

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(a-1) provides that, notwithstanding Section 222.053(a), a county is considered to be an “economically disadvantaged county” if it meets the criteria as laid out in subsection (a) within the past six years and has been included in no less than five federally declared disasters within the same time period. Section 222.053(a-2) provides that, for a county described by subsection (a-1), the adjustment to the local matching funds requirement shall be equivalent to the highest adjustment rate set in the last year the county was considered to meet the criteria.

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 2022 Annual Report on the Economically Disadvantaged Counties Program, which is attached as Exhibit A.

IT IS THEREFORE ORDERED by the commission that the Fiscal Year 2022 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:

Recommended by:

DocuSigned by: Humberto Gonzalez Jr, P.E. F7C3A305BEEB4F2... Director, Transportation Planning and Programming Division

DocuSigned by: [Signature] 0E1895AE181749E... Executive Director

116444 February 23, 2023

Minute Number Date Passed

EXHIBIT A



Economically Disadvantaged Counties Program

Relief from Local Match Requirements

Fiscal Year 2022 Annual Report

Transportation Planning and Programming Division

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Background

The Fiscal Year (FY) 2022 Annual Report is the twenty-fourth 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.

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 Texas Comptroller of Public Accounts (Comptroller) reports on the required economic indicators. In addition, the amendments stipulated that the commission is required to determine whether to make an adjustment at the time the local government submits a proposal for a project. Finally, the commission is permitted to delegate any of its powers under Transportation Code, §222.053, to the department's Executive Director or the Executive 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 project's components on an as needed basis, allowing counties to submit projects at any time during their participation in the program.

Senate Bill 2168, 86th Legislature, Regular Session, amended Transportation Code §222.053 to expand the criteria used to determine a county's eligibility to be classified as economically disadvantaged. The bill was signed on June 10, 2019 and became effective immediately. Transportation Code, §222.053(a-1), provides that, notwithstanding Transportation Code §222.053(a), a county is considered to be an "economically disadvantaged county" if it meets the criteria as laid out in subsection (a) within the past six years and has been included in no less than five federally declared disasters within the same time period. Transportation Code, §222.053(a-2), provides that the adjustment to the local matching funds requirement shall be equivalent to the highest adjustment rate set in the last year the county was considered to meet the criteria.

Per the Transportation Code, in FY 2022, 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, or
- met the standard criteria within the last six years and has been included in no less than five federally declared disasters within the same period.

TxDOT annually identifies the counties that meet the above criteria. Data is obtained from the Comptroller and the Federal Emergency Management Agency (FEMA). 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 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.

- 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.

2022 Eligible Counties

Based on Calendar Year 2020 data obtained from the Comptroller, 108 counties were eligible for the program in FY 2022. These counties (including local entities within these counties) are listed in Table 1.

During FY 2022, local governments submitted applications to the TxDOT district office for approval of adjustment on 29 projects located within economically disadvantaged counties for a total estimated savings to local governments of \$10,995,519.

Table 1: Fiscal Year 2022 Eligible Counties

Angelina	Cochran	Hall	Kleberg	Nueces	Stephens
Atascosa	Coleman	Hardeman	Lamar	Orange	Terry
Bailey	Coryell	Hardin	Lamb	Palo Pinto	Titus
Bastrop	Crosby	Harrison	Leon	Panola	Trinity
Bee	Dawson	Haskell	Liberty	Polk	Tyler
Bell	Delta	Henderson	Limestone	Real	Upshur
Bosque	Dickens	Hidalgo	Llano	Red River	Uvalde
Bowie	Duval	Hill	Madison	Refugio	Val Verde
Briscoe	El Paso	Houston	Marion	Robertson	Van Zandt
Brooks	Ellis	Hudspeth	Matagorda	Rusk	Walker
Brown	Falls	Hunt	Maverick	Sabine	Waller
Burleson	Fannin	Hutchinson	McCulloch	San Augustine	Webb
Caldwell	Floyd	Jasper	Milam	San Jacinto	Wharton
Calhoun	Franklin	Jefferson	Mitchell	San Patricio	Wilbarger
Cameron	Freestone	Jim Hogg	Morris	Shelby	Willacy
Camp	Gray	Jim Wells	Nacogdoches	Smith	Wood
Cass	Grimes	Jones	Navarro	Somervell	Zapata
Cherokee	Hale	Kaufman	Newton	Starr	Zavala

Outreach

To ensure the accessibility to program information, TxDOT makes the information available through a variety of mediums and formats. In November 2021, 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 district offices via the Intranet site *Crossroads*.

FY 2022 Commission and Department Actions

By Minute Order 116142 dated October 28, 2021, the commission certified the FY 2022 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 2022 program.

Summary

For FY 2022, TxDOT district engineers granted adjustments on 29 projects in 9 counties. These local entities have saved an estimated \$10,995,519. See Table A-1 in Appendix.

Since the program's inception on January 1, 1998, the department has granted adjustments to over 1,196 projects in economically disadvantaged counties for an estimated savings to local governments of \$162,031,634, as shown in Table 2.

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	FY 2019	FY 2020	FY 2021
Savings	\$5,330,094	\$21,428,781	\$13,710,193	\$14,103,360	\$8,823,243	\$8,133,986
	FY 2022					
Savings	\$10,995,519					
					Total	\$162,031,634

APPENDIX

Table A-1

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Cameron	CCRMA	0921-06-344	Preliminary Construction Engineering	\$ 30,000
Cameron	City of Port Isabel	0921-06-351	Preliminary Construction Engineering	\$ 87,060
Cameron	City of Brownsville	0921-06-342	Preliminary Construction Engineering	\$ 60,705
Colman	Coleman County	0923-08-030	Preliminary Construction Engineering	\$ 17,993
Colman	City of Coleman	0923-08-030	Preliminary Construction Engineering	\$ 13,420
Colman	City of Coleman	0923-08-031	Preliminary Construction Engineering	\$ 14,127
Colman	City of Coleman	0923-08-032	Preliminary Construction Engineering	\$ 17,658
Colman	Coleman County	0923-08-035	Preliminary Construction Engineering	\$ 18,118

Table A-1 cont.

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Henderson	Henderson County	0910-34-038	Preliminary Construction Engineering	\$ 59,850
Hidalgo	City of Pharr	0921-02-436	Preliminary Construction Engineering	\$ 1,131,624
Hidalgo	Hidalgo County	0921-02-442	Preliminary Construction Engineering	\$ 2,541,440
Hidalgo	Hidalgo County	0921-02-447	Preliminary Construction Engineering	\$ 3,979,798
Hidalgo	City of Edinburg	0921-02-497	Preliminary Construction Engineering	\$ 162,749
Hidalgo	Hidalgo County	1803-01-092	Right of Way	\$ 452,120
Hidalgo	Hidalgo County	2094-01-062	Right of Way	\$ 1,082,543
Hidalgo	City of McAllen	2094-01-062	Right of Way	\$ 58,276
Hidalgo	Hidalgo County	2094-01-063	Right of Way	\$ 871,994

Table A-1 cont.

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Hidalgo	City of McAllen	2094-01-063	Right of Way	\$ 24,440
Smith	Smith County	0910-16-156	Preliminary Construction Engineering	\$ 38,669
Stephens	City of Breckenridge	0923-22-027	Preliminary Construction Engineering	\$ 27,680
Willacy	Willacy County	1430-01-031	Right of Way	\$ 48,503
Webb	Webb County	0922-33-185	Preliminary Construction Engineering	\$ 24,171
Webb	Webb County	0922-33-187	Preliminary Construction Engineering	\$ 26,616
Webb	Webb County	0922-33-196	Preliminary Construction Engineering	\$ 23,230
Webb	Webb County	0922-33-197	Preliminary Construction Engineering	\$ 26,616
Webb	Webb County	0922-33-198	Preliminary Construction Engineering	\$ 34,221

Table A-1 cont.

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Webb	Webb County	0922-33-199	Preliminary Construction Engineering	\$ 26,616
Van Zandt	City of Canton	0910-12-143	Preliminary Construction Engineering	\$ 56,379
Van Zandt	Van Zandt County	910-12-139	Preliminary Construction Engineering	\$ 38,903
Savings				\$ 10,995,519