



Item 24

Travis County Commissioners Court Agenda Request

Meeting Date: Tuesday, December 11, 2012
Prepared By/Phone Number: Deece Eckstein, 854-9754
Elected/Appointed Official/Dept. Head: Deece Eckstein, 854-9754
Commissioners Court Sponsor: Judge Biscoe

AGENDA LANGUAGE:

CONSIDER AND TAKE APPROPRIATE ACTION ON LEGISLATIVE ISSUES RELATED TO FUNDING FOR THE LOW INCOME REPAIR ASSISTANCE, RETROFIT AND ACCELERATED VEHICLE RETIREMENT PROGRAM (LIRAP) AND THE LOCAL INITIATIVE PROJECTS (LIP).

SUMMARY OF REQUEST AND ATTACHMENTS: Last session, the Legislature made significant cuts to funding for the LIRAP and LIP programs. Given the improved revenue picture for the next session, several counties and councils of government are urging the Legislative Budget Board to immediately increased LIRAP and LIP funding via budget amendment, and to fully restore them to their former levels in the next biennial budget.

STAFF RECOMMENDATIONS: IGR recommends that the Commissioners Court approve sending the attached letter to the co-chairs of the Legislative Budget Board

BACKGROUND: LIRAP (formally the Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Retirement Program) is a program that allows local governments to improve air quality by assisting qualifying low-income residents to repair or replace their aging, polluting vehicles. Sixteen Texas counties – all in nonattainment or near-nonattainment status – participate in LIRAP, including Travis and Williamson counties. In Travis County, TNR administers the program.

LIRAP is funded by a surcharge on vehicle emissions inspections. The surcharge is approved by the county commissioners court. In Travis County, the surcharge is \$2 and has been collected since 2005. The funds are held in the Clean Air Account at TCEQ and may only be used for two

purposes: LIRAP and a companion program, the Local Initiative Projects (LIP). In Travis County, LIRAP and LIP funds have helped reduce air pollution and kept Travis County from going into full nonattainment status.

In 2011, the Legislature cut LIRAP/LIP funding by \$77,500,000, or 86%, deciding to hold onto that balance to certify the budget. For Travis County, this means that the LIRAP/LIP funding has plummeted from \$3,877,911 in 2010-11 to \$339,744 in 2012-13, a 91% decrease.

This severe reduction in funding threatens the existence of the program in Travis County. After the 2011 budget cuts, the Court voted to restrict the program to repairs only. After a year of issuing only repair vouchers and a recent budget review, the Court recently authorized TNR to reopen the program to a limited number of replacement vouchers. However, the program's impact on reducing vehicle emissions is severely compromised.

With the State's revenue picture improving, the LBB could use its budget execution authority to increase LIRAP and LIP funding this year.

ISSUES AND OPPORTUNITIES: Preservation of LIRAP/LIP funding has been an element of the Court's Legislative Agenda:

Support full funding for the Low Income Repair Assistance, Retrofit and Accelerated Vehicle Retirement Program and the Local Initiative Projects.

Sending the attached letter to Lieutenant Governor Dewhurst and Speaker Straus is consistent with the Court's position and a good first step in raising the issue. During the session, IGR will be working with other counties to keep informed of, and influence, the budgeting process going forward.

It should be noted that the budget reductions did not change the imposition or the collection of the fee. In other words, local commissioners courts still impose the fee on their motorists, but the Legislature has diverted the revenue from its intended purposes. (Legally, the Legislature cannot use it for any other purpose, but may hold on to it to balance the budget.) There has been more discussion during the interim of addressing budget diversions, which have now metastasized into \$5 billion/biennium. In particular, Speaker Straus and his budget barons have spoken of the need to address the problem.

In testimony before budget committees last session, several counties threatened to eliminate their collection of the inspection surcharge if, in fact, the revenues were not going to be returned to the counties. There has been ongoing discussion of this among the targeted counties, but none have taken action yet.

FISCAL IMPACT AND SOURCE OF FUNDING: N/A

REQUIRED AUTHORIZATIONS: None.

NAMES, PHONE NUMBERS AND EMAIL ADDRESSES OF PERSONS WHO MIGHT BE AFFECTED BY OR BE INVOLVED WITH THIS REQUEST:

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Travis County Commissioners Court

SAMUEL T. BISCOE
County Judge

RON DAVIS
Commissioner, Pct. 1

SARAH ECKHARDT
Commissioner, Pct. 2

KAREN L. HUBER
Commissioner, Pct. 3



MARGARET J. GÓMEZ
Commissioner, Pct. 4

Travis County Administration Building, 700 Lavaca, Commissioners Courtroom, 1st Floor, Austin, Tx 78701

December 11, 2012

The Honorable David Dewhurst
Joint-Chair, Legislative Budget Board
Lieutenant Governor
State Capitol, Room 2E.13
Austin, TX 78701

The Honorable Joe Straus
Joint-chair, Legislative Budget Board
Speaker of the House of Representatives
State Capitol, Room 2W.13
Austin, TX 78701

Dear Lieutenant Governor Dewhurst and Speaker Straus:

Travis County administers the Low-Income Vehicle Repair Assistance, Retrofit and Accelerated Vehicle Retirement Program (LIRAP) and the Local Initiative Projects (LIP) within the county. Both programs suffered extraordinary cuts during the last session. The Travis County Commissioners Court urges the Legislative Budget Board to immediately amend the current (FY2013) Texas Commission on Environmental Quality (TCEQ) budget to restore funding for LIRAP and LIP, as allowed by the Agency Discretionary Transfer Provisions in Article 9, Sec. 14.01 of House Bill 1, as passed by the 82nd Texas Legislature.

As you know, the Central Texas area is in near-nonattainment, and automotive emissions are the major source of pollution. LIRAP and LIP are important strategies for Central Texas to reduce high-emitting automobile emissions. LIRAP assists owners with high-emitting automobiles to comply with vehicle emissions standards by offering financial incentives to repair or remove them from roadways. LIP has assisted with creating a Counterfeit Motor Vehicle Emissions Certificate Program in Central Texas to combat the exploitation of counterfeit, fictitious, and improper State inspection certificates for polluting vehicles in the region.

Without additional funding in FY2013, these programs will lose their overall effectiveness. As a result, the region will lose ground on air quality improvements made possible by these programs. We also note that since Travis County residents pay the additional the Inspection and Maintenance fees that fund LIRAP and LIP, it makes sense that the revenues be returned to the county.

LIRAP and LIP are major contributors to achieving significant emissions reductions in the mobile sector for Central Texas. Eliminating these programs will result in a significant loss of potential air quality benefits for our region.

Therefore, the Travis County Commissioners Court requests that the LBB immediately reprioritize funding for LIRAP and LIP in the TCEQ budget, as allowed under its budget execution authority. Given the significant budget cuts the programs faced in FY 2012, every available dollar for FY 2013 becomes even more important.

Thank you for your prompt consideration of this matter. If you have any questions, please feel free to contact Adele Noel, Air Quality Project Manager, at (512) 854-7211.

Sincerely,

SAMUEL T. BISCOE
County Judge

RON DAVIS
Commissioner, Precinct One

SARAH ECKHARDT
Commissioner, Precinct Two

KAREN HUBER
Commissioner, Precinct Three

MARGARET J. GÓMEZ
Commissioner, Precinct Four

CC: Members of the Legislative Budget Board
Members of the Travis County Legislative Delegation