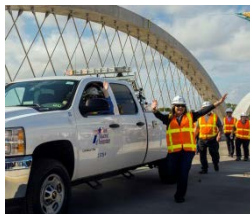
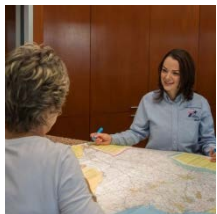




TEXAS DEPARTMENT OF TRANSPORTATION



Texas Department of Transportation (TxDOT) Overview

House Committee on Transportation, 85th Legislature, 2017



March 2, 2017

TxDOT Agency Goals

Deliver the right projects

Implement effective planning and forecasting processes that deliver the right projects on-time and on budget

Focus on the customer

People are at the center of everything we do

Foster stewardship

Ensure efficient use of state resources

Optimize system performance

Develop and operate an integrated transportation system that provides reliable and accessible mobility and enables economic growth

Preserve our assets

Deliver preventive maintenance for TxDOT's system and capital assets to protect our investments

Promote safety

Champion a culture of safety for drivers, passengers and our employees

Value our employees

Respect and care for the well-being and development of our employees

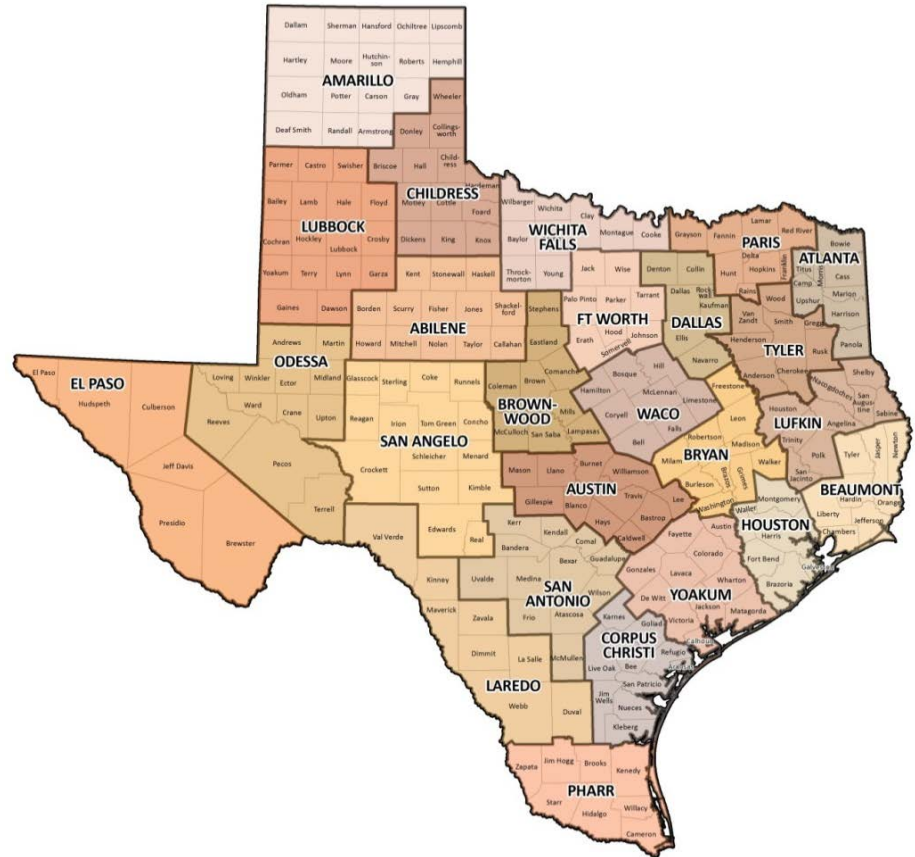
TxDOT Organization

■ 25 TxDOT districts

- Plan, design, build, operate and maintain the state road system in the counties in their districts
- Each led by a professional engineer with a multi-disciplinary staff

■ Divisions

- Support the districts, with engineering divisions providing programs, policies, procedures, and guidelines, and with non-engineering divisions providing functional expertise that allows the districts and the engineering divisions to focus on project delivery, operations, and maintenance.



- **Highway safety efforts**

- Design and place signs, signals, pavement markings, lighting and intelligent transportation systems aimed at reducing fatalities and injuries from crashes.

- **Crash data**

- Collect and analyze data; used to plan highway safety and educational programs

- **Driver safety programs**

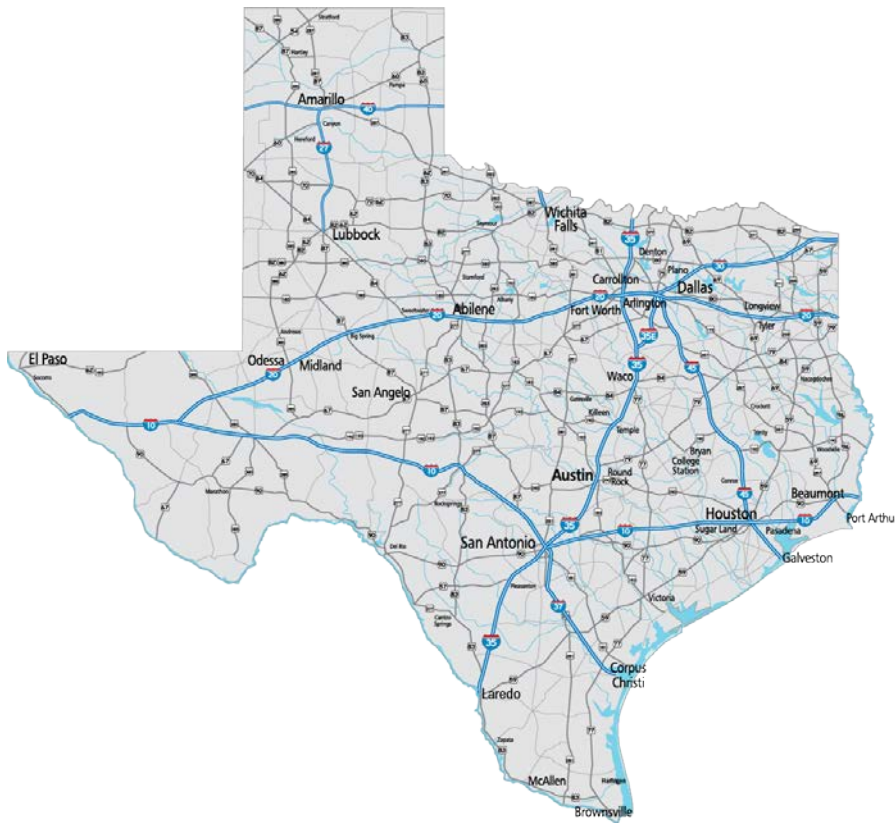
- Campaigns geared toward teen drivers, child safety, sober driving, hurricane evacuation and other issues

- **Rail safety programs**

- Railroad-highway crossings and railroad inspections



The Texas Transportation System



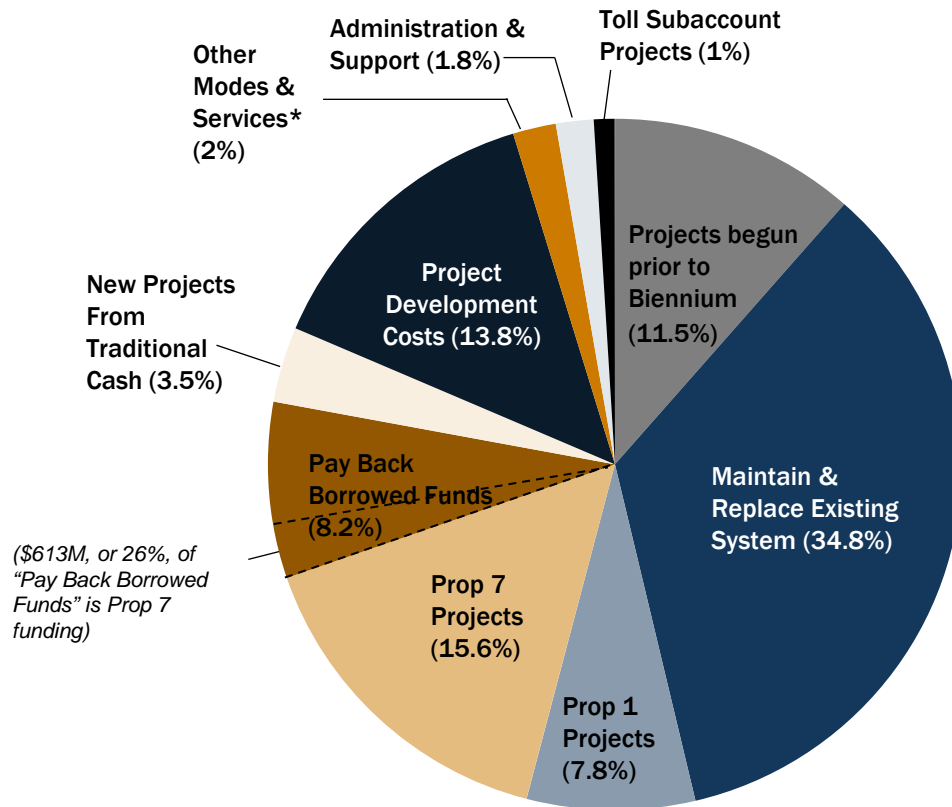
- 195,000 lane miles
- 53,000+ bridges
- 3,400 interstate miles
- 10,000+ miles of rail line
- 515 million miles driven on the state highway system daily

More than Roads and Bridges

- State-owned aircraft fleet
- General aviation airport grants
- Public transportation grants
- Rail planning and safety
- South Orient Railroad in West Texas
- Ferry operations at Galveston and Port Aransas
- Support for the Gulf Intracoastal Waterway



FY 2018-2019 House Bill 1 – Uses of Funding

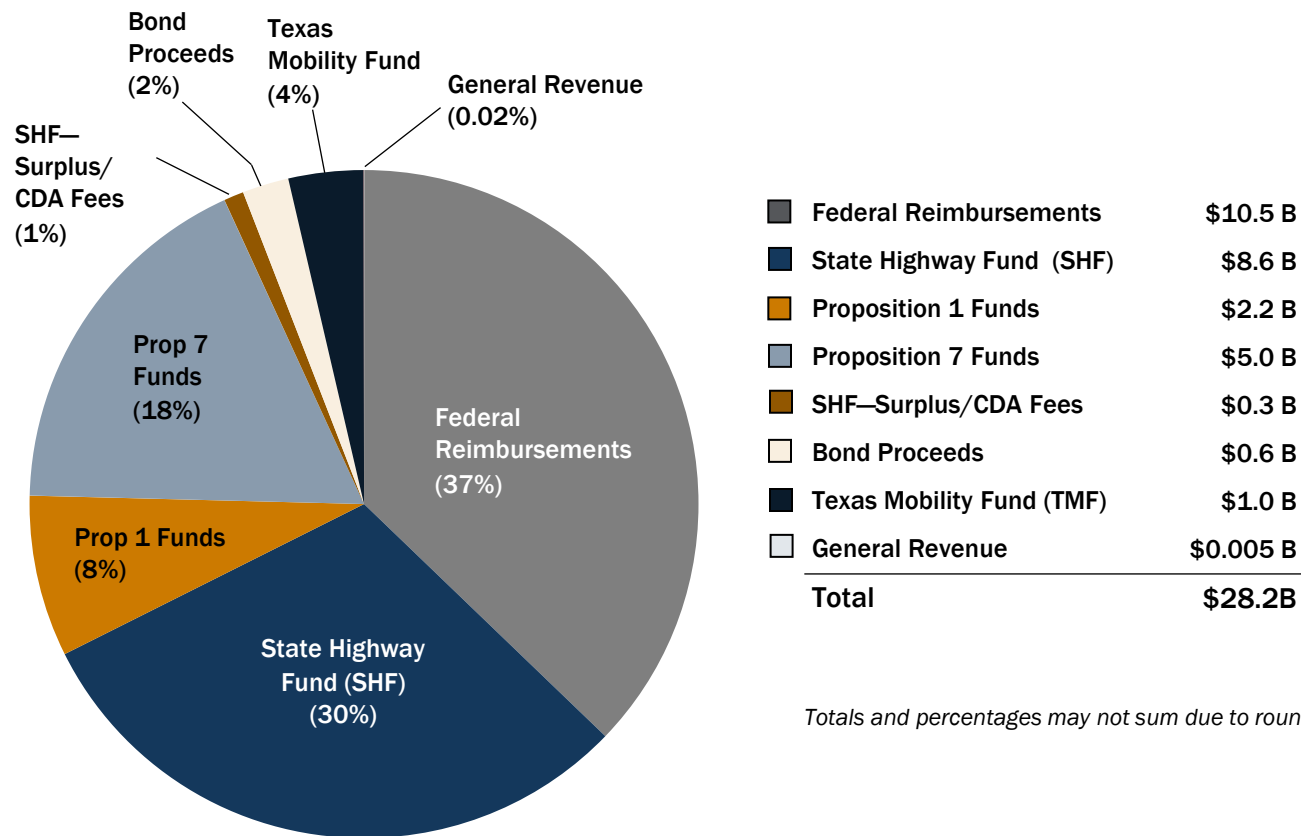


Projects begun prior to Biennium	\$3.2 B
Maintain & Replace Existing System	\$9.8 B
Proposition 1 Projects	\$2.2 B
Proposition 7 Projects	\$4.4 B
Pay Back Borrowed Funds	\$2.3 B
Proposition 7	\$613M
State Highway Funds	\$812M
Texas Mobility Fund	\$777M
Federal Funds	\$117M
New Projects from Traditional Cash	\$1 B
Project Development Costs	\$3.9 B
Other Modes & Services*	\$0.6 B
Administration & Support	\$0.5 B
Toll Subaccount Projects	\$0.3 B
Total	\$28.2B

*Other Modes & Services includes Aviation, Public Transportation, Traffic Safety, Travel Information, and Rail.

Totals and percentages may not sum due to rounding.

FY 2018-2019 House Bill 1 – Funding Sources



Totals and percentages may not sum due to rounding.

TxDOT Budget Priorities Remaining

Rating	Priority Remaining	2018-19 Request	MOF	Capital Budget
1	General Revenue for Prop 12 GO Bond Debt Service in lieu of Prop 7	\$ 613,383,709	GR	No
2	Raise FTE cap from 11,900 to 12,527	\$ 78,182,992	SHF	No
3	Modernize Portfolio, Project and Workflow Management (MPPM) Program	\$ 33,479,647	SHF	Yes
4	Austin Headquarters Consolidation	\$ 161,200,000	SHF	Yes
5	Deferred Maintenance	\$ 115,350,000	SHF	Yes
6	Enterprise Information Management (EIM)	\$ 27,638,000	SHF	Yes
7	Construction of Buildings and Facilities	\$ 128,280,000	SHF	Yes
8	Acquisition of Land and Other Real Property	\$ 3,955,000	SHF	Yes
9	Centralized Accounting and Payroll/Personnel System (CAPPS)	\$ 15,394,057	SHF	Yes

TxDOT Budget Priorities Remaining (continued)

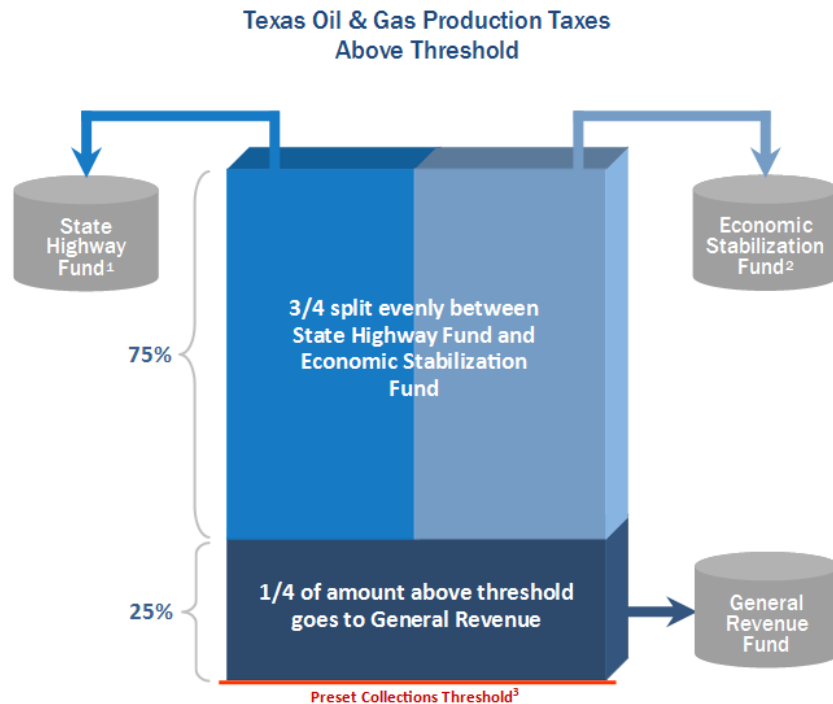
Rating	Priority Remaining	2018-19 Request	MOF	Capital Budget
10	Disabled Veteran Toll Discount Program	\$ 16,600,000	GR	No
11	Rail - South Orient Railroad (SORR) Rehab - Fort Stockton	\$ 33,000,000	GR	No
12	Rail - SORR Rehab - Paisano	\$ 7,000,000	GR	No
13	Rural Public Transit	\$ 7,000,000	GR	No
14	Ports Capital Program	\$132,875,785	GR	No
15	Rail - Rehab in Northeast Texas Rural Rail Transportation (NETEX) District	\$ 30,000,000	GR	No
16	Truck Discount Toll Program on SH130 (Seg 1 - 4) & SH45 SE	\$ 48,000,000	GR	No
17	Rail - Heartland Flyer	\$ 5,000,000	GR	No

Proposition 1 Funding

- 2014 constitutional amendment approved by 80% of voters
- Portion of oil & gas severance tax revenues into the State Highway Fund (SHF)
- May be used for construction, maintenance, rehabilitation, and acquisition of ROW for non-tolled public roadways
- Funding fluctuates year to year because of oil and gas drilling activity:

Fiscal Year	Actual or Estimated
2015	\$1,740,079,662
2016	\$1,134,668,214
2017	\$439,511,639
2018*	\$563,000,000
2019*	\$739,022,000

*Comptroller's Biennial Revenue Estimate (BRE)



- Actual amounts deposited in the State Highway Fund may vary based on the minimum balance of the Economic Stabilization Fund set by the Legislature
- Economic Stabilization Fund is also commonly known as the Rainy Day Fund
- Preset collections threshold is set at 1987 oil and natural gas production tax levels: \$599.8 million in natural gas production tax revenues and \$531.9 million in oil production tax revenues

Proposition 7 Funding

- 2015 constitutional amendment passed by 83% of voters
- Portion of general sales tax and motor vehicle sales tax revenues into the SHF
- Estimated revenue:

Fiscal Year	Comptroller's BRE	HB1/SB1
2018	\$2,205,400,000	\$2,500,000,000
2019	\$2,500,000,000	\$2,500,000,000

- Base bills SB1/HB1 appropriate \$613M of Prop 7 funds over the biennium to pay for debt service traditionally paid out of GR
- Legislature may reduce appropriations by up to 50 percent in any given year by a two-thirds vote in both chambers

Beginning Fiscal Year 2018

Sales and Use Tax



State Highway Fund

Beginning Fiscal Year 2020

Motor Vehicle Sales and Rental Tax



Full-Time Equivalents (FTE) Allocation

- **Current FTE allocation:** 11,900
- **FTE Request for FY 2018-19:** 12,527 (627 above FY 2016-17 limitation)
 - 627 additional FTEs listed below by position type:
 - 220 construction engineering and inspection (CEI) positions in rural districts
 - 104 project managers
 - 95 portfolio managers
 - 55 utility coordinators and technicians
 - 50 contract managers
 - 45 engineering division positions (PE Procurement, Environmental, Design, and Bridge)
 - 40 construction record keepers/auditors and technicians
 - 18 supporting division positions (HR, Purchasing, Accounts Payable)

Unified Transportation Program (UTP)

- **10-year plan for transportation projects statewide**
- **Developed with input from regional transportation groups (e.g. MPOs) and the public**
- **2017 UTP includes approximately \$70 billion in total funding (\$38 billion in new funding)**
 - Largest project program in TxDOT's history
 - Based on current projections
- **Funding allocated through 12 categories**



Funding Sources in the 2017 UTP

FUNDING SOURCE	Estimated 2017 UTP Funding (FY 2017 – FY 2026) (in billions)
Proposition 1	\$ 6.9
Proposition 7	21.8
State Highway Fund “Diversions”	5.9
Federal FAST Act*	25.9
Other Funding Sources	9.7
TOTAL	\$ 70.2

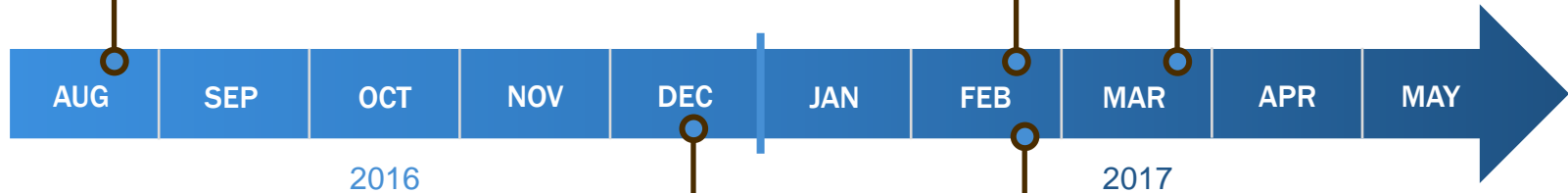
*Assumes FAST Act funding levels are continued beyond FY 2020.

2017 UTP Categories

UNIFIED TRANSPORTATION PROGRAM FUNDING CATEGORY	2017 UTP FUNDING (in millions)
Category 1 – Preventative Maintenance & Rehabilitation	\$ 13,782
Category 2 – Metropolitan & Urban Corridor Projects	12,537
Category 3 – Non-Traditional Funding	4,572
Category 4 – Connectivity Corridor (Urban and Rural)	11,630
Category 5 – Congestion Mitigation/Air Quality (3 MPOs)	2,169
Category 6 – Bridge Programs	3,223
Category 7 – Metropolitan Mobility & Rehabilitation (Large MPOs)	4,241
Category 8 – Safety Programs	3,178
Category 9 – Transportation Alternatives Program	500
Category 10 – Special Federal Programs	557
Category 11 – District Discretionary	3,979
Category 12 – Strategic Priority Projects	9,828
TOTAL UTP FUNDING: CATEGORIES 1-12	\$ 70,196

2017 UTP Timeline

August 2016: Texas Transportation Commission approves 2017 UTP



February 2017: 2017 UTP update presented to the public

March 2017: Commission votes to approve 2017 UTP update

December 2016: Commission holds workshop on 2017 UTP update

February 2017: 2017 UTP update presented to legislators and staff

House Bill 20 Implementation

- **Commission allocated funding to 2017 UTP categories using performance-based criteria**
 - Amounts determined by projected investment levels needed to reach Commission-defined performance targets
- **Commission adopted TAC rule amendments in December 2016 requiring performance-based planning processes**
- **TxDOT continues outreach and coordination with planning organizations and stakeholder groups to select projects for future UTP updates**

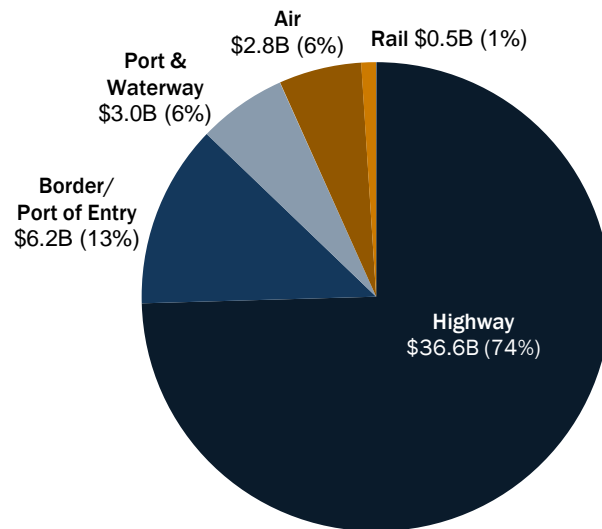


■ Texas Freight Mobility Plan (2016)

- Identifies Texas' freight transportation challenges and outlines policies and investment strategies needed to address them
- Recommends 1,225 projects across all modes with a combined cost of \$49B
- Developed with Freight Advisory Committee
- Update to be completed by end of 2017 in compliance with federal FAST Act



Freight Mobility Plan Projects
Total Estimated Cost by Type



Gulf Intracoastal Waterway (GIWW)

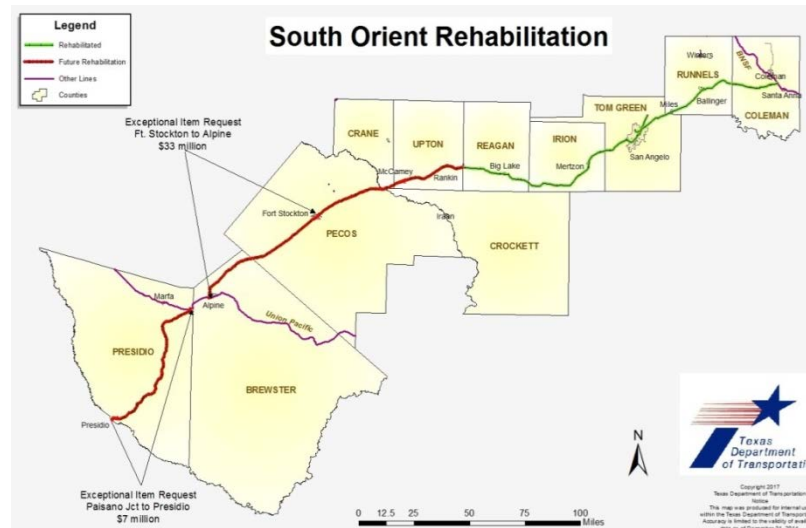
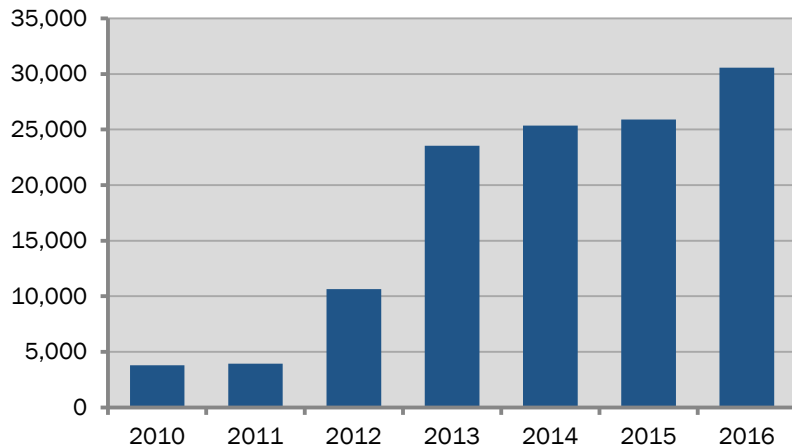
- **Texas portion of the GIWW** covers **379 miles** along the Gulf Coast from the Sabine River to the Brownsville Ship Channel
- As the **non-federal sponsor for the GIWW**, TxDOT is responsible for acquisition of areas for dredged material disposal
- In June 2016, the Texas portion of the GIWW received the **Marine Highway (M-69)** designation
 - Projects that enable freight to be shifted to the waterway and relieve roadway congestion are eligible for Marine Highway Project funding



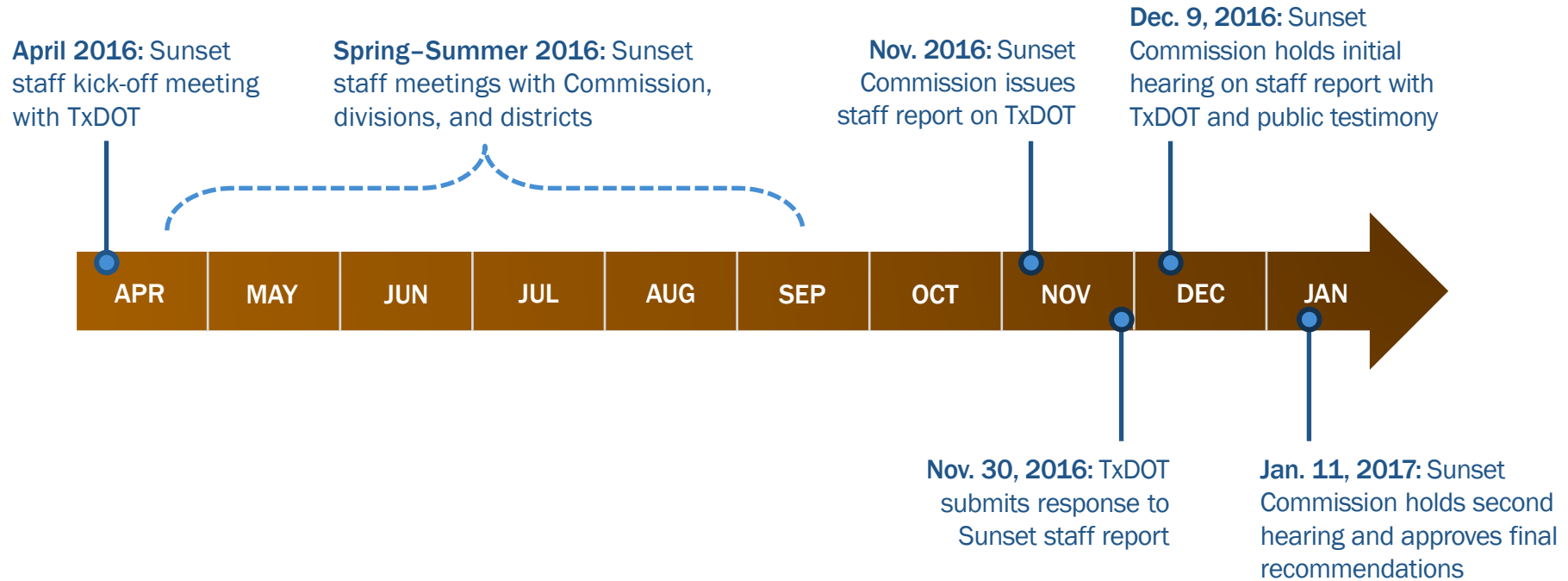
South Orient Railroad – Rehabilitation

- TxDOT rehabilitation began in 2009 to increase speed and overcome deferred maintenance
 - \$34.2M in combined federal, state, local, and private (Texas Pacifico) funds
- Freight influx from shale boom
 - Customer count increased from 8 to 24
 - Carload count increased 15-fold from average of 2,035 over 2001-2009 to 30,565 in 2016

SORR Annual Carloads per Year



TxDOT Sunset Review



- **30 adopted management items (non-statutory)**
 - Implementation: 2 completed; 23 in progress; and 5 not yet begun
- **19 adopted statutory changes, including:**
 - Continue TxDOT for 12 years
 - Adoption of one set of transportation planning goals
 - Link Unified Transportation Program (UTP) decisions to planning goals
 - Improve Project Tracker system
 - Adopt rules on stronger contract remedies in traditional, low bid contracts

