North Central Texas Council Of Governments FY 2027 Proposed Budget

Executive Board Meeting

September 24, 2026

NCTCOG FY 2027 Proposed Budget

- Characteristics of NCTCOG budgeting and contrasts with typical local government budgeting.
  - ➢ Funding is comprised primarily of grants and local contracts for services.
  - ➢ Each grant is a separate contract with its own grant period and funding amount. Grants can encompass more than one fiscal year.
  - ➢ Continuously evolving as program needs change and funding opportunities become available. Additional awarded funding approved during the budget year.
  - ➢ Scope of work, funding, and expenditure limitations are regulated by the individual grant or contract, rather than the planned program summary.
  - ➢ Majority of grants operate on a cost reimbursement basis.
  - ➢ Grant applications are pre-approved by the NCTCOG Executive Board.
  - ➢ There are three (3) primary sources of funding:
    - ▪ State and Federal Grants
    - ▪ Local Revenue
    - ▪ In-Kind Match Funds
- High inter-departmental dependency and cooperation.
  - ➢ Common objectives (i.e., environmental, air quality and transportation programs).
  - ➢ Multi-disciplinary approach (i.e., operating departments, computer services, finance and accounting teams).

NCTCOG FY 2027 Proposed Budget Orientation to the Budget Highlights

- Funding Source Changes of Note:
  - Governor's Office (OOG) – ($51.4 million decrease)
  - Texas Mobility Fund – ($15.0 million increase)
  - Environmental Protection Agency (EPA) – ($11.4 million increase)
  - Federal Highway Administration (FHWA) – ($7.1 million increase)
  - Federal Transit Administration (FTA) – ($4.8 million increase)
  - Texas Workforce Commission (TWC) – ($4.4 million increase)
  - Texas Department of Transportation (TxDOT) – ($2.2 million increase)
  - Local Revenue – ($16.3 million decrease)
  - In-Kind Match Funds – ($34.2 million increase)

- Separate Entity:
  - NCT9-1-1 – ($432 thousand increase)
  - PEBC – ($131 thousand decrease)

Key Departmental Funding Changes		
Emergency Preparedness	$	(51,478,996)
Transportation	$	57,028,644
Workforce Development	$	4,390,566

NCTCOG FY 2027 Proposed Budget

Funding Sources	FY 2027	%	FY 2026	%	Change	Change %
State and Federal Grants	$ 349,718,118	76.7%	$ 356,063,705	80.1%	$ (6,345,587)	-1.8%
Local Revenue (1)	20,179,534	4.4%	36,484,319	8.2%	(16,304,785)	-44.7%
In-Kind Match Funds	69,275,352	15.2%	35,036,304	7.9%	34,239,048	97.7%
Separate Entities:						
NCT9-1-1	15,517,277	3.4%	15,085,490	3.4%	431,787	2.9%
PEBC (2)	1,517,073	0.3%	1,648,486	0.4%	(131,413)	-8.0%
Total	**$ 456,207,354**	**100.0%**	**$ 444,318,304**	**100.0%**	**$ 11,889,050**	**2.7%**

(1) Local Revenue	FY 2027	%	FY 2026	%	Change	Change %
Local Contracts	$ 18,254,932	4.1%	$ 34,406,512	7.7%	$ (16,151,580)	-46.9%
Membership Dues	871,765	0.2%	854,423	0.2%	17,342	2.0%
Training Revenues	1,052,837	0.2%	1,223,384	0.3%	(170,547)	-13.9%
Total	**$ 20,179,534**	**4.5%**	**$ 36,484,319**	**8.2%**	**$ (16,304,785)**	**-44.7%**

(2) Public Employee Benefits Cooperative

Funding Source	Emergency Preparedness	Transportation	Workforce Development	Total
State/Federal Grants	$ (51,478,996)	$ 40,999,461	$ 4,390,566	$ (6,088,969)
Local Contracts		$ (17,571,302)		$ (17,571,302)
In-Kind Match Funds		$ 34,155,828		$ 34,155,828
Total	**$ (51,478,996)**	**$ 57,583,987**	**$ 4,390,566**	**$ 10,495,557**

State and Federal Grants

STATE	FY 2027	% of Total Funding	FY 2026	Change
Texas Workforce Commission (TWC)	$ 157,254,443	34.47%	$ 152,863,877	$ 4,390,566
Texas Department of Transportation (TxDOT)	65,224,785	14.30%	63,069,854	2,154,931
Texas Mobility Fund	15,000,000	3.29%	0	15,000,000
Texas Health & Human Services (HHS)	10,753,850	2.36%	10,297,901	455,949
Governor's Office (OOG)	3,427,005	0.75%	54,798,388	(51,371,383)
Texas Commission on Environmental Quality (TCEQ)	2,544,207	0.56%	1,523,944	1,020,263
General Land Office (GLO)	926,925	0.20%	1,796,245	(869,320)
Texas Water Development Board (TWDB)	609,736	0.13%	1,299,633	(689,897)
Department of State Health Services (DSHS)	150,000	0.03%	149,999	1
Texas Department of Agriculture (TDA)	21,298	0.00%	24,478	(3,180)
TOTAL STATE	**$ 255,912,249**	**56.09%**	**$ 285,824,319**	**$ (29,912,070)**
FEDERAL				
Federal Transit Authority (FTA)	40,465,271	8.87%	35,656,988	4,808,283
Federal Highway Administration (FHWA)	25,624,150	5.62%	18,521,196	7,102,954
Environmental Protection Agency (EPA)	22,498,592	4.93%	11,120,642	11,377,950
United States Department of Defense (US DOD)	2,988,463	0.66%	3,202,174	(213,711)
United States Department of Energy (US DOE)	1,244,397	0.27%	896,845	347,552
Federal Emergency Management Agency (FEMA)	478,822	0.11%	474,653	4,169
United States Department of Health and Human Services (US HHS)	250,000	0.05%	165,000	85,000
United States Department of Transportation (US DOT)	203,674	0.04%	139,071	64,603
United States Department of Commerce (US DOC)	52,500	0.01%	62,817	(10,317)
TOTAL FEDERAL	**$ 93,805,869**	**20.56%**	**$ 70,239,386**	**$ 23,566,483**
TOTAL NCTCOG STATE AND FEDERAL	**$ 349,718,118**	**76.65%**	**$ 356,063,705**	**$ (6,345,587)**
SEPARATE ENTITIES				
Commission on State Emergency Communications (CSEC)	$ 152,277	0.03%	$ 795,100	$ (642,823)
TOTAL SEPARATE ENTITIES STATE	**$ 152,277**	**0.03%**	**$ 795,100**	**$ (642,823)**

NCTCOG FY 2027 Proposed Budget

Key Departmental Funding Changes

State and Federal Grants		
Emergency Preparedness	$	(51,478,996)
Transportation	$	40,999,461
Workforce Development	$	4,390,566
Total	**$**	**(6,088,969)**

NCTCOG FY 2027 Proposed Budget Funding Changes

State and Federal Grant Changes – $6.3 million net decrease, primarily comprised of:

- **Emergency Preparedness – $51.5 million net decrease, comprised of:**
  - Governor's Office (OOG) – ($51.5 million net decrease)
- **Transportation – $41.0 million net increase, primarily comprised of:**
  - Texas Mobility Fund – ($15.0 million increase)
  - Environmental Protection Agency (EPA) – ($11.4 million increase)
  - Federal Highway Administration (FHWA) – ($7.1 million increase)
  - Federal Transit Administration (FTA) – ($4.8 million increase)
  - Texas Department of Transportation (TxDOT) – ($2.2 million increase)
- **Workforce – $4.4 million net increase, comprised of:**
  - Texas Workforce Commission (TWC) – ($4.4 million increase)

NCTCOG FY 2027 Proposed Budget Funding Changes

State and Federal Grant Changes – $6.3 million net decrease (continued)

- **Environment & Development – $900 thousand net decrease, primarily comprised of:**
  - General Land Office (GLO) (TSI Project) – ($869 thousand decrease)
  - Texas Water Development Board (TWDB) (TSI Project) – ($612 thousand decrease)
  - Texas Commission on Environmental Quality (TCEQ) – ($586 thousand increase)

- **Area Agency on Aging – $541 thousand net increase, comprised of:**
  - Texas Health and Human Services (HHS) – ($456 thousand increase)
  - United States Department of Health and Human Services (US HHS) – ($85 thousand increase)

- **Community/Program Services – Regional Police Academy – $108 thousand net increase, comprised of:**
  - Governor's Office (OOG) – ($108 thousand increase)

NCTCOG FY 2027 Proposed Budget Funding Changes

Local Revenue – $16.3 million net decrease, primarily due to:

- **Transportation – ($17.6 million decrease)**
  - Federation International Football Association (FIFA) World Cup – ($15.7 million decrease)
  - Charging and Fueling Infrastructure (CFI) Community Grant: North Texas Equitable Electric Vehicle Infrastructure (NTx-EEVI) Project – ($1.9 million decrease)

- **Information & Innovation Services – ($876 thousand increase)**
  - Local funding related to the Orthos / aerial photography (cyclical) – ($876 thousand increase)

- **Environment and Development – ($107 thousand increase)**
  - State Energy Conservation Office (SECO) – Increase in funding – ($107 thousand increase)

- **Agency Management – ($107 thousand increase)**
  - Texas Association of Regional Councils (TARC) Texas Regional Broadband Program (TRBP) funding – ($107 thousand increase)

NCTCOG FY 2027 Proposed Budget Funding Changes

Local Revenue – $16.3 million net decrease, primarily due to: (continued)

- **Area Agency on Aging – ($104 thousand increase)**
  - Department of Veteran Affairs (VA) – ($337 thousand increase)
  - Managed Care Organizations (MCOs) – ($273 thousand decrease)
- **Community/Program Services – ($123 thousand decrease)**
  - Regional Police Academy (RPA) – Projected decrease due to projected lower enrollment – ($173 thousand decrease)
  - TXShare – Projected increase in revenue sharing agreements – ($47 thousand increase)

NCTCOG FY 2027 Proposed Budget Funding Changes

In-Kind Match Funds – $34.2 million net increase, primarily due to:

- **Transportation – ($34.2 million increase)**
  - North Texas Moves: Regional Rail Information System and DART, Trinity Metro, Double Track – ($23.8 million increase)
  - Clean Heavy-Duty Vehicle Program – ($8.3 million increase)
  - CFI: Corridor Grant: Texas Hydrogen and Electric Freight Infrastructure (Tx-HEFTI) Project – ($2.2 million increase)
  - CFI: Community Grant: North Texas Equitable Electric Vehicle Infrastructure (NTx-EEVI) Project – ($2.2 million increase)
  - EPA DERA includes DERA 2020 & 2023 – ($1.8 million decrease)

Separate Entities:

- **NCT9-1-1 – ($432 thousand increase)**
- **Public Employees Benefits Cooperative (PEBC) – ($131 thousand decrease)**

<u>Total Change to Funding – $11.9 million net increase</u>

NCTCOG FY 2027 Proposed Budget

Total Expenditures

Total Expenditures	FY 2027	FY 2026	Change
Transportation	$ 246,655,310	$ 189,812,080	$ 56,843,230
Workforce Development	155,598,859	151,120,347	4,478,512
Area Agency on Aging	14,682,176	14,001,250	680,926
Agency Administration	13,346,987	13,062,873	284,114
Information & Innovation Services	12,228,973	10,472,393	1,756,580
Environment & Development	5,124,621	6,142,516	(1,017,895)
Emergency Preparedness	3,805,546	55,151,398	(51,345,852)
Community\Program Services (1)	3,054,385	3,039,468	14,917
Agency Management (2)	2,177,333	2,006,393	170,940
Separate Entities			
NCT 9-1-1	15,072,577	14,652,222	420,355
Public Employee Benefits Cooperative	1,289,926	1,354,018	(64,092)
Total Proposed Expenditures	**$ 473,036,693**	**$ 460,814,958**	**$ 12,221,735**
Less: Interdepartmental Charges (3)	(16,829,339)	(16,496,654)	(332,685)
Net Expenditures	**$ 456,207,354**	**$ 444,318,304**	**$ 11,889,050**

(1) Includes TDI, RPA, CJD, and TXShare
(2) Includes Public Affairs
(3) Includes Direct Service Charges and Indirect Overhead

Key Departmental Expenditure Changes

Department		
Emergency Preparedness	$	(51,345,852)
Transportation	$	56,843,230
Workforce Development	$	4,478,512
Total	**$**	**9,975,890**

NCTCOG FY 2027 Proposed Budget
Total Expenditures

Transportation – Total expenditures net increase of $56.8 million, primarily comprised of:

- Cost of Operations – ($2.0 million decrease)
  - ➢ Personnel – ($676 thousand increase) Primarily due to merit, promotions, and adjustments
  - ➢ Contract Services – ($2.2 million decrease) Primarily due to the following:
    - $6.1 million decrease – Completion of 2026 FIFA World Cup contracts
    - $2.1 million decrease – Safe Streets and Roads: Advancing Regional Safety in DFW Region
    - $3.3 million increase – North Texas Moves: Regional Rail Information System and DART, Trinity Metro, Double Track
    - $2.5 million increase – Cooperative Vehicle Procurement (Buses for Urban Service)
  - ➢ Other – ($400 thousand decrease) – Primarily due to the following:
    - $378 thousand decrease – Interdepartmental Transfers to various Departments
    - $35 thousand increase – COOP Purchase Equipment – (Wayfinding & Signage)
- Pass-Through – ($24.6 million increase)
  - ➢ $12.6 million increase – North Texas Moves: Regional Rail Information Systems and DART, Trinity Metro, Double Track
  - ➢ $12.2 million increase – Clean Heavy-Duty Vehicle Program
  - ➢ $8.2 million increase – CFI Corridor Grant: Texas Hydrogen and Electric Freight Infrastructure (Tx-HEFTI) Project
  - ➢ $2.1 million increase – Pass-Through to subrecipients (5307) & (5310) Transit Projects (i.e. operating, mobility management, strategic partnerships and capital)
  - ➢ $11.8 million decrease – 2026 FIFA World Cup Partnership

NCTCOG FY 2027 Proposed Budget Total Expenditures

Transportation – Total expenditures net increase of $56.8 million, primarily comprised of: (continued)

- In-Kind – ($34.2 million increase) Primarily due to the following:
  - $23.8 million increase – North Texas Moves: Regional Rail Information System and Dart, Trinity Metro, Double Track
  - $8.3 million increase – Clean Heavy-Duty Vehicle Program: Rebates for awardees for vehicle replacement
  - $2.2 million increase – CFI Corridor Grant: Texas Hydrogen and Electric Freight Infrastructure (Tx-HEFTI) Project – Pilot Travel Centers anticipated increase in activity
  - $2.2 million increase – CFI Community Grant: North Texas Equitable Electric Vehicle Infrastructure (NTx-EEVI) Project – EV Charging Station Deployment
  - $1.8 million decrease – EPA DERA completion of DERA 2020

NCTCOG FY 2027 Proposed Budget
Total Expenditures

Workforce Development – Total expenditures net increase of $4.5 million, primarily comprised of:

- Cost of Operations – ($392 thousand decrease)
  - ➢ Personnel – ($524 thousand increase) Primarily due to addition of 2 FTEs (Assistant Director & Grant Initiatives / Education Partnerships Coordinator)
  - ➢ Occupancy – ($188 thousand decrease) Due to closing of the Corsicana Workforce Center
  - ➢ Capital Outlay – ($257 thousand decrease) Due to closing of the Corsicana Workforce Center and subsequent merge with the existing Waxahachie Workforce Center, eliminating the need for leasehold improvements to Corsicana Workforce Center
  - ➢ Contract Services – ($515 thousand decrease) Primarily due to reductions in Contract Services and Network Services
    - o Contract Services – ($354 thousand decrease)
    - o Network Services – ($175 thousand decrease) Primarily due to closing of the Corsicana Workforce Center and reduction in Workforce space within NCTCOG corporate headquarters
- Pass-Through – ($4.8 million increase)
  - ➢ Childcare – ($5.4 million increase) Increase in direct care childcare funding passed to the Workforce subrecipient
  - ➢ Workforce Programs – ($506 thousand decrease) Decrease in funding for the Workforce subrecipient to deliver the various Workforce Center services

NCTCOG FY 2027 Proposed Budget
Total Expenditures

Information & Innovation Services – Total expenditures net increase of $1.8 million, primarily comprised of:

- Cost of Operations – ($1.8 million increase)
  - Contract Services – ($1.5 million increase) – Primarily due to increase (cyclical) in Orthos / aerial photography contract service
  - Other – ($450 thousand increase) Primarily due to increase in software expense, and additional funding through the Transportation department for Transportation Improvement Plan (TIP) and Revenue and Project Tracking System (RAPTS)

Area Agency on Aging – Total expenditures net increase of $681 thousand, primarily comprised of:

- Cost of Operations – ($295 thousand increase)
  - Personnel – ($61 thousand decrease) Primarily due to a reduction of 1 FTE (Sr. Case Manager), including merit, promotions, and adjustments
  - Contract Services – ($331 thousand increase) Primarily due to:
    - Veterans Directed Care (VDC) Program – ($493 thousand increase)
    - Administration for Community Living (ACL) Dementia program – ($180 thousand increase)
    - Managed Care Organizations (MCO) – ($308 thousand decrease)
- In-Kind/Pass-through – ($385 thousand increase) Increase distribution support for eligible program expenses.

NCTCOG FY 2027 Proposed Budget
Total Expenditures

Environment & Development – Total expenditures net decrease of $1.0 million, primarily comprised of:

- Cost of Operations – ($1.2 Million decrease)
  - Personnel – ($52 thousand increase) Primarily due to merit, promotions, and adjustments
  - Contract Services – ($1.3 million decrease) Primarily driven by a decrease in GLO and TWDB funding as the TSI project is expected to end in early FY2027
    - General Land Office (GLO) – ($689 thousand decrease)
    - Texas Water Development Board (TWDB) – ($666 thousand decrease)
- Pass-through – ($227 thousand increase)
  - Solid Waste Management – ($424 thousand increase) This is the second year of a two (2) year award, which includes implementation of the grant.
  - Texas Water Development Board funding – ($197 thousand decrease) Primarily related to the Texas Water Development Board (TWDB) TSI contract ending in early FY2027
    - A&M AgriLife – $127 thousand decrease
    - UT Arlington – $70 thousand decrease

Agency Management – Total expenditures net increase of $171 thousand, primarily comprised of:

- Cost of Operations – ($181 thousand increase)
  - Personnel – ($194 thousand increase) Primarily due to the addition of a position added during FY2026 (Economic Development Coordinator) for the Texas Regional Broadband Program (TRBP)

NCTCOG FY 2027 Proposed Budget
Total Expenditures

Emergency Preparedness – Total expenditures net decrease of $51.3 million, primarily comprised of:

- Cost of Operations – ($167 thousand increase)
  - Contract Services – ($94 thousand decrease) Primarily due to a reduction in a FIFA World Cup-related grant
  - Other – ($245 thousand increase) Primarily due to hosting a regional resiliency conference that fulfills deliverables as part of the Regional Catastrophic Preparedness Grant program
- Pass-Through – ($51.5 million decrease)
    - Governor's Office (OOG) – ($51.5 million decrease) – 2026 FIFA World Cup Grant Program

Community/Program Services – Total expenditures net increase of $15 thousand, primarily comprised of:

- Cost of Operations – ($15 thousand increase)
  - Personnel – ($62 thousand decrease) Primarily due to reduction of hours for Police Training Coordinators
  - Contract Services – ($19 thousand increase)
  - Other – ($54 thousand increase)

Agency Administration – Total expenditures net increase of $284 thousand, primarily comprised of:

- Cost of Operations – ($284 thousand increase)
  - Personnel – ($194 thousand increase) Primarily due to merit, promotions, and adjustments
  - Contract Services – ($213 thousand decrease) Primarily due to one-time website support update
  - Other – ($250 thousand increase) Primarily related to software and software support

NCTCOG FY 2027 Proposed Budget Total Expenditures

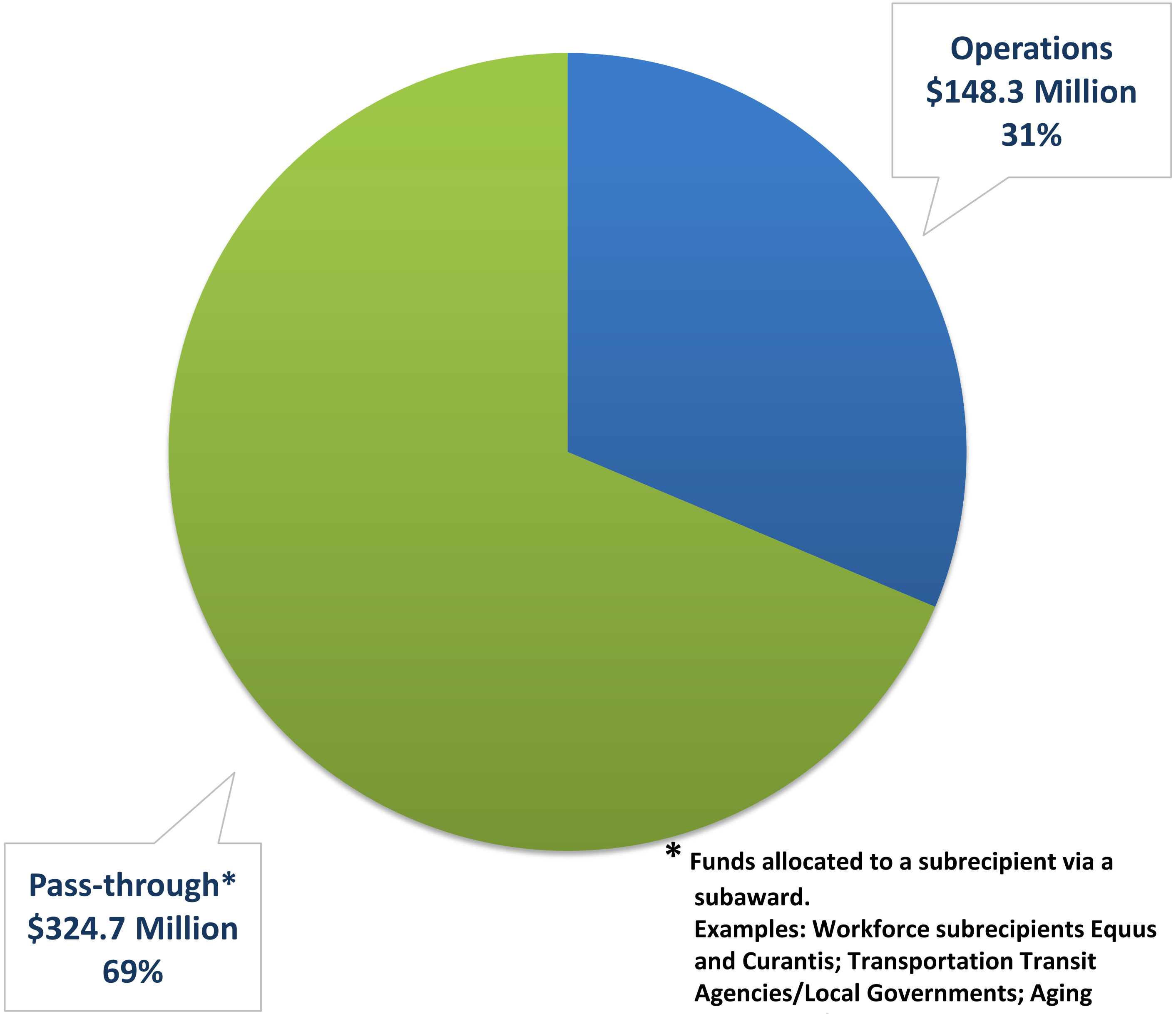
Separate Entities:

NCT9-1-1 District – Total expenditures net increase of $420 thousand.

PEBC – Total expenditures net decrease of $64 thousand.

<u>**Total Change to Expenditures – $11.9 million increase**</u>

Operations/Pass-through

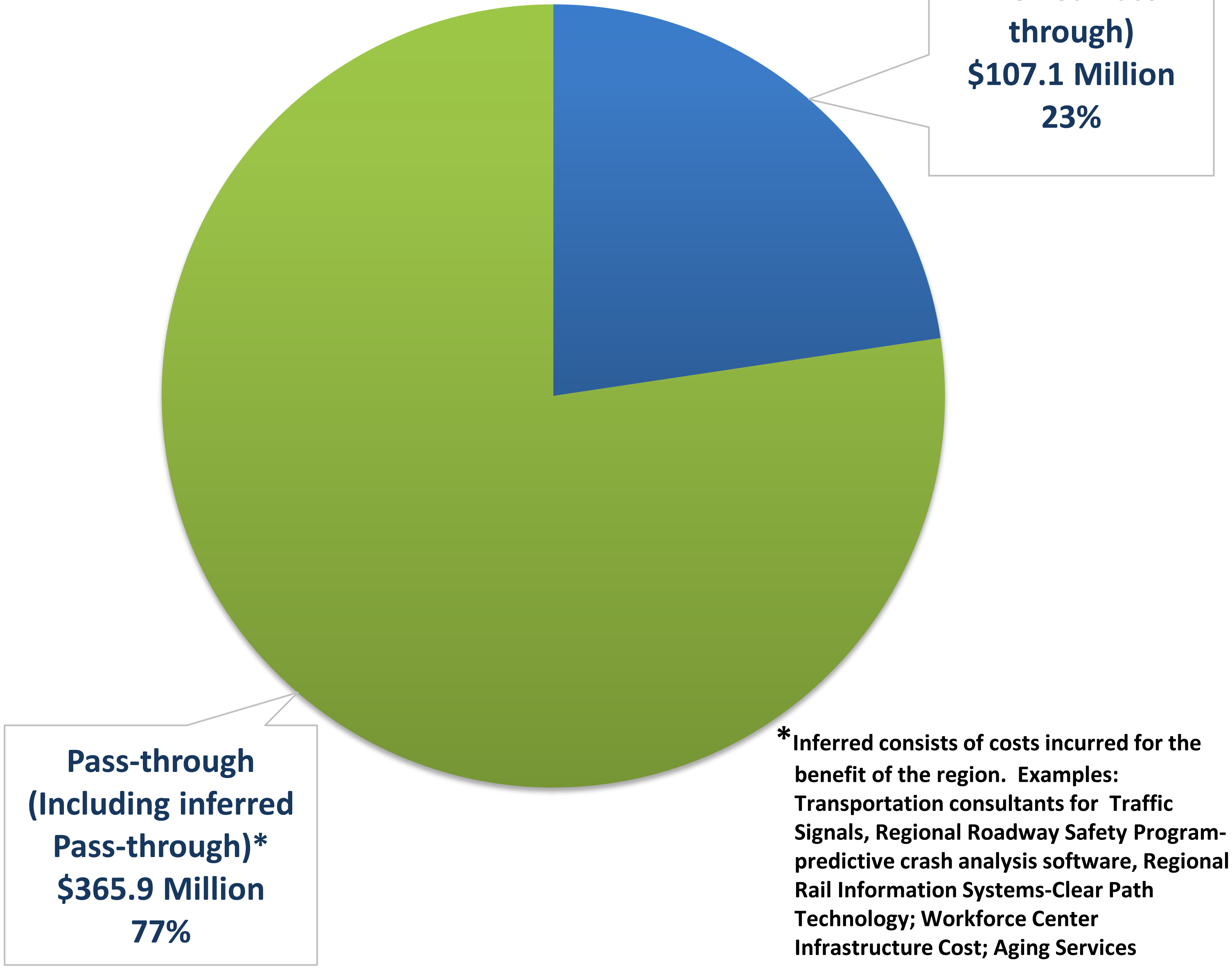


* Funds allocated to a subrecipient via a subaward.
Examples: Workforce subrecipients Equus and Curantis; Transportation Transit Agencies/Local Governments; Aging congregate/home delivered meals.

NCTCOG FY 2027 Proposed Budget

Operations/Pass-through

Operations/Pass-through (including inferred)



*Inferred consists of costs incurred for the benefit of the region. Examples: Transportation consultants for Traffic Signals, Regional Roadway Safety Program-predictive crash analysis software, Regional Rail Information Systems-Clear Path Technology; Workforce Center Infrastructure Cost; Aging Services

NCTCOG FY 2027 Proposed Budget

Operations/Pass-through (including inferred)

NCTCOG FY 2027 Proposed Budget

Personnel and Fringe Benefits

- 445 full-time positions and 58 temporary/part-time positions
  - Net increase of 1 full-time position
- Healthcare 4% increase
- 3% merit pool

NCTCOG FY 2027 Proposed Budget

Full-time Positions	FY 2027 Budget	FY 2026 Budget	Change
Transportation	204	204	0
Workforce Development	54	52	2
Agency Administration	44	44	0
Information & Innovation Services	35	35	0
Area Agency on Aging	27	28	-1
Environment & Development	16	16	0
Emergency Preparedness	7	7	0
Community\Program Services(1)	11	11	0
Agency Management(2)	8	8	0
PEBC	6	6	0
NCT9-1-1	33	33	0
Total	**445**	**444**	**1**

(1) TDI, RPA, CJD, and TXShare

(2) Includes Public Affairs

NCTCOG FY 2027 Proposed Budget
Full-Time Staffing Update

Workforce Development (+2)

- ➢ Assistant Director of Workforce Development (+1)
- ➢ Grants Initiatives & Education Partnerships Coordinator (+1)

Area Agency on Aging (-1)

- ➢ Senior Case Manager (-1)

NCTCOG FY 2027 Proposed Budget

Remaining Steps In Budget Process:

- Answer any questions today.
- Provide for public hearing and budget adoption resolution at September's Board meeting.
- Prepare budget document for filing with the Board and State agencies in September.
- Monitor FY 2026 budget year close out.
- Implement FY 2027 budget beginning October 1.
- Present status of programs and need for budget amendments throughout the year as new programs and funding become available.