

TEXAS TRANSPORTATION COMMISSION

All Counties

MINUTE ORDER

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All Districts

Section 222.053(a), Transportation Code, defines an “economically disadvantaged county” as a county that has, in comparison to other counties in the state: (1) below average per capita taxable property value; (2) below average per capita income; and (3) above average unemployment.

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

Section 222.053(c) directs the Texas Transportation Commission (commission), when evaluating a proposal for a highway project in a political subdivision that consists of all or a portion of an economically disadvantaged county, to adjust the minimum local matching funds requirement after evaluating the political subdivision's effort and ability to meet the requirement.

Section 222.053(e) further directs the commission to report annually to the governor, the lieutenant governor, and the speaker of the house of representatives on the use of matching funds and local incentives and the ability of the commission to ensure that political subdivisions located in economically disadvantaged counties have equal ability to compete for highway funding with political subdivisions in counties that are not economically disadvantaged.

The Texas Department of Transportation has completed the Fiscal Year 2020 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 2020 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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Director, Transportation Planning and Programming Division

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Executive Director

115972 Feb. 25 2021

Minute Date Number Passed

EXHIBIT A



Economically Disadvantaged Counties Program

Relief from Local Match Requirements

Fiscal Year 2020 Annual Report
Transportation Planning and Programming Division

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Background

The Fiscal Year (FY) 2020 Annual Report is the twenty-second annual report for the Economically Disadvantaged Counties Program (EDCP) administered by the Texas Department of Transportation (TxDOT).

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

The EDCP was amended by the 79th Legislature in 2005 to require the commission to certify a county as economically disadvantaged on an annual basis as soon as possible after the Texas Comptroller of Public Accounts (comptroller) reports on the required economic indicators. In addition, the amendments stipulated that the commission 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 project's components on an as needed basis, allowing counties to submit projects at any time during their participation in the program.

Senate Bill 2168, 86th Legislature, Regular Session, 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 2020, an economically disadvantaged county was a county that, in comparison to other counties in the state, had:

- **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.

2020 Eligible Counties

Based on Calendar Year 2017 data obtained from the comptroller, 70 counties were eligible for the program in FY 2020. The counties (including local entities within these counties) listed in Table 1 were eligible for the program in FY 2020.

During FY 2020, local governments submitted applications to their district office for approval of adjustment on 18 projects located within economically disadvantaged counties for a total estimated savings to local governments of \$8,823,243.

Table 1: Fiscal Year 2020 Eligible Counties

Angelina	Duval	Jim Wells	Panola	Titus
Bastrop	El Paso	Jones	Pecos	Trinity
Bee	Floyd	Kleberg	Polk	Tyler
Bowie	Franklin	Lamb	Presidio	Upshur
Brooks	Freestone	Leon	Red River	Uvalde
Caldwell	Grimes	Liberty	Robertson	Val Verde
Calhoun	Hale	Limestone	Rusk	Walker
Cameron	Hall	Madison	Sabine	Waller
Camp	Harrison	Marion	San Augustine	Wharton
Cass	Haskell	Matagorda	San Jacinto	Wilbarger
Cherokee	Hidalgo	Maverick	Shelby	Willacy
Cochran	Hudspeth	Milam	Starr	Wood
Crane	Jasper	Mitchell	Stephens	Zapata
Dawson	Jim Hogg	Newton	Terry	Zavala

Outreach

To ensure the accessibility to program information, TxDOT makes the information available through a variety of mediums and formats. In November 2019, 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 and also included on TxDOT's website (www.txdot.gov).

FY 2020 Commission and Department Actions

By Minute Order 115595, dated September 26, 2019, the commission certified the FY 2020 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 2020 program.

Summary

For FY 2020, TxDOT district engineers granted adjustments on 18 projects in 9 counties. These local entities have saved an estimated \$8,823,843. See Table A-1 in Appendix.

Since the program's inception on January 1, 1998, the department has granted adjustments to over 1,142 projects in economically disadvantaged counties for an estimated savings to local governments of \$142,880,540. Table 2 provides a year-by-year summary of estimated savings.

Table 2: EDCP Year-to-Date Total

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Savings	\$988,316	\$ 9,946,204	\$5,482,366	\$ 5,558,580	\$ 834,296	\$ 2,194,309
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Savings	\$4,556,098	\$3,249,069	\$2,797,536	\$1,743,101	\$6,755,645	\$3,239,132
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Savings	\$2,420,245	\$3,400,304	\$1,671,700	\$6,252,448	\$5,675,934	\$12,741,175
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
Savings	\$5,330,094	\$21,428,781	\$13,710,193	\$14,103,360	\$8,823,243	
					Total	\$142,880,540

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

Appendix

Table A-1: Project Listing

	County	Applicant	Control Section Job (CSJ)	Project Type	Savings
	Bastrop	Bastrop County	0914-18-111	Preliminary Construction Engineering	\$58,781
	Bastrop	Bastrop County	0914-18-112	Preliminary Construction Engineering	\$58,781
	Cameron	Cameron County	0921-06-252	Preliminary Construction Engineering	\$1,290,000
	Cameron	Cameron County	0921-06-290	Preliminary Construction Engineering	\$2,733,500
	Cameron	Cameron County RMA	0921-06-292	Preliminary Construction Engineering	\$683,760
	Cochran	Cochran County	0461-04-026	Right of Way	\$2,480
	Hidalgo	Hidalgo County	0921-02-360	Preliminary Construction Engineering	\$2,500,458
	Hidalgo	City of Pharr	0921-02-375	Preliminary Construction Engineering	\$734,545
	Hidalgo	Hidalgo County	0921-02-445	Preliminary Construction Engineering	\$73,800
	Hidalgo	Hidalgo County	0921-02-446	Preliminary Construction Engineering	\$73,800
	Hidalgo	Hidalgo County	1064-01-043	Right of Way	\$245,109
	Hidalgo	Hidalgo County	1803-01-094	Right of Way	\$121,770
	Limestone	City of Mexia	0057-01-028	Right of Way	\$66,000
	Madison	Madison County	0917-31-034	Preliminary Construction Engineering	\$57,645
	Milam	Milam County	0917-12-086	Preliminary Construction Engineering	\$54,810
	Robertson	City of Hearne	0917-18-085	Preliminary Construction Engineering	\$12,320

Table A-1: Project Listing Continued

	County	Applicant	Control Section Job (CSJ)	Project Type	Savings
	Stephens	Stephens County	0923-22-026	Preliminary Construction Engineering	\$31,324
	Stephens	City of Breckenridge	3469-01-014	Right of Way	\$24,360
				Savings	\$8,823,243