

RESOLUTION IN SUPPORT OF A CONSTITUTIONAL AMENDMENT FOR INCREASED STATE FUNDING FOR TRANSPORTATION

WHEREAS the 83rd Texas Legislature passed historic legislation proposing a constitutional amendment on the November 4, 2014 state ballot affecting the state's roads, highways, and bridges; and

WHEREAS this is "A constitutional amendment to provide for the transfer of certain general revenue to the economic stabilization fund and to the state highway fund and for the dedication of the revenue transferred to the state highway fund"; and

WHEREAS this proposal will allow revenue transferred to the state highway fund to be used only for developing public roadways, other than toll roads; and

WHEREAS this would require that any funds transferred to the state highway fund be allocated by the Texas Department of Transportation consistent with existing formulas to ensure the entire state benefits from this additional funding; and

WHEREAS the proposed amendment will aid in maintaining the current infrastructure and will ease congestion by funding new projects for added capacity without any new or increased taxes or fees; and

WHEREAS a strong transportation system is fundamental to Texas' quality of life and economic vitality, attracting new businesses and generating new jobs; and

WHEREAS state transportation funding over the past several years has been supplemented by bond programs and those bond programs are now exhausted and have resulted in a significant level of debt for Texas; and

WHEREAS the current state budget includes approximately \$5 billion per year in construction funding and will, based on current revenue



projections, drop to only \$2.5 billion the available funds for construction for the next biennium; and

WHEREAS according to the latest report of the 2030 Commission, approximately \$6.1 billion per year in construction funding is needed to achieve "worst possible" conditions and \$9.5 billion per year is needed to achieve "minimally competitive" conditions; and

WHEREAS the proposed amendment would result in an estimated \$1.4 billion per year for the state highway fund; and

WHEREAS while the proposed amendment would not fully fund the state's overall transportation needs, it would be a key step toward securing critical funding for transportation projects in Texas;

THEREFORE BE IT RESOLVED, that the (INSERT NAME OF SUPPORTING ORGANIZATION) supports the proposed amendment to address Texas' transportation infrastructure needs on the November 4, 2014 ballot.

ADOPTED THIS (INSERT DATE) DAY OF (INSERT MONTH) 2014 BY THE GOVERNING BODY OF THE (INSERT NAME OF SUPPORTING ORGANIZATION).

(INSERT NAME) 2014 (INSERT TITLE) (INSERT NAME) 2014 (INSERT TITLE)



BALLOT PROPOSITION FOR TRANSPORTATION FUNDING

Texans will vote on a proposed constitutional amendment on November 4, 2014 that would provide billions more in reliable transportation funding - an estimated \$1.4 billion in the first year - without new taxes, fees or debt.

What is the proposition and what does it do?

The November 2014 statewide ballot proposition is a constitutional amendment authorized by SJR 1, which legislators approved last year. The amendment would authorize annual disbursements from the state's oil and gas production tax collections to the State Highway Fund. An estimated \$1.4 billion would be transferred in to the State Highway Fund in the first year alone. The amendment would provide a significant step toward meeting the unmet funding needs for transportation projects in Texas. The ballot language for the proposition reads: *The constitutional amendment providing for the use and dedication of certain money transferred to the state highway fund to assist in the completion of transportation construction, maintenance, and rehabilitation projects, not to include toll roads.*

How can the funds be used?

If approved by voters, the measure authorizes additional Texas transportation funding – without new taxes, tolls or fees – to be used for new construction and preservation of the state highway system. These funds cannot be used for toll roads. HB 1, a related bill that was also approved by the Texas Legislature in 2013, put these requirements in place.

Where does the money come from?

The additional transportation money would come from directing a portion of the state's annual oil and gas production tax collections to the State Highway Fund. According to estimates from the Texas Comptroller, if voters approved the Constitutional Amendment \$1.4 billion would be transferred in to the State Highway Fund in the first year alone. As oil and gas production in the state grows, the amount of funding provided by this proposition would also increase.

What else is in the legislation?

Related legislation also passed in 2013 requires TxDOT to identify \$100 million in savings, which it must use to reduce its long-term debt. These savings could come



from operational efficiencies, cost reductions, or cost savings, but could not reduce the amount of funding available for transportation projects.

The legislation also calls for the Lieutenant Governor and the Speaker of the House and to appoint five Senate members and five House members to a select committee to determine a "sufficient balance" of the ESF for a state fiscal biennium. In determining such a balance, the committee will consider the history of Fund balances; the history of transfers to the Fund; estimated Fund balances during that fiscal biennium; estimated transfers to the Fund to occur during that fiscal biennium; information available to the committee regarding state highway congestion and funding demands; and any other information requested by the committee regarding the state's financial condition.

Does this solve the transportation funding problem in Texas?

The constitutional amendment would provide significant progress in addressing the state's unmet transportation needs by providing \$1.4 billion in the first year alone. As oil and gas production in Texas continues to grow, the amount of funding dedicated to transportation will also increase. However, this amendment alone does not "solve" Texas' transportation funding challenge. Experts say Texas has at least \$5 billion in unmet transportation needs each year. Even with the passage of this ballot proposition, the state still faces a significant funding gap for transportation infrastructure.