

**August 2023  
Cash Forecast**



**Texas Department of Transportation  
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August 2023 Cash Forecast**

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# Texas Department of Transportation

## Executive Summary

### August 2023 Cash Forecast

#### **Executive Summary**

Forecasting of revenues, expenditures and resulting 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 to efficiently construct and maintain the best possible highway system by optimizing 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 cash outlays may be made to maintain reasonable cash balances.

TxDOT monitors cash flows through the cash management process, which is strategically connected with the administrative, accounting, payment management, revenue collection, budgeting, forecasting, letting and planning/programming activities of the department. The forecast is used by appropriate TxDOT decision makers within that process 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 TxDOT Financial Management team meets monthly to review TxDOT's financial status and provide for group discussion and action on issues affecting TxDOT's operations and finances, such as contract letting.

The content of the cash forecast includes historical and projected revenues and expenditures and monthly ending and lowest daily balances for the various funding sources appropriated to TxDOT. The forecast also includes revenue activity from other agencies operating in the SHF. A chart of the actual and projected SHF operating balance is included on page 7 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 official revenue estimates, current events and other sources as appropriate. Federal highway reimbursement projections also consider 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, State Infrastructure Bank, Concessions, and Regional Toll Revenues (RTRs) are subaccounts within the SHF. These dedicated funds are legally unavailable for general use and 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 \$14-\$20 billion in yearly SHF transactions with a goal of maintaining an average daily traditional 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 Taxes and Fees, SH 121 Toll Project Revenue, SH 130 Concession Funds, SH 288 Concession Funds, SH 161, Proposition 1 Oil and Gas Severance Tax revenue, Proposition 7 Sales and Use Taxes, State Infrastructure Bank (SIB), Federal COVID-19 Pandemic Relief, and General Revenue. The cash forecast considers 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 growth rate of 2.5% for FY2024-FY2026, then blends with the TTI's TRENDS model in remaining years with adjustments for the new registration fees imposed on electric vehicles by SB 505, 88<sup>th</sup> Legislature, RS.
  - State Motor Fuels Tax growth rate of 1.9% for FY2024-FY2026 which is based on 1.63% growth for gasoline with adjustments in future years for fuel efficiency and changing rates of population growth, while diesel grows at the projected gross state product of 2.66%. MFT growth rates in future years blend with the TRENDS model and account for growth of alternative fuel vehicles (AFV).
  - Lubricant Sales Tax and miscellaneous revenue grows 1%. Some figures may not exactly match the percentages above due to rounding.
- Other Expansion and Growth increases 4% annually to account for future increases to TxDOT, inflation, new legislation, etc. The calculation does not include TxDOT payments for highway construction, debt service, design builds, concession agreements or pass-through finance agreements.
- Includes funding from the Infrastructure Investment and Jobs Act (IIJA) enacted by Congress in November 2021. This 5-year federal highway bill applies to federal fiscal years 2022-2026.

#### **Changes from previous Cash Forecast include the following updates:**

- Actual revenue and expenditures through July 2023.
- Expenditure projections for both active and future let projects, Pass-Through Finance, CDA, Design-Build, and Toll Equity Projects.
- Revised projections for state and federal obligation authority (OA) motor fuel tax (MFT) and vehicle registration fees.
- General Revenue (GR) expenditure projections per 2024-2025 General Appropriations Act (HB1 – 88<sup>th</sup> Legislature).

#### **Significant variances from previous Cash Forecast**

- Decrease revenues from state and federal OA motor fuel taxes and offset with increased vehicle registration fees from electric vehicles. No impact to project lettings.

#### **Impact of the projected letting schedule on cash balances**

- The current letting schedule, when combined with existing obligations and agency operations, results in a projected SHF ending balance including Proposition 1 and Proposition 7 of approximately \$9.5 billion in FY2023. See page 8.
- TxDOT has approx. \$34.3 billion of active highway contracts of which \$16.5 billion have yet to be paid that are committed against these cash balances.
- Unprecedented increases in Proposition 1, 306% of the 10-year average, have increased expected deposits in 2023 adding to current cash balances. TxDOT has accelerated project development and delivery leveraging these funds that will have ongoing payouts to reduce these cash balances over the life of these projects.
- Cash balances help hedge against increases in the Highway Cost Index (HCI), economic uncertainties, and legislative discretion that could impact TxDOT project development and delivery.

**Texas Department of Transportation  
Total Project Awards  
August 2023 Cash Forecast**

<u>Funding Source</u>	<u>Letting Program</u>				
	<u>FY 2021 Actual</u>	<u>FY 2022 Actual</u>	<u>FY 2023 Forecast</u>	<u>FY 2024 Forecast</u>	<u>FY 2025 Forecast</u>
State Highway Fund <sup>1</sup>	3,922,137,319	5,008,097,211	5,711,459,939	4,773,843,863	4,644,107,974
Texas Mobility Fund Taxes & Fees	9,022,132	8,593,775	23,225,927	46,803,438	20,000,000
SH 121	11,917,728	-	3,148,100	6,285,949	-
SH 130 - Seg 5 & 6	864,695	-	-	-	-
COVID Funds <sup>2</sup>	-	6,000,000	21,238,170	11,500,000	-
Proposition 1	3,183,129	13,885,000	1,788,576,410	1,493,372,436	1,928,956,000
Proposition 7	2,728,267,722	2,740,630,050	2,932,473,166	5,466,115,904	4,740,847,994
<b>Total Letting</b>	<b>6,675,392,725</b>	<b>7,777,206,036</b>	<b>10,480,121,712</b>	<b>11,797,921,591</b>	<b>11,333,911,968</b>

<u>Funding Source</u>	<u>Non-Traditional Project Awards</u>				
	<u>FY 2021 Actual</u>	<u>FY 2022 Actual</u>	<u>FY 2023 Forecast</u>	<u>FY 2024 Forecast</u>	<u>FY 2025 Forecast</u>
Design Build Projects <sup>3</sup>	1,513,539,839	2,231,022,526	1,151,271,000	-	-
Pass Through Finance Projects <sup>4</sup>	21,840,000	304,886,030	-	-	-
<b>Total Non-Traditional Letting</b>	<b>1,535,379,839</b>	<b>2,535,908,556</b>	<b>1,151,271,000</b>	<b>-</b>	<b>-</b>

<b>Grand Total Project Awards</b>	<b>8,210,772,564</b>	<b>10,313,114,592</b>	<b>11,631,392,712</b>	<b>11,797,921,591</b>	<b>11,333,911,968</b>
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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.

(1) Does not include Pass-through Finance projects, Local Bond Sales, Ferry or Right-of-Way letting. Future projects that may ultimately be delivered under the Non-Traditional Project Award or DB processes are included in the Letting Program totals until such time as enough information is available to move them to the appropriate line item. Examples of such projects can be found here: <http://ftp.dot.state.tx.us/pub/txdot/pfd/strategic-contracts/alt-delivery/db-quarterly-report.pdf>. FY2022-FY2026 includes obligation authority levels from the Infrastructure Investment and Jobs Act passed by Congress in November 2021. Includes \$500 million and \$400 million of federal redistribution in FY2023 and FY2024, respectively.

(2) Congress authorized COVID relief funds under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in March 2021 and SB8, 87th Legislature, (See page 15)

(3) Includes design-build projects that may be delivered under the Comprehensive Development Agreement (CDA) authority. Projects under this classification may be funded by a variety of fund sources including CRRSAA. Prior to contract execution, amounts only include additional Right-of-Way and Engineering Cat 3 allocations for approved design build projects.

(4) Pass-through Finance projects in FY2022 include the 365 Tollway project, which was originally part of the PTF program.

**Texas Department of Transportation  
Total Expenses  
August 2023 Cash Forecast**

<u>Expenses</u>	<u>Base Case</u>				
	<u>FY 2021 Actual</u>	<u>FY 2022 Actual</u>	<u>FY 2023 Forecast</u>	<u>FY 2024 Forecast</u>	<u>FY 2025 Forecast</u>
Research	24,352,635	25,833,447	26,642,665	27,517,742	27,164,110
Engineering	925,505,578	823,606,875	794,694,625	1,249,420,333	1,294,674,894
Right-of-Way	750,333,765	663,828,510	648,013,275	569,447,062	625,613,227
<b>Plan</b>	<b>1,700,191,978</b>	<b>1,513,268,832</b>	<b>1,469,350,566</b>	<b>1,846,385,137</b>	<b>1,947,452,231</b>
Build	2,490,378,002	2,370,477,443	2,401,842,567	4,466,226,396	3,018,296,459
Maintain	4,193,105,625	4,012,144,674	4,105,618,698	5,987,416,413	5,553,964,989
Use	223,388,658	216,889,212	236,516,260	230,346,383	234,521,261
Manage	319,142,118	373,889,931	397,000,000	441,407,614	438,175,192
Project Development & Delivery	3,832,663,583	3,864,752,493	5,372,540,614	7,939,386,069	9,020,878,350
Debt Service <sup>1</sup>	1,037,355,708	999,374,268	971,185,766	1,073,869,393	1,094,825,158
<b>Total Expenses</b>	<b>13,796,225,673</b>	<b>13,350,796,852</b>	<b>14,954,054,470</b>	<b>21,985,037,405</b>	<b>21,308,113,640</b>
<u>Funding Source</u>					
State Highway Fund <sup>2</sup>	8,935,610,543	8,491,295,707	8,278,802,485	11,732,312,166	10,993,998,153
Texas Mobility Fund - Taxes & Fees <sup>3</sup>	466,685,361	420,508,243	541,529,962	632,825,862	505,128,141
SH 121 <sup>4</sup>	52,400,239	92,167,052	34,683,298	42,858,656	34,360,160
SH 130 - Seg 5 & 6 <sup>5</sup>	5,765,667	7,513,433	15,400,000	11,544,666	11,500,000
SH 161 <sup>6</sup>	33,192,835	30,840	109,153	-	-
SH 288 <sup>7</sup>	944,289	1,976,667	1,357,150	-	-
Build America Bond Subsidy <sup>8</sup>	58,639,731	33,046,379	110,464,758	28,158,363	54,621,499
General Revenue <sup>9</sup>	3,520,698	2,666,144	14,220,247	750,788,277	50,788,277
State Infrastructure Bank (SIB) <sup>10</sup>	58,606,876	31,571,458	62,657,000	150,000,000	150,000,000
COVID Funds <sup>11</sup>	81,881,139	131,394,106	246,523,849	439,732,752	227,191,613
Proposition 1 <sup>2</sup>	876,332,203	1,061,563,213	2,104,558,041	4,149,283,123	3,380,678,464
Proposition 7 <sup>2</sup>	3,222,646,092	3,077,063,613	3,543,748,527	4,047,533,540	5,899,847,333
<b>Total Funds</b>	<b>13,796,225,673</b>	<b>13,350,796,852</b>	<b>14,954,054,470</b>	<b>21,985,037,405</b>	<b>21,308,113,640</b>

(1) See page 4 of 15 of this forecast for details.

(2) See page 8 of 15 of this forecast for details.

(3) See page 9 of 15 of this forecast for details.

(4) See page 10 of 15 of this forecast for details.

(5) See page 11 of 15 of this forecast for details.

(6) See page 12 of 15 of this forecast for details.

(7) See page 13 of 15 of this forecast for details.

(8) 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 for portions of the Proposition 14, TMF and Proposition 12 bond programs.

(9) General Revenue (GR) expenditure projections from the 2024-2025 General Appropriations Act (HB1 – 88th Legislature).

(10) See page 14 of 15 of this forecast for details.

(11) See page 15 of 15 of this forecast for details.

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

**Texas Department of Transportation  
Bond Programs - Debt Service  
August 2023 Cash Forecast**

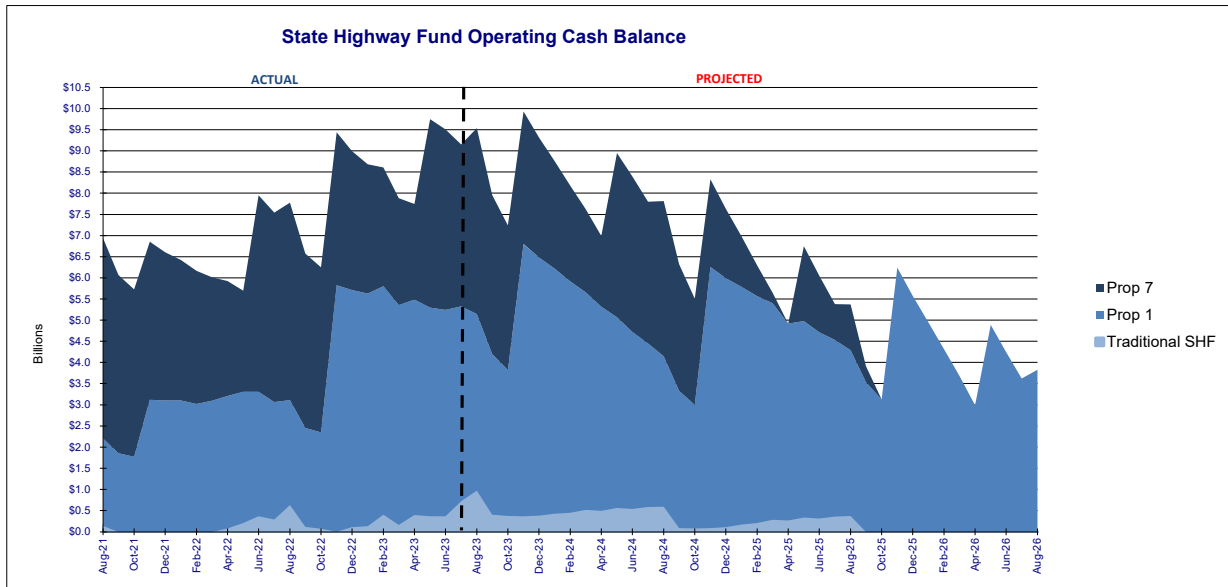
<u>Expenses</u>	<u>Base Case</u>				
	FY 2021 Actual	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
Texas Mobility Fund	339,197,237	378,408,641	391,233,000	399,208,014	407,122,262
Proposition 14	420,635,636	337,766,767	288,590,171	412,159,303	418,319,508
Proposition 12	277,522,835	283,198,859	291,362,594	262,502,076	269,383,388
<b>Total Expenses</b>	<b>1,037,355,708</b>	<b>999,374,267</b>	<b>971,185,766</b>	<b>1,073,869,393</b>	<b>1,094,825,158</b>
 <u>Funding Source</u>					
Texas Mobility Fund - Taxes & Fees <sup>1</sup>	317,252,363	367,431,021	347,110,125	388,280,436	385,346,287
Build America Bond Subsidy-TMF <sup>3</sup>	21,944,874	10,977,620	44,122,875	10,927,578	21,775,976
<b>TMF Total</b>	<b>339,197,237</b>	<b>378,408,641</b>	<b>391,233,000</b>	<b>399,208,014</b>	<b>407,122,262</b>
State Highway Fund <sup>2</sup>	395,148,901	325,022,535	237,844,929	400,000,000	395,209,925
Build America Bond Subsidy-Prop 14 <sup>3</sup>	25,486,734	12,744,232	50,745,243	12,159,303	23,109,583
<b>Proposition 14 Total</b>	<b>420,635,636</b>	<b>337,766,767</b>	<b>288,590,171</b>	<b>412,159,303</b>	<b>418,319,508</b>
Proposition 7-Prop 12 <sup>4</sup>	266,314,713	273,874,333	275,765,954	257,430,594	259,647,447
Build America Bond Subsidy-Prop 12 <sup>3</sup>	11,208,122	9,324,527	15,596,640	5,071,482	9,735,941
<b>Proposition 12 Total</b>	<b>277,522,835</b>	<b>283,198,860</b>	<b>291,362,594</b>	<b>262,502,076</b>	<b>269,383,388</b>
<b>Total Funds</b>	<b>1,037,355,708</b>	<b>999,374,268</b>	<b>971,185,766</b>	<b>1,073,869,393</b>	<b>1,094,825,158</b>

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

(2) The State Highway Fund pays the principal and interest for the Proposition 14 bond program.

(3) 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 for portions of the Proposition 14, TMF and Proposition 12 bond programs.

(4) Proposition 7 funds the principal and interest for the Proposition 12 bond program as per the 2022-2023 General Appropriations Act (GAA). The forecast assumes Proposition 7 will continue to pay all future principal and interest payments for the Proposition 12 bond program.



### State Highway Fund Operating Cash Balance as of July 31, 2023

<b>SHF Cash Balance</b>	<b>\$10,374,481,653</b>
Less Restricted funds:	
State Infrastructure Bank	(343,903,351)
SH 121 Concession	(595,156,880)
SH 130 (Seg. 5 & 6) Concession	(35,938,254)
SH 161 Concession	(6,019,879)
SH 288 Concession	(9,407,476)
NTE Seg 1&2W Concession	(41,341,582)
NTE Seg 3A & 3B Concession	(12,877,162)
I-635 (LBJ) Concession	(28,027,393)
Montgomery County - PTF Escrow Account	(58,132,209)
I-635E - Surplus Toll Revenue Account	(13,797,961)
DFW Connector - Surplus Toll Revenue Account	(7,437,934)
Midtown Express - Surplus Toll Revenue Account	(65,478,931)
<b>Operating SHF Cash Balance*</b>	<b>\$9,156,962,642</b>
Less Cash Reserved for Prop 1 & Prop 7 Non-Tolled Project Development & Delivery	
Prop 1	(4,603,486,364)
Prop 7	(3,833,222,896)
<b>Traditional Operating SHF Cash Balance</b>	<b>\$720,253,382</b>
Cash Reserved for Payroll	(98,785,685)
<b>Remaining Balance for Operations</b>	<b>\$621,467,698</b>

\*TxDOT has approx. \$35.1 billion of active design-bid- build highway contracts of which \$17 billion have yet to be paid that are committed against these cash balances

**Texas Department of Transportation  
State Highway Fund Operating Account  
August 2023 Cash Forecast**

	FY 2021 Actual	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
Beginning Balance Traditional SHF	(765,304,555)	134,483,534	628,093,154	971,039,542	592,542,602
Beginning Balance Proposition 1	1,803,618,422	2,070,771,770	2,481,120,015	4,176,137,188	3,550,794,838
Beginning Balance Proposition 7	5,201,048,839	4,734,615,118	4,666,103,456	4,394,837,531	3,670,258,041
<b>Beginning Balance</b>	<b>6,239,362,706</b>	<b>6,939,870,422</b>	<b>7,775,316,626</b>	<b>9,542,014,261</b>	<b>7,813,595,481</b>
<b>Revenues</b>					
State Gas Tax	2,583,552,413	2,792,142,151	2,820,607,781	2,874,247,000	2,928,963,000
Registration Fees	1,591,792,635	1,601,627,536	1,624,887,677	1,702,670,000	1,757,976,000
FHWA Reimbursements	5,172,274,263	4,162,769,359	3,898,117,849	6,518,544,669	5,840,190,510
Other Fed Reimbursements	185,798,391	184,765,333	227,580,915	210,203,101	211,695,293
Proposition 1 Transfer In	1,133,688,060	1,457,259,515	3,637,494,353	3,319,218,000	3,548,895,000
Proposition 1 Interest	9,797,491	14,651,943	162,080,860	204,722,772	198,534,013
Proposition 7 Transfer In <sup>2</sup>	2,737,036,058	2,989,203,826	3,144,596,750	3,192,138,650	3,240,626,600
Proposition 7 Interest	19,176,313	19,348,126	127,885,852	130,815,400	67,415,260
Other	788,702,734	669,476,079	606,860,949	596,836,087	591,639,906
<b>Total Revenues</b>	<b>14,221,818,357</b>	<b>13,891,243,868</b>	<b>16,250,112,987</b>	<b>18,749,395,680</b>	<b>18,385,935,583</b>
<b>Available Funds</b>	<b>20,461,181,063</b>	<b>20,831,114,290</b>	<b>24,025,429,612</b>	<b>28,291,409,941</b>	<b>26,199,531,064</b>
<b>Expenses</b>					
Research	24,352,635	25,833,447	26,642,665	27,517,742	27,164,110
Engineering	903,169,381	806,125,150	763,700,000	1,225,920,334	1,271,174,895
Right-of-Way	737,369,627	659,470,763	625,143,506	541,947,062	598,113,227
Plan	1,664,891,644	1,491,429,359	1,415,486,171	1,795,385,138	1,896,452,232
Build	2,224,326,009	2,146,152,070	1,960,741,081	2,929,930,146	2,527,848,082
Maintain	4,193,105,625	4,012,144,674	4,105,618,698	5,987,416,413	5,553,964,989
Use	138,996,246	142,657,138	162,111,607	178,172,855	182,347,733
Manage	319,142,118	373,889,931	397,000,000	441,407,614	438,175,192
Proposition 1 Project Development & Delivery <sup>1</sup>	876,332,203	1,061,563,213	2,104,558,041	4,149,283,123	3,380,678,464
Proposition 7 Project Development & Delivery <sup>1</sup>	2,956,331,380	2,803,189,280	3,267,982,574	3,790,102,946	5,640,199,886
Prop 14 Debt Service	395,148,901	325,022,535	237,844,929	400,000,000	395,209,925
Prop 12 Debt Service from Proposition 7	266,314,713	273,874,333	275,765,954	257,430,594	259,647,447
<b>TxDOT State Highway Fund Total</b>	<b>13,034,588,838</b>	<b>12,629,922,532</b>	<b>13,927,109,053</b>	<b>19,929,128,829</b>	<b>20,274,523,950</b>
Other Agencies and Fund Transfers <sup>3</sup>	147,461,040	33,428,381	148,512,826	145,469,631	135,959,000
Other Agencies for TxDOT	339,260,763	392,446,750	407,793,473	403,216,000	418,277,000
<b>Total Expenses</b>	<b>13,521,310,642</b>	<b>13,055,797,664</b>	<b>14,483,415,352</b>	<b>20,477,814,460</b>	<b>20,828,759,950</b>
<b>Ending Balance</b>	<b>6,939,870,422</b>	<b>7,775,316,626</b>	<b>9,542,014,261</b>	<b>7,813,595,481</b>	<b>5,370,771,114</b>
Ending Balance Traditional SHF	134,483,534	628,093,154	971,039,542	592,542,602	374,773,159
Ending Balance Proposition 1	2,070,771,770	2,481,120,015	4,176,137,188	3,550,794,838	3,917,545,387
Ending Balance Proposition 7	4,734,615,118	4,666,103,456	4,394,837,531	3,670,258,041	1,078,452,568
Traditional Letting	3,922,137,319	5,008,097,211	5,711,459,939	4,773,843,863	4,644,107,974
Proposition 1 Letting	3,183,129	13,885,000	1,788,576,410	1,493,372,436	1,928,956,000
Proposition 7 Letting	2,728,267,722	2,740,630,050	2,932,473,166	5,466,115,904	4,740,847,994
Design Build Project Awards <sup>4</sup>	1,513,539,839	1,434,536,972	1,151,271,000	-	-
<b>Total</b>	<b>8,167,128,010</b>	<b>9,197,149,233</b>	<b>11,583,780,515</b>	<b>11,733,332,204</b>	<b>11,313,911,968</b>

(1) Includes engineering, right-of-way and construction costs.

(2) FY2023-FY2025 Proposition 1 and Proposition 7 transfer projections are based on the Comptroller's 2024-2025 Biennial Revenue Estimate (BRE), January 2023.

(3) FY 2022 reflects a \$117 million reimbursement from TCEQ for prior year excess transfers.

(4) State assistance for Design Build and Comprehensive Development Agreements to be paid from the State Highway Fund, Proposition 1 and Proposition 7.

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 - Taxes and Fees  
August 2023 Cash Forecast**

	<u>Base Case</u>				
	FY 2021 Actual	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
<b>Beginning Balance</b>	<b>358,699,893</b>	<b>393,001,816</b>	<b>459,642,976</b>	<b>431,410,202</b>	<b>309,663,390</b>
<b><u>Revenues</u><sup>1</sup></b>					
Drivers License Fees	185,919,145	178,704,553	181,280,000	183,999,000	186,759,000
Drivers Record Info Fees	65,050,452	70,829,381	73,538,000	72,253,000	72,975,000
Vehicle Inspection Fees <sup>2</sup>	97,447,101	234,462,963	119,315,000	105,358,000	106,412,000
United We Stand	2,270	2,191	2,000	2,000	2,000
Certificate of Title <sup>2</sup>	149,291,785	(116,968,390)	-	-	-
Transfer in from SHF <sup>3</sup>	-	115,027,559	123,450,000	134,451,000	135,459,000
Motor Carrier Penalties	2,010,357	3,334,130	3,000,000	3,500,000	3,500,000
Interest	1,251,234	1,736,697	12,696,152	11,516,051	8,434,606
Build America Bonds <sup>4</sup>	21,944,874	10,977,620	44,122,875	10,927,578	21,775,976
Miscellaneous	14,939	20,320	16,036	-	-
<b>Total Revenues</b>	<b>522,932,158</b>	<b>498,127,022</b>	<b>557,420,063</b>	<b>522,006,629</b>	<b>535,317,582</b>
<b>Available</b>	<b>881,632,051</b>	<b>891,128,839</b>	<b>1,017,063,039</b>	<b>953,416,831</b>	<b>844,980,973</b>
<b><u>Expenses</u></b>					
Plan	27,591,864	21,382,577	33,000,000	30,000,000	30,000,000
Build	121,841,133	31,694,645	111,419,837	177,660,176	52,896,603
Use	-	-	50,000,000	36,885,251	36,885,251
Debt Service	339,197,237	378,408,641	391,233,000	399,208,014	407,122,262
<b>Total Expenses</b>	<b>488,630,235</b>	<b>431,485,862</b>	<b>585,652,837</b>	<b>643,753,441</b>	<b>526,904,116</b>
<b>Ending Balance</b>	<b>393,001,816</b>	<b>459,642,976</b>	<b>431,410,202</b>	<b>309,663,390</b>	<b>318,076,856</b>
Lowest Daily Balance <sup>5</sup>	175,142,190	180,923,671	242,234,507	181,901,208	66,970,456
Letting	9,022,132	8,593,775	23,225,927	46,803,438	20,000,000

(1) Future revenue projections are from the Comptroller's 2024-2025 Biennial Revenue Estimate (BRE), January 2023.

(2) Reclassification of prior years' fees from Certificate of Title to Vehicle Inspection Fees. See page 8 for corresponding SHF transfer.

(3) Transfer of non-dedicated State Highway Fund to Texas Mobility Fund required per HB 4472, 87th Legislative Session. This transfer replaces the Certificate of Title fees previously deposited directly to the Texas Mobility Fund. FY 2023 and future projections provided by Texas Commission of Environmental Quality (TCEQ).

(4) BUILD 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 \$1.2 billion of Direct Payment BABs in Taxable Series 2009A and estimates it will receive \$648 million in interest subsidy. Those direct payments will be used to partially offset the cost of debt service.

(5) TMF 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:

- 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;

- 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.

**Texas Department of Transportation  
SH 121 Proceeds  
August 2023 Cash Forecast**

	<u>Base Case</u>				
	FY 2021 Actual	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
<b>Beginning Balance</b>	<b>582,445,155</b>	<b>563,983,651</b>	<b>503,608,101</b>	<b>594,981,186</b>	<b>590,436,207</b>
<b><u>Revenues</u></b>					
Proceeds <sup>1</sup>	19,447,139	11,165,972	91,436,972	-	-
Interest	5,145,277	10,268,541	23,619,412	25,231,876	25,182,599
Toll Revenue Sharing	9,346,320	10,356,989	11,000,000	13,081,800	17,916,160
<b>Total Revenues</b>	<b>33,938,735</b>	<b>31,791,502</b>	<b>126,056,383</b>	<b>38,313,676</b>	<b>43,098,759</b>
<b>Available</b>	<b>616,383,890</b>	<b>595,775,153</b>	<b>629,664,484</b>	<b>633,294,863</b>	<b>633,534,966</b>
<b><u>Expenses</u></b>					
Engineering	1,551,060	(57,352)	9,850	8,500,000	8,500,000
Right-of-Way	6,157,616	399,023	12,500,000	12,500,000	12,500,000
Plan	7,708,676	341,670	12,509,850	21,000,000	21,000,000
Build	44,691,563	91,825,381	22,173,448	21,858,656	13,360,160
<b>Total Expenses</b>	<b>52,400,239</b>	<b>92,167,052</b>	<b>34,683,298</b>	<b>42,858,656</b>	<b>34,360,160</b>
<b>Ending Balance</b>	<b>563,983,651</b>	<b>503,608,101</b>	<b>594,981,186</b>	<b>590,436,207</b>	<b>599,174,806</b>
Letting	11,917,728	-	3,148,100	6,285,949	-

(1) Proceeds includes repayments from a loan made from SH 121 funds to NTTA for early retirement of a SIB loan.

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  
August 2023 Cash Forecast**

		<u>Base Case</u>				
		FY 2021 Actual	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
<b>Beginning Balance</b>		36,103,308	35,321,923	34,778,324	28,914,903	25,649,845
<b><u>Revenues</u></b>						
	Proceeds	1,218,477	2,186,146	3,159,044	2,142,825	2,220,395
	Interest	2,284,180	2,253,669	3,259,527	3,101,971	2,890,777
	Toll Revenue Sharing	1,481,625	2,530,019	3,118,007	3,034,813	3,285,324
<b>Total Revenues</b>		<b>4,984,283</b>	<b>6,969,834</b>	<b>9,536,579</b>	<b>8,279,608</b>	<b>8,396,496</b>
<b>Available</b>		<b>41,087,590</b>	<b>42,291,757</b>	<b>44,314,903</b>	<b>37,194,511</b>	<b>34,046,342</b>
<b><u>Expenses</u></b>						
	Engineering	-	-	-	-	-
	Right-of-Way	-	-	-	-	-
	Plan	-	-	-	-	-
	Build	826,704	-	7,000,000	44,666	-
	Maintain	-	-	-	-	-
	Use	4,938,963	7,513,433	8,400,000	11,500,000	11,500,000
	Manage	-	-	-	-	-
<b>Total Expenses</b>		<b>5,765,667</b>	<b>7,513,433</b>	<b>15,400,000</b>	<b>11,544,666</b>	<b>11,500,000</b>
<b>Ending Balance</b>		<b>35,321,923</b>	<b>34,778,324</b>	<b>28,914,903</b>	<b>25,649,845</b>	<b>22,546,342</b>
	Letting	864,695	-	-	-	-

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.

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 161 Proceeds  
August 2023 Cash Forecast**

	<u>Base Case</u>				
	FY 2021 Actual	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
<b>Beginning Balance</b>	38,968,952	5,940,319	5,938,996	6,041,225	6,303,374
<b><u>Revenues</u></b>					
	-	(206)	-	-	-
Proceeds					
Interest	164,202	29,723	211,382	262,149	273,524
<b>Total Revenues</b>	<b>164,202</b>	<b>29,517</b>	<b>211,382</b>	<b>262,149</b>	<b>273,524</b>
<b>Available</b>	<b>39,133,153</b>	<b>5,969,836</b>	<b>6,150,378</b>	<b>6,303,374</b>	<b>6,576,899</b>
<b><u>Expenses</u></b>					
	(206)	-	-	-	-
Engineering					
Right-of-Way	-	-	-	-	-
Plan	(206)	-	-	-	-
	33,193,040	30,840	109,153	-	-
Build					
<b>Total Expenses</b>	<b>33,192,835</b>	<b>30,840</b>	<b>109,153</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>5,940,319</b>	<b>5,938,996</b>	<b>6,041,225</b>	<b>6,303,374</b>	<b>6,576,899</b>
	-	-	-	-	-
Letting					

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  
SH 288 Proceeds  
August 2023 Cash Forecast**

	<u>Base Case</u>				
	FY 2021 Actual	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
<b>Beginning Balance</b>	12,351,862	11,381,326	9,800,469	8,907,644	9,294,178
<b><u>Revenues</u></b>					
Proceeds	(73,633)	342,934	129,465	-	-
Interest	47,385	52,877	334,861	386,534	403,307
<b>Total Revenues</b>	<u>(26,248)</u>	<u>395,811</u>	<u>464,325</u>	<u>386,534</u>	<u>403,307</u>
<b>Available</b>	12,325,614	11,777,136	10,264,794	9,294,178	9,697,485
<b><u>Expenses</u></b>					
Engineering	-	-	-	-	-
Right-of-Way	-	-	-	-	-
Plan	-	-	-	-	-
Build	944,289	1,976,667	1,357,150	-	-
<b>Total Expenses</b>	<u>944,289</u>	<u>1,976,667</u>	<u>1,357,150</u>	<u>-</u>	<u>-</u>
<b>Ending Balance</b>	11,381,326	9,800,469	8,907,644	9,294,178	9,697,485

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  
State Infrastructure Bank  
August 2023 Cash Forecast**

	<u>Base Case</u>				
	FY 2021 Actual	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
<b>Beginning Balance</b>	<b>384,294,932</b>	<b>382,707,119</b>	<b>386,209,912</b>	<b>385,351,703</b>	<b>267,002,331</b>
<b><u>Revenues</u></b>					
Loan Reimbursement	55,180,035	33,144,396	49,075,999	14,688,721	11,928,356
Interest	1,839,028	1,929,854	12,722,792	16,961,907	11,766,408
<b>Total Revenues</b>	<b>57,019,063</b>	<b>35,074,251</b>	<b>61,798,791</b>	<b>31,650,627</b>	<b>23,694,765</b>
<b>Available</b>	<b>441,313,995</b>	<b>417,781,370</b>	<b>448,008,703</b>	<b>417,002,331</b>	<b>290,697,096</b>
<b><u>Expenses</u></b>					
Engineering	-	-	-	-	-
Right-of-Way	-	-	-	-	-
Plan	-	-	-	-	-
Build <sup>1</sup>	58,606,876	31,571,458	62,657,000	150,000,000	150,000,000
<b>Total Expenses</b>	<b>58,606,876</b>	<b>31,571,458</b>	<b>62,657,000</b>	<b>150,000,000</b>	<b>150,000,000</b>
<b>Ending Balance</b>	<b>382,707,119</b>	<b>386,209,912</b>	<b>385,351,703</b>	<b>267,002,331</b>	<b>140,697,096</b>

(1) Projected SIB loans include approved loans, loans with applications, and expected to be applied for in the near term.

**Texas Department of Transportation  
Federal COVID-19 Pandemic Relief Fund 0325 <sup>1</sup>  
August 2023 Cash Forecast**

		<u>Base Case</u>				
		FY 2021 Actual	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast
<b>Beginning Balance</b>		-	558,033	17,290,215	-	-
<b><u>Revenues</u></b>						
	Other Federal Reimbursements	82,439,172	148,126,288	229,233,634	439,732,752	227,191,613
<b>Total Revenues</b>		<b>82,439,172</b>	<b>148,126,288</b>	<b>229,233,634</b>	<b>439,732,752</b>	<b>227,191,613</b>
<b>Available</b>		<b>82,439,172</b>	<b>148,684,321</b>	<b>246,523,849</b>	<b>439,732,752</b>	<b>227,191,613</b>
<b><u>Expenses</u></b>						
	Engineering	-	115,225	6,984,775	-	-
	Right-of-Way	-	-	1,369,769	-	-
	Plan	-	115,225	8,354,544	-	-
	Build	4,308,071	66,427,498	224,102,929	439,732,752	227,191,613
	Use	77,573,068	64,851,383	14,066,376	-	-
<b>Total Expenses</b>		<b>81,881,139</b>	<b>131,394,106</b>	<b>246,523,849</b>	<b>439,732,752</b>	<b>227,191,613</b>
<b>Ending Balance</b>		<b>558,033</b>	<b>17,290,215</b>	-	-	-
	Letting	-	6,000,000	21,238,170	11,500,000	-
	Design Build Project Awards	-	796,485,554	-	-	-

(1) Projected expenditures and related reimbursements provided by federal COVID relief funds, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and American Rescue Plan (ARP) Act.