

# **North Central Texas Council Of Governments FY 2026 Proposed Budget**

Executive Board Meeting  
August 28, 2025

# NCTCOG FY 2026 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 2026 Proposed Budget

## Orientation to the Budget Highlights

- Funding Source Changes of Note:
  - Federal Transit Administration (FTA) – (\$14.0 million increase)
  - Environmental Protection Agency (EPA) – (\$10.1 million increase)
  - Texas Workforce Commission (TWC) – (\$6.1 million increase)
  - Federal Highway Administration (FHA) – (\$5.3 million increase)
  - United States Department of Defense (US DOD) – (\$3.2 million increase)
  - Texas Health & Human Services (HHS) – (\$1.4 million decrease)
  - Local Revenue – (\$20.3 million increase)
  - In-Kind Match Funds – (\$19.2 million increase)
- Separate Entity:
  - NCT9-1-1 – (\$5.1 million decrease)

# NCTCOG FY 2026 Proposed Budget

<b>Funding Sources</b>	<b><u>FY 2026</u></b>	<b><u>%</u></b>	<b><u>FY 2025</u></b>	<b><u>%</u></b>	<b><u>Change</u></b>
State and Federal Grants	\$ 299,864,843	77.3%	\$ 263,554,307	83.0%	\$ 36,310,536
Local Revenue <sup>(1)</sup>	36,484,319	9.4%	16,128,620	5.1%	20,355,699
In-Kind Match Funds	35,036,304	9.0%	15,865,730	5.0%	19,170,574
Separate Entities:					
NCT9-1-1	15,085,490	3.9%	20,149,028	6.3%	(5,063,538)
PEBC <sup>(2)</sup>	1,648,486	0.4%	1,805,346	0.6%	(156,860)
<b>Total</b>	<b><u>\$ 388,119,442</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 317,503,031</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 70,616,411</u></b>

<b><sup>(1)</sup> Local Revenue</b>	<b><u>FY 2026</u></b>	<b><u>%</u></b>	<b><u>FY 2025</u></b>	<b><u>%</u></b>	<b><u>Change</u></b>
Local Contracts	\$ 34,406,512	8.9%	\$ 14,298,623	4.5%	\$ 20,107,889
Membership Dues	854,423	0.2%	831,697	0.3%	22,726
Training Revenues	1,223,384	0.3%	998,300	0.3%	225,084
<b>Total</b>	<b><u>\$ 36,484,319</u></b>	<b><u>9.4%</u></b>	<b><u>\$ 16,128,620</u></b>	<b><u>5.1%</u></b>	<b><u>\$ 20,355,699</u></b>

<sup>(2)</sup> Public Employee Benefits Cooperative

State and Federal Grants

STATE	FY 2026	% of Total Funding	FY 2025	Change
Texas Workforce Commission (TWC)	\$ 148,242,266	38.19%	\$ 142,177,416	\$ 6,064,850
Texas Department of Transportation (TxDOT)	63,069,854	16.25%	63,713,264	(643,410)
Texas Health & Human Services (HHS)	10,297,901	2.65%	11,692,148	(1,394,247)
Governor's Office (OOG)	3,214,061	0.83%	2,908,345	305,716
Texas Water Development Board (TWDB)	1,299,633	0.33%	1,506,658	(207,025)
Texas Commission on Environmental Quality (TCEQ)	1,523,944	0.39%	1,927,340	(403,396)
General Land Office (GLO)	1,796,245	0.46%	1,967,935	(171,690)
Department of State Health Services (DSHS)	149,999	0.04%	0	149,999
Texas Department of Agriculture (TDA)	24,478	0.01%	22,172	2,306
State Energy Conservation Office (SECO)	-	0.00%	0	-
TOTAL STATE	\$ 229,618,381	59.14%	\$ 225,915,278	\$ 3,703,103
FEDERAL				
Federal Transit Administration (FTA)	\$ 35,656,988	9.18%	\$ 21,684,898	\$ 13,972,090
Environmental Protection Agency (EPA)	11,120,642	2.86%	1,051,875	10,068,767
Federal Highway Administration (FHA)	18,521,196	4.77%	13,226,501	5,294,695
United States Department of Defense (US DOD)	3,202,174	0.82%	0	3,202,174
Federal Emergency Management Agency (FEMA)	481,729	0.12%	92,433	389,296
United States Department of Health and Human Services (US HHS)	165,000	0.04%	400,000	(235,000)
United States Department of Commerce (US DOC)	62,817	0.02%	70,000	(7,183)
United States Department of Energy (US DOE)	896,845	0.23%	892,564	4,281
United States Department of Transportation (US DOT)	139,071	0.04%	220,758	(81,687)
TOTAL FEDERAL	\$ 70,246,462	18.09%	\$ 37,639,029	\$ 32,607,433
TOTAL NCTCOG STATE AND FEDERAL	\$ 299,864,843	77.24%	\$ 263,554,307	\$ 36,310,536
SEPARATE ENTITIES				
Commission on State Emergency Communications (CSEC)	\$ 795,100	0.25%	\$ 1,840,000	\$ (1,044,900)
TOTAL SEPARATE ENTITIES STATE	\$ 795,100	0.25%	\$ 1,840,000	\$ (1,044,900)

NCTCOG FY 2026  
Proposed Budget

# NCTCOG FY 2026 Proposed Budget Funding Changes

## **State and Federal Grant Changes – \$36.3 million net increase, primarily comprised of:**

- **Transportation – \$31.9 million net increase, primarily comprised of:**
  - Federal Transit Administration (FTA) – (\$14.0 million increase)
  - Environmental Protection Agency (EPA) – (\$10.1 million increase)
  - Federal Highway Administration (FHA) – (\$5.3 million increase)
  - United States Department of Defense (US DOD) – (\$3.2 million increase)
  - Texas Department of Transportation (TxDOT) – (\$643 thousand decrease)
- **Workforce – \$6.1 million net increase comprised of:**
  - Texas Workforce Commission (TWC) – (\$6.1 million increase)
- **Area Agency on Aging – \$1.5 million net decrease comprised of:**
  - Texas Health and Human Services (HHS) – (\$1.4 million decrease)
  - United States Department of Health and Human Services (US HHS) – (\$235 thousand decrease)
  - Department of State Health Services (DSHS) – (\$150 thousand increase)



# NCTCOG FY 2026 Proposed Budget Funding Changes

## State and Federal Grant Changes – \$36.3 million net increase (continued)

- **Environment & Development – \$1.0 million net decrease, primarily comprised of:**
  - Texas Commission on Environmental Quality (TCEQ) – (\$472 thousand decrease)
  - Texas Water Development Board (TWDB) – (\$284 thousand decrease)
  - General Land Office (GLO) – (\$172 thousand decrease)
  - Federal Emergency Management Agency (FEMA) – (\$81 thousand decrease)
- **Emergency Preparedness – \$659 thousand net increase, primarily comprised of:**
  - Federal Emergency Management Agency (FEMA) – (\$470 thousand increase)
  - Governor's Office (OOG) – (\$185 thousand increase)
- **Community \ Program Services - \$120 thousand net increase, primarily comprised of:**
  - Governor's Office (OOG) – (\$120 thousand increase) - RPA Justice Assistance Grant (JAG)

# NCTCOG FY 2026 Proposed Budget Funding Changes

**Local Revenue – \$20.3 million net increase, primarily due to:**

- **Transportation – (\$19.5 million increase)**
  - Federation International Football Association (FIFA) World Cup – (\$16.2 million increase)
  - County Pilot Maintenance Programs: Denton & Johnson – (\$1.5 million increase)
  - Charging and Fueling Infrastructure (CFI) Community Grant: North Texas Equitable Electric Vehicle Infrastructure Project – (\$1.3 million increase)
- **Area Agency on Aging - (\$954 thousand increase)**
  - Department of Veteran Affairs – (\$592 thousand increase)
  - Relocation Program - (\$173,000 thousand increase)
- **Environment and Development – (\$147 thousand increase)**
  - Public Works – (\$69 thousand increase)
  - Common Vision Corridor Development Certificate (CDC) Permit – (\$44 thousand increase)



# NCTCOG FY 2026 Proposed Budget Funding Changes

## Local Revenue – \$20.3 million net increase, primarily due to: (continued)

- **RIS - (\$752 thousand decrease)**
  - Local funding related to the aerial photography (cyclical).
- **Community \ Program Services – (\$368 thousand increase)**
  - Regional Police Academy (RPA) – (\$170 thousand increase) Projected increase in tuition rates for police academy cadets.
  - Training and Development Institute (TDI) – (\$55 thousand increase) Increase primarily due to additional class certification offerings as well as increases in enrollment in existing courses.
  - TXShare – (\$143 thousand increase) Projected increase in revenue sharing agreement with Sourcewell.

# NCTCOG FY 2026 Proposed Budget Funding Changes

## **In-Kind Match Funds – \$19.2 million net increase, primarily due to:**

- **Transportation – (\$19.3 million increase)**
  - North Texas Moves: Regional Rail Information System and DART, Trinity Metro, Double Track – (\$11.6 million increase)
  - Clean Heavy-Duty Vehicle Program – (\$5.8 million increase)
  - EPA Diesel Emissions Reduction Act (DERA) – (2.1 million increase)
- **Area Agency on Aging – (\$209 thousand decrease)**
  - Aging funds require a match of 10% - 25% and derives most of its match from nutrition provider's in-kind contributions. Due to the anticipated decrease in nutrition funding pass-through, it's projected that in-kind contributions will also decrease.

## **Separate Entities (NCT9-1-1) – \$5.1 million net decrease, primarily due to:**

- CSEC Grant (non-recurring) – (\$1.0 million decrease) Grant program is winding down. Remaining funding is anticipated to be expended prior to December 2026.
- CSEC Proposition 8 Contract (non-recurring) – (\$5.3 million decrease) Contract projected to be fully expended in FY 2025.
- Local Revenue – (\$1.3 million increase) Increase is primarily due to a projected 9% or \$960,000 increase in wireless revenue.

## **Total Change to Funding – \$70.6 million net increase**

## Total Expenditures

	FY 2026	FY 2025	Change
Workforce Development	\$ 146,498,736	\$ 140,432,211	\$ 6,066,525
Transportation	189,812,080	117,442,102	72,369,978
Area Agency on Aging	14,001,250	14,734,998	(733,748)
Agency Administration	13,062,873	12,810,398	252,475
Research & Information Services	10,472,393	11,732,556	(1,260,163)
Environment & Development	6,149,592	6,982,868	(833,276)
Emergency Preparedness	3,567,071	3,215,094	351,977
Community\Program Services <sup>(1)</sup>	3,039,468	2,590,964	448,504
Agency Management <sup>(2)</sup>	2,006,393	1,884,156	122,237

## Separate Entities

NCT 9-1-1	14,652,222	19,715,177	(5,062,955)
Public Employee Benefits			
Cooperative	1,354,018	1,512,358	(158,340)
<b>Total Proposed Expenditures</b>	<b>\$ 404,616,096</b>	<b>\$ 333,052,882</b>	<b>\$ 71,563,214</b>
Less: Interdepartmental Charges <sup>(3)</sup>	(16,496,654)	(15,549,851)	(946,803)
<b>Net Expenditures</b>	<b>\$ 388,119,442</b>	<b>\$ 317,503,031</b>	<b>\$ 70,616,411</b>

<sup>(1)</sup> Includes TDI, RPA, CJD, and TXShare

<sup>(2)</sup> Includes Public Affairs

<sup>(3)</sup> Includes Direct Service Charges and Indirect Overhead

# NCTCOG FY 2026 Proposed Budget

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## Total Expenditures

**Transportation - Total expenditures net increase of \$72.4 million, primarily comprised of:**

- **Federal Transit Administration (FTA) – (\$14.0 million increase)**
  - North Texas Moves: Regional Rail Information System and DART, Trinity Metro, Double Track – (\$18.4 million increase)
  - Rebuilding America Infrastructure with Sustainability & Equity (RAISE): Enhanced Mobility Within the Southern Dallas Inland Port – (\$3.8 million decrease)
  - Cooperative Vehicle Procurement: FY2024 (non-electric vehicles) – (\$2.9 million decrease)
  - Transit Projects – (\$1.4 million increase)
- **Environmental Protection Agency (EPA) – (\$10.1 million increase)**
  - Clean Heavy-Duty Vehicle Program – (\$9.0 million increase)
  - DERA: includes DERA 2020 & 2023 – (\$1.1 million increase)
- **Federal Highway Administration (FHA) – (\$5.3 million increase)**
  - CFI Community Grant: North Texas Equitable Electric Vehicle Infrastructure – (\$4.1 million increase)
  - US DOT FY2023 Safe Streets and Roads Grants: Advancing Regional Safety in DFW Region (SS4A) & US DOT Safe Streets and Roads: SS4A Crossing Students Safely in the Dallas-Fort Worth Region – (\$1.7 million increase)
- **United States Department of Defense (US DOD) – (\$3.2 million increase)**
  - Community Noise Mitigation Program – (\$3.2 million increase)

# NCTCOG FY 2026 Proposed Budget

## Total Expenditures

**Transportation – Total expenditures net increase of \$72.4 million, primarily comprised of continued:**

- **Local – (\$19.5 million increase)**
  - FIFA World Cup – (\$16.2 million increase)
  - County Pilot Maintenance Program: Denton & Johnson – (\$1.5 million increase)
  - CFI Community Grant: North Texas Equitable Electric Vehicle Infrastructure Project – (\$1.3 million increase)
- **In-Kind – (\$19.3 million increase)**
  - North Texas Moves: Regional Rail Information System and DART, Trinity Metro, Double Track – (\$11.6 million increase)
  - Clean Heavy-Duty Vehicle Program – (\$5.8 million increase)
  - EPA Diesel Emissions Reduction Act: includes DERA 2020 & 2023 – (\$2.1 million increase)

# NCTCOG FY 2026 Proposed Budget

## Total Expenditures

### **Workforce Development – Total expenditures net increase of \$6.1 million, primarily comprised of:**

- Cost of Operations – (\$991 thousand decrease)
  - Personnel – (\$774 thousand decrease) Primarily due to transition of six (6) staff to the Workforce subrecipient.
- Pass-Through – (\$7.0 million increase)
  - Childcare – (\$8.8 million increase) Additional direct care funding primarily for childcare centers due to increase in funding of approximately \$8.6 million.
  - Workforce Programs – (\$1.7 million decrease) Decrease in funding for the Workforce subrecipient to deliver the various Workforce Center services due to an approximate \$2.6 million decrease in related grants.

### **Research & Information Services – Total expenditures net decrease of \$1.3 million, primarily comprised of:**

- Fee for Service (Aerial Photography, Cyclical) – (\$1.7 million decrease)
- Software - (\$123 thousand increase) Primarily due to the transition of the budgeting for certain platforms (Zoom, Smartsheet, Adobe) from the various departments to RIS as a centralized function.
- Contracted Services - (\$163 thousand increase) Increase in consultant services primarily related to network security.



# NCTCOG FY 2026 Proposed Budget

## Total Expenditures

### **Area Agency on Aging – Total expenditures net decrease of \$734 thousand, primarily comprised of:**

- Cost of Operations – (\$108 thousand increase)
  - Personnel – (\$167 thousand decrease) Primarily related to the one (1) FTE reduction in FTEs.
  - Contract Services – (\$292 thousand increase) Primarily due to the growth in the Veterans Directed Care (VDC) program.
- In-Kind/Pass-through – (\$842 thousand decrease)
  - Carry over funds are not anticipated to be available for FY 2026.

### **Environment & Development – Total expenditures net decrease of \$833 thousand, primarily comprised of:**

- Cost of Operations – (\$327 thousand decrease)
  - Contract Services – (\$435 thousand decrease) Funding for the Transportation Stormwater Infrastructure (TSI)- West project is coming to an end resulting in the decrease of the related consultant expenditures projected for FY 2026.
- Pass-Through – (\$506 thousand decrease)
  - Solid Waste Management – (\$322 thousand decrease) This is the first year of a two (2) year award. Implementation typically occurs in the second year along with increased costs.



# NCTCOG FY 2026 Proposed Budget

## Total Expenditures

### **Emergency Preparedness – Total expenditures net increase of \$352 thousand, primarily comprised of:**

- Cost of Operations – (\$390 thousand increase)
  - Contract Services – (\$690 thousand increase) Primarily due to additional temporary employees assisting with the implementation of a new Regional Catastrophic Grant and a contractor to conduct after action review for the FIFA world cup.
  - Other – (\$390 thousand decrease) Primarily due to the rephasing of the budgeted funds, from one (1) year to three (3) years, from the Transportation Department for a Department of Energy related project (Develop Resilient Electric Vehicle Infrastructure Plan).

### **Community \ Program Services – Total expenditures net increase of \$448 thousand, primarily comprised of:**

- Cost of Operations – (\$448 thousand increase)
  - Personnel – (\$294 thousand increase) Includes the addition of one (1) RPA staff (JAG Grant).

### **Agency Administration – Total expenditures net increase of \$252 thousand, primarily comprised of:**

- Agency Support – (\$59 thousand increase)
- Facilities Management – (\$193 thousand increase) Primarily due to 2% annual rent increase (\$63 thousand) plus operating cost increases (\$130 thousand).

# NCTCOG FY 2026 Proposed Budget

## Total Expenditures

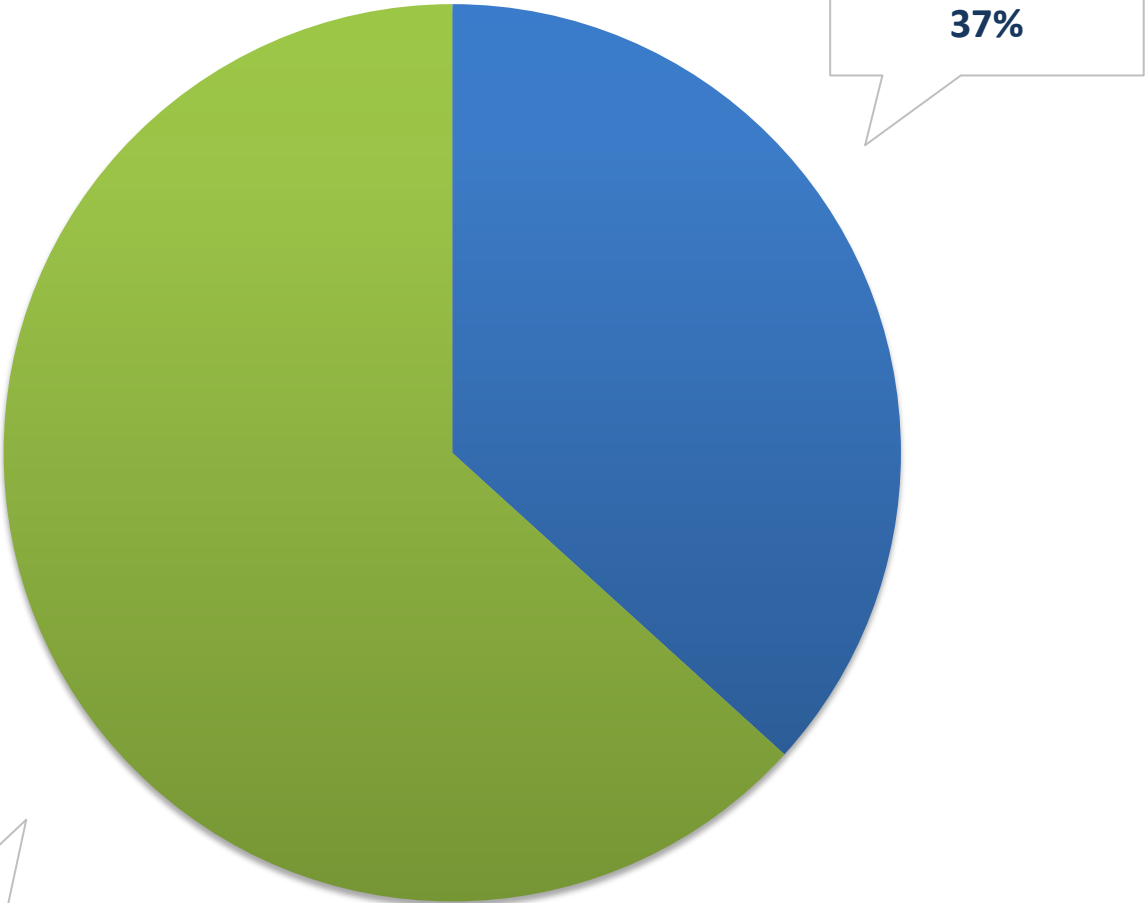
### Separate Entities:

#### **NCT9-1-1 District – Total expenditures net decrease of \$5.1 million, primarily comprised of:**

- Cost of Operations – (\$4.9 million decrease)
  - Capital Outlay – (\$4.1 million decrease) Non-recurring funding was received by the CSEC state agency (Proposition 8 funding) that was utilized to purchase 9-1-1 Next Generation equipment and related costs. Proposition 8 funding is projected to be fully utilized in FY 2025.
  - Other - (\$974 thousand decrease) Primarily do the completion of the non-recurring 9-1-1 Next Generation costs during FY 2025.

**Total Change to Expenditures – \$71.6 million increase**

# Operations/Pass-through \*

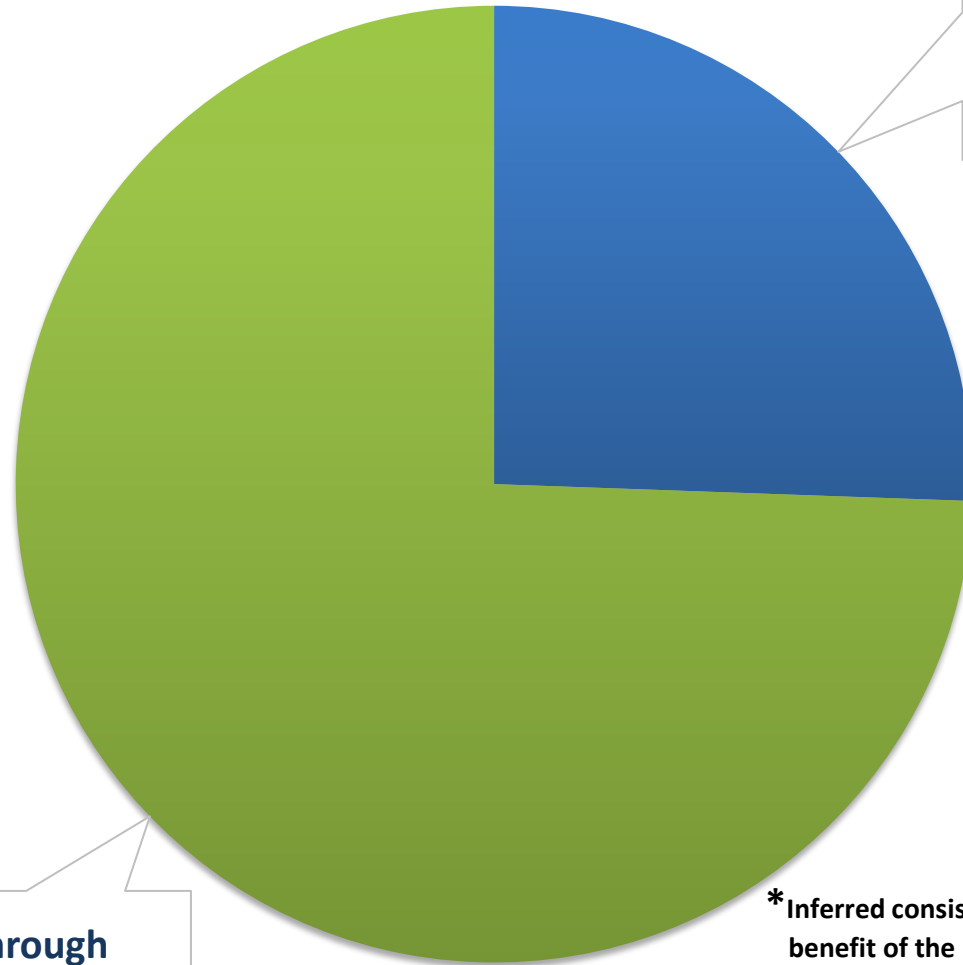


**Pass-through \***  
**\$255.9 Million**  
**63%**

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

## NCTCOG FY 2026 Proposed Budget Operations/Pass-through

## Operations/Pass-through (including inferred\*)



Operations (less  
inferred Pass-  
through)  
\$103.4 Million  
26%

Pass-through  
(Including inferred  
Pass-through) \*  
\$301.2 Million  
74%

\* Inferred consists of costs incurred for the benefit of the region. Examples such as Transportation consultants for Traffic Signals, Managed Lane System, Freight Movement; Workforce Center Infrastructure Cost; Aging Services

## NCTCOG FY 2026 Proposed Budget Operations/Pass-through (including inferred)

# NCTCOG FY 2026 Proposed Budget

## **Personnel and Fringe Benefits**

- 443 full-time positions and 64 temporary/part-time positions
  - Net Decrease of 6 full-time positions
- Healthcare 4% increase
- 3.0% merit pool

# NCTCOG FY 2026 Proposed Budget

<b>Full-time Positions</b>	<b>FY 2026 <u>Budget</u></b>	<b>FY 2025 <u>Budget</u></b>	<b><u>Change</u></b>
Transportation	204	204	0
Workforce Development	52	58	-6
Agency Administration	45	45	0
Research & Information Services	35	35	0
Area Agency on Aging	28	29	-1
Environment & Development	16	16	0
Emergency Preparedness	7	7	0
Community\Program Services <sup>(1)</sup>	11	10	1
Agency Management <sup>(2)</sup>	6	6	0
PEBC	6	6	0
NCT9-1-1	33	33	0
<b>Total</b>	<b><u>443</u></b>	<b><u>449</u></b>	<b><u>-6</u></b>

<sup>(1)</sup> TDI, RPA, CJD, and TXShare

<sup>(2)</sup> Includes Public Affairs

# NCTCOG FY 2026 Proposed Budget

## Full-Time Staffing Update

### **Workforce Development (-6)**

- Senior Early Childhood Specialist (-2)
- Industry and Workforce Engagement Specialist (-4)

### **Area Agency on Aging (-1)**

- Administrative Assistant (-1)

### **Community\Program Services (1)**

- Police Training Coordinator (JAG Grant) (1)



# NCTCOG FY 2026 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 2025 budget year close out.
- Implement FY 2026 budget beginning October 1.
- Present status of programs and need for budget amendments throughout the year as new programs and funding become available.