

## Leaders reach deal on road funding

The measure might not pass before the special session ends.

**By Aman Batheja and Ian Floyd**

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Leaders from the Texas Senate confirmed Friday that they had come to an agreement with key members of the House on the broad strokes of a transportation funding plan, though whether the plan can draw the requisite support from both chambers before the end of the current special session remained unclear.

“Good job conference committee and good job Texas senators,” Lt. Gov. [David Dewhurst](#) said as the Senate briefly convened Friday afternoon. He said that senators were going to meet again with negotiators from the House on Friday evening to finalize the details of a plan expected to boost transportation funding by more than \$800 million a year.

For more than a week, the two chambers have been promoting dueling proposals on how to take advantage of the current oil drilling boom to boost funding for the cash-strapped Texas Department of Transportation without raising taxes or fees. Gov. [Rick Perry](#) has threatened to call lawmakers back for a third special session if they are unable to come to an agreement.

After several days of talks appearing stalled, members of the House leadership made a new offer to senators on Friday, according to those involved with the negotiations.

“We’ve got a signed conference committee report,” Dewhurst told reporters hours later, referring to House Joint Resolution 2, one of two pieces of legislation lawmakers are hoping to pass before the special session must end on Tuesday. The other measure, House Bill 16, remains the subject of negotiations on some details, Dewhurst said.

The deal in place would largely mirror the simpler Senate plan, asking voters to approve a constitutional amendment that would divert half of the future oil and gas production taxes currently earmarked for the Rainy Day Fund into the state's highway fund, according to Senate Transportation Chairman [Robert Nichols](#), R-Jacksonville.

Senators involved in the negotiations said the deal in the works also includes pushing back the constitutional amendment election on transportation by a year so that it doesn't appear on the same ballot as a constitutional amendment for issuing \$2 billion in bonds for water projects already set for the November 2013 ballot. Various lawmakers had expressed concern about having both amendments on the same ballot, worried that a campaign to defeat one could ultimately doom both.

“We recognized the concern that we heard expressed about that,” Nichols said.

A key sticking point between both chambers was whether the amendment needed language that would set a so-called floor on the Rainy Day Fund. The original Senate plan would have placed a provision in the state Constitution that would block the diversion whenever the fund's balance falls below \$6 billion. House Democrats had opposed including that provision in the Constitution.

The proposal made by leaders in the House on Friday would give the 10-person Legislative Budget Board the option of setting a floor for the Rainy Day Fund, with the authority placed in state law rather than in the Constitution. Senate Finance Chairman [Tommy Williams](#), R-The Woodlands, said details on that part of the deal were still being worked out.

The LBB is chaired by the lieutenant governor, with the House speaker serving as vice chair. Four senators and four House members fill out the rest of the board.

House Democrats have been wary of placing any kind of provisions that could be seen as placing limits on the Rainy Day Fund. State Rep. [Trey Martinez Fischer](#), D-San Antonio, said House Democrats held a caucus meeting on Thursday and appeared largely united in opposition to a deal that includes the Republican-controlled LBB controlling the implementation of a Rainy Day Fund floor.

Two-thirds of both chambers must vote for HJR 2 for the measure to be sent to voters. House Democrats could block it from passing if most of them are united against it.

“I guess we’ll have to extend our leases for another month,” Martinez Fischer said, referring to the prospects of a third special session.