

TEXAS TRANSPORTATION COMMISSION

ALL Counties

MINUTE ORDER

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ALL Districts

Section 222.053(a), Transportation Code, defines an “economically disadvantaged county” as a county that has, in comparison to other counties in the state: (1) below average per capita taxable property value; (2) below average per capita income; and (3) above average unemployment.

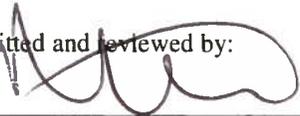
Section 222.053(c) directs the Texas Transportation Commission (commission), when evaluating a proposal for a highway project in a political subdivision that consists of all or a portion of an economically disadvantaged county, to adjust the minimum local matching funds requirement after evaluating the political subdivision's effort and ability to meet the requirement.

Section 222.053(e) further directs the commission to report annually to the governor, the lieutenant governor, and the speaker of the house of representatives on the use of matching funds and local incentives and the ability of the commission to ensure that political subdivisions located in economically disadvantaged counties have equal ability to compete for highway funding with political subdivisions in counties that are not economically disadvantaged.

The Texas Department of Transportation has completed the Fiscal Year 2016 Annual Report on the Economically Disadvantaged Counties Program, which is attached as Exhibit A.

IT IS THEREFORE ORDERED that the Fiscal Year 2016 Annual Report on the Economically Disadvantaged Counties Program, as shown in Exhibit A, is approved by the commission and shall be presented to the governor, the lieutenant governor, and the speaker of the house of representatives as required by Section 222.053(e), Transportation Code.

Submitted and reviewed by:

  
\_\_\_\_\_  
Director, Transportation Planning  
and Programming Division

Recommended by:

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

114925 APR 27 '17  
Minute Date  
Number Passed

EXHIBIT A



# Economically Disadvantaged Counties Program

Relief from Local Match Requirements

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**Fiscal Year 2016 Annual Report**  
Transportation Planning and Programming Division

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## Background

The Fiscal Year (FY) 2016 Annual Report is the eighteenth annual report for the Economically Disadvantaged Counties Program (EDCP) administered by the Texas Department of Transportation (TxDOT).

The EDCP was enacted in 1997 by the 75<sup>th</sup> Texas Legislature (Senate Bill 370; Transportation Code § 222.053). The Texas Transportation Commission (commission) is required to adjust the minimum local matching funds requirement for proposed highway improvement projects in an economically disadvantaged county after evaluating the local government's effort and ability to meet the requirement.

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 annually identifies the counties that meet **all three** of the above criteria derived from data obtained from the Texas Comptroller of Public Accounts (comptroller). These counties may participate in the program during the fiscal year in which they are determined eligible. Since the list is updated every fiscal year, a county's eligibility may change from year to year.

The EDCP was revised by the 79<sup>th</sup> Legislature in 2005 to require the commission to certify a county as economically disadvantaged on an annual basis as soon as possible after the comptroller reports on the economic indicators listed above. In addition, the amendments stipulated that the commission was required to determine whether to make an adjustment at the time the local government submits a proposal for a project. Finally, the commission was permitted to delegate any of its powers under Transportation Code, §222.053, to the department's executive director or the director's designee.

The Executive Director issued a memo dated March 1, 2006, to all TxDOT district engineers granting them the authority to adjust the minimum local matching funds requirements for any eligible projects components on an as needed basis, allowing counties to submit projects at any time during their participation in the program.

The relief to the local match requirement an entity will receive is based on a formula. Through the formula, an adjustment percentage was determined for each county, which is meant to be a surrogate measure of the county's *effort* and *ability* to provide the local match; this was stipulated in the legislation itself.

The county's *effort* was measured by looking at the degree to which the county had already raised revenues either through property taxes or the county road and bridge fee.

The county's *ability* was measured by looking at the county's per capita income and per capita property values. Additional adjustment percentage points were given based on the county's tax debt per capita.

Cities may receive higher percent adjustments beyond their respective county's adjustment under two conditions: if they have a local economic development sales tax and their population is less than 5,000. At the commission's direction, the adjustment cannot exceed 95 percent or be less than 15 percent.

## 2016 Eligible Counties

Based on Calendar Year 2013 data obtained from the comptroller, 88 counties were eligible for the program in FY 2016. The counties (including local entities within these counties) listed in Table 1 were eligible for the program in FY 2016.

Angelina	Coleman	Henderson	Liberty	Presidio	Val Verde
Atascosa	Coryell	Hidalgo	Limestone	Red River	Van Zandt
Bailey	Dawson	Hill	Llano	Rusk	Walker
Bee	Delta	Houston	McLennan	Sabine	Waller
Bell	Duval	Hudspeth	Madison	San Augustine	Willacy
Bosque	Ellis	Hunt	Marion	San Jacinto	Wood
Bowie	El Paso	Hutchinson	Matagorda	San Patricio	Zapata
Brooks	Falls	Jasper	Maverick	Shelby	Zavala
Brown	Fannin	Jefferson	Milam	Smith	
Burleson	Floyd	Jim Hogg	Morris	Starr	
Caldwell	Franklin	Jones	Nacogdoches	Swisher	
Calhoun	Freestone	Kaufman	Navarro	Titus	
Cameron	Grayson	Kleberg	Newton	Trinity	
Camp	Hale	Lamar	Orange	Tyler	
Cass	Hall	Lamb	Palo Pinto	Upshur	
Cherokee	Hardin	Leon	Polk	Uvalde	

During FY 2016, local governments submitted applications to the district office for approval of adjustment on 54 projects located within economically disadvantaged counties for a total estimated savings to local governments of \$5,330,094.

## Outreach

To ensure the accessibility to program information, TxDOT makes the information available through a variety of mediums and formats. In October 2015, the department sent written notices to county judges and state representatives in economically disadvantaged counties regarding the respective county's eligibility status. A program notebook was compiled and distributed to TxDOT's district offices. Additionally, program information was made available to TxDOT districts via the Intranet site *Crossroads*.

## FY 2016 Commission and Department Actions

By Minute Order 114381 dated September 24, 2015 the commission certified the FY 2016 list of eligible counties and the local match adjustment for each county. The Appendix contains a list of the projects approved by the district engineers for the FY 2016 program.

## Summary

For FY 2016, TxDOT district engineers granted adjustments on 54 projects in 16 counties. These local entities have saved an estimated \$5,330,094.

Since the program's inception on January 1, 1998, the department has granted adjustments to over 1040 projects in economically disadvantaged counties for an estimated savings to local governments of \$84,890,552.

Table 2. EDCP Year-to-Date Total

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
<b>Savings</b>	\$988,316	\$ 9,946,204	\$ 5,482,366	\$ 5,558,580	\$ 834,296	\$ 2,194,309
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
<b>Savings</b>	\$ 4,556,098	\$3,249,069	\$2,797,536	\$1,743,101	\$6,755,645	\$3,239,132
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>Savings</b>	\$2,420,245	\$3,400,304	\$1,671,700	\$6,252,448	\$5,675,934	\$12,741,175
	FY 2016					
<b>Savings</b>	\$5,330,094					
					<b>Total</b>	<b>\$84,890,552</b>

The EDCP enables TxDOT to work with local governments to fulfil the department's mission – "Through collaboration and leadership, we deliver a safe, reliable, and integrated transportation system that enables the movement of people and goods."

# APPENDIX

Table A-1.

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Angelina	Angelina County	0911-38-069	Preliminary Engineering Construction	\$ 43,035
Angelina	Angelina County	0911-38-070	Preliminary Engineering Construction	\$ 47,754
Burleson	Burleson County	0914-30-053	Preliminary Engineering Construction	\$ 58,777
Burleson	Burleson County	0914-30-054	Preliminary Engineering Construction	\$ 21,655
Burleson	Burleson County	0914-30-055	Preliminary Engineering Construction	\$ 21,655
Burleson	Burleson County	0914-30-057	Preliminary Engineering Construction	\$ 46,403
Burleson	Burleson County	0914-30-058	Preliminary Engineering Construction	\$ 26,295
Cameron	Brownville Nav. District	0091-06-288	Preliminary Engineering Construction	\$ 1,720,000
Cameron	Cameron County RMA	1426-01-037	Right of Way Preliminary Engineering	\$ 298,432
Cameron	Cameron County RMA	3626-02-001	Right of Way Preliminary Engineering	\$ 311,873

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Cameron	Cameron County RMA	3626-01-001	Right of Way Preliminary Engineering	\$ 182,129
Cameron	Cameron County RMA	3626-03-001	Right of Way Preliminary Engineering	\$ 121,177
Cameron	Cameron County RMA	1426-01-043	Right of Way Preliminary Engineering	\$ 114,770
Cameron	Cameron County RMA	0039-10-076	Right of Way Preliminary Engineering	\$ 81,394
Cameron	Cameron County	0921-06-290	Preliminary Engineering Construction	\$ 129,000
Cameron	City of Los Fresnos	0921-06-292	Preliminary Engineering Construction	\$ 69,209
Cameron	City of Brownsville	0921-06-293	Preliminary Engineering Construction	\$ 182,000
Coryell	City of Gatesville	0909-39-129	Preliminary Engineering Construction	\$ 49,734
Delta	Delta County	0091-31-130	Preliminary Engineering Construction	\$ 23,980
Falls	Falls County	0909-38-077	Preliminary Engineering Construction	\$ 52,244

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Falls	City of Rosebud	0909-38-076	Preliminary Engineering Construction	\$ 38,834
Falls	Falls County	0909-38-078	Preliminary Engineering Construction	\$ 34,341
Hidalgo	Hidalgo County	0921-02-331	Preliminary Engineering Construction	\$ 50,825
Hidalgo	City of McAllen	0921-02-341	Preliminary Engineering Construction	\$ 266,803
Hidalgo	City of McAllen	1804-01-069	Right of Way Construction	\$ 18,525
Hidalgo	City of McAllen	10621-01-106	Right of Way Construction	\$ 16,948
Hidalgo	City of McAllen	1804-01-068	Right of Way Construction	\$ 17,005
Hidalgo	City of McAllen	1804-01-072	Right of Way Construction	\$ 17,005
Hidalgo	City of McAllen	1804-01-071	Right of Way Construction	\$ 27,284
Kleberg	City of Kingsville	0102-04-099	Right of Way or Utilities	\$ 268,080
Kleberg	Kleberg County	0102-04-099	Right of Way or Utilities	\$ 292,485

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Lamar	Lamar County	0901-29-086	Preliminary Engineering Construction	\$ 12,618
Lamar	Lamar County	0901-29-085	Preliminary Engineering Construction	\$ 19,413
Lamar	Lamar County	0901-29-084	Preliminary Engineering Construction	\$ 12,942
Maverick	Maverick County	0922-10-035	Preliminary Engineering Construction	\$ 71,012
McLennan	McLennan County	0909-22-175	Preliminary Engineering Construction	\$ 33,469
McLennan	McLennan County	0909-22-174	Preliminary Engineering Construction	\$ 31,594
San Augustine	San Augustine County	0911-30-030	Preliminary Engineering Construction	\$ 24,459
San Augustine	San Augustine County	0911-30-032	Preliminary Engineering Construction	\$ 44,639
San Augustine	San Augustine County	0911-30-031	Preliminary Engineering Construction	\$ 44,738
Shelby	Shelby County	0911-39-038	Preliminary Engineering Construction	\$ 23,927

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings	
Shelby	Shelby County	0911-39-047	Preliminary Engineering Construction	\$	38,708
Shelby	Shelby County	0911-39-048	Preliminary Engineering Construction	\$	23,712
Shelby	Shelby County	0911-39-049	Preliminary Engineering Construction	\$	28,429
Shelby	Shelby County	0911-39-057	Preliminary Engineering Construction	\$	26,023
Shelby	Shelby County	0911-39-059	Preliminary Engineering Construction	\$	38,240
Shelby	Shelby County	0911-39-060	Preliminary Engineering Construction	\$	40,606
Shelby	Shelby County	0911-39-061	Preliminary Engineering Construction	\$	32,858
Shelby	Shelby County	0911-39-050	Preliminary Engineering Construction	\$	25,428
Smith	City of Tyler	0910-16-040	Preliminary Engineering Construction	\$	20,563

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Smith	City of Tyler	0910-16-039	Preliminary Engineering Construction	\$ 19,921
Van Zandt	Van Zandt County	0910-12-126	Preliminary Engineering Construction	\$ 23,814
Van Zandt	Van Zandt County	0910-12-127	Preliminary Engineering Construction	\$ 33,737
Van Zandt	Van Zandt County	0910-12-125	Preliminary Engineering Construction	\$ 23,814
Wood	Wood County	0910-35-033	Preliminary Engineering Construction	\$ 28,823
			<b>TOTAL SAVINGS</b>	\$ 5,330,094