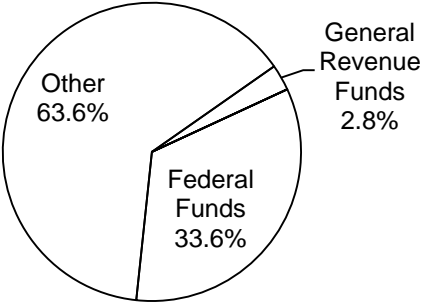


Section 1

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$332,195,991	\$704,748,991	\$372,553,000	112.1%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$332,195,991	\$704,748,991	\$372,553,000	112.1%
Federal Funds	\$8,562,738,104	\$8,367,826,056	(\$194,912,048)	(2.3%)
Other	\$14,262,182,114	\$15,853,296,056	\$1,591,113,942	11.2%
All Funds	\$23,157,116,209	\$24,925,871,103	\$1,768,754,894	7.6%

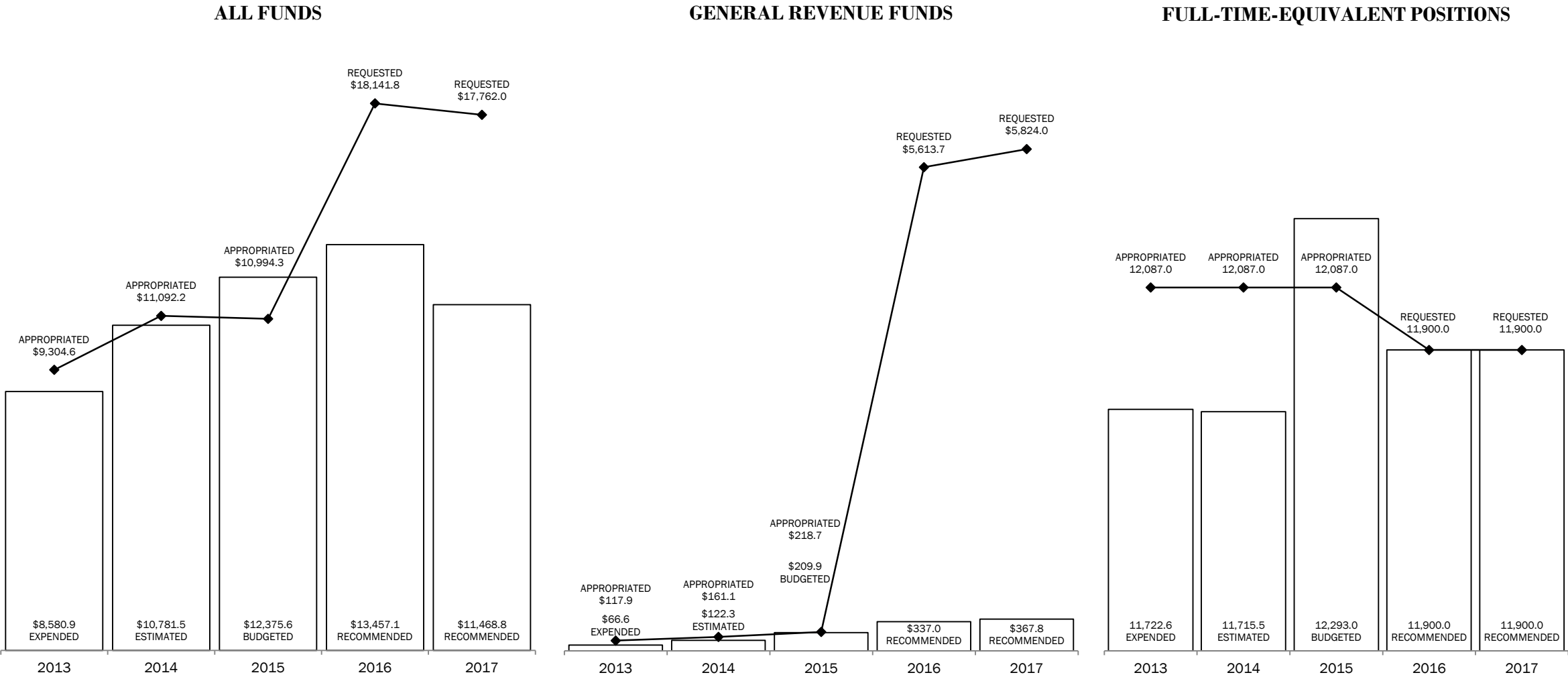
RECOMMENDED FUNDING  
BY METHOD OF FINANCING



The bill pattern for this agency (2016-17 Recommended) represents an estimated 97% of the agency's estimated total available funds for the 2016-17 biennium.

Section 1  
Department of Transportation  
2016-2017 BIENNIUM  
IN MILLIONS

TOTAL= \$24,925.9 MILLION



**Note:** Expended 2013, Estimated 2014, and Budgeted 2015 amounts for Full-Time-Equivalent (FTE) positions include TxDOT Summer Hire FTEs that are exempt from the FTE cap pursuant to Rider 13, Full-Time Equivalent: Summer Hire Program, 2014-15 General Appropriations Act, which authorizes up to 1,200.0 Summer Hire FTEs in the 3rd and 4th quarters of each fiscal year.

Section 2

Department of Transportation  
Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
<b>PLAN/DESIGN/MANAGE A.1.1</b>	<b>\$739,661,981</b>	<b>\$792,249,146</b>	<b>\$52,587,165</b>	<b>7.1%</b>	Recommendations provide funding for planning, design, and management of transportation projects. Recommendations from All Funds include: <ul style="list-style-type: none"><li>• An increase of \$10.6 million for travel survey data sets, statewide orthoimagery, updates to the Statewide Applications Model, and technology standardization projects.</li><li>• An increase of \$10.9 million related to salaries and personnel costs related to a reallocation of FTEs to this strategy above the estimated number for fiscal year 2014.</li><li>• An increase of \$18.5 million related to federal metropolitan planning grant funds.</li></ul>
FEDERAL FUNDS	\$429,250,588	\$436,360,560	\$7,109,972	1.7%	
OTHER FUNDS	\$310,411,393	\$355,888,586	\$45,477,193	14.7%	
<b>CONTRACTED PLANNING AND DESIGN A.1.2</b>	<b>\$906,853,343</b>	<b>\$1,109,509,807</b>	<b>\$202,656,464</b>	<b>22.3%</b>	Recommendations from All Funds include the following changes: <ul style="list-style-type: none"><li>• A decrease of \$44.9 million in bond proceeds (Other Funds) from the Texas Mobility Fund, Proposition 14, and Proposition 12 General Obligation (GO) bonds.</li><li>• A net decrease of \$10 million in State Highway Funds (SHF; Other Funds) from the 2014-15 level.</li><li>• An increase of \$81.4 million in Other Funds from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014).</li></ul>
FEDERAL FUNDS	\$379,032,417	\$555,169,856	\$176,137,439	46.5%	
OTHER FUNDS	\$527,820,926	\$554,339,951	\$26,519,025	5.0%	2014-15 Base Other Funds includes \$73.1 million in funding from the Proposition 1, 2014, oil and natural gas tax-related transfer to the SHF in fiscal year 2015, which was authorized for expenditure in December 2014 (see Selected Fiscal and Policy Issues #4b.)
<b>RIGHT-OF-WAY ACQUISITION A.1.3</b>	<b>\$1,119,796,258</b>	<b>\$1,116,491,324</b>	<b>(\$3,304,934)</b>	<b>(0.3%)</b>	Recommendations provide funding for acquisition of right-of-way including: <ul style="list-style-type: none"><li>• An increase of \$21.1 million in SHF (Other Funds).</li></ul>

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Department of Transportation  
Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
					<ul style="list-style-type: none"><li>• A decrease of \$273.8 million in bond proceeds (Other Funds) from the Texas Mobility Fund, Proposition 14, and Proposition 12 GO bonds.</li><li>• A increase of \$134.3 million in Other Funds from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014).</li></ul>
FEDERAL FUNDS	\$458,121,377	\$573,154,275	\$115,032,898	25.1%	
OTHER FUNDS	\$661,674,881	\$543,337,049	(\$118,337,832)	(17.9%)	2014-15 Base Other Funds includes \$97.4 million in funding from the Proposition 1, 2014, oil and natural gas tax-related transfer to the SHF in fiscal year 2015, which was authorized for expenditure in December 2014 (see Selected Fiscal and Policy Issues #4b).
<b>RESEARCH A.1.4</b>	<b>\$45,581,500</b>	<b>\$45,945,916</b>	<b>\$364,416</b>	<b>0.8%</b>	Recommendations provide funding from SHF (Other Funds) and Federal Funds for transportation research performed by state-supported colleges and universities.
FEDERAL FUNDS	\$37,318,262	\$36,656,823	(\$661,439)	(1.8%)	
OTHER FUNDS	\$8,263,238	\$9,289,093	\$1,025,855	12.4%	Recommendations include increases in SHF of \$952,338 for transportation research at state-supported institutions and \$70,606 to biennialize salaries at the fiscal year 2015 level.
<b>Total, Goal A, PROVIDE TRANSPORTATION PLANNING</b>	<b>\$2,811,893,082</b>	<b>\$3,064,196,193</b>	<b>\$252,303,111</b>	<b>9.0%</b>	
FEDERAL FUNDS	\$1,303,722,644	\$1,601,341,514	\$297,618,870	22.8%	
OTHER FUNDS	\$1,508,170,438	\$1,462,854,679	(\$45,315,759)	(3.0%)	
<b>EXISTING CONSTRUCTION CONTRACTS B.1.1</b>	<b>\$2,489,044,463</b>	<b>\$2,139,857,905</b>	<b>(\$349,186,558)</b>	<b>(14.0%)</b>	Recommendations reflect funding for progress payments on construction contracts awarded prior to fiscal year 2016.
FEDERAL FUNDS	\$1,300,688,098	\$960,185,330	(\$340,502,768)	(26.2%)	
OTHER FUNDS	\$1,188,356,365	\$1,179,672,575	(\$8,683,790)	(0.7%)	

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Department of Transportation  
Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
NEW CONSTRUCTION CONTRACTS B.1.2	\$1,324,126,908	\$2,648,295,667	\$1,324,168,759	100.0%	<p>Recommendations reflect funding for progress payments on construction contracts to be awarded and started during the 2016-17 biennium in alignment with the agency's revenue projections and request. The 2014-15 base expenditures reflect progress payments on construction contracts awarded and started during the 2014-15 biennium, Funding for ongoing payments on these contracts is included in Strategy B.1.1. Existing Construction Contracts.</p> <p>Recommendations also include:</p> <ul style="list-style-type: none"><li>• A net decrease of \$64 million in bond proceeds (Other Funds), including a decrease of \$110.5 million in Texas Mobility Fund and Proposition 14 proceeds, offset by an increase of \$46.5 million in Proposition 12 GO bond proceeds.</li><li>• An increase of \$100 million in SHF (Other Funds).</li><li>• An increase of \$86.4 million in Other Funds from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014).</li><li>• An increase of \$1,186.0 million in Other Funds from a one-time allocation of a portion of motor vehicle sales tax revenue to the SHF, contingent upon the enactment of legislation (see Selected Fiscal and Policy Issues #5).</li></ul>
FEDERAL FUNDS	\$380,131,468	\$395,826,640	\$15,695,172	4.1%	
OTHER FUNDS	\$943,995,440	\$2,252,469,027	\$1,308,473,587	138.6%	2014-15 Base Other Funds includes \$377.1 million in funding from the Proposition 1, 2014, oil and natural gas tax-related transfer to the SHF in fiscal year 2015, which was authorized for expenditure in December 2014 (see Selected Fiscal and Policy Issues #4b).
CONSTRUCTION GRANTS & SERVICES B.1.3	\$3,361,737,090	\$1,989,361,918	(\$1,372,375,172)	(40.8%)	<p>Recommendations from All Funds include the following items and adjustments:</p> <ul style="list-style-type: none"><li>• \$1,410.4 million for transportation improvement projects delivered through comprehensive development agreements and design-build contracts (decrease of \$1,053.4 million). (See Selected Fiscal and Policy Issues #9.)</li></ul>

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Department of Transportation  
Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
					<ul style="list-style-type: none"><li>• \$387.5 million pass-through financing agreement reimbursement payments (increase of \$42.4 million). (See Selected Fiscal and Policy Issues #10)</li><li>• \$154.3 million to provide loans through the State Infrastructure Bank (increase of \$139.8 million).</li><li>• \$37.2 million for TxDOT participation in local toll projects (toll equity; decrease of \$264.6 million).</li><li>• A decrease of \$225 million from the Transportation Infrastructure Fund (Other Funds) related to a fiscal year 2013 supplemental appropriation to provide grants for county transportation infrastructure projects in counties affected by increased energy sector activity (see Selected Fiscal and Policy Issues #19).</li><li>• A decrease of \$11.6 million in GO bond proceeds (Other Funds) for Border Colonia Access Program (BCAP) grant projects.</li></ul>
FEDERAL FUNDS	\$2,084,029,781	\$1,253,863,820	(\$830,165,961)	(39.8%)	
OTHER FUNDS	\$1,277,707,309	\$735,498,098	(\$542,209,211)	(42.4%)	
<b>AVIATION SERVICES B.1.4</b>	<b>\$205,247,240</b>	<b>\$168,315,922</b>	<b>(\$36,931,318)</b>	<b>(18.0%)</b>	Recommendations provide funding for general aviation services and state aircraft services. <ul style="list-style-type: none"><li>• Recommendations include \$60.1 million in SHF (Other Funds) and \$100 million in Federal Funds for services and capital improvements for general aviation, reliever, and non-primary commercial service airports.</li><li>• Recommendations include \$9 million from Interagency Contracts (Other Funds) to provide state flight transportation services and maintain state aircraft.</li></ul>
GENERAL REVENUE FUNDS	\$2,500,000	\$0	(\$2,500,000)	(100.0%)	2014-15 Base General Revenue includes one-time funding related to emergency and first responder airport facilities (see Selected Fiscal and Policy Issues #11a).
FEDERAL FUNDS	\$100,000,000	\$100,000,000	\$0	0.0%	
OTHER FUNDS	\$102,747,240	\$68,315,922	(\$34,431,318)	(33.5%)	Recommendations include a decrease of \$33.7 million in SHF related to the appropriation of unexpended balances for airport improvement grants carried forward from fiscal year 2013 to the 2014-15 biennium.

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Department of Transportation  
Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
Total, Goal B, TRANSPORTATION IMPROVEMENTS	\$7,380,155,701	\$6,945,831,412	(\$434,324,289)	(5.9%)	
GENERAL REVENUE FUNDS	\$2,500,000	\$0	(\$2,500,000)	(100.0%)	
FEDERAL FUNDS	\$3,864,849,347	\$2,709,875,790	(\$1,154,973,557)	(29.9%)	
OTHER FUNDS	\$3,512,806,354	\$4,235,955,622	\$723,149,268	20.6%	
EXISTING MAINTENANCE CONTRACTS C.1.1	\$2,438,824,629	\$2,817,487,459	\$378,662,830	15.5%	Recommendations reflect funding for progress payments on maintenance contracts awarded prior to fiscal year 2016 in alignment with the agency's revenue projections and request.
FEDERAL FUNDS	\$1,332,282,366	\$1,880,876,432	\$548,594,066	41.2%	
OTHER FUNDS	\$1,106,542,263	\$936,611,027	(\$169,931,236)	(15.4%)	
NEW MAINTENANCE CONTRACTS C.1.2	\$4,032,736,971	\$5,041,901,803	\$1,009,164,832	25.0%	Recommendations reflect funding for progress payments on maintenance contracts to be awarded and started during the 2016-17 biennium, in alignment with the agency's revenue projections and request. The 2014-15 base expenditures reflect progress payments on maintenance contracts awarded and started during the 2014-15 biennium. Funding for ongoing payments on these contracts is included in Strategy C.1.1. Existing Maintenance Contracts.  Recommendations also include: <ul style="list-style-type: none"><li>• An increase of \$361.9 million in SHF (Other Funds).</li><li>• A net decrease of \$12.2 million in bond proceeds (Other Funds), including a decrease of \$26.9 million in Proposition 14 proceeds offset by an increase of \$14.6 million in Proposition 12 GO bond proceeds.</li><li>• An increase of \$532.9 million in Other Funds from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014).</li></ul>
GENERAL REVENUE FUNDS	\$1,485,120	\$0	(\$1,485,120)	(100.0%)	2014-15 Base General Revenue includes one-time funding related to track improvements on the South Orient Rail Line (see Selected Fiscal and Policy Issues #11b).
FEDERAL FUNDS	\$1,665,290,899	\$1,793,425,365	\$128,134,466	7.7%	

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Department of Transportation  
Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$2,365,960,952	\$3,248,476,438	\$882,515,486	37.3%	2014-15 Base Other Funds includes \$1,192.4 million in funding from the Proposition 1, 2014, oil and natural gas tax-related transfer to the SHF in fiscal year 2015, which was authorized for expenditure in December 2014 (see Selected Fiscal and Policy Issues #4b).
<b>CONTRACTED ROUTINE MAINTENANCE C.1.3</b>	<b>\$1,365,938,020</b>	<b>\$1,307,590,092</b>	<b>(\$58,347,928)</b>	<b>(4.3%)</b>	Recommendations include a reduction of \$46.4 million in SHF from the 2014-15 level for capital budget projects related to the construction and repair/rehabilitation of buildings and facilities (See Selected Fiscal and Policy Issues #17 and #18).
OTHER FUNDS	\$1,365,938,020	\$1,307,590,092	(\$58,347,928)	(4.3%)	
<b>ROUTINE MAINTENANCE C.1.4</b>	<b>\$1,506,219,591</b>	<b>\$1,583,891,806</b>	<b>\$77,672,215</b>	<b>5.2%</b>	Recommendations provide SHF for routine maintenance activities performed by agency personnel.
OTHER FUNDS	\$1,506,219,591	\$1,583,891,806	\$77,672,215	5.2%	
<b>GULF WATERWAY C.1.5</b>	<b>\$1,755,513</b>	<b>\$1,764,713</b>	<b>\$9,200</b>	<b>0.5%</b>	Recommendations provide SHF for administering the state's responsibility as the nonfederal sponsor of the Gulf Intracoastal Waterway from the Sabine River to Brownsville. Recommendations include \$1.3 million for the acquisition of land for the disposal of dredged material.
OTHER FUNDS	\$1,755,513	\$1,764,713	\$9,200	0.5%	
<b>FERRY OPERATIONS C.1.6</b>	<b>\$91,470,220</b>	<b>\$94,239,236</b>	<b>\$2,769,016</b>	<b>3.0%</b>	Recommendations provide SHF for the maintenance and operation of two toll-free ferry systems in alignment with the agency's request.
OTHER FUNDS	\$91,470,220	\$94,239,236	\$2,769,016	3.0%	Recommendations include an increase of \$3.6 million for fuel and other operating costs and are offset by a decrease of \$1.7million for ferry capital improvements.
<b>Total, Goal C, PRESERVE THE TRANSPORTATION SYSTEM</b>	<b>\$9,436,944,944</b>	<b>\$10,846,875,109</b>	<b>\$1,409,930,165</b>	<b>14.9%</b>	
GENERAL REVENUE FUNDS	\$1,485,120	\$0	(\$1,485,120)	(100.0%)	
FEDERAL FUNDS	\$2,997,573,265	\$3,674,301,797	\$676,728,532	22.6%	



Section 2

Department of Transportation  
Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$6,437,886,559	\$7,172,573,312	\$734,686,753	11.4%	
<b>PUBLIC TRANSPORTATION D.1.1</b>	<b>\$185,177,172</b>	<b>\$190,250,288</b>	<b>\$5,073,116</b>	<b>2.7%</b>	Recommendations provide funding from SHF and Federal Funds to assist small urban and rural transit providers in the development and delivery of public transportation services. Recommendations include \$182.7 million in All Funds (\$63.5 million in SHF; \$119.2 million in Federal Funds) for the distribution of state grants and federal apportionments for public transportation projects (an increase of \$5.1 million in All Funds).
FEDERAL FUNDS	\$120,646,961	\$124,150,898	\$3,503,937	2.9%	
OTHER FUNDS	\$64,530,211	\$66,099,390	\$1,569,179	2.4%	
<b>TRAFFIC SAFETY D.2.1</b>	<b>\$120,934,096</b>	<b>\$121,005,835</b>	<b>\$71,739</b>	<b>0.1%</b>	Recommendations provide funding to coordinate the Texas Traffic Safety Program, distribute state and federal traffic safety grant funding, and maintain the Crash Records Information System.
GENERAL REVENUE FUNDS	\$1,500,000	\$1,500,000	\$0	0.0%	Recommendations continue \$1.5 million in funding from General Revenue - Insurance Maintenance Tax and Insurance Department Fees for ongoing maintenance of the Crash Records Information System.
FEDERAL FUNDS	\$101,821,160	\$102,153,091	\$331,931	0.3%	
OTHER FUNDS	\$17,612,936	\$17,352,744	(\$260,192)	(1.5%)	
<b>TRAVEL INFORMATION D.3.1</b>	<b>\$37,993,807</b>	<b>\$39,077,481</b>	<b>\$1,083,674</b>	<b>2.9%</b>	Recommendations provide SHF for the operation of 12 travel information centers, publishing and distribution of Texas travel and tourism information, and publishing the Texas Highways Magazine.
OTHER FUNDS	\$37,993,807	\$39,077,481	\$1,083,674	2.9%	
<b>Total, Goal D, OPTIMIZE SERVICES AND SYSTEMS</b>	<b>\$344,105,075</b>	<b>\$350,333,604</b>	<b>\$6,228,529</b>	<b>1.8%</b>	
GENERAL REVENUE FUNDS	\$1,500,000	\$1,500,000	\$0	0.0%	
FEDERAL FUNDS	\$222,468,121	\$226,303,989	\$3,835,868	1.7%	
OTHER FUNDS	\$120,136,954	\$122,529,615	\$2,392,661	2.0%	
<b>RAIL PLAN/DESIGN/MANAGE E.1.1</b>	<b>\$5,037,513</b>	<b>\$4,037,254</b>	<b>(\$1,000,259)</b>	<b>(19.9%)</b>	Recommendations provide SHF for rail management and planning activities.
FEDERAL FUNDS	\$1,188,000	\$0	(\$1,188,000)	(100.0%)	

Section 2

Department of Transportation  
Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$3,849,513	\$4,037,254	\$187,741	4.9%	
<b>CONTRACT RAIL PLAN/DESIGN E.1.2</b>	<b>\$29,112,934</b>	<b>\$24,261,066</b>	<b>(\$4,851,868)</b>	<b>(16.7%)</b>	
GENERAL REVENUE FUNDS	\$4,932,934	\$0	(\$4,932,934)	(100.0%)	2014-15 base General Revenue includes one-time funding related to the Unexpended Balance authority for the Lone Star passenger rail project. (See Selected Fiscal and Policy Issues #11b.)
FEDERAL FUNDS	\$23,780,000	\$23,861,066	\$81,066	0.3%	
OTHER FUNDS	\$400,000	\$400,000	\$0	0.0%	
<b>RAIL CONSTRUCTION E.1.4</b>	<b>\$41,166,666</b>	<b>\$11,319,431</b>	<b>(\$29,847,235)</b>	<b>(72.5%)</b>	
GENERAL REVENUE FUNDS	\$5,000,000	\$0	(\$5,000,000)	(100.0%)	2014-15 base General Revenue includes one-time funding related to the South Orient Rail Line project. (See Selected Fiscal and Policy Issues #11b.)
FEDERAL FUNDS	\$30,666,666	\$6,389,643	(\$24,277,023)	(79.2%)	Recommendations reflect a decrease in Federal Funds related to the completion of freight rail improvements at Tower 55 in Fort Worth.
OTHER FUNDS	\$5,500,000	\$4,929,788	(\$570,212)	(10.4%)	
<b>RAIL SAFETY E.1.6</b>	<b>\$2,365,352</b>	<b>\$2,372,450</b>	<b>\$7,098</b>	<b>0.3%</b>	Recommendations provide fee-generated General Revenue for rail safety inspections, investigations, and education in support of the Federal Railroad Administration's rail safety enforcement efforts in alignment with the agency's request. Recommendations include an increase of \$7,098 to biennialize salaries at the 2015 level.
GENERAL REVENUE FUNDS	\$2,365,352	\$2,372,450	\$7,098	0.3%	
<b>Total, Goal E, ENHANCE RAIL TRANSPORTATION</b>	<b>\$77,682,465</b>	<b>\$41,990,201</b>	<b>(\$35,692,264)</b>	<b>(45.9%)</b>	
GENERAL REVENUE FUNDS	\$12,298,286	\$2,372,450	(\$9,925,836)	(80.7%)	
FEDERAL FUNDS	\$55,634,666	\$30,250,709	(\$25,383,957)	(45.6%)	
OTHER FUNDS	\$9,749,513	\$9,367,042	(\$382,471)	(3.9%)	
<b>CENTRAL ADMINISTRATION F.1.1</b>	<b>\$106,287,629</b>	<b>\$122,200,300</b>	<b>\$15,912,671</b>	<b>15.0%</b>	Recommendations provide SHF for the Texas Transportation Commission, executive administration, government and public affairs, general counsel, and administrative support for the agency's divisions and central offices.

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Department of Transportation					
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Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$106,287,629	\$122,200,300	\$15,912,671	15.0%	Recommendations include an increase of \$12.2 million in SHF to fund an interagency contract for legal services provided by the Transportation Division at the Office of the Attorney General. (See Selected Fiscal and Policy Issues #3c.)
<b>INFORMATION RESOURCES F.1.2</b>	<b>\$265,302,760</b>	<b>\$310,272,052</b>	<b>\$44,969,292</b>	<b>17.0%</b>	Recommendations provide SHF for agency administrative and engineering business functions, including: management and operation of computer, software, and network resources; voice and telecommunication systems; and planning, implementation and, maintenance of information resource systems.
OTHER FUNDS	\$265,302,760	\$310,272,052	\$44,969,292	17.0%	Recommendations include increases of \$18.8 million related to Data Center Services costs for current obligations, \$14.8 million for daily operations, and a reallocation of \$9.8 million for information technology replacements and upgrades.
<b>OTHER SUPPORT SERVICES F.1.3</b>	<b>\$82,763,317</b>	<b>\$81,962,502</b>	<b>(\$800,815)</b>	<b>(1.0%)</b>	Recommendations provide SHF for indirect administrative support services for agency divisions and central offices including internal mail, facilities maintenance, and security; and statewide support for purchasing, warehousing, property management, document and records management, and printing services.
OTHER FUNDS	\$82,763,317	\$81,962,502	(\$800,815)	(1.0%)	
<b>Total, Goal F, INDIRECT ADMINISTRATION</b>	<b>\$454,353,706</b>	<b>\$514,434,854</b>	<b>\$60,081,148</b>	<b>13.2%</b>	
OTHER FUNDS	\$454,353,706	\$514,434,854	\$60,081,148	13.2%	
<b>GENERAL OBLIGATION BONDS G.1.1</b>	<b>\$338,050,000</b>	<b>\$725,962,679</b>	<b>\$387,912,679</b>	<b>114.8%</b>	Recommendations provide General Revenue and Federal Funds for debt service and other financing costs associated with the Proposition 12 GO Bond program.
GENERAL REVENUE FUNDS	\$314,412,585	\$700,876,541	\$386,463,956	122.9%	Recommendations include \$423 million in General Revenue for debt service on current Proposition 12 GO bond obligations (as of October 2014) and \$276.9 million for remaining Proposition 12 GO bond authorization anticipated to be issued over fiscal years 2015 - 2017 (see Selected Fiscal and Policy Issues #8).
FEDERAL FUNDS	\$23,637,415	\$25,086,138	\$1,448,723	6.1%	Recommendations include Federal Funds for interest payment subsidies on Proposition 12 GO bonds issued under the Build America Bonds program.

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Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
<b>STATE HIGHWAY FUND BONDS G.1.2</b>	<b>\$657,300,000</b>	<b>\$852,207,129</b>	<b>\$194,907,129</b>	<b>29.7%</b>	Recommendations provide State Highway Funds and Federal Funds for debt service and other financing costs associated with the Proposition 14 SHF Revenue Bond program.
FEDERAL FUNDS	\$50,936,383	\$54,058,248	\$3,121,865	6.1%	Recommendations include Federal Funds for interest payment subsidies on Proposition 14 bonds issued under the Build America Bonds program.
OTHER FUNDS	\$606,363,617	\$798,148,881	\$191,785,264	31.6%	Recommendations include \$607.4 million in SHF for debt service on current obligations (as of September 2014) and \$188.3 million for remaining Proposition 14 GO bond authorization anticipated to be issued over fiscal years 2015 - 2017 (see Selected Fiscal and Policy Issues #8).
<b>TEXAS MOBILITY FUND BONDS G.1.3</b>	<b>\$914,100,000</b>	<b>\$835,252,052</b>	<b>(\$78,847,948)</b>	<b>(8.6%)</b>	Recommendations provide funding from Texas Mobility Fund No. 365 and Federal Funds for debt service and other financing costs associated with the Texas Mobility Fund Bond program (see Selected Fiscal and Policy Issues #8).
FEDERAL FUNDS	\$43,916,263	\$46,607,871	\$2,691,608	6.1%	Recommendations include Federal Funds for interest payment subsidies on Texas Mobility Fund bonds issued under the Build America Bonds program.
OTHER FUNDS	\$870,183,737	\$788,644,181	(\$81,539,556)	(9.4%)	
<b>OTHER DEBT SERVICE G.1.4</b>	<b>\$110,000,000</b>	<b>\$10,000,000</b>	<b>(\$100,000,000)</b>	<b>(90.9%)</b>	Recommendations provide \$10 million in SHF for ongoing short-term credit agreements and financing costs (\$5 million each year).
OTHER FUNDS	\$110,000,000	\$10,000,000	(\$100,000,000)	(90.9%)	2014-15 Base includes \$100 million for the repayment of short-term debt in fiscal year 2014.
<b>Total, Goal G, DEBT SERVICE PAYMENTS</b>	<b>\$2,019,450,000</b>	<b>\$2,423,421,860</b>	<b>\$403,971,860</b>	<b>20.0%</b>	
GENERAL REVENUE FUNDS	\$314,412,585	\$700,876,541	\$386,463,956	122.9%	
FEDERAL FUNDS	\$118,490,061	\$125,752,257	\$7,262,196	6.1%	
OTHER FUNDS	\$1,586,547,354	\$1,596,793,062	\$10,245,708	0.6%	
<b>PLAN/DESIGN/MANAGE - SUBACCOUNT H.1.1</b>	<b>\$8,353,334</b>	<b>\$9,500,000</b>	<b>\$1,146,666</b>	<b>13.7%</b>	

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Department of Transportation  
Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$8,353,334	\$9,500,000	\$1,146,666	13.7%	
<b>CONTRACTED PLAN/DESIGN - SUBACCOUNT H.1.2</b>	<b>\$18,265,000</b>	<b>\$9,000,000</b>	<b>(\$9,265,000)</b>	<b>(50.7%)</b>	
OTHER FUNDS	\$18,265,000	\$9,000,000	(\$9,265,000)	(50.7%)	
<b>RIGHT-OF-WAY - SUBACCOUNT H.1.3</b>	<b>\$104,835,000</b>	<b>\$27,207,441</b>	<b>(\$77,627,559)</b>	<b>(74.0%)</b>	
OTHER FUNDS	\$104,835,000	\$27,207,441	(\$77,627,559)	(74.0%)	
<b>CONSTRUCTION CONTRACTS - SUBACCOUNT H.1.4</b>	<b>\$501,077,902</b>	<b>\$693,080,429</b>	<b>\$192,002,527</b>	<b>38.3%</b>	
OTHER FUNDS	\$501,077,902	\$693,080,429	\$192,002,527	38.3%	
<b>Total, Goal H, DEVELOP TOLL SUBACCOUNT PROJECTS</b>	<b>\$632,531,236</b>	<b>\$738,787,870</b>	<b>\$106,256,634</b>	<b>16.8%</b>	Recommendations provide funding from proceeds deposited to dedicated toll project subaccounts in the SHF related to State Highway 121, State Highway 161, and State Highway 130 (Segments 5 & 6) toll facilities.
OTHER FUNDS	\$632,531,236	\$738,787,870	\$106,256,634	16.8%	
<b>Grand Total, All Agency</b>	<b>\$23,157,116,209</b>	<b>\$24,925,871,103</b>	<b>\$1,768,754,894</b>	<b>7.6%</b>	
GENERAL REVENUE FUNDS	\$332,195,991	\$704,748,991	\$372,553,000	112.1%	\$700.9 million or 99.5 percent of General Revenue funding included in the recommendations is for debt service and other financing costs associated with the Proposition 12 GO Bond program. (See Selected Fiscal and Policy Issues #8.)
FEDERAL FUNDS	\$8,562,738,104	\$8,367,826,056	(\$194,912,048)	(2.3%)	
OTHER FUNDS	\$14,262,182,114	\$15,853,296,056	\$1,591,113,942	11.2%	See summary of Other Funds by Method of Financing (MOF), below.
<b>Summary of Other Funds Total by MOF, All Agency</b>					
State Highway Fund No. 006	\$6,988,301,083	\$8,912,067,603	\$1,923,766,520	27.5%	2016-17 Recommended State Highway Fund No. 006 amount includes \$7,726.1 million from traditional SHF tax and fee revenue and an additional \$1,186.0 million from a one-time allocation of a portion of motor vehicle sales tax revenue to the SHF, contingent upon the enactment of legislation (see Selected Fiscal and Policy Issues #5).
State Highway Fund - Debt Service	\$716,363,617	\$808,148,881	\$91,785,264	12.8%	

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Department of Transportation  
Summary of Recommendations - House, By Method of Finance -- Supplemental

Strategy/Fund Type/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
<b>Subtotal, State Highway Fund No. 006</b>	<b>\$7,704,664,700</b>	<b>\$9,720,216,484</b>	<b>\$2,015,551,784</b>	<b>26.2%</b>	• Subtotal excludes toll project subaccount funds, federal reimbursements, Proposition 14 bond proceeds, and Proposition 1 transfers from oil and natural gas tax-related transfers to the SHF.  • Recommendations include an additional \$1,271.0 million made available through the discontinuation of SHF appropriations to other agencies. (See Selected Fiscal and Policy Issues #2 and #3.)
<b><u>Other Funds (Remaining MOF Sources)</u></b>					
State Highway Fund No. 006 - Toll Revenue	\$505,362,582	\$683,226,352	\$177,863,770	35.2%	Includes funds from SH 121 and SH 161 toll project subaccounts.
State Highway Fund No. 006 - Concession Fees	\$127,168,654	\$55,561,518	(\$71,607,136)	(56.3%)	Includes funds from SH 130 (Segments 5 & 6) toll project subaccounts.
State Highway Fund No. 006 - Proposition 1, 2014	\$1,740,000,000	\$2,575,000,000	\$835,000,000	48.0%	The 2016-17 Recommended Proposition 1 funding amount is estimated. 2014-15 Base includes funding from the fiscal year 2015 oil and natural gas tax-related transfer to the SHF, which was authorized for expenditure in December 2014.
Texas Mobility Fund - Debt Service	\$870,183,737	\$788,644,181	(\$81,539,556)	(9.4%)	
Bond Proceeds - Texas Mobility Fund	\$1,215,920,739	\$457,879,042	(\$758,041,697)	(62.3%)	
Bond Proceeds - State Highway Fund (Proposition 14)	\$822,679,812	\$214,555,584	(\$608,124,228)	(73.9%)	
Bond Proceeds - GO Bonds (Proposition 12, 2014)	\$1,021,588,271	\$1,349,212,895	\$327,624,624	32.1%	
Bond Proceeds - GO Bonds (BCAP)	\$11,600,000	\$0	(\$11,600,000)	(100.0%)	
Transportation Infrastructure Fund No. 184	\$225,000,000	\$0	(\$225,000,000)	(100.0%)	
Interagency Contracts	\$9,000,000	\$9,000,000	\$0	0.0%	
Appropriated Receipts	\$9,013,619	\$0	(\$9,013,619)	(100.0%)	
<b>Subtotal, Other Funds (Remaining MOF Sources)</b>	<b>\$6,557,517,414</b>	<b>\$6,133,079,572</b>	<b>(\$424,437,842)</b>	<b>(6.5%)</b>	
<b>Grand Total, Other Funds</b>	<b>\$14,262,182,114</b>	<b>\$15,853,296,056</b>	<b>\$1,591,113,942</b>	<b>11.2%</b>	

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Department of Transportation  
Summary of Recommendations - Senate, By Method of Finance -- 6 - State Highway Fund No. 006  
*(excludes toll project subaccount funds, Federal Reimbursements, Bond Proceeds, and oil and natural gas tax-related transfers deposited to the State Highway Fund)*

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
PLAN/DESIGN/MANAGE A.1.1	\$248,333,438	\$337,112,163	\$88,778,725	35.7%	
CONTRACTED PLANNING AND DESIGN A.1.2	\$363,379,583	\$353,380,687	(\$9,998,896)	(2.8%)	
RIGHT-OF-WAY ACQUISITION A.1.3	\$248,525,463	\$269,652,244	\$21,126,781	8.5%	
RESEARCH A.1.4	\$8,263,238	\$9,289,093	\$1,025,855	12.4%	
Total, Goal A, PROVIDE TRANSPORTATION PLANNING	\$868,501,722	\$969,434,187	\$100,932,465	11.6%	
EXISTING CONSTRUCTION CONTRACTS B.1.1	\$201,544,963	\$353,392,560	\$151,847,597	75.3%	
NEW CONSTRUCTION CONTRACTS B.1.2	\$319,503,038	\$1,605,550,921	\$1,286,047,883	402.5%	Recommendations include \$1,186.0 million from a one-time allocation of a portion of motor vehicle sales tax revenue to the SHF in 2016-17, contingent upon the enactment of legislation (see Selected Fiscal and Policy Issues #5).
CONSTRUCTION GRANTS & SERVICES B.1.3	\$316,633,795	\$407,949,593	\$91,315,798	28.8%	
AVIATION SERVICES B.1.4	\$93,747,240	\$59,315,922	(\$34,431,318)	(36.7%)	
Total, Goal B, TRANSPORTATION IMPROVEMENTS	\$931,429,036	\$2,426,208,996	\$1,494,779,960	160.5%	
EXISTING MAINTENANCE CONTRACTS C.1.1	\$532,064,327	\$405,002,927	(\$127,061,400)	(23.9%)	
NEW MAINTENANCE CONTRACTS C.1.2	\$1,115,696,100	\$1,477,604,135	\$361,908,035	32.4%	
CONTRACTED ROUTINE MAINTENANCE C.1.3	\$1,357,424,401	\$1,307,590,092	(\$49,834,309)	(3.7%)	
ROUTINE MAINTENANCE C.1.4	\$1,506,219,591	\$1,583,891,806	\$77,672,215	5.2%	
GULF WATERWAY C.1.5	\$1,755,513	\$1,764,713	\$9,200	0.5%	
FERRY OPERATIONS C.1.6	\$91,470,220	\$94,239,236	\$2,769,016	3.0%	
Total, Goal C, PRESERVE THE TRANSPORTATION SYSTEM	\$4,604,630,152	\$4,870,092,909	\$265,462,757	5.8%	
PUBLIC TRANSPORTATION D.1.1	\$64,530,211	\$66,099,390	\$1,569,179	2.4%	
TRAFFIC SAFETY D.2.1	\$17,612,936	\$17,352,744	(\$260,192)	(1.5%)	
TRAVEL INFORMATION D.3.1	\$37,993,807	\$39,077,481	\$1,083,674	2.9%	
Total, Goal D, OPTIMIZE SERVICES AND SYSTEMS	\$120,136,954	\$122,529,615	\$2,392,661	2.0%	
RAIL PLAN/DESIGN/MANAGE E.1.1	\$3,849,513	\$4,037,254	\$187,741	4.9%	
CONTRACT RAIL PLAN/DESIGN E.1.2	\$400,000	\$400,000	\$0	0.0%	
RAIL CONSTRUCTION E.1.4	\$5,000,000	\$4,929,788	(\$70,212)	(1.4%)	
Total, Goal E, ENHANCE RAIL TRANSPORTATION	\$9,249,513	\$9,367,042	\$117,529	1.3%	

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Department of Transportation					
Summary of Recommendations - Senate, By Method of Finance -- 6 - State Highway Fund No. 006					
(excludes toll project subaccount funds, Federal Reimbursements, Bond Proceeds, and oil and natural gas tax-related transfers deposited to the State Highway Fund)					
Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION F.1.1	\$106,287,629	\$122,200,300	\$15,912,671	15.0%	
INFORMATION RESOURCES F.1.2	\$265,302,760	\$310,272,052	\$44,969,292	17.0%	
OTHER SUPPORT SERVICES F.1.3	\$82,763,317	\$81,962,502	(\$800,815)	(1.0%)	
Total, Goal F, INDIRECT ADMINISTRATION	\$454,353,706	\$514,434,854	\$60,081,148	13.2%	
STATE HIGHWAY FUND BONDS G.1.2	\$606,363,617	\$798,148,881	\$191,785,264	31.6%	
OTHER DEBT SERVICE G.1.4	\$110,000,000	\$10,000,000	(\$100,000,000)	(90.9%)	
Total, Goal G, DEBT SERVICE PAYMENTS	\$716,363,617	\$808,148,881	\$91,785,264	12.8%	State Highway Fund appropriations for debt service are designated as "State Highway Fund - Debt Service" under the Method of Financing in the agency's appropriations bill pattern.
Grand Total, All Strategies	\$7,704,664,700	\$9,720,216,484	\$2,015,551,784	26.2%	



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Department of Transportation  
Summary of Recommendations - Senate, By Method of Finance -- 8105 - Bond Proceeds - Texas Mobility Fund

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
PLAN/DESIGN/MANAGE A.1.1	\$6,000,000	\$0	(\$6,000,000)	(100.0%)	
CONTRACTED PLANNING AND DESIGN A.1.2	\$14,178,401	\$2,573,997	(\$11,604,404)	(81.8%)	
RIGHT-OF-WAY ACQUISITION A.1.3	\$177,400,026	\$813,063	(\$176,586,963)	(99.5%)	
RESEARCH A.1.4	\$0	\$0	\$0	0.0%	
<b>Total, Goal A, PROVIDE TRANSPORTATION PLANNING</b>	<b>\$197,578,427</b>	<b>\$3,387,060</b>	<b>(\$194,191,367)</b>	<b>(98.3%)</b>	
EXISTING CONSTRUCTION CONTRACTS B.1.1	\$371,473,931	\$202,555,614	(\$168,918,317)	(45.5%)	
NEW CONSTRUCTION CONTRACTS B.1.2	\$99,715,079	\$58,082,736	(\$41,632,343)	(41.8%)	
CONSTRUCTION GRANTS & SERVICES B.1.3	\$547,153,302	\$193,853,632	(\$353,299,670)	(64.6%)	
<b>Total, Goal B, TRANSPORTATION IMPROVEMENTS</b>	<b>\$1,018,342,312</b>	<b>\$454,491,982</b>	<b>(\$563,850,330)</b>	<b>(55.4%)</b>	
<b>Grand Total, All Strategies</b>	<b>\$1,215,920,739</b>	<b>\$457,879,042</b>	<b>(\$758,041,697)</b>	<b>(62.3%)</b>	

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Department of Transportation

Summary of Recommendations - Senate, By Method of Finance -- 8106 - Bond Proceeds - State Highway Fund (Proposition 14)

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
PLAN/DESIGN/MANAGE A.1.1	\$9,000,000	\$0	(\$9,000,000)	(100.0%)	
CONTRACTED PLANNING AND DESIGN A.1.2	\$28,612,877	\$13,545,500	(\$15,067,377)	(52.7%)	
RIGHT-OF-WAY ACQUISITION A.1.3	\$52,480,571	\$8,311,242	(\$44,169,329)	(84.2%)	
Total, Goal A, PROVIDE TRANSPORTATION PLANNING	\$90,093,448	\$21,856,742	(\$68,236,706)	(75.7%)	
EXISTING CONSTRUCTION CONTRACTS B.1.1	\$300,178,295	\$122,382,921	(\$177,795,374)	(59.2%)	
NEW CONSTRUCTION CONTRACTS B.1.2	\$68,894,730	\$0	(\$68,894,730)	(100.0%)	
CONSTRUCTION GRANTS & SERVICES B.1.3	\$54,800,000	\$0	(\$54,800,000)	(100.0%)	
Total, Goal B, TRANSPORTATION IMPROVEMENTS	\$423,873,025	\$122,382,921	(\$301,490,104)	(71.1%)	
EXISTING MAINTENANCE CONTRACTS C.1.1	\$281,823,838	\$70,315,921	(\$211,507,917)	(75.0%)	
NEW MAINTENANCE CONTRACTS C.1.2	\$26,889,501	\$0	(\$26,889,501)	(100.0%)	
Total, Goal C, PRESERVE THE TRANSPORTATION SYSTEM	\$308,713,339	\$70,315,921	(\$238,397,418)	(77.2%)	
Grand Total, All Strategies	\$822,679,812	\$214,555,584	(\$608,124,228)	(73.9%)	

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Department of Transportation					
Summary of Recommendations - Senate, By Method of Finance -- 8120 - Bond Proceeds - GO Bonds (Proposition 12)					
Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
PLAN/DESIGN/MANAGE A.1.1	\$47,077,955	\$18,776,423	(\$28,301,532)	(60.1%)	
CONTRACTED PLANNING AND DESIGN A.1.2	\$48,570,065	\$30,339,767	(\$18,230,298)	(37.5%)	
RIGHT-OF-WAY ACQUISITION A.1.3	\$85,828,821	\$32,810,500	(\$53,018,321)	(61.8%)	
Total, Goal A, PROVIDE TRANSPORTATION PLANNING	\$181,476,841	\$81,926,690	(\$99,550,151)	(54.9%)	
EXISTING CONSTRUCTION CONTRACTS B.1.1	\$315,159,176	\$501,341,480	\$186,182,304	59.1%	
NEW CONSTRUCTION CONTRACTS B.1.2	\$78,789,793	\$125,335,370	\$46,545,577	59.1%	
CONSTRUCTION GRANTS & SERVICES B.1.3	\$122,520,212	\$133,694,873	\$11,174,661	9.1%	
Total, Goal B, TRANSPORTATION IMPROVEMENTS	\$516,469,181	\$760,371,723	\$243,902,542	47.2%	
EXISTING MAINTENANCE CONTRACTS C.1.1	\$292,654,098	\$461,292,179	\$168,638,081	57.6%	
NEW MAINTENANCE CONTRACTS C.1.2	\$30,988,151	\$45,622,303	\$14,634,152	47.2%	
Total, Goal C, PRESERVE THE TRANSPORTATION SYSTEM	\$323,642,249	\$506,914,482	\$183,272,233	56.6%	
Grand Total, All Strategies	\$1,021,588,271	\$1,349,212,895	\$327,624,624	32.1%	

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Department of Transportation					
Summary of Recommendations - Senate, By Method of Finance -- 8142 - State Highway Fund No. 006 - Proposition 1, 2014					
Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
CONTRACTED PLANNING AND DESIGN A.1.2	\$73,080,000	\$154,500,000	\$81,420,000	111.4%	
RIGHT-OF-WAY ACQUISITION A.1.3	\$97,440,000	\$231,750,000	\$134,310,000	137.8%	
Total, Goal A, PROVIDE TRANSPORTATION PLANNING	\$170,520,000	\$386,250,000	\$215,730,000	126.5%	
NEW CONSTRUCTION CONTRACTS B.1.2	\$377,092,800	\$463,500,000	\$86,407,200	22.9%	
Total, Goal B, TRANSPORTATION IMPROVEMENTS	\$377,092,800	\$463,500,000	\$86,407,200	22.9%	
NEW MAINTENANCE CONTRACTS C.1.2	\$1,192,387,200	\$1,725,250,000	\$532,862,800	44.7%	
Total, Goal C, PRESERVE THE TRANSPORTATION SYSTEM	\$1,192,387,200	\$1,725,250,000	\$532,862,800	44.7%	
Grand Total, All Strategies	\$1,740,000,000	\$2,575,000,000	\$835,000,000	48.0%	

## Section 3

### Department of Transportation Selected Fiscal and Policy Issues - Senate

1. **Strategic Fiscal Review.** The agency is included in the Strategic Fiscal Review. Please refer to the SFR packet for specific information and findings.

Significant findings and observations include:

- Most of the agency's 31 programs have strong authority and either strong or moderate mission centrality.
  - Four out of 31 programs have strong authority and weak mission centrality, including
    - Flight Services
    - Outdoor Advertising Regulation (Highway Beautification)
    - Travel Information Centers
    - Texas Highways Magazine
2. **Other Funds.** Recommendations provide \$15,853.3 million in Other Funds (63.6 percent of All Funds), which represents a net increase of \$1,591.1 million from the 2014–15 level. (See Section 2, page 14, for a detailed summary of Other Funds by method of finance.) The biennial increase includes:
- a net increase of \$829.5 million in State Highway Funds (SHF) from traditional tax and fee revenue, including an additional \$1,271.0 million made available from the discontinuation of SHF appropriations to agencies other than the Department of Transportation, offset by an increase of \$402 million budgeted in fiscal year 2015 due to available fund balances remaining from the 2012–13 biennium;
  - an estimated \$2,575.0 million from oil and natural gas tax-related transfers to the SHF (Proposition 1, 2014), a net increase of \$835 million from the 2014–15 biennium (see item #4, below);
  - an increase of \$1,186.0 million from a one-time allocation of motor vehicle sales tax revenue to the SHF (contingent upon the enactment of legislation; see item #5, below).
  - a net decrease of \$1,050.1 million from bond proceeds (see item #6, below),
  - a decrease of \$81.5 million in Texas Mobility Funds for bond debt service; and
  - a decrease of \$127.8 million in Other Funds from other non-traditional and one-time funding sources.
3. **State Highway Fund No. 006 Allocations**
- a. **Appropriations to TxDOT.** Recommended SHF appropriations, excluding funds from toll project subaccounts, revenue bond proceeds, and oil and natural gas tax-related transfers to the SHF, provide \$8,534.2 million in direct appropriations to TxDOT (increase of \$829.5 million from 2014–15) and \$603.6 million for Article VII employee benefits to be paid on behalf of TxDOT (increase of \$73.1 million from 2014-15).

## Section 3

- b. **Appropriations to Other Agencies.** The recommendations discontinue funding from the SHF to agencies other than TxDOT. The recommendations result in a biennial decrease of \$1,319.9 million in SHF to other agencies from the 2014–15 level, including reductions of \$1,052.5 million in direct appropriations and \$267.4 million for employee benefits for agencies other than TxDOT. Recommendations replace SHF appropriations to these agencies with \$1,332.8 million in All Funds from other funding sources, including \$1,307.7 million in General Revenue and \$25.1 million in Other Funds.
- c. **Method of Finance Swap: Interagency Contract for Legal Services.** The recommendations include a method of finance swap for the Office of the Attorney General (OAG) from SHF to an Interagency Contract with TxDOT. The Transportation Division at the OAG provides legal services exclusively to TxDOT that include eminent domain, property damage, and legal representation for TxDOT staff. The division has been historically funded by a direct SHF appropriation to OAG. Recommendations provide \$12.2 million to TxDOT from the SHF to fund the Interagency Contract for legal services (see Rider Highlights, New Rider #41).
- d. **Transfers to the Texas Emissions Reduction Plan Account.** In fiscal year 2009, a portion of the revenue from vehicle title transfer fees previously deposited to the General Revenue-Dedicated Texas Emissions Reduction Plan (TERP) Account No. 5071 began flowing into the Texas Mobility Fund (TMF). Also, since fiscal year 2009 and continuing through fiscal year 2019, the agency is statutorily required to remit monthly to the Comptroller, out of non-constitutionally dedicated State Highway Funds, an amount equal to the title transfer fees deposited to the TMF for deposit to the TERP Account. Title fees deposited to the TMF in fiscal year 2014 totaled \$93.3 million. Beginning in fiscal year 2016, \$5 from title fees collected in EPA "non-attainment" counties that is currently deposited to the TERP Account will begin flowing into the TMF, which will increase the required transfers to TERP from the SHF. The Comptroller's January 2015 Biennial Revenue Estimate includes \$240.8 million (\$119.2 million in fiscal year 2014; \$121.6 million in fiscal year 2017) in estimated title transfer fee deposits to the Texas Mobility Fund for the 2016–17 biennium.

### 4. Proposition 1, 2014.

- a. **Constitutional Amendment.** The amendment to the Texas Constitution approved by voters in November 2014 (Proposition 1, 2014) redirects to the SHF as much as half of the oil and natural gas tax-related transfers previously allocated to the Economic Stabilization Fund (ESF) each fiscal year. The funds transferred to the SHF may only be used for constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads. The amendment also requires a process to ensure a sufficient ESF balance. The Legislature is required to establish a procedure to make two changes to the allocation prescribed in the amendment: (1) increase the percentage of the oil and natural gas tax-related allocations to the ESF; and (2) decrease the allocation to the SHF by an equal amount. The enactment of House Bill 1, 83<sup>rd</sup> Legislature, Third Called Session, 2013, established this procedure. Before each regular session, the Speaker of the House and the Lieutenant Governor are to each appoint five members to a select committee. In each even-numbered year, the committee is required to adopt an amount considered to be a sufficient balance for the ESF for the next fiscal biennium and to submit the amount to each legislative chamber as a concurrent resolution for approval or amendment. If the Legislature does not approve the resolution or amend the resolution to establish a different sufficient balance, the amount submitted by the select committee would become the sufficient balance. The CPA is required to reduce the allocation of oil and natural gas tax-related transfers to the SHF, if necessary, to maintain the sufficient ESF balance adopted by the committee or the Legislature.

## Section 3

- b. **Fiscal Year 2015 Transfer.** In December 2014, \$1,740.1 million was transferred to the SHF pursuant to Proposition 1. This additional revenue to the SHF is made available for expenditure in fiscal year 2015 through TxDOT's "estimated" State Highway Fund No. 006 appropriation, subject to the written approval of the Legislative Budget Board (LBB) and the Governor as required by TxDOT Rider 18, Additional Funds, 2014–15 General Appropriations Act. In December 2014, LBB and the Governor approved TxDOT's request under the authority of Rider 18 to spend these additional funds to address congestion in urban areas, improve rural connectivity, maintain existing infrastructure, and address roadway maintenance and safety needs in areas of the state impacted by increased oil and gas production activity.
  - c. **2016-17 Recommendations.** Recommendations include an estimated \$2,575 million (\$1,308 million in fiscal year 2016 and \$1,267 million in fiscal year 2017) from Proposition 1 transfers to the SHF (State Highway Fund No. 006 – Proposition 1, 2014) to fund mobility and preservation projects, statewide maintenance, and maintenance and safety needs in areas of the state impacted by increased oil and gas production activity.
5. **One-time Allocation of Motor Vehicle Sales Tax.** Recommendations include an additional \$1,186.0 million for the 2016–17 biennium to address the transportation needs of the state, contingent upon the enactment of legislation by the Eighty-fourth Legislature that amends the Texas Tax Code, Subchapter G, to make a one-time allocation of a portion of motor vehicle sales tax revenue to the SHF (see Rider Highlights, New Rider #43). The Comptroller's January 2015 Biennial Revenue Estimate includes \$9,135.6 million in estimated motor vehicle sales and use tax revenue to the General Revenue Fund for the 2016–17 biennium.
6. **Federal-Aid Highway Funding – MAP 21.** Recommendations include \$8,367.8 million in Federal Funds for the 2016-17 biennium based on estimates from TxDOT. A total of \$7,900.1 million in Federal Funds is from federal reimbursements for highway planning and construction expenditures. Federal highway funding is authorized through the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21). MAP-21 became effective October 1, 2012, and authorized federal funding for federal fiscal years 2013 and 2014. The authorization for MAP-21 was set to expire September 30, 2014, but Congress extended the authorization until May 2015. Congress has supplemented shortfalls in the federal Highway Trust Fund (HTF), which is supported with federal motor fuel taxes, with federal General Fund and other fund transfers to sustain the current funding level for the Federal-aid Highway Program. TxDOT estimates and the LBB recommendations assume Congress will not continue to supplement the HTF with General Funds when Congress decides to extend MAP-21 authorization in 2015, which would result in a reduction in federal highway funding to the states. According to TxDOT, continuation of current MAP-21 funding levels would equate to \$606 million in additional federal obligation authority in the 2016-17 biennium and allow for an additional \$515 million in new contract letting (see Items Not Included in Recommendations #18).
7. **Bond Proceeds.** Recommendations from Other Funds include \$2,021.6 million in proceeds from the issuance of bonds for transportation improvement and safety projects. This amount represents 8.1 percent of the All Funds recommendation and includes funding from the following TxDOT bond programs.
- a. **Texas Mobility Fund Bonds.** Recommendations include \$457.9 million from Texas Mobility Fund (TMF) bond proceeds (a decrease of \$758 million). This amount reflects the agency's forecasted expenditures from TMF bond proceeds for contracted planning and design, right-of-way acquisition, and transportation construction contracts. TMF bond obligations are payable from revenues deposited to Texas Mobility Fund No. 365. Issuance of TMF bonds is not limited to a specific aggregate cap by the Texas Constitution or state law but is limited by statutory debt

Section 3

service coverage requirements based on the Comptroller’s certified estimate of TMF revenue. See the Bond Program Summary table, below, for a summary of TMF bond authorization used and authorization remaining as of January 2015.

- b. **State Highway Fund Revenue Bonds (Proposition 14).** Recommendations include \$214.6 million from Proposition 14 bond proceeds (a decrease of \$608.1 million). This amount reflects the agency’s forecasted expenditures from Proposition 14 proceeds for contracted planning and design, right-of-way acquisition, and highway construction contracts. All \$6 billion in Proposition 14 bonds authorized by statute has been obligated to highway improvement and safety projects. See the Bond Program Summary table, below, for a summary of the total Proposition 14 bond authorization used and authorization remaining as of January 2015.
- c. **Proposition 12 General Obligation Bonds.** Recommendations include \$1,349.2 million in Proposition 12 General Obligation (GO) bond proceeds (an increase of \$327.6 million). This amount reflects the agency’s forecasted expenditures from Proposition 12 GO bond proceeds during the 2016–17 biennium for transportation planning and design, right-of-way acquisition, and progress payments on highway construction contracts. All \$5 billion in Proposition 12 GO bond authority has been appropriated and programmed for highway projects, and the agency issues Proposition 12 GO bonds as needed to provide funding for progress payments on highway projects included in the Proposition 12 program. Recommendations provide appropriation authority in the 2016–17 biennium for any unexpended balances of proceeds from the sale of Proposition 12 GO bonds and any unissued authority remaining from appropriations to the agency for the 2014–15 biennium (see Rider Highlights, Modified #29). See the Bond Program Summary table, below, for a summary of the total Proposition 12 GO bond authorization used and authorization remaining as of January 2015.

Bond Program Summary

	TMF	Prop. 14	Prop. 12	Total
Total Authorization	\$7,390,629,619	\$6,000,000,000	\$5,000,000,000	\$18,390,629,619
Authorization Used	\$7,390,629,619	\$5,299,851,213	\$3,557,991,860	\$16,248,472,692
Authorization Remaining	\$0	\$700,148,787	\$1,442,008,140	\$2,142,156,927



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8. **Bond Debt Service.** Recommendations provide \$2,408 million in All Funds for bond debt service payments on Texas Mobility Fund, Proposition 14, and Proposition 12 GO bonds. The recommendations include \$2,282.2 million from state funds and \$125.8 million in Federal Funds for interest payment subsidies on bonds issued under the Build America Bonds program. The recommendations represent an All Funds increase of \$503.5 million and an increase of \$496.3 million in state funds over the 2014–15 level. The Bond Debt Service Summary table below provides a comparison of the recommended funding levels to the 2014–15 budgeted amounts for debt service payments from state funding sources for each of TxDOT’s bond programs.

**Bond Debt Service Summary<sup>1</sup>**

	<u>2014–15 Budgeted</u>	<u>2016–17 Recommended</u>	<u>Increase/ (Decrease)</u>	<u>MOF</u>	<u>Included in CDL<sup>3</sup></u>
Texas Mobility Fund Bonds	\$868,219,659 <sup>2</sup>	\$786,568,181	(\$81,651,478)	TMF	No
Proposition 14 Bonds	\$604,178,915	\$795,748,881	\$191,569,966	SHF	No
Proposition 12 GO Bonds	\$313,512,585	\$699,876,541	\$386,363,956	GR	Yes
<b>Total Debt Service</b>	<b>\$1,785,911,159</b>	<b>\$2,282,193,603</b>	<b>\$496,282,444</b>		

Notes:

- 1. Debt service amounts are net of Federal Funds for bonds issued as Build America Bonds (\$118.5 million in 2014–15; \$125.8 million in 2016–17).
- 2. 2014-15 budgeted debt service includes \$168.6 million for the cash defeasance of Texas Mobility Funds in FY 2014.
- 3. The constitutional debt limit (CDL) applies to debt repaid with unrestricted General Revenue Funds. TMF and Proposition 14 bonds are self-supporting bonds; debt service payments are supported by revenue deposited to the TMF and the SHF (Other Funds), respectively, and are not included in CDL. Proposition 12 bonds are “not self-supporting” GO bonds repaid with unrestricted General Revenue Funds and are included in the CDL.

9. **Comprehensive Development Agreements.** Recommendations include \$752.3 million in All Funds for continuing TxDOT financial participation in comprehensive development agreements (CDA). The enactment of Senate Bill 1730, Eighty-third Legislature, Regular Session, 2013, provided authority for TxDOT to enter into CDAs for specific projects. Authority to enter into CDAs for most projects expires on August 31, 2017. Recommendations continue rider provisions requiring the agency to receive written approval from LBB prior to spending appropriations to enter into a CDA (see Rider Highlights, Modified Rider #22).

10. **Pass-through Financing Agreements.** Recommendations include \$387.5 million in All Funds (\$310 million in Federal Funds; \$77.5 million in State Highway Funds) for pass-through financing agreement reimbursement payments. Under a pass-through financing agreement, a local government or private entity funds the upfront costs for constructing a state highway project. When the state highway project is open to traffic, TxDOT begins reimbursing the upfront costs over time based on the number of vehicles that use the highway each year. The amount of reimbursement is subject to rates for vehicle usage (per vehicle or vehicle miles traveled) and annual minimum and maximum reimbursement amounts specified in each agreement. As of November 2014, the agency has executed 41 agreements for a total of \$1,767.2 million in reimbursements over the life of the agreements.

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11. General Revenue Funds for Aviation and Rail Projects.

- a. **Emergency and First Responder Airport Facilities.** Recommendations decrease General Revenue funding by \$2.5 million from the 2014–15 level for an emergency and first responder airport facility runway expansion project. TxDOT anticipates this project will be underway by the beginning of the 2016–17 biennium. The recommendations provide appropriation authority in the 2016–17 biennium for any unexpended balances of appropriations (estimated to be \$0) remaining at the end of the 2014–15 biennium to maintain the current funding for this project (see Rider Highlights, New Rider #40, and Items not Included in Recommendations #8).
- b. **Rail Projects.** Recommendations decrease General Revenue Funding by \$11,418,054 from the 2014–15 level for rail planning and rehabilitation projects. The agency’s 2014–15 budget includes balances of \$6,418,054 carried forward rail project appropriations that originated in the 2010–11 General Appropriations Act, including funds for the Lone Star Rail planning project (\$4,932,934) and South Orient Rail Line rehabilitation (\$1,458,120), and an additional \$5 million appropriated for the 2014–15 biennium for improvements to the South Orient Rail Line. The recommendations provide appropriation authority in the 2016–17 biennium for any unexpended balances of appropriations (estimated to be \$0) remaining at the end of the 2014–15 biennium for these projects (see Rider Highlights, Modified Rider #30, and Items not Included in Recommendations #7).

12. **Capital Budget Authority.** Recommendations provide \$252.6 million in capital budget authority for the 2016–17 biennium allocated to the following categories (see Rider Highlights #2):

Category	Biennial Capital Budget
a. Acquisition of Land and Other Real Property	\$1,300,000
b. Acquisition of Information Resource Technologies	\$73,811,449
c. Transportation Items	\$15,500,000
d. Acquisition of Capital Equipment and Items	\$89,200,000
e. Data Center Consolidation	\$57,228,779
f. Centralized Accounting and Personnel/Payroll System (CAPPS)	\$15,562,936
Total, Capital Budget Authority	\$252,603,164

### Section 3

13. **Mainframe Modernization.** Recommendations maintain capital budget authority at the 2014-15 appropriated level of \$41 million to continue the agency's Mainframe Modernization information resource technology project (see Items Not Included in Recommendations #3). The purpose of the project is to modernize mainframe applications within TxDOT's Management Information System and continue the integration and replacement of enterprise resource planning functionality that was not included within the scope of the CAPPs system project.
14. **Technology Replacements and Upgrades.** Recommendations maintain capital budget authority at the 2014-15 appropriated level of \$32.8 million for the agency's Technology Replacements and Upgrades information resource technology project (see Items Not Included in Recommendations #4). This project addresses the agency's ongoing replacement and upgrade of information technology hardware and software in support of all agency operations.
15. **Data Center Consolidation.** Recommendations increase capital budget authority for the Data Center Consolidation project by \$21,710,077 over the 2014–15 biennium due to cost increases for current service levels identified by the Department of Information Resources (DIR) for the 2016–17 biennium. Recommended capital budget appropriations for the Data Center Consolidation project total \$57,228,779 in State Highway Funds for the biennium.
16. **Centralized Accounting and Personnel/Payroll System (CAPPs).** Recommendations provide \$15 million for ongoing maintenance and support of the CAPPs Financial and Human Resources (HR) systems. Implementation of the financial and HR system projects was completed in October 2015. The agency estimates ongoing maintenance and support costs to be \$7.5 million each year. The recommendations also provide \$562,936 in funding and capital budget authority for payments to the Comptroller's office for converted PeopleSoft licenses used for the agency's internal accounting systems.
17. **Construction of Buildings and Facilities.** Recommendations reduce capital budget authority by \$16.5 million (100 percent) from the 2014-15 appropriated level for the construction of new buildings and facilities (see Items Not Included in Recommendations #5).
18. **Repair or Rehabilitation of Buildings and Facilities.** Recommendations reduce capital budget authority by \$39.1 million (100 percent) from the 2014–15 level for repair or rehabilitation of buildings and facilities (see Items Not Included in Recommendations #1).
19. **FY 2013 Supplemental Appropriations for Energy Sector Road Repairs.** House Bill 1025, Eighty-third Legislature, Regular Session, (Supplemental Appropriations Bill) appropriated \$450 million in General Revenue Funds to TxDOT to address roadway safety and maintenance in areas of the state impacted by increased energy sector activity. The appropriation included \$225 million for deposit to Fund 6 to repair or rehabilitate affected parts of the state highway system. The remaining \$225 million was deposited to a newly created Transportation Infrastructure Fund to provide grants for county transportation infrastructure projects in counties affected by increased energy sector activity, pursuant to Senate Bill 1747, Eighty-third Legislature, Regular Session. The agency reports that the state highway system projects are currently under construction and all of the Transportation Infrastructure Fund grants have been awarded to the eligible counties. The agency requests appropriation authority in the 2016–17 biennium for any unexpended balances of these funds to continue progress payments on the state highway system projects and fulfill the county grant obligations after the Supplemental Appropriations Bill expires (see Items Not Included in Recommendations #29). The appropriation authority in the Supplemental Appropriations Bill will expire and any unexpended or unencumbered appropriations will lapse on June 14, 2015, prior to the effective date of the 2016–17 General Appropriations Act (September 1, 2015).

### Section 3

#### Department of Transportation FTE Highlights - Senate

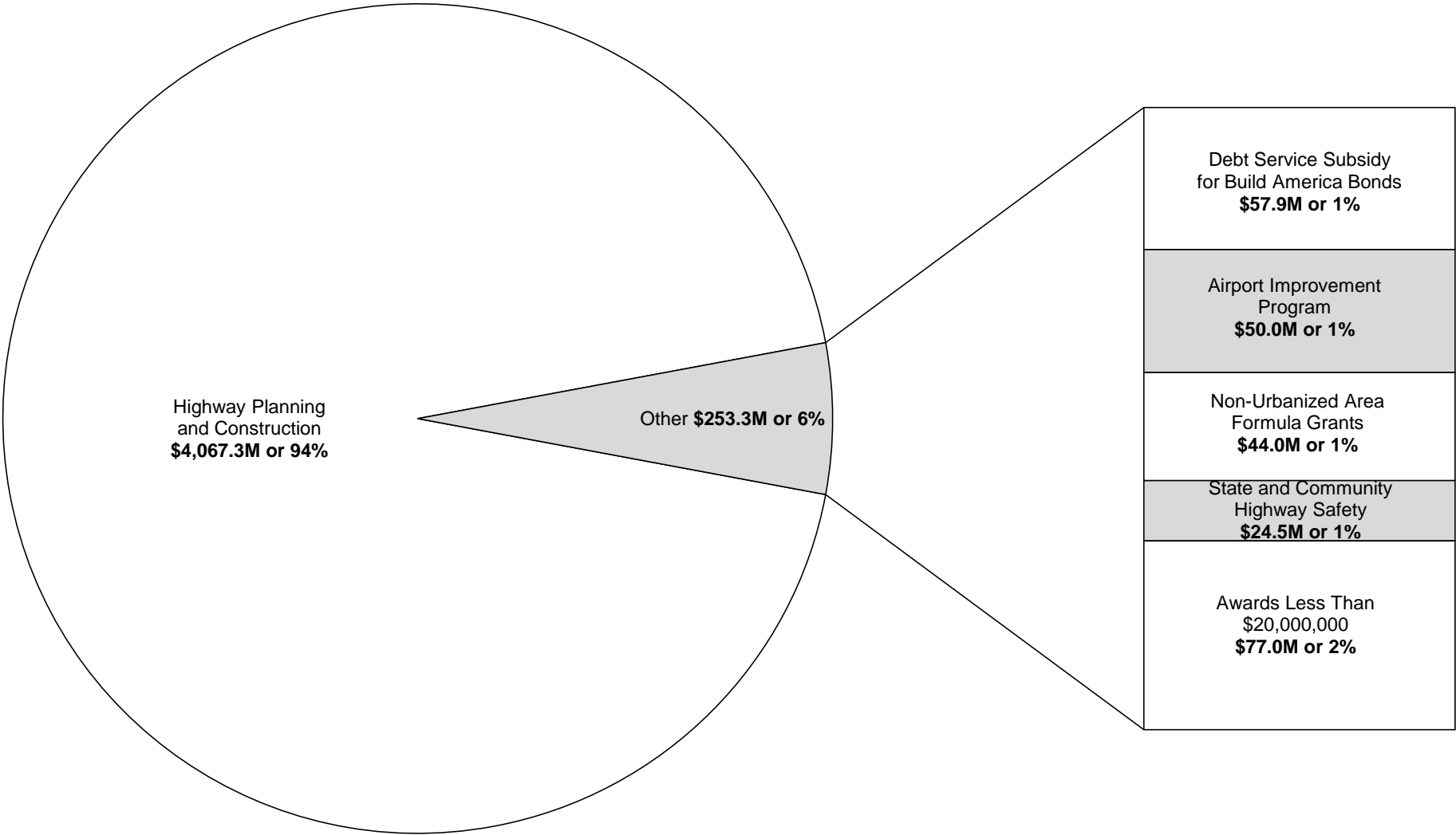
Full-Time-Equivalent Positions	Expended 2013	Estimated 2014	Budgeted 2015	Recommended 2016	Recommended 2017
Cap	12,087.0	12,087.0	12,087.0	11,900.0	11,900.0
Actual/Budgeted	11,722.6	11,715.5	12,293.0	NA	NA
<i>Actual/Budgeted: Summer Hire Program</i>	<i>181.5</i>	<i>206.0</i>	<i>206.0</i>	<i>206.0</i>	<i>206.0</i>
<b>Schedule of Exempt Positions (Cap)</b>					
Executive Director, Group 8*	\$192,500	\$292,500	\$292,500	\$292,500	\$292,500
Executive Leadership Position (5), Group 8*	NA	\$272,000	\$272,000	\$272,000	\$272,000
Commissioner (5)*	\$15,914	\$16,073	\$16,395	\$16,395	\$16,395

\*The agency is not requesting any changes to its Exempt Positions.

1. Recommendations include a reduction of 187.0 FTEs from the FTE cap for fiscal years 2014-15 to fiscal years 2016-17 in alignment with the agency's request. According to the agency, the decrease in FTEs in fiscal years 2016-17 is primarily related to the outsourcing of information technology functions.
2. Expended 2013, Estimated 2014, and Budgeted 2015 Actual/Budgeted amounts include the TxDOT Summer Hire FTEs that are exempt from the FTE cap pursuant to Rider 13, Full-Time Equivalent: Summer Hire Program, 2014-15 General Appropriations Act, which authorizes up to 1,200.0 Summer Hire FTEs in the 3rd and 4th quarters of each fiscal year.
3. Executive Leadership Positions were not classified as an Exempt until fiscal year 2014.

Section 3

Department of Transportation  
Summary of Federal Funds (Estimated 2014) - Senate  
TOTAL = \$4,320.6M



Note: Amounts or percentages shown may sum greater/less than actual total due to rounding.

Section 3

Department of Transportation  
Significant Federal Funds Changes - Senate

CFDA No.	Program Name	2014-15 Base	2016-17 Recommended	Recommended Over/(Under) Base	Comments
20.205.000	Highway Planning and Construction	\$7,993,590,912	\$7,900,080,167	(\$93,510,745)	
20.205.024	Highway and Bridge - Stimulus	\$83,722,344	\$0	(\$83,722,344)	
20.314.000	E. TX Passenger Rail Improvement Feasibility Study	\$6,333,333	\$6,389,643	\$56,310	
20.319.003	HSIPR-OK City to South TX Investment Plan	\$3,300,000	\$800,000	(\$2,500,000)	
20.507.000	Fed Transit Formula Urbanized Area Program	\$0	\$5,000,000	\$5,000,000	
20.509.000	Non-Urbanized Area Formula Grants	\$85,061,847	\$92,081,508	\$7,019,661	
20.513.000	Capital Assistance Programs for Elderly & Disabled	\$16,256,720	\$13,735,884	(\$2,520,836)	
20.515.000	State Planning and Research	\$3,264,614	\$3,390,112	\$125,498	
20.516.000	Job Access and Reverse Commute Grants	\$150,662	\$0	(\$150,662)	
20.521.000	New Freedom Program	\$1,102,539	\$0	(\$1,102,539)	
20.526.000	Bus and Bus Facilities Formula Program	\$14,810,579	\$9,943,394	(\$4,867,185)	
20.600.000	State and Community Highway Safety	\$40,622,470	\$42,530,352	\$1,907,882	
20.600.008	Crash Records Information System	\$11,484,418	\$12,700,000	\$1,215,582	
20.601.000	Alcohol Traffic Safety and Drunk Driving	\$5,517,527	\$0	(\$5,517,527)	
20.602.000	Motorcycle Helmets and Safety Belt Incentive Grants	\$185	\$0	(\$185)	
20.610.000	State Traffic Safety Information System Improvement Grants	\$989,363	\$0	(\$989,363)	
20.612.000	Incentive Grant Program to Increase Motorcyclist Safety	\$20,942	\$0	(\$20,942)	
20.614.000	Ntl Highway Transportation Sfty Adm (NHTSA) Discretionary Safety Grant	\$412,813	\$401,112	(\$11,701)	
20.616.000	National Priority Safety Programs	\$40,773,442	\$42,521,627	\$1,748,185	
20.933.001	TIGER: Tower 55 Improvement Project	\$24,333,333	\$0	(\$24,333,333)	
21.000.002	Debt Service Subsidy for Build America Bonds	\$118,490,061	\$125,752,257	\$7,262,196	

Section 4

Texas Department of Transportation (TxDOT)  
Performance Review and Policy Report Highlights

Reports & Recommendations	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
<b>Enhance the Process Used To Remove Nonintegral Roads from the State Highway System, p. 422</b>					
<i>These recommendations would not have a fiscal impact for the 2016-17 biennium. They would help ensure that all urban roads eligible for the turnback program are reviewed consistently and that program outcomes maximize maintenance funds available to address transportation needs fundamental to state highway system connectivity.</i>					
1. Include a rider in the introduced 2016–17 General Appropriations Bill to require TxDOT to report biennially key performance information regarding the turnback program to the Legislative Budget Board and the Office of the Governor to ensure accountability and assess program effectiveness.				Rider 42 p. VII-34	
<b>Further Reduce Reliance on General Revenue-Dedicated Accounts for Certification of the State Budget</b>					
<i>This report fulfills House Bill 7, Eighty-third Legislature, 2013, requirements relating to the reduction of reliance on available dedicated revenue for certification of the General Appropriations Act. The report provides an overview of the issue and includes recommendations and options to reduce reliance on General Revenue-Dedicated Accounts, including recommendations relating to the transfer from the State Highway Fund to the Texas Emissions Reduction Plan Account.</i>					

## Section 5

### Department of Transportation Rider Highlights - Senate

#### Deleted Riders (original number)

- 23. **Limitation on Expenditures for Contracts.** The rider addresses contract provisions that are generally applicable to Comprehensive Development Agreements (CDA) in which the private developer has a financial interest in the performance of a toll road project. Rider 22, Comprehensive Development Agreements, applies to all types of CDAs and includes similar provisions regarding the reporting and LBB approval requirements prior to the agency entering into any CDA.
- 29. **Limitation on Expenditures: Prohibition of Lobbyists.** The provisions included in this rider have been added into statute under Transportation Code, Sec. 201.210(d).
- 33. **Battleship TEXAS.** According to the Federal Highway Administration, the Battleship TEXAS does not meet eligibility requirements for federal funding and therefore the rider is no longer needed.
- 39. **Additional Appropriations Made for New Construction and New Maintenance.** Provisions of the rider are obsolete.
- 42. **Allocation for Emergency and First Responder Airport Facilities.** Funds have been appropriated and the project is currently underway. A new rider is being added to provide unexpended balance authority for these funds (see New Rider #40 below and Selected Fiscal and Policy Issues #11a).
- 45. **Contingency for Senate Joint Resolution 1, Eighty-third Legislature, Third Called Session.** Voters have approved the proposed amendment to the Texas Constitution and the appropriation has been built into the agency's bill pattern (see Selected Fiscal and Policy Issues #4).

#### Modified Riders

- 2. **Capital Budget.** Recommendations amend this rider and reflect changes to capital budget authority for the following: (1) a decrease of \$250,000 for the acquisition of land and property; (2) a decrease of \$16,515,000 to remove funds for the construction of building and facilities; (3) a decrease of \$39,123,850 to remove funds for repair or rehabilitation of building and facilities; (4) a decrease of \$5,812,574 for the acquisition of information resource technology to reflect the completion of four Information Technology projects in the 2014-15 biennium; (5) a decrease of \$458,050 for transportation items; (6) a decrease of \$14,841,950 for the acquisition of capital equipment and items; (7) an increase of \$21,710,077 for Data Center Consolidation to reflect estimated costs to maintain current obligations; (8) a decrease of \$13,000,000 related to the ongoing costs of the Centralized Accounting and Payroll/Personnel System (CAPPS) project; and (9) an increase of \$562,936 for the inclusion of PeopleSoft licenses (see Selected Fiscal and Policy Issues #11 - 17). Recommendations delete provisions authorizing the agency to lease rather than purchase certain capital budget items upon LBB approval. Article IX, Sec. 14.03, includes similar provisions.



## Section 5

### 3. Transfer Authority.

- c) Deleted former subsection (c) which limits the transfer of appropriations into strategies in Goal F, Indirect Administration, without prior approval from the Legislative Budget Board. This provision is duplicative of provisions in Article IX, Sec. 14.01, Appropriation Transfers.
- d) Amend former subsection (d) to increase the approval time frame from 15 business days to 30 business days from the date LBB staff forwards its review of a request to exceed transfer limitations to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

### 14. Reporting Requirements. Recommendations amend the following subsections:

- b) **Cash Forecast.** Amended subsection to remove the requirement to provide expenditure information in the monthly cash forecast reports at the strategy level.
- f) **State Transportation Improvement Program.** Amended subsection to clarify how the agency prepares the State Transportation Improvement Program reports.

### 18. Additional Funds.

- a) Amended subsection to add the new Method of Financing designation for Proposition 1, 2014, transfers to the State Highway Fund to the list of appropriations subject to the reporting and approval requirement prior to the expenditure of amounts in excess of the estimated appropriations for the 2016-17 biennium (see Selected Fiscal and Policy Issues #4).
- b) Amended subsection to increase the approval time frame from 15 business days to 30 business days from the date LBB staff forwards its review of a request to spend additional funds to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

### 22. Comprehensive Development Agreements.

- a) Amended subsection to clarify that these provisions apply only to comprehensive development agreements (CDA) regardless of the scope of private participation (see Selected Fiscal and Policy Issues #9).
- b) Amended subsection (b) to change the approval timeframe from 45 days from the date a request to spend appropriations to enter into a CDA is received to 30 business days from the date LBB staff forwards its review of the request to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

## Section 5

29. **Appropriation from Proposition 12 General Obligation Bond Proceeds: Unexpended Authority and Proceeds from Prior Fiscal Biennium.** Amend this rider to specify that any amount of authorized but unissued Proposition 12 General Obligation bond authority remaining at the end of the biennium is appropriated for the same purpose (see Selected Fiscal and Policy Issues #7c).
30. **Unexpended Balance Appropriation: Rail Projects.** Amend this rider to reflect the current strategy allocation for General Revenue Funds previously appropriated for certain rail projects and continue appropriation authority for unexpended balances of these funds remaining at the end of the 2014–15 biennium (see Selected Fiscal and Policy Issues #11b).
34. **Travel Information Centers.** Amend this rider to extend the reporting requirement through the 2016–17 biennium.
39. **Limitation on Capital Budget – Acquisition of Information Resource Technologies.** Amend this rider to remove the reference to the Centralized Accounting and Payroll/Personnel System (CAPPS), which was implemented in the 2014–15 biennium (see Selected Fiscal and Policy Issues #13 and #16); and change the approval time frame from 15 business days to 30 business days from the date LBB staff forwards its review of a request to exceed the capital budget transfer limitations to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

### New Riders (new section number)

40. **Unexpended Balance Appropriation: Emergency and First Responder Airport Facilities.** Rider provides the agency unexpended balance authority to use any remaining appropriation balance from fiscal years 2014–15 in the following biennium (see Selected and Fiscal Policy Issues #11a).
41. **Interagency Contract for Legal Services.** Rider authorizing an interagency contract between the Department of Transportation and the Office of the Attorney General for legal services (see Selected Fiscal and Policy Issues #3c).
42. **Performance Reporting for the Voluntary Turnback Program.** Rider requires the agency to report key performance information regarding the turnback program to ensure agency accountability and to assess the program's effectiveness. (See Performance Review and Policy Report Highlights #1.)
43. **Contingency for Legislation Making a One-time Allocation of a Portion of Motor Vehicles Sales Tax Revenue to the State Highway Fund.** Rider appropriates \$1,186 million for the 2016–17 biennium to address transportation needs contingent upon the enactment of legislation making a one-time allocation of motor vehicle sales tax revenue to the State Highway Fund (see Selected Fiscal and Policy Issues #5).

Section 6

Department of Transportation  
Items not Included in Recommendations - Senate

Agency Exceptional Items - In Agency Priority Order

	2016-17 Biennial Total	
	GR & GR-Dedicated	All Funds
1. Capital budget authority of \$64,921,500 for Repair or Rehabilitation of Buildings and Facilities projects. (See Selected Fiscal and Policy Issues #18.)	\$	- \$
a. \$6,301,800 for interior and exterior building renovations		
b. \$5,000,000 for essential building maintenance		
c. \$6,684,000 for roof replacements		
d. \$3,250,000 for radio tower replacement statewide		
e. \$5,057,500 for HVAC upgrades and replacements statewide		
f. \$1,620,000 for replacement and renovation of fuel stations statewide		
g. \$1,317,000 for replacement and repair of emergency generators		
h. \$10,484,474 for modification and upgrade of security systems statewide		
i. \$5,879,600 for electrical upgrades and replacements		
j. \$16,281,126 for minor preventative maintenance		
k. \$3,046,000 for modifications and upgrades to sites		
2. \$30,520,353 in capital budget authority for a new Modernize Portfolio and Project Management (MPPM) information resource technology project.	\$	- \$
3. \$34,889,252 in capital budget authority above amounts appropriated for the 2014-15 biennium for the Mainframe Modernization project. (See Selected Fiscal and Policy Issues #13).	\$	- \$
4. \$7,506,963 in capital budget authority above amounts appropriated for the 2014-15 biennium for Technology Replacement and Upgrades projects (see Selected Fiscal and Policy Issues #14).	\$	- \$
5. Capital budget authority of \$34,648,000 for Construction of Building and Facilities projects. (See Selected Fiscal and Policy Issues #17.)	\$	- \$

Section 6

Department of Transportation  
Items not Included in Recommendations - Senate

	2016-17 Biennial Total	
	GR & GR-Dedicated	All Funds
a. \$3,500,000 for new Brenham Engineering and Maintenance building		
b. \$1,000,000 for additions to the Paris administration office building		
c. \$3,500,000 for new Kaufman area Engineering and Maintenance building		
d. \$2,500,000 for new Marlin maintenance facility		
e. \$3,500,000 for new Kerrville area Engineering and Maintenance building		
f. \$370,000 for new radio transmission building		
g. \$9,348,000 for new equipment storage buildings statewide		
h. \$750,000 for additions to statewide Engineering and Maintenance buildings		
i. \$3,500,000 for new Hondo area Engineering and Maintenance building		
j. \$2,500,000 for new Tilden maintenance facility		
k. \$2,500,000 for new Cooper maintenance facility		
l. \$880,000 for new maintenance warehouses and engineering shops		
m. \$800,000 for new multi-purpose training facility		
6. \$400,000 in capital budget authority for acquisition of land for construction of buildings.	\$ -	\$ -
7. General Revenue funding in Goal E. Enhance Rail Transportation related to the planning, design, and construction of rail transportation infrastructure (see Selected Fiscal and Policy Issues #11b).	\$ 11,418,052	\$ 11,418,052
8. General Revenue funding related to a one-time appropriation provided to assist in airport runway expansion for the use of emergency and first responders included in Rider 42. Allocation for Emergency and First Responder Airport Facilities (see Selected Fiscal and Policy Issues #11a and Rider Highlights, New Rider #40).	\$ 2,500,000	\$ 2,500,000
9. General Revenue funding (\$1 billion each year) for new maintenance contracts to repair existing infrastructure along state highways and to improve safety in areas impacted by increased energy sector activity.	\$ 2,000,000,000	\$ 2,000,000,000

**Section 6**

**Department of Transportation  
Items not Included in Recommendations - Senate**

	2016-17 Biennial Total			
	GR & GR-Dedicated		All Funds	
10. General Revenue funding (\$1 billion each year) for maintenance projects to repair and maintain the state's existing transportation infrastructure.	\$	2,000,000,000	\$	2,000,000,000
11. General Revenue funding (\$3 billion each year) for mobility and preservation projects to maintain the state's existing transportation infrastructure, including: a. \$600 million for Contracted Planning and Design b. \$900 million for Right-of-way Acquisition c. \$1,800 million for New Construction Contracts d. \$2,700 million for New Maintenance Contracts	\$	6,000,000,000	\$	6,000,000,000
12. General Revenue funding to partner with public universities and research institutes to conduct research related to innovative vehicle technology.	\$	20,000,000	\$	20,000,000
13. General Revenue funding to continue providing reimbursements to the Central Texas Turnpike System (CTTS) to offset waived charges related to toll discounts for certain eligible veterans.	\$	5,063,000	\$	5,063,000
14. General Revenue funding to provide rehabilitation to state-owned rail facilities, capital improvements to Class I rail lines, and high speed rail project studies. According to the agency, this would fund 10 projects across the state ranging from \$2 million to \$240 million.	\$	508,000,000	\$	508,000,000
15. General Revenue funding and capital budget authority for the dredging and widening of Texas waterways and navigational channels, including \$50 million for dredging and \$10 million for other related projects.	\$	60,000,000	\$	60,000,000
16. General Revenue funding for capital improvements projects in Texas ports, nominated by the Port Authority Advisory Committee and approved by the Transportation Commission.	\$	30,000,000	\$	30,000,000
17. General Revenue funding to provide reimbursements to the Central Texas Turnpike System (CTTS) to offset reduced charges related to toll discounts for truck drivers on SH 130 (Segments 1 - 4) and SH 45 SE.	\$	40,000,000	\$	40,000,000

Section 6

Department of Transportation  
Items not Included in Recommendations - Senate

	2016-17 Biennial Total			
	GR & GR-Dedicated		All Funds	
18. Federal Funds from federal highway reimbursements contingent upon the continuation of federal highway funding at levels established in the current federal surface transportation program authorization [Moving Ahead for Progress in the 21st Century (MAP-21)] (see Selected and Fiscal Policy Issues #6), including: a. \$36.4 million for Contracted Planning and Design b. \$54.5 million for Right-of-way Acquisition c. \$109.1 million for New Construction Contracts d. \$406.0 million for New Maintenance Contracts  (Note: <b>Article IX, Sec. 13.01</b> , Federal Funds/Block Grants, provides appropriation authority for additional Federal Funds.)	\$	-	\$	606,000,000
19. General Revenue funding to provide grants to support and promote public transportation, including \$16 million for fleet replenishment, and \$20 million for operations and maintenance.	\$	36,000,000	\$	36,000,000
<b>Agency Rider Revisions and Additions not Included - In Agency Bill Pattern Order</b>				
20. Amend <b>Rider 2, Capital Budget</b> , to remove the requirement to obtain approval from the LBB prior to using capital budgeted funds to lease rather than purchase certain capital budget items.	\$	-	\$	-
21. Amend <b>Rider 3, Transfer Authority</b> , to remove the requirement to obtain approval from the LBB prior to transferring appropriations among strategies A.1.2. Contracted Planning and Design, A.1.3. Right-of-Way Acquisition, B.1.1. Existing Construction Contracts, B.1.2. New Construction Contracts, B.1.3. Construction Grants & Services, C.1.1. Existing Maintenance Contracts, C.1.2. New Maintenance Contracts, and C.1.3. Contracted Routine Maintenance.	\$	-	\$	-
22. Amend the following subsections of <b>Rider 14, Reporting Requirements</b> :  (c) Amend <b>Subsection (c), Project Status Report</b> , to change the reporting guidelines related to status of certain types of transportation projects by legislative district.	\$	-	\$	-

Section 6

Department of Transportation  
Items not Included in Recommendations - Senate

	2016-17 Biennial Total	
	GR & GR-Dedicated	All Funds
(d)(1) Amend <b>Subsection (d1), Toll Project, Rail Project, and Toll Project Entities</b> , to change the notification requirements regarding Transportation Commission's toll road designations within state House and Senate districts.		
(d)(2) Amend <b>Subsection (d2), Toll Project, Rail Project, and Toll Project Entities</b> , to remove regional tollway authority applications from the notification requirements.		
(d)(3) Delete <b>Subsection (d3), Toll Project, Rail Project, and Toll Project Entities</b> to remove the reporting requirement regarding the disclosure of toll authority or regional mobility authority board members' ownership or participation in proposed projects.		
(e) Amend <b>Subsection (e), Public Transportation Activities</b> to remove the reference to the required annual report on public transportation activities.		
23. Delete <b>Rider 15, Green Ribbon Project Expansion.</b>	\$	- \$ -
24. Amend <b>Rider 18, Additional Funds</b> , to remove the requirement to obtain approval from the LBB and the Governor prior to the expenditure additional funds above the estimated appropriations from State Highway Fund No. 006, State Highway Fund No. 006 - Toll Revenue, and State Highway Fund No. 006 - Concession Fees (see Rider Highlights, Modified Rider #18).	\$	- \$ -
25. Amend <b>Rider 26, Sale of Surplus Property</b> , to remove the \$500,000 limit on the use of proceeds from the sale of surplus property for rail projects and to provide appropriation authority for proceeds from the sale of Department of Transportation real property to carry out agency functions.	\$	- \$ -
26. Delete <b>Rider 34, Travel Information Centers</b> (see Rider Highlights, Modified Rider #37).	\$	- \$ -
27. Delete <b>Rider 39, Limitation on Capital Budget - Acquisition of Information Resource Technologies.</b> (See Selected Fiscal and Policy Issues #13 and #16 and Rider Highlights, Modified Rider #39).	\$	- \$ -

Section 6

Department of Transportation  
Items not Included in Recommendations - Senate

	2016-17 Biennial Total	
	GR & GR-Dedicated	All Funds
28. Add <b>new Rider, Appropriation of Rail Receipts</b> , to appropriate revenues collected and deposited to the General Revenue Fund from car load fees on the Texas Pacifico rail line.	\$ -	\$ -
29. Add <b>new Rider, Unexpended Balances Appropriation:Road Repairs in Energy Sectors (HB 1025)</b> to appropriate in the 2016-17 biennium any unexpended balances of appropriations made for energy sector road repairs in House Bill 1025, Eighty-third Regular Session, 2013. (See Selected Fiscal and Policy Issues #19).	\$ -	\$ -
<b>Total, Items Not Included in the Recommendations</b>	<b>\$ 10,712,981,052</b>	<b>\$ 11,318,981,052</b>



Section 7

Department of Transportation  
Summary of 10 Percent Biennial Base Reduction Options - Senate

Biennial Reduction Amounts								
Priority	Item	Description/Impact	GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
1	Administrative Reduction - Aviation Services	This reduction would reduce funding towards the support and promotion of General Aviation by the department.	\$645,938	\$645,938		\$0	26%	Yes
	Administrative Reduction - Rail Transportation	This reduction would reduce funding for planning and designing rail transportation infrastructure.	\$241,787	\$241,787		\$0	2%	Yes
2	Administrative Reduction - Aviation Services	This reduction would reduce funding towards the support and promotion of General Aviation by the department.	\$645,938	\$645,938		\$0	26%	Yes
	Administrative Reduction - Rail Transportation	This reduction would reduce funding for planning and designing rail transportation infrastructure as well as reducing rail construction funding.	\$241,787	\$241,787		\$0	2%	Yes
TOTAL, 10% Reduction Options			\$1,775,450	\$1,775,450		\$0		

Department of Transportation  
Summary of 10 Percent Biennial Base Reduction Options - Senate  
Agency 10% Reduction Options by Category of Reduction

