

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.

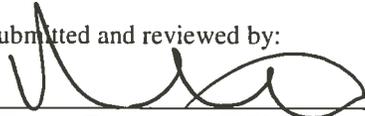
Section 222.053(c) directs the Texas Transportation Commission (commission), when evaluating a proposal for a highway project in a political subdivision that consists of all or a portion of an economically disadvantaged county, to adjust the minimum local matching funds requirement after evaluating the 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 2017 Annual Report on the Economically Disadvantaged Counties Program, which is attached as Exhibit A.

IT IS THEREFORE ORDERED that the Fiscal Year 2017 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

115150 Jan. 25 '18

Minute Date
Number Passed

EXHIBIT A



Economically Disadvantaged Counties Program

Relief from Local Match Requirements

Fiscal Year 2017 Annual Report

Transportation Planning and Programming Division

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Background

The Fiscal Year (FY) 2017 Annual Report is the ninetieth 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 75th 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 79th 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.

2017 Eligible Counties

Based on Calendar Year 2014 data obtained from the comptroller, 78 counties were eligible for the program in FY 2017. The counties (including local entities within these counties) listed in Table 1 were eligible for the program in FY 2017.

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

During FY 2017, local governments submitted applications to the district office for approval of adjustment on 50 projects located within economically disadvantaged counties for a total estimated savings to local governments of \$21,428,781.

Outreach

To ensure the accessibility to program information, TxDOT makes the information available through a variety of mediums and formats. In October 2016, 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 2017 Commission and Department Actions

By Minute Order 114760 dated October 27, 2016 the commission certified the FY 2017 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 2017 program.

Summary

For FY 2017, TxDOT district engineers granted adjustments on 50 projects in 15 counties. These local entities have saved an estimated \$21, 428,781.

Since the program's inception on January 1, 1998, the department has granted adjustments to over 1090 projects in economically disadvantaged counties for an estimated savings to local governments of \$106,265,333.

Table 2. EDCP Year-to-Date Total

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Savings	\$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
Savings	\$ 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
Savings	\$2,420,245	\$3,400,304	\$1,671,700	\$6,252,448	\$5,675,934	\$12,741,175
	FY 2016	FY 2017				
Savings	\$5,330,094	\$21,428,781				
					Total	\$106,265,333

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
Brown	City of Brownwood	0054-06-105	Right of Way	\$ 8,346
Brown	City of Brownwood	0128-01-111	Right of Way	\$ 30,942
Cameron	City of Brownsville	0921-06-278	Preliminary Engineering Construction	\$ 34,000
Cameron	City of Brownsville	0921-06-279	Preliminary Engineering Construction	\$ 39,780
Cherokee	Cherokee County	0910-36-129	Preliminary Engineering Construction	\$ 29,626
Cherokee	Cherokee County	0910-36-130	Preliminary Engineering Construction	\$ 29,620
Cherokee	Cherokee County	0910-36-131	Preliminary Engineering Construction	\$ 30,429
Cherokee	Cherokee County	0910-36-132	Preliminary Engineering Construction	\$ 30,429
Falls	Falls County	0909-38-071	Preliminary Engineering Construction	\$ 39,037
Falls	Falls County	0909-38-079	Preliminary Engineering Construction	\$ 32,361
Falls	Falls County	0909-38-080	Preliminary Engineering Construction	\$ 46,376

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Falls	Falls County	0909-38-081	Preliminary Engineering Construction	\$ 46,376
Falls	Falls County	0909-38-082	Preliminary Engineering Construction	\$ 28,662
Falls	Falls County	0909-38-083	Preliminary Engineering Construction	\$ 37,519
Falls	Falls County	0909-38-084	Preliminary Engineering Construction	\$ 38,784
Falls	Falls County	0909-38-085	Preliminary Engineering Construction	\$ 60,293
Falls	Falls County	0909-38-086	Preliminary Engineering Construction	\$ 36,254
Falls	Falls County	0909-38-087	Preliminary Engineering Construction	\$ 33,723
Falls	Falls County	0909-38-088	Preliminary Engineering Construction	\$ 33,723
Hidalgo	City of Alton	0864-01-069	Right of Way	\$ 11,145
Hidalgo	Hidalgo County	0864-01-069	Right of Way	\$ 136,780

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Hidalgo	City of Alton	1064-01-032	Right of Way	\$ 34,196
Hidalgo	Hidalgo County	1064-01-032	Right of Way	\$ 7,287
Hidalgo	Hidalgo County	0669-01-049	Right of Way	\$ 6,188
Hidalgo	Hidalgo County	0864-01-068	Right of Way	\$ 318,500
Hidalgo	Hidalgo County	0921-02-194	Preliminary Engineering Construction	\$ 1,917,457
Hidalgo	Hidalgo County	0921-02-312	Preliminary Engineering Construction	\$ 3,774,922
Hidalgo	City of Weslaco	0921-02-348	Preliminary Engineering Construction	\$ 3,565
Hidalgo	City of Weslaco	0921-02-349	Preliminary Engineering Construction	\$ 3,646
Hidalgo	City of Weslaco	0921-02-350	Preliminary Engineering Construction	\$ 3,617
Hidalgo	City of Weslaco	0921-02-351	Preliminary Engineering Construction	\$ 3,620

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Kaufman	Kaufman County	0918-11-098	Preliminary Engineering Construction	\$ 23,053
Kaufman	Kaufman County	0918-11-097	Preliminary Engineering Construction	\$ 23,053
Kaufman	Kaufman County	0918-11-096	Preliminary Engineering Construction	\$ 23,053
Limestone	Limestone County	0909-40-075	Preliminary Engineering Construction	\$ 46,132
Limestone	Limestone County	0909-40-076	Preliminary Engineering Construction	\$ 25,522
McLennan	McLennan County	0909-22-176	Preliminary Engineering Construction	\$ 34,679
McLennan	McLennan County	0909-22-177	Preliminary Engineering Construction	\$ 26,373
McLennan	McLennan County	0909-22-178	Preliminary Engineering Construction	\$ 28,219
McLennan	McLennan County	0909-22-179	Preliminary Engineering Construction	\$ 42,985
Milam	Milam County	0917-12-084	Preliminary Engineering Construction	\$ 67,687

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Navarro	Navarro County	0918-18-133	Preliminary Engineering Construction	\$ 46,846
Navarro	Navarro County	0918-18-134	Preliminary Engineering Construction	\$ 46,846
Swisher	Swisher County	0905-17-016	Preliminary Engineering Construction	\$ 44,246
Van Zandt	Van Zandt County	0910-12-021	Preliminary Engineering Construction	\$ 27,902
Van Zandt	Van Zandt County	0910-12-133	Preliminary Engineering Construction	\$ 27,916
Waller	Waller County	0523-04-017	Right of Way	\$ 19,765
Webb	Webb County	0922-33-176	Preliminary Engineering Construction	\$ 98,652
Webb	City of Laredo	0086-14-083	Right of Way	\$ 13,880,556
Wood	Wood County	0910-35-034	Preliminary Engineering Construction	\$ 8,091
			TOTAL SAVINGS	\$ 21,428,781