

TEXAS TRANSPORTATION COMMISSION

All County

MINUTE ORDER

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All District

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 2021 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 2021 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:

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*Jessica Butler*  
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Director, Transportation Planning  
and Programming Division

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Executive Director

116208 February 23, 2022

Minute Date  
Number Passed

EXHIBIT A



# Economically Disadvantaged Counties Program

Relief from Local Match Requirements

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## Fiscal Year 2021 Annual Report

Transportation Planning and Programming Division

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## Background

The Fiscal Year (FY) 2021 Annual Report is the twenty-third annual report for the Economically Disadvantaged Counties Program (EDCP) administered by the Texas Department of Transportation (TxDOT).

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

The EDCP was amended by the 79<sup>th</sup> Legislature in 2005 to require the commission to certify a county as economically disadvantaged on an annual basis as soon as possible after the Texas Comptroller of Public Accounts (comptroller) reports on the required economic indicators. 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.

Senate Bill 2168, 86<sup>th</sup> Legislature, Regular Session, further amended the EDCP to expand the criteria used to determine a county's eligibility; specifically, a county is considered to be an "economically disadvantaged county" if it met the standard criteria within the past six years and has been included in no less than five federally declared disasters within the same time period. 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.

In FY 2021, 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 first three criteria listed above using data obtained from the comptroller. TxDOT identifies the counties that met the standard criteria within the past six years and have been included in no less than five federally declared disasters within the same time period using data

obtained from the Federal Emergency Management Agency. 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 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.

## **2021 Eligible Counties**

Based on Calendar Year 2018 data obtained from the comptroller, 88 counties were eligible for the program in FY 2021. The counties (including local entities within these counties) listed in Table 1 were eligible for the program in FY 2021.

During FY 2021, local governments submitted applications to the district office for approval of adjustment on 25 projects located within economically disadvantaged counties for a total estimated savings to local governments of \$8,133,986.

Table 1: Fiscal Year 2021 Eligible Counties

Angelina	Crosby	Hutchinson	Navarro	Swisher
Bailey	Dawson	Jasper	Newton	Terry
Bastrop	Dickens	Jim Hogg	Nueces	Titus
Bee	Duval	Jim Wells	Orange	Trinity
Bell	El Paso	Jones	Panola	Tyler
Bosque	Falls	Kleberg	Polk	Upshur
Bowie	Floyd	Lamb	Presidio	Uvalde
Brooks	Franklin	Leon	Real	Val Verde
Brown	Freestone	Liberty	Red River	Walker
Caldwell	Gray	Limestone	Refugio	Waller
Calhoun	Grimes	Madison	Robertson	Wharton
Cameron	Hale	Marion	Rusk	Wilbarger
Camp	Hall	Matagorda	Sabine	Willacy
Cass	Hardin	Maverick	San Augustine	Wood
Cherokee	Harrison	Milam	San Jacinto	Zapata
Cochran	Hidalgo	Mitchell	Shelby	Zavala
Coleman	Houston	Morris	Smith	
Coryell	Hudspeth	Nacogdoches	Starr	

## Outreach

To ensure the accessibility to program information, TxDOT makes the information available through a variety of mediums and formats. In November 2020, 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 2021 Commission and Department Actions

By Minute Order 115883 dated October 29, 2020 the commission certified the FY 2021 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 2021 program.

## Summary

For FY 2021, TxDOT district engineers granted adjustments on 25 projects in 8 counties. These local entities have saved an estimated \$8,133,986. See Table 1-A in Appendix.

Since the program’s inception on January 1, 1998, the department has granted adjustments to over 1,167 projects in economically disadvantaged counties for an estimated savings to local governments of \$151,014,526.

Table 2 EDCP Year-to-Date Total

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
<b>Savings</b>	\$988,316	\$ 9,946,204	\$5,482,366	\$ 5,558,580	\$ 834,296	\$ 2,194,309
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
<b>Savings</b>	\$4,556,098	\$3,249,069	\$2,797,536	\$1,743,101	\$6,755,645	\$3,239,132
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>Savings</b>	\$2,420,245	\$3,400,304	\$1,671,700	\$6,252,448	\$5,675,934	\$12,741,175
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>Savings</b>	\$5,330,094	\$21,428,781	\$13,710,193	\$14,103,360	\$8,823,243	\$8,133,986
					<b>Total</b>	<b>\$151,014,526</b>

The EDCP enables TxDOT to work with local governments to fulfil the department’s mission – “Connecting You With Texas”.

# APPENDIX



Table A-1

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Brown	Brown County	2570-01-011	Right-of-Way	\$ 11,400
Brown	Brown County	2570-01-012	Right-of-Way	\$ 46,380
Brown	City of Brownwood	0923-06-084	Preliminary Construction Engineering	\$ 63,443
Brown	Brown County	0923-06-086	Preliminary Construction Engineering	\$ 56,438
Calhoun	City of Port Lavaca	0144-04-044	Right-of-Way	\$ 80
Cameron	CCRMA	0921-06-330	Construction	\$ 950,400
Coleman	City of Coleman	0054-05-015	Right-of-Way	\$ 202,670

Table A-1 cont.

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Coleman	Coleman County	0923-08-028	Preliminary Construction Engineering	\$ 36,185
Coleman	Coleman County	0923-08-029	Preliminary Construction Engineering	\$ 32,165
El Paso	City of El Paso	0374-02-100	Right-of-Way	\$ 570,090
El Paso	El Paso County	0374-02-100	Right-of-Way	\$ 447,665
Hidalgo	City of Palmview	0862-01-057	Right-of-Way	\$ 19,276
Hidalgo	City of Pharr	0921-02-363	Preliminary Construction Engineering	\$ 1,403,830
Hidalgo	City of Pharr	0921-02-376	Construction	\$ 936,000

Table A-1 cont.

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Hidalgo	Hidalgo County	0921-02-448	Construction Engineering	\$ 1,440,000
Hidalgo	City of Pharr	0921-02-479	Construction	\$ 260,000
Hidalgo	Hidalgo County	1803-02-035	Right-of-Way	\$ 113,952
Hidalgo	City of Edinberg	1939-01-060	Right-of-Way	\$ 73,931
Hidalgo	Hidalgo County	2094-01-062	Right-of-Way	\$ 756,000
Hidalgo	Hidalgo	2094-01-063	Right-of-Way	\$ 665,807
Red River	Red River County	0910-27-050	Preliminary Construction Engineering	\$ 10,342

Table A-1 cont.

County	Applicant	Control Section Job (CSJ)	Project Type	Savings	
Red River	City of Clarksville	0901-27-046	Preliminary Construction Engineering	\$	19,326
Red River	City of Clarksville	0901-27-047	Preliminary Construction Engineering	\$	13,951
Wharton	City of Wharton	0089-10-029	Right-of-Way	\$	1,805
Wharton	Wharton County	0240-02-034	Right of Way	\$	2,850
			<b>Savings</b>	\$	8,133,986