

Star-Telegram

Texas is fast approaching its debt limit for transportation projects

Posted Monday, Jul. 09, 2012

BY GORDON DICKSON

gdickson@star-telegram.com

With billions of dollars worth of road work under way in Texas, it may be hard for drivers to believe that the state is running out of highway money.

But in just a few years, Texas will likely max out its debt limit for transportation projects, and by the end of 2014, it may have barely enough funding to maintain existing roads, officials said Monday.

"People don't believe there's a crisis, because there are plenty of orange barrels," state Rep. Joe Pickett, D-El Paso, said during a live broadcast of a House subcommittee hearing on transportation funding. "So how long before the crisis? How long before that borrowed money dissipates and we don't have any more money to build?"

Elected leaders have authorized the Texas Department of Transportation to issue \$17.3 billion in bonds for transportation projects. About \$31.1 billion will be needed to repay that money over 25 to 30 years, said James Bass, the agency's chief financial officer.

The agency's budget of \$10.5 billion for the current fiscal year and \$9.3 billion for next year are record highs. But Pickett said those figures don't paint an accurate picture of the state's future road funding. Instead, nearly \$6.7 billion of that two-year total is proceeds from bonds and other one-time sources that won't be around later, he said.

The state's main source of highway funding, the 20-cent-per-gallon motor fuel tax, is generating only about \$2.6 billion a year -- far less than adequate for a state that, by one estimate, needs \$14 billion a year to keep up with growth in population and jobs.

Bass said the state will likely enter into an "era of uncertainty" about highway funding in 2015.

Lawmakers are looking at several options for increasing mobility and road maintenance funding during the next session of the Legislature, which starts in January.

One option is to raise vehicle registration fees by \$50 a year. The Texas Association of Business would support such an increase, President Bill Hammond said.

Another option would be to end the diversion of transportation funds to other state agencies, such as the Department of Public Safety. But that would leave holes in those agencies' budgets, creating more problems for lawmakers to fix.

Gordon Dickson, 817-390-7796

Twitter: [@gdickson](https://twitter.com/gdickson)

[Looking for comments?](#)