

**April 2012
Cash Forecast**



***Texas
Department
of Transportation***

**Texas Department of Transportation
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April 2012 Forecast**

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Texas Department of Transportation

Executive Summary

April 2012 Forecast

Executive Summary

Forecasting of revenues, expenditures and fund balances is a critical function of the Texas Department of Transportation (TxDOT). The cash balance of the State Highway Fund (SHF) changes daily. Likewise, the needs of the traveling public and subsequent responsibilities of TxDOT continue to change. TxDOT maintains a primary obligation to the citizens of Texas to efficiently construct and maintain the best possible highway system with the resources available. Therefore, it is important for TxDOT to maintain a method by which revenue sources and expenditure needs can be tied together in an effort to project the future cash flows so that adjustments to project schedules or other expenditures may be made to maintain positive cash balances.

TxDOT monitors cash flows through the cash management system, which is strategically connected with the administrative, accounting, payment management, revenue collection, budgeting, letting and planning and programming activities of the department. The cash forecasting system is a vital and integral part of the cash management system. The forecast is used by TxDOT executive staff and the Finance Division to plan and implement highway construction and maintenance projects and is submitted to the Legislative Budget Board and other state agencies for their use and reference.

The Financial Planning Group (FPG) meets quarterly to review TxDOT's financial status. The FPG consists of the Executive Director, Deputy Executive Director, Chief Financial Officer, Assistant Executive Directors, various division and office directors, and other relevant staff. These meetings provide for group discussion and action on issues affecting the TxDOT's operations and finances, such as contract letting.

The content of the cash forecast includes revenue and expenditure projections, historical revenue and expenditures, and monthly ending and lowest daily balances for the various funding sources appropriated to TxDOT. The forecast also includes revenue and expenditure activity from other agencies operating in the SHF. A chart of the actual and projected SHF balance is included on page 5 to provide a picture of the cash position at a glance.

Future revenues are projected based on financial analysis that includes historical trends, current statutes, the Comptroller's Biennial Revenue Estimate (BRE), current events and other sources as appropriate. Federal highway reimbursement projections also take into account the current highway bill, continuing resolutions, rescissions on obligation authority and apportionment, and other requirements made by the Federal Highway Administration (FHWA) and the Federal government for the use of those funds.

Future expenditures are projected based on budgets established within the framework of the General Appropriations Act (GAA), contract letting amounts in TxDOT's ten year Unified Transportation Program (UTP), remaining obligations on previously let projects and other relevant data. To account for the effects of inflation, additional programs, legislative changes, etc., the forecast adds a percentage of total expenditures less contractor payments to a growth expenditure line item.

Historical revenue and expenditure data is balanced monthly to the Comptroller's Uniform Statewide Accounting System (USAS) before inclusion in the cash forecast. The total USAS balance in the SHF includes dedicated and obligated funds; therefore ending balances in the cash forecast that take those into account may differ from the USAS total. For example, the Dallas area SH121 Toll Project led to an initial deposit of \$3.197 billion into a dedicated subaccount in the SHF for future use by that region. That balance is legally unavailable for general use and is subtracted from the SHF balance when determining the operating balance of the fund.

TxDOT forecasts monthly Ending Balances and Lowest Daily Balances to manage SHF cash flow through the budget and letting process and through the use of short-term borrowing. Historically, TxDOT could not borrow funds. The 78th Legislature provided that capability, and TxDOT now manages \$16-\$18 billion in yearly SHF transactions with a goal of maintaining an average daily operating balance below \$100 million. This permits TxDOT to maximize the use of available cash in the SHF while allowing for daily balance swings caused by the timing of revenue and expenditures.

The cash forecast spans multiple funding sources, including the SHF, Texas Mobility Fund (TMF) Bond Proceeds, Proposition 14 Bond Proceeds, Proposition 12 Bond Proceeds, SH 121 Toll Project Revenue, SH 130 Concession Funds, SH 161, American Recovery and Reinvestment Act (ARRA), and General Revenue. The cash forecast takes into account the restrictions on the use of those funds, timing issues related to cash flow from revenue and expenditures, Federal and state regulations, economic uncertainty, other agency operations in the SHF and many other variables.

The cash forecast makes assumptions when projecting future revenue and expenditures. Notable assumptions and changes from previous forecasts are summarized below.

Assumptions

- Revenue growth per year: Vehicle Registration Fees 2.38% + 10% county retainage for FY2012-FY2015, then 2.38% for FY2016-FY2022, State motor fuels tax for FY2012-FY2022 is forecast based on 0.75% growth for gasoline while diesel grows at the projected gross state product of 2.95%, Lubricants Tax based on the Biennial Revenue Estimate for FY2012 then varies according to the Comptroller's gross state product (GSP) projections, miscellaneous revenue 1%. Some figures may not exactly match the percentages above due to rounding.
- State Highway Fund MFT receipts for July and August 2013 (FY2013) will be received in September 2013 (FY2014) per statute. Short-term borrowing is expected to be issued to cover the delay in receipt of the revenue (approximately \$400M).
- Proposition 14 debt service is based on issuing a total of \$6.0B in State Highway Fund bonds.
- Texas Emissions Reduction Program (TERP) continues through FY2019.
- Other Expansion and Growth increases at 5% annually to account for future increases to TxDOT, inflation, new legislation, etc. The calculation does not include other agencies' expenditures, TxDOT contractor payments, nor payments for debt service or pass-through finance agreements.
- PE/CE projections are approximately 15% of letting and right-of-way projections are approximately 5% for FY2014-FY2022.
- The Transportation Commission has authorized execution of a toll equity loan to NTTA for eligible expenses related to the SH 161 and/or Southwest Parkway – Chisholm Trail projects. When such a loan is executed, the Department would make annual loans available to NTTA that could total \$1.1B over ten years, with an overall total of \$8.2B through FY2042 possible. These amounts are not included in the cash forecast at this time.
- Due to the timing lag between the initial receipt of ARRA reimbursements into Fund 6 and the subsequent transfer of those funds into Fund 369 under Comptroller guidelines, the "FHWA Reimbursements" shown on page 6 of 14 were inflated by the amount of the ARRA reimbursements for the previous month during FY2009-FY2011. Transfer adjustments were made monthly to compensate. Beginning in June 2011, accounting procedures were revised to minimize the effect.
- In the absence of a new federal highway bill to replace SAFETEA-LU, which expired in 2009, Obligation Authority (OA) projections are based on the fiscally constrained approach of using a historical rate of return on taxes and fees sent from Texas to the Highway Trust Fund (HTF). The projected OA levels are lower than recent SAFETEA-LU years, during which more OA was distributed nationwide than revenue coming into the HTF. This caused Congress to take the unusual step of making several large transfers totaling \$32.7B from general revenue to support the HTF. There is no indication that those transfers would continue in the next highway bill. Highway funding has been operating under short-term continuing resolutions since 2009. In November 2011, President Obama signed a spending package for FY2012 (HR 2112) that included a 4.8% reduction in obligation limitation. Negotiations for a long-term highway bill that would continue higher levels of funding are ongoing in the House and Senate, however, the source of the additional funding needed to maintain those levels has not yet been identified. In the event that future federal funds are higher than projected HTF levels, additional OA would be discussed with the Transportation Commission for project selection.
- **This forecast does not fully reflect the \$2.0B of funds recently announced by the Transportation Commission. Adjustments will be made to a future forecast to fully reflect the allocation of those funds.**

Changes from March 2012 Cash Forecast

- Updated with actual revenue and expenditures for the month of March 2012.
- Updated the projected expenditures for both active and future projects.
- Updated projections for Pass-through Finance and Toll Equity projects

Significant variances from March 2012 Cash Forecast

- No significant variances.

Impact of the projected letting schedule on cash balances

- The current letting schedule, when combined with previous obligations, lower than expected progress payments for construction projects, Proposition 14 debt service savings, operating costs, and other agency expenditures results in a projected SHF ending balance of \$340,713,896 in FY2012. See pg 6.

**Texas Department of Transportation
Total Letting Amounts
April 2012 Forecast**

Letting Program

Funding Source	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
State Highway Fund ¹	1,525,402,068	1,650,579,965	2,093,262,157	2,700,838,660	2,657,753,901	2,750,812,181	2,487,947,030	2,401,964,201	2,436,268,113	2,491,768,118	2,521,024,066	2,557,100,002	2,532,564,048	2,557,209,996
Texas Mobility Fund	-	3,988,832	298,717,629	16,500,000	-	-	-	-	-	-	-	-	-	-
Proposition 14	300,936,080	596,699,992	339,189,995	355,430,000	163,840,000	-	-	-	-	-	-	-	-	-
Proposition 12	-	432,136,301	555,658,734	1,174,210,453	1,207,872,843	-	-	-	-	-	-	-	-	-
SH 121	272,801,957	138,542,739	302,627,396	296,347,090	316,861,641	78,682,621	244,420,600	12,190,999	-	-	-	-	-	-
SH 130 (Seg. 5 & 6)	-	-	-	2,000,000	4,300,000	6,000,000	6,000,000	5,000,000	4,500,000	6,000,000	6,000,000	7,000,000	7,000,000	7,000,000
SH 161	-	-	-	17,000,000	-	-	90,360,000	-	-	-	-	-	-	-
Federal Economic Stimulus (ARRA)	478,953,183	1,180,826,386	89,523,699	-	-	-	-	-	-	-	-	-	-	-
Total Letting	2,578,093,288	4,002,774,215	3,678,979,610	4,562,326,203	4,350,628,385	2,835,494,802	2,828,727,630	2,419,155,200	2,440,768,113	2,497,768,118	2,527,024,066	2,564,100,002	2,539,564,048	2,564,209,996

Comprehensive Development Agreements (CDAs)

Funding Source	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
State Highway Fund ¹	1,533,088,768	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Funds	73,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Economic Stimulus (ARRA)	250,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
SH 121	100,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Private ²	3,827,807,407	-	-	-	-	-	-	-	-	-	-	-	-	-
Total CDA Letting³	5,783,896,175	-	-	-	-	-	-	-	-	-	-	-	-	-

Grand Total Project Awards	8,361,989,463	4,002,774,215	3,678,979,610	4,562,326,203	4,350,628,385	2,835,494,802	2,828,727,630	2,419,155,200	2,440,768,113	2,497,768,118	2,527,024,066	2,564,100,002	2,539,564,048	2,564,209,996
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Ongoing CDA O&M (Private) ⁴	4,000,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Total CDA Value	9,783,896,175	-	-	-	-	-	-	-	-	-	-	-	-	-

Letting is a contract award amount. The letting figures above will have cash expenditures during the year of letting and during future years until the projects are completed. Subsequent pages of this forecast depict the actual and projected cash expenditures resulting from these letting amounts.

¹FY2009-FY2011 SHF letting does not include funds committed over time for the CDAs in the Dallas area. See footnote #3 below for more information on the CDAs. Does not include Pass-through Finance projects, Local Bond Sales, Ferry or Right-of-Way letting.

²Comprehensive Development Agreements do not go through the traditional statewide letting process and are therefore listed separately. TxDOT's total participation for Comprehensive Development Agreements awarded by the Commission to the Dallas-Fort Worth region is \$1.533 billion, which will be charged to the letting program over a three year period beginning in FY 2009. Payments will occur over an approximately five year period in accordance with the agreements. The figures include right-of-way and engineering costs in addition to the construction costs. The figures do not include ongoing Operations and Maintenance expenditures nor financing costs, and for the NTE and LBJ projects this will be the responsibility of the private developer.

³Total CDA letting amount does not include right-of-way costs approved as part of the project cost.

⁴Ongoing operations and maintenance costs are the responsibility of the private developer. These costs are a significant part of the total value of the CDA projects, and that additional value is represented in the grey box below the letting totals.

**Texas Department of Transportation
Total Expenses
April 2012 Forecast**

BASE CASE

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
<u>Expenses</u>														
Research	21,328,177	22,163,580	21,861,349	22,071,513	22,079,610	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000
Engineering	531,133,252	537,775,724	508,750,347	750,830,694	615,632,445	745,604,253	496,080,205	436,018,597	418,974,167	400,000,000	400,000,000	410,500,000	400,000,000	400,000,000
Right-of-Way	475,680,616	327,074,522	402,020,552	845,778,889	534,607,625	354,439,984	295,986,108	127,017,912	140,000,000	123,000,000	125,000,000	126,000,000	125,000,000	125,000,000
Plan It	1,028,142,045	887,013,826	932,632,249	1,618,681,095	1,172,319,680	1,122,144,237	814,166,313	585,136,509	581,074,167	545,100,000	547,100,000	558,600,000	547,100,000	547,100,000
Build It	1,939,664,438	1,265,224,288	2,475,100,631	2,354,065,461	2,913,085,544	3,065,572,593	2,859,473,893	2,037,018,256	1,510,154,618	1,238,329,705	1,076,963,233	1,054,981,160	1,026,630,279	1,002,856,364
Maintain It	3,404,172,981	3,341,099,288	2,913,150,917	3,440,177,107	3,673,760,306	3,555,976,332	3,417,919,407	3,095,877,194	3,019,757,265	3,041,871,907	3,002,262,788	3,050,638,227	3,083,976,434	3,134,733,934
Use It	253,018,893	204,760,106	161,840,006	182,373,601	182,433,653	182,438,616	182,438,616	182,438,616	182,438,616	182,438,616	182,438,616	182,438,616	182,438,616	182,438,616
Manage It	173,192,350	190,641,329	194,253,657	207,532,060	205,096,689	205,097,000	205,097,000	205,097,000	205,097,000	205,097,000	205,097,000	205,097,000	205,097,000	205,097,000
*Short-Term Borrowing D/S	338,825,402	299,231,244	70,862,552	3,012,383	3,000,000	403,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
*Proposition 14 Debt Service	329,359,652	254,353,354	317,570,500	314,680,873	431,505,320	431,505,573	431,505,310	431,512,637	431,508,147	431,506,805	431,505,409	431,514,667	431,504,193	455,006,971
Texas Mobility Fund Debt Service	261,397,789	296,534,030	327,004,614	336,420,241	349,167,261	353,833,289	358,578,801	363,372,625	368,263,703	373,891,669	378,897,662	384,382,449	389,806,446	396,332,284
*Proposition 12 Debt Service	-	-	21,939,464	63,556,743	192,969,471	323,558,493	323,557,493	323,559,493	323,556,743	323,556,343	323,557,343	323,249,471	322,914,912	322,914,912
**Inflation / Additional Programs	-	-	-	-	-	135,699,996	259,599,996	383,600,004	507,699,996	631,800,000	756,000,000	880,299,996	1,004,600,004	1,004,600,004
Total Expenses	7,727,773,551	6,738,857,465	7,414,354,589	8,520,499,564	9,123,337,923	9,778,826,130	8,855,336,828	7,610,612,334	7,132,550,254	6,976,592,044	6,906,822,050	7,074,201,585	7,197,067,884	7,254,080,086
<u>Funding Source</u>														
State Highway Fund ¹	5,740,719,681	4,523,511,648	4,797,442,271	5,709,830,948	6,168,946,444	6,767,456,249	6,458,511,975	5,872,293,798	5,886,157,845	6,059,709,805	6,121,927,746	6,300,793,046	6,448,319,238	6,499,656,691
Texas Mobility Fund - Bond Proceeds ²	645,797,862	248,828,710	174,221,216	263,310,648	123,514,106	361,289,289	129,335,941	26,148,768	-	-	-	-	-	-
Texas Mobility Fund - Taxes and Fees ³	261,397,789	282,829,959	292,048,712	313,116,307	325,863,327	330,529,355	335,274,866	340,068,691	344,959,769	350,587,735	355,593,728	361,078,515	366,510,401	373,049,952
Proposition 14 ⁴	500,361,887	589,089,944	635,939,247	436,273,427	482,732,395	541,507,843	236,605,569	79,052,289	17,174,601	956,620	-	-	-	-
Proposition 12 ⁵	-	-	286,479,426	894,180,517	1,107,691,445	964,753,388	710,444,001	574,028,495	291,291,971	62,999,258	25,697,019	17,997,940	851,090	-
SH 121 ⁶	532,480,536	292,405,687	307,537,835	415,322,075	509,630,402	341,922,668	519,965,780	298,987,201	188,885,929	121,302,151	22,566,082	12,602,481	-	-
SH 130 (Seg. 5 & 6) ⁷	-	-	6,027,947	2,061,600	4,300,000	6,000,000	6,000,000	5,000,000	4,500,000	6,000,000	6,000,000	7,000,000	7,000,000	7,000,000
SH 161 ⁸	-	-	-	37,236,076	22,527,967	9,985,958	25,823,273	39,993,467	24,543,264	-	-	-	-	-
Federal Economic Stimulus (ARRA) ⁹	47,015,796	766,157,548	837,738,494	334,140,522	133,682,234	80,342,755	58,337,798	-	-	-	-	-	-	-
Build America Bond Subsidies ¹⁰	-	13,704,071	59,016,212	62,876,128	62,876,128	62,876,128	62,876,128	62,876,128	62,876,128	62,876,128	62,876,128	62,565,373	62,223,388	61,853,077
GR - Debt Service ¹¹	-	15,675,730	15,598,246	51,013,673	180,426,401	311,015,423	311,014,423	311,016,423	311,013,673	311,013,273	311,014,273	311,017,156	311,016,693	311,373,291
General Revenue (GR) ¹²	-	6,654,168	2,304,983	1,137,644	1,147,075	1,147,075	1,147,075	1,147,075	1,147,075	1,147,075	1,147,075	1,147,075	1,147,075	1,147,075
Total Funds	7,727,773,551	6,738,857,465	7,414,354,589	8,520,499,564	9,123,337,924	9,778,826,130	8,855,336,829	7,610,612,334	7,132,550,254	6,976,592,045	6,906,822,050	7,074,201,586	7,197,067,884	7,254,080,086

* Includes debt service paid from GR.

Figures do not include TxDOT employee benefits (insurance premiums, Social Security, etc.) paid by other agencies.

¹ See page 6 of 14 of this forecast for details.

² See page 7 of 14 of this forecast for details.

³ See page 8 of 14 of this forecast for details.

⁴ See page 9 of 14 of this forecast for details.

⁵ See page 10 of 14 of this forecast for details. Amount and timing of funds for Proposition 12 to be determined.

⁶ See page 11 of 14 of this forecast for details.

⁷ See page 12 of 14 of this forecast for details.

⁸ See page 13 of 14 of this forecast for details.

⁹ See page 14 of 14 of this forecast for details.

¹⁰ Build America Bond subsidies are tax credit bonds introduced as part of the February 2009 American Recovery and Reinvestment Act (ARRA) and are administered by the Treasury Department. BABs are in use or planned to be in use for portions of the Proposition 14, TMF and Proposition 12 bond programs.

¹¹ Appropriation of \$300M of General Revenue (GR) for debt service provided through Article IX Sec 19.80 of 2008-09 General Appropriations Act (GAA). Appropriation of \$15.7M for debt service provided through 2010-2011 General Appropriations Act (GAA).

¹² Forecasts prior to FY2010 did not include GR.

* Proposition 12 Debt Service is based on issuing the entire \$5B of proceeds. Short-term borrowing includes \$3M/year of line of credit fees and an estimated \$400M to be repaid in FY2014 due to the statutory delay in receiving the motor fuels tax in July and August 2013.

** Inflation / Additional Programs refers to increased non-letting and other costs from inflationary factors and to any change in appropriation or statute requiring expenditures from the State Highway Fund in areas not previously receiving those funds.

**Texas Department of Transportation
Bond Programs - Debt Service
April 2012 Forecast**

BASE CASE

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
<u>Expenses</u>														
Texas Mobility Fund	261,397,789	296,534,030	327,004,614	336,420,241	349,167,261	353,833,289	358,578,801	363,372,625	368,263,703	373,891,669	378,897,662	384,382,449	389,806,446	396,332,284
Proposition 14	329,359,652	254,353,354	317,570,500	314,680,873	431,505,320	431,505,573	431,505,310	431,512,637	431,508,147	431,506,805	431,505,409	431,514,667	431,504,193	455,006,971
Proposition 12 ¹	-	-	21,939,464	63,556,743	192,969,471	323,558,493	323,557,493	323,559,493	323,556,743	323,556,343	323,557,343	323,249,471	322,914,912	322,914,912
Total Expenses	590,757,441	550,887,384	666,514,578	714,657,856	973,642,052	1,108,897,355	1,113,641,603	1,118,444,755	1,123,328,592	1,128,954,816	1,133,960,413	1,139,146,586	1,144,225,550	1,174,254,168
<u>Funding Source</u>														
Texas Mobility Fund - Taxes & Fees ²	261,397,789	282,829,959	292,048,712	313,116,307	325,863,327	330,529,355	335,274,866	340,068,691	344,959,769	350,587,735	355,593,728	361,078,515	366,510,401	373,049,952
Build America Bond Subsidies ⁴	-	13,704,071	34,955,901	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,296,045	23,282,332
TMF Total	261,397,789	296,534,030	327,004,614	336,420,241	349,167,261	353,833,289	358,578,801	363,372,625	368,263,703	373,891,669	378,897,662	384,382,449	389,806,446	396,332,284
State Highway Fund ³	329,359,652	238,677,624	299,851,408	287,651,749	404,476,196	404,476,450	404,476,186	404,483,514	404,479,023	404,477,681	404,476,285	404,485,543	404,475,069	427,977,848
General Revenue (GR) ³	-	15,675,730	-	-	-	-	-	-	-	-	-	-	-	-
Build America Bond Subsidies ⁴	-	-	17,719,092	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124
Proposition 14 Total	329,359,652	254,353,354	317,570,500	314,680,873	431,505,320	431,505,574	431,505,310	431,512,638	431,508,147	431,506,805	431,505,409	431,514,667	431,504,193	455,006,972
General Revenue (GR) ⁵	-	-	15,598,246	51,013,673	180,426,401	311,015,423	311,014,423	311,016,423	311,013,673	311,013,273	311,014,273	311,017,156	311,016,693	311,373,291
Build America Bond Subsidies ⁴	-	-	6,341,219	12,543,070	12,543,070	12,543,070	12,543,070	12,543,070	12,543,070	12,543,070	12,543,070	12,232,315	11,898,219	11,541,621
Proposition 12 Total	-	-	21,939,464	63,556,743	192,969,471	323,558,493	323,557,493	323,559,493	323,556,743	323,556,343	323,557,343	323,249,471	322,914,912	322,914,912
Total Funds	590,757,441	550,887,384	666,514,578	714,657,857	973,642,052	1,108,897,356	1,113,641,603	1,118,444,755	1,123,328,593	1,128,954,817	1,133,960,413	1,139,146,587	1,144,225,551	1,174,254,168

¹Proposition 12 debt service assumes the entire \$5B will be issued.

²The Texas Mobility Fund, made up of taxes and fees set aside by statute for that purpose, repays the principal and interest for the Texas Mobility Fund bond program.

³The State Highway Fund repays the majority of the principal and interest for the Proposition 14 bond program. General Revenue was also appropriated for FY2008 and FY2010.

⁴Build America Bond subsidies are tax credit bonds introduced as part of the February 2009 American Recovery and Reinvestment Act (ARRA) and are administered by the Treasury Department. BABs are in use for portions of the Proposition 14, TMF and Proposition 12 bond programs.

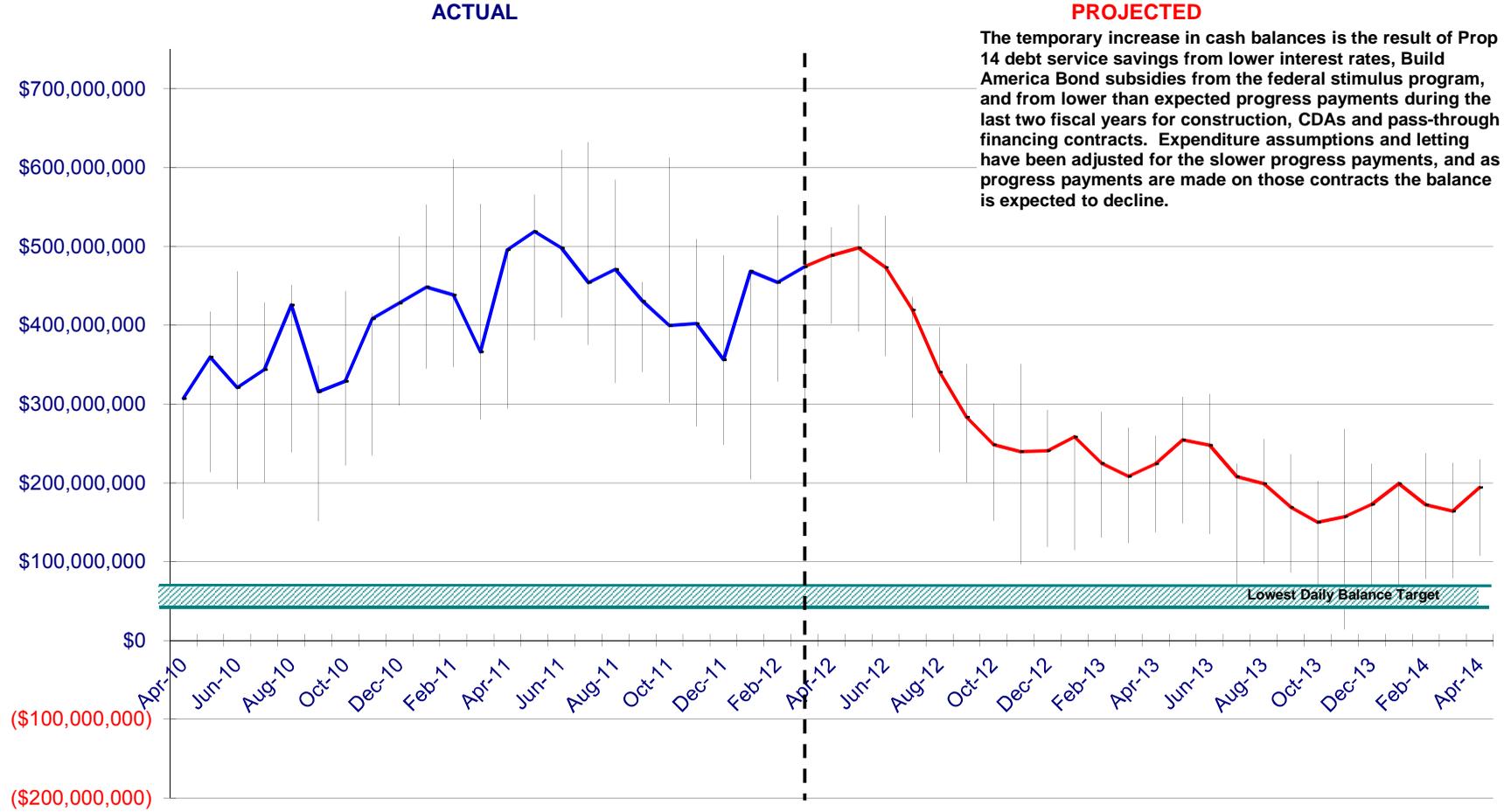
⁵General Revenue repays the principal and interest for the Proposition 12 bond program. Some GR was also appropriated for Proposition 14 debt service in FY2008 and FY2010.

**State Highway Fund
Operating Balance
as of March 31, 2012**

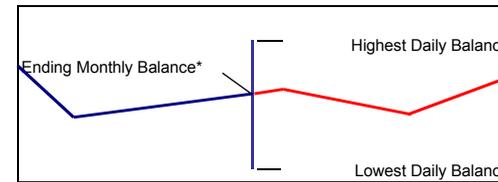
USAS Ending Balance	3,567,268,621.48
Less dedicated/obligated funds:	
SH 121	(2,169,139,263.15)
Prop 14 / SHF Bonds	(567,773,208.13)
SH 130 (Segments 5 & 6)	(11,833,033.46)
State Infrastructure Bank	(132,841,504.73)
North Tarrant Express Mobility Partners	(169,783.13)
SH 161	(201,359,723.05)
CTTS Holding	(10,175,312.16)
Ending Balance	473,976,793.67
Cash Reserved for Payroll	(100,149,959.82)
Remaining Balance for Operations	373,826,833.85

Short-term borrowing outstanding 0.00

Operating Balance of the State Highway Fund No. 006



PROJECTED
The temporary increase in cash balances is the result of Prop 14 debt service savings from lower interest rates, Build America Bond subsidies from the federal stimulus program, and from lower than expected progress payments during the last two fiscal years for construction, CDAs and pass-through financing contracts. Expenditure assumptions and letting have been adjusted for the slower progress payments, and as progress payments are made on those contracts the balance is expected to decline.



* For the monthly ending balances, the actual months are to the left of the dashed line and the projected months are to the right of the dashed line.

**Texas Department of Transportation
State Highway Fund Operating Account - Cash Forecast
April 2012 Forecast**

BASE CASE

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
Beginning Balance	158,500,284	191,858,591	425,861,032	470,872,373	340,713,896	199,033,976	227,000,810	172,248,738	238,071,733	267,681,320	225,818,929	127,730,419	47,339,872	(83,430,449)
Revenues														
State Gas Tax ¹	2,226,595,797	2,226,993,247	2,275,343,954	2,302,448,313	1,930,776,041	2,763,623,000	2,393,140,000	2,424,586,000	2,456,666,000	2,489,397,000	2,522,795,000	2,556,878,000	2,591,664,000	2,627,171,000
Registration Fees	1,066,233,490	1,111,312,936	1,139,769,070	1,237,741,673	1,195,580,002	1,236,030,000	1,277,450,000	1,307,850,000	1,338,980,000	1,370,850,000	1,403,470,000	1,436,870,000	1,471,070,000	1,506,084,000
FHWA Reimbursements	2,478,111,023	1,678,115,100	1,890,192,837	2,521,561,233	2,961,885,292	3,256,450,319	3,327,172,891	2,798,872,626	2,710,938,660	2,746,723,395	2,686,809,622	2,727,384,340	2,751,379,917	2,794,625,526
Other Fed Reimbursements	234,367,768	227,526,568	169,633,866	190,235,032	190,253,488	190,253,000	190,253,000	190,253,000	190,253,000	190,253,000	190,253,000	190,253,000	190,253,000	190,253,000
Build America Bonds ²	-	-	17,719,092	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124
Short-Term Borrowing ¹	445,000,000	60,000,000	-	-	400,000,000	-	-	-	-	-	-	-	-	-
Other	450,995,049	452,961,224	356,913,818	412,823,440	415,740,319	417,625,639	285,884,886	288,310,043	292,330,647	295,703,897	297,304,490	298,460,034	302,624,876	306,278,876
Total Revenues	6,901,303,127	5,756,909,075	5,849,572,637	6,691,838,815	7,121,264,266	7,891,011,082	7,500,929,901	7,036,900,793	7,016,197,431	7,119,956,416	7,127,661,236	7,236,874,498	7,334,020,917	7,451,441,526
Available	7,059,803,411	5,948,767,666	6,275,433,669	7,162,711,188	7,461,978,162	8,090,045,058	7,727,930,711	7,209,149,531	7,254,269,164	7,387,637,736	7,353,480,165	7,364,604,917	7,381,360,789	7,368,011,077
Expenses														
Research	21,328,177	22,163,580	21,861,349	22,071,513	22,079,610	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000	22,100,000
Engineering	397,671,857	405,744,830	381,440,433	483,491,304	448,438,904	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000
Right-of-Way	229,729,431	211,550,065	115,983,381	244,099,091	100,865,604	117,000,000	119,000,000	120,000,000	121,000,000	123,000,000	125,000,000	125,000,000	125,000,000	125,000,000
Plan It	648,729,465	639,458,475	519,285,163	749,661,908	571,384,118	539,100,000	541,100,000	542,100,000	543,100,000	545,100,000	547,100,000	547,100,000	547,100,000	547,100,000
Build It	976,516,528	355,819,265	1,287,745,156	1,147,749,952	1,403,840,470	1,518,187,225	1,576,344,865	1,114,226,613	1,041,697,097	1,056,012,438	1,024,279,758	1,028,957,913	1,018,779,189	995,856,364
Maintain It	3,021,077,391	2,599,944,510	2,264,732,480	3,132,986,939	3,399,862,393	3,380,604,037	3,287,602,387	3,038,495,126	2,999,793,188	3,032,931,145	3,000,683,162	3,050,561,053	3,083,976,434	3,134,733,934
Use It	253,018,893	199,739,202	160,711,856	181,235,957	181,286,578	181,291,541	181,291,541	181,291,541	181,291,541	181,291,541	181,291,541	181,291,541	181,291,541	181,291,541
Manage It	173,192,350	190,641,329	194,253,657	207,532,060	205,096,689	205,097,000	205,097,000	205,097,000	205,097,000	205,097,000	205,097,000	205,097,000	205,097,000	205,097,000
*Short-Term Borrowing D/S	338,825,402	299,231,244	70,862,552	3,012,383	3,000,000	403,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
*Prop 14 Debt Service	329,359,652	238,677,624	299,851,408	287,651,749	404,476,196	404,476,450	404,476,186	404,483,514	404,479,023	404,477,681	404,476,285	404,485,543	404,475,069	427,977,848
Inflation / Additional Programs	-	-	-	-	-	135,699,996	259,599,996	383,600,004	507,699,996	631,800,000	756,000,000	880,299,996	1,004,600,004	1,004,600,004
TxDOT State Highway Fund Total³	5,740,719,681	4,523,511,648	4,797,442,271	5,709,830,948	6,168,946,444	6,767,456,249	6,458,511,975	5,872,293,798	5,886,157,845	6,059,709,805	6,121,927,746	6,300,793,046	6,448,319,238	6,499,656,691
Other Agencies ⁴	913,164,821	777,885,489	787,130,732	886,180,207	864,636,440	866,188,000	867,770,000	869,384,000	871,030,000	872,709,000	874,422,000	878,072,000	878,072,000	878,072,000
Other Agencies for TxDOT	214,060,315	221,509,477	219,950,263	225,986,136	229,361,299	229,400,000	229,400,000	229,400,000	229,400,000	229,400,000	229,400,000	229,400,000	229,400,000	229,400,000
Total Expenses	6,867,944,817	5,522,906,614	5,804,523,266	6,821,997,291	7,262,944,183	7,863,044,249	7,555,681,975	6,971,077,798	6,986,587,845	7,161,818,805	7,225,749,746	7,317,265,046	7,464,791,238	7,516,128,691
Ending Balance⁵	191,858,591	425,861,032	470,872,373	340,713,896	199,033,976	227,000,810	172,248,738	238,071,733	267,681,320	225,818,929	127,730,419	47,339,872	(83,430,449)	(148,117,616)
Lowest Daily Balance	2,965,431	1,431,108	180,567,367	204,205,570	70,879,417	13,630,451	15,290,356	(11,053,560)	56,148,293	69,011,037	(1,665,113)	(84,200,076)	(210,603,304)	(282,536,130)
Traditional Letting CDAs ⁶	1,525,402,068	1,650,579,965	2,093,262,157	2,700,838,660	2,657,753,901	2,750,812,181	2,487,947,030	2,401,964,201	2,436,268,113	2,491,768,118	2,521,024,066	2,557,100,002	2,532,564,048	2,557,209,996
CDAs	585,000,000	585,000,000	489,000,000	-	-	-	-	-	-	-	-	-	-	-
Total	2,110,402,068	2,235,579,965	2,582,262,157	2,700,838,660	2,657,753,901	2,750,812,181	2,487,947,030	2,401,964,201	2,436,268,113	2,491,768,118	2,521,024,066	2,557,100,002	2,532,564,048	2,557,209,996
Project Conversions	-	(136,193,751)	(63,806,249)	-	-	-	-	-	-	-	-	-	-	-

*** Excludes debt service paid from GR.**

¹Current statute delays the receipt of the July and August 2013 (FY2013) state motor fuels tax deposits, projected to total about \$400M, until September 2013 (FY2014). Short-term borrowing is projected in FY2013 to cover expenditures during the delay, and repayment of those funds is projected once the revenue is received in FY2014. Maintaining the capacity for short-term borrowing requires a line of credit fee of about \$3M per year.

²Build America Bond subsidies are tax credit bonds introduced as part of the February 2009 American Recovery and Reinvestment Act (ARRA) and are administered by the Treasury Department. BABs are in use or planned to be in use for portions of the Proposition 14, TMF and Proposition 12 bond programs.

³TxDOT State Highway Fund total, less Build America Bond subsidy (BABS), is also reflected on page 4 of 14 under "Funding Source"

⁴Other Agencies expenditures drop beginning in FY2020 due to the expiration of the Texas Emissions Reduction Program (TERP) transfer from the State Highway Fund.

⁵Ending balance does not include approximately \$45M of \$200M of Proposition 14 project conversions. Proposition 14 conversions will be included in the forecast as they are identified. Due to the updated revenue and expenditure forecast, these funds will be brought to the Commission during the UTP planning process for allocation.

⁶State assistance for Comprehensive Development Agreements to be paid from the State Highway Fund, estimated. The three CDAs were executed previously, but the state's participation is to be charged to letting caps over a three-year period.

Note: Projected revenue is based on current information available at the time of the forecast. Expenditures are based on historical information with adjustments for inflation or other known factors. Future fiscal year expenditures and letting amounts may be adjusted for forecast purposes only, based on available revenue projections. Actual budgets and lettings in those years will depend upon current law and the direction of the Legislature, Transportation Commission and TxDOT Administration.

Texas Department of Transportation
Texas Mobility Fund
Bond Proceeds¹
April 2012 Forecast

BASE CASE

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
Beginning Balance	651,836,612	1,206,754,385	957,925,675	783,704,459	520,393,812	396,879,706	35,590,417	(93,745,524)	(119,894,292)	(119,894,292)	(119,894,292)	(119,894,292)	(119,894,292)	(119,894,292)
Revenues														
Bond Proceeds	1,200,715,634	-	-	-	-	-	-	-	-	-	-	-	-	-
Available	1,852,552,247	1,206,754,385	957,925,675	783,704,459	520,393,812	396,879,706	35,590,417	(93,745,524)	(119,894,292)	(119,894,292)	(119,894,292)	(119,894,292)	(119,894,292)	(119,894,292)
Expenses														
Engineering ³	96,430,180	55,647,558	39,935,331	63,752,110	5,000,000	162,000,000	-	-	-	-	-	-	-	-
Right-of-Way ³	148,725,930	57,047,819	97,089,248	57,044,871	37,883,100	81,000,000	-	-	-	-	-	-	-	-
Plan It	245,156,110	112,695,377	137,024,579	120,796,981	42,883,100	243,000,000	-	-	-	-	-	-	-	-
Build It ²	400,641,752	136,133,333	37,196,637	142,513,667	80,631,006	118,289,289	129,335,941	26,148,768	-	-	-	-	-	-
Maintain It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manage It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	645,797,862	248,828,710	174,221,216	263,310,648	123,514,106	361,289,289	129,335,941	26,148,768	-	-	-	-	-	-
Ending Balance	1,206,754,385	957,925,675	783,704,459	520,393,812	396,879,706	35,590,417	(93,745,524)	(119,894,292)						
Letting	-	3,988,832	298,717,629	16,500,000	-	-	-	-	-	-	-	-	-	-
Project Conversions														

¹Texas Mobility Fund (TMF) Bond Proceeds are forecast separately from TMF Taxes & Fees as the proceeds fund project expenditures, not debt service. See page 8 of 14 for details. The ending balances forecast are due to one or more of the following: project over runs, increased obligations, and project conversion from another funding source. Obligations are continually monitored and will be adjusted to fully utilize, and stay within, the amount of proceeds issued.

²Build It assumes \$74.7M for the DART project in FY2014 - FY2015 (FTW and NCTCOG) based on the draft 2012 UTP. Another \$25.3M for DART was not identified in the UTP and is not included. Build It also assumes \$350M for the Grand Parkway project. For forecast purposes, the full \$350M is currently reflected on the bond proceeds page. However, \$150M is expected to be from TMF bond proceeds and \$200M is expected to be from TMF taxes and fees revenue (page 8 of 14). The ending balance shown here is understated due to the inclusion of the \$200M of expenditures that will come from TMF taxes and fee revenue.

³Engineering and ROW obligations shown in FY2014 are being discussed with the Regions for possible reallocation upon Commission approval.

Texas Department of Transportation
Texas Mobility Fund
Taxes and Fees¹
April 2012 Forecast

BASE CASE

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
Beginning Balance	304,071,959	376,323,499	432,384,964	507,392,784	554,683,478	584,301,936	615,507,190	648,336,853	682,862,033	719,107,144	756,457,983	795,662,229	836,367,401	878,756,477
Revenues²														
Statewide Traffic Fine	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Driver Resp Act	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Driver's License Fees	102,032,195	99,644,788	126,527,352	114,112,000	117,558,000	119,321,000	121,111,000	122,928,000	124,772,000	126,644,000	128,544,000	130,472,000	132,429,000	134,415,000
Driver Record Info Fees	57,730,480	55,955,771	57,119,319	57,647,000	58,512,000	59,390,000	60,281,000	61,185,000	62,103,000	63,035,000	63,981,000	64,941,000	65,915,000	66,904,000
Vehicle Inspection Fees	83,432,592	88,892,805	90,080,060	90,907,000	92,929,000	94,788,000	96,684,000	98,618,000	100,590,000	102,602,000	104,654,000	106,747,000	108,882,000	111,060,000
United We Stand	3,555	5,044	4,712	5,341	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Certificate of Title Fees	73,712,156	74,179,367	80,282,516	76,045,000	77,565,000	79,116,000	80,698,000	82,312,000	83,958,000	85,637,000	87,350,000	89,097,000	90,879,000	92,697,000
Motor Safety Violations	2,133,154	1,727,175	1,794,612	2,100,000	2,100,000	2,132,000	2,164,000	2,196,000	2,229,000	2,262,000	2,296,000	2,330,000	2,365,000	2,400,000
Interest	15,087,643	18,273,037	11,248,004	7,538,683	6,815,785	6,985,609	7,164,530	7,352,870	7,550,880	7,756,574	7,970,974	8,194,687	8,427,477	8,666,526
Build America Bonds ⁴	-	13,704,071	34,955,901	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,296,045	23,282,332
Miscellaneous	(482,446)	213,436	(44)	12,051,977	-	-	-	-	-	-	-	-	-	-
Total Revenues	333,649,329	352,595,494	402,012,434	383,710,935	378,785,719	385,038,544	391,408,464	397,897,804	404,508,814	411,242,508	418,101,908	425,087,621	432,195,521	439,426,858
Available	637,721,288	728,918,994	834,397,398	891,103,719	933,469,197	969,340,480	1,006,915,654	1,046,234,657	1,087,370,847	1,130,349,652	1,174,559,890	1,220,749,850	1,268,562,922	1,318,183,335
Expenses⁵														
Debt Service	261,316,280	293,375,499	326,985,274	333,881,929	349,167,261	353,833,289	358,578,801	363,372,625	368,263,703	373,891,669	378,897,662	384,382,449	389,806,446	396,332,284
Other	81,509	3,158,531	19,340	2,538,312	-	-	-	-	-	-	-	-	-	-
Total Expenses	261,397,789	296,534,030	327,004,614	336,420,241	349,167,261	353,833,289	358,578,801	363,372,625	368,263,703	373,891,669	378,897,662	384,382,449	389,806,446	396,332,284
Ending Balance	376,323,499	432,384,964	507,392,784	554,683,478	584,301,936	615,507,190	648,336,853	682,862,033	719,107,144	756,457,983	795,662,229	836,367,401	878,756,477	921,851,051
Lowest Daily Balance³	212,543,210	463,489,231	333,534,693	399,783,941	436,265,420	464,865,616	495,041,429	526,862,966	560,353,750	594,899,789	631,246,153	669,041,201	708,465,809	748,543,063

¹Texas Mobility Fund (TMF) Taxes & Fees are forecast separately from TMF Bond Proceeds as the primary use of taxes & fees is for the payment of debt services.

²Future revenue projections are from the Comptroller's January, 2011 Biennial Revenue Estimate (BRE) for 2012-2013.

³TMF RESERVE REQUIREMENTS:

Prior to the issuance of bonds by TxDOT, a certified revenue estimate must be received from the Comptroller that projects the revenue to be received and the balance in the Mobility Fund will be equal to at least 110% of the principal and interest requirements on the obligations, both proposed and outstanding, during each year the obligations will be outstanding. The forecasted additional 10% would be available for any purpose of the TMF. As authorized by law, the Commission has elected to pledge the state's full faith and credit as a backstop on the TMF bonds issued to date. With the full faith credit as a backstop, General Revenue would be used to pay debt service if the revenues of the TMF prove to be insufficient. Debt service payments on fixed rate bonds are made twice a year, April 1 and October 1. Variable rate bonds pay debt service monthly.

While the forecast produces a projected lowest daily balance, that projected balance serves as an internal balance reserve:

- so that if the funds projected to be in the TMF for future debt service are not available, the TMF would have funds in a reserve to assist in the debt service payment before looking to GR to fund the shortfall;
- to pay for potential future ongoing or termination payments on swap agreements;
- for cost escalations due to change orders on funded projects; and,
- to act as a hedge on interest rates for the variable rate bonds. While the interest paid on variable rate bonds has historically been less than that paid on fixed rate bonds, the variable rate bonds are subject to volatility in the rates as they are reset weekly. With balances available and invested the TMF is protected against a possible rise in variable interest rates because the rates earned on investments would also rise and the investment earning would offset any increase in debt service payments.

Due to the many reasons listed above, the projected balances have not yet been committed to additional projects.

⁴BUILD AMERICA BONDS:

Build America Bonds are tax credit bonds introduced as part of the February 2009 American Recovery and Reinvestment Act (ARRA) and are administered by the Treasury Department. A Build America Bond (BAB) is a bond issued prior to January 1, 2011 by a state or local entity for governmental purposes (non-private activity purposes) and for which the issuer elects to have the interest on the bond be taxable in return for a federal interest subsidy. Governmental purposes include financing surface transportation projects. Direct Payment BABs allow issuers to receive a subsidy from the federal government equal to 35% of the interest paid to investors for purchasing the bonds.

TxDOT issued \$1.2B of Direct Payment BABs in Taxable Series 2009A, and estimates it will receive \$648M in interest subsidy. Those direct payments will be used to partially offset the cost of debt service.

⁵\$200M of the taxes and fees revenue shown on this page has been set aside for the Grand Parkway project. However, for forecast purposes, the expenditures are reflected on the Bond Proceeds page (see page 7 of 14) and have not been deducted from the balances shown here. Therefore, the future ending balance is overstated by \$200M.

**Texas Department of Transportation
Proposition 14 - State Highway Fund Bonds
Bond Proceeds
April 2012 Forecast**

BASE CASE

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
Beginning Balance	1,060,744,065	563,615,263	1,466,735,858	841,150,196	1,817,342,606	1,343,698,236	808,336,014	575,720,273	499,718,056	485,340,121	487,152,878	489,936,463	492,735,952	495,551,438
Revenues														
Bond Proceeds	-	1,492,005,000	-	1,406,345,593	-	-	-	-	-	-	-	-	-	-
Interest	3,233,084	205,539	10,353,585	6,120,244	9,088,025	6,145,621	3,989,828	3,050,072	2,796,666	2,769,377	2,783,584	2,799,490	2,815,486	2,831,574
Total Revenues	3,233,084	1,492,210,539	10,353,585	1,412,465,837	9,088,025	6,145,621	3,989,828	3,050,072	2,796,666	2,769,377	2,783,584	2,799,490	2,815,486	2,831,574
Available	1,063,977,149	2,055,825,801	1,477,089,443	2,253,616,033	1,826,430,631	1,349,843,857	812,325,842	578,770,345	502,514,722	488,109,498	489,936,463	492,735,952	495,551,438	498,383,012
Expenses														
Engineering ²	26,210,152	48,706,442	50,823,326	19,573,346	6,375,644	128,000,000	45,000,000	-	-	-	-	-	-	-
Right-of-Way ²	48,288,121	34,975,747	61,381,148	44,116,547	29,805,118	126,000,000	16,000,000	-	-	-	-	-	-	-
Plan It	74,498,274	83,682,189	112,204,474	63,689,893	36,180,762	254,000,000	61,000,000	-	-	-	-	-	-	-
Build It	229,966,351	272,920,188	219,968,605	197,469,273	236,672,365	152,379,157	93,070,952	41,897,713	9,102,539	507,009	-	-	-	-
Maintain It	195,897,262	232,487,567	303,766,168	175,114,261	209,879,268	135,128,686	82,534,617	37,154,576	8,072,062	449,611	-	-	-	-
Use It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manage It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	500,361,887	589,089,944	635,939,247	436,273,427	482,732,395	541,507,843	236,605,569	79,052,289	17,174,601	956,620	-	-	-	-
Ending Balance	563,615,263	1,466,735,858	841,150,196	1,817,342,606	1,343,698,236	808,336,014	575,720,273	499,718,056	485,340,121	487,152,878	489,936,463	492,735,952	495,551,438	498,383,012
Letting	300,936,080	596,699,992	339,189,995	355,430,000	163,840,000	-	-	-	-	-	-	-	-	-
Project Conversions	-	136,193,751	63,806,249	-	-	-	-	-	-	-	-	-	-	-
Prop 14 Debt Service ¹	329,359,652	254,353,354	317,570,500	314,680,873	431,505,320	431,505,573	431,505,310	431,512,637	431,508,147	431,506,805	431,505,409	431,514,667	431,504,193	455,006,971

The base SHF forecast includes debt service for the full \$6.0B in proceeds used in this forecast.

The timing and amount of letting for FY 2012 - FY 2013 may change as additional direction is received from the Transportation Commission.

¹Proposition 14 debt service is paid primarily by the State Highway Fund. \$300M of General Revenue was appropriated for debt service in FY2008, and \$112.5M was expended for Proposition 14 debt service. The remainder of the \$300M went to repay Short-term Borrowing. \$15.7M of General Revenue was appropriated in FY2010 only. FY2009 includes transfers used to establish a Proposition 14 debt service reserve in the State Highway Fund, which is used to make the semi-annual principal and interest payments. Regular monthly transfers from the State Highway Fund replenish the reserve between payments. For a detailed Method of Finance on Proposition 14 debt service, see pg. 4 of 14.

²Engineering and Right-of-Way obligations shown in FY2014-FY2015 are being discussed with the Regions for possible reallocation upon Commission approval.

**Texas Department of Transportation
Proposition 12 - General Revenue Bonds
April 2012 Forecast**

BASE CASE

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
Beginning Balance	-	-	-	715,006,908	829,302,985	725,383,914	764,047,189	1,057,964,079	488,449,325	199,136,151	137,090,337	112,096,520	94,691,167	94,377,504
Revenues														
Proceeds	-	-	995,067,289	1,004,932,711	1,000,000,000	1,000,000,000	1,000,000,000	-	-	-	-	-	-	-
Interest	-	-	6,419,045	3,543,884	3,772,374	3,416,662	4,360,891	4,513,741	1,978,796	953,445	703,202	592,587	537,426	539,272
Total Revenues	-	-	1,001,486,334	1,008,476,595	1,003,772,374	1,003,416,662	1,004,360,891	4,513,741	1,978,796	953,445	703,202	592,587	537,426	539,272
Available	-	-	1,001,486,334	1,723,483,502	1,833,075,359	1,728,800,577	1,768,408,080	1,062,477,820	490,428,121	200,089,595	137,793,539	112,689,107	95,228,594	94,916,775
Expenses														
Engineering	-	-	24,836,572	161,407,770	135,778,509	53,013,477	33,013,473	33,013,473	18,974,167	-	-	-	-	-
Right-of-Way	-	-	46,069,061	415,345,973	308,112,223	-	-	-	-	-	-	-	-	-
Plan It	-	-	70,905,633	576,753,743	443,890,732	53,013,477	33,013,473	33,013,473	18,974,167	-	-	-	-	-
Build It	-	-	215,573,793	317,426,774	663,800,713	911,739,911	677,430,528	541,015,022	272,317,804	62,999,258	25,697,019	17,997,940	851,090	-
Maintain It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manage It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	-	-	286,479,426	894,180,517	1,107,691,445	964,753,388	710,444,001	574,028,495	291,291,971	62,999,258	25,697,019	17,997,940	851,090	-
Ending Balance	-	-	715,006,908	829,302,985	725,383,914	764,047,189	1,057,964,079	488,449,325	199,136,151	137,090,337	112,096,520	94,691,167	94,377,504	94,916,775
Letting	-	432,136,301	555,658,734	1,174,210,453	1,207,872,843	-	-	-	-	-	-	-	-	-
Project Conversions	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Debt service on Proposition 12 bonds is paid from General Revenue (GR) and Build America Bond Subsidies. See pg. 4 of 14.

The expenditures by strategy in the Base Case above would require Legislative Budget Board approval of transfers between strategies.

The ongoing project selection and letting process in conjunction with the MPOs will ensure that actual expenditures remain within, and fully utilize, the available funds. As the selections are refined, future forecasts will be adjusted.

**Texas Department of Transportation
SH 121 Proceeds
April 2012 Forecast**

BASE CASE

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
Beginning Balance	3,124,066,763	2,658,044,736	2,399,444,370	2,381,611,456	1,982,912,268	1,488,575,601	1,160,008,249	653,138,706	365,953,127	187,765,022	76,594,586	64,008,309	63,391,750	75,759,917
<u>Revenues</u>														
Proceeds	-	-	269,100,767	-	-	-	-	-	-	-	-	-	-	-
Interest	66,458,509	33,805,321	20,604,155	13,817,964	10,138,619	7,571,520	5,372,617	2,959,206	1,599,579	783,439	388,361	369,466	401,803	473,415
Toll Revenue Sharing	-	-	-	2,804,923	5,155,116	5,783,796	7,723,620	8,842,416	9,098,244	9,348,276	9,591,444	11,616,456	11,966,364	12,327,000
Total Revenues	66,458,509	33,805,321	289,704,922	16,622,887	15,293,735	13,355,316	13,096,237	11,801,622	10,697,823	10,131,715	9,979,805	11,985,922	12,368,167	12,800,415
Available	3,190,525,272	2,691,850,057	2,689,149,292	2,398,234,343	1,998,206,003	1,501,930,917	1,173,104,486	664,940,328	376,650,951	197,896,737	86,574,391	75,994,231	75,759,917	88,560,331
<u>Expenses</u>														
Reimbursements to SHF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering	10,821,063	27,572,894	11,714,685	22,414,079	20,039,388	2,590,776	18,066,732	3,005,124	-	-	-	10,500,000	-	-
Right-of-Way	48,937,134	23,500,892	81,497,714	68,507,549	42,941,580	24,939,984	160,986,108	7,017,912	19,000,000	-	-	1,000,000	-	-
Plan It	59,758,197	51,073,786	93,212,399	90,921,628	62,980,968	27,530,760	179,052,840	10,023,036	19,000,000	-	-	11,500,000	-	-
Build It	330,905,637	168,932,331	186,463,129	301,692,416	415,383,974	292,384,474	317,049,034	268,736,673	157,993,914	112,811,000	20,986,456	1,025,307	-	-
Maintain It	141,816,702	72,399,570	27,862,307	22,708,031	31,265,460	22,007,434	23,863,906	20,227,492	11,892,015	8,491,151	1,579,626	77,174	-	-
Use It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manage It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	532,480,536	292,405,687	307,537,835	415,322,075	509,630,402	341,922,668	519,965,780	298,987,201	188,885,929	121,302,151	22,566,082	12,602,481	-	-
Ending Balance	2,658,044,736	2,399,444,370	2,381,611,456	1,982,912,268	1,488,575,601	1,160,008,249	653,138,706	365,953,127	187,765,022	76,594,586	64,008,309	63,391,750	75,759,917	88,560,331
Letting	272,801,957	138,542,739	302,627,396	296,347,090	316,861,641	78,682,621	244,420,600	12,190,999	-	-	-	-	-	-

The ongoing project selection and letting process in conjunction with the MPO will ensure that actual expenditures remain within, and fully utilize, the available funds. As the selections are refined, future forecasts will be adjusted.

**Texas Department of Transportation
SH 130 (Segments 5 & 6) Proceeds
April 2012 Forecast**

BASE CASE

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Beginning Balance	26,499,570	27,101,586	27,463,947	11,844,879	10,264,418	7,985,666	5,194,626	3,354,987	3,130,156	3,855,842	3,581,983	3,847,502	3,706,411	4,209,805
<u>Revenues</u>														
Proceeds	-	-	(9,833,115)	-	-	-	-	-	-	-	-	-	-	-
Interest	602,016	362,361	241,994	76,252	52,552	53,884	40,461	31,581	31,475	36,916	36,763	39,825	40,702	43,579
Toll Revenue Sharing	-	-	-	404,888	1,968,696	3,155,076	4,119,900	4,743,588	5,194,212	5,689,224	6,228,756	6,819,084	7,462,692	7,462,692
Total Revenues	602,016	362,361	(9,591,121)	481,140	2,021,248	3,208,960	4,160,361	4,775,169	5,225,687	5,726,140	6,265,519	6,858,909	7,503,394	7,506,271
Available	27,101,586	27,463,947	17,872,826	12,326,018	12,285,666	11,194,626	9,354,987	8,130,156	8,355,842	9,581,983	9,847,502	10,706,411	11,209,805	11,716,076
<u>Expenses</u>														
Engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Right-of-Way	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plan It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Build It	-	-	6,027,947	2,061,600	4,300,000	6,000,000	6,000,000	5,000,000	4,500,000	6,000,000	6,000,000	7,000,000	7,000,000	7,000,000
Maintain It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manage It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	-	-	6,027,947	2,061,600	4,300,000	6,000,000	6,000,000	5,000,000	4,500,000	6,000,000	6,000,000	7,000,000	7,000,000	7,000,000
Ending Balance	27,101,586	27,463,947	11,844,879	10,264,418	7,985,666	5,194,626	3,354,987	3,130,156	3,855,842	3,581,983	3,847,502	3,706,411	4,209,805	4,716,076
Letting	-	-	-	2,000,000	4,300,000	6,000,000	6,000,000	5,000,000	4,500,000	6,000,000	6,000,000	7,000,000	7,000,000	7,000,000
Project Conversions	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Specific projects that will fully utilize this funding have not been identified. As projects are identified, the timing of letting amounts and resulting expenditures may change.

Texas Department of Transportation

**SH 161 Proceeds
April 2012 Forecast**

BASE CASE

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Beginning Balance	-	-	-	200,589,317	164,590,366	142,941,058	133,739,777	108,644,792	69,170,711	44,934,850	45,191,631	45,449,880	45,709,605	45,970,814
<u>Revenues</u>														
Proceeds	-	-	200,295,600	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	293,717	1,237,124	878,660	784,677	728,288	519,386	307,403	256,782	258,249	259,725	261,209	262,702
Total Revenues	-	-	200,589,317	1,237,124	878,660	784,677	728,288	519,386	307,403	256,782	258,249	259,725	261,209	262,702
Available	-	-	200,589,317	201,826,442	165,469,025	143,725,735	134,468,065	109,164,178	69,478,114	45,191,631	45,449,880	45,709,605	45,970,814	46,233,516
<u>Expenses</u>														
Engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Right-of-Way	-	-	-	15,000,000	15,000,000	5,500,000	-	-	-	-	-	-	-	-
Plan It	-	-	-	15,000,000	15,000,000	5,500,000	-	-	-	-	-	-	-	-
Build It	-	-	-	22,236,076	7,527,967	4,485,958	25,823,273	39,993,467	24,543,264	-	-	-	-	-
Maintain It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manage It	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	37,236,076	22,527,967	9,985,958	25,823,273	39,993,467	24,543,264	-	-	-	-	-
Ending Balance	-	-	200,589,317	164,590,366	142,941,058	133,739,777	108,644,792	69,170,711	44,934,850	45,191,631	45,449,880	45,709,605	45,970,814	46,233,516
Letting	-	-	-	17,000,000	-	-	90,360,000	-	-	-	-	-	-	-
Project Conversions	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Specific projects that will fully utilize this funding have not been identified. As projects are identified, they will be added to estimated letting and expenditures.

**Texas Department of Transportation
Federal Economic Stimulus Funds
American Recovery and Reinvestment Act (ARRA)¹
April 2012 Forecast**

BASE CASE

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast	Total Forecast
Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues															
Federal ARRA Funds	47,015,796	766,157,548	837,738,494	334,140,522	133,682,234	80,342,755	58,337,798	-	-	-	-	-	-	-	2,257,415,146
Build America Bonds ²	-	13,704,071	59,016,212	62,876,128	62,876,128	62,876,128	62,876,128	62,876,128	62,876,128	62,876,128	62,876,128	62,565,373	62,223,388	61,853,077	762,371,145
Total Revenues	47,015,796	779,861,619	896,754,706	397,016,650	196,558,362	143,218,883	121,213,926	62,876,128	62,876,128	62,876,128	62,876,128	62,565,373	62,223,388	61,853,077	3,019,786,292
Available	47,015,796	779,861,619	896,754,706	397,016,650	196,558,362	143,218,883	121,213,926	62,876,128	62,876,128	62,876,128	62,876,128	62,565,373	62,223,388	61,853,077	3,019,786,292
Expenses															
Engineering	-	-	-	192,085	-	-	-	-	-	-	-	-	-	-	192,085
Right-of-Way	-	-	-	1,664,858	-	-	-	-	-	-	-	-	-	-	1,664,858
Plan It	-	-	-	1,856,943	-	-	-	-	-	-	-	-	-	-	1,856,943
Build It	1,634,170	331,419,171	522,125,365	222,915,702	100,929,049	62,106,580	34,419,301	-	-	-	-	-	-	-	1,275,549,338
Maintain It ³	45,381,626	434,738,377	315,613,129	109,367,876	32,753,185	18,236,175	23,918,497	-	-	-	-	-	-	-	980,008,865
Use It	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manage It	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prop 14 Debt Service	-	-	17,719,092	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	27,029,124	315,039,456
Prop 12 Debt Service	-	-	6,341,219	12,543,070	12,543,070	12,543,070	12,543,070	12,543,070	12,543,070	12,543,070	12,543,070	12,232,315	11,898,219	11,541,621	142,357,933
TMF Debt Service	-	13,704,071	34,955,901	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,303,934	23,296,045	23,282,332	304,973,757
Total Expenses	47,015,796	779,861,619	896,754,706	397,016,650	196,558,362	143,218,883	121,213,926	62,876,128	62,876,128	62,876,128	62,876,128	62,565,373	62,223,388	61,853,077	3,019,786,292
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Letting ⁴	728,953,183	1,180,826,386	89,523,699	-	-	-	-	-	-	-	-	-	-	-	1,999,303,268
Project Conversions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹The American Recovery and Reinvestment Act of 2009 (ARRA) provides federal funds for the purpose of economic stimulus. These funds are in addition to the typical Federal Highway Administration (FHWA) obligations and reimbursements. These funds were available for obligation until September 30, 2010 and are available for reimbursement on expenses incurred until September 30, 2015. These lettings are 100% federally funded and do not require state matching funds. However, engineering and contingencies will be state funded.

²Build America Bond subsidies (BABs) are tax credit bonds introduced as part of the February 2009 American Recovery and Reinvestment Act (ARRA) and are administered by the Treasury Department. BABs are in use for portions of the Proposition 14, TMF and Proposition 12 bond programs.

³"Maintain It" includes a ferry boat awarded under the ARRA program for the Corpus Christi district. The ferry boat went to letting in August 2009 and payments totaled approximately \$7.2M.

⁴Letting in FY2009 includes \$250M for CDAs and \$7.2M for the ferry boat awarded under the ARRA program to Corpus Christi. See page 2 of 14.