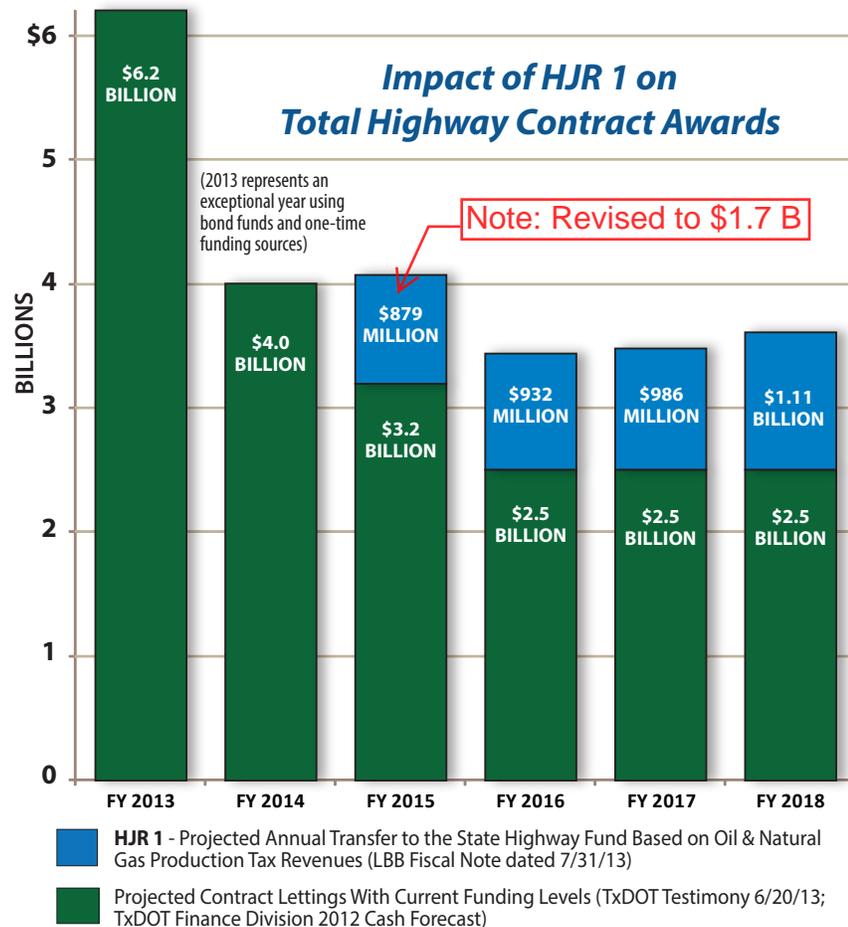


HJR 1 and HB 1: A Solid Step Forward on Transportation Funding



\$6 billion to \$8 billion a year in lettings are needed to keep road conditions and congestion from deteriorating further. That level can be achieved through incremental addition of multiple sustainable, growing funding sources.



HJR 1 and HB 1 (Pickett) provide an opportunity to take a significant step toward meeting the state's transportation investment needs. Addressing growth, mobility, connectivity and state highway system preservation are vital to sustaining the Texas economy and the quality of life for Texans. Taking incremental steps toward a solution is a realistic approach and HJR 1 is an opportunity to make real progress. It is also an important step back toward the traditional pay-as-you-go funding system.

HJR 1 would allocate funding to the State Highway Fund each year based on oil and natural gas production tax revenues. The \$900 million funding boost in FY 15 represents about 20% of the identified near-term highway funding shortfall. Oil production in Texas is growing dramatically and natural gas fields have been discovered and will be developed as demand grows and prices rise. With the passage of HJR 1 the result will be more funding for transportation and revenues continuing to flow to the Economic Stabilization Fund (ESF).

HB 1 includes an alternate method for deciding whether there is enough money in the Economic Stabilization Fund to permit funds to go to the Highway Fund. The Speaker of the House and the Lieutenant Governor would appoint a select committee to determine and adopt a sufficient balance for the ESF by December 1 of even-numbered years and the Legislature could change that determination by concurrent resolution within the first 90 days of a legislative session. HB 1 also requires that the funds transferred must be used and allocated by TxDOT consistent with existing formulas adopted by the Transportation Commission. That means part of the new funding will go to every district in the state.

Transportation Advocates of Texas supports HJR 1 and HB 1. With voter approval they will make a substantial contribution to meeting the growing transportation needs across Texas. We urge members of the House of Representatives and the Senate to vote for this significant incremental addition to transportation funding.

