
LEGISLATIVE UPDATE: THE 84TH LEGISLATIVE SESSION

Jerry Haddican
Director of Government Affairs

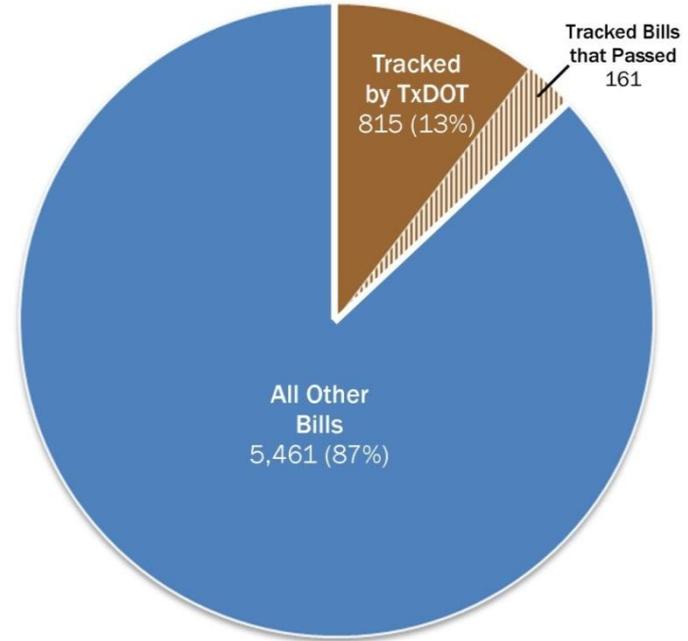


Bills filed and tracked

Bills Filed by Session



Bills Tracked by TxDOT in 2015 (84th)



Total bills passed by the Legislature: 1,322

TxDOT session stats

38

Introductory visits with freshman legislators

50+

Presentations to county and city leadership groups

90+

Legislative committee hearings where TxDOT provided a resource witness

325+

Committee hearing and floor reports written by SLA



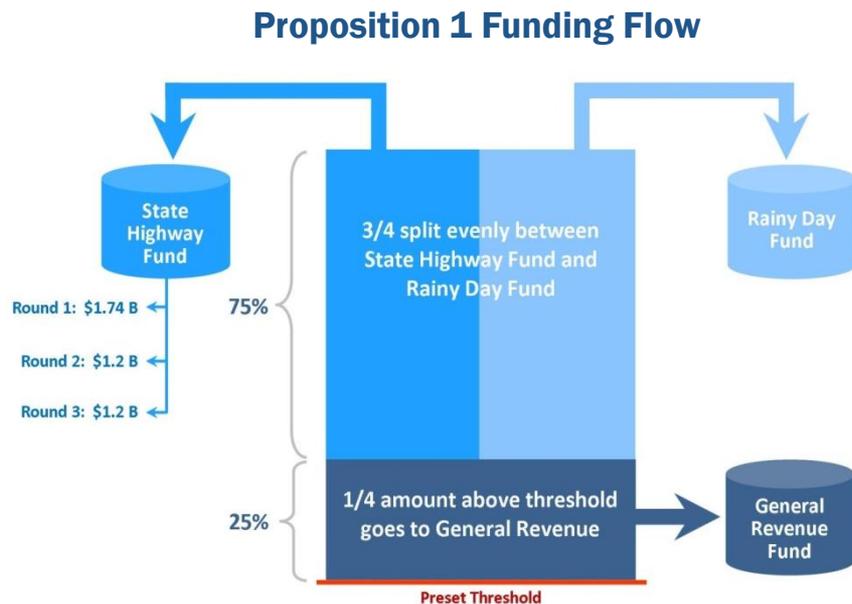
Proposition 1 Funding

Constitutional amendment to allocate a portion of oil and gas severance tax revenues to the State Highway Fund.

- Resolution passed by the Texas Legislature in 2013.
- Required three called special sessions to finally get the legislation passed.
- With more than 4 million votes cast, the amendment passed by nearly 80% in November 2014.

Yes: 3,213,483

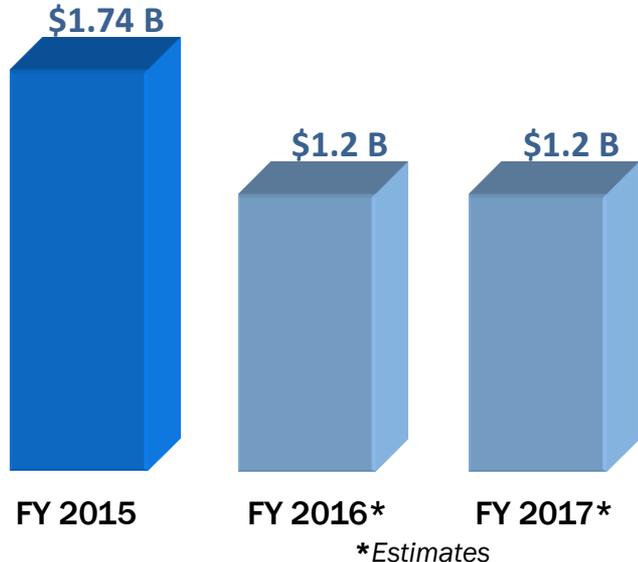
No: 810,382



Note: Actual amounts deposited in the State Highway Fund may vary based on the minimum balance of the Rainy Day Fund set by the Legislature's Joint Select Committee to Study the Balance of the Economic Stabilization Fund.

Implementation of Prop 1 funding

- \$1.74 billion transferred to State Highway Fund in FY 2015.
- Estimated \$1.2 billion to be transferred in each of the next two fiscal years.
- \$659 million in Prop 1 projects let from March-June 2015.



Prop 1 Distribution – Upcoming 2nd and 3rd Rounds (Fiscal Years 2016 and 2017)

Category	Percent
Mobility & Added Capacity (Urban)	45%
Regional Connectivity (Rural)	25%
Maintenance (Statewide)	20%
Energy Sector Roads	10%
Total	100%

TxDOT budget, FY 2016-2017

Budget Item	Appropriation
Ending Diversions from SHF to Agencies other than TxDOT	\$1.3 billion
Funding from Proposition 1	\$2.4 billion
Buildings	\$236.4 million <i>SHF and Receipt from sale of real and surplus property</i>
Information Technology Acquisition	\$146.7 million <i>SHF and Receipt from sale of real and surplus property</i>
Truck Toll Discount on SH 130 and SH 45SE	\$18.7 million <i>Receipt from sale of real and surplus property</i>
Veterans Toll Discount	\$4 million <i>Receipt from sale of real and surplus property</i>
Port Capital Improvements	\$20 million <i>Texas Mobility Fund*</i>

TxDOT Budget: FY 2016–17 vs. FY 2014–15

	<u>GAA FY 2016–17</u>	<u>FY 2014–15</u>	<u>Difference</u>
Projects That Began Prior to Biennium	\$4,129,219,823	\$4,873,991,612	
Maintain & Replace the Existing System	\$8,892,969,890	\$8,573,689,004	
Prop 1 Funds **	\$2,413,667,000	\$1,740,079,662	
Pay Back Borrowed Funds *	\$2,223,421,860	\$2,408,317,452	
New Projects from Borrowed Funds	\$183,418,106	\$120,200,948	
New Projects from Cash	\$753,947,801	\$1,181,036,838	
Project Development Cost	\$2,641,754,726	\$2,375,136,335	
Other Modes and Services	\$560,639,727	\$588,833,512	
Administration and Support	\$514,434,854	\$454,059,361	
Toll Project Subaccounts	<u>\$738,787,870</u>	<u>\$632,531,236</u>	
TxDOT Grand Total	\$23,052,261,657	\$22,947,875,960	+ \$104,385,697

* \$400 million was provided in FY 2014 that was associated with a two-month delay in the deposit of motor fuel taxes to the State Highway Fund at the end of FY 2013. This delay was projected to require short-term borrowing at the end of FY 2013 that would have then been repaid at the beginning of FY 2014. The statute requiring the two-month delay was repealed effectively making this appropriation unnecessary and unavailable.

** The original amount estimated for Prop 1 deposit in FY 2015 was \$878,646,000. The actual deposit amount is shown here for comparison purposes.

Proposition 7 (SJR 5)

Constitutional amendment to allocate a portion of general sales tax and motor vehicle sales tax revenues to the State Highway Fund.

- Estimated revenue gain for the State Highway Fund:

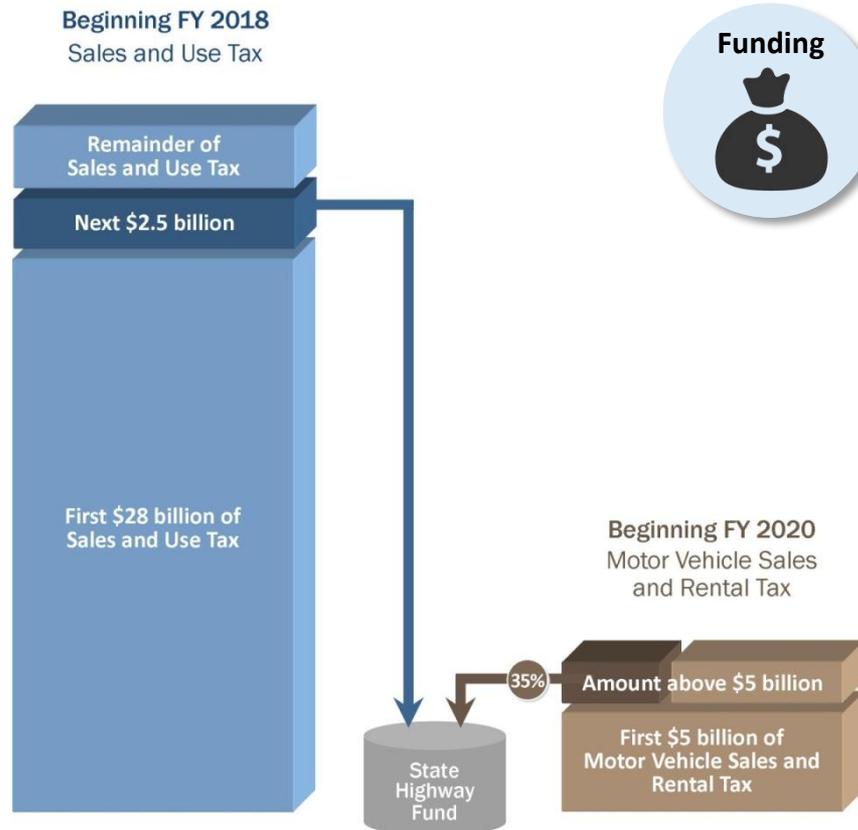
FY 2018 \$2.5 billion

FY 2019 \$2.5 billion

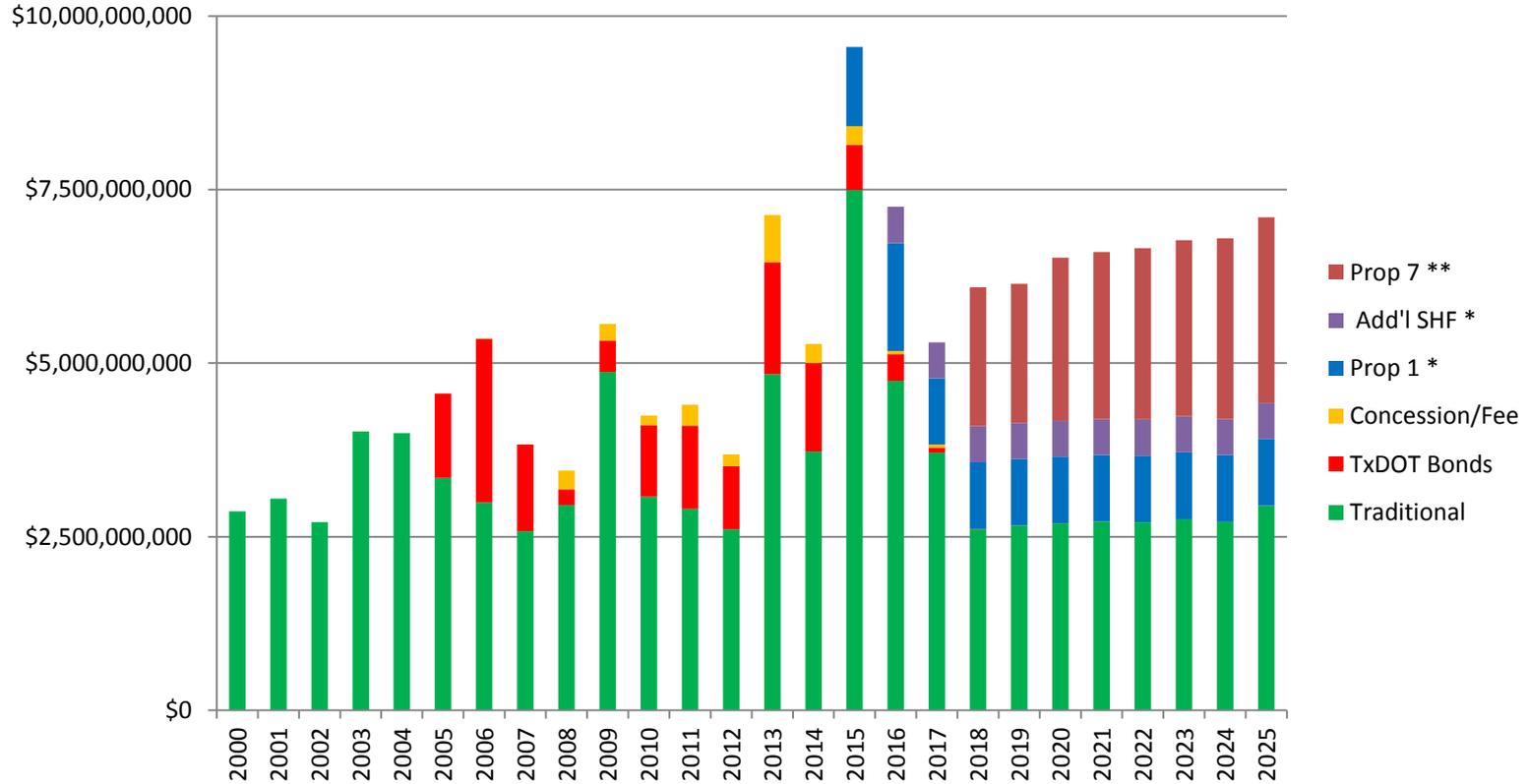
FY 2020 \$2.9 billion

FY 2021 \$3.0 billion

- SJR 5 passed in May 2015.
- Proposition 7 will be submitted to voters at an election on November 3, 2015.



TxDOT Highway Contract Awards – Possible in 5 Months



Modifies TxDOT planning processes, establishes legislative select committees on transportation, and more.

- Performance-Based Planning
 - Commission to establish performance metrics.
- Planning Organization 10-Year Plans
 - Developed by each MPO and each TxDOT district outside of MPO.
- Project Recommendation Criteria
 - Developed by each MPO and each TxDOT district outside of MPO.
- Project Prioritization and Authorization by Commission
 - Caps Commission discretionary decisions at 10% of biennial budget.
- Parameters for Design-Build Contracts
 - Cost of at least \$150 million.
- Legislative Select Committees on Transportation Planning
 - Sep. 1, 2015: TxDOT submits first report to committees.
 - Mar. 31, 2016: TxDOT submits second report to committees.
 - Nov. 1, 2016: Legislative committees submit final report.



Author: Rep. Ron Simmons

Sponsor: Sen. Robert
Nichols

Signed by Governor Abbott:
June 2, 2015

Eliminates the Texas Mobility Fund's borrowing ability.

- Prohibits the Texas Transportation Commission from issuing future obligations secured by the Texas Mobility Fund.
- Excess Mobility Fund revenues not needed to pay for outstanding Mobility Fund debt service could be used to fund state highways (except toll roads) and public transportation projects.
- The Commission may issue obligations to refund outstanding obligations to provide savings to the state or to refund outstanding variable rate obligations.



Author: Rep. Joe Pickett

Sponsor: Sen. Robert Nichols

Signed by Governor Abbott:
June 10, 2015

Revises state agency contracting processes.

- Expands policies on conflict of interest for agency officials and employees participating in the contracting process.
- Amends the process for final signature authority on contracts by agency governing bodies, executive directors and procurement directors based on the contract value.
- Requires state agencies to record their contracts with outside vendors in a database run by the Comptroller.
- Establishes provisions for the barring of a vendor from participating in state contracts.
- Prohibits former employees of a state agency who participated in a procurement or contract negotiation with a third party from accepting employment from that third party for two years after leaving their state agency job.



Author: Sen. Jane Nelson

Sponsor: Rep. Four Price

Signed by Governor Abbott:
June 4, 2015

Requires TxDOT to produce a report on eliminating toll roads

- Requires TxDOT to produce a report, due September 1, 2016, that includes a plan to eliminate TxDOT toll roads. The report would be submitted to the House and Senate Transportation Committees and include the following:
 - Debt service on bonds issued for each toll project in the state.
 - Bonds appropriate for accelerated or complete lump-sum payment as selected by the Commission.
 - A plan to eliminate all toll roads except roads constructed, operated or maintained only with proceeds from the issuance of bonds by a toll project entity other than TxDOT.
- TxDOT's plan could include accelerated or complete repayment of debt or a commitment by a toll project entity to eliminate tolls on their road for which TxDOT has provided financial assistance.
- **Note:** TxDOT will need cooperation from other toll entities to provide information required by the report as not all debt information is publicly available.



Author: Rep. Joe Pickett

Sponsor: Sen. Bob Hall

Signed by Governor Abbott:
June 3, 2015

Allows TxDOT to restrict trucks to specific lanes in work zones.

- Gives TxDOT the authority to restrict commercial motor vehicle traffic to a specific lane in a work zone that is on the state highway system.
- The executive director or designee may initiate the restriction based on a traffic study that evaluates the effect of the restriction and its impact on safety. If the restriction is no longer needed to improve safety, the executive director or designee may rescind the restriction.
- The lane restrictions only apply when traffic control device signs are installed. If a restriction is lifted, the traffic control devices must be removed. The lane restriction expires when construction is complete on the roadway.



Author: Rep. Andrew Murr

Sponsor: Sen. Sylvia Garcia

Signed by Governor Abbott:
June 6, 2015

Authorizes the collection of a service charge on certain toll payments.

- TxDOT is authorized to enter into an agreement with one or more private entities to operate customer service centers and collect tolls for toll projects that are part of the state highway system. Currently there is only one TxTag customer service center where TxTag customers can pay their bill in person.
- Contracts with additional vendors such as grocery and convenience stores to assist with TxTag customer service and toll collection will provide more in-person payment options for TxTag customers.
- SB 1467 authorizes a person that enters into an agreement with TxDOT to provide electronic toll collection customer payment services at a location other than a TxDOT office to collect an additional service charge.
- The Texas Transportation Commission must by rule set the maximum charge amount, not to exceed \$3 per transaction.

Operations



Author: Sen. Kirk Watson

Sponsor: Rep. Larry
Gonzales

Signed by Governor Abbott:
June 16, 2015

Provides funding for deferred building maintenance.

- SB 2004 establishes a deferred maintenance fund to be part of the general revenue fund that consists of money credited, appropriated or transferred to the fund at the direction of the legislature.
- In Article IX, Sec. 18.05 (a)(3)(B) of the appropriations bill, TxDOT received \$200 million for the Repair or Rehab of Buildings and Facilities under a "deferred maintenance" category that is contingent on the passage of SB 2004 into law.



SB 2004

Author: Sen. Kevin Eltife

Sponsor: Rep. Charlie Geren

Signed by Governor Abbott:
May 28, 2015

- As a result of no changes being made in HB 3123 to TxDOT’s sunset review date, TxDOT is up for sunset in 2017, and has begun the sunset review process.

ABOUT THE SUNSET COMMISSION



What is Sunset?

Sunset answers a basic question for the Texas Legislature: Are an agency’s functions needed, and if so, how can the agency work better and save money for Texans? About 130 entities are subject to Sunset review, with 20-30 going through the Sunset process every two years.

[More About Sunset](#) >



The Process

Sunset works by setting a date on which an agency is abolished unless the Legislature passes a bill to continue it. Sunset staff evaluates the agency and issues recommendations for positive change. The Commission considers the recommendations, hears public testimony, and decides on a package of changes to bring to the full Legislature.

[How Sunset Works](#) >



The People

The Commission has five Senators, five Representatives, and two members of the public, appointed by the Lieutenant Governor and the Speaker of the House. The Sunset staff is composed of evaluation and administrative professionals that support the Commission by performing agency reviews and assisting in the legislative process.

[Commission Members](#) >

Implementation Status (84th Session)

- 90 bills have been identified that need implementation.
 - 17 will require the commission to adopt new rules or modify existing rules
 - 24 are Highway Naming and Designation bills
- 19 new or modified riders contained in the General Appropriations Act need implementation.

