

Borrow more for roads, legislators urge transportation department

Perry rejects Dewhurst/Craddick suggestion as a 'two-year stopgap.'

By Ben Wear
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Go borrow some money and build some things, legislative leaders told the Texas Department of Transportation in a letter Tuesday.

The short letter — signed by Lt. Gov. David Dewhurst, House Speaker Tom Craddick, Senate Finance Chairman Steve Ogden and House Appropriations Chairman Warren Chisum — recommends that TxDOT borrow another \$1.5 billion against future gas tax revenue to bridge a temporary financial tight spot. The Legislature, the letter promises, will make sure that some of the gas tax money now diverted to other, nonhighway-construction needs will be returned to the agency to back the bonds.

TxDOT issued a statement that in effect punted the ball to Gov. Rick Perry's office. Spokesman Robert Black said Perry has no interest, at least for now, in more debt of this kind.

"What this letter is asking TxDOT to do is a two-year stopgap, two years of going further into debt," Black said. "A long-term solution comes first. Last year the Legislature came in and all they did was say 'no.' With the rate this state is growing and the needs and challenges we have in transportation, we can't afford to say 'no' anymore."

The Legislature has authorized TxDOT to borrow up to \$6 billion against the gas tax; the agency so far has issued just \$2.9 billion. Agency officials and Perry, citing slowing gas tax revenue, have resisted issuing more bonds backed by gas taxes.

The state budget for the 2008-09 biennium, according to TxDOT's count, uses almost \$1.6 billion from gas taxes and vehicle fees for agencies other than TxDOT. About three-fourths of that, \$1.25 billion, pays for operations of the Department of Public Safety and the state troopers who patrol the state highway system.

The agency has said it ceased pursuing many new construction projects as of Feb. 1 because it wouldn't have the money in later years to pay for them. So, if the agency in the current fiscal year spent the \$1.5 billion suggested by Tuesday's letter to begin a series of projects, it could have trouble paying the rest later on.

But the legislative letter to Hope Andrade, Texas Transportation Commission chairwoman, says TxDOT should expect more help from the Legislature.

"This action will allow transportation construction to return to reasonable levels in the short-term, but this is just the beginning of the conversation," the letter says.

In Central Texas, where this year's engineering budget was cut from \$45.2 million to \$19.6 million, road projects were put on hold or became candidates for local funding. Those projects included adding lanes to MoPac Boulevard (Loop

1) and the widening of FM 1460 between Round Rock and Georgetown, RM 2338 in Williamson County, and Texas 195, which runs from Interstate 35 in Williamson County to Killeen.

It also forced Central Texas' local toll authority to carry more of the cost of the design and construction of a second wave of toll roads approved in October

TxDOT had announced the construction slowdown in November, citing inflation in construction costs and cutbacks in federal grants. In early February, at a hearing called by two Senate committees, TxDOT revealed that it had double-counted \$1.1 billion in scheduling construction projects. That mistake, officials said at the time, had a lot to do with the crunch.

The state auditor is now looking at TxDOT's finances.

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