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FISCAL IMPACT REPORT

SPONSOR: Varela DATE TYPED: 03/10/01 HB 86/aSFC
 SHORT TITLE: Raise Expenditure Cap on SHTD Funds SB _____
 ANALYST: Valdes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			See Fiscal Implications Below.		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

State Highway and Transportation Department (SHTD)

SUMMARY

Synopsis of SFC Amendment

This amendment makes one technical change. It deletes incorrect language in the title which states, “making an appropriation.”

Synopsis of Bill

Senate Bill 86 amends the Public Mass Transportation Act of 1978 to raise the limit on expenditure of State Road Fund for transportation purposes from the current \$50.0 per year to \$300.0 per year maximum.

Significant Issues

The State Highway and Transportation Department receives the majority of funding for state transportation systems from the Federal Transit Authority and local government funds. This bill would allow the use of additional road funds to support the needs of public transportation systems throughout the state.

Although this bill increases the maximum limit on road fund use for public transportation systems from \$50.0 to \$300.0 annually, this higher limit will not automatically be available for this purpose. Public transit programs would have to compete with other department budgets for annual road fund allocations.

PERFORMANCE IMPLICATIONS

This additional funding authority would assist the Public Transportation Program to improve performance in public transportation ridership and vehicle revenue miles traveled. Number of federal grant recipients would also increase.

FISCAL IMPLICATIONS

This bill does not specifically appropriate a funding increase for public transportation. It strictly authorizes the use of additional road funds, from the current maximum limit of \$50.0 to a new limit of \$300.0 for public transit programs. If additional funds are allocated to transit programs, other department programs would be reduced by that amount.

There is potential to expand public transit programs with this bill. The funding could assist local government entities with federal match requirements to establish new programs. The Federal Transit Administration provides 80 percent funding for capital and administrative expense with a 20 percent local match required. For operating expense, the federal match is 50 percent, requiring an equal local government match. This bill could provide additional funding to assist local governments which have difficulty in meeting match requirements.

ADMINISTRATIVE IMPLICATIONS

Administrative impact of this bill would be minimal.

MV/ar/njw