

SUBJECT: Creating assessment metrics for transportation projects and planning

COMMITTEE: Transportation — committee substitute recommended

VOTE: 11 ayes — Pickett, Martinez, Burkett, Fletcher, Harless, Israel,
McClendon, Murr, Paddie, Phillips, Simmons

1 nay — Y. Davis

WITNESSES: For — (*Registered, but did not testify*: Steven Garza, Texas Association of REALTORS; Chuck DeVore, Texas Public Policy Foundation)

Against — (*Registered, but did not testify*: Tom Tagliabue, City of Corpus Christi; Victor Boyer, San Antonio Mobility Coalition, Inc.; Vic Suhm, Tarrant Regional Transportation Coalition; Stephen Minick, Texas Association of Business)

On — Michael Morris, NCTCOG; David Ellis, Texas A&M Transportation Institute; John Barton, James Bass, and Victor Vandergriff, Texas Department of Transportation; (*Registered, but did not testify*: Colin Parrish, Fort Bend County Toll Road Authority; James Hernandez, Harris County, Texas and Harris County Toll Road Authority; Lloyd Potter, Office of the State Demographer; Joe Weber, Texas Department of Transportation; Marc Williams, Texas Department of Transportation; Terri Hall, Texas TURF & Texans for Toll-free Highways)

BACKGROUND: Transportation Code, sec. 201.809 requires the Texas Department of Transportation (TxDOT) to publish an annual report about the status of the state's transportation goals. In addition to information about the progress toward goals, the report must include the status of major priority projects, a summary of the statewide project implementation benchmarks, and information about the accuracy of fiscal forecasts. These reports are disaggregated by transportation districts and distributed to the Legislature. District reports also are distributed to local governments in the district.

Transportation Code, ch. 201, subch. P directs TxDOT to have a ten-year

unified transportation program that guides the development and funding of transportation projects. The program includes target funding levels updated annually and projects that TxDOT plans to implement. The Texas Transportation Commission directs the criteria for project selection, funding categories, and the phases for project implementation. This unified transportation program is published on TxDOT's website and in other appropriate media.

DIGEST: CSHB 20 would require the Texas Department of Transportation (TxDOT) to develop a performance-based planning and programming process. The process would be used by the executive and legislative branches to assess how well TxDOT was achieving the goals and objectives they impose. Local transportation entities would be required to develop funding prioritization guidelines and submit them to TxDOT. It would also direct the formation of joint House and Senate select committees to study transportation planning and financing and repeal the statute allowing TxDOT to establish advisory committees.

Statewide transportation report. CSHB 20 would amend Transportation Code, sec. 201.809 to include performance measures and metrics in the annual statewide transportation report. Performance measures and metrics would be integrated into the review of statewide planning, rural planning, and the unified transportation program. These metrics and measures also would be used in the evaluation of future projects and project delivery. Moreover, the metrics and measures would be used by TxDOT and the Transportation Commission to assess the performance of the state transportation system, evaluate the effectiveness of individual transportation projects, inform policymakers and stakeholders, and demonstrate transparency and accountability to the public. TxDOT would be required to report performance metrics and measures on a regular schedule.

CSHB 20 would direct TxDOT to develop and implement specific metrics and measures that would be approved by the Transportation Commission. TxDOT would be required to develop performance metrics for sustainable objectives, including congestion reduction, safety enhancements,

expansion of economic opportunity, preservation of existing assets, environmental sustainability, system reliability, freight mobility, cost effectiveness, contracting, and public participation.

These evaluation tools would not replace the budgetary performance measures established in the general appropriations act.

Local transportation prioritization. Local transportation entities would be required to develop funding prioritization guidelines for their projects and submit them to TxDOT. These guidelines would have to include the time frames of projects, the readiness of projects, projects' viability and sustainability, and local criteria that reflect the goals unique to the entity. Local entities also would have to consider any criteria established by the Transportation Commission. Local prioritization of projects would have to include both short-term and long-term projects and with emphasis on projects already approved in a regional transportation plan.

Scoring-based funding system. CSHB 20 would require TxDOT to develop guidelines for funding transportation projects based on a scoring system. The Transportation Commission could make discretionary funding decisions for no more than 10 percent of TxDOT's current biennial budget. In scoring projects, TxDOT would have to prioritize projects that:

- addressed safety, maintenance, congestion, and connectivity;
- provided assistance to both rural and urban areas;
- provided regional balance;
- met a high percentage of a community's infrastructure needs;
- had available funding;
- could begin without much delay; and
- included public input in the planning process and had public support.

CSHB 20 also would require TxDOT to consider the following concerns in funding projects:

- local and federal contributions to projects;
- the ability of local entities to repay loans;
- the urgency of the need for a project;
- the start dates and status of preliminary planning and design;
- the acquisition of rights-of-way and easements;
- the impact on the community; and
- the priority assigned by the local transportation entity.

Select committees. CSHB 20 would direct the speaker of the House and the lieutenant governor to appoint nine members each to respective House and Senate Select Committees on Transportation Planning. These committees jointly or separately would examine issues related to transportation planning, financing, and performance, as well as TxDOT's collaboration with stakeholder groups such as elected officials, local governments, and metropolitan planning organizations. TxDOT would be required to submit an initial report to these committees by September 1, 2015. The committees would submit recommendations in a report to the Legislature by November 1, 2016.

Advisory committees. CSHB 20 would repeal Transportation Code, sec. 201.117, which gives TxDOT the authority to establish advisory committees under current law.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

**SUPPORTERS
SAY:**

By requiring the Texas Department of Transportation (TxDOT) to implement a performance-based planning and programming process, CSHB 20 would provide a framework to ensure transportation funds were distributed in an objective, transparent fashion. The bill also would provide public accountability for each dollar spent by requiring that information be published in a format that was easy to understand.

In 2014, voter approval of Proposition 1, which amended the Texas Constitution to dedicate a portion of revenue from oil and gas production

taxes to the State Highway Fund, brought greater public attention to the funding needs of transportation projects in Texas. Improving the state's transportation infrastructure is a high priority for Texans, but concern has grown about how transportation funds are spent. Greater transparency and accountability is needed in the funding process, and CSHB 20 would address this need by introducing a scoring system for prioritizing transportation funding.

In 2013, the 83rd Legislature enacted HB 4 by Ritter, which introduced a performance-based system for the Texas Water Development Board to allocate funding to projects. This legislation has been successful, and CSHB 20 would apply its system to transportation funding by using objective performance metrics, rather than bureaucratic discretion, to allocate funding for projects.

Objective criteria are needed for making transportation funding decisions. Without objective criteria, politics can come into play. Because powerful groups can influence funding decisions, political involvement can mean that the state does not get the best return on investment for its transportation dollars. The performance-based metrics and measurements in CSHB 20 would help Texas get the best return on investment.

CSHB 20 would encourage the Texas Transportation Commission to examine transportation needs for the state as a whole, rather than on a region-by-region basis. If projects were needed in particular rural or urban areas, the scoring system would highlight these projects.

While the bill would remove TxDOT's statutory authority to establish advisory committees, public input would be one of the scoring criteria for evaluating projects. Stakeholders would be encouraged to provide input at the project level.

**OPPONENTS
SAY:**

CSHB 20 could create significant paperwork for TxDOT with little apparent benefit. Generating these reports would duplicate existing efforts at the department while burdening staff resources that could be put to better use. TxDOT and the Transportation Commission already take into

account the factors that CSHB 20 would require for funding prioritization. Specifying these factors in statute could tie the hands of the agency.

By directing the use of metrics for funding priorities, CSHB 20 could take discretion away from the Transportation Commission. Only 10 percent of the budget could be used on discretionary funding. CSHB 20 could negatively affect rural areas because the Transportation Commission often uses its discretion to direct funding to projects in rural areas and the Rio Grande Valley that otherwise might not score well on certain metrics. It is not clear that quantitative metrics could capture the real transportation needs of Texans.

CSHB 20 would revoke TxDOT's statutory authority to establish advisory committees that give important stakeholders, such as freight carriers, mass transit advocates, and cyclists a voice in transportation planning decisions. Public and stakeholder input is important in the process of planning and implementing transportation projects. Eliminating these committees would negatively affect the department's ability to address the transportation needs of all Texans.

The metrics would further codify a highway bias at TxDOT, making it even more challenging to get funding for other types of transportation projects. The metrics developed by the agency might not adequately reflect the value of other types of transportation projects, such as mass transit. The advisory committees are an important way to ensure that non-highway projects get a hearing.