

TEXAS TRANSPORTATION COMMISSION

ALL Counties

MINUTE ORDER

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In Rider 2 (Capital Budget) of the Texas Department of Transportation's (department) appropriation in the General Appropriations Act for the biennium ending August 31, 2011 (Senate Bill No. 1, 81st Legislature, Regular Session), the legislature appropriated \$26 million for FY 2010 for the development of the Enterprise Resource Planning System (ERP) (Subsection d(12), Rider 2). The ERP project, which is also known as ProjectONE, managed by the Comptroller of Public Accounts, is a statewide effort to create a unified system that will reduce conflicting data and standardize financial data. The project will result in updated financial and human relations systems for the department, the Department of Information Resources (DIR) and the five Health and Human Services (HHS) agencies with other agencies to be added in the future. Additional funding is needed in FY 2011 for the continued development and enhancement of the project.

Rider 52 (Limitation on Capital Budget - Acquisition of Information Resource Technologies) of the department's appropriation in the General Appropriations Act requires the approval of the Governor and the Legislative Budget Board for the transfer of appropriations into or between any capital budget items listed under "Acquisition of Information Resource Technologies" in Rider 2 (Subsection d, Rider 2). Article IX, Section 14.03(b) of the General Appropriations Act requires that capital budget transfer requests above a certain amount be approved by an agency's governing board. The department has identified funds available for transfer from other capital budget items of the department to fund the ERP project.

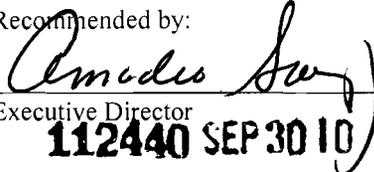
The Texas Transportation Commission (commission) desires to authorize the transfer of a total amount not to exceed \$34 million from the FY 2011 appropriation items for Management Information System (Subsection d(11), Rider 2) and Acquisition of Capital Equipment and Items (Subsection f, Rider 2) to the FY 2011 appropriation for the ERP project. Of the total amount, an estimated amount of \$26 million is available from the Management Information System item and an estimated amount of \$8 million is available from the item for Acquisition of Capital Equipment and Items.

IT IS THEREFORE ORDERED by the commission that the executive director of the department is authorized to submit to the Governor and the Legislative Budget Board, on behalf of the commission and in accordance with the prescribed guidelines, a request for the transfer for FY 2011 of amounts not to exceed \$34 million in total from the department's capital budget items of appropriation for Management Information System (Subsection d(11), Rider 2) and for Acquisition of Capital Equipment and Items (Subsection f, Rider 2) to the department's capital budget item of appropriation for Enterprise Resource Planning System (Subsection d(12), Rider 2) for the continued development and enhancement of the Enterprise Resource Planning System.

Submitted and reviewed by:

  
Director, Finance Division

Recommended by:

  
Executive Director

112440 SEP 30 10

Minute Number Date Passed

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Transportation Code, Chapter 222, Subchapter D establishes the state infrastructure bank (SIB) and authorizes the Texas Transportation Commission (commission) to provide financial assistance from money in the SIB for qualified projects.

The Texas Constitution, Article 3, Section 49-p and Transportation Code, §222.004 authorize the commission to issue general obligation bonds for the purpose of paying all or part of the cost of highway improvement projects, and the General Appropriations Act, as amended by House Bill 1, 81st Legislature, First Called Session, 2009, appropriated \$1 billion of proceeds of the general obligation bonds to be used to capitalize the SIB for the purpose of making loans to public entities.

On September 30, 2010, the commission adopted revised rules, codified as Title 43 Texas Administrative Code, Chapter 6 (rules), that prescribe the procedures and conditions by which an eligible entity may apply for and obtain financial assistance from the SIB, including loans to public entities of the proceeds of general obligation bonds issued under Texas Constitution, Article 3, Section 49-p and Transportation Code, §222.004.

The capitalization of the bank with general obligation bond proceeds required revisions to the rules governing financial assistance from the SIB because the purposes for which the proceeds of the general obligation bonds can be used is limited, the size of loans from the proceeds is contemplated to be substantially larger than those made from existing sources, and proceeds from the repayment of loans are expected to be used to secure revenue bonds, the proceeds of which can be used to make additional loans.

Section 6.24 of the rules provides that the commission will specify the periods during which the Texas Department of Transportation (department) will accept applications for loans to be funded from general obligation bond proceeds and, for each specific period, prescribe conditions for submission of the applications. The use of a program call for applications is needed to ensure that qualified applicants have an equal opportunity to have their application considered by the commission in an orderly fashion, rather than on a first-come, first-served basis that is appropriate for the smaller loans made from sources other than general obligation bond proceeds.

Pursuant to §6.24 of the rules, the department will publish a notice in the Texas Register soliciting applications for loans to be funded from general obligation bond proceeds, and specifying that the notice shall contain: the period for accepting applications, the estimated available amount of funds in the bank that can be allocated to applications submitted under the notice, the conditions for the submission of applications, and any other information the commission or the department considers appropriate.

After evaluation of properly submitted applications, the department will submit the applications, together with its findings and recommendations, to the commission which may, after consideration of the criteria set forth in §6.33 of the rules and the conditions established in this minute order, grant approval of an eligible project for financing.

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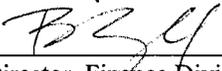
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IT IS THEREFORE ORDERED that the department, subject to satisfaction of all applicable conditions and approvals, is authorized to solicit applications for loans to be funded from general obligation bond proceeds, and that such applications will only be accepted if the applications are in compliance with the following conditions:

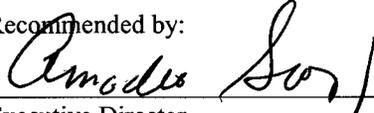
- (1) applications may only be submitted by public entities;
- (2) applications may only be submitted for highway improvement projects;
- (3) the estimated total amount of funds available to be allocated among applications submitted under the notice will be \$1 billion; and
- (4) the deadline for submitting applications will be 60 days after publication of notice in the Texas Register soliciting applications in accordance with this minute order.

IT IS FURTHER ORDERED that the executive director or his designee is directed to take the necessary steps to implement the actions as ordered in this minute order.

Submitted and reviewed by:

  
\_\_\_\_\_  
Director, Finance Division

Recommended by:

  
\_\_\_\_\_  
Executive Director

**112441 SEP 30 10**

Minute Number      Date Passed