

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

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VARIOUS 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.

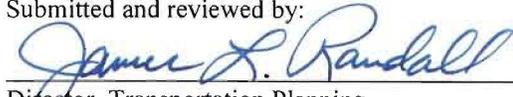
Section 222.053(c) directs the Texas Transportation Commission (commission), when evaluating a proposal for a highway project in a political subdivision that consists of all or a portion of an economically disadvantaged county, to adjust the minimum local matching funds requirement after evaluating the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

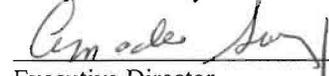
The Texas Department of Transportation has completed the Fiscal Year 2008 Annual Report on the Economically Disadvantaged Counties Program, which is attached as Exhibit A.

IT IS THEREFORE ORDERED that the Fiscal Year 2008 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:

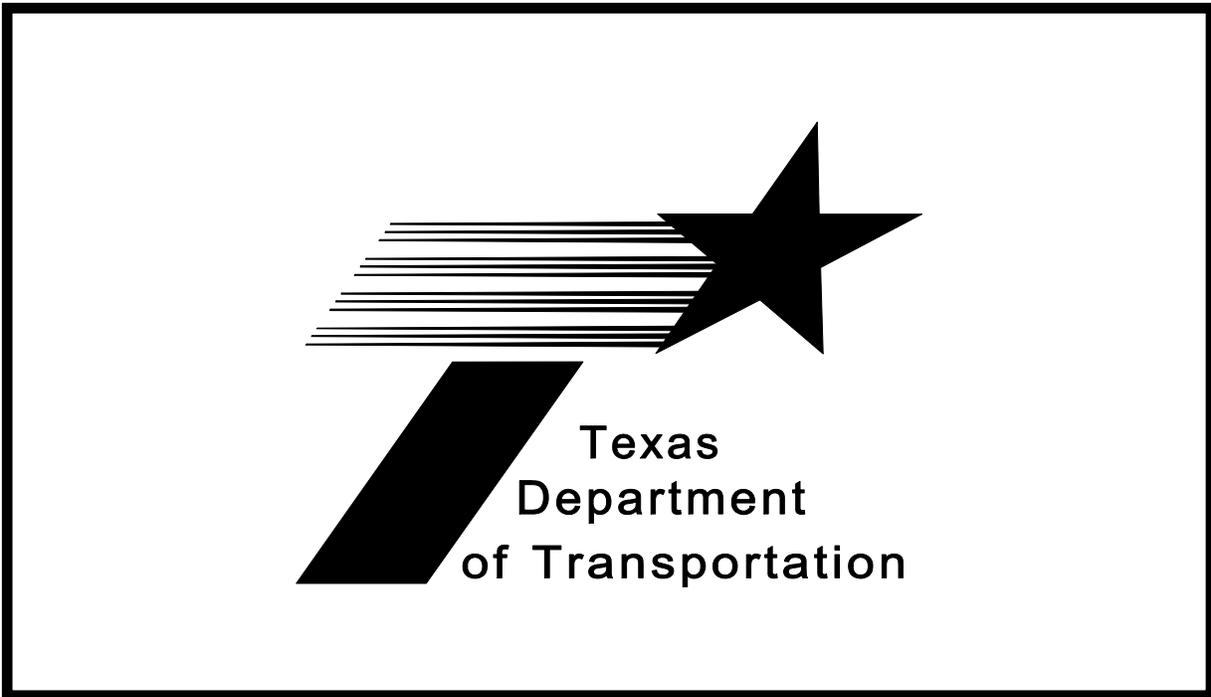
  
\_\_\_\_\_  
Director, Transportation Planning  
and Programming Division

Recommended by:

  
\_\_\_\_\_  
Executive Director

**111719 FEB 26 09**

Minute Number      Date Passed



# **Economically Disadvantaged Counties Program**

**Relief from Local Match Requirements**

**Fiscal Year 2008 Annual Report**

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## Background

The Fiscal Year (FY) 2008 Annual Report is the tenth 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.

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.

TxDOT annually identifies the counties that meet **all three** of the above criteria derived from data obtained from the Texas Comptroller of Public Accounts (comptroller). 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 EDCP was revised 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 comptroller reports on the economic indicators listed above. 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.

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; this was stipulated in the legislation itself.

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 can not exceed 95 percent or be less than 15 percent.

## 2008 Eligible Counties

Based on Calendar Year 2005 data obtained from the comptroller, 67 counties were eligible for the program in FY 2008. The counties (including local entities within these counties) listed in Table 1 were eligible for the program in FY 2008.

Table 1. FY 2008 Eligible Counties

Anderson	Concho	Hall	Lamar	Rains	Uvalde
Atascosa	Coryell	Henderson	La Salle	Red River	Val Verde
Bailey	Dawson	Hidalgo	Leon	Reeves	Walker
Bee	Delta	Hill	Madison	Rusk	Webb
Briscoe	Dimmit	Houston	Marion	Sabine	Willacy
Brooks	Duval	Howard	Matagorda	San Augustine	Wood
Caldwell	El Paso	Hudspeth	Maverick	San Jacinto	Zavala
Cameron	Falls	Jasper	Mitchell	San Patricio	
Cass	Fannin	Jim Wells	Nacogdoches	Shelby	
Cherokee	Frio	Jones	Navarro	Starr	
Childress	Grimes	Karnes	Newton	Trinity	
Coke	Hale	Kinney	Presidio	Tyler	

During FY 2008, local governments submitted applications to the district office for approval of adjustment on 40 projects located within economically disadvantaged counties for a total estimated savings to local governments of \$6,755,645.

## Outreach

To ensure the accessibility to program information, TxDOT makes the information available through a variety of mediums and formats. In October 2007, 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 2008 Commission and Department Actions

By Minute Order 111080, dated September 27, 2007, the commission certified the FY 2008 list of eligible counties and the local match adjustment for each county. On December 13, 2007, the comptroller provided additional data that indicated two additional counties would be eligible for the EDCP for 2008. By Minute Order 111164, dated December 13, 2007, the commission certified those two counties.

The Appendix contains a list of the projects approved by the district engineers for the FY 2008 program.

### Summary

For FY 2008, TxDOT district engineers granted adjustments on 40 projects in 18 counties. These local entities saved an estimated \$6,755,645.

Since the program's inception on January 1, 1998, the department has granted adjustments to over 600 projects in economically disadvantaged counties for an estimated savings to local governments of \$44,105,520.

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	
<b>Savings</b>	\$ 4,556,098	\$3,249,069	\$2,797,536	*\$1,743,101	\$6,755,645	
				<b>Total</b>	<b>\$ 44,105,520</b>	

The EDCP enables TxDOT to work with local governments to meet the department's goals to reduce congestion, enhance safety, expand economic opportunity, improve air quality, and preserve the value of our transportation assets.

\*FY 2007 has been updated to reflect the addition of two projects with savings totaling \$17,976 in Liberty County that were not included in the FY 2007 Annual Report due to the timing of processing and signing agreements by local governments. See Addendum page 11.

# APPENDIX

**Table A-1.**

<b>County</b>	<b>Applicant</b>	<b>Control Section Job (CSJ)</b>	<b>Project Type</b>	<b>Savings</b>
Atascosa	Atascosa County	0915-13-023	Preliminary Engineering Construction	\$345,554
Bee	City of Beeville	0916-25-016	Preliminary Engineering Construction	\$80,256
Cherokee	Cherokee County	0910-36-123	Preliminary Engineering Construction	\$23,814
Cherokee	Cherokee County	0910-36-124	Preliminary Engineering Construction	\$23,814
Childress	Childress County	0704-03-012	Right of Way	\$306
El Paso	City of El Paso	0924-06-313	Preliminary Engineering Construction	\$504,729
Falls	Falls County	0909-38-027	Preliminary Engineering Construction	\$90,869
Falls	Falls County	0909-38-028	Preliminary Engineering Construction	\$34,489
Hall	Hall County	0704-03-012	Right of Way	\$2,302
Hall	City of Memphis	0844-05-008	Right of Way	\$46,355
Hill	City of Hillsboro	0909-37-049	Preliminary Engineering Construction	\$37,136
Jones	City of Hawley	1360-01-017	Right of Way	\$1,980
Jones	City of Stamford	1360-01-025	Right of Way	\$214

**Table A-1. Continued**

<b>County</b>	<b>Applicant</b>	<b>Control Section Job (CSJ)</b>	<b>Project Type</b>	<b>Savings</b>
Marion	Marion County	1018-03-031	Right of Way	\$14,790
Marion	Marion County	1018-03-032	Right of Way	\$1,482
Marion	Marion County	0520-04-026	Right of Way	\$9,435
Marion	Marion County	1018-03-030	Right of Way	\$1,061
Maverick	City of Eagle Pass	0922-10-029	Preliminary Engineering Construction	\$738,000
Newton	Newton County	0920-06-026	Preliminary Engineering Construction	\$29,556
Newton	Newton County	0920-06-028	Preliminary Engineering Construction	\$34,941
Newton	Newton County	0920-06-027	Preliminary Engineering Construction	\$30,890
Red River	Red River County	0901-27-036	Preliminary Engineering Construction	\$5,179
Red River	Red River County	0901-27-037	Preliminary Engineering Construction	\$5,658
Red River	Red River County	0901-27-038	Preliminary Engineering Construction	\$4,417

**Table A-1. Continued**

<b>County</b>	<b>Applicant</b>	<b>Control Section Job (CSJ)</b>	<b>Project Type</b>	<b>Savings</b>
Red River	Red River County	0901-27-039	Preliminary Engineering Construction	\$2,829
Red River	Red River County	0901-27-040	Preliminary Engineering Construction	\$3,068
Red River	Red River County	0901-27-041	Preliminary Engineering Construction	\$3,612
Red River	Red River County	0901-27-042	Preliminary Engineering Construction	\$2,585
Rusk	Rusk County	0910-42-033	Preliminary Engineering Construction	\$14,137
Rusk	Rusk County	0910-42-034	Preliminary Engineering Construction	\$14,137
San Patricio	San Patricio County	0371-04-054	Right of Way	\$4,600
Val Verde	City of Del Rio	0922-11-031	Preliminary Engineering Construction	\$275,000
Val Verde	City of Del Rio	0922-11-033	Preliminary Engineering Construction	\$255,200
Val Verde	Val Verde County	0922-11-032	Preliminary Engineering Construction	\$236,500
Webb	City of Laredo	0922-33-100	Preliminary Engineering Construction	\$409,200
Webb	City of Laredo	0922-33-114	Preliminary Engineering Construction	\$501,134
Webb	City of Laredo	0922-33-115	Right of Way	\$229,003

**Table A-1. Continued**

<b>County</b>	<b>Applicant</b>	<b>Control Section Job (CSJ)</b>	<b>Project Type</b>	<b>Savings</b>
Webb	Webb County	0922-33-115	Right of Way	\$207,042
Webb	City of Laredo	0922-33-116	Preliminary Engineering Construction	\$2,356,000
Webb	Webb County	0922-33-085	Preliminary Engineering Construction	\$23,622
Webb	Webb County	0922-33-112	Preliminary Engineering Construction	\$23,622
Zavala	Zavala County	0922-48-002	Preliminary Engineering Construction	\$127,127
			<b>TOTAL SAVINGS</b>	<b>\$6,755,645</b>

## Addendum

### FY 2007 Economically Disadvantaged Counties Program

<b>County</b>	<b>Applicant</b>	<b>Control Section Job (CSJ)</b>	<b>Project Type</b>	<b>Savings</b>
Liberty	City of Liberty	0920-02-078	Preliminary Engineering Construction	\$9,748
Liberty	City of Dayton	0920-02-077	Preliminary Engineering Construction	\$8,228
			<b>TOTAL SAVINGS</b>	<b>\$17,976</b>