



FAQs: Transportation Funding Ballot Proposition

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1. What is the ballot proposition for transportation funding?

This is a chance for voters to decide whether half of the money currently going to the Economic Stabilization Fund (better known as the Rainy Day Fund) should go to the State Highway Fund. This is not a new tax – this amendment simply changes where a portion of existing revenues are to be deposited. More specifically, the proposition on the ballot is a constitutional amendment¹ proposed by [SJR \(Senate joint resolution\) 1](#) (Third Called Session, 83rd Legislature), which legislators approved on Aug. 5, 2013. The amendment could authorize an estimated \$1.7 billion² to be deposited to the State Highway Fund in the first year of implementation. The ballot proposition reads:

The constitutional amendment providing for the use and dedication of certain money transferred to the state highway fund to assist in the completion of transportation construction, maintenance, and rehabilitation projects, not to include toll roads.

The proposition must get a majority of the statewide vote to pass.

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2. What would the amendment do? Is this a permanent fix for transportation needs?

The amendment would authorize the use of an estimated \$1.7 billion² in the first year for much-needed transportation projects. According to TxDOT, Texas' estimated unmet annual transportation needs are \$5 billion: \$1 billion for recurring maintenance, \$3 billion for mobility³, and \$1 billion for repairs related to increased energy sector activity.⁴ If passed, this amendment would be a significant first step toward providing the unmet funding needs for transportation projects in Texas.

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¹ [Section 49-g\(c\), Article III](#)

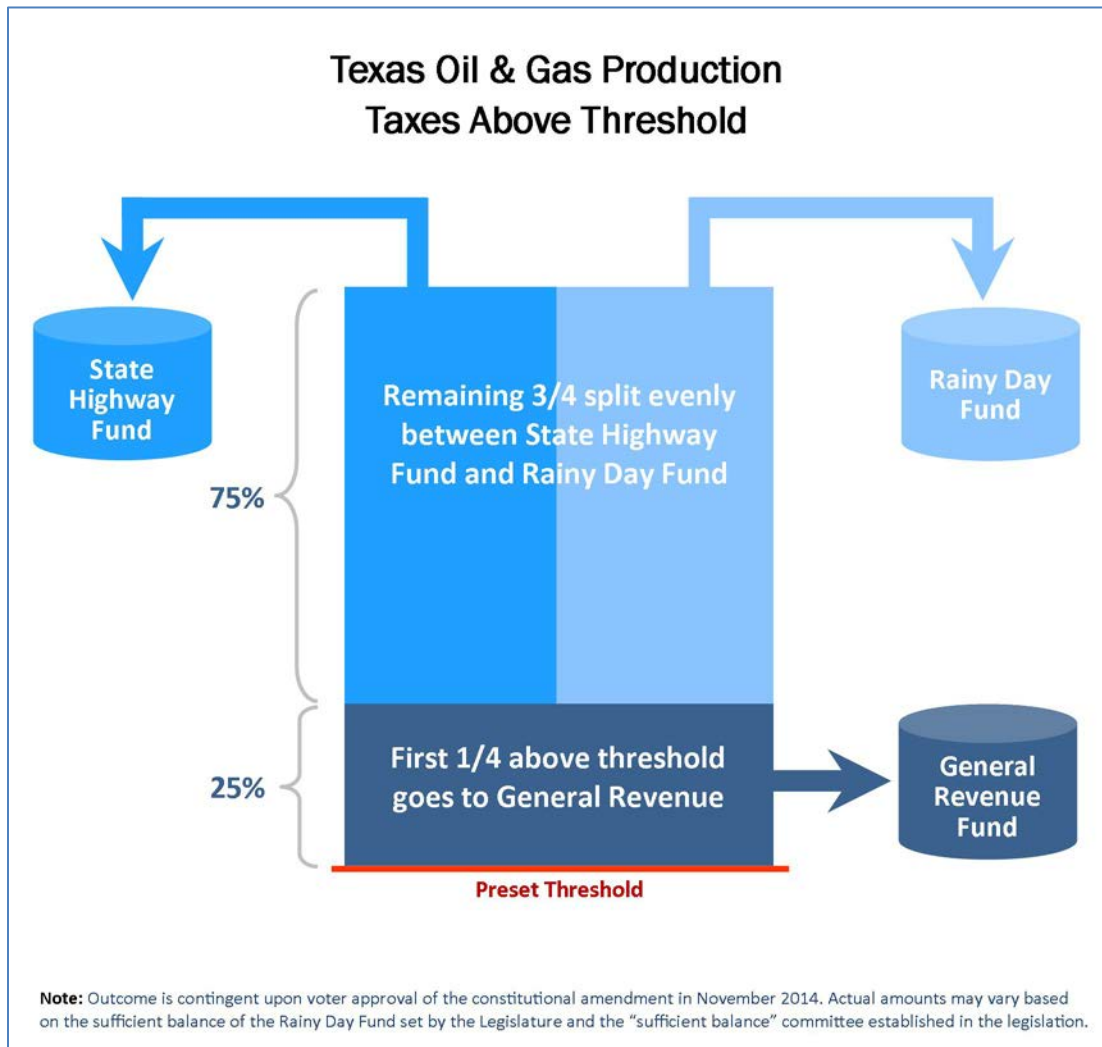
² Unofficial estimate, [testimony](#) of John Heleman, Texas Comptroller of Public Accounts, before the Legislative Budget Board, Aug. 5, 2014. The last official estimate was \$1.4 billion as of Dec. 12, 2013 ([2014-15 Certification Revenue Estimate](#), Texas Comptroller of Public Accounts).

³ ["Overview of Funding Needs,"](#) testimony of Phil Wilson before House Select Committee on Transportation Funding, Aug. 1, 2013.

⁴ [TxDOT testimony](#) before Senate Select Committee on Transportation, Oct. 9, 2013.

3. Is this a new tax? Where would the funds come from?

No, this is not a new tax. The money would come from redirecting half of the funds that under current law go into the Economic Stabilization Fund (ESF) to the State Highway Fund. The ESF receives 75 percent of the state's annual oil and gas production tax collections that exceed the amount collected in fiscal year 1987, when it was created.



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4. How could the funds be used?

A related bill, [HB \(House Bill\) 1](#) (approved Third Called Session, 83rd Legislature), outlined the mechanism and details of when the funds are transferred and how they can be used. Those funds must be used and allocated throughout the state in accordance with existing formulas adopted by the Texas Transportation Commission. The funds can only be used for the construction, maintenance, rehabilitation, and acquiring of right-of-way for public roads, but may not be used for toll roads.

For more information, please see the webpage for the [Proposition 1 Stakeholder Committee](#).

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5. How does the Legislature ensure that the money remaining in the Economic Stabilization Fund (ESF) is sufficient?

[HB 1](#) calls for the Speaker of the House and the Lieutenant Governor to appoint five House members and five Senate members to a select committee each biennium to determine a “sufficient balance” of the Economic Stabilization Fund (ESF). In determining such a balance, the committee will consider:

- a. The history of ESF balances;
- b. The history of transfers to the ESF;
- c. Estimated ESF balances during that fiscal biennium;
- d. Estimated transfers to the ESF to occur during that fiscal biennium;
- e. Information available to the committee regarding state highway congestion and funding demands; and
- f. Any other information requested by the committee regarding the state's financial condition.

If the then-current balance of the ESF is below the “sufficient balance” determined for the biennium by the select committee, the Comptroller would reduce or withhold allocations to the State Highway Fund as necessary to maintain a sufficient balance in the ESF.

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6. When would the new provisions take effect?

If the constitutional amendment is adopted, the new provisions will take effect immediately on the final canvass of the Nov. 4, 2014 election. Canvassing takes between 15 and 30 days after the election, therefore these provisions would take effect in December 2014, with the first deposit to the state highway fund also occurring that month.

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7. What requirements does the legislation place on TxDOT?

For the fiscal biennium ending Aug. 31, 2015, [HB 1](#) requires TxDOT to identify \$100 million in savings, which it must use to reduce its long-term debt. The savings could come from operational efficiencies, cost reductions or cost savings, but could not reduce the amount of funding available for transportation projects.

Additionally, the legislation requires that any funds TxDOT receives from this new amendment must be used and allocated throughout the state in accordance with existing formulas adopted by the Texas Transportation Commission, and used only for the construction, maintenance, rehabilitation, and acquiring of right-of-way for public roads. They cannot be used for toll roads.

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8. Who do I contact for more information?

For media inquiries, contact TxDOT Media Relations at MediaRelations@txdot.gov or (512) 463-8700. For inquiries from the public, legislative offices, or other government offices, contact [TxDOT State Legislative Affairs](#).

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