

January 2024 Cash Forecast



**Texas Department of Transportation
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January 2024 Cash Forecast**

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Texas Department of Transportation

Executive Summary

January 2024 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, Military Installation Program, 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 (EV and non-EV blended) growth rate of 4.0% for FY2024 and 3.3% for FY2025-FY2026, then combines with the TTI's TRENDS model in remaining years with adjustments for the new registration fees imposed on electric vehicles by SB 505, 88th 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%.
- 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 December 2023.
- Added of Military Installation Program (MIP) on page 13 to report revenues and expenditures associated with the program.
- Updated Planning Forecast for the 2025 UTP

Significant variances from previous Cash Forecast

- N/A.

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 \$8.1 billion in FY2024. See page 8.
- TxDOT has approx. \$39.5 billion of active design-bid-build contracts with \$19.4 billion left to pay on these contracts and \$8.9 billion of active design-build contracts with \$4.6 billion left to pay on these contracts that are all committed against these cash balances.
- 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 2024 Cash Forecast

	FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Statewide Letting Program:					
State Highway Fund - Traditional ¹	4,757,313,775	5,246,482,173	4,581,955,867	5,100,421,133	4,506,210,829
State Highway Fund - Proposition 1	13,885,000	1,492,438,410	3,522,261,452	1,465,098,907	3,212,415,602
State Highway Fund - Proposition 7	2,740,630,050	2,919,683,353	4,278,905,717	6,274,903,463	2,855,916,182
State Highway Fund - SH 121	-	3,148,100	3,895,000	7,552,389	-
Texas Mobility Fund Taxes & Fees	8,593,775	17,845,605	56,144,265	30,946,790	-
COVID Funds ²	6,000,000	10,041,170	14,683,081	-	-
Local Letting Program					
Local Let ³	572,542,419	363,723,527	287,992,198	154,439,643	-
Routine Maintenance Letting Program ⁴:					
State Highway Fund - Traditional	836,976,701	909,517,404	945,898,100	983,734,024	1,023,083,385
Non-Traditional Letting Program:					
Design Build Awards ⁵	2,231,022,526	699,862,000	-	-	-
Total Highway Letting Programs	11,166,964,247	11,662,741,742	13,691,735,680	14,017,096,349	11,597,625,998
Non-Letting Highway Program:					
Other Obligations ⁶	196,149,071	724,624,769	267,987,356	140,789,212	-
Total Highway Non-Letting Programs	196,149,071	724,624,769	267,987,356	140,789,212	-
Grand Total Highway Project Awards	11,363,113,318	12,387,366,510	13,959,723,036	14,157,885,561	11,597,625,998

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. Include federal redistribution of \$600 million and \$400 million in FY 2024 and FY2025, 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) Local Lets: Locally let projects (full project amounts from all funding sources) for historical years, and Local funds for future years.

(4) Routine Maintenance: FY2021-FY2023 Actuals include RMC, TMC, BPM, & MMC Contract Low Bids per Maintenance Division Contract Reporting Dashboards, Future Year Projects projections assumes the annual growth rate of 4%.

(5) 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.

(6) Other Obligations include studies, travel demand models, ride share services, motor assistance programs, corridor analysis, Design Build deferred work/change orders, excluding any COVID funds backed transfers.

Texas Department of Transportation
Total Expenses
January 2024 Cash Forecast

<u>Expenses</u>	<u>Base Case</u>				
	FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Research	25,833,447	24,811,041	27,517,742	27,164,110	27,164,000
Engineering	823,606,875	805,624,998	1,200,871,581	1,244,674,894	1,545,979,712
Right-of-Way	663,828,510	583,197,868	469,447,062	450,613,227	635,783,906
Plan	1,513,268,832	1,413,633,907	1,697,836,385	1,722,452,231	2,208,927,618
Build	2,370,477,443	2,367,666,136	3,854,732,405	3,169,636,009	2,334,716,856
Maintain	4,012,144,674	4,144,511,803	5,120,081,019	5,546,166,627	5,368,311,641
Use	216,889,212	235,197,467	231,116,456	234,521,266	221,171,122
Manage	373,889,931	395,140,350	441,407,614	438,175,192	438,246,000
Project Development & Delivery	3,864,752,493	5,405,100,507	7,461,396,845	9,337,720,158	8,912,118,084
Debt Service ¹	999,374,268	970,476,724	1,073,938,554	1,094,825,158	1,077,509,584
Total Expenses	13,350,796,852	14,931,726,894	19,880,509,279	21,543,496,641	20,759,581,942

Funding Source

State Highway Fund - Traditional ²	8,491,295,707	8,259,430,520	10,297,825,392	10,893,996,224	10,934,200,366
Texas Mobility Fund - Taxes & Fees ³	420,508,243	528,641,203	621,767,676	523,148,617	516,409,678
State Highway Fund - SH 121 ⁴	92,167,052	31,967,139	36,425,153	41,218,594	2,833,811
State Highway Fund - SH 130 - Seg 5 & 6 ⁵	7,513,433	9,876,649	11,910,236	11,500,000	-
State Highway Fund - SH 161 ⁶	30,840	109,153	-	-	-
State Highway Fund - SH 288 ⁷	1,976,667	1,018,722	338,428	-	-
Build America Bond Subsidy ⁸	33,046,379	110,466,359	28,158,363	54,621,499	52,831,083
General Revenue ⁹	2,666,144	9,056,445	755,647,410	49,580,218	730,218
State Infrastructure Bank (SIB) ¹⁰	31,571,458	62,122,000	50,000,000	150,000,000	-
COVID Funds ¹¹	131,394,106	238,172,243	359,609,182	222,063,884	85,973,748
State Highway Fund - Proposition 1 ²	1,061,563,213	2,144,358,272	3,981,832,161	4,894,101,903	3,244,117,864
State Highway Fund - Proposition 7 ²	3,077,063,613	3,536,508,188	3,736,995,278	4,703,265,702	5,922,485,173
Total Funds	13,350,796,852	14,931,726,894	19,880,509,279	21,543,496,641	20,759,581,942

(1) See page 6 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 and SB30 – 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
January 2024 Cash Forecast**

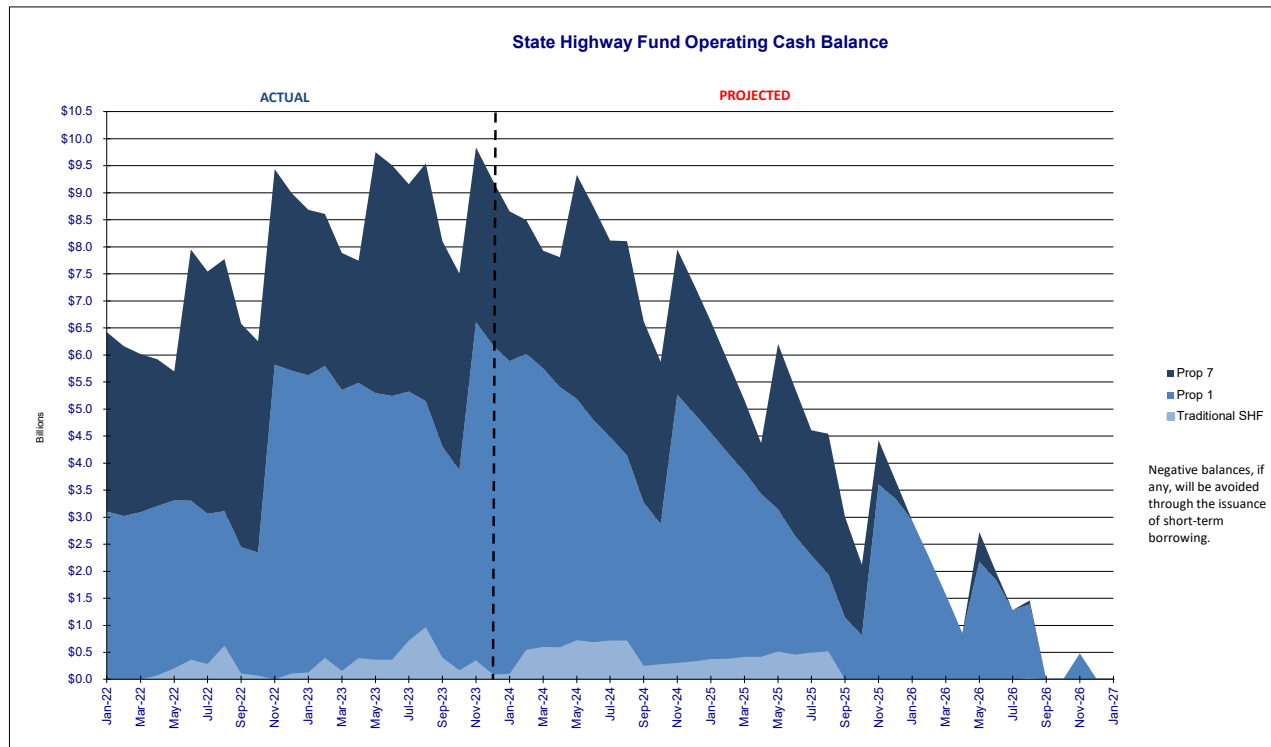
<u>Expenses</u>	<u>Base Case</u>				
	FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Texas Mobility Fund	378,408,641	390,523,959	399,277,175	407,122,262	415,153,318
Proposition 14	337,766,767	288,590,171	412,159,303	418,319,508	398,568,718
Proposition 12	283,198,860	291,362,593	262,502,076	269,383,388	263,787,548
Total Expenses	999,374,268	970,476,723	1,073,938,554	1,094,825,158	1,077,509,584
 <u>Funding Source</u>					
Texas Mobility Fund - Taxes & Fees ¹	367,431,021	346,399,483	388,349,597	385,346,287	393,485,397
Build America Bond Subsidy-TMF ³	10,977,620	44,124,476	10,927,578	21,775,976	21,667,922
TMF Total	378,408,641	390,523,959	399,277,175	407,122,262	415,153,318
State Highway Fund ²	325,022,535	237,844,929	400,000,000	395,209,925	376,708,151
Build America Bond Subsidy-Prop 14 ³	12,744,232	50,745,243	12,159,303	23,109,583	21,860,566
Proposition 14 Total	337,766,767	288,590,171	412,159,303	418,319,508	398,568,718
Proposition 7-Prop 12 ⁴	273,874,333	275,765,954	257,430,594	259,647,447	254,484,953
Build America Bond Subsidy-Prop 12 ³	9,324,527	15,596,640	5,071,482	9,735,941	9,302,595
Proposition 12 Total	283,198,860	291,362,594	262,502,076	269,383,388	263,787,548
 Total Funds	 999,374,268	 970,476,724	 1,073,938,554	 1,094,825,158	 1,077,509,584

(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.



SHF Cash Balance		10,527,578,727
Less Restricted funds:		
State Infrastructure Bank		(403,485,080)
SH 121 Concession	(608,628,479)	
SH 161 Concession	(6,142,279)	
NTE Seg 1&2W Concession	(46,215,140)	
NTE Seg 3A & 3B Concession	(30,209,897)	
I-635 (LBJ) Concession	(29,135,982)	
I-635E - Surplus Toll Revenue Account	(14,078,510)	
Midtown Express - Surplus Toll Revenue Account	(66,810,290)	
DFW Connector - Surplus Toll Revenue Account	(7,589,167)	
DFW Restricted Funds Subtotal		(808,809,744)
SH 130 (Seg. 5 & 6) Concession	(24,163,746)	
Austin/San Antonio Restricted Funds - Subtotal		(24,163,746)
SH 288 Concession	(9,535,875)	
Montgomery County - PTF Escrow Account	(59,314,190)	
Houston Restricted Funds - Subtotal		(68,850,065)
Military Installation Program, Air Force	(420,253)	
		(420,253)
Operating SHF Cash Balance*		\$9,221,849,839
Less Cash Reserved for Prop 1 & Prop 7 Non-Tolled Project Development & Delivery		
Proposition 1	(6,084,179,201)	
Proposition 7	(3,042,508,094)	
Traditional Operating SHF Cash Balance		\$95,162,544
Cash Reserved for Payroll	(99,161,189)	
Remaining Balance for Operations		(\$3,998,645)

*TxDOT has approx. \$39.5 billion of active design-bid-build contracts with \$19.4 billion left to pay on these contracts and \$8.9 billion of active design-build contracts with \$4.6 billion left to pay on these contracts that are all committed against these cash balances.

**Texas Department of Transportation
State Highway Fund Operating Account
January 2024 Cash Forecast**

	FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Beginning Balance Traditional SHF	134,483,534	628,093,154	953,872,296	720,879,119	518,752,673
Beginning Balance Proposition 1	2,070,771,770	2,481,120,015	4,138,476,603	3,417,813,120	1,428,029,904
Beginning Balance Proposition 7	4,734,615,118	4,666,103,456	4,384,195,992	3,969,032,633	2,594,021,228
Beginning Balance	6,939,870,422	7,775,316,626	9,476,544,891	8,107,724,872	4,540,803,804
<u>Revenues</u>					
State Gas Tax	2,792,142,151	2,820,607,781	2,874,247,000	2,928,963,000	2,984,781,000
Registration Fees	1,601,627,536	1,636,503,126	1,702,670,000	1,757,976,000	1,815,604,000
FHWA Reimbursements	4,162,769,359	3,833,048,613	5,222,743,964	5,741,200,443	5,389,326,788
Other Fed Reimbursements	184,765,333	225,019,237	210,203,101	211,695,293	211,696,000
Proposition 1 Transfer In	1,457,259,515	3,637,494,353	3,056,162,692	2,763,798,000	3,078,019,503
Proposition 1 Interest	14,651,943	164,220,507	205,005,986	140,520,687	99,307,849
Proposition 7 Transfer In ²	2,989,203,826	3,124,353,308	3,173,563,800	3,223,511,950	3,371,922,667
Proposition 7 Interest	19,348,126	130,247,416	148,268,119	104,742,347	27,008,244
Other	669,476,079	616,799,329	595,519,164	596,812,041	586,643,053
Total Revenues	13,891,243,868	16,188,293,670	17,188,383,825	17,469,219,762	17,564,309,104
Available Funds	20,831,114,290	23,963,610,296	26,664,928,716	25,576,944,633	22,105,112,908
<u>Expenses</u>					
Research	25,833,447	24,811,041	27,517,742	27,164,110	27,164,000
Engineering	806,125,150	780,616,792	1,171,993,565	1,221,174,895	1,515,979,712
Right-of-Way	659,470,763	564,627,436	442,599,503	423,113,227	605,783,906
Plan	1,491,429,359	1,370,055,269	1,642,110,811	1,671,452,232	2,148,927,618
Build	2,146,152,070	1,948,702,353	2,514,845,034	2,659,436,451	2,219,870,016
Maintain	4,012,144,674	4,144,511,803	5,120,081,019	5,546,166,627	5,368,311,641
Use	142,657,138	163,175,816	179,380,914	183,555,797	183,555,904
Manage	373,889,931	395,140,350	441,407,614	438,175,192	438,246,000
Proposition 1 Project Development & Delivery ¹	1,061,563,213	2,144,358,272	3,981,832,161	4,894,101,903	3,244,117,864
Proposition 7 Project Development & Delivery ¹	2,803,189,280	3,260,742,235	3,479,564,684	4,443,618,255	5,668,000,220
Prop 14 Debt Service	325,022,535	237,844,929	400,000,000	395,209,925	376,708,151
Prop 12 Debt Service from Proposition 7	273,874,333	275,765,954	257,430,594	259,647,447	254,484,953
Inflation/Additional Programs	-	-	-	-	198,581,037
TxDOT State Highway Fund Total	12,629,922,532	13,940,296,980	18,016,652,831	20,491,363,829	20,100,803,403
Other Agencies and Fund Transfers ³	33,428,381	142,691,577	137,335,013	126,500,000	128,390,000
Other Agencies for TxDOT	392,446,750	404,076,848	403,216,000	418,277,000	418,277,000
Total Expenses	13,055,797,664	14,487,065,404	18,557,203,844	21,036,140,829	20,647,470,403
Ending Balance Traditional SHF	628,093,154	953,872,296	720,879,119	518,752,673	25,936,147
Ending Balance Proposition 1	2,481,120,015	4,138,476,603	3,417,813,120	1,428,029,904	1,361,239,391
Ending Balance Proposition 7	4,666,103,456	4,384,195,992	3,969,032,633	2,594,021,228	70,466,966
Ending Balance	7,775,316,626	9,476,544,891	8,107,724,872	4,540,803,804	1,457,642,505

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

(2) FY2024-FY2025 Proposition 1 and Proposition 7 transfer projections are based on the Comptroller's 2024-2025 Certification Revenue Estimate (CRE), October 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
State Highway Funds Restricted Funds - DFW Subaccounts
January 2024 Cash Forecast

	<u>Base Case</u>				
	FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Beginning Balance - SH 121 1	563,983,651	503,608,101	598,004,802	601,644,525	603,947,404
Beginning Balance - SH 161 2	5,940,319	5,938,996	6,043,458	6,318,707	6,592,896
Beginning Balance - NTE Seg 1 & 2	36,196,041	36,503,450	44,550,067	47,542,610	49,605,649
Beginning Balance - NTE Seg 3A & 3B	2,401,679	5,595,820	13,145,657	31,077,637	32,426,203
Beginning Balance - I-635 (LBJ)	6,655,983	21,840,360	28,238,278	29,972,875	31,273,502
Beginning Balance - I-635E	10,713,212	13,255,275	13,852,007	14,482,897	15,111,360
Beginning Balance - Midtown Express	-	-	65,735,409	68,729,329	71,711,734
Beginning Balance - DFW Connector	-	-	7,467,068	7,807,156	8,145,936
Beginning Balance	625,890,885	586,742,002	777,036,746	807,575,735	818,814,685
<u>Revenues</u>					
Proceeds - SH 121 3	11,165,972	91,436,972	-	-	-
Proceeds - SH 161 (206)	(206)	-	-	-	-
Proceeds - NTE (1 & 2)	124,816	6,624,842	935,953	-	-
Proceeds - NTE (3A & 3B)	3,173,190	7,210,205	16,835,325	-	-
Proceeds - I-635 (LBJ)	15,126,069	5,563,142	433,824	-	-
Toll Revenue - SH 121	10,356,989	11,083,778	13,081,800	17,916,160	18,261,240
Toll Revenue - I-635E	2,482,289	111,672	-	-	-
Toll Revenue - Midtown Express	-	64,727,771	-	-	-
Toll Revenue - DFW Connector	-	7,352,608	-	-	-
Interest - SH 121	10,268,541	23,843,091	26,983,076	25,605,314	26,512,054
Interest - SH 161	29,723	213,615	275,249	274,190	286,088
Interest - NTE Seg 1 & 2	182,593	1,421,775	2,056,590	2,063,039	2,152,562
Interest - NTE Seg 3A & 3B	20,952	339,632	1,096,655	1,348,567	1,407,086
Interest - I-635 (LBJ)	58,308	834,775	1,300,773	1,300,627	1,357,066
Interest - I-635E	59,774	485,059	630,890	628,463	655,734
Interest - Midtown Express	-	1,007,638	2,993,920	2,982,405	3,111,821
Interest - DFW Connector	-	114,460	340,088	338,780	353,480
Total Revenues	53,049,010	222,371,036	66,964,142	52,457,544	54,097,131
Available	678,939,894	809,113,039	844,000,888	860,033,279	872,911,816
<u>Expenses</u>					
Plan - SH 121	341,670	9,208,038	21,000,000	21,000,000	-
Build - SH 121	91,825,381	22,759,102	15,425,153	20,218,594	2,833,811
Build - SH 161	30,840	109,153	-	-	-
Total Expenses	92,197,892	32,076,292	36,425,153	41,218,594	2,833,811
Ending Balance - SH 121	503,608,101	598,004,802	601,644,525	603,947,404	645,886,887
Ending Balance - SH 161	5,938,996	6,043,458	6,318,707	6,592,896	6,878,984
Ending Balance - NTE (1 & 2)	36,503,450	44,550,067	47,542,610	49,605,649	51,758,211
Ending Balance - NTE (3A & 3B)	5,595,820	13,145,657	31,077,637	32,426,203	33,833,289
Ending Balance - I-635 (LBJ)	21,840,360	28,238,278	29,972,875	31,273,502	32,630,568
Ending Balance - I-635E	13,255,275	13,852,007	14,482,897	15,111,360	15,767,094
Ending Balance - Midtown Express	-	65,735,409	68,729,329	71,711,734	74,823,555
Ending Balance - DFW Connector	-	7,467,068	7,807,156	8,145,936	8,499,416
Ending Balance	586,742,002	777,036,746	807,575,735	818,814,685	870,078,005

(1) SH121 includes SH121 and SH122 subaccounts

(2) SH161 includes SH161 and SH162 subaccounts

(3) 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
State Highway Funds Restricted Funds - Austin & San Antonio Subaccounts
January 2024 Cash Forecast

		<u>Base Case</u>				
		FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Beginning Balance - SH 130		35,321,923	34,778,324	34,451,825	30,980,912	28,108,742
Beginning Balance		35,321,923	34,778,324	34,451,825	30,980,912	28,108,742
<u>Revenues</u>						
Proceeds - SH130		2,186,146	3,159,044	2,142,825	2,220,395	2,300,773
Interest - SH130		2,253,669	3,273,098	3,261,686	3,122,111	3,150,913
Toll Revenue Sharing - SH130		2,530,019	3,118,007	3,034,813	3,285,324	3,558,288
Total Revenues		6,969,834	9,550,150	8,439,323	8,627,830	9,009,975
Available		42,291,757	44,328,474	42,891,148	39,608,742	37,118,716
<u>Expenses</u>						
Build - SH130		-	856,300	410,236	-	-
Use - SH130		7,513,433	9,020,349	11,500,000	11,500,000	-
Total Expenses		7,513,433	9,876,649	11,910,236	11,500,000	-
Ending Balance		34,778,324	34,451,825	30,980,912	28,108,742	37,118,716

(1) 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.

(2) 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.

State Highway Funds Restricted Funds - Houston Subaccounts
January 2024 Cash Forecast

		<u>Base Case</u>				
		FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
	Beginning Balance - SH288	11,381,326	9,800,469	9,275,931	9,480,581	9,891,977
	Beginning Balance - Montgomery County PTF	33,916,397	34,086,945	58,359,910	61,017,913	63,665,692
Beginning Balance		45,297,723	43,887,413	67,635,841	70,498,494	73,557,669
<u>Revenues</u>						
	Proceeds - SH288	342,934	155,882	117,710	-	-
	Proceeds - Montgomery County PTF	-	22,801,681	-	-	-
	Interest - SH288	52,877	338,301	425,369	411,395	429,247
	Interest - Montgomery County PTF	170,548	1,471,285	2,658,003	2,647,779	2,762,676
Total Revenues		566,358	24,767,150	3,201,081	3,059,175	3,191,923
Available		45,864,081	68,654,563	70,836,922	73,557,669	76,749,592
<u>Expenses</u>						
	Build - SH288	1,976,667	1,018,722	338,428	-	-
Total Expenses		1,976,667	1,018,722	338,428	-	-
	Ending Balance - SH288	9,800,469	9,275,931	9,480,581	9,891,977	10,321,224
	Ending Balance - Montgomery County PTF	34,086,945	58,359,910	61,017,913	63,665,692	66,428,368
Ending Balance		43,887,413	67,635,841	70,498,494	73,557,669	76,749,592

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
Texas Mobility Fund - Taxes and Fees
January 2024 Cash Forecast**

		Base Case				
		FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Beginning Balance		393,001,816	459,642,976	452,786,282	345,643,998	336,700,689
<u>Revenues</u>¹						
	Drivers License Fees	178,704,553	185,089,581	187,847,000	190,665,000	193,524,975
	Drivers Record Info Fees	70,829,381	74,565,762	75,311,000	76,064,000	76,824,640
	Vehicle Inspection Fees ²	234,462,963	121,699,516	107,464,000	108,539,000	109,624,390
	United We Stand	2,191	1,929	2,000	2,000	2,000
	Certificate of Title ²	(116,968,390)	(39)	39	-	-
	Transfer in from SHF ³	115,027,559	125,008,109	126,000,000	126,000,000	127,890,000
	Motor Carrier Penalties	3,334,130	2,658,384	3,500,000	3,500,000	3,500,000
	Interest	1,736,697	12,781,565	14,486,653	9,435,308	9,017,290
	Build America Bonds ⁴	10,977,620	44,124,476	10,927,578	21,775,976	21,667,922
	Miscellaneous	20,320	(20,300)	14,701	-	-
Total Revenues		498,127,022	565,908,985	525,552,971	535,981,284	542,051,217
Available		891,128,839	1,025,551,962	978,339,253	881,625,282	878,751,906
<u>Expenses</u>						
	Plan	21,382,577	31,394,072	30,000,000	30,000,000	60,000,000
	Build	31,694,645	103,185,431	166,532,828	70,917,079	26,039,281
	Use	-	47,662,218	36,885,251	36,885,251	36,885,000
	Debt Service	378,408,641	390,523,959	399,277,175	407,122,262	415,153,318
Total Expenses		431,485,862	572,765,680	632,695,255	544,924,593	538,077,600
Ending Balance		459,642,976	452,786,282	345,643,998	336,700,689	340,674,306
	Lowest Daily Balance ⁵	180,923,671	242,234,507	210,715,336	102,902,172	84,877,545

(1) Future revenue projections are from the Comptroller's 2024-2025 Certification Revenue Estimate (CRE), October 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
Military Installation Program
January 2024 Cash Forecast**

	<u>Base Case</u>				
	FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Beginning Balance - MIP Army	-	-	-	420,253	420,253
Beginning Balance	-	-	-	420,253	420,253
<u>Revenues</u>					
Federal Reimbursement - MIP Army	-	-	420,253	-	-
Total Revenues	-	-	420,253	-	-
Available			420,253	420,253	420,253
<u>Expenses</u>					
Total Expenses	-	-	-	-	-
Ending Balance	-	-	420,253	420,253	420,253

(1) 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.

(2) 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.

(3) 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 Infrastructure Bank
January 2024 Cash Forecast**

		<u>Base Case</u>				
		FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Beginning Balance		382,707,119	386,209,912	385,638,417	375,005,412	251,335,910
<u>Revenues</u>						
	Loan Reimbursement	33,144,396	48,699,952	21,577,034	9,894,562	10,190,204
	Interest	1,929,854	12,850,552	17,789,962	16,435,936	11,035,102
Total Revenues		35,074,251	61,550,504	39,366,996	26,330,498	21,225,305
Available		417,781,370	447,760,417	425,005,412	401,335,910	272,561,216
<u>Expenses</u>						
	Build ¹	31,571,458	62,122,000	50,000,000	150,000,000	-
Total Expenses		31,571,458	62,122,000	50,000,000	150,000,000	-
Ending Balance		386,209,912	385,638,417	375,005,412	251,335,910	272,561,216

(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 ¹
January 2024 Cash Forecast

		<u>Base Case</u>				
		FY 2022 Actual	FY 2023 Actual	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast
Beginning Balance		558,033	17,290,215	-	-	-
<u>Revenues</u>						
	Other Federal Reimbursements	148,126,288	220,882,028	359,609,182	222,063,884	85,973,748
Total Revenues		148,126,288	220,882,028	359,609,182	222,063,884	85,973,748
Available		148,684,321	238,172,243	359,609,182	222,063,884	85,973,748
<u>Expenses</u>						
	Engineering	115,225	1,606,759	5,378,016	-	-
	Right-of-Way	-	1,369,769	(652,441)	-	-
	Plan	115,225	2,976,529	4,725,575	-	-
						-
	Build	66,427,498	221,733,992	354,278,953	222,063,884	85,973,748
	Use	64,851,383	13,461,721	604,654	-	-
Total Expenses		131,394,106	238,172,243	359,609,182	222,063,884	85,973,748
Ending Balance		17,290,215	-	-	-	-

(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
October 16, 2023

<u>BASELINE</u>	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast	FY 2029 Forecast	FY 2030 Forecast	FY 2031 Forecast	FY 2032 Forecast	FY 2033 Forecast	FY 2034 Forecast
Traditional SHF ¹	5,203,706,181	4,406,210,830	2,882,903,404	2,962,839,571	3,040,308,104	3,105,155,311	3,156,400,082	3,227,613,018	3,406,666,726	3,484,477,026
Proposition 1 ²	2,965,098,907	3,212,415,602	1,527,277,600	1,527,277,600	1,527,277,600	1,527,277,600	1,527,277,600	1,527,277,600	1,527,277,600	1,527,277,600
Proposition 7 ³	4,374,903,463	2,955,916,182	2,420,866,726	2,558,792,914	2,640,729,527	3,219,557,242	3,130,246,395	3,252,790,350	2,445,467,473	2,623,258,320
Total Project Awards	12,543,708,550	10,574,542,614	6,831,047,730	7,048,910,085	7,208,315,231	7,851,990,153	7,813,924,077	8,007,680,968	7,379,411,799	7,635,012,946

Planning Forecast

<u>BASELINE + Additional Funding</u>	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast	FY 2029 Forecast	FY 2030 Forecast	FY 2031 Forecast	FY 2032 Forecast	FY 2033 Forecast	FY 2034 Forecast
Traditional SHF ¹	5,383,706,181	4,686,210,830	4,616,228,435	4,678,113,440	4,704,807,541	4,448,400,489	4,454,152,612	4,476,076,343	4,670,866,051	4,765,966,351
Texas Mobility Fund ⁴		1,000,000,000	1,000,000,000							
Proposition 1 ²	2,965,098,907	3,212,415,602	2,372,793,600	2,372,793,600	2,372,793,600	1,527,277,600	1,527,277,600	1,527,277,600	1,527,277,600	1,527,277,600
Proposition 7 ³	4,374,903,463	2,955,916,182	2,420,866,726	2,558,792,914	2,295,046,327	2,826,501,772	2,737,190,926	2,514,346,041	2,445,467,473	2,623,258,320
Total Project Awards	12,723,708,550	11,854,542,614	10,409,888,761	9,609,699,954	9,372,647,469	8,802,179,861	8,718,621,138	8,517,699,984	8,643,611,124	8,916,502,271

Subject to change dependent upon legislative direction.

For the purposes of this Planning forecast:

¹ Baseline forecast includes \$250 million of federal redistribution in FY2025 and estimated federal funds levels from the Infrastructure Investment and Jobs Act (IIJA) through FY2026. Planning forecast includes estimated federal redistribution of \$400 million in FY2025 and \$250 million in FY2026-FY2029. The Planning Forecast assumes continuation of IIJA obligation authority thru FY2034 and includes \$30 million of discretionary funding thru FY2029.

² Proposition 1 FY2025 and FY2026 deposits are projected based on the October 2023 Comptroller's Certification Revenue Estimate (CRE). For planning purposes, FY2027-FY2029 were estimated based on a five year average of actual and potential deposits (FY2022-FY2026), less the highest/lowest deposits within that five year period. FY2030-FY2034 is based on a ten year average (2017-2026), 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 October 2023 Comptroller's CRE estimates. 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 local funds, regional toll revenue, and port access improvements are not included above.