

January 2026 Cash Forecast



Texas Department of Transportation
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Texas Department of Transportation
Executive Summary
January 2026 Cash Forecast

Executive Summary

The Texas Department of Transportation is dedicated to responsibly managing the State Highway Fund through forecasting and strategic planning. By aligning revenues and expenditures with the evolving needs of Texans, TxDOT ensures the delivery of a safe, efficient, and reliable transportation system. This commitment reflects our pledge to taxpayers and lawmakers to maximize public investment, maintain fiscal stability, and support the long-term mobility and economic vitality of our state.

TxDOT manages cash flows through a coordinated process that connects financial oversight with core operational functions—administration, accounting, payments, revenue collection, budgeting, forecasting, letting, and planning. This integrated approach ensures that financial forecasts directly inform decisions about highway construction and maintenance. These forecasts are not only vital for internal planning but are also submitted to the Legislative Budget Board and external stakeholders to support transparency, accountability, and statewide fiscal coordination.

TxDOT's Financial Management team conducts monthly reviews to ensure continuous oversight of the department's financial status. These recurring evaluations provide a structured forum for discussing operational and fiscal issues—such as project letting—and enable timely, informed decisions. This consistent review process reinforces accountability, supports strategic alignment across divisions, and helps maintain the financial integrity of TxDOT's programs and initiatives.

TxDOT's cash forecast provides a comprehensive view of the department's financial outlook by detailing both historical and projected revenues and expenditures, along with monthly ending balances for all appropriated funding sources. It also accounts for revenue activity from other agencies operating within the State Highway Fund (SHF), ensuring a complete picture of available funding.

TxDOT's forecasting methodology combines historical data, current laws, official revenue estimates from the Comptroller, and relevant economic and policy developments. It also incorporates federal funding factors such as the current highway transportation bill, continuing resolutions, rescissions, and apportionment rules set by the Federal Highway Administration. This approach ensures that both state and federal revenue projections are timely and aligned with funding requirements. In addition, the 78th Legislature, authorized TxDOT short-term borrowing capabilities in the event cash balances are insufficient to fund agency obligations for a brief period.

TxDOT's cash forecast reflects a broad and diverse funding landscape, including state, federal, and regionally restricted sources such as the State Highway Fund, Texas Mobility Fund, Proposition 1 and 7 tax revenues, the State Infrastructure Bank, federal pandemic relief, and targeted programs for major metropolitan areas. The forecast accounts for legal restrictions, timing of revenue and expenditures, regulatory requirements, economic uncertainty, and interagency activity.

A summary of key forecast assumptions and changes is outlined below.

- **Vehicle Registration Fees:**
 - Traditional Vehicle Registration Fees (VRF) are projected to grow 4.05% in FY2026. This growth rate will gradually reduce to 1% by FY2029 and remain constant for all subsequent years.
 - Electric Vehicle (EV) Registration Fees, enacted by the 88th Legislature, Regular Session, Senate Bill 505, utilize a regression model for FY 2026 and incorporate TTI's TRENDS model for all subsequent years. The TTI TRENDS model assumes that EVs will comprise 25% of all registered vehicles in Texas by FY2060.
- **Motor Fuels Tax (MFT)** assumes a year over year (YoY) blended growth rate of 1.78% for FY2026-2028, which is based on 1.56% growth for gasoline and 2.4% growth for diesel. TTI's TRENDS variable year over year growth rate is used for all future years.
- **Lubricant Sales Tax** is based on the Comptroller's 2026-2027 Certification Revenue Estimate (CRE) through FY 2027 and then a 1.5% YoY growth rate for all future years.
- **Miscellaneous Revenues** assume a 1% YoY growth rate which is consistent with historical trends. Miscellaneous revenue is primarily related to special vehicle permits, land sales, judgments & settlements, oil & gas royalties, forfeitures, sales of publication/advertising/supplies, and toll revenues.
- **Other Expansion and Growth** assume a 4% YoY inflationary factor for non-letting programs starting FY 2028 and all future years, which closely aligns with the Consumer Price Index (CPI).
- **FHWA reimbursement** estimate for FY 2026 is based on the Infrastructure Investment and Jobs Act (IIJA) enacted by Congress in November 2021 (expires after Federal Fiscal Year [FFY] 2026), plus a conservative federal redistribution estimate. All subsequent year estimates revert to 2020 Fixing America's Surface Transportation (FAST) Act levels which are then adjusted for growth. Projections exclude National Electric Vehicle Infrastructure (NEVI) funding and discretionary grants.
- **Texas Mobility Fund (TMF)** revenues for FY2026-27 are calculated based on the 2026-2027 CRE and assumes the CRE growth rate for outer years. TxDOT also has the capacity to issue TMF bonds and in November 2025 had \$1.075 billion bond issuance.
- **Proposition 1** revenue from oil & gas taxes: FY2027-FY2028 deposits to the State Highway Fund are projected based on the 2026-2027 CRE. After FY2028, the Proposition 1 transfer is projected using a ten-year average of actual and projected transfers (FY2019-FY2028) and excludes highest/lowest transfers within that ten-year period due to source volatility. Proposition 1 transfers are set to expire in FY2043 pursuant to HB 2230, 88th Legislature, Regular Session.
- **Proposition 7 Sales & Use taxes:** FY2026 transfers to the State Highway Fund are projected at \$2.5 billion according to the 2026-2027 CRE and assume these will continue through its expiration date of Aug. 31, 2042 (FY2042), pursuant to Senate Concurrent Resolution (SCR) 2, 88th Legislature, Regular Session.
- **Proposition 7 Motor Vehicle Sales Tax (MVST) revenue** is based the 2026-2027 CRE for those respective years and a YoY growth rate of 5% through its expiration date of Aug. 31, 2039 (FY2039), pursuant to Senate Concurrent Resolution (SCR) 2, 88th Legislature, Regular Session.

Changes from previous Cash Forecast:

- Include actual revenue and expenditures through December 2025.

Significant variances from previous Cash Forecast:

- N/A

Impact of the projected letting schedule on cash balances

- The current letting schedule, existing obligations and agency operations, results in a projected Operating SHF ending balance of approximately \$595.1 million in FY2026, including Proposition 1 and Proposition 7. See page 8.
- Through December 2025, TxDOT has \$28.2 billion of obligations left to pay on active projects; \$25.4 billion of design-bid-build contracts and \$2.8 billion of design-build contracts.
- 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
January 2026 Cash Forecast

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actual	Actual	Forecast	Forecast	Forecast
Letting Type:					
Statewide Letting Program ¹	12,224,931,796	10,241,160,425	7,456,081,347	7,744,955,831	7,406,624,435
Local Letting Program ²	454,798,996	432,007,051	598,277,823	581,172,394	-
Design Build Awards ³	-	-	1,993,964,433	-	-
Other Alternative Delivery Awards ⁴	-	426,404,420	-	-	-
Total Highway Letting Programs, excl Routine Maint	12,679,730,792	11,099,571,896	10,048,323,603	8,326,128,226	7,406,624,435
Routine Maintenance Letting Program ⁵	995,062,620	902,354,908	983,567,000	1,022,909,680	1,063,826,067
Total Highway Letting Programs, incl Routine Maint	13,674,793,412	12,001,926,804	11,031,890,603	9,349,037,906	8,470,450,502
Other Obligations ⁶	415,648,397	722,820,071	369,861,102	208,287,191	-
Grand Total Highway Project Awards	14,090,441,809	12,724,746,875	11,401,751,704	9,557,325,097	8,470,450,502
Method of Finance:					
SHF Traditional ⁷	9,094,281,784	8,868,962,591	5,891,059,217	5,214,019,072	4,750,276,443
SHF Proposition 1	2,356,836,843	43,234,898	1,625,643,668	26,023,806	1,594,990,252
SHF Proposition 7	2,508,918,967	3,744,305,939	1,651,958,712	2,646,876,922	1,788,788,793
SHF DFW Restricted Funds	16,680,360	35,438,438	8,122,805	30,380,273	-
SHF Military Installation Program Funds	-	4,647,464	-	-	-
Texas Mobility Fund Fees	33,316,603	18,635,680	62,591,200	26,000,841	-
Texas Mobility Fund Proceeds	-	-	193,492,092	881,507,908	-
COVID Funds ⁸	12,307,681	-	6,000,000	-	-
Toll Financed ⁹	68,099,571	9,521,866	1,962,884,010	732,516,274	336,395,013
Grand Total Highway Project Awards	14,090,441,809	12,724,746,875	11,401,751,704	9,557,325,097	8,470,450,502

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) Includes Pass-through Finance projects, Local Bond Sales, Ferry or Right-of-Way letting. FY2024-FY2026 includes obligation authority levels from the Infrastructure Investment and Jobs Act passed by Congress in November 2021. Includes federal redistribution of \$600 million in FY2026 and \$300 million in FY2027.

(2) Local Lets: Lettings by Local Agencies.

(3) Future projects that may ultimately be delivered under the Alternative Delivery Program 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:

<https://www.txdot.gov/content/dam/docs/business/alt-delivery/db-quarterly-report.pdf>. Includes Design-Build projects that may be delivered under the Comprehensive Development Agreement (CDA) authority.

(4) Includes design build deferred work/change orders and CapEx-C Pump Station Facility delivered under the alternative delivery program.

(5) Routine Maintenance: Actuals include RMC, TMC, BPM, & MMC Contract Low Bids per Maintenance Division Contract Reporting Dashboards. Future year project projections assumes an annual growth rate of 9% in FY2026 and 4% thereafter.

(6) Other Obligations include studies, travel demand models, ride share services, motor assistance programs, corridor analysis.

(7) SHF Traditional method of finance includes RMC, DB, ROW join-bid, RL and local funded projects

(8) Congress authorized COVID relief funds under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in March 2021 and SB8, 87th Legislature, (See page 16)

(9) Projects financed by toll revenues.

Texas Department of Transportation
Total Expenses
January 2026 Cash Forecast

<u>Expenses</u>	<u>Base Case</u>				
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actual	Actual	Forecast	Forecast	Forecast
Research	25,942,627	26,989,807	30,437,520	29,577,051	29,600,000
Engineering	1,110,456,889	933,181,850	962,416,964	1,247,060,840	1,235,794,395
Right-of-Way	508,427,124	390,550,935	475,925,606	671,391,296	347,129,363
Plan	1,644,826,640	1,350,722,592	1,468,780,090	1,948,029,187	1,612,523,758
Build	2,470,664,615	5,457,314,362	4,987,396,101	3,015,912,499	2,262,388,303
Maintain	3,041,342,783	5,914,878,908	8,091,066,160	5,765,889,675	5,547,001,992
Use	251,223,911	263,416,850	771,479,543	264,669,866	248,071,218
Manage	419,805,365	418,529,271	491,286,260	484,121,216	484,081,000
Project Development & Delivery	10,566,890,570	7,980,969,459	5,122,505,938	6,684,083,055	5,585,124,456
Debt Service ¹	1,075,424,128	1,067,153,002	1,180,533,387	1,067,494,454	1,128,050,693
Inflation/Additional Programs	-	-	-	-	215,675,531
Total Expenses	19,470,178,013	22,452,984,445	22,113,047,479	19,230,199,952	17,082,916,951

<u>Funding Source</u>					
State Highway Fund ²	7,730,604,898	12,832,294,382	14,721,900,791	11,277,279,055	10,341,427,674
Proposition 1 ²	5,975,559,126	4,597,268,405	2,362,579,082	2,418,327,068	1,698,923,359
Proposition 7 ²	4,848,762,038	3,630,781,241	3,014,413,480	4,514,881,102	4,131,128,353
Dallas / Forth Worth Funds ³	25,538,130	53,255,837	38,636,610	35,723,830	9,725,529
Austin / San Antonio Funds ⁴	19,707,909	15,867,141	19,017,370	19,787,296	5,000,000
Houston Funds ⁵	13,282	1,238,356	5,318,896	-	-
Military Installation Program ⁶	71,264	324,028	2,395,095	1,397,139	-
State Infrastructure Bank (SIB) ⁷	24,533,350	94,451,167	250,000,000	-	-
Texas Mobility Fund - Taxes & Fees ⁸	497,821,380	496,168,746	593,505,124	575,370,987	557,002,792
Texas Mobility Fund - Bond Proceeds ⁹	-	-	37,010,459	232,294,385	293,512,141
COVID Funds ¹⁰	283,154,457	168,574,485	160,030,175	55,887,696	-
Build America Bond Subsidy ¹¹	29,717,584	54,621,499	50,269,839	49,636,177	45,466,885
General Revenue ¹²	34,694,594	508,139,159	857,970,557	49,615,218	730,218
Total Funds	19,470,178,013	22,452,984,445	22,113,047,479	19,230,199,952	17,082,916,951

(1) See page 6 of 16 of this forecast for details.

(2) See page 8 of 16 of this forecast for details.

(3) See page 9 of 16 of this forecast for details.

(4) See page 10 of 16 of this forecast for details.

(5) See page 11 of 16 of this forecast for details.

(6) See page 12 of 16 of this forecast for details.

(7) See page 13 of 16 of this forecast for details.

(8) See page 14 of 16 of this forecast for details.

(9) See page 15 of 16 of this forecast for details.

(10) See page 16 of 16 of this forecast for details.

(11) 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 15, TMF and Proposition 12 bond programs.

(12) General Revenue (GR) expenditure projections from the 2026-2027 Conference Committee SB1 and HB500 supplemental items (89th Legislature).

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

**Texas Department of Transportation
Bond Programs - Debt Service
January 2026 Cash Forecast**

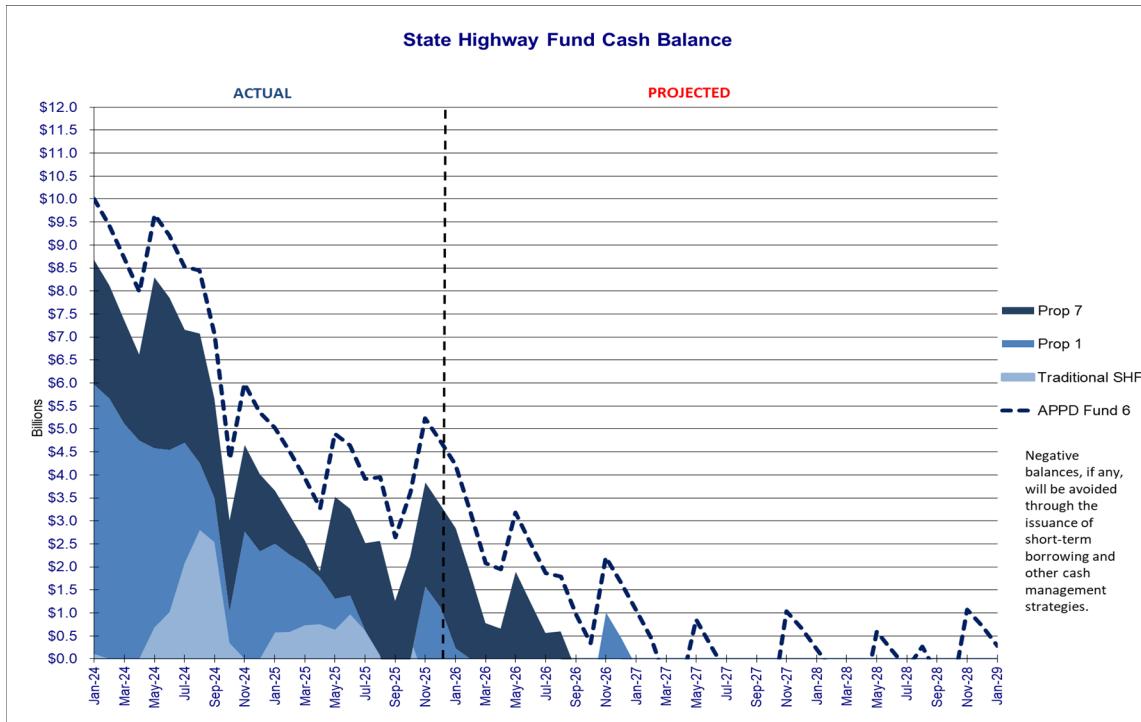
<u>Expenses</u>	<u>Base Case</u>				
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actual	Actual	Forecast	Forecast	Forecast
Texas Mobility Fund	399,203,528	408,990,610	507,119,602	385,835,631	456,633,558
Proposition 14	412,159,303	401,284,863	407,890,367	421,350,813	417,662,022
Proposition 12	264,061,298	256,816,127	263,789,218	257,966,611	253,255,113
Total Expenses	1,075,424,128	1,067,091,600	1,178,799,187	1,065,153,054	1,127,550,693
Funding Source					
Texas Mobility Fund - Taxes & Fees ¹	388,275,950	387,214,634	488,012,925	365,618,066	436,588,792
Build America Bond Subsidy-TMF ³	10,927,578	21,775,976	19,106,677	20,217,565	20,044,767
TMF Total	399,203,528	408,990,610	507,119,602	385,835,631	456,633,558
State Highway Fund ²	400,000,000	378,175,280	386,029,800	400,773,697	400,567,760
Build America Bond Subsidy-Prop 14 ³	12,159,303	23,109,583	21,860,566	20,577,116	17,094,262
Proposition 14 Total	412,159,303	401,284,863	407,890,367	421,350,813	417,662,022
Proposition 7-Prop 12 ⁴	257,430,594	247,080,187	254,486,623	249,125,114	244,927,256
Build America Bond Subsidy-Prop 12 ³	6,630,704	9,735,941	9,302,595	8,841,496	8,327,857
Proposition 12 Total	264,061,298	256,816,127	263,789,218	257,966,611	253,255,113
Total Funds	1,075,424,128	1,067,091,600	1,178,799,187	1,065,153,054	1,127,550,693

(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
Cash Balance
as of December 31, 2025**

Total SHF Cash Balance	\$ 4,738,677,096
Less Restricted funds:	
State Infrastructure Bank	(341,687,754)
SH 121 Concession	(601,781,379)
SH 161 Concession	(10,002,292)
NTE Seg 1&2W Concession	(61,219,049)
NTE Seg 3A & 3B Concession	(75,424,981)
I-635 (LBJ) Concession	(47,951,958)
I-635E - Surplus Toll Revenue Account	(15,496,290)
Midtown Express - Surplus Toll Revenue Account	(126,091,865)
DFW Connector - Surplus Toll Revenue Account	<u>(10,390,083)</u>
DFW Restricted Funds Subtotal	(948,357,898)
SH 130 (Seg. 5 & 6) Concession	<u>(13,385,786)</u>
Austin/San Antonio Restricted Funds Subtotal	(13,385,786)
SH 288 Concession	(17,316,991)
Montgomery County - PTF Escrow Account	<u>(65,016,549)</u>
Houston Restricted Funds Subtotal	(82,333,540)
MIP - Army	<u>(4,948,167)</u>
Military Installation Program Subtotal	(4,948,167)
Collections for Conferences and Seminars	<u>(2,985,983)</u>
Operating SHF Cash Balance*	\$ 3,344,977,969
Less Reserved funds:	
Proposition 1 - Non-Tolled Project Development & Delivery	(2,099,181,993)
Proposition 7 - Non-Tolled Project Development & Delivery	<u>(2,236,977,233)</u>
Traditional Operating SHF Cash Balance	\$ (991,181,257)
Cash Reserved for Payroll	(110,206,014)
Remaining Balance for Operations	\$ (1,101,387,271)

*Through December 2025, TxDOT has \$28.2 billion of obligations left to pay on active projects; \$25.4 billion of design-bid-build contracts and \$2.8 billion of design-build contracts.

**Texas Department of Transportation
State Highway Fund - Operating Accounts
January 2026 Cash Forecast**

	FY 2024 Actual	FY 2025 Actual	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
Beginning Balance Traditional SHF	953,872,294	2,804,009,668	433,096,186	(2,009,073,071)	(2,727,039,891)
Beginning Balance Proposition 1	4,138,476,603	1,445,736,539	(353,510,481)	(161,962,145)	(96,715,157)
Beginning Balance Proposition 7	4,384,195,992	2,822,993,470	2,481,848,424	2,766,129,044	1,546,850,499
Beginning Balance	9,476,544,889	7,072,739,677	2,561,434,130	595,093,828	(1,276,904,549)
Revenues					
State Gas Tax	2,812,521,319	2,839,276,371	2,889,956,000	2,941,578,000	2,994,163,000
Registration Fees	1,684,427,479	1,804,523,540	1,888,239,405	1,943,904,454	1,994,467,165
FHWA Reimbursements	4,744,566,580	5,408,028,794	5,478,187,343	5,370,520,846	5,136,598,545
Other Fed Reimbursements	220,381,813	266,534,258	217,118,088	220,185,829	220,186,000
Oil & Natural Gas Tax (Prop 1) Transfer In ²	3,056,162,692	2,739,804,527	2,524,238,571	2,456,097,000	2,575,920,003
Oil & Natural Gas Tax (Prop 1) Interest	226,656,370	58,216,859	29,888,846	27,477,056	47,344,317
Sales & Use\Rental Tax (Prop 7) Transfer In ²	3,128,770,432	3,214,066,628	3,203,273,200	3,240,070,100	3,364,573,605
Sales & Use\Rental Tax (Prop 7) Interest	158,789,084	75,569,567	95,420,899	55,532,457	19,430,027
Other	677,039,146	710,169,795	2,427,086,509	608,240,244	613,900,244
Total Revenues	16,709,314,915	17,116,190,340	18,753,408,862	16,863,605,986	16,966,582,906
Available Funds	26,185,859,804	24,188,930,017	21,314,842,992	17,458,699,814	15,689,678,357
Expenses					
Research	25,942,627	26,989,807	30,437,520	29,577,051	29,600,000
Engineering	1,092,754,472	920,786,563	949,158,290	1,178,560,840	1,201,294,395
Right-of-Way	508,591,198	380,711,147	463,425,606	608,891,296	317,129,363
Plan	1,627,288,297	1,328,487,517	1,443,021,416	1,817,029,187	1,548,023,758
Build	2,055,225,806	4,589,282,110	4,122,498,511	2,613,140,076	1,950,150,633
Maintain	3,041,342,783	5,912,568,214	8,087,155,678	5,764,492,536	5,547,001,992
Use	186,942,646	205,204,699	190,183,213	195,380,943	195,427,000
Manage	419,805,365	418,515,159	491,277,973	484,121,216	484,081,000
Proposition 1 Project Development & Delivery ¹	5,975,559,126	4,597,268,405	2,362,579,082	2,418,327,068	1,698,923,359
Proposition 7 Project Development & Delivery ¹	4,591,331,444	3,383,701,054	2,759,926,857	4,265,755,987	3,886,201,097
Prop 14 Debt Service	400,000,000	378,175,280	386,029,800	400,773,697	400,567,760
Prop 12 Debt Service from Proposition 7	257,430,594	247,080,187	254,486,623	249,125,114	244,927,256
Short-Term Borrowing Debt Service	-	61,403	1,734,200	2,341,400	500,000
Inflation/Additional Programs	-	-	-	-	215,675,531
TxDOT State Highway Fund Total	18,554,926,062	21,060,344,028	20,098,893,353	18,210,487,225	16,171,479,386
Other Agencies and Fund Transfers	135,262,259	129,056,733	128,430,447	129,383,000	130,672,000
Other Agencies for TxDOT	422,931,806	438,095,127	492,425,364	395,734,138	447,754,000
Total Expenses	19,113,120,126	21,627,495,887	20,719,749,164	18,735,604,363	16,749,905,386
Ending Balance Traditional SHF	2,804,009,668	433,096,186	(2,009,073,071)	(2,727,039,891)	(2,687,578,610)
Ending Balance Proposition 1	1,445,736,539	(353,510,481)	(161,962,145)	(96,715,157)	827,625,804
Ending Balance Proposition 7	2,822,993,470	2,481,848,424	2,766,129,044	1,546,850,499	799,725,778
Ending Balance	7,072,739,677	2,561,434,130	595,093,828	(1,276,904,549)	(1,060,227,029)

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

(2) FY2026-2028 Proposition 1 and FY2026-2027 Proposition 7 transfer-in projections are based on the Comptroller's 2026-2027 Certification Revenue Estimate (CRE), October 2025.

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 lettings 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
State Highway Fund Restricted Funds - DFW Subaccounts
January 2026 Cash Forecast

	<u>Base Case</u>				
	FY 2024 Actual	FY 2025 Actual	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
Beginning Balance - SH 121 ¹	598,004,802	614,432,415	598,391,652	600,361,232	606,258,669
Beginning Balance - SH 161 ²	6,043,458	6,365,767	9,857,985	10,289,593	10,736,093
Beginning Balance - NTE Seg 1 & 2	44,550,067	49,419,545	60,022,346	62,977,487	65,710,300
Beginning Balance - NTE Seg 3A & 3B	13,145,657	39,823,394	73,194,899	77,591,466	80,958,430
Beginning Balance - I-635 (LBJ)	28,238,278	37,122,363	46,931,539	49,329,316	51,469,887
Beginning Balance - I-635E	13,852,007	14,590,076	15,280,170	15,941,401	16,633,154
Beginning Balance - Midtown Express	65,735,409	88,055,598	124,333,317	129,713,690	135,342,420
Beginning Balance - DFW Connector	7,467,068	8,875,981	10,245,178	10,688,525	11,152,338
Beginning Balance	777,036,746	858,685,138	938,257,085	956,892,711	978,261,291
Revenues					
Proceeds - SH 121	2,514	(37,766)	-	-	-
Proceeds - NTE (1 & 2)	2,581,242	8,165,147	345,950	-	-
Proceeds - NTE (3A & 3B)	25,280,206	31,080,761	1,189,787	-	-
Proceeds - I-635 (LBJ)	7,389,322	8,022,779	355,433	-	-
Toll Revenue - SH 121	12,125,402	12,564,416	14,850,000	15,575,000	16,375,000
Toll Revenue - I-635E	42,609	20,497	-	-	-
Toll Revenue - Midtown Express	18,750,484	31,786,547	-	-	-
Toll Revenue - DFW Connector	1,019,545	948,508	-	-	-
Interest - SH 121	29,837,828	27,754,278	25,758,582	26,046,267	26,439,698
Interest - SH 161	322,309	426,365	429,217	446,500	465,875
Interest - NTE Seg 1 & 2	2,288,236	2,437,655	2,609,191	2,732,813	2,851,399
Interest - NTE Seg 3A & 3B	1,397,531	2,290,743	3,206,780	3,366,964	3,513,068
Interest - I-635 (LBJ)	1,494,763	1,786,397	2,042,344	2,140,571	2,233,458
Interest - I-635E	695,460	669,597	661,231	691,753	721,771
Interest - Midtown Express	3,569,705	4,491,172	5,380,373	5,628,729	5,872,979
Interest - DFW Connector	389,368	420,689	443,348	463,812	483,939
Total Revenues	107,186,522	132,827,784	57,272,236	57,092,409	58,957,187
Available	884,223,268	991,512,923	995,529,321	1,013,985,120	1,037,218,477
Expenses					
Plan - SH 121	473,531	1,572,990	20,060,988	21,000,000	-
Build - SH 121	25,064,599	54,748,700	18,578,014	14,723,830	9,725,529
Build - SH 161	-	(3,065,853)	(2,392)	-	-
Total Expenses	25,538,130	53,255,837	38,636,610	35,723,830	9,725,529
Ending Balance - SH 121	614,432,415	598,391,652	600,361,232	606,258,669	639,347,839
Ending Balance - SH 161	6,365,767	9,857,985	10,289,593	10,736,093	11,201,968
Ending Balance - NTE (1 & 2)	49,419,545	60,022,346	62,977,487	65,710,300	68,561,699
Ending Balance - NTE (3A & 3B)	39,823,394	73,194,899	77,591,466	80,958,430	84,471,499
Ending Balance - I-635 (LBJ)	37,122,363	46,931,539	49,329,316	51,469,887	53,703,345
Ending Balance - I-635E	14,590,076	15,280,170	15,941,401	16,633,154	17,354,925
Ending Balance - Midtown Express	88,055,598	124,333,317	129,713,690	135,342,420	141,215,399
Ending Balance - DFW Connector	8,875,981	10,245,178	10,688,525	11,152,338	11,636,276
Ending Balance	858,685,138	938,257,085	956,892,711	978,261,291	1,027,492,948

(1) SH121 includes SH121 and SH122 subaccounts (1) SH121 includes SH121 and SH122 subaccounts

(2) SH161 includes SH161 and SH162 subaccounts (2) SH161 includes SH161 and SH162 subaccounts

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
State Highway Fund Restricted Funds - Austin & San Antonio Subaccounts
January 2026 Cash Forecast

	<u>Base Case</u>				
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actual	Actual	Forecast	Forecast	Forecast
Beginning Balance - SH 130	34,451,825	26,341,048	22,615,784	13,615,265	4,078,837
Beginning Balance	34,451,825	26,341,048	22,615,784	13,615,265	4,078,837
Revenues					
Proceeds - SH130	4,665,131	4,820,351	2,300,773	2,994,561	3,102,964
Interest - SH130	3,315,091	2,830,834	2,508,121	2,099,144	1,879,358
Toll Revenue Sharing - SH130	3,616,911	4,490,693	5,207,957	5,157,163	5,577,371
Total Revenues	11,597,133	12,141,877	10,016,851	10,250,868	10,559,693
Available	46,048,957	38,482,925	32,632,635	23,866,133	14,638,530
Expenses					
Build - SH130	1,381,638	1,727,625	17,370	27,296	-
Use - SH130	18,326,271	14,139,516	19,000,000	19,760,000	5,000,000
Total Expenses	19,707,909	15,867,141	19,017,370	19,787,296	5,000,000
Ending Balance	26,341,048	22,615,784	13,615,265	4,078,837	9,638,530

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
State Highway Fund Restricted Funds - Houston Subaccounts
January 2026 Cash Forecast

	<u>Base Case</u>				
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Actual	Actual	Forecast	Forecast	Forecast
Beginning Balance - SH288	9,275,931	22,475,537	22,322,037	17,814,399	18,587,428
Beginning Balance - Montgomery County PTF	58,359,910	61,297,815	64,109,792	66,884,065	69,786,398
Beginning Balance	67,635,841	83,773,352	86,431,829	84,698,464	88,373,825

Revenues

Proceeds - SH288	12,409,864	80,329	-	-	-
Interest - SH288	803,023	1,004,528	811,258	773,029	806,573
Interest - Montgomery County PTF	2,937,905	2,811,976	2,774,273	2,902,333	3,028,275
Total Revenues	16,150,793	3,896,833	3,585,531	3,675,362	3,834,848

Available **83,786,634** **87,670,185** **90,017,360** **88,373,825** **92,208,674**

Expenses

Plan - SH288	-	-	939,012	-	-
Build - SH288	13,282	1,238,356	4,379,885	-	-
Total Expenses	13,282	1,238,356	5,318,896	-	-
Ending Balance - SH288	22,475,537	22,322,037	17,814,399	18,587,428	19,394,001
Ending Balance - Montgomery County PTF	61,297,815	64,109,792	66,884,065	69,786,398	72,814,673
Ending Balance	83,773,352	86,431,829	84,698,464	88,373,825	92,208,674

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 Highway Fund - Military Installation Program
January 2026 Cash Forecast**

	<u>Base Case</u>				
	FY 2024 Actual	FY 2025 Actual	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
Beginning Balance - MIP Army	-	348,989	4,948,167	2,553,072	1,155,934
Beginning Balance	-	348,989	4,948,167	2,553,072	1,155,934
<u>Revenues</u>					
Federal Reimbursement - MIP Army	420,253	4,923,206	-	-	-
Total Revenues	420,253	4,923,206	-	-	-
Available	420,253	5,272,195	4,948,167	2,553,072	1,155,934
<u>Expenses</u>					
Plan - MIP Army	71,264	324,028	-	-	-
Maintain - MIP Army	-	-	2,395,095	1,397,139	-
Total Expenses	71,264	324,028	2,395,095	1,397,139	-
Ending Balance - MIP Army	348,989	4,948,167	2,553,072	1,155,934	1,155,934
Ending Balance	348,989	4,948,167	2,553,072	1,155,934	1,155,934

The Military Installation Program (MIP) was established by House Bill 3399 (2021, 87th regular Texas legislative session), which added Section 201.1056 to the Texas Transportation Code, and allows TxDOT to enter into agreements with the U.S. Department of Defense (DOD) or another federal entity to assist with road maintenance, improvement, relocation, or extension services for military installations. Section 201.1056 prohibits TxDOT from using state funds or entering into an agreement with a federal entity if payment for the services provided under the agreement would originate from federal highway funds provided under Title 23, U.S. Code. Any cost associated with this program, including TxDOT project management and administrative costs, must be covered by the DOD or the other federal entity.

During the 2023, 88th regular Texas legislative session, SB1524 was passed which modified Section 201.1056 of the Texas Transportation Code. This change expands the scope of services that the department may provide to the DOD or other federal entity, such as airfield pavement repair and improvements, perimeter fencing, mowing or other services provided by the department.

Texas has 14 military installations according to the Texas Comptroller of Public Accounts. Those installations are located in 11 different TxDOT districts. However, other federal entities that are eligible within this program may be located within any of the 25 TxDOT districts.

**Texas Department of Transportation
State Highway Fund - State Infrastructure Bank
January 2026 Cash Forecast**

	<u>Base Case</u>				
	FY 2024 Actual	FY 2025 Actual	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
Beginning Balance	385,638,418	404,285,758	338,457,734	129,769,836	156,914,316
<u>Revenues</u>					
Loan Reimbursement	23,603,790	12,279,542	29,213,229	21,224,926	28,340,402
Interest	19,576,900	16,343,601	12,098,873	5,919,554	7,164,429
Total Revenues	43,180,690	28,623,143	41,312,103	27,144,480	35,504,832
Available	428,819,108	432,908,901	379,769,836	156,914,316	192,419,148
<u>Expenses</u>					
Build ¹	24,533,350	94,451,167	250,000,000	-	-
Total Expenses	24,533,350	94,451,167	250,000,000	-	-
Ending Balance	404,285,758	338,457,734	129,769,836	156,914,316	192,419,148

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

**Texas Department of Transportation
Texas Mobility Fund - Taxes and Fees
January 2026 Cash Forecast**

	<u>Base Case</u>				
	FY 2024 Actual	FY 2025 Actual	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
Beginning Balance	452,786,285	483,737,658	543,520,344	510,946,712	415,471,786
<u>Revenues</u>					
Drivers License Fees	190,486,884	199,202,476	202,102,000	119,948,000	208,209,376
Drivers Record Info Fees	74,380,049	79,997,679	80,798,000	81,606,000	82,422,060
Vehicle Inspection Fees	120,677,690	126,927,963	128,197,000	129,479,000	130,773,790
United We Stand	1,848	1,632	2,000	2,000	2,000
Certificate of Title	39	-	-	-	-
Transfer in from SHF ²	123,871,896	128,379,233	127,607,000	128,883,000	130,172,000
Motor Carrier Penalties	1,964,350	2,786,472	3,500,000	3,500,000	3,500,000
Interest	17,375,297	17,878,631	17,706,220	16,478,060	12,513,318
Build America Bonds ³	10,927,578	21,775,976	19,106,677	20,217,565	20,044,767
Miscellaneous	14,701	777,347	1,019,273	-	-
Total Revenues	539,700,331	577,727,407	580,038,170	500,113,625	587,637,312
Available	992,486,616	1,061,465,065	1,123,558,514	1,011,060,337	1,003,109,097
<u>Expenses</u>					
Plan	12,599,714	16,270,424	3,765,890	110,000,000	64,500,000
Build	52,108,480	49,220,444	58,666,793	52,839,216	9,000,000
Use	44,837,238	43,463,243	43,059,517	46,913,705	46,914,000
Debt Service	399,203,528	408,990,610	507,119,602	385,835,631	456,633,558
Total Expenses	508,748,959	517,944,721	612,611,802	595,588,551	577,047,559
Ending Balance	483,737,658	543,520,344	510,946,712	415,471,786	426,061,539
Lowest Monthly Balance ⁴	210,715,339	234,293,677	302,022,079	301,601,197	148,952,419

(1) Future revenue projections are from the Comptroller's 2026-2027 Certification Revenue Estimate (CRE), October 2025.

(2) 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 2024 and future projections provided by Texas Commission of Environmental Quality (TCEQ).

(3) **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.

(4) **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 monthly 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
Texas Mobility Fund - Bond Proceeds¹**
January 2026 Cash Forecast

	<u>Base Case</u>				
	FY 2024 Actual	FY 2025 Actual	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
Beginning Balance	-	-	-	1,071,640,281	882,888,927
Revenues					
Bond Proceeds	-	-	1,075,000,000	-	-
Interest	-	-	33,650,740	43,543,031	32,686,671
Total Revenues	-	-	1,108,650,740	43,543,031	32,686,671
Available	-	-	1,108,650,740	1,115,183,312	915,575,598
Expenses					
Build	-	-	37,010,459	232,294,385	293,512,141
Total Expenses	-	-	37,010,459	232,294,385	293,512,141
Ending Balance	-	-	1,071,640,281	882,888,927	622,063,457

(1) Texas Mobility Fund (TMF) Bond Proceeds are forecast separately from TMF Taxes & Fees as the proceeds fund project expenditures, not debt service. See page 14 of 16.

Texas Department of Transportation
Federal COVID-19 Pandemic Relief Fund 0325¹
January 2026 Cash Forecast

	<u>Base Case</u>				
	FY 2024 Actual	FY 2025 Actual	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
Beginning Balance	-	1,317,080	10,265,633	-	-
Revenues					
Other Federal Reimbursements	284,471,537	177,523,038	149,764,542	55,887,696	-
Total Revenues	284,471,537	177,523,038	149,764,542	55,887,696	-
Available	284,471,537	178,840,118	160,030,175	55,887,696	-
Expenses					
Engineering	4,393,835	4,067,633	992,784	-	-
Plan	4,393,835	4,067,633	992,784	-	-
Build	278,472,298	164,460,178	158,767,736	55,887,696	-
Use	288,324	46,674	269,656	-	-
Total Expenses	283,154,457	168,574,485	160,030,175	55,887,696	-
Ending Balance	1,317,080	10,265,633	-	-	-

(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.

Texas Department of Transportation
Total Awards - Planning Forecast
January 15, 2025

BASELINE	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
	Forecast									
Traditional SHF ¹	5,207,724,218	3,734,234,408	3,819,343,217	3,851,895,083	3,917,278,524	3,966,367,244	4,029,309,837	4,203,914,196	4,274,336,065	4,246,163,693
Proposition 1 ²	1,662,415,602	724,878,252	1,359,133,252	1,506,879,552	1,255,446,352	1,253,955,452	1,254,663,352	1,254,627,952	1,255,786,352	1,463,337,852
Proposition 7 ³	1,755,916,182	2,420,866,726	2,708,792,914	2,445,046,327	2,826,501,772	2,737,190,926	2,514,346,041	2,445,467,473	2,623,258,320	2,674,673,861
Total Project Awards	8,626,056,002	6,879,979,386	7,887,269,384	7,803,820,963	7,999,226,649	7,957,513,622	7,798,319,231	7,904,009,621	8,153,380,738	8,384,175,407
BASELINE + Additional Funding	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
	Forecast									
Traditional SHF ¹	5,144,724,218	4,955,729,178	5,074,513,933	5,108,831,327	5,186,326,996	5,214,273,619	5,283,204,742	5,529,849,119	5,674,780,420	5,672,668,727
Texas Mobility Fund ⁴	1,000,000,000	1,000,000,000								
Proposition 1 ²	1,362,003,200	1,315,642,648	2,196,402,448	2,205,212,355	1,953,779,155	1,564,317,196	1,765,025,096	1,564,989,696	1,566,148,096	1,573,699,596
Proposition 7 ³	1,569,418,928	2,048,809,744	2,100,899,179	2,098,189,967	2,337,320,579	2,302,069,738	2,029,399,002	1,906,519,102	2,025,823,313	2,013,935,532
Total Project Awards	9,076,146,346	9,320,181,570	9,371,815,561	9,412,233,649	9,477,426,730	9,080,660,553	9,077,628,841	9,001,357,917	9,266,751,830	9,260,303,855

Subject to change dependent upon legislative direction.

For the purposes of this Planning forecast:

¹ Both Baseline and Planning forecasts exclude potential carryover balances. FY2026 Baseline federal estimate was calculated using the current Infrastructure Investment and Jobs Act (IIJA) plus an additional \$393 million of federal redistribution and then adjusted to Fixing America's Surface Transportation Act (FAST Act) levels for all subsequent years. The Planning forecast federal estimates uses FY2026 as a baseline and applied 1.6% annual growth rate for FY2027-FY2035; and includes \$30 million of discretionary funding from FY2026-FY2030, an estimated federal redistribution of \$300 million from FY2026-FY2034 and \$250 million in FY2035.

² Proposition 1 FY2026-FY2028 deposits were projected based on the January 2025 Biennial Revenue Estimate. For planning purposes, FY2029-FY2030 were estimated based on a five year average of actual and potential deposits (FY2024-FY2028), less the highest/lowest deposits within that five year period. FY2031-FY2035 are based on a ten year average (2019-2028), less the highest/lowest within that ten year period. Proposition 1 transfers are set to expire in FY2043 pursuant to HB 2230, 88th Legislature.

³ Proposition 7 projections for Sales & Use taxes and Motor Vehicle Sales (MVST) taxes are based on the January 2025 Biennial Revenue Estimate for FY2026-FY2027. A 5% annual growth rate was applied for FY2028-FY2035. Pursuant to Senate Concurrent Resolution (SCR2), 88th Legislature. MVST deposits are set to expire in FY2039 and sales & use deposits are set to expire in FY2042.

⁴ Estimated Texas Mobility Fund bond proceeds (HB 2219, 87th Legislature).

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. Those expenditure projections are not included on this page. Category 3 allocations for regional toll revenue and port access improvements are not included above.