

Chapter 314

H.B. No. 20

1 AN ACT

2 relating to the operations of and transportation planning and
3 expenditures by the Texas Department of Transportation and planning
4 organizations.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 201.809, Transportation Code, is amended
7 by adding Subsections (e) through (i) to read as follows:

8 (e) The commission by rule shall develop and implement a
9 performance-based planning and programming process dedicated to
10 providing the executive and legislative branches of government with
11 indicators that quantify and qualify progress toward attaining all
12 department goals and objectives established by the legislature and
13 the commission.

14 (f) The commission by rule shall develop and implement
15 performance metrics and performance measures as part of:

16 (1) the review of strategic planning in the statewide
17 transportation plan, rural transportation plans, and unified
18 transportation program;

19 (2) the evaluation of decision-making on projects
20 selected for funding in the unified transportation program and
21 statewide transportation improvement program; and

22 (3) the evaluation of project delivery for projects in
23 the department's letting schedule.

24 (g) The commission by rule shall adopt and shall

1 periodically review performance metrics and measures to:

2 (1) assess how well the transportation system is
3 performing and operating in accordance with the requirements of 23
4 U.S.C. Section 134 or 135, as applicable;

5 (2) provide the department, legislature,
6 stakeholders, and public with information to support decisions in a
7 manner that is accessible and understandable to the public;

8 (3) assess the effectiveness and efficiency of
9 transportation projects and service;

10 (4) demonstrate transparency and accountability; and

11 (5) address other issues the commission considers
12 necessary.

13 (h) The requirement for the commission to develop and
14 implement a performance-based planning and programming process
15 does not replace or alter the requirement of the commission or
16 department to comply with the budgetary performance measures for
17 each biennium as established in the General Appropriations Act. The
18 commission may not rely on the satisfaction of the requirement to
19 report budgetary performance measures as satisfying the
20 requirements imposed under this section.

21 (i) The commission shall develop and implement periodic
22 reporting schedules for all performance metrics and measures
23 required under this section.

24 SECTION 2. Subchapter P, Chapter 201, Transportation Code,
25 is amended by adding Section 201.9901 to read as follows:

26 Sec. 201.9901. DEFINITIONS. In this subchapter:

27 (1) "Planning organization" means:

1 (A) a metropolitan planning organization; or
2 (B) for an area that is not within the boundaries
3 of a metropolitan planning organization, the department district
4 that serves the area.

5 (2) "Project" means a connectivity or new capacity
6 roadway project in the region of a planning organization. The term
7 does not include a safety project, bridge project, federal
8 discretionary project, maintenance project, or preservation
9 project.

10 (3) "Region" means the area for which a planning
11 organization develops plans under this subchapter.

12 (4) "Transportation official" means an official in a
13 political subdivision who has responsibility for planning and
14 implementation of transportation projects.

15 SECTION 3. Subchapter P, Chapter 201, Transportation Code,
16 is amended by adding Section 201.9911 to read as follows:

17 Sec. 201.9911. PLANNING ORGANIZATION 10-YEAR PLAN. (a)
18 Each planning organization shall develop a 10-year transportation
19 plan for the use of the funding allocated to the region. The
20 department shall assist the planning organizations by providing in
21 a timely manner such information as is reasonably requested by the
22 planning organizations.

23 (b) The first four years of the plan shall be developed to
24 meet the transportation improvement plan requirements of 23 U.S.C.
25 Section 134 or 135, as applicable.

26 (c) For an area that is not within the boundaries of a
27 metropolitan planning organization, the department district shall

1 develop the 10-year transportation plan with input from municipal
2 and county elected officials and transportation officials in the
3 region.

4 SECTION 4. Subchapter P, Chapter 201, Transportation Code,
5 is amended by adding Sections 201.9932 and 201.9991 to read as
6 follows:

7 Sec. 201.9932. PROJECT RECOMMENDATION CRITERIA. Each
8 planning organization shall develop its own project recommendation
9 criteria, which must include consideration of:

- 10 (1) projected improvements to congestion and safety;
- 11 (2) projected effects on economic development
12 opportunities for residents of the region;
- 13 (3) available funding;
- 14 (4) effects on the environment, including air quality;
- 15 (5) socioeconomic effects, including
16 disproportionately high and adverse health or environmental
17 effects on minority or low-income neighborhoods; and
- 18 (6) any other factors deemed appropriate by the
19 planning organization.

20 Sec. 201.9991. PRIORITIZATION AND APPROVAL OF PROJECTS BY
21 COMMISSION. (a) The commission by rule shall prioritize and
22 approve projects included in the statewide transportation plan
23 under Section 201.601 in order to provide financial assistance
24 under this chapter.

25 (b) The commission by rule shall establish a
26 performance-based process for setting funding levels for the
27 categories of projects in the department's unified transportation

1 program.

2 (c) The commission by rule shall establish a scoring system
3 for prioritizing projects for which financial assistance is sought
4 from the commission by planning organizations. The criteria used to
5 score projects must take into consideration the department's
6 strategic goals as approved by the commission in accordance with
7 the requirements of 23 U.S.C. Section 134 or 135, as applicable. The
8 system must account for the diverse needs of the state so as to
9 fairly allocate funding to all regions of the state.

10 (d) The commission may make discretionary funding decisions
11 for no more than 10 percent of the current biennial budget of the
12 department.

13 SECTION 5. Section 222.001(a), Transportation Code, is
14 amended to read as follows:

15 (a) Money that is required to be used for public roadways by
16 the Texas Constitution or federal law and that is deposited in the
17 state treasury to the credit of the state highway fund, including
18 money deposited to the credit of the state highway fund under Title
19 23, United States Code, may be used only:

- 20 (1) to improve the state highway system; or
21 (2) to mitigate adverse environmental effects that
22 result directly from construction or maintenance of a state highway
23 by the department [~~or~~

24 [~~(3) by the Department of Public Safety to police the state~~
25 ~~highway system and to administer state laws relating to traffic and~~
26 ~~safety on public roads].~~

27 SECTION 6. Section 223.241, Transportation Code, is amended

1 by adding Subdivision (3) to read as follows:

2 (3) "Highway project" means:

3 (A) a single highway facility between two defined
4 points in a corridor; or

5 (B) two or more contiguous highway facilities.

6 SECTION 7. Section 223.242, Transportation Code, is amended
7 by adding Subsections (b-1), (f), and (g) and amending Subsections
8 (d) and (d-1) to read as follows:

9 (b-1) A design-build contract under this subchapter may
10 include a maintenance agreement requiring a design-build
11 contractor to maintain a project for an initial term of not longer
12 than five years. The maintenance agreement may authorize the
13 department, in its sole discretion, to exercise options extending
14 the term of the maintenance agreement for additional periods beyond
15 the initial maintenance term with each additional period being not
16 longer than five years. The department shall obtain pricing for the
17 maintenance work for each maintenance term. The department may
18 require separate pricing for the maintenance work to be performed
19 for each year of a maintenance term.

20 (d) The department may enter into a design-build contract
21 for a highway project with a construction cost estimate of \$150
22 [\$50] million or more to the department.

23 (d-1) The department may not enter into more than three
24 contracts under this section in each fiscal year [~~This subsection~~
25 ~~expires August 31, 2015~~].

26 (f) The department shall not use the design-build method for
27 the construction, expansion, extension, rehabilitation,

1 alteration, or repair of a highway project if the project is
2 substantially designed, to the extent described by Section
3 223.246(a)(5), by the department or another entity other than the
4 design-build contractor.

5 (g) The department shall not include more than one highway
6 project in a design-build contract.

7 SECTION 8. (a) In this section:

8 (1) "Commission" means the Texas Transportation
9 Commission.

10 (2) "Department" means the Texas Department of
11 Transportation.

12 (b) Not later than the earlier of 30 days after the
13 effective date of this Act or September 1, 2015:

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

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

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

23 (1) geographic areas in the state;

24 (2) urban and rural areas; and

25 (3) ethnicity.

26 (c) The committees established under this section may meet
27 separately at the call of the chair of the committee or jointly at

1 the call of both chairs. In joint meetings, the chairs shall act as
2 joint chairs.

3 (d) The committees established under this section, meeting
4 separately or jointly, shall review, study, and evaluate:

5 (1) department projections regarding the revenue
6 needed by the department to maintain current maintenance,
7 congestion, and connectivity conditions;

8 (2) the development of funding categories, the
9 allocation of funding to such categories by formula, project
10 selection authority for each funding category, and the development
11 of project selection criteria for commission, department, and
12 district-selected projects;

13 (3) department rules and policies regarding the
14 development and implementation of performance-based scoring and
15 decision making for project prioritization and selection of
16 commission, department, and district-selected projects;

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

20 (5) performance metrics and measurement tools used by
21 the department to evaluate the performance of a department project
22 or program;

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

1 (7) any proposed rule, policy, program, or plan of the
2 commission or department of statewide significance;

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

5 (9) any other matter the committee considers
6 appropriate.

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

11 (f) The committees established under this section may
12 exercise any power of a committee of their respective chambers and
13 any powers of a joint committee. For the purposes of this section,
14 the committees established under this section are considered a
15 joint committee and the cost of operation of each committee may be
16 borne in the same manner as the cost of a joint committee. The Texas
17 Legislative Council shall provide funding for the operations of the
18 committees. To the extent not inconsistent with this section, the
19 joint rules adopted by the 84th Legislature for the administration
20 of joint interim legislative study committees apply to the
21 committees established under this section.

22 (g) Not later than September 1, 2015, the department shall
23 submit an initial report to the select committees. The report shall
24 provide information necessary for the select committees to review,
25 study, and evaluate the factors described by Subsections (d)(1),
26 (2), and (3) of this section. Not later than March 31, 2016, the
27 department shall submit to the select committees a preliminary

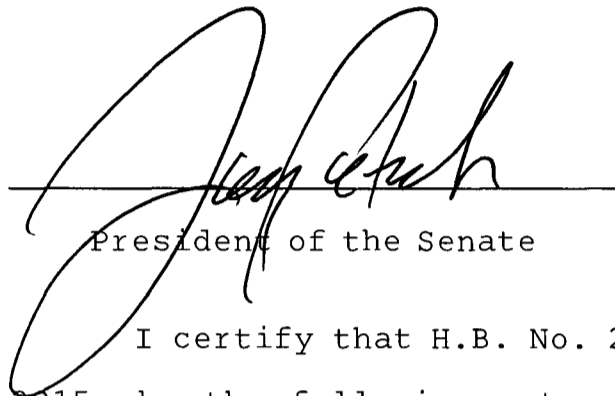
1 report on the remaining factors described by Subsection (d) of this
2 section.

3 (h) This section expires January 9, 2017.

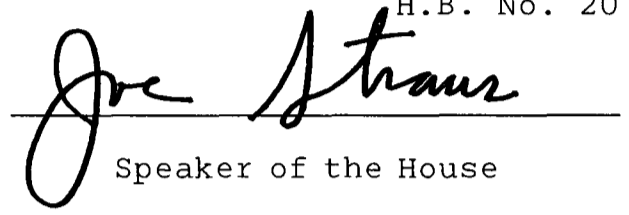
4 SECTION 9. (a) Section 223.242(b-1), Transportation Code,
5 as added by this Act, applies only to a contract entered into on or
6 after the effective date of this Act. A contract entered into
7 before that date is governed by the law as it existed on the date the
8 contract was entered into, and that law is continued in effect for
9 that purpose.

10 (b) Sections 223.242(f) and (g), Transportation Code, as
11 added by this Act, apply only to a highway project for which a
12 request for qualifications is issued on or after the effective date
13 of this Act. A highway project for which a request for
14 qualifications is issued before the effective date of this Act is
15 governed by the law in effect on the date the request for
16 qualifications was issued, and that law is continued in effect for
17 that purpose.

18 SECTION 10. This Act takes effect immediately if it
19 receives a vote of two-thirds of all the members elected to each
20 house, as provided by Section 39, Article III, Texas Constitution.
21 If this Act does not receive the vote necessary for immediate
22 effect, this Act takes effect August 31, 2015.



President of the Senate



Speaker of the House

I certify that H.B. No. 20 was passed by the House on May 1, 2015, by the following vote: Yeas 135, Nays 2, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 20 on May 29, 2015, by the following vote: Yeas 143, Nays 1, 2 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 20 was passed by the Senate, with amendments, on May 27, 2015, by the following vote: Yeas 31, Nays 0.

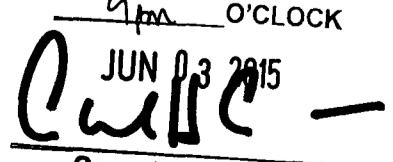


Secretary of the Senate

APPROVED: 6-2-2015
Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9pm O'CLOCK
JUN 03 2015


Secretary of State

**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> 1	Probable Savings/(Cost) from <i>State Highway Fund</i> 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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 18, 2015

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

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.), **Committee Report 2nd House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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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 \$250 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 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.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 7, 2015

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

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 **Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to require 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 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 TxDOT and TTC 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 planning organizations in the state to develop, adopt, and submit to TxDOT guidelines governing the funding prioritization of the organizations' transportation projects.

The bill would establish a nine-member House Select Committee on Transportation Planning and a nine-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. Provisions establishing the select committees and their charges would expire on January 13, 2017.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 23, 2015

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

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 local transportation entities.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to require 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 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 TxDOT and TTC 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 entities in the state to develop, adopt, and submit to TxDOT guidelines governing the funding prioritization of the entities' transportation projects.

The bill would establish a nine-member House Select Committee on Transportation Planning and a nine-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. Provisions establishing the select committees and their charges would expire on January 13, 2017.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 24, 2015

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

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 local transportation entities.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would establish a State Infrastructure Advisory Committee (SIAC) composed of three Senate members appointed by the Lieutenant Governor and three House members appointed by the Speaker of the House. The bill would require certain TxDOT senior staff and the staff of the Texas Transportation Commission (TTC) to serve as staff support for the committee. The SIAC would be authorized to hold public hearings, formal meetings, or work sessions at any time. The bill would require the SIAC to submit a report to the TTC regarding transportation funding, project selection, and financing matters for use by the TTC. TxDOT would be required, on the recommendation of the SIAC, to enter into a contract with an independent firm for a forensic audit of the actions of TxDOT or the TTC in an area of interest determined by the committee.

The bill would require TTC to establish one or more stakeholder advisory committees to make recommendations to TTC or TxDOT before the adoption of a rule, policy, or procedure affecting the stakeholders and require advisory committee meetings to be made accessible to the public in person or through electronic means.

The bill would require TxDOT to work with all local transportation entities in the state to develop and adopt uniform guidelines governing the funding prioritization of the entities' transportation projects. The bill would require the TTC to establish a project selection stakeholders advisory committee, composed of representatives from metropolitan planning organizations and regional mobility authorities and TxDOT District Engineers, to review proposed guidelines from each local transportation entity and recommend to TxDOT uniform guidelines for adoption and approval by the TTC. Each local transportation entity and TxDOT district would be required to submit to TxDOT the funding prioritization for transportation projects in the entity's jurisdiction using the uniform guidelines.

The bill would require TxDOT to establish and the TTC to approve a performance-based process for setting category funding levels in TxDOT's Unified Transportation Program (UTP). The bill would require TxDOT to consider a zero-based budget approach to address safety, maintenance, congestion, connectivity, economic development, and other needs. The bill would require TxDOT to develop and the TTC to approve a point system for prioritization of projects for which financial assistance is sought from the commission. The bill would prohibit TxDOT and the TTC from approving a deviation from TxDOT's selection of projects for funding of more than 10 percent of

TxDOT's current biennial budget. The bill would require the SIAC to review a deviation before the TTC could take action on the deviation.

The bill would require TxDOT to develop and implement a performance-based planning and programming process, to be approved by the TTC, to provide the executive and legislative branches of government with indicators to assess progress toward attaining all department goals and objectives established by the Legislature and the TTC.

Information provided by TxDOT indicates that implementation of the bill would require the allocation of additional personnel and resources to transportation project selection and programming activities. It is assumed TxDOT would also incur additional costs to contract with independent firms to conduct forensic audits at the direction of the SIAC. The amount of additional costs to TxDOT would depend on the manner in which TxDOT and the SIAC execute the responsibilities prescribed by the bill, and it is assumed any costs or duties associated with implementation could be absorbed within existing resources.

Local Government Impact

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

Source Agencies: 116 Sunset Advisory Commission, 601 Department of Transportation

LBB Staff: UP, AG, NV, TG