

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

Page 1 of 1

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.

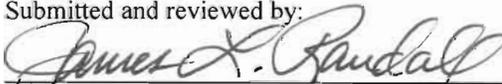
Section 222.053(c) directs the Texas Transportation Commission (commission), when evaluating a proposal for a highway project in a political subdivision that consists of all or a portion of an economically disadvantaged county, to adjust the minimum local matching funds requirement after evaluating the 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 2009 Annual Report on the Economically Disadvantaged Counties Program, which is attached as Exhibit A.

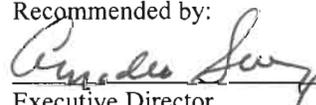
IT IS THEREFORE ORDERED that the Fiscal Year 2009 Annual Report on the Economically Disadvantaged Counties Program, as shown in Exhibit A, is approved by the commission and shall be presented to the governor, the lieutenant governor, and the speaker of the house of representatives as required by Section 222.053(e), Transportation Code.

Submitted and reviewed by:



Director, Transportation Planning
and Programming Division

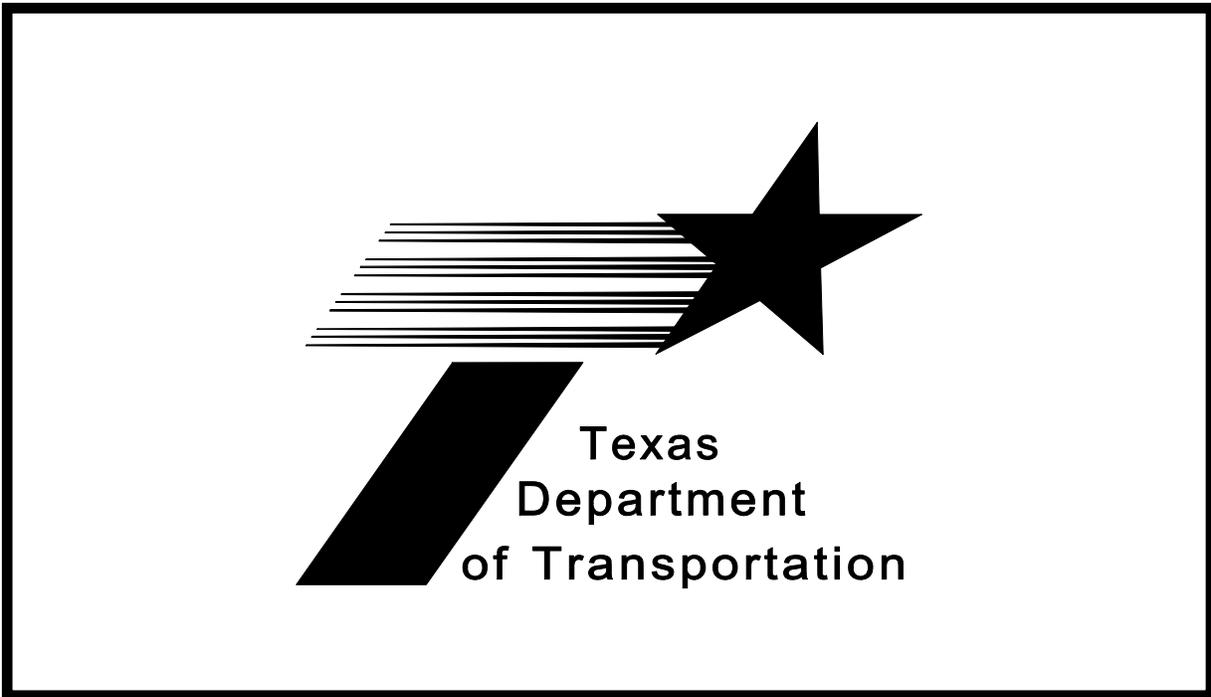
Recommended by:



Executive Director

112170 FEB 25 10

Minute Date
Number Passed



Economically Disadvantaged Counties Program

Relief from Local Match Requirements

Fiscal Year 2009 Annual Report

Table of Contents

Background.....	2
2009 Eligible Counties.....	4
Table 1. FY 2009 Eligible Counties	4
Outreach.....	4
FY 2009 Commission and Department Actions.....	5
Summary.....	5
Table 2. EDCP Year-to-Date Total.....	5
Appendix	6

Background

The Fiscal Year (FY) 2009 Annual Report is the eleventh 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.

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 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 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.

2009 Eligible Counties

Based on Calendar Year 2006 data obtained from the comptroller, 70 counties were eligible for the program in FY 2009. The counties (including local entities within these counties) listed in Table 1 were eligible for the program in FY 2009.

Table 1. FY 2009 Eligible Counties

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

During FY 2009, local governments submitted applications to the district office for approval of adjustment on 14 projects located within economically disadvantaged counties for a total estimated savings to local governments of \$3,239,132.

Outreach

To ensure the accessibility to program information, TxDOT makes the information available through a variety of mediums and formats. In October 2008, 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 2009 Commission and Department Actions

By Minute Order 111487, dated August 28, 2008, the commission certified the FY 2009 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 2009 program.

Summary

For FY 2009, TxDOT district engineers granted adjustments on 14 projects in 7 counties. These local entities saved an estimated \$3,239,132.

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 \$47,344,652.

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
Total					\$ 47,344,652	

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.

APPENDIX

Table A-1.

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Anderson	Anderson County	0910-08-904	Preliminary Engineering Construction	\$23,297
Cameron	Cameron County	0921-06-073	Preliminary Engineering Construction	\$928,200
Falls	Falls County	0909-38-029	Preliminary Engineering Construction	\$39,742
Falls	Falls County	0909-38-030	Preliminary Engineering Construction	\$37,595
Hidalgo	City of San Juan	1429-01-025	Right of Way	\$3,080
Hidalgo	City of Edinburg	0921-02-132	Preliminary Engineering Construction	\$538,650
Hidalgo	Hidalgo County	0921-02-132	Preliminary Engineering Construction	\$508,725
Hidalgo	Hidalgo County	0862-01-037	Right of Way	\$136,340
Hidalgo	Hidalgo County	0689-01-043	Right of Way	\$255,850
Hidalgo	Hidalgo County	0921-02-212	Preliminary Engineering Construction	\$59,058
Hidalgo	City of Mission	3097-02-013	Right of Way	\$369,000
Hidalgo	City of Donna	0863-01-047	Right of Way	\$122,400
Robertson	Robertson County	0204-09-045	Right of Way	\$12,555

Table A-1. Continued

County	Applicant	Control Section Job (CSJ)	Project Type	Savings
Val Verde	City of Del Rio	0922-11-036	Preliminary Engineering Construction	\$177,000
Zavala	Zavala County	0922-48-003	Preliminary Engineering Construction	\$27,640
			TOTAL SAVINGS	\$3,239,132