



Funding Update

House Transportation Subcommittee on Long-Term
Infrastructure Planning

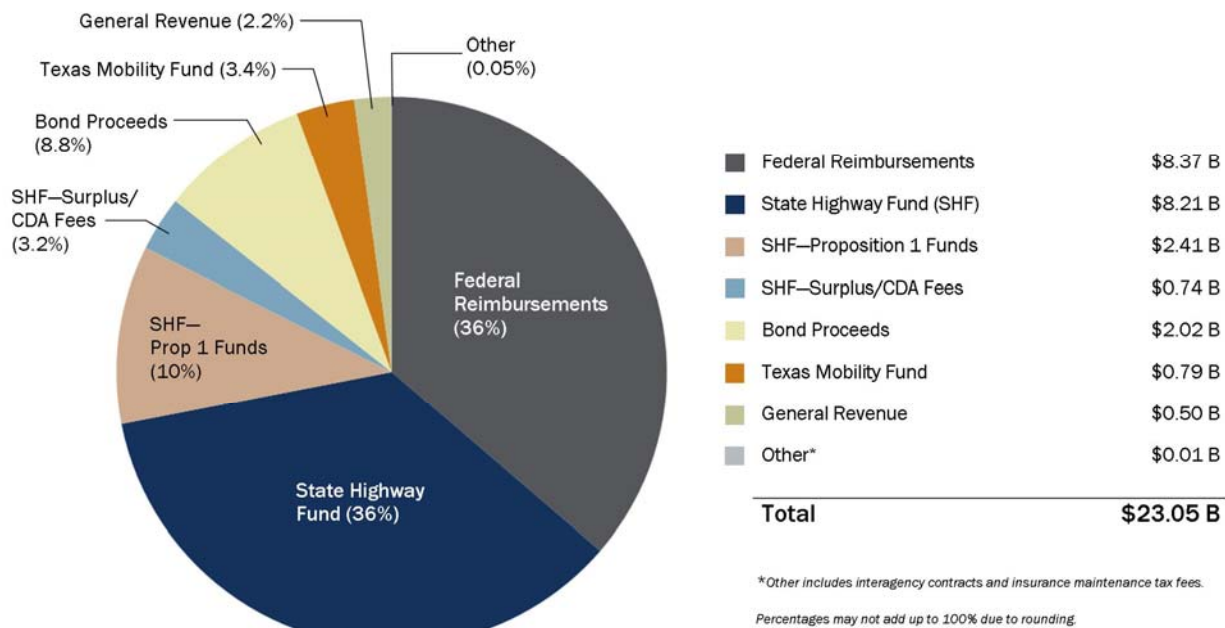
September 10, 2015, 9:00 A.M.

Capitol Extension E2.012

Transportation Funding Sources for the FY 2016-2017 Biennium

Transportation funding for the FY 2016-2017 biennium is \$23.1 billion, which is a net increase of \$104.4 million over FY 2014-2015 appropriations. In the FY 2016-2017 biennium, the Legislature increased TxDOT's share of State Highway Fund (SHF) appropriations by approximately \$1.3 billion. The Legislature achieved this increase by substituting General Revenue funding in other agencies' budgets that were once partially funded by the SHF. The method of finance "swap" for other agencies increased TxDOT's share of the SHF. Agencies receiving funds from the SHF in FY 2014-2015 include the Department of Public Safety, the Department of Motor Vehicles, the Office of the Attorney General, the Texas A&M Transportation Institute, and several others.

TxDOT Method of Finance for FY 2016-2017



Proposition 1 (Prop 1) funding estimates provide approximately \$1.2 billion in each year of the FY 2016-2017 biennium for a total of \$2.4 billion over the biennium. This is initially projected to be approximately \$670 million over the FY 2015 Prop 1 appropriation. The reduction in SHF appropriations to other state agencies, combined with FY 2016-2017 Prop 1 funding mitigates the effects of a decrease of approximately \$1.7 billion in bond proceeds. Federal funds appropriations in FY 2016-2017 also decreased, but federal reimbursements may increase over the original estimate in the next two fiscal years, depending on Congressional action.

TxDOT Method of Finance, FY 2016-2017



Additional sources: Interagency contracts and insurance maintenance tax fees each account for less than 0.05%.

Update on SHF Expenditures

FY 2016-2017 Budget

On August 27, 2015 the Texas Transportation Commission (commission) approved TxDOT's FY 2016 operating budget and the FY 2016 Unified Transportation Program (UTP). The UTP is a ten-year statewide plan for transportation project development. The program is approved annually and describes the funding categories and process for selecting transportation projects. Commission approval of the UTP includes estimates of near-term projects (years 1-4) and interim-term projects (years 5-10) for FYs 2016-2025.

The General Appropriations Act (GAA) provides an estimated total of \$19.74 billion for transportation planning and design, right-of-way (ROW) acquisition, construction, and maintenance and preservation of the highway system. The project development budget for FY 2016-2017 is \$3.12 billion. This total includes \$1.7 billion for transportation planning and design. Approximately \$0.9 billion is appropriated for ROW acquisition and the remainder comes from Prop 1. The FY 2016-2017 budget appropriates \$8.9 billion for the maintenance and preservation of the existing highway system. New construction projects and highway improvements have an estimated budget of \$2.86 billion.

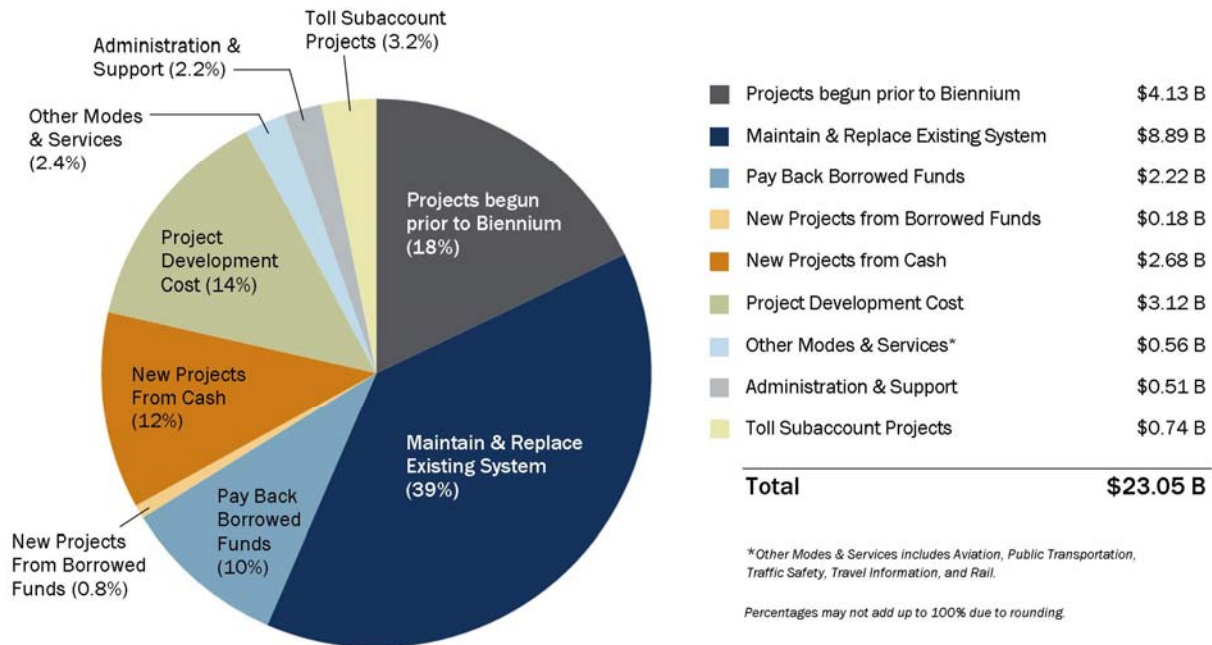
Further funding for the planning, construction, and maintenance of roads is provided in the Prop 1 "line item" of the budget. Prop 1 funding was approved by voters in November 2014 and includes a portion of oil and gas severance tax revenue deposited to the SHF. Prop 1 funds may be used for constructing, maintaining, and acquiring ROW on non-tolled public roadways. Prop 1 funds are represented separately as a "Goal" in the FY 2016-2017 GAA. This format allowed the Legislature to appropriate funds according to project type rather than the traditional distribution of funds by means of planning, construction, ROW acquisition, and maintenance goals. It is estimated that TxDOT will receive \$2.4 billion¹ in Prop 1 funds to be distributed according to the following parameters described in Rider 44:

- 45 percent for mobility and added capacity projects in urban areas (\$1.1 billion)
- 25 percent for projects that improve regional connectivity along strategic corridors in rural areas of the state (\$603.4 million)
- 20 percent for statewide maintenance and preservation projects (\$482.7 million)
- 10 percent for roadway safety and maintenance projects related to areas of the state affected by increased oil and gas production activity (\$241.4 million)

¹ Funding amounts are based on the Comptroller of Public Accounts estimates.

In the pie chart and dollar bill charts that follow, Prop 1 was distributed to “new projects from cash” and “project development cost.” A total of \$2.2 billion will be used for debt service payments and other financing costs for TxDOT’s borrowing programs. This amount includes \$852 million for SHF borrowing, \$835 for Texas Mobility Fund (TMF) bonds and \$526 million in General Revenue funds for Proposition 12 bonds.

TxDOT Budget for FY 2016-2017



TxDOT Budget, FY 2016-2017



Update on FY 2015 Prop 1 Funding

Prop 1 funds are deposited in the SHF. The first deposit of Prop 1 funds to the SHF was deposited in fiscal year (FY) 2015 in the amount of \$1.74 billion. Projects funded as part of TxDOT's FY 2015 Prop 1 program were first approved by the commission and adopted into the UTP on February 26, 2015. To date, MPOs and TxDOT districts across the state have recommended over 200 projects that have been approved for construction. To date TxDOT has let 115 projects, at an amount of \$1.26 billion with the remaining projects to be let by the end of the calendar year.

TxDOT used the \$1.74 billion from Prop 1 along with other funds to provide more than \$2 billion worth of projects. These projects will provide:

- Over 800 miles of rehabilitated highway lanes with better pavement;
- Nearly 500 miles of new highway lanes that provide extra capacity;
- 114 bridge widening replacement, projects; and
- 18 "Super-2" widening projects that add 159 miles of passing lanes to rural highways.

Over the past five years, 248 fatalities and 23,059 crashes have occurred on the highway segments where Prop 1 projects are located. TxDOT anticipates that the proposed projects will improve safety conditions and help reduce the number of crashes that occur, resulting in fewer fatalities and injuries.

Detailed Debt Service Update

TxDOT's primary bond programs consist of Texas Mobility Fund (TMF) bonds, Proposition 14 (Prop 14) bonds, and Proposition 12 (Prop 12) bonds. The TMF was authorized by voters in 2001 to help advance transportation projects, and the Legislature identified revenues to be dedicated to the fund in 2003. House Bill 122 (84th Legislature, Regular Session) restricted the issuance of future TMF bonds for purposes other than refunding debt. TxDOT may continue to use TMF surplus revenues for the construction, reconstruction, acquisition, and expansion of state highways and public transportation projects, but may no longer expend such funds on tolled highways.

SHF revenue bonds (Prop 14 bonds) were authorized by voters and the Texas Legislature in 2003. Prop 14 bonds are secured by the revenues of the SHF. The bond proceeds may be used to fund state highway improvement projects. The maximum bond maturity is 20 years. The commission is authorized by law to issue a total of \$6 billion in bonds, with at least \$1.2 billion being used to fund safety projects, and no more than \$1.5 billion being issued in any one-year. Projected debt service may not exceed 10 percent of the prior year's deposits to the SHF.

Highway Improvement General Obligation bonds (Prop 12) were approved by voters in 2007 and the Legislature in 2009. The bond proceeds may be used to pay all or part of the costs of highway improvement projects. The maximum bond maturity is 30 years. The Texas Constitution allows for \$5 billion to be issued. The bonds are payable from revenue not already dedicated by the constitution, i.e., general revenue. The tables below summarize the total bonding capacity, bond capacity used, and estimated bond repayments for each of TxDOT's three bonding programs.

TxDOT Bond Summary as of September 1, 2015

Total Bonding Capacity				
	TMF*	Prop 14	Prop 12	Total
Par + Premium	\$7,390,629,619	\$6,000,000,000	\$5,000,000,000	\$18,390,629,619
Total Repayments ¹	\$14,190,000,000	\$8,940,000,000	\$7,800,000,000	\$30,930,000,000
Projected MADS ²	\$545,000,000	\$400,000,000	\$330,000,000	
Repayment Fund	Texas Mobility	State Highway	General Revenue	

*The Texas Legislature designed the TMF to serve as a perpetual fund by dedicating specific transportation-related revenues for the payment of debt service. The timing and amount of bonds that may be issued are determined based on the Comptroller's forecast of those dedicated revenues and market interest rates. As of June 10, 2015 TMF bonds can only be issued to refund existing bonds for debt service savings and to refund variable rate bonds and renew or replace credit agreements.

Bond Capacity Used				
	TMF	Prop 14	Prop 12	Total
Par + Premium	\$7,390,629,619	\$5,299,851,213	\$3,557,991,860	\$16,248,472,692
Total Repayments ¹	\$14,190,000,000	\$7,940,000,000	\$5,440,000,000	\$27,570,000,000
WAC ³	3.91%	3.37%	3.15%	

Bonds Outstanding				
	TMF	Prop 14	Prop 12	Total
Principal Outstanding	\$6,400,485,000	\$4,111,105,000	\$2,991,410,000	\$13,503,000,000
Remaining Repayments	\$11,410,000,000	\$5,810,000,000	\$5,010,000,000	\$22,230,000,000

Notes:

- ¹ Total Repayments reflect past and future debt service payments
- ² MADS = maximum annual debt service
- ³ WAC = weighted average cost of borrowing; not reflective of decreased Build America Bond subsidy payments
 - Figures reflect net debt service for those bonds issued as Build America Bonds and assumes future subsidy payments are reduced at 6.8% through federal fiscal year 2024
 - TMF and Prop 12 are limited to a maximum maturity of 30 years; Prop 14 is limited to 20 years
 - Future debt issuances have assumed interest rates; actual results will vary

Financing Long-Term and Major Transportation Projects

Over the past ten years, the Texas Legislature has provided tools for TxDOT to narrow the gap between funding shortfalls and the need to mitigate congestion on the state highway system. The following is a detailed review of two major comprehensive development agreement projects and an explanation of the funding tools and methods used for those projects. These two projects were selected as examples because their total project costs each exceed \$500 million and because their funding sources represent several different funding methods and UTP category allocations.

A comprehensive development agreement (CDA) is the transportation delivery method for a public-private partnership (P3). TxDOT uses two types of CDAs, design-build contracts and concession agreements. A design-build contract provides a mechanism for property acquisition, design, and construction to occur simultaneously under a single contract but does not include private-sector financial participation or the long-term lease of the facility to a private partner. A concession CDA involves a private-sector developer that is responsible for performing some or all of the development, financing, operation, and maintenance of a facility for a specific time period, up to 52 years.

Horseshoe Project – Design Build

The Horseshoe is a design-build project that replaces bridges crossing the Trinity River on I-30 and I-35 as well as the connecting roadways where they converge near downtown Dallas' Central Business District. The Horseshoe's total estimated cost is approximately \$819 million. Because the Horseshoe project is a design-build and not a concession project, the various methods of finance include public funds. Funding sources for the project include \$605 million in Prop 12 bonds, \$7 million in Prop 14 bonds, \$75 million in Category 6 funds from the Federal Highway Bridge Program, \$4.45 million in Category 7 Metropolitan Mobility funds, \$106 million in Category 10 funds, and local funding. A local contribution of \$21.45 million for the Horseshoe project came from concession fees which were paid for the development of SH 121. Texas law requires concession payments to be redistributed in the same region as the TxDOT district where the MPO approved of the concession project.² While the Horseshoe Project is not a concession agreement, a portion of its funds are concession fees from another CDA project, which have been allocated by TxDOT and the regional MPO.

² Texas Transportation Code §228.0055.

LBJ Express – Concession

The LBJ Express in Dallas is an example of a CDA concession agreement. The 16-mile LBJ managed lanes project includes the finance, construction, operation and maintenance of a corridor of frontage roads, general purpose lanes and tolled managed lanes from Greenville Avenue to Luna Road on IH-635; and tolled managed lanes from Northwest Highway to Valwood Parkway on IH-35. The estimated total cost of the LBJ Express is \$3.01 billion and includes \$762 million in public funding, with the remainder of project and maintenance costs provided by private financing. Private funding includes \$606 million in private activity bonds, \$681 in private equity, \$850 in developer TIFIA loans, and over \$100 million in project specific toll revenue, capitalized interest, and interest income combined.

How Funding Levels Are Decided for the 12 UTP Categories

The commission and TxDOT use the UTP as TxDOT's ten-year plan to guide transportation project development. As projects are developed, TxDOT works with its local partners to examine how a project improves safety, reduces congestion, and connects Texas communities.

Projects are programmed into 12 funding categories. Many UTP funding categories include federal reimbursements, and much of the federal funding is preassigned to certain categories. Funding for some of the larger categories is based on formulas agreed to by local authorities such as MPOs and elected officials. The UTP authorizes projects for construction, development and planning, and includes projects involving highways, aviation, public transportation, and state and coastal waterways.

The UTP is codified under Chapter 201 of the Transportation Code. Section 201.199 directs TxDOT to develop a construction plan to guide the department in identifying funding levels and selecting construction projects over the course of a 10-year period. The code defines construction project categories and prioritizes major transportation projects.

Allocation of Funds

The distribution of funding by category is approved by the commission annually with the objective of ensuring that the UTP's program of projects is aligned with the department's transportation goals. More than half of available resources in the UTP are dedicated to preservation, maintenance and safety categories. The largest portion of the remaining category funding is dedicated to congestion and mobility needs. The table on the following pages provides a detailed review of the twelve UTP categories, as well as the UTP's funding sources and the funding formulas associated with each category.

2016 UTP FUNDING CATEGORY PROGRAMMING AND FORMULA INFORMATION

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p style="font-size: 2em; font-weight: bold; color: #1a3d4d;">1</p> <p>Preventive Maintenance and Rehabilitation Projects</p>	<ul style="list-style-type: none"> Texas Transportation Commission allocation program distributed to districts by preventive maintenance and rehabilitation formulas. Entire allocation may be used on preventive maintenance or rehabilitation projects or combination. Projects selected and managed by district based on a prioritized list. Energy-sector distribution and projects selected for energy-sector initiatives managed by Maintenance Division. Projects in this category must have MPO concurrence if located in its area of jurisdiction. 	<p>Each district shall receive an allocation based on the following funding formula:</p> <p><u>Preventive Maintenance</u> 3 basic criteria are weighted by percent. A total allocation percent is calculated by district with 98% directed toward roadway maintenance and 2% directed toward bridge maintenance.</p> <ul style="list-style-type: none"> 65% - On-system lane miles 33% - Pavement distress score factor 2% - Square footage of on-system bridge deck area <p><u>Rehabilitation</u></p> <ul style="list-style-type: none"> 32.5% - 3-year average lane miles of pavement distress scores < 70 20% - Vehicle miles traveled per lane mile (on-system) 32.5% - Equivalent single-axle load miles (on- and off-system and interstate). 15% - Pavement distress score pace factor <p><u>Energy Sector Factors</u></p> <ul style="list-style-type: none"> 40% 3-year average pavement condition score 25% - Oil and gas production taxes (\$) 25% - Well completions (#) Volume oil and gas waste injected (Vol. BBLs) 	<p>Federal 90% / State 10%; or</p> <p>Federal 80% / State 20%; or</p> <p>State 100% (Requires CFO approval)</p> <p>This category provides for preventive maintenance and pavement rehabilitation on the existing state highway system, including installation and rehabilitation of traffic control devices, rehabilitation and maintenance of operational traffic management systems, and preservation and rehabilitation of pavements.</p> <p><u>Preventive Maintenance</u> – Work to preserve, rather than improve, structural integrity of pavement and/or structures. Examples of preventive maintenance activities include asphalt concrete pavement (ACP); overlays (2-inch thick maximum); seal coats; cleaning and sealing joints and cracks; patching concrete pavement; shoulder repair; scour countermeasures; cleaning and painting steel members to include application of other coatings; restoring drainage systems; cleaning and sealing bridge joints; micro-surfacing, bridge deck protection; milling or bituminous level-up; clean, lubricate, and reset bearings; and clean rebar/strand and patch structural concrete and seal cracks.</p> <p><u>Rehabilitation</u> – Funds can be expended on any highway on the state highway system, and are intended for the rehabilitation (including approved preventive maintenance measures) of existing main lanes, structures, and frontage roads. Rehabilitation of an existing two-lane highway to a Super-2 highway may be funded within this category.</p> <p>The installation, replacement, and/or rehabilitation of signs and their appurtenances, pavement markings, thermoplastic striping, traffic signals, and illumination systems, including minor roadway modifications to improve operations, are also allowed under this category. Funds can be used to install new traffic signals as well as modernize existing signals.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>2</p> <p>Metropolitan and Urban Corridor Projects</p>	<ul style="list-style-type: none"> • Texas Transportation Commission distributes funds to MPOs by Category 2 Metro and Urban formulas. • The UTP does not distribute additional funds in this category. Total project cost allocation, which includes preliminary and construction engineering (TxDOT and consultant), right of way, and construction costs must have the concurrence and support of the MPO having jurisdiction in the particular area. Projects may be reprioritized during the development of the UTP. • Projects are selected and ranked by MPOs in consultation with TxDOT. 	<p>Each MPO shall receive an allocation based on the funding target formula:</p> <p>2M: MPOs operating in areas with a population greater than 200K (TMA). TMA = 87% of Category 2 Funding Allocation</p> <p><u>TMA Distribution Formula</u></p> <ul style="list-style-type: none"> • 30% - Total vehicle miles traveled (on- and off-system) • 17% - Population • 10% - Lane miles (on-system) • 14% - Vehicle miles traveled (trucks only on-system) • 7% - Percentage of census population below federal poverty level • 15% - Based on congestion • 7% - Fatal and incapacitating crashes (#) <p>2U: MPOs operating in areas that are non-TMA = 13% of Category 2 Funding Allocation</p> <p><u>MPO Distribution Formula</u></p> <ul style="list-style-type: none"> • 20% - Total vehicle miles traveled (on- and off-system) • 25% - Population • 8% - Lane miles (on-system) • 15% - Vehicle miles traveled (trucks only on-system) • 4% - Percentage of census population below federal poverty level • 8% - Centerline miles (on-system) • 10% - Congestion • 10% - Fatal and incapacitating crashes (#) 	<p>Federal 80% / Local 20%; <i>or</i></p> <p>Federal 80% / State 20%; <i>or</i></p> <p>State 100% (Requires CFO approval)</p> <p>This category provides for mobility and added capacity projects along a corridor that improves transportation facilities in order to decrease travel time and level or duration of traffic congestion and safety, maintenance, or rehabilitation projects that increase the safe and efficient movement of people and freight in metropolitan and urbanized areas.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>3</p> <p>Non-Traditionally Funded Transportation Projects</p>	<ul style="list-style-type: none"> • Project selection and/or allocation based on legislation, Texas Transportation Commission approved Minute Orders and/or anticipated local commitments. • Projects in this category must have concurrence and support of MPO having jurisdiction in the particular area. • UTP does not authorize new projects in the Pass-Through Finance Program. • Districts rank projects. 	<p>Determined by legislation, Texas Transportation Commission approved Minute Order, and local government commitments.</p>	<p>State 100% (Requires CFO approval); or Local 100%</p> <p>Varies by agreement and rules</p> <p>This category provides for transportation-related projects that qualify for funding from sources not traditionally part of the SHF including state bond financing under programs such as Proposition 12 (General Obligation Bonds), Proposition 14, TMF, regional revenue and concession funds, and local participation funding.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>4</p> <p>Statewide Connectivity Corridor Projects</p>	<ul style="list-style-type: none"> • Project-specific selection by Texas Transportation Commission. • Total project cost allocation, which includes preliminary and construction engineering (TxDOT and consultant), right of way, and construction costs. • Projects in this category must have concurrence and support of MPO having jurisdiction in area. • Districts rank projects. 	<p>Selections based on engineering analysis of projects on three corridor types:</p> <ul style="list-style-type: none"> • Mobility corridors—based on congestion • Connectivity corridors—2-lane roadways requiring upgrade to 4-lane divided • Strategic corridors—Corridors on state highway network that provide statewide connectivity. Example: Ports-to-Plains Corridor 	<p>Federal 80% / State 20%; <i>or</i></p> <p>State 100% (Requires CFO approval)</p> <p>This category provides mobility and added capacity projects on major state highway system corridors, which provide statewide connectivity between urban areas and corridors. Composed of a highway connectivity network that includes:</p> <ul style="list-style-type: none"> • The Texas Trunk System • National Highway System (NHS) • Connections from Texas Trunk System or NHS to major ports on international borders or Texas water ports
<p>5</p> <p>Congestion Mitigation and Air Quality Improvement Projects</p>	<ul style="list-style-type: none"> • Commission allocation program. • Projects selected and ranked by MPOs in consultation with TxDOT and Texas Commission on Environmental Quality. Projects must have final approval by EPA and FHWA before letting. • Total project cost allocation, which includes preliminary and construction engineering (TxDOT and consultant), right of way, and construction costs. 	<p>Distributed by population weighted by air quality severity in non-attainment areas. Non-attainment areas designated by EPA .</p>	<p>Federal 80% / Local 20%; <i>or</i></p> <p>Federal 80% / State 20%; <i>or</i></p> <p>Federal 90% / State 10% (Interstate)</p> <p>This category addresses attainment of National Ambient Air Quality Standard in non-attainment areas (currently Dallas-Fort Worth, Houston, and El Paso). Each project is evaluated to quantify its air quality improvement benefits. Funds cannot be used to add capacity for single-occupancy vehicles.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>6</p> <p>Structure Replacement and Rehabilitation Program</p> <p>Highway Bridge Program</p> <p>Federal Railroad Grade Separation Program (RGS)</p> <p>Bridge Maintenance and Improvement Program (BMIP)</p>	<ul style="list-style-type: none"> Statewide allocation program set by Texas Transportation Commission. Projects selected and managed by TxDOT Bridge Division (BRG) based on prioritized listing. BRG authorizes letting and monitors districts' ability to reach letting targets. Projects in Category 6 must have MPO concurrence if located in its area of jurisdiction. RGS projects selected and managed by BRG based on cost-benefit index for at-grade railroad crossing elimination projects and prioritization ranking for railroad underpass replacement or rehabilitation projects. District coordinates development of project list with BRG. BRG ranks projects. 	<p><u>Highway Bridge Program</u> Bridge projects selected statewide based on eligibility and prioritized based on sufficiency ratings. Eligible bridges must have a deficiency status of Structurally Deficient or Functionally Obsolete, and have sufficiency rating below a score of 80.</p> <p><u>Railroad Grade Separation</u> Projects selected based on cost-benefit index rating that encompasses vehicle and train traffic, accident rates, casualty costs, and personnel and equipment delay costs for selecting at-grade railroad crossing elimination projects; or with prioritization rankings that use vertical clearance and roadway characteristics for selecting replacement or rehabilitation of railroad underpass projects.</p> <p><u>BMIP</u> Projects are selected statewide based on identified bridge maintenance/improvement needs to aid in ensuring the management and safety of the state's bridge assets. For projects that are selected, all bridge elements will meet a predetermined condition threshold after rehabilitation.</p>	<p><u>Highway Bridge Program</u> Federal 90% / State 10%; or Federal 80% / State 20%; or Federal 80% / State 10% / Local 10%; or State 100% (Requires CFO approval)</p> <p>This program provides funding for the replacement or rehabilitation of eligible bridges on and off the state highway system that are considered functionally obsolete or structurally deficient. Bridges with a sufficiency rating below 50 are eligible for replacement. Bridges with a sufficiency rating of 80 or less are eligible for rehabilitation. A minimum of 15% of the funding must go toward replacement and rehabilitation of off-system bridges.</p> <p><u>Railroad Grade Separation</u> Federal 80% / State 20%</p> <p>This program provides funding for the elimination of at-grade highway-railroad crossings through the construction of highway overpasses or railroad underpasses, and rehabilitation or replacement of deficient railroad underpasses on the state highway system.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>7</p> <p>Metropolitan Mobility and Rehabilitation Projects</p>	<ul style="list-style-type: none"> • Texas Transportation Commission allocation program. • Allocation based on projected federal funding levels. • Total project cost allocation, which includes preliminary and construction engineering (TxDOT and consultant), right of way, and construction costs. • Projects selected and ranked by MPOs in consultation with TxDOT. 	<p>Federal funding distributed to MPOs with an urbanized area population of 200,000 or greater (TMAs).</p>	<p>Federal 80% / Local 20%; or Federal 80% / State 20%</p> <p>This category addresses transportation needs within metropolitan area boundaries of MPOs having urbanized area populations of 200,000 or greater. Projects selected by MPOs.</p> <p>Program authority can be used on any roadway with a functional classification greater than a local road or rural minor collector.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>8</p> <p>Safety Projects</p> <p>Highway Safety Improvement Program</p> <p>Safety Bond Program</p> <p>Systemic Widening Program</p>	<ul style="list-style-type: none"> • Texas Transportation Commission allocation program. • Projects selected and managed by the Traffic Operations Division (TRF) based on a prioritized list. TRF authorizes the letting of projects and monitors districts' ability to reach letting targets. • Districts coordinate development of project list with TRF. • TRF manages statewide allocation. • Districts score projects in consultation with TRF. 	<p><u>Highway Safety Improvement Program</u> Safety improvement index.</p> <p>Roadway safety features for preventable severe crash types.</p> <p><u>Safety Bond Program</u> Safety improvement index, roadway safety characteristics, and anticipated time required to complete the candidate project.</p> <p><u>Systemic Widening Program</u> Roadway safety features for preventable severe crash types. Total Risk Factor Weight.</p>	<p><u>Highway Safety Improvement Program</u> Federal 90% / State 10%</p> <p>Safety-related projects on and off the state highway system. Projects are evaluated using 3 years of crash data and ranked by safety improvement index.</p> <p>High Risk Rural Road projects previously authorized remain in Category 8. Future High Risk Rural Roads projects will be managed under HSIP if required by special rule.</p> <p>Safe Routes to School projects previously authorized remain in Category 8. Future Safe Routes to School projects will be managed under Transportation Alternative Program guidelines in Category 9.</p> <p><u>Safety Bond Program</u> State 100%</p> <p>Allocations for the Safety Bond Program are approved by Texas Transportation Commission. Program is managed as an allocation program on a statewide basis. Projects evaluated, ranked, prioritized, and selected by TRF.</p> <p><u>Systemic Widening Program</u> State 100%</p> <p>Roadway widening projects on state highway system. Projects are evaluated using Total Risk Factor Weights.</p> <p>Projects evaluated, ranked, prioritized, and selected by TRF.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>8</p> <p>Safety Projects</p> <p>Federal Railway-Highway Safety Program</p>	<ul style="list-style-type: none"> • Texas Transportation Commission allocation program. • Projects selected and managed by TRF based on prioritized list. TRF authorizes the letting and monitors districts' ability to reach letting targets. • Districts coordinate development of project lists with TRF. • TRF ranks projects in consultation with district. 	<p>Railroad crossing index.</p>	<p>Federal 90% / State 10%</p> <p>Funding set aside from HSIP for safety improvements in order to reduce number of fatalities, injuries, and crashes at public grade crossings.</p> <p>Installation of automatic railroad warning devices at railroad crossings on and off state highway system. Selected from statewide inventory list, which is prioritized by index using a crash prediction formula (number of trains per day, train and highway speed, average daily traffic, number of tracks and traffic lanes, type of existing warning device, train-involved crashes within prior 5 years, etc.). Provide incentive payments to local governments for closing crossings. Improve signal preemption and coordination of train control signals. Improve passive warning devices to comply with federal guidelines.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>9</p> <p>Transportation Alternatives Program</p>	<ul style="list-style-type: none"> • Texas Transportation Commission allocation program. • Federal program created by MAP-21. • Includes 50% distribution of funds based on population. • TMA MPOs receive direct TAP allocations. • TMA MPO TAP projects ranked and selected by the TMA MPOs in consultation with TxDOT. • In areas with populations less than 200,000, TAP program calls managed by PTN. • PTN ranks TAP projects from areas with populations less than 200,000. 	<p>Federal program with 50% available for statewide flexible use and 50% distributed by population. MPOs with an urbanized area population of 200,000 or greater (TMAs) receive direct TAP allocations.</p> <ul style="list-style-type: none"> • TMA MPOs select projects through a competitive process in consultation with TxDOT. • Funds allocated to small urban areas and non-urban areas (i.e., areas with populations below 200,000) administered by PTN through competitive process. • TAP project eligibility will be determined by TxDOT and FHWA. • TxDOT staff makes recommendations to Texas Transportation Commission for TAP allocation to areas with a population less than 200,000. • The Texas Transportation Commission, by written order, will select projects for funding under a TxDOT-administered TAP call for projects. • Statewide TAP Flex projects shall be selected by the Texas Transportation Commission. 	<p>Federal 80% / State 20%</p> <p>Federal 80% / Local 20%</p> <p>For a TxDOT-administered Call for Projects, the eligible TAP project activities defined in the Texas Administrative Code (TAC), Title 43, Subchapter F Rule §11.303.</p> <p>During a program call administered by the department, TAP funds may be awarded for any of the following activities:</p> <ul style="list-style-type: none"> • Construction of on- and off-road trail facilities for pedestrian and bicycle facilities, and other non-motorized forms of transportation, including sidewalks, bicycle infrastructure, pedestrian and bicycle signals, traffic-calming techniques, lighting and other safety-related infrastructure, and transportation projects to achieve compliance with the Americans with Disabilities Act of 1990. • Construction of infrastructure-related projects and systems that provide safe routes for non-drivers, including children, older adults, and individuals with disabilities to access daily needs. • Conversion and use of abandoned railroad corridors for trails for pedestrian, bicyclists, or other non-motorized transportation users. • Construction of infrastructure-related projects to improve the ability of students to walk and bicycle to school, including sidewalk improvements, traffic calming and speed reduction improvements, pedestrian and bicycle crossing improvements, on-street bicycle facilities, off-street bicycle and pedestrian facilities, secure bicycle parking facilities, and traffic diversion improvements in the vicinity of schools. • A project that will require the acquisition of real property through exercise of eminent domain or condemnation is not eligible for participation in the TAP. • Whether proposed as an independent project or as an element of a larger transportation project, the project must be limited to a logical unit of work and be constructible as an independent project. <p>MPO TAP funding must be in accordance with federal TAP guidance and TAC, Title 43, Subchapter F, Rule §11.303.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>10</p> <p>Supplemental Transportation Projects</p> <p>Texas Parks and Wildlife Department (TPWD)</p>	<ul style="list-style-type: none"> • Texas Transportation Commission allocation program. • District ranks projects. 	<p><u>TPWD</u></p> <p>Locations selected and prioritized by TPWD.</p>	<p>State 100%</p> <p><u>TPWD</u></p> <p>Construction and rehabilitation of roadways within or adjacent to state parks, fish hatcheries, etc. Subject to Memorandum of Agreement between TxDOT and TPWD.</p>
<p>10</p> <p>Supplemental Transportation Projects</p> <p>Green Ribbon Landscape Improvement Program</p> <p>Curb Ramp Program</p> <p>Miscellaneous Landscape Incentive Awards Program</p>	<ul style="list-style-type: none"> • Statewide allocation programs. • Projects selected and managed by the Design Division. • Projects in this category must have the concurrence and support of MPO having jurisdiction in particular area. • Design Division manages statewide allocations and ranks projects. 	<p><u>Green Ribbon</u></p> <p>Allocations based on one-half percent of the estimated letting capacity for the TxDOT districts that contain air quality non-attainment or near non-attainment counties</p> <p><u>Curb Ramp</u></p> <p>Projects are selected based on conditions of curb ramps or location of intersections without ramps.</p> <p><u>Landscape Incentive Awards</u></p> <p>Funding is distributed to 10 locations based on results of Keep Texas Beautiful Awards Program.</p>	<p>State 100% (Requires CFO approval); or</p> <p>Federal 80% / State 20%</p> <p><u>Green Ribbon</u></p> <p>Address new landscape development and establishment projects within districts that have air quality non-attainment or near non-attainment counties (projects to plant trees and shrubs to help mitigate the effects of air pollution).</p> <p><u>Curb Ramp</u></p> <p>This program addresses construction or replacement of curb ramps at on-system intersections to make the intersections more accessible to pedestrians with disabilities.</p> <p><u>Landscape Incentive Awards</u></p> <p>Program allows the department to negotiate and execute joint landscape development projects in nine locations based on population categories in association with the Keep Texas Beautiful Governor's Community Achievement Awards Program. The awards recognize participating cities or communities efforts in litter control, quality of life issues, and beautification programs and projects.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>10</p> <p>Supplemental Transportation Projects</p> <p>Coordinated Border Infrastructure Program</p> <p>Supplemental Transportation Projects (Federal)</p> <p>Federal Lands Access Program</p>	<p><u>Coordinated Border Infrastructure</u></p> <ul style="list-style-type: none"> • Texas Transportation Commission allocation program by formula. • Not reauthorized under MAP-21. • Funding level is set based on projects identified by the districts and approved by FHWA. • Districts rank projects. • Projects in this category must have concurrence and support of the MPO having jurisdiction in the particular area. • Funds are allocated by FHWA. • New program under MAP-21. • Projects are submitted directly to FHWA. • Projects are selected by the Programming Decisions Committee. • TxDOT projects selected under the Federal Lands Access Program are managed by TPP. 	<p><u>Coordinated Border Infrastructure</u></p> <p>Allocation formula</p> <ul style="list-style-type: none"> • 20% - Incoming commercial trucks • 30% - Incoming personal motor vehicles and buses • 25% - Weight of incoming cargo by commercial trucks • 25% - Number of land border ports of entry <p><u>Supplemental Transportation Projects (Federal)</u></p> <p>Not applicable.</p> <p><u>Federal Lands Access Program</u></p> <p>Projects applications are scored and ranked by the Programming Decision Committee (PDC). Members of the PDC include a representative from FHWA, a representative from TxDOT, and a member from a political subdivision of the state.</p>	<p>Federal 100%; or</p> <p>Federal 80% / Local 20%; or</p> <p>Federal 80% / State 20%</p> <p><u>Coordinated Border Infrastructure</u></p> <p>Projects selected in program to improve the safe movement of motor vehicles at or across the land border between the United States and Mexico.</p> <p><u>Supplemental Transportation Projects (Federal)</u></p> <p>Federal discretionary and congressional high-priority projects.</p> <p><u>Federal Lands Access Program</u></p> <p>Federal 80% / State 20%</p> <p>Projects selected on Federal Lands Access Program transportation facilities that are located on or adjacent to or provide access to federal lands.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>10</p> <p>Supplemental Transportation Projects</p> <p>Railroad Rehabilitation and Improvement Projects</p> <p>Railroad Grade Crossing Replanking Program</p> <p>Railroad Signal Maintenance Program</p>	<ul style="list-style-type: none"> • Texas Transportation Commission allocation program. • Projects selected and managed by TRF based on a prioritized list. • Projects in this category must have the concurrence and support of the MPO having jurisdiction in the particular area. • District ranks projects in consultation with TRF. • District updates project completion data in TRF crossing inventory database. 	<p><u>Railroad Grade Crossing and Replanking Program</u> Condition of crossing's riding surface and benefit to cost per vehicle using crossing.</p> <p><u>Railroad Signal Maintenance Program</u> Number of crossings and type of automatic devices present at each.</p>	<p>State 100%</p> <p><u>Railroad Grade Crossing and Replanking Program</u> Replacement of rough railroad crossing surfaces on the state highway system (approximately 50 installations per year statewide). Project selection based on conditions of the riding surface (highway, railroad, and drainage) and benefit to cost per vehicle using the crossing.</p> <p><u>Railroad Signal Maintenance Program</u> Financial contributions to each railroad company based on number of state highway system crossings and type of automatic devices present at each crossing.</p>
<p>11</p> <p>District Discretionary Projects</p>	<ul style="list-style-type: none"> • Texas Transportation Commission allocation program. • Projects selected and managed by the district. • Projects must have concurrence and support of the MPO having jurisdiction in the particular area. • District ranks projects. 	<p>Minimum \$2.5 million allocation to each district per legislative mandate. If additional funds are distributed, the below formula is used:</p> <p>Allocation formula:</p> <ul style="list-style-type: none"> • 70% - On-system vehicle miles traveled • 20% - On-system lane miles • 10% - Annual truck vehicle miles traveled <p>The commission may supplement the funds allocated to individual districts on a case-by-case basis to cover project cost overruns.</p>	<p>Federal 80% / State 20%; or</p> <p>Federal 80% / Local 20%; or</p> <p>State 100% (CFO approval)</p> <p>Projects selected at the district's discretion. Most projects should be on the state highway system. However, some projects may be selected for construction off the state highway system on roadways with a functional classification greater than a local road or rural minor collector. Funds from this program should not be used for right of way acquisition.</p>

Category	Programming	Ranking Index or Allocation Formula	Funding and Project Scope/Description
<p>12</p> <p>Strategic Priority Projects</p> <p>CMAQ and STP-MM Reconciliation</p>	<ul style="list-style-type: none"> Project-specific selection by Texas Transportation Commission for strategic priority. Allocation of funds for CAT 12 CMAQ and STP-MM reconciliation. District ranks projects in consultation with MPOs for allocation. Projects in this category must have the concurrence and support of the MPO having jurisdiction in the particular area. 	<p><u>Strategic Priority</u> Selected by Texas Transportation Commission.</p> <p><u>CAT 12 CMAQ and STP-MM Reconciliation</u> Allocations provided to MPOs. Projects selected and ranked by the MPO in consultation with TxDOT. All changes and selections to these projects are approved by Texas Transportation Commission.</p>	<p>Federal 80% / State 20%; or</p> <p>Federal 80% / Local 20%; or</p> <p>State 100% (CFO approval)</p> <p>Texas Transportation Commission selects projects to:</p> <ul style="list-style-type: none"> Promote economic opportunity; Increase efficiency on military deployment routes or to retain military assets in response to the Federal Military Base Realignment and Closure Report; and Maintain the ability to respond to both man-made and natural emergencies.

NOTE: The Texas Transportation Commission may supplement the funds allocated to individual districts in response to special initiatives, safety issues, or unforeseen environmental factors. Supplemental funding is not required to be allocated proportionately among the districts and is not required to be allocated according to the formulas specified above. In determining whether to allocate supplemental funds to a particular district, the commission may consider safety issues, traffic volumes, pavement widths, pavement conditions, oil and gas production, well completion, or any other relevant factors.