

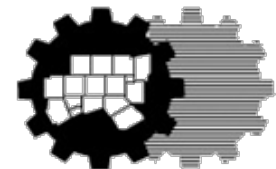
Regional Transportation Council Legislation and Finance Partnership Committee of the Whole

MAY 10, 2018

REBEKAH HERNANDEZ

AMANDA WILSON, AICP

NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS



ITEM 1.

INTRODUCTIONS

ITEM 2.

LEGISLATIVE UPDATE


Federal Update

FY18 Appropriations

Approved March 23

\$1.3 trillion for all departments

Transportation-HUD increase of \$12.6B over FY17 (\$57.7B to \$70.3B)

- \$47.5B for FHWA programs (+\$2.55B); no rescission of highway contract authority
- \$10.5B for transit formula grants (+\$834M)
- \$2.6B for Capital Investment Grants (+\$232M)
- \$1.5B for TIGER  Now BUILD (+\$1B)

Federal Update

Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants

- \$1.5B for BUILD
- Rural set aside of 30 percent
- Maintains \$25M maximum grant size
- No more than 10 percent awarded to a single state
- Up to \$15M for planning
- Notice of funding announced April 20, 2018; applications due July 19, 2018

Federal Update

Trump Administration Infrastructure Plan

Official plan released February 12, 2018

Principles:

- Stimulate Infrastructure Investment – \$200 billion in Federal funds to spur \$1.5 trillion in infrastructure investments
- Invest in rural America – \$50B for rural areas
- Increase State and local authority in permitting decisions
- Eliminate regulatory barriers
- Streamline permitting
- Strengthen and support America's workforce

Federal Update

One Federal Decision Executive Order

April 9, 2018 MOU implementing “One Agency, One Decision” permitting framework

- Recommended in Trump plan
- Establishes a cooperative relationship for environmental reviews
- Two-year goal
- Concurrent reviews

Federal Update

FY19 Appropriations

FHWA, FTA discussed proposed budget requests in April House Appropriations Subcommittee hearing

HR 5515 – FY19 National Defense Authorization

- May 9 Markup in House Armed Services Committee
- Proposes funding cuts to the Office of Economic Adjustment (OEA)
- OEA grants fund Joint Land Use Study implementation

Congress considering a \$15 billion rescissions package; \$279 million to DOT accounts, older unspent funds/earmarks

Texas Legislature

Recent Interim Committee Hearings

Senate Transportation

- April 24 on State and Federal funding to accelerate project delivery; UTP funding allocations and project selection; TxDOT Sunset bill implementation

House Transportation

- April 18 on new and existing transportation finance mechanisms; toll authority oversight

Texas Legislature

Upcoming Interim Committee Hearings

House Appropriations

- May 24 on TERP fund balance

ITEM 3.

UPDATE ON THE LOW INCOME REPAIR AND REPLACEMENT ASSISTANCE PROGRAM/LOCAL INITIATIVE PROJECTS (LIRAP/LIP) AND FUND BALANCE

UPDATE ON THE LOW INCOME REPAIR AND REPLACEMENT ASSISTANCE PROGRAM, LOCAL INITIATIVE PROJECTS, AND FUND BALANCE

**Regional Transportation Council
Legislation and Finance Partnership
Committee of the Whole
May 10, 2018**



North Central Texas
Council of Governments

RTC
Regional Transportation Council

PROGRAM SUMMARY

Funded by \$6 Fee Collected on All 1996 & Newer Vehicle Registrations*

Dedicated Revenue Supporting Air Quality Programs

AirCheckTexas Drive a Clean Machine: 90% of Funding

AKA: Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP)

Helps Low-Middle Income Residents Repair or Replace Vehicles That Fail an Inspection or Are 10 Years Old and Older

Assistance Provided Through Vouchers Up to \$600 for Repairs, Up to \$3,500 for Replacements

Local Initiative Projects (LIP): 10% of Funding

County-Implemented Projects that Reduce Emissions

Emissions Enforcement Programs, Idle-Reduction Technology, Bus Transit Services, Traffic Light Synchronization

*All participating counties in North Texas stopped collecting fee in 2017 after funding was vetoed.

HISTORICAL PERSPECTIVE

Past Legislative Sessions

Year	Bill	Result
77 th - 2001	House Bill (HB) 2134	Established LIRAP
79 th - 2005	HB 1611	Established LIP
80 th - 2007	Senate Bill (SB) 12	Expanded LIRAP & Increased Funding
82 nd - 2011	HB 3272	Modified Replacement Requirements
82 nd - 2011	SB 1 (State Budget)	Cut Funding by 88%
84 th - 2015	HB 1 (State Budget)	Restored Funding to 100%

85th Texas Legislative Session - 2017

Who	What	Result
Rep. Chris Turner	HB 2321	Passed House; Died in Senate
Legislature	SB 1	Fully Funded Programs
Gov. Greg Abbott	Vetoed Funding	No Additional Funding for FY2018-2019

CURRENT STATUS: OPERATIONS

Continued Operations

Utilize Carryover Funds and STBG Funds

Outreach & Marketing

**Attend Spring Outreach Events
Target Low-Income Audiences**

Coordination with Other Regions

**Review Program
Recommend Modernization**

Counties Opted Out

**Participating Counties Stopped
Collection of \$6 Fee
Temporary Suspension**



CURRENT STATUS: FUNDING

Clean Air Account No. 151 and LIRAP/LIP Funds

Description	Estimated Amount
Current Clean Air Account Balance*	\$116 Million
North Texas Portion	\$58 Million
FY2016 North Texas LIRAP Funds Returning	\$4 Million
FY2017 North Texas LIRAP Funds Returning	\$13 Million
Total North Texas Portion	\$75 Million

*Source: TCEQ, May 1, 2018

MOVING FORWARD

Maintain Air Quality Focus

Redirect Clean Air Account Funds to LIP Efforts

Support/Continue Current LIP Efforts

Emissions Enforcement, Including Fraudulent Temporary Tags

Clean Vehicle Incentives

Transportation System Improvements

Other Air Quality Programs

Meet with Local Legislators

Understand What Could be Supported

Gain Consensus

Avoid Potential Pitfalls

CONTACT INFORMATION

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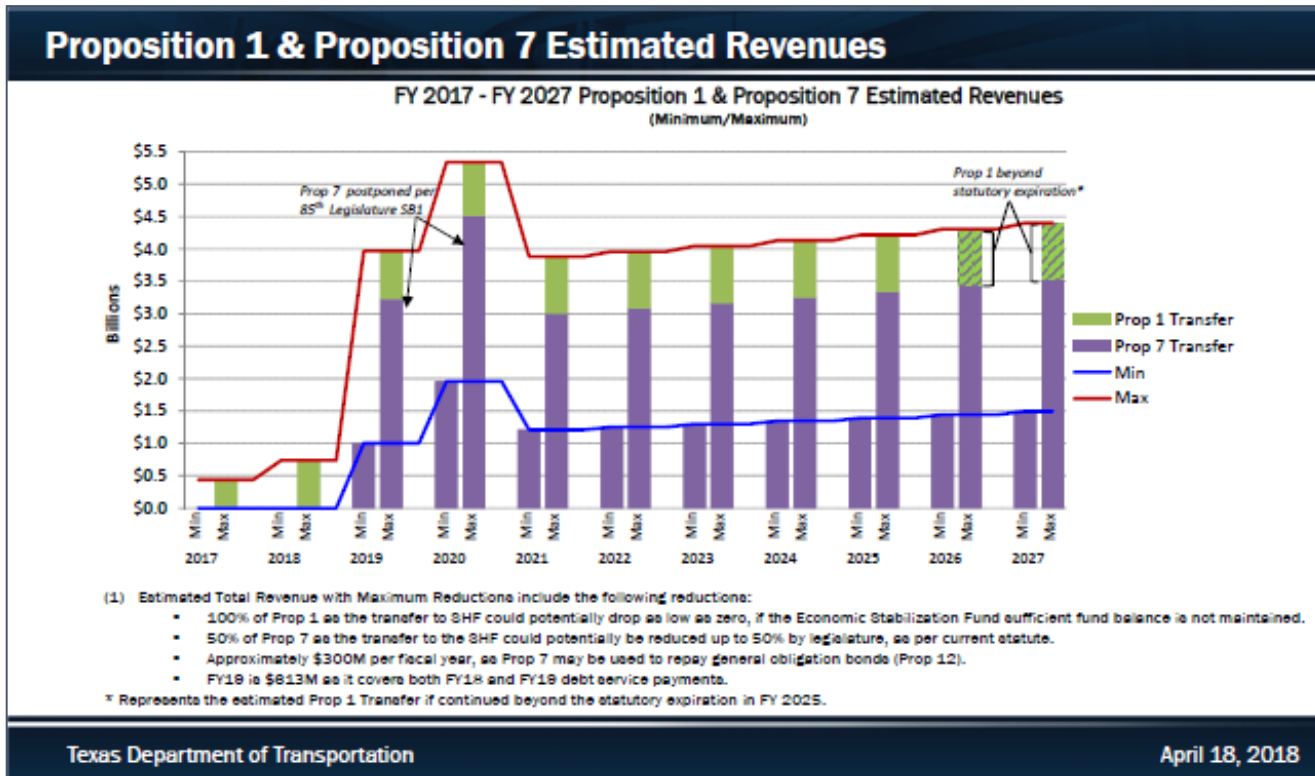
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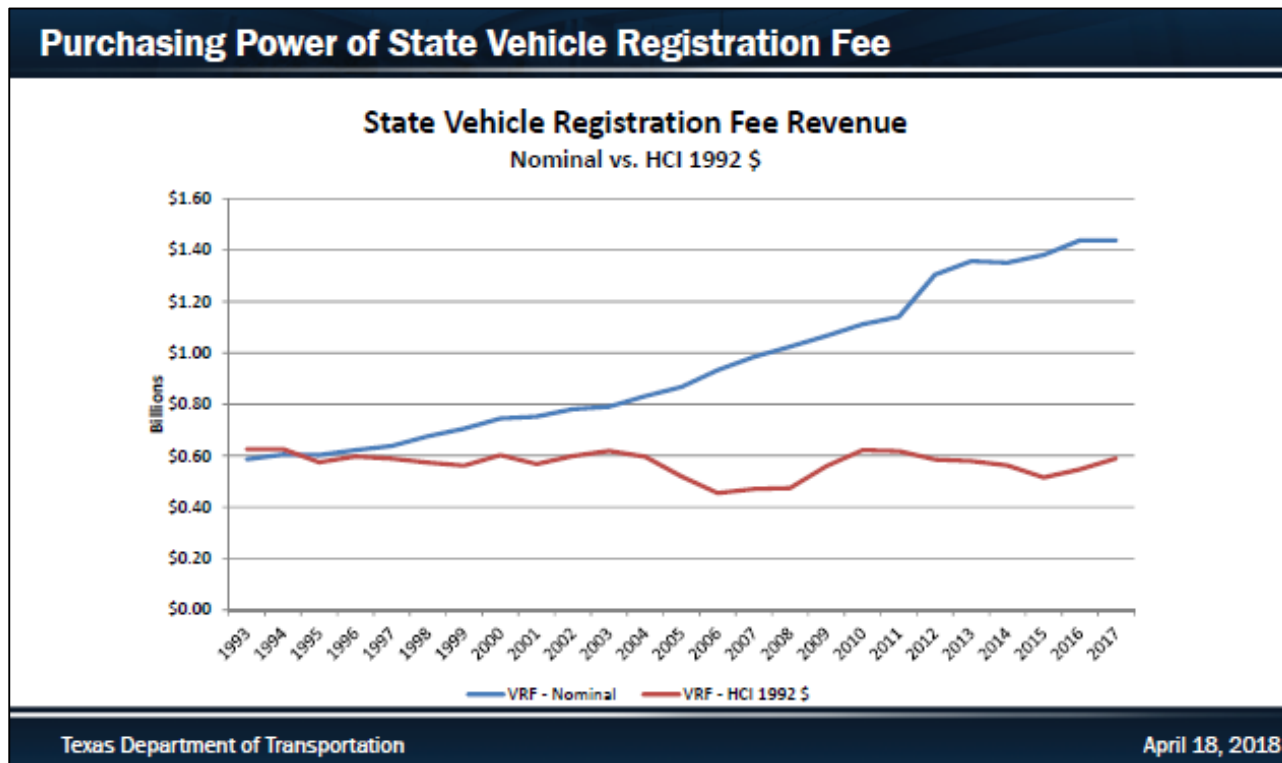
ITEM 4.

OVERVIEW OF HISTORIC REVENUE TRENDS AND ALTERNATIVE TRANSPORTATION REVENUE SOURCES

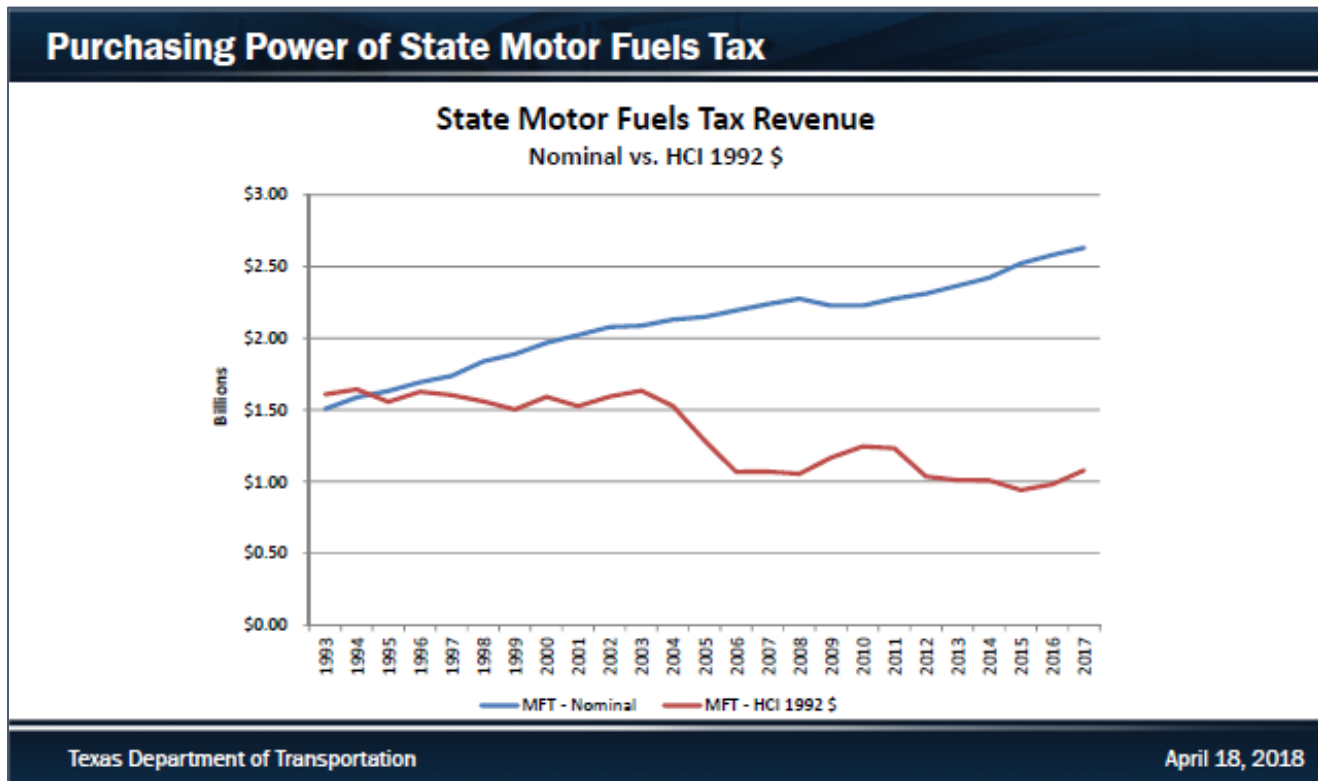
Revenue Trends



Revenue Trends



Revenue Trends



Policy Implications – State Revenue

Revenue Source	Implications
Prop. 1 – Oil & Gas Severance Tax	Out year revenues highly dependent on penetration of electric vehicles
Prop. 7 – Sales Tax	On target, dependent on overall state economy, subject to biennial appropriations
Prop. 7 – Motor Vehicle Sales Tax	Early years may be lower than estimated (more new cars now due to Hurricane Harvey)
Motor Fuels Tax	Continued declining purchasing power due to fuel efficiency, cost of construction
Electric Vehicles	Need to examine road user fees
Local Revenues	Need more flexibility for local governments to participate in transit, other mobility options

Policy Implications – Federal Revenue

Revenue Source	Implications
Motor Fuels Tax	Continued declining purchasing power due to fuel efficiency, cost of construction
PPP Leveraging	Possibly included in upcoming infrastructure package, may not be able to participate due to state limitations
Electric Vehicles	Need to examine road user fees

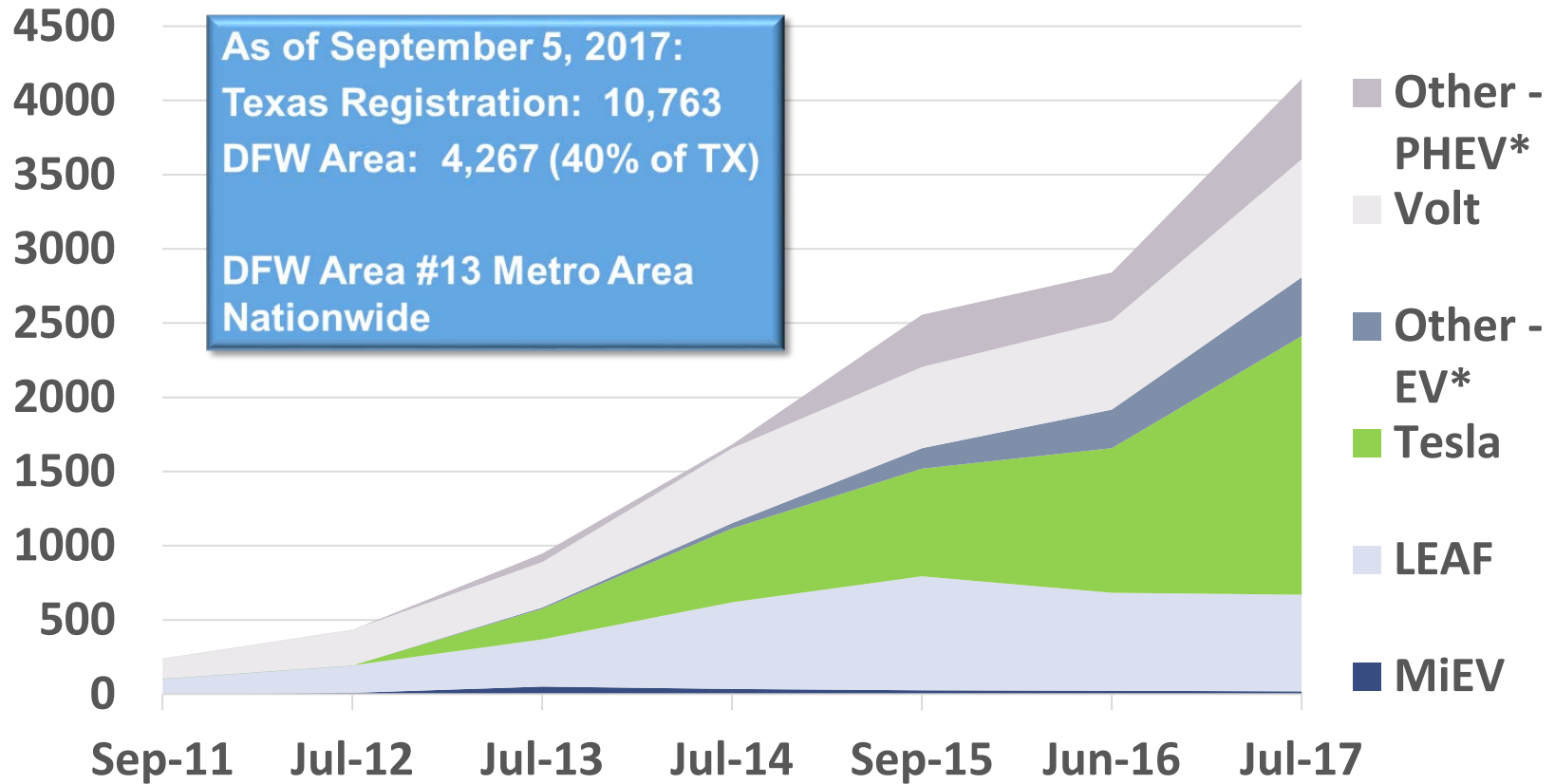
Federal Fuel Economy Standards

In 2012, NHTSA and EPA issued joint Final Rules for Corporate Average Fuel Economy (CAFE) standards for model years 2017 and beyond

Current Passenger Car CAFE Standards	
Model years 2017-2021	46.1-46.8 mpg
Model years 2022-2025	54.5 mpg

A new EPA/Trump proposal would roll back CAFE standards to 42 mpg; a revised plan is expected this week.

Regional Electric Vehicle Trends



*Other EV includes the BMW i3, Chevrolet Bolt, Fisker Karma, Ford Focus Electric; Other PHEV includes the BMW i8, Ford C-Max Energi, Ford Fusion Electric, Chevrolet Bolt, Chevrolet Spark EV, Fiat 500e, and Mercedes B250e

Vehicle Miles Traveled (VMT) Pilot Programs

Oregon

Completed two VMT studies (2007, 2012) and implemented the first road usage charge in July 1, 2015.

California

Road Charge Pilot Program launched July 1, 2016. Results provided to Legislature in December 2017.

Washington

Pay-per-mile, 12-month pilot study on VMT tax in place of gasoline tax using both GPS and/or plug-in devices. Study begins later in 2018.

Proposals

Comptroller's Office researching options

Support for potential regulatory or statutory changes needed to treat electricity and electric vehicles in a manner consistent with other vehicle fuel types

Potential changes:

- Update the definition of motor fuels, add fuel type to the definition, address taxing later
- Address Public Utility Commission exemption for EV charging, charge by kW instead of time

ITEM 5.

REVIEW RTC STATE LEGISLATIVE
PROGRAM AND ISSUE IDENTIFICATION

RTC State Legislative Program

Overview of 2017 Topics

Continue progress made toward improving transportation and air quality during recent legislative session

Invest in further progress toward meeting transportation and air quality needs

Provide support for other transportation topics to be addressed in legislation

RTC State Legislative Program

Potential 2019 Topics

Vehicle miles traveled (VMT) based collection

Electric vehicles

Use Comptroller revenues as infrastructure bank

- Two benefits: Comptroller and ability to borrow money

Transit and high speed rail; new technology companies (next generation people movers)

Local Option

Action Requested

Recommend for RTC Approval:

- Electric Vehicles – Send letter to Comptroller’s Office supporting work on transportation revenue impacts associated with electric vehicle use; support potential statutory updates
- LIRAP/LIP – Support the appropriation of the residual balance of previously collected LIRAP/LIP funds in the RTC Legislative Program
- Engage state officials by hosting a lunch/workshop for legislators or their staff on transportation issues

ITEM 6.

REVIEW RTC FEDERAL PROGRAM AND
ISSUE IDENTIFICATION

RTC Federal Program

Overview of Current Topics

Adequately Fund the Transportation System

Define a National Transportation Vision

Increase Efficiency and Performance

Expand Options

Pursue Innovation, Technology and Safety

RTC Federal Program

Potential New Topics

VMT

Donor State

Latest US Census Formula

Electric Vehicles

New Pilot Test

Action Requested

Recommend for RTC Approval:

- Advance communications with the Federal Railroad Administration's Office; host a workshop to discuss federal transportation issues and project leveraging
- Approve support for the Department of Defense's Office of Economic Adjustment

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