

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 5, 2017

TO: Honorable Geanie W. Morrison, Chair, House Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB312 by Nichols (Relating to the continuation and functions of the Texas Department of Transportation; authorizing an increase in rates charged for the use of state aircraft to provide for the acquisition of replacement aircraft.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would continue the Texas Department of Transportation (TxDOT) for 12 years, until September 1, 2029.

The bill would amend the Transportation Code to require TxDOT to include in its long-term plan for statewide passenger rail additional analyses on the effects of each proposed passenger rail system on road connectivity and statewide transportation planning.

The bill would require TxDOT to develop and display on its website a statewide transportation plan dashboard that communicates to the public the transportation system strategies, goals, and other performance measures included in the statewide transportation plan, and TxDOT's progress in meeting the system strategies, goals, and other performance measures.

The bill would require TxDOT to conduct an analysis on the effect of funding allocations made in the Unified Transportation Program (UTP) and project selection decisions on accomplishing goals described in the statewide transportation plan and provide this analysis and the department's methodology to metropolitan planning organizations (MPO), the public, and members of the Texas Transportation Commission (TTC), and publish the information on the TxDOT website.

The bill would require TxDOT to develop performance measures for each TxDOT district's project portfolio, track and report district performance, and review and evaluate project development activities in each district's project portfolio.

The bill would require TTC to adopt rules governing TxDOT's process for allowing MPOs direct access to information systems and software.

The bill would require the TTC by rule to require a hearing for projects that substantially change the layout or function of a connecting roadway or existing facility.

The bill would require the TTC to adopt rules to develop and implement a schedule of liquidated damages for highway improvement contracts that include criteria for identifying projects that have a significant impact on the traveling public and require TxDOT to calculate specific

liquidated damages that reflect the true cost of travel delays for those identified projects. The bill would require TTC to adopt rules to develop a contractor performance evaluation tool that allows for the review and modification of a contractor's bidding capacity for competitively bid highway improvement contracts.

The bill would amend Chapter 550 of the Transportation Code to require local law enforcement agencies to submit crash reports to TxDOT electronically, effective September 1, 2019. The bill would repeal the requirement for vehicle operators to submit crash reports to TxDOT.

The bill would amend Chapter 2205 to require TxDOT to include in its long-range aircraft fleet plan an analysis of the impact of including capital recovery costs in the rates TxDOT charges for interagency aircraft services. The bill would authorize TxDOT to adopt rates for interagency aircraft services that include capital recovery costs in addition to the direct cost of services if TxDOT's long-range plan analysis finds that including capital recovery costs is a practicable fleet replacement strategy. The bill would require the capital recovery portion of the rates to be deposited to a separate account in the State Highway Fund, which could be used only for acquisition of aircraft for the pool operated by TxDOT.

Based on the analysis of TxDOT and the Sunset Advisory Commission (SAC), it is assumed the provisions of the bill requiring the electronic submission of crash reports from law enforcement agencies would result in an annual savings to the State Highway Fund (SHF) of approximately \$1,025,000 beginning in fiscal year 2020 for contract data entry services and the costs of one full-time-equivalent (FTE) in current staff time needed to process paper reports. Also based on the analysis of TxDOT and SAC, it is assumed elimination of the vehicle operator's crash report would reduce the need for staff resources equivalent to 1.0 FTE, resulting in annual savings to the SHF of approximately \$46,000 beginning in fiscal year 2018. It is assumed any SHF savings resulting from these provisions of the bill would be reallocated to other highway safety programs and projects within TxDOT.

Based on the information provided by TxDOT and SAC, it is assumed the inclusion of travel delay costs in the calculation of liquidated damages for highway contracts would result in a positive fiscal impact. Because the amount of project-specific liquidated damages that may be calculated and assessed is not known, the fiscal impact cannot be estimated. Based on the information provided by SAC, it is assumed the positive fiscal impact would not be significant.

It is assumed TxDOT would adopt interagency aircraft services rates that include capital recovery costs only if the agency determines that it would be an effective fleet replacement strategy and not have a negative impact on customer utilization costs. If TxDOT were to adopt capital recovery rates, it is assumed the incremental rates charged would result in an insignificant positive fiscal impact to the SHF.

Based on the analysis of TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's 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, EH, TG