

SUBJECT: Changing TxDOT's independent audit date

COMMITTEE: Transportation — favorable, with amendment

VOTE: 6 ayes — Alexander, Hawley, Hamric, Hill, Noriega, Pickett
0 nays
3 absent — Y. Davis, Edwards, Swinford

SENATE VOTE: On final passage, April 5 — 30-0, on Local and Uncontested Calendar

WITNESSES: For — None
Against — None
On — Michael Behrens, Texas Department of Transportation

BACKGROUND: The Texas Department of Transportation (TxDOT) underwent sunset review in 1997. In 1999, the 76th Legislature ordered the comptroller to conduct an agency performance review that was published in January 2001. Transportation Code, sec. 201.109 mandates an independent management and business operations audit in 2001 and every 12 years thereafter.

DIGEST: SB 1078, as amended, would schedule TxDOT's next independent audit in 2007 and subsequent audits every 12 years.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

SUPPORTERS SAY: TxDOT has been scrutinized closely twice in the past four years. It would be fruitless for the agency to undergo another major review this year. The purpose of the periodic independent audit is to provide additional insight into TxDOT's operations in conjunction with sunset review, which the agency will not undergo again until 2007. It is not necessary to schedule independent audits more often than now scheduled.

OPPONENTS
SAY:

TxDOT is one of the state's largest and most pervasive agencies, and one of the few with a dedicated revenue source. It has absorbed the Texas Turnpike Authority and soon may be given both bonding and toll-project financing authority for the first time in its history. The state's highway network and overall transportation system will continue to face challenges as Texas' population grows. Waiting 12 years between independent audits is too long; six years would be more prudent.

NOTES:

The committee amendment to the Senate engrossed version of SB 1078 would change the audit interval from six years back to 12 years, as in the originally filed version of the bill.