

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.

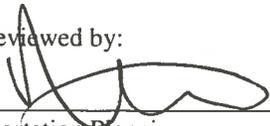
Section 222.053(c) directs the Texas Transportation Commission (commission), when evaluating a proposal for a highway project in a political subdivision that consists of all or a portion of an economically disadvantaged county, to adjust the minimum local matching funds requirement after evaluating the 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 2018 Annual Report on the Economically Disadvantaged Counties Program, which is attached as Exhibit A.

IT IS THEREFORE ORDERED that the Fiscal Year 2018 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

115460 MAR 28 '19
Minute Date
Number Passed

EXHIBIT A



Economically Disadvantaged Counties Program

Relief from Local Match Requirements

Fiscal Year 2018 Annual Report

Transportation Planning and Programming Division

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Background

The Fiscal Year (FY) 2018 Annual Report is the twentieth 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.

2018 Eligible Counties

Based on Calendar Year 2015 data obtained from the comptroller, 75 counties were eligible for the program in FY 2018. The counties (including local entities within these counties) listed in Table 1 were eligible for the program in FY 2018.

Angelina	El Paso	Jefferson	Maverick	Reeves	Uvalde
Atascosa	Franklin	Jim Hogg	Milam	Robertson	Val Verde
Bee	Freestone	Jim Wells	Mitchell	Rusk	Walker
Bowie	Grimes	Jones	Morris	Sabine	Waller
Brooks	Hale	Kleberg	Newton	San Augustine	Wilbarger
Cameron	Hall	Lamar	Nueces	San Jacinto	Willacy
Camp	Hardeman	Lamb	Orange	San Patricio	Winkler
Cass	Hardin	Leon	Palo Pinto	Shelby	Wood
Cherokee	Harrison	Liberty	Panola	Starr	Zapata
Cochran	Henderson	Limestone	Pecos	Titus	Zavala
Coleman	Hidalgo	McCulloch	Polk	Trinity	
Coryell	Hudspeth	Marion	Presidio	Tyler	
Duval	Jasper	Matagorda	Red River	Upshur	

During FY 2018, local governments submitted applications to the district office for approval of adjustment on 27 projects located within economically disadvantaged counties for a total estimated savings to local governments of \$13,710,193.

Outreach

To ensure the accessibility to program information, TxDOT makes the information available through a variety of mediums and formats. In October 2017, 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 2018 Commission and Department Actions

By Minute Order 115071 dated September 28, 2017 the commission certified the FY 2018 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 2018 program.

Summary

For FY 2018, TxDOT district engineers granted adjustments on 27 projects in 8 counties. These local entities have saved an estimated \$13,710,193.

Since the program's inception on January 1, 1998, the department has granted adjustments to over 1100 projects in economically disadvantaged counties for an estimated savings to local governments of \$119,953,937.

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	FY 2018			
Savings	\$5,330,094	\$21,428,781	\$13,710,193			
					Total	\$119,953,937

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
Atascosa	Atascosa County	0915-13-029	Preliminary Engineering Construction	\$ 6,530
Cameron	City of Brownsville	0921-06-306	Preliminary Engineering Construction	\$ 34,960
Hale	City of Plainview	0905-12-043	Preliminary Engineering Construction	\$ 35,817
Hale	Hale County	0905-12-044	Preliminary Engineering Construction	\$ 22,440
Hidalgo	Cameron County RMA	0921-06-292	Preliminary Engineering Construction	\$ 54,003
Hidalgo	City of McAllen	0864-01-069	Right of Way	\$ 15,357
Hidalgo	City of Palmhurst	0864-01-069	Right of Way	\$ 92,205
Hidalgo	City of McAllen	0921-02-352	Preliminary Engineering Construction	\$ 1,671,403
Hidalgo	City of McAllen	0921-02-369	Preliminary Engineering Construction	\$ 475,200
Hidalgo	City of Mission	0921-02-327	Preliminary Engineering Construction	\$ 880,000

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Hidalgo	City of Pharr	0921-02-375	Preliminary Engineering Construction	\$ 734,545
Hidalgo	City of Pharr	0921-02-376	Preliminary Engineering Construction	\$ 915,200
Hidalgo	City of Pharr	0921-02-383	Preliminary Engineering Construction	\$ 440,065
Hidalgo	City of Pharr	0921-02-385	Preliminary Engineering Construction	\$ 462,279
Hidalgo	City of Pharr	0921-02-400	Preliminary Engineering Construction	\$ 1,043,680
Hidalgo	Hidalgo County	0921-02-332	Preliminary Engineering Construction	\$ 1,069,040
Hidalgo	Hidalgo County	0921-02-361	Preliminary Engineering Construction	\$ 1,990,803
Hidalgo	Hidalgo County	0921-02-384	Preliminary Engineering Construction	\$ 85,075
Hidalgo	Hidalgo County	0921-02-387	Preliminary Engineering Construction	\$ 123,255
Hidalgo	Hidalgo County	0921-02-388	Preliminary Engineering Construction	\$ 57,270
Hidalgo	Hidalgo County	0921-02-399	Preliminary Engineering Construction	\$ 1,136,801

Table A-1 continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Hidalgo	Hidalgo County	0921-02-420	Preliminary Engineering Construction	\$ 1,992,000
Hidalgo	Hidalgo County	1064-01-027	Right of Way	\$ 276,809
Jones	Jones County	0908-24-050	Preliminary Engineering Construction	\$ 30,134
Robertson	City of Calvert	0917-18-082	Preliminary Engineering Construction	\$ 14,526
Shelby	Shelby County	0911-39-065	Preliminary Engineering Construction	\$ 26,057
Shelby	Shelby County	0911-39-064	Preliminary Engineering Construction	\$ 21,589
Willacy	Willacy County	0921-27-038	Preliminary Engineering Construction	\$ 44,640
			Savings	\$ 13,710,193