



Click to Print

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Web Posted: 08/22/2008 12:00 CDT

Top leaders strike deal on funding Texas toll roads

Peggy Fikac - Express-News

AUSTIN — State leaders trying to meet Texas' transportation needs said Thursday they'll work to stop the diversion of more than \$1.1 billion from the highway fund and to allow state-based public investment funds — including pension funds — to invest in toll roads.

Gov. Rick Perry, Lt. Gov. David Dewhurst and House Speaker Tom Craddick also backed the sale of road bonds already authorized by voters. The GOP leaders said transportation officials should immediately sell up to \$1.5 billion in bonds to “ensure that greater road funding levels are maintained through the fall and spring until we can work with other elected officials to provide additional solutions.”

Perry had stood against the sale of the bonds until leaders could agree to a broader transportation solution.

The leaders laid out their agreement in a letter to Texas Transportation Commission Chairwoman Deirdre Delisi, who is Perry's former chief of staff and who took part in the discussion over funding solutions. Their proposal drew praise from those looking for more road funds and concern over the ramifications for other programs and services.

The \$1.1 billion that's now diverted from the gas-tax-fueled highway fund to the Texas Department of Public Safety, for example, would have to be replaced with general revenue money. That would pit DPS against other programs “so someone else is going to come up \$1 billion short,” said Dick Lavine of the Center for Public Policy Priorities, which advocates for programs for lower-income Texans.

“It's just another indicator that we don't have a revenue system that can produce the money we need to provide the services we need,” Lavine said. Ending that diversion could be phased in over two or more years, said Perry spokeswoman Allison Castle.

While the state comptroller has projected \$10.7 billion in balances will greet lawmakers when they return in regular session in January, \$3 billion of that is dedicated to property tax relief and \$5.7 billion is in the rainy day fund, which requires a two-thirds vote of the Legislature to spend.

In addition, collections from the state's new business tax are projected to be \$1.5 billion less than anticipated this year, although other tax collections have been higher than projected.

The proposal to allow public investment funds — such as the Teacher Retirement System and Employees Retirement System — to invest directly in toll roads also drew attention. The investment would occur through a new entity that could be called the Transportation Finance Corp.

“TRS needs to make those decisions exclusively on the same basis they make any other investment decisions. The fact that the person who appointed them might have a preference really shouldn't matter to them,” said Richard Kouri of the Texas State Teachers Association. Perry and other officials appoint TRS and ERS board members.

Castle said decisions about investing in toll roads would be made using the same standards as other investment decisions.

Terri Hall of Texans Uniting for Reform and Freedom, which objects to the way that the Texas Department of Transportation has been moving forward with toll projects, called the leaders' proposal “a mixed bag.”

Ending the diversion of highway money to the DPS “is a start, but forming a corporation and using public employees' pension funds to fund risky toll projects the private sector is beginning to shy away from borders on malfeasance,” Hall said.

Justin Keener of the Texas Public Policy Foundation, which advocates limited government, called the agreement “a significant step towards reducing traffic congestion and improving the flow of people and goods.”

Find this article at:

http://www.mysanantonio.com/news/local_news/Top_leaders_strike_deal_on_funding_Texas_toll_roads.html

Click to Print

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Check the box to include the list of links referenced in the article.