

January 2025 Cash Forecast



Texas Department of Transportation
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Texas Department of Transportation

Executive Summary

January 2025 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 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.

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 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-\$21 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, Proposition 1 Oil and Gas Severance Tax revenue, Proposition 7 Sales, Use and Motor Vehicle Taxes, State Infrastructure Bank (SIB), Federal COVID-19 Pandemic Relief, Military Installation Program, General Revenue, and other regionally restricted funds related to Dallas/Ft. Worth, Houston, Austin, and San Antonio. 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 growth rates for EV and non-EV are 20% and 2.2% respectively for FY2025-FY2027, then combines with the TTI's TRENDS and BNEF models 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 1.78% for FY2025-FY2027 which is based on 1.56% growth for gasoline with adjustments in future years for fuel efficiency and changing rates of population growth, while diesel grows at 2.4%. 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.
- FY2025 and FY2026 include funding from the Infrastructure Investment and Jobs Act (IIJA) enacted by Congress in November 2021. Bridge funding and a conservative federal redistribution amount. After FY2026, federal funding reverts to 2020 Fixing America's Surface Transportation (FAST) Act levels which are then adjusted for growth. NEVI funding and discretionary grants TxDOT receives are not included in projections and are added once received.
- TxDOT has Texas Mobility Fund (TMF) bond capacity and bonds will be included in the forecast once bonds are issued.
- Proposition 1 revenue from oil & gas taxes: FY2026 deposit is projected based on the October 2023 Comptroller's Certification Revenue Estimate (CRE). After FY2026 the Proposition 1 transfer is projected using a ten-year average of actual and projected transfers (FY2017-FY2026) and exclude 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, RS.
- Proposition 7 revenue from sales & use taxes: FY2025 and FY2026 transfers are projected at \$2.5 billion according to the CRE and assume these will continue through its expiration date of Aug. 31, 2042 (FY2042) as set per SCR2, 88th Legislature, RS.
- Proposition 7 revenue from motor vehicle sales taxes: FY2025 and FY2026 transfers were estimated according to the 2024-2025 CRE and assumes collection grow at a rate of 6% through its expiration date of Aug. 31, 2039 (FY2039) as set per SCR2, 88th Legislature, RS

Changes from previous Cash Forecast include the following updates:

- Actual revenue and expenditures through December 2024.
- Expenditure projections for both active and future let projects, Pass-Through Finance, CDA, Design-Build and Toll Equity Projects.
- Updated Planning Forecast for the 2026 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 Operating SHF ending balance including Proposition 1 and Proposition 7 of approximately \$2.1 billion in FY2025. See page 8.
- TxDOT has approx. \$49.1 billion of active design-bid-build contracts with \$23.6 billion left to pay on these contracts and \$8.9 billion of active design-build contracts with \$3.3 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 2025 Cash Forecast**

	FY 2023 Actual	FY 2024 Actual	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Statewide Letting Program:					
State Highway Fund - Traditional ¹	5,246,482,173	7,296,871,342	3,378,310,318	4,541,170,871	3,734,234,408
State Highway Fund - Proposition 1	1,492,438,410	2,356,836,843	1,848,834,044	1,644,105,074	924,878,252
State Highway Fund - Proposition 7	2,919,683,353	2,508,918,967	4,893,983,623	2,047,403,141	3,370,866,726
State Highway Fund - SH 121	3,148,100	16,680,360	7,598,438	2,580,000	-
Texas Mobility Fund Taxes & Fees	17,845,605	33,316,603	44,744,313	3,787,294	7,500,000
COVID Funds ²	10,041,170	12,307,681	-	6,000,000	-
Local Letting Program					
Local Let ³	363,723,527	454,798,996	437,934,220	649,688,806	-
Alternative Delivery Program:					
Design Build Awards - Non-Toll Financed ⁴	699,862,000	-	-	111,954,253	-
Design Build Awards - Toll Financed ⁵				1,540,840,000	
Total Highway Letting Programs, excl Routine Maint	10,753,224,338	12,679,730,793	10,611,404,956	10,547,529,438	8,037,479,386
Routine Maintenance Letting Program ⁶:					
State Highway Fund - Traditional	909,517,404	995,062,620	1,034,865,125	1,076,259,730	1,119,310,119
Total Highway Letting Programs, incl Routine Maint	11,662,741,742	13,674,793,413	11,646,270,081	11,623,789,168	9,156,789,505
Non-Letting Highway Program:					
Other Obligations ⁷	724,624,769	415,648,397	798,015,819	232,137,324	-
Total Highway Non-Letting Programs	724,624,769	415,648,397	798,015,819	232,137,324	-
Grand Total Highway Project Awards	12,387,366,510	14,090,441,810	12,444,285,900	11,855,926,492	9,156,789,505

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 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>. FY2022-FY2026 includes obligation authority levels from the Infrastructure Investment and Jobs Act passed by Congress in November 2021. Includes federal redistribution of \$500 million in FY2025 and \$300 million in FY2026.

(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: Lettings by Local Agencies.

(4) Includes Design-Build projects that may be delivered under the Comprehensive Development Agreement (CDA) authority.

(5) GPTC SH 99 Segment B-1 Toll Project Agreement: SH 288 to IH 45 South. The revenues and expenditures for this project are not presented on other pages of the forecast as they are funded from other non-appropriated sources.

(6) Routine Maintenance: FY2023-FY2024 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%.

(7) 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 2025 Cash Forecast

<u>Expenses</u>	<u>Base Case</u>				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Research	24,811,041	25,942,627	27,312,938	27,312,938	27,312,938
Engineering	805,624,998	1,110,456,889	998,755,020	1,009,257,823	1,238,660,373
Right-of-Way	583,197,868	508,427,124	493,640,113	513,425,606	658,891,296
Plan	1,413,633,907	1,644,826,640	1,519,708,070	1,549,996,367	1,924,864,607
Build	2,367,666,136	2,470,664,615	5,882,400,861	2,966,201,572	2,114,408,813
Maintain	4,144,511,803	3,041,342,783	5,716,561,607	5,957,172,288	4,977,002,479
Use	235,197,467	251,223,911	236,084,861	233,972,948	243,024,866
Manage	395,140,350	419,805,365	449,803,176	487,067,703	488,331,484
Project Development & Delivery	5,405,100,507	10,566,890,570	7,961,248,821	8,259,437,523	7,501,723,819
Debt Service ¹	970,476,724	1,075,424,128	1,065,126,261	1,073,701,902	1,019,028,799
Total Expenses	14,931,726,894	19,470,178,013	22,830,933,656	20,527,550,302	18,268,384,866
 <u>Funding Source</u>					
State Highway Fund ²	8,259,430,520	7,730,604,898	12,811,899,069	10,978,567,441	9,975,115,511
Proposition 1 ²	2,144,358,272	5,975,559,126	4,024,602,055	3,343,761,229	3,142,931,877
Proposition 7 ²	3,536,508,188	4,848,762,038	4,183,726,953	5,165,694,992	4,604,418,841
Dallas / Forth Worth Funds ³	32,076,292	25,538,130	31,541,500	14,519,404	2,491,861
Austin / San Antonio Funds ⁴	9,876,649	19,707,909	9,532,797	27,296	-
Houston Funds ⁵	1,018,722	13,282	488,966	-	-
Military Installation Program ⁶	-	71,264	43,411	-	-
State Infrastructure Bank (SIB) ⁷	62,122,000	24,533,350	175,466,650	250,000,000	-
Texas Mobility Fund - Taxes & Fees ⁸	528,641,203	497,821,380	534,504,176	569,331,852	491,749,343
COVID Funds ⁹	238,172,243	283,154,457	232,405,570	152,086,786	-
Build America Bond Subsidy ¹⁰	110,466,359	29,717,584	54,621,499	52,831,083	50,947,215
General Revenue ¹¹	9,056,445	34,694,594	772,101,011	730,218	730,218
Total Funds	14,931,726,894	19,470,178,013	22,830,933,656	20,527,550,302	18,268,384,866

(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) See page 14 of 15 of this forecast for details.

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

(10) Build America Bond subsidies are tax credit bonds introduced as part of the February 2009 American Recovery and Reinvestment Act (ARRA) at

(11) General Revenue (GR) expenditure projections from the 2024-2025 General Appropriations Act (HB1 – 88th 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 2025 Cash Forecast**

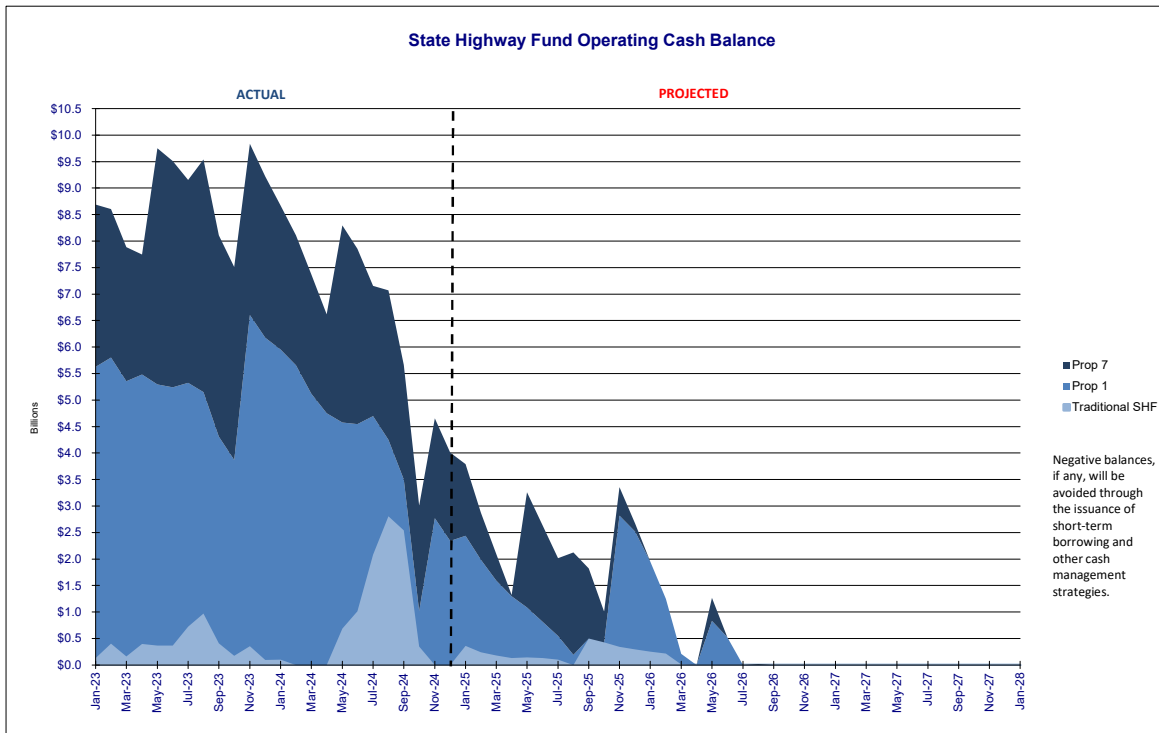
<u>Expenses</u>	<u>Base Case</u>				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Texas Mobility Fund	390,523,959	399,203,528	407,025,271	415,153,318	344,864,241
Proposition 14	288,590,171	412,159,303	401,284,863	399,227,289	419,696,162
Proposition 12	291,362,594	264,061,298	256,816,127	259,321,294	254,468,396
Total Expenses	970,476,724	1,075,424,128	1,065,126,261	1,073,701,902	1,019,028,799
 <u>Funding Source</u>					
Texas Mobility Fund - Taxes & Fees ¹	346,399,483	388,275,950	385,249,295	393,485,397	323,335,638
Build America Bond Subsidy-TMF ³	44,124,476	10,927,578	21,775,976	21,667,922	21,528,603
TMF Total	390,523,959	399,203,528	407,025,271	415,153,318	344,864,241
State Highway Fund ²	237,844,929	400,000,000	378,175,280	377,366,723	399,119,046
Build America Bond Subsidy-Prop 14 ³	50,745,243	12,159,303	23,109,583	21,860,566	20,577,116
Proposition 14 Total	288,590,171	412,159,303	401,284,863	399,227,289	419,696,162
Proposition 7-Prop 12 ⁴	275,765,954	257,430,594	247,080,187	250,018,699	245,626,899
Build America Bond Subsidy-Prop 12 ³	15,596,640	6,630,704	9,735,941	9,302,595	8,841,496
Proposition 12 Total	291,362,594	264,061,298	256,816,127	259,321,294	254,468,396
Total Funds	970,476,724	1,075,424,128	1,065,126,261	1,073,701,902	1,019,028,799

(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	\$ 5,360,065,792
Less Restricted funds:	
State Infrastructure Bank	(356,792,344)
SH 121 Concession	(622,938,820)
SH 161 Concession	(10,578,382)
NTE Seg 1&2W Concession	(50,968,573)
NTE Seg 3A & 3B Concession	(47,145,823)
I-635 (LBJ) Concession	(38,138,479)
I-635E - Surplus Toll Revenue Account	(14,822,985)
Midtown Express - Surplus Toll Revenue Account	(89,417,311)
DFW Connector - Surplus Toll Revenue Account	<u>(9,017,672)</u>
DFW Restricted Funds Subtotal	(883,028,044)
SH 130 (Seg. 5 & 6) Concession	<u>(23,367,850)</u>
Austin/San Antonio Restricted Funds Subtotal	(23,367,850)
SH 288 Concession	(22,631,726)
Montgomery County - PTF Escrow Account	<u>(62,276,342)</u>
Houston Restricted Funds Subtotal	(84,908,068)
MIP - Army	<u>(305,578)</u>
Military Installation Program Subtotal	<u>(305,578)</u>
Operating SHF Cash Balance*	\$ 4,011,663,907
Less Reserved funds:	
Proposition 1 - Non-Tolled Project Development & Delivery	(2,580,898,656)
Proposition 7 - Non-Tolled Project Development & Delivery	<u>(1,673,935,516)</u>
Traditional Operating SHF Cash Balance	\$ (243,170,265)
Cash Reserved for Payroll	(108,419,761)
Remaining Balance for Operations	\$ (351,590,026)

*TxDOT has approx. \$49.1 billion of active design-bid-build contracts with \$23.6 billion left to pay on these contracts and \$8.9 billion of active design-build contracts with \$3.3 billion left to pay on these contracts that are all committed against these cash balances.

**Texas Department of Transportation
State Highway Fund - Operating Accounts
January 2025 Cash Forecast**

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
	Actual	Actual	Forecast	Forecast	Forecast
Beginning Balance Traditional SHF	628,093,154	953,872,296	2,804,009,670	(25,143,313)	(138,182,202)
Beginning Balance Proposition 1	2,481,120,015	4,138,476,603	1,445,736,539	218,906,706	(1,357,081)
Beginning Balance Proposition 7	4,666,103,456	4,384,195,992	2,822,993,470	1,932,234,799	157,485,969
Beginning Balance	7,775,316,626	9,476,544,891	7,072,739,679	2,125,998,192	17,946,686
Revenues					
State Gas Tax	2,820,607,781	2,812,521,319	2,862,565,179	2,913,537,222	2,965,455,459
Registration Fees	1,636,503,126	1,684,427,479	1,730,074,000	1,778,442,000	1,829,935,000
FHWA Reimbursements	3,833,048,613	4,744,566,580	5,081,799,927	5,029,637,111	5,118,038,329
Other Fed Reimbursements	225,019,237	220,381,813	211,695,293	217,118,088	220,185,829
Proposition 1 Transfer In	3,637,494,353	3,056,162,692	2,739,804,527	3,078,019,503	1,906,098,505
Proposition 1 Interest	164,220,507	226,656,370	57,967,694	45,477,939	10,997,882
Proposition 7 Transfer In ²	3,124,353,308	3,128,770,432	3,223,511,950	3,371,922,667	3,529,238,027
Proposition 7 Interest	130,247,416	158,789,084	69,456,332	19,023,496	558,467
Other	616,799,329	677,039,146	658,947,675	1,490,752,131	822,129,711
Total Revenues	16,188,293,670	16,709,314,915	16,635,822,577	17,943,930,157	16,402,637,209
Available Funds	23,963,610,296	26,185,859,806	23,708,562,256	20,069,928,349	16,420,583,895
Expenses					
Research	24,811,041	25,942,627	27,312,938	27,312,938	27,312,938
Engineering	780,616,792	1,092,754,472	982,191,982	949,257,823	1,178,660,373
Right-of-Way	564,627,436	508,591,198	473,113,227	463,425,606	608,891,296
Plan	1,370,055,269	1,627,288,297	1,482,618,147	1,439,996,367	1,814,864,607
Build	1,948,702,353	2,055,225,806	4,600,537,882	2,526,781,148	2,100,416,952
Maintain	4,144,511,803	3,041,342,783	5,715,398,556	5,957,172,288	4,977,002,479
Use	163,175,816	186,942,646	185,373,062	190,183,213	195,380,943
Manage	395,140,350	419,805,365	449,796,141	487,067,703	488,331,484
Proposition 1 Project Development & Delivery ¹	2,144,358,272	5,975,559,126	4,024,602,055	3,343,761,229	3,142,931,877
Proposition 7 Project Development & Delivery ¹	3,260,742,235	4,591,331,444	3,936,646,766	4,915,676,293	4,358,791,942
Prop 14 Debt Service	237,844,929	400,000,000	378,175,280	377,366,723	399,119,046
Prop 12 Debt Service from Proposition 7	275,765,954	257,430,594	247,080,187	250,018,699	245,626,899
TxDOT State Highway Fund Total	13,940,296,980	18,554,926,062	21,020,228,076	19,488,023,663	17,722,466,230
Other Agencies and Fund Transfers	142,691,577	135,262,259	125,315,986	126,938,000	128,582,000
Other Agencies for TxDOT	404,076,848	422,931,806	437,020,000	437,020,000	437,020,000
Total Expenses	14,487,065,404	19,113,120,126	21,582,564,062	20,051,981,663	18,288,068,230
Ending Balance Traditional SHF	953,872,296	2,804,009,670	(25,143,313)	(138,182,202)	276,844,615
Ending Balance Proposition 1	4,138,476,603	1,445,736,539	218,906,706	(1,357,081)	(1,227,192,572)
Ending Balance Proposition 7	4,384,195,992	2,822,993,470	1,932,234,799	157,485,969	(917,136,378)
Ending Balance	9,476,544,891	7,072,739,679	2,125,998,194	17,946,686	(1,867,484,334)

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

(2) FY2025 Proposition 7 transfer projections are based on the Comptroller's 2024-2025 Certification Revenue Estimate (CRE), October 2023.

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

Texas Department of Transportation
State Highway Funds Restricted Funds - DFW Subaccounts
January 2025 Cash Forecast

	<u>Base Case</u>				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Beginning Balance - SH 121 ¹	503,608,101	598,004,802	614,432,415	624,330,284	655,216,738
Beginning Balance - SH 161 ²	5,938,996	6,043,458	6,365,767	10,882,231	11,354,447
Beginning Balance - NTE Seg 1 & 2	36,503,450	44,550,067	49,419,545	50,968,573	50,968,573
Beginning Balance - NTE Seg 3A & 3B	5,595,820	13,145,657	39,823,394	47,145,823	47,145,823
Beginning Balance - I-635 (LBJ)	21,840,360	28,238,278	37,122,363	38,138,479	38,138,479
Beginning Balance - I-635E	13,255,275	13,852,007	14,590,076	14,822,985	14,822,985
Beginning Balance - Midtown Express	-	65,735,409	88,055,598	89,417,311	89,417,311
Beginning Balance - DFW Connector	-	7,467,068	8,875,981	9,017,672	9,017,672
Beginning Balance	586,742,002	777,036,746	858,685,138	884,723,357	916,082,027
<u>Revenues</u>					
Proceeds - SH 121 ³	91,436,972	2,514	-	-	-
Proceeds - SH 161	-	-	-	-	-
Proceeds - NTE (1 & 2)	6,624,842	2,581,242	757,342	-	-
Proceeds - NTE (3A & 3B)	7,210,205	25,280,206	6,682,126	-	-
Proceeds - I-635 (LBJ)	5,563,142	7,389,322	422,069	-	-
Toll Revenue - SH 121	11,083,778	12,125,402	17,916,160	18,261,240	18,612,960
Toll Revenue - I-635E	111,672	42,609	-	-	-
Toll Revenue - Midtown Express	64,727,771	18,750,484	(43,509)	-	-
Toll Revenue - DFW Connector	7,352,608	1,019,545	-	-	-
Interest - SH 121	23,843,091	29,837,828	27,629,062	27,144,618	28,749,793
Interest - SH 161	213,615	322,309	410,611	472,216	492,707
Interest - NTE Seg 1 & 2	1,421,775	2,288,236	791,686	-	-
Interest - NTE Seg 3A & 3B	339,632	1,397,531	640,303	-	-
Interest - I-635 (LBJ)	834,775	1,494,763	594,047	-	-
Interest - I-635E	485,059	695,460	232,909	-	-
Interest - Midtown Express	1,007,638	3,569,705	1,405,222	-	-
Interest - DFW Connector	114,460	389,368	141,692	-	-
Total Revenues	222,371,036	107,186,522	57,579,719	45,878,074	47,855,460
Available	809,113,039	884,223,268	916,264,857	930,601,431	963,937,487
<u>Expenses</u>					
Plan - SH 121	9,208,038	473,531	21,000,000	-	-
Build - SH 121	22,759,102	25,064,599	14,647,352	14,519,404	2,491,861
Build - SH 161	109,153	-	(4,105,853)	-	-
Total Expenses	32,076,292	25,538,130	31,541,500	14,519,404	2,491,861
Ending Balance - SH 121	598,004,802	614,432,415	624,330,284	655,216,738	700,087,630
Ending Balance - SH 161	6,043,458	6,365,767	10,882,231	11,354,447	11,847,154
Ending Balance - NTE (1 & 2)	44,550,067	49,419,545	50,968,573	50,968,573	50,968,573
Ending Balance - NTE (3A & 3B)	13,145,657	39,823,394	47,145,823	47,145,823	47,145,823
Ending Balance - I-635 (LBJ)	28,238,278	37,122,363	38,138,479	38,138,479	38,138,479
Ending Balance - I-635E	13,852,007	14,590,076	14,822,985	14,822,985	14,822,985
Ending Balance - Midtown Express	65,735,409	88,055,598	89,417,311	89,417,311	89,417,311
Ending Balance - DFW Connector	7,467,068	8,875,981	9,017,672	9,017,672	9,017,672
Ending Balance	777,036,746	858,685,138	884,723,357	916,082,027	961,445,626

(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 2025 Cash Forecast**

	<u>Base Case</u>				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
	Actual	Actual	Forecast	Forecast	Forecast
Beginning Balance - SH 130	34,778,324	34,451,825	26,341,048	26,481,753	36,624,498
Beginning Balance	34,778,324	34,451,825	26,341,048	26,481,753	36,624,498
<u>Revenues</u>					
Proceeds - SH130	3,159,044	4,665,131	2,220,395	2,300,773	2,994,561
Interest - SH130	3,273,098	3,315,091	2,962,414	3,109,859	3,488,169
Toll Revenue Sharing - SH130	3,118,007	3,616,911	4,490,693	4,759,409	5,157,163
Total Revenues	9,550,150	11,597,133	9,673,502	10,170,041	11,639,893
Available	44,328,473	46,048,957	36,014,550	36,651,794	48,264,391
<u>Expenses</u>					
Build - SH130	856,300	1,381,638	532,797	27,296	-
Use - SH130	9,020,349	18,326,271	9,000,000	-	-
Total Expenses	9,876,649	19,707,909	9,532,797	27,296	-
Ending Balance	34,451,825	26,341,048	26,481,753	36,624,498	48,264,391

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 Funds Restricted Funds - Houston Subaccounts
January 2025 Cash Forecast

	<u>Base Case</u>				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Beginning Balance - SH288	9,800,469	9,275,931	22,475,537	23,070,112	24,071,205
Beginning Balance - Montgomery County PTF	34,086,945	58,359,910	61,297,815	62,276,342	62,276,342
Beginning Balance	43,887,413	67,635,841	83,773,352	85,346,455	86,347,547
<u>Revenues</u>					
Proceeds - SH288	155,882	12,409,864	80,329	-	-
Proceeds - Montgomery County PTF	22,801,681	-	-	-	-
Interest - SH288	338,301	803,023	1,003,213	1,001,093	1,044,533
Interest - Montgomery County PTF	1,471,285	2,937,905	978,527	-	-
Total Revenues	24,767,150	16,150,793	2,062,069	1,001,093	1,044,533
Available	68,654,563	83,786,634	85,835,421	86,347,547	87,392,081
<u>Expenses</u>					
Build - SH288	1,018,722	13,282	488,966	-	-
Maintain	-	-	-	-	-
Use	-	-	-	-	-
Manage	-	-	-	-	-
Total Expenses	1,018,722	13,282	488,966	-	-
Ending Balance - SH288	9,275,931	22,475,537	23,070,112	24,071,205	25,115,738
Ending Balance - Montgomery County PTF	58,359,910	61,297,815	62,276,342	62,276,342	62,276,342
Ending Balance	67,635,841	83,773,352	85,346,455	86,347,547	87,392,081

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 2025 Cash Forecast**

	<u>Base Case</u>				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
	Actual	Actual	Forecast	Forecast	Forecast
Beginning Balance - MIP Army	-	-	348,989	305,578	305,578
Beginning Balance - MIP Navy	-	-	-	-	-
Beginning Balance - MIP Air Force	-	-	-	-	-
Beginning Balance	-	-	348,989	305,578	305,578
<u>Revenues</u>					
Federal Reimbursement - MIP Army	-	420,253	-	-	-
Federal Reimbursement - MIP Navy	-	-	-	-	-
Federal Reimbursement - MIP Air Force	-	-	-	-	-
Total Revenues	-	420,253	-	-	-
Available	-	420,253	348,989	305,578	305,578
<u>Expenses</u>					
Plan - MIP Army	-	71,264	43,411	-	-
Total Expenses	-	71,264	43,411	-	-
Ending Balance	-	348,989	305,578	305,578	305,578

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 2025 Cash Forecast**

		<u>Base Case</u>				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
		Actual	Actual	Forecast	Forecast	Forecast
Beginning Balance		386,209,913	385,638,418	404,285,758	254,679,490	32,283,667
<u>Revenues</u>						
	Loan Reimbursement	48,699,952	23,603,790	10,338,568	16,307,481	19,163,909
	Interest	12,850,552	19,576,900	15,521,815	11,296,696	1,728,804
Total Revenues		61,550,504	43,180,690	25,860,383	27,604,177	20,892,713
Available		447,760,418	428,819,108	430,146,140	282,283,667	53,176,380
<u>Expenses</u>						
	Engineering	-	-	-	-	-
	Right-of-Way	-	-	-	-	-
	Plan	-	-	-	-	-
	Build ¹	62,122,000	24,533,350	175,466,650	250,000,000	-
	Maintain	-	-	-	-	-
	Use	-	-	-	-	-
	Manage	-	-	-	-	-
Total Expenses		62,122,000	24,533,350	175,466,650	250,000,000	-
Ending Balance		385,638,418	404,285,758	254,679,490	32,283,667	53,176,380

(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 2025 Cash Forecast**

	<u>Base Case</u>				
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
	Actual	Actual	Forecast	Forecast	Forecast
Beginning Balance	459,642,979	452,786,285	483,737,658	484,162,299	453,084,277
<u>Revenues</u>¹					
Drivers License Fees	185,089,581	190,486,884	190,665,000	193,525,000	114,858,000
Drivers Record Info Fees	74,565,762	74,380,049	76,064,000	76,824,640	77,592,886
Vehicle Inspection Fees	121,699,516	120,677,690	122,000,000	123,220,000	124,452,200
United We Stand	1,929	1,848	2,000	2,000	2,000
Certificate of Title	(39)	39	-	-	-
Transfer in from SHF ²	125,008,109	123,871,896	124,815,000	126,438,000	128,082,000
Motor Carrier Penalties	2,658,384	1,964,350	3,500,000	3,500,000	3,500,000
Interest	12,781,565	17,375,297	17,103,024	14,744,190	14,699,670
Build America Bonds ³	44,124,476	10,927,578	21,775,976	21,667,922	21,528,603
Miscellaneous	(20,300)	14,701	779,794	-	-
Total Revenues	565,908,985	539,700,331	556,704,794	559,921,752	484,715,359
Available	1,025,551,964	992,486,616	1,040,442,451	1,044,084,051	937,799,636
<u>Expenses</u>					
Plan	31,394,072	12,599,714	14,297,937	110,000,000	110,000,000
Build	103,185,430	52,108,480	98,071,693	22,786,939	11,500,000
Use	47,662,218	44,837,238	36,885,251	43,059,517	46,913,705
Debt Service	390,523,959	399,203,528	407,025,271	415,153,318	344,864,241
Total Expenses	572,765,679	508,748,959	556,280,152	590,999,774	513,277,946
Ending Balance	452,786,285	483,737,658	484,162,299	453,084,277	424,521,690
Lowest Monthly Balance ⁴	242,234,509	210,715,339	234,293,677	233,773,466	262,249,578

(1) Future revenue projections are from the Comptroller's July 3, 2024 Certification letter.

(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 2023 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
Federal COVID-19 Pandemic Relief Fund 0325 ¹
January 2025 Cash Forecast**

	<u>Base Case</u>				
	FY 2023 Actual	FY 2024 Actual	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Beginning Balance	17,290,215	-	1,317,080	-	-
<u>Revenues</u>					
Other Federal Reimbursements	220,882,028	284,471,537	231,000,619	152,086,786	-
Interest	-	-	87,872	-	-
Total Revenues	220,882,028	284,471,537	231,088,491	152,086,786	-
Available	238,172,243	284,471,537	232,405,570	152,086,786	-
<u>Expenses</u>					
Engineering	1,606,759	4,393,835	1,748,576	-	-
Right-of-Way	1,369,769	-	-	-	-
Plan	2,976,529	4,393,835	1,748,576	-	-
Build	221,733,992	278,472,298	230,340,665	152,086,786	-
Use	13,461,721	288,324	316,330	-	-
Total Expenses	238,172,243	283,154,457	232,405,570	152,086,786	-
Ending Balance	-	1,317,080	-	-	-

(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 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	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 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	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.