

A Unified Voice Supporting Investment in Transportation

Transportation Advocates of Texas is a non-profit group made up of local governments, mobility coalitions, port authorities, economic development organizations, regional alliances, state associations and employers dedicated to helping find solutions to the mobility challenges facing Texas. We are committed to providing leadership in the pursuit and maintenance of sustainable financing solutions to fund the infrastructure investments needed to serve a fast growing state.

What We Do

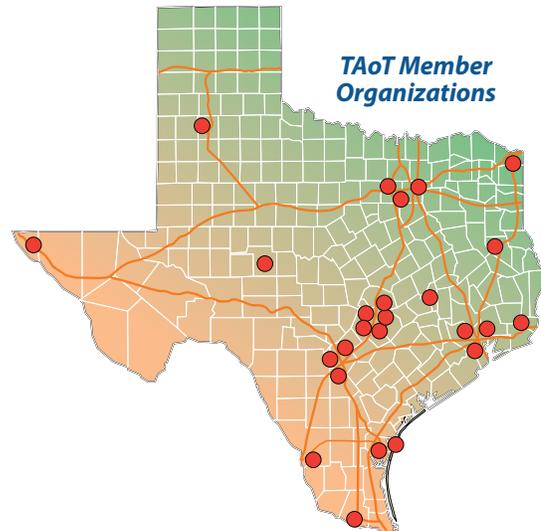
When Transportation Advocates of Texas (TAoT) was organized in 2010, it had a mission – finding a way to bring together many advocates to more effectively engage all members of the Texas Legislature and state leaders in support of additional resources to address a growing highway funding gap. State leaders answered the call with Proposition 1 in 2013 and Proposition 7 in 2015. Texas voters gave them overwhelming support.

Legislative Advocacy - Keep the Promises

TAoT works with members of the Legislature and state officials to build support for transportation funding. We have assisted in development of significant additional funding sources in the past two legislative sessions. Even more funding will be needed in the years ahead to address growing congestion, safety, air quality and efficiency challenges. TAoT is urging lawmakers to keep the promises made to voters by fully appropriating highway funding as provided in Prop 1 and Prop 7 and by resisting any future effort to resume revenue diversions from the State Highway Fund to agencies other than the Department of Transportation.

Building Public Awareness

Texas' highway network is the backbone of its economy. To improve mobility and adequately fund major transportation system upgrades it is important to have the support of citizens, business leaders and property owners. TAoT members continue working to build a grassroots network to help the public understand that delays in addressing mobility problems will inevitably result in more traffic congestion, greater economic losses, missed job opportunities and higher safety risks. Along with public awareness and advocacy, TAoT proudly works to recognize the efforts of those who champion transportation and the vital role it plays in commerce, family life and public safety.



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ADVOCACY ON ONE PAGE

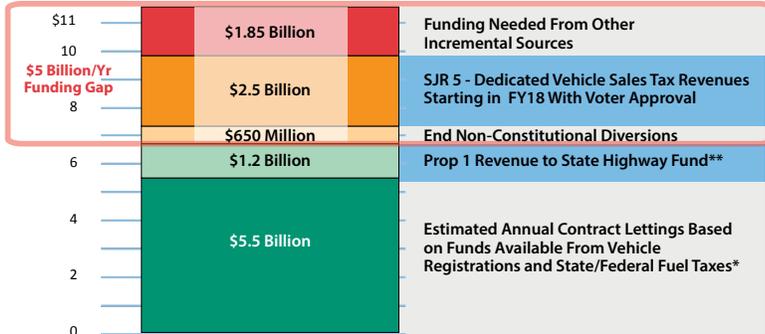


www.transportationadvocatesof texas.org

February 16, 2015

Billions in Constant 2014 Dollars

Annual Contract Lettings Required to Keep Congestion and Pavement Conditions From Deteriorating Further



* Source: Texas Transportation Plan 2040

** The Biennial Revenue Estimate for FY16 & FY17 predicts Proposition 1 revenue of \$1.2 billion per year.

Proposition 1 funds are linked directly to oil and natural gas prices making future annual revenue levels uncertain.

Incrementally Addressing the Texas Transportation Funding Gap

By the 1960s the Texas highway system was among the best in the world. Drivers noticed that travel got smoother and faster when they crossed the state line. That system is now aging badly at the same time that Texas is experiencing eye-popping growth in population, daily vehicle miles traveled and the percentage of trucks on our highways. All are signs of a state where traffic provides a daily snapshot of vibrant commerce and busy lives.

The newly drafted Texas Transportation Plan 2040 projects the state's population will increase by 17 million over the next 25 years, about 60% more than the current 28 million. As people continue to move to Texas, and the economy continues to grow, the transportation system must expand to accommodate this growth. Since 1990 our population has increased by 55%, daily vehicle miles traveled have increased 70% while roadway centerline miles have increased only 7%.

\$5 Billion Needed to Stay Even

The Texas Department of Transportation has maintained that approximately \$5 billion a year in additional contract lettings are needed – above existing revenues – to maintain current conditions on the state's highways. Additional funds are needed to adequately address damage and critical safety improvements

related to intense truck activity in areas impacted by energy industry development.

Keeping congestion levels and pavement conditions from deteriorating further by meeting minimum transportation funding is important for the safety, economic livelihood and quality of life of current and future Texans.

Prop 1 Was A Start

By an 80% majority Texas voters sent the overwhelming message in passage of Proposition 1 that they believe highway funding is a top priority. Prop 1 addressed part of the state's shortfall but Prop 1 revenue is tied to oil and natural gas prices and will fluctuate from year to year. Texas needs additional transportation funding sources that are predictable, able to adjust to inflation, independent of fuel source, transportation related, and constitutionally dedicated. Prop 1 was a start – but only a start.

The Transportation Advocates of Texas encourage members of the Texas Legislature to develop and implement reliable funding mechanisms to incrementally fill the \$5 billion shortfall needed to keep our state from falling further behind on congestion, interregional connectivity, safety and highway pavement scores.



www.transportationadvocatesof texas.org

June 22, 2015

Texas Makes Major Headway on Filling Highway Funding Gap

The Texas Department of Transportation has made the point that approximately \$5 billion a year in new and sustained annual funding is needed to keep congestion levels and pavement conditions in our state from deteriorating further. The Texas Legislature took major steps this year to address this minimum funding need.

Lawmakers heard the message sent in 2014 when 80% of the voters passed Proposition 1 to increase highway funding. Legislators responded with two measures this year that will add new predictable funding streams. At the end of the 2015 legislative session they decisively passed SJR 5, a two-part proposed amendment to the Texas Constitution that would direct billions each year to the State Highway Fund. The Texas Senate voted 31-0 and the Texas House voted 141-1 to send the package to voters. It will appear as Proposition 7 on the November 3rd ballot along with six other proposed amendments.

Constitutionally Dedicated Funding

The Proposition 7 highway funding proposal would dedicate up to \$2.5 billion a year in state general sales tax revenues to the State Highway Fund for construction and maintenance of non-tolled highways and bridges. This revenue would start flowing to the Highway Fund in FY 18.

No sales tax would go to the Highway Fund in a specific year if a major recession caused sales tax revenues to drop below \$20 billion for that year. Additionally, lawmakers by a two-thirds vote could cut the \$2.5 billion by up to 50% in any given year.

The second part of Proposition 7 provides an opportunity to capture some of the future growth in motor vehicle sales tax revenues and dedicate it to highway projects. Voters would instruct the state to transfer 55% of the growth in this revenue stream above \$5 billion annually beginning in FY 20. This is estimated to produce about \$430 million for the Highway Fund in the first year and will increase as vehicle prices increase and more vehicles are purchased. Neither component of Prop 7 represents a tax increase to consumers.

The amendment would have the \$2.5 million provision expire in 2022 and the vehicle sales tax provision expire in 2029. However, the Legislature can by simple majority vote extend both in 10 year increments.

Ending Diversions From the Highway Fund

Eliminating a long-standing source of frustration, legislators also passed a budget that stopped the diversion of about \$650 million a year in revenues from the motor fuel tax and vehicle registration fees going to non-highway spending – primarily for the Department of Public Safety. They also passed HB 201 that prohibits future diversions. The result is more sustainable and long-term funding for transportation projects.

Last year's Proposition 1 constitutionally dedicated a portion of each year's oil and natural gas production taxes to the State Highway Fund. That amounted to \$1.7 billion in 2014 but with lower oil prices is projected to be about \$1.2 billion in each of the next two years. This funding stream could be higher or lower in future years.

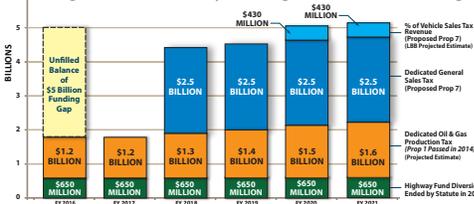
Texans Get A Chance to Say "Yes" to Sustained Funding

In combination, the proposed Proposition 7 sales tax dedication, Proposition 1 revenues and the end of Highway Fund diversions will eventually add up to the \$5 billion a year minimum highway funding needed by TxDOT.

The leadership of Senator Robert Nichols and Rep. Joe Pickett, chairmen of the transportation committees in each house, was a central factor in this achievement, as was the strong support of Gov. Greg Abbott, Lt. Gov. Dan Patrick and House Speaker Joe Straus.

By approving Proposition 7 on November 3rd, Texans will address a critical state need and reduce the severity of our transportation funding shortfall. They can join lawmakers in approving dedicated funding that will keep Texans from falling further behind on congestion, safety, interregional connectivity and deteriorating roadways.

Legislature Incrementally Providing More Predictable Funding



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Vice Chairs: Vic Boyer, (210) 688-4407; Vic Suhm, (817) 262-7230; Jennifer McEwan, (512) 786-9096; Gary Bushell, (512) 478-6661
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TAOT produces one page advocacy documents that call attention to specific transportation funding proposals and to help lawmakers and staff understand the potential impact of legislation under consideration.

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Thank You For Being Part of Transportation Funding 101



Dr. Jennifer McEwan, TAOT board member, and Jim Reed, TAOT chairman, providing a funding overview and addressing questions.



More than 100 people participated in the Transportation Advocates of Texas transportation funding seminar on February 7th. Transportation funding options outlined in the House Transportation Committee's interim report were explained and assessed. You can download a copy of the Committee Report in the LIBRARY section of the TAOT website: www.TransportationAdvocatesofTexas.org



The Texas Highway Funding Cliff: Funding for new highway construction projects is set to plunge after 2013. Awards to the current year are based on borrowing, and one-time federal bonuses.

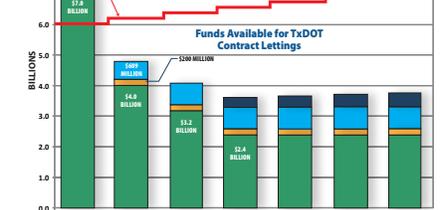


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Contact Us: 210.688.4407

The Last and Best Chance to Address the Texas Transportation Funding Cliff

HB 3664 by Representative Darby, providing for a \$30 increase in motor vehicle registration fees, has been reported by the Full House Appropriations Committee. Most motor vehicle registration fees have not been raised since 1985, some 28 years ago. Since then inflation has cut the purchasing power of

registration fee income by almost 50%. Texas is facing a transportation funding cliff that must be addressed with additional revenue if we are to continue to maintain and build an acceptable highway system. Please vote FOR HB 3664 on 2nd Reading.



2013 LEGISLATIVE SESSION
By the end of the 2013 legislative session it was clear that lawmakers had expanded the number cities, counties, mobility coalitions, port authorities, economic development organizations, chambers of commerce, regional alliances, state agencies to transporters and concerned business interests ready to pitch in to pay lawmakers for action on transportation funding.

Texas faces a highway funding cliff with the amount available for new construction set to plunge after this year. HB 3664 will start Texas moving in the direction necessary to fill the \$4 billion per year gap on critically needed transportation project funding. HB 3664 increases vehicle registration fees by \$30 annually and provides a growing income stream projected to reach \$750 million a year by FY 2018.

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After a Productive Five Years Advocates Still Have Much To Do

When the Transportation Advocates of Texas (TAOT) was organized in 2010 it had a single and very clear mission: to get lawmakers together to address effectively engage all 181 members of the Texas Legislature in support of additional funding to address a rapidly growing highway funding gap.

The mission was, in part, the outgrowth of advice from Rep. Todd Hunter, chairman of the House Calendars Committee and part of the leadership team that must decide what and when legislation should be debated and put to a vote.

Hunter counseled that transportation support from various regions and organizations were very effective in communicating with the members of the House and Senate transportation committees but that they failed to engage the other 160 or so members to help them understand why their patchwork measures that allowed highway construction to continue but did not create the reliable, dedicated transportation funding that would protect the public's expendable assets and savings in highway money.

In the 2011 legislative session the first task was to make sure lawmakers authorized passage of all of the votes approved Proposition 12 and so that TxDOT had the ability to continue building. Another milestone of the 2011 session was legislation that greatly increased the power of Transportation Reinvestment Zones to be used by local governments in partnership with TxDOT. That session also successfully passed a substitute TAOT Smart Bill. But there was no progress on approving additional highway funding.

TAOT spent 2012 targeting lawmakers with the message that a major funding shortfall was looming in 2014 and beyond as borrowing authority was depleted.

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TAOT Transportation 101 Orientation at Capitol
TAOT started the session with an event called Transportation 101. More than 100 attended, mostly the legislative staff members who help lawmakers deal with constituents and wrap up policy discussions and pending legislation. Texas a watershed event that brought spotlight on the details of the House Transportation Committee's interim report recommending an end to diversions from the State Highway Fund and urging passage of new funding to address declining revenue from the state funds tax.

As a result of the session, the legislative funding transportation funding had finally gained for the better. This session, however, was a study in frustration. While state leaders pressed for legislative action, there were not

enough votes to get any new funding bill passed. That had a delivered Gov. Abbott's message that he would not sign any bills that would increase the large and diverse legislative advocacy team and was using hand-drawn messages to give legislators concrete, trustworthy analysis of each proposal. In the end, lawmakers agreed to an outside the box proposal by Senator Robert Nichols, chairman of the Senate Transportation Committee and a former highway committee member. Legislators sent voters Proposition 1 which dedicates a portion of annual oil and gas production taxes to the State Highway Fund. One coalition encouraged voters to support Prop 1 and they sent a clear message to lawmakers with 80% approval. The result was that redirected funds immediately started flowing to the State Highway Fund - \$1.7 billion in FY 2014 and \$1.1 billion in FY 2015.

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