



Transportation Funding & The 82nd Texas Legislature

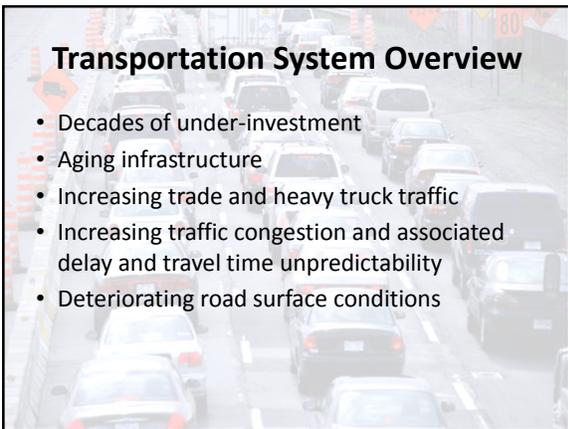
Vic Suhm, Executive Director
Tarrant Regional Transportation Coalition

Presentation to the
Institute of Transportation Engineers
June 10, 2011



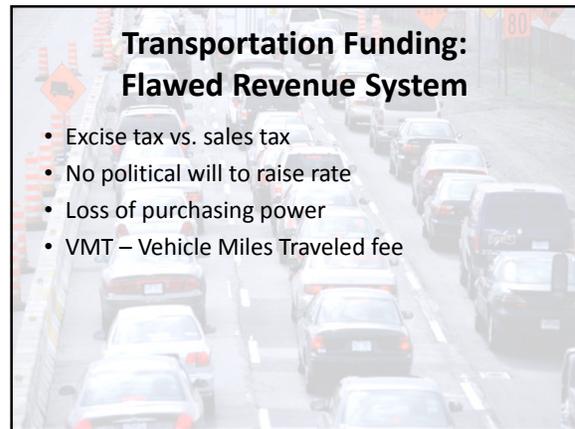
Topics We'll Cover Today

- Transportation System Overview
- Transportation Funding Overview
- 82nd Texas Legislature – Context
- 82nd Texas Legislature – Transportation Successes
- 82nd Texas Legislature – Transportation Failures
- Where We Go From Here



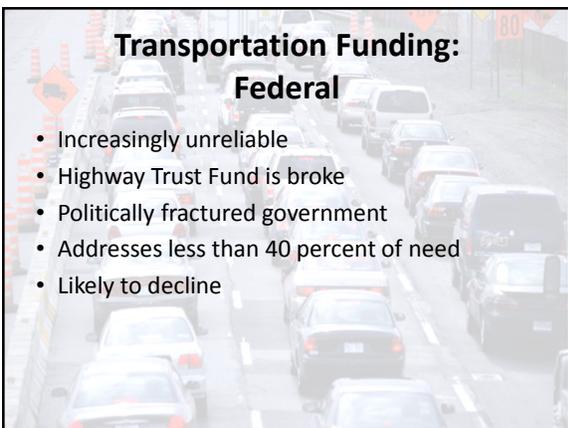
Transportation System Overview

- Decades of under-investment
- Aging infrastructure
- Increasing trade and heavy truck traffic
- Increasing traffic congestion and associated delay and travel time unpredictability
- Deteriorating road surface conditions



Transportation Funding: Flawed Revenue System

- Excise tax vs. sales tax
- No political will to raise rate
- Loss of purchasing power
- VMT – Vehicle Miles Traveled fee



Transportation Funding: Federal

- Increasingly unreliable
- Highway Trust Fund is broke
- Politically fractured government
- Addresses less than 40 percent of need
- Likely to decline

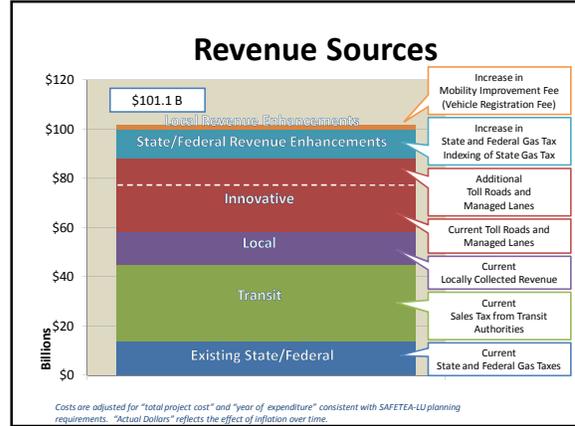


Transportation Funding: State

- Inadequate to address transportation needs
- Over-reliance on debt
- Need **new, substantial, secure** and **sustainable** revenue source(s)

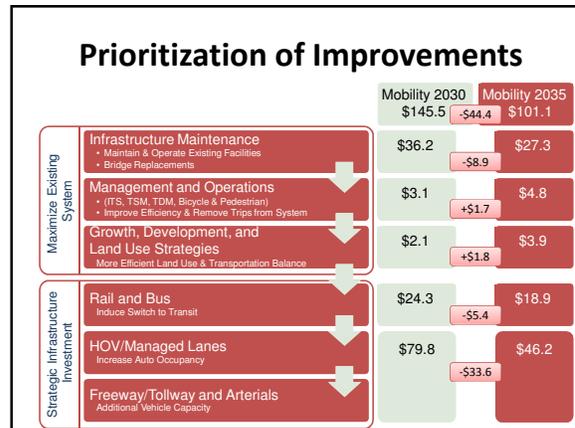
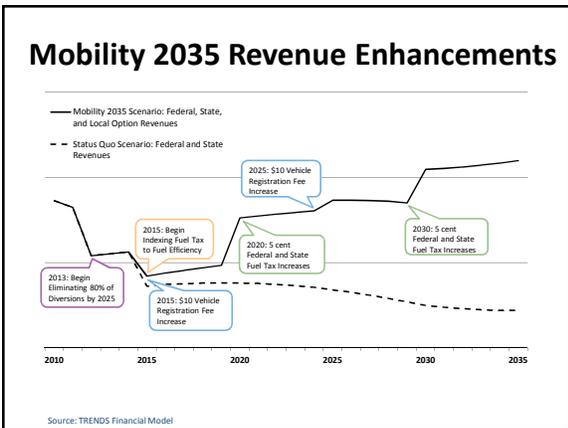
Transportation Funding: Regional

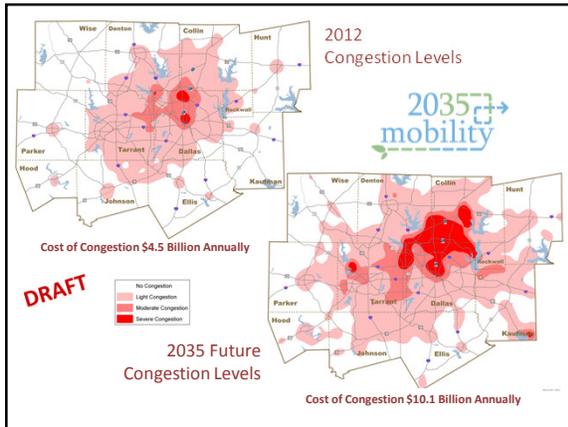
- 25 percent federal and state
- 75 percent local
- \$44.4 billion reduction
- \$11.8 billion annual funding deficiency



Mobility 2035 Financial Scenarios (Actual \$)		
Funding Strategies	Existing	Enhanced + Local Option
State Fuel Tax (per gallon)	\$0.20 (existing)	+\$0.05 in 2020 & +\$0.05 in 2030
State Fuel Tax Indexing	-	To Fuel Efficiency by 2015
Federal Fuel Tax (per gallon)	\$0.184 (existing)	+\$0.05 in 2020 & +\$0.05 in 2030
Mobility Improvement Fee (Vehicle Registration)	\$60 (existing)	+\$10 in 2015 & +\$10 in 2025
Toll Roads, Managed Lanes, CDA, and PPP	Currently Funded Facilities	Additional Facilities
Other Assumptions	- Regional Partners Continue to Implement Projects - Reliance on Local Entities to Fund Projects Locally	Same as Existing plus: - End 80% of Diversions Incrementally by 2025 - Maintenance: TxDOT Addresses Pavement Conditions; MPO Funds Bridge Replacements
Total Revenue (\$B)	\$74.9	\$101.1
Additional Revenue from Enhanced + Local Option		+\$26.2

Mobility 2035 Financial Scenarios (Actual \$ B)		
Funding Strategies	Existing	Enhanced + Local Option
State Fuel Tax (per gallon)	\$13.7	
State Fuel Tax Indexing		
Federal Fuel Tax (per gallon)	\$16.7	+\$11.5
Mobility Improvement Fee (Vehicle Registration)		
Toll Roads, Managed Lanes, CDA, and PPP	\$44.5	+\$12.8
Other Assumptions		
Total Revenue (\$B)	\$74.9	\$101.1
Additional Revenue from Enhanced + Local Option		+\$26.2





Regional Needs Summary

(Billions, Actual Dollars)

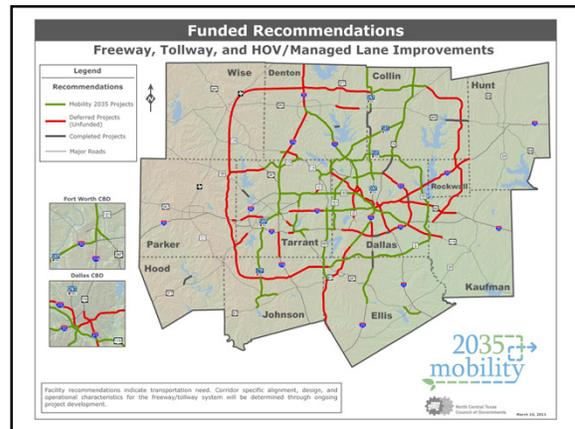
Major Expenditure Type	Mobility 2030 (Financially-Constrained)	Mobility 2035	Regional Needs
Operations & Maintenance Operations, Maintenance, Rehabilitation, Safety, Facility Reconstruction, Transit Operations	\$36.2	\$27.3	\$119.2 <i>13,000 lane miles to be rehabilitated</i>
Non-Capacity Improvements Congestion Management Process, Air Quality & Environment, Bicycle & Pedestrian, Sustainable Development, Transportation Enhancements	\$5.2	\$8.7	\$9.6
Capacity Improvements Freeway, Tollway, HOV, Managed System, Rail Capital, Bus, Paratransit, Regional Arterial System, Other Arterials, Goods Movement	\$104.1	\$65.1	\$266.5 <i>22,500 additional lane miles needed</i>
Total	\$145.5	\$101.1	\$395.3

Costs are adjusted for "total project cost" and "year of expenditure" consistent with SAFETEA-LU planning requirements.
*Actual Dollars**reflects the effect of inflation over time.

Annualizing the Shortfall Over 25-Year Timeframe

(Billions, Actual Dollars)

Major Expenditure Type	Regional Needs	Mobility 2035	Difference	Annualized Shortfall
Operations & Maintenance	\$119.2	\$27.3	\$91.9	\$3.7
Non-Capacity Improvements	\$9.6	\$8.7	\$0.9	---
Capacity Improvements	\$266.5	\$65.1	\$201.4	\$8.1
Total	\$395.3	\$101.1	\$294.2	\$11.8



Transportation Funding: The Cost of Doing Nothing

- The problem is more costly than the solution
- Deferring the solutions is the costliest

Transportation Funding: Solutions

- Need a balance of revenue sources
- Voter Approved Local Option
- Taxes and fees are least costly
- Tolls are one option
- Public-private partnerships (PPPs) are another option

Political Mood of 82nd Texas Legislature

- Many newcomers
- Anti-government, lower spending value
- Overwhelmed by budget challenge
- More partisan, contentious

Transportation Legislation Successes

- Budget Appropriations - \$3B Prop 12 (CSHB 1)
- TxDOT Sunset Bill – CDA Project Authority for I-35E, SH 183 & NTE (CSSB 1420)
- Transportation Reinvestment Zones (CSHB 563 and HJR 63)
- LGC tool to enable DART & The T expansion (SB 888)

Transportation Legislation Failures

- Efforts to cap and reduce diversions (CSHJR 84/SJR 38)
- Moving revenue from sales tax on motor vehicles to the state highway fund (SB 523/HB2527/SJR 22)
- Amending tax code to allocate funds from new & used tires and vehicle parts to the state highway fund (HB 815)
- Increasing the gas tax (HJR 15, SJR 23)
- Texas Local Option Transportation Act (HB 3518/HJR 131)

Where Do We Go From Here?

- Build Transportation Advocates of Texas, Inc.
- Influence interim charges content
- Work with legislative leaders during the interim sessions



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