

CHAPTER 14

FINANCIAL PLAN

Introduction:

The current enabling legislation for highway funding (SAFETEA-LU) expired September 30, 2009. As of the development of this plan the legislation is being extended by Continuing Resolution. Funding is therefore, limited to the previous level of funding in Fiscal Year 2009.

Under the budget rules, highways guaranteed amounts are keyed to an actual Highway Trust Fund (HTF) Highway Account receipts and can only be used to support projects eligible under the Federal Highway and highway safety programs. Transit funding is guaranteed at a selected fixed amount and can be used only to support projects eligible under transit programs. The Regional Transportation Authority (RTA) has taken an active part in the development of this plan and budget.

The Texas Transportation Commission and the Texas Department of Transportation (TxDOT) use the Unified Transportation Program (UTP) as TxDOT's eleven year plan for transportation project development. TxDOT adopted the most current UTP on November 19, 2009 which projected available funding for the 2010 – 2020 period. TxDOT also provided a projection for the 2021 – 2035 time period for MPO's to use in the planning process.

Categories have been established in the UTP to reflect various programs outlined in SAFETEA-LU and State selected state programs.

Federal Funding Programs for Streets and Highways:

The Texas Department of Transportation (TxDOT) has grouped various Federal programs under the following classifications.

The **Statewide Preservation Program** (SPP) includes three program categories:

- **Category 1 – Preventive Maintenance and Rehabilitation:** Funding for preventive maintenance and rehabilitation of the existing state highway system. The rehabilitation funds may be used for rehabilitation of the Interstate Highway System main lanes, frontage roads, structures, signs, pavement markings, striping, etc.
- **Category 6 – Structures Replacement and Rehabilitation:** Funding to replaces or rehabilitate eligible bridges on and off the state highway system (functionally obsolete or structurally deficient). Replaces or rehabilitates eligible bridges on and off the state highway system (functionally obsolete or structurally deficient).
- **Category 8 – Safety:** Funding related projects - on and off state highway system. Projects are evaluated using three years of crash data, and ranked by Safety Improvement Index.

The SPP documentation also contains information on two highway maintenance programs as well as waterway and railroad preservation projects. These programs and projects represent preservation efforts to maintain the existing transportation assets. The MPO is exploring the development of an interagency pavement management information system to better identify and manage operation and maintenance costs over the long-range.

The **Statewide Mobility Program (SMP)** includes the following construction program categories:

- **Category 2 – Metropolitan Area (TMA) Corridor Projects:** Funding is intended to address the mobility needs in all major metropolitan areas (greater than 200,000 population - Transportation Management Areas) throughout the state. Funds will be used to develop and improve entire corridors of independent utility, whenever possible. Projects in this category must have the concurrence and support of the Metropolitan Planning Organization.
- **Category 3 – Urban Area (Non-TMA) Corridor Projects:** Funding is intended to address the mobility needs in all Metropolitan Planning Organization areas (greater than 50,000 and less than 200,000 population non-Transportation Management Areas) throughout the state.
- **Category 4 – Statewide Connectivity Corridor Projects:** Funding is intended to address mobility and added capacity project needs on major state highway system corridors which provide statewide connectivity between urban areas and corridors. The highway connectivity network is composed of the: Texas Trunk System; National Highway System (NHS); and Connections from Texas Trunk System or NHS to major ports on international borders or Texas water ports.
- **Category 5 – Congestion Mitigation and Air Quality Improvement:** Funding is to address the attainment of a national ambient air quality standard in the non-attainment areas of the state which are currently Dallas, Fort Worth, Houston, Beaumont and El Paso. Projects are for congestion mitigation and air quality improvement (CMAQ) in the non-attainment areas in the state.
- **Category 7 – Metropolitan Mobility and Rehabilitation:** Funding is to address transportation needs within the metropolitan area boundaries of Metropolitan Planning Organizations having urbanized areas with populations of 200,000 or greater. Projects are selected by the Metropolitan Planning Organization in consultation with the districts and interested parties. This program can be used on any roadway with a functional classification greater than a local road or rural minor collector. All projects must be developed in accordance with the applicable federal and state environmental requirements. All projects must also be designed, constructed, operated and maintained in accordance with state laws, regulations, directives, safety standards, and design and construction standards as required by SAFETEA-LU.
- **Category 9 – Transportation Enhancements:** Funding is to address projects that are above and beyond what could normally be expected in the way of enhancements to the transportation

system. Projects programmed in this category must fall under one of the following general activities as outlined in SAFETEA-LU:

1. Provision of facilities for pedestrians and bicycles.
 2. Provision of safety and educational activities for pedestrians and bicyclists.
 3. Acquisition of scenic easements and scenic or historic sites (including historic battlefields).
 4. Scenic or historic highway programs (including the provision of tourist and welcome center facilities).
 5. Landscaping and other scenic beautification.
 6. Historic preservation.
 7. Rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals).
 8. Preservation of abandoned railway corridors (including the conversion and use of the corridors for pedestrian or bicycle trails).
 9. Inventory, control, and removal of outdoor advertising.
 10. Archaeological planning and research.
 11. Environmental mitigation to address water pollution due to highway runoff; or reduce vehicle-caused wildlife mortality while maintaining habitat connectivity.
 12. Establishment of transportation museums.
- **Category 10 – Supplemental Transportation Projects:** Funding is to address projects that do not qualify for funding in other categories. Most of the programs are state funded; however, federal funds are involved in some programs as noted above. Projects in this category must have the concurrence of the Metropolitan Planning Organization if located within their area of jurisdiction.
 - **Category 11 – District Discretionary:** This category is used to address projects selected at the district' engineer'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. Projects in this category must have the concurrence and support of the Metropolitan Planning Organization (MPO) having jurisdiction in the particular area.
 - **Category 12 – Strategic Priority:** The Commission has determined that money from this category will be used on an "as needed" basis, for projects with specific importance to the state. These projects will generally 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, or maintain the ability to respond to both man-made and

natural emergencies. In addition, the Commission is also committed to utilize the Category 12 funds to help communities utilize the new financing tools, like pass-through financing agreements, in order to help local communities address their transportation needs.

The SMP documentation also contains information regarding the Aviation Capital Improvement Program and the Public Transportation Program.

Projection of Future Funding:

Given that the MPO, in consultation with TxDOT and interested parties, select projects for Category 2 and 7 funding a projection of funding in this area is of community wide concern. Category 2 provides for funding mobility and added capacity projects on major state highway system corridors which serve the mobility needs of a Transportation Management Area (TMA). Category 7 provides for funding mobility projects within the Transportation Management Areas (TMAs). The projection of available funding for the planning period follows (as adopted by the TxDOT Commission on November 19, 2009):

2010 – 2035 Statewide Transportation Funding Levels

Funding Category	Funding Level 2010 – 2020 (\$Millions)	Funding Level 2021 – 2035 (\$Millions)
1 – Preventative Maintenance and Rehabilitation	\$ 11,440	\$ 11,630
2 – Metropolitan Area Corridor Projects		\$ 0
3 – Urban Area Corridor Projects		\$ 0
4 – Statewide Connectivity Corridor Projects		\$ 0
5 – Congestion Mitigation and Air Quality Improvement	\$ 1,630	\$ 2,230
6 – Structures	\$ 2,750	\$ 3,750
7 – Metropolitan Mobility	\$ 3,300	\$ 3,140
8 – Safety	\$ 1,430	\$ 1,950
9 – Transportation Enhancements	\$ 660	\$ 900
10 – Supplemental Transportation Projects	\$ 900	\$ 490
11 – District Discretionary	\$ 687.5	\$ 940
12 – Strategic Priority	\$ 240	\$ 0
Total UTP Funding	\$ 23,037.5	\$25,030

This Statewide funding projection will be allocated to the respective MPO's subsequent to the adoption of the 2010 – 2035 MTP. Therefore, pending the allocation of funds to the local level an estimate of funds available to the local TxDOT District and the MPO was based on the 2007 UTP with the exception of Category 7. Category 7 funding which was projected based on the prorated share of funding (local compared to statewide) from the previous UTP.

Metropolitan Transportation Plan – Financial Constraint by Category					
Category	Description	Funding Source	Statewide Mobility Program*	15-year Projected Available	25-year Project Cost
1	Preventative Maint. & Rehab.	Federal Funding	\$211,808,855		\$211,808,855
2	Metropolitan Area	Federal State	\$314,868,000		\$314,868,000
4	Statewide Connectivity	Federal State	\$203,000,000		\$203,000,000
7	Metropolitan Mobility	Federal State	\$60,060,000	\$69,394,000	\$129,454,,000
8	Safety	Federal State	\$5,768,000		\$5,768,000
9	Enhancements	Federal State	\$8,717,048		\$8,717,048
10	Supplemental	State	\$8,898,000		\$8,898,000
11	District Discretionary	Federal State	\$109,925,000		\$109,925,000
	Maintenance	State	\$113,212,330		\$113,212,330
Local (City / County)	Operations, maintenance and limited expanded capacity.	Local Funds	\$172,300,000		\$172,300,000
Transit	Section 5303, 5310, 5311 only	FTA & State	\$8,793,571		\$8,793,571
*2007 Statewide Mobility and Preservation Programs – Projections for Mobility 2007-2017. Mobility 2007-2010 Categories 2 & 7 are for Urbanized Area all others District wide.					

Short Range and Priority Projects:

The Corpus Christi MPO revises the short range transportation improvement program every two years. The development of the Texas Metropolitan Mobility Plan identified the transportation needs of the study area regardless of funding availability. This highlights the funding gap that exists between projected funding available during the MTP period even with new tools provided by the Texas legislature and the work that needs to be done to eliminate Level of Service “F”. This gap of over \$540 million represents work that will not get done due to the unavailability of funds.

Local Funding for Highway:

Local governments and providers of transportation have programmed funds to provide the local match to federally funded projects. The MPO member agencies have also committed local bond funds to finance capital improvement programs that compliment the transportation planning process such as the City of Corpus Christi 2004 Bond Program committed over \$68.3 million in street improvement projects and the 2008 Bond Program provided an additional \$104 million.

Federal Funding Programs for Transit:

SAFETEA-LU provides the authorization for the Federal Transit Administration (FTA) programs. The basic structure of the Federal transit programs remains essentially the same but several new programs and activities have been added and new features have been incorporated. The funding flexibility features and similar matching ratios to the highway programs have been retained. The definition of a capital project has been revised to include preventive maintenance, the provision of non-fixed route paratransit service, the leasing of equipment or facilities, safety equipment and facilities, facilities that incorporate community services such as daycare and healthcare, and transit enhancements.

Urbanized Area Formula Grant Program, Section 5307: For urbanized areas with population of 200,000 or more, the funding may be used only for capital projects. The definition of capital has been revised to include preventive maintenance. Also, for the larger areas, at least one percent of the funding apportioned to each area must be used for transit enhancement activities such as historic preservation, landscaping, public art, pedestrian access, bicycle access, and enhanced access for persons with disabilities. It will be the responsibility of the MPO to determine how 1 percent will be allocated to transit enhancement projects.

Capital Investment Program, Section 5309: Section 5309 funds are divided into three different categories:

- Modernization of existing rail systems
- New and replacement buses and facilities,
- New fixed guideway systems.

A “fixed guideway” refers to any transit service that uses exclusive or controlled rights-of-way or rails, entirely or in part. The term includes heavy rail, commuter rail, light rail, monorail, trolleybus, aerial tramway, inclined plane, cable car, automated guideway transit, ferryboats, that portion of motor bus service operated on exclusive or controlled rights-of-way, and high-occupancy-vehicle (HOV) lanes.

Elderly and Persons with Disabilities Program, Section 5310: These funds provide capital assistance for transportation of elderly persons and persons with disabilities. Eligible capital expenses may include, at the option of the recipient, the acquisition of transportation services by contract, lease, or other arrangement. While the assistance is intended primarily for private

nonprofit organizations, public bodies that coordinate services for the elderly and persons with disabilities, or any public body that certifies to the state there are no nonprofit organizations in the area that are readily available to carry out the service, may receive these funds. These funds may be transferred by the Governor to supplement the Urbanized Area Formula or Nonurbanized Area Formula capital funds during the last 90 days of the fiscal year.

Job Access and Reverse Commute Program, Section 5316: This program provides funding for the provision of transportation services designed to increase access to jobs and employment-related activities. Job Access projects are those which transport welfare recipients and low-income individuals in urban, suburban, or rural areas to and from jobs and activities related to their employment. Reverse Commute projects provide transportation service for the general public from urban, suburban, and rural areas to suburban employment opportunities.

All projects funded under this program must be derived from an area-wide Job Access and Reverse Commute Transportation Plan and a Regional Public Transportation Coordination Plan developed through a regional approach which supports the implementation of a variety of transportation services designed to connect welfare recipients to jobs and related activities. A key element of the program is making the most efficient use of existing public, nonprofit, and private transportation service providers.

New Freedom, Section 5317: The New Freedom Initiative is a comprehensive plan to ensure that all Americans have the opportunity to learn and develop skills, engage in productive work, make choices about their daily lives and participate fully in community life. The Initiative's goals are to:

- Increase access to assistive and universally designed technologies;
- Expand educational opportunities;
- Promote homeownership;
- Integrate Americans with disabilities into the workforce;
- Expand transportation options; and
- Promote full access to community life.

All projects funded under this program must be derived from an area-wide Regional Public Transportation Coordination Plan developed through a regional approach which supports the implementation of any project.

Action to name the Regional Transportation Authority as the designated recipient for 5316 and 5317 funding took place at the December 2006 MPO – Transportation Policy Committee meeting. Any subsequent project call by TxDOT will require the MPO planning process to include consideration of any such project in the urbanized area.

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