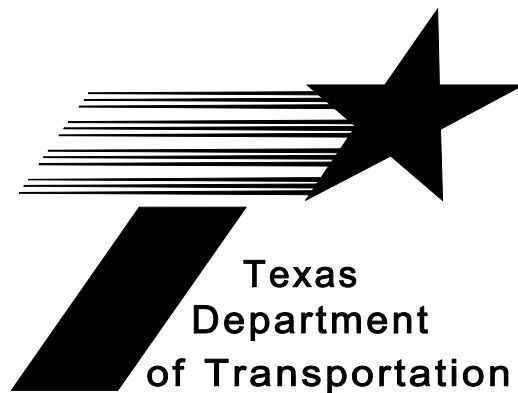


TEXAS DEPARTMENT OF TRANSPORTATION

ECONOMICALLY DISADVANTAGED COUNTIES PROGRAM

EDCP

2010 HANDBOOK



October 2010

In an effort to assist the districts in the implementation of the economically disadvantaged counties program (EDCP) and provide other interested parties with program information, the Transportation Planning and Programming (TPP) division has compiled this handbook. The handbook contains pertinent program information and documents.

HOW DID THE EDCP COME ABOUT?

During the 75th Legislative session, Texas passed Senate Bill 370, better known as the Texas Department of Transportation's (TxDOT's) Sunset Bill. Section 1.18 of the bill amended the Transportation Code by adding a section entitled *Relief From Local Matching Funds Requirements*. This section reads in part:

...the [Texas Transportation] commission, when evaluating a proposal for a highway improvement project in a local government that consists of all or a portion of an economically disadvantaged county, to adjust the minimum local matching funds requirement after evaluating the local government's effort and ability to meet the requirement.

Administrative rules pertaining to the program were incorporated into Title 43, Texas Administrative Code (TAC), Sections 15.50-15.56, which describe federal, state, and local responsibilities for cost participation in highway improvement projects. Section 15.55(b) specifically addresses the EDCP.

WHAT IS AN ECONOMICALLY DISADVANTAGED COUNTY?

An economically disadvantaged county is a county that, in comparison to other counties in the state, has:

- **below** average per capita taxable property value,
- **below** average per capita income, **and**,
- **above** average unemployment.

TxDOT identifies the counties that meet **all three** of the above criteria derived from data obtained from the Texas Comptroller of Public Accounts on an annual basis. These counties are eligible for the program during the fiscal year in which they are determined eligible. Since the list is updated every fiscal year, a county may be eligible one year and not the other, or vice versa.

The most current data for each of the criteria is three years behind the current fiscal year. For example, data used to compile the list of eligible counties for Fiscal Year (FY) 2010 is from Calendar Year 2007.

WHICH PROJECTS ARE ELIGIBLE FOR THE EDCP?

Both on-system and off-system highway improvement projects in your county are eligible for some relief of the local match requirement. However, on-system projects are required to be both commission-authorized (i.e. the project must be in the Unified Transportation Program) and not let to contract. Off-system projects must be commission-authorized or approved within a district bank balance program and not let to contract. If a project meets the requirements, the second factor to consider is the project components.

Most projects involve four project components that carry a particular cost and participation ratio. The four common components are:

- preliminary engineering,
- construction engineering and construction,
- right of way, and,
- eligible utility adjustments.

The local match requirements for each of the above components vary based on the project's funding category. Most components that require a local match are eligible for some relief with a few **notable exceptions**:

- 1) Right of way and utility costs on off-system projects are **not** eligible for an adjustment.
- 2) Non-roadway items on off-system projects funded under any category are **not** eligible for an adjustment.

Additionally, the local participation requirements for some projects are project specific as detailed in the project's minute order. The table entitled Economically Disadvantaged Counties (EDC) Eligibility Criteria (page 6) summarizes the local participation ratios for each project component and their eligibility by funding category for on-system and off-system projects. The table should be used as a general guide of what might be eligible for the program and what might not be eligible. **When in doubt, please contact Transportation Planning and Programming Division.**

HOW MUCH RELIEF IS GRANTED TO ELIGIBLE PROJECTS?

While the amount of relief granted is at the Texas Transportation Commission's discretion, the commission has not deviated from the adjustments recommended by TPP. TPP recommends adjustments based on a percentage formula developed by the Finance Division. The formula serves as a measure of the local governments' "effort" and "ability" to provide their local match for projects.

Every eligible county receives an adjustment to their local match requirement ranging from 15 (minimum) to 95 (maximum) percent. A city within an economically disadvantaged county receives an adjustment equal to the adjustment for the county in which it is located, with the possibility of up to 10 additional percentage points based on its population and the existence of an economic development sales tax.

The two following tables depict the additional percentage points that cities may be granted.

Economic Development Sales Tax?

Yes	5%
No	0%

Population:

$x \leq 1,000$	5%
$1,000 < x \leq 2,000$	4%
$2,000 < x \leq 3,000$	3%
$3,000 < x \leq 4,000$	2%
$4,000 < x \leq 5,000$	1%
$x > 5,000$	0%

HOW DO LOCAL GOVERNMENTS APPLY?

Local governments apply for the EDCP by completing two forms for each eligible project: a project information sheet and an affidavit. The forms are included in this handbook along with instructions.

As the name implies, **the Project Information Sheet** solicits information pertaining to the project for which relief from the local match requirement is being requested. The project's location and limits, scope, costs and adjustment rational, among other items, must be provided. The **Affidavit** certifies that the information provided on the project information sheet is true and correct; it must be notarized.

Local governments must submit their applications to their local TxDOT district office. The district engineer will determine whether to make an adjustment at the time the local government submits a proposal for a highway project.

QUESTIONS?

For additional information regarding the EDCP, please contact TPP at (512)486-5038.

ECONOMICALLY DISADVANTAGED COUNTIES (EDC) ELIGIBILITY CRITERIA

Condition	REQUIRED LOCAL PARTICIPATION			ELIGIBILITY UNDER EDC PROGRAM		
	Preliminary Engineering	Construction Engineering and Construction Funds	Right of Way or Eligible Utilities	Preliminary Engineering	Construction Engineering and Construction Funds	Right of Way or Eligible Utilities
*Project is on the Interstate Highway System	100% State -or- 90% Federal 10% State -or- 80% Federal 20% State	100% State -or- 90% Federal 10% State -or- 80% Federal 20% State	100% State -or- 90% Federal 10% State -or- 80% Federal 20% State	NA	NA	NA
*Project is on the State Highway System (except Farm to Market System, Urban Road System, Principal Arterial Street Program (PASS) or Phase 1 Trunk System Corridor)	100% State -or - 80% Federal 20% State	100% State -or - 80% Federal 20% State	90% State 10% Local -or - 80% Federal 10% State 10% Local	NA	NA	E - 10%
*Project is on the PASS except for existing US, SH, FM and UR system routes	100% State -or - 80% Federal 20% State	100% State -or - 80% Federal 20% State	50% State 50% Local -or - 80% Federal 10% State 10% Local	NA	NA	E - 50% -or- E - 10%
*Project is not on the State Highway System	100% Local or - 80% Federal 20% Local	100% Local or - 80% Federal 20% Local	100% Local -or- 80% Federal 20% Local	NA -or- E - 20%	NA -or- E - 20%	NA -or- NE

ECONOMICALLY DISADVANTAGED COUNTIES (EDC) ELIGIBILITY CRITERIA

Condition	REQUIRED LOCAL PARTICIPATION			ELIGIBILITY UNDER EDC PROGRAM		
	Preliminary Engineering	Construction Engineering and Construction Funds	Right of Way or Eligible Utilities	Preliminary Engineering	Construction Engineering and Construction Funds	Right of Way or Eligible Utilities
*Project is on the FM / UR system *New FM/UR route	100% State -or - 80% Federal 20% State	100% State or - 80% Federal 20% State	100% Local	NA	NA	NA
*Existing FM / UR route	100% State -or - 80% Federal 20% State	100% State or - 80% Federal 20% State	90% State 10% Local -or- 80% Federal 10% State 10% Local	NA	NA	E - 10%
*Project is on a Phase 1 Trunk System Corridor -or- Designated Statewide Mobility Corridor, or on-system Turnpike Project	100% State -or - 80% Federal 20% State	100% State or - 80% Federal 20% State	100% State or - 80% Federal 20% State	NA	NA	NA
*State Park Road Program	100% State	100% State	100% State	NA	NA	NA
*On-State System Bridge Program	100% State -or- 80% Federal 20% State	100% State -or- 80% Federal 20% State	90% State 10% Local -or- 80% Federal 10% State 10% Local	NA	NA	E - 10%

NA - Not Applicable

NE - Not Eligible

ECONOMICALLY DISADVANTAGED COUNTIES (EDC) ELIGIBILITY CRITERIA

Condition	REQUIRED LOCAL PARTICIPATION			ELIGIBILITY UNDER EDC PROGRAM		
	Preliminary Engineering	Construction Engineering and Construction Funds	Right of Way or Eligible Utilities	Preliminary Engineering	Construction Engineering and Construction Funds	Right of Way or Eligible Utilities
*Off-State System Bridge Program	80% Federal 10% State 10% Local -or- 80% Federal 20% State #1	80% Federal 10% State 10% Local -or- 80% Federal 20% State #1	100% Local	E - 10%	E - 10%	NA
*On-State System Safety Program	100% State -or- 90% Federal 10% State	100% State -or- 90% Federal 10% State	100% State -or- 90% Federal 10% State	NA	NA	NA
*Off-State System Safety Program *If included in the Railroad Signal Safety Program	90% Federal 10% Local -or- 90% Federal 10% State	90% Federal 10% Local -or- 90% Federal 10% State	90% Federal 10% Local or- 90% Federal 10% State	E - 10%	E - 10%	E - 10%
*Transportation Enhancement Program #2	80% Federal 20% Local	80% Federal 20% Local	80% Federal 20% Local	NE	NE	NE
*On-State System Safe Routes to Schools Program	100% State or- 80% Federal 20% State	100% State or- 80% Federal 20% State	100% State -or- 80% Federal 20% State or- 90% Federal 10% State or- 90% State 10% Local	NA	NA	E - 10%

ECONOMICALLY DISADVANTAGED COUNTIES (EDC) ELIGIBILITY CRITERIA

Condition	REQUIRED LOCAL PARTICIPATION			ELIGIBILITY UNDER EDC PROGRAM		
	Preliminary Engineering	Construction Engineering and Construction Funds	Right of Way or Eligible Utilities	Preliminary Engineering	Construction Engineering and Construction Funds	Right of Way or Eligible Utilities
*Off-State System Safe Routes to Schools Program	80% Federal 20% Local	80% Federal 20% Local	100% Local -or- 80% Federal 20% Local -or- 90% Federal 10% Local	E- 20%	E- 20%	NE

All participation ratios shown depict the minimum local participation for eligible costs.

NOTES:

#1 If approved in accordance S 15.55(d) of this subchapter.

#2 For projects selected in the Transportation Enhancement Program call, federal participation is limited to the amount authorized by the commission, not to exceed 80% of the eligible costs.

#3 For continuous lighting systems or safety lighting on the state highway system, refer to Chapter 25, S25.11 of this title.