
Chapter 2

Financial Plan

Chapter 2 — Financial Plan

The 2021-2024 TIP contains cost estimates for roadway, transit, freight, bike/pedestrian, air quality, safety, and other transportation investments to be implemented in the 8-county Houston-Galveston metropolitan planning area over a four-year period. Projects include those selected by H-GAC’s Transportation Policy Council using federal and state funds sub-allocated to the region, projects selected by the Texas Transportation Commission and listed in TxDOT’s 2020 Unified Transportation Plan (UTP) for the years covered by the TIP, as well as projects submitted by transit agencies based on their anticipated 2021-2024 grant applications.

Current law requires that the MPO identify all sources of funding that can be reasonably assumed to be available for programming. The following matrix identifies the sources of funding information used in the 2021-2024 TIP:

Figure 2-1: Primary Sources of Funding Information

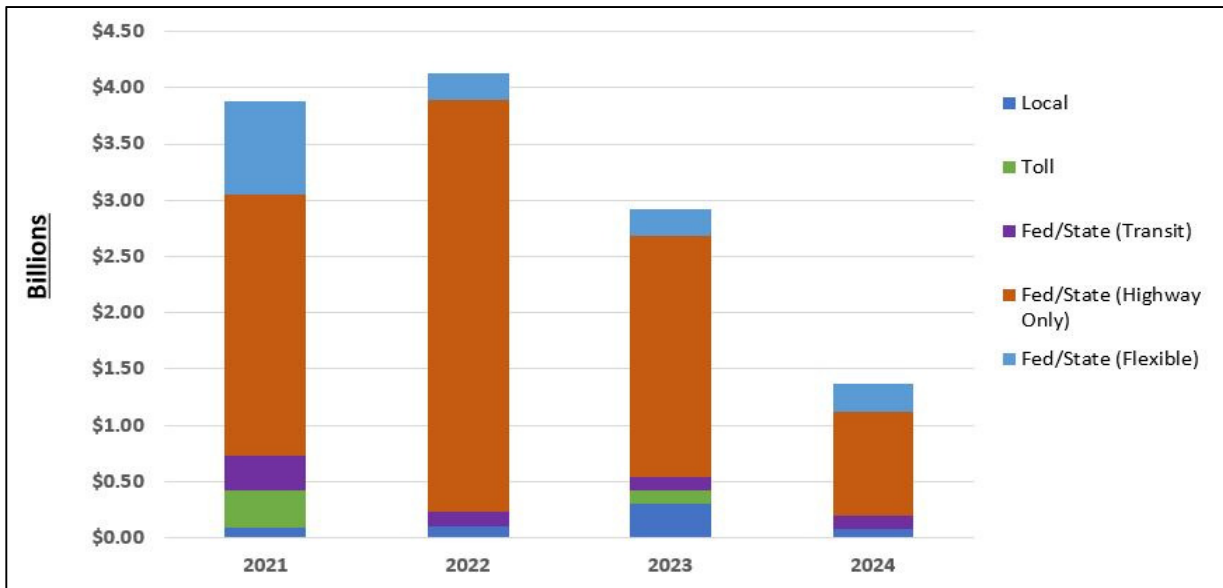
	Highway Programs	Transit Programs
Federal	2020 UTP	Recent FTA Apportionments/Discretionary Allocations
State		2020 UTP
Local/Private	Local Transportation Entities (e.g. City of Houston, HCTRA, METRO)	

FUNDING SUMMARY

AVAILABLE FUNDING

The 2021-2024 TIP reflects approximately \$9.7 billion of transportation investment through federal and state sources and on regionally significant projects using local funding and project revenues (tolls).

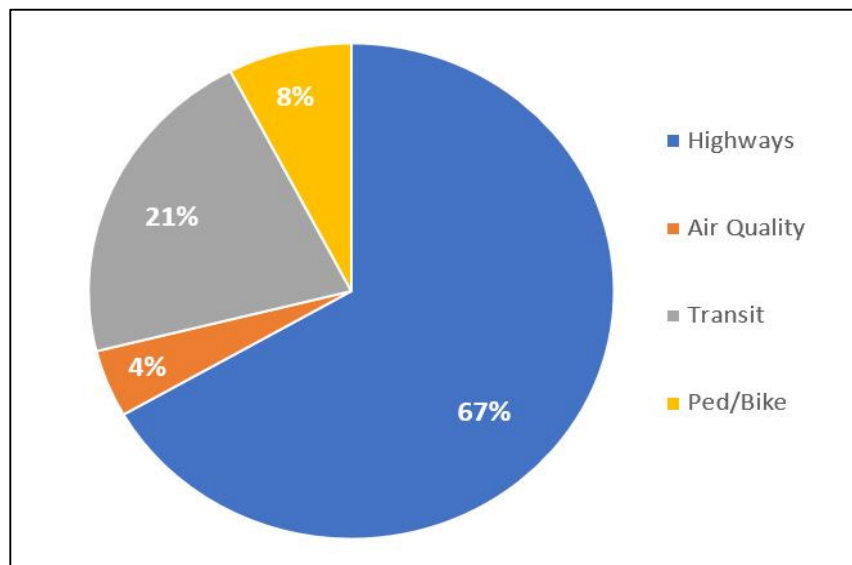
Figure 2-2: Available Funding/Authorized Funding



FLEXIBLE FEDERAL/STATE FUNDS

Approximately \$1.2 billion from the federal and state funding (inclusive of required match), has been programmed by H-GAC using federal and state programs that can support a variety of transportation activities, including highway, transit and pedestrian-bicycle investments. Allocation of these flexible federal/state funds is guided by policy adopted by the Transportation Policy Council.

Figure 2-3: Allocation of Flexible Federal/State Funds (As Programmed)



KEY SOURCES OF FUNDING

FEDERAL PROGRAMS

The 2021-2024 TIP Financial Plan relies on the estimate of federal surface transportation programs at funding levels articulated in TxDOT’s 2020 Unified Transportation Program, as well as recent FTA apportionments and reasonably anticipated discretionary allocations.

The current surface transportation authorization bill, “Fixing America's Surface Transportation” Act (FAST Act), includes five years of funding authorizations (2016-2020) and represents an increase in funding over previous MAP-21 funding levels.

Federal funds are sub allocated for MPO decision-making through the following programs:

- Surface Transportation Block Grant Program (referred to by the existing STP-MM acronym)
- Congestion Mitigation Air Quality Program (CMAQ)
- Transportation Alternatives Set-Aside (TASA – previously referred to as the Transportation Alternatives Program or “TAP”)

Additional federal funds are administered by the state through statewide programs (e.g. Safety, Bridge, etc.), TxDOT District sub-allocations (Metropolitan Mobility [Category 2], Preventive Maintenance, District Discretionary) and discretionary awards made by the Texas Transportation Commission.

STATE PROGRAMS

The 2021-2024 TIP Financial Plan includes state funding from a variety of revenue sources and funding mechanisms, including voter-approved sources of state transportation funding such as Propositions 1 and 7. This funding is allocated through the various TxDOT funding categories (See **Appendix E**).

H-GAC has developed reasonable estimates of funding available under state programs using anticipated dedication levels and historical funding allocations. These amounts are detailed in Table 2-1.

PUBLIC-PRIVATE PARTNERSHIPS (PPPs)

Legislation passed by the 82nd Texas Legislature granted the Transportation Commission/TxDOT (“the State”) authority to enter into public-private partnerships under comprehensive development agreements (CDAs). Through a CDA, the State may contract with another entity to deliver, operate and/or maintain any of the projects specified in the authorizing legislation. Within the H-GAC region, these projects are:

- SH 99/Grand Parkway
- SH 249
- SH 288 (concession agreement executed in 2016)
- US 290 Hempstead Managed Lanes (project planned for FY2030-2035 – see H-GAC’s 2045 Regional Transportation Plan)

Use of PPP/CDA funding in the 2021-2024 TIP meets the federal “reasonably available” requirement as the State has both the authority to utilize CDAs and has a history of successful project delivery through these agreements.

LOCAL PROGRAMS

The 2021-2024 TIP continues a trend toward greater reliance upon local sources of funding to make needed transportation investments for all modes. These local sources include local option sales taxes, toll revenues and general appropriations.

FEDERAL-AID HIGHWAY/PUBLIC TRANSPORTATION OPERATIONS AND MAINTENANCE

The 2021-2024 TIP Financial Plan is required to document that sufficient revenues are available to adequately operate and maintain federal-aid highways (as defined by 23 U.S.C. 101(a)(5)) and public transportation (as defined by title 49 U.S.C. Chapter 53).

FEDERAL-AID HIGHWAYS

The 2020 UTP documents TxDOT’s planned expenditures to adequately operate and maintain the state highway system. These costs and required revenues are presented in aggregate at the statewide level and reflect TXDOT’s maintenance policies. Some of these expenditures are reflected in the 2020-2024 TIP under Chapter 3 – “Highway Project Listing” and Appendix J – “Statewide Programs” of this document.

PUBLIC TRANSPORTATION

Adequate operations and maintenance of transit properties is supported through the planned projects shown in Chapter 4 – “Transit Project Listing” of this document, and in the Metropolitan Transit Authority of Harris County (METRO) budget.

- While METRO uses some federal grant funds to support maintenance activities and service-specific operations, most of the funding is from local sources (farebox, sales tax) which is not reflected in the 2021-2021 TIP. Additional detail is available on METRO’s website at: <http://ridemetro.org/Pages/Finance.aspx>

- Other transit providers in the region rely upon federal funds and local matching funds to adequately operate and maintain their assets. These costs and revenues are reflected in the 2021-2024 TIP.

FINANCIAL SUMMARIES

The financial tables that follow are provided to demonstrate fiscal constraint of the 2021-2024 TIP and to communicate expected levels of investment to transportation partners and the public. A brief description of the table contents is given below.

- Table 2.1 – “Highway Financial Summary Table.”
Contains a detailed summary of the 2021-2024 TIP to demonstrate fiscal constraint.
- Table 2.2 – “Transit Financial Summary Table.”
Contains a detailed summary of the 2021-2024 TIP to demonstrate fiscal constraint

HGAC - District 12
Initial FY 2021 - 2024 Transportation Improvement Program

Funding by Category
UPDATEB - 02/11/21

Funding Category	Description	FY 2021		FY 2022		FY 2023		FY 2024		Total FY 2021 - 2024	
		Programmed	Authorized	Programmed	Authorized	Programmed	Authorized	Programmed	Authorized	Programmed	Authorized
1	Preventive Maintenance and Rehabilitation	\$1,000,000	\$116,280,000	\$0	\$116,720,000	\$0	\$117,570,000	\$0	\$118,040,000	\$1,000,000	\$468,610,000
2M or 2U	Urban Area (Non- TMA) Corridor Projects	\$375,120,000	\$375,120,000	\$339,127,000	\$339,127,000	\$743,700,000	\$743,700,000	\$115,121,000	\$115,121,000	\$1,573,068,000	\$1,573,068,000
3	Non-Traditionally Funded Transportation Project	\$99,546,935	\$99,546,935	\$242,698,054	\$242,698,054	\$704,691,196	\$704,691,196	\$100,544,738	\$100,544,738	\$1,147,480,923	\$1,147,480,923
3DB	Design Build (DB)	\$0	\$0	\$0	\$0	\$0	\$0	\$183,000,000	\$183,000,000	\$183,000,000	\$183,000,000
4	Urban and Regional Connectivity	\$0	\$0	\$31,400,000	\$31,400,000	\$183,600,000	\$183,600,000	\$436,543,000	\$436,543,000	\$651,543,000	\$651,543,000
5	CMAQ	\$69,556,717	\$168,622,171	\$96,701,465	\$96,701,465	\$209,949,249	\$209,949,249	\$42,989,571	\$92,050,000	\$419,197,002	\$567,322,885
6	Structures - Bridge	\$0	\$253,000,000	\$0	\$351,750,000	\$0	\$353,560,000	\$52,643,635	\$355,440,000	\$52,643,635	\$1,313,750,000
7	Metro Mobility & Rehab	\$65,885,839	\$328,195,000	\$245,082,970	\$245,082,970	\$210,125,908	\$210,125,908	\$67,137,818	\$143,380,000	\$588,232,535	\$926,783,878
8	Safety	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	TAP Set-Aside Program	\$0	\$19,780,935	\$0	\$9,380,000	\$0	\$9,380,000	\$0	\$9,380,000	\$0	\$47,920,935
10	Supplemental Transportation	\$8,500,000	\$8,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500,000	\$8,500,000
10 CBI	Corridor Border	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	District Discretionary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Energy Sector	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Texas Clear Lanes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Strategic Priority	\$0	\$0	\$685,240,000	\$685,240,000	\$532,400,000	\$532,400,000	\$445,390,000	\$445,390,000	\$1,663,030,000	\$1,663,030,000
SW PE	Statewide Budget PE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SW ROW	Statewide Budget ROW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$619,609,491	\$1,369,045,041	\$1,640,249,489	\$2,118,099,489	\$2,584,466,353	\$3,064,976,353	\$1,443,369,762	\$1,998,888,738	\$6,287,695,095	\$8,551,009,621

Funding Participation Source

Source	FY 2021	FY 2022	FY 2023	FY 2024	Total FY 21-24
Federal	\$252,773,571	\$837,443,008	\$1,457,626,125	\$999,956,332	\$3,547,799,036
State	\$243,455,452	\$503,916,885	\$365,688,239	\$319,951,235	\$1,433,011,811
Local Match	\$23,833,533	\$56,191,542	\$56,460,793	\$22,917,457	\$159,403,325
CAT 3 - Local Contributions (LC)	\$94,146,935	\$121,698,054	\$341,672,610	\$100,544,738	\$658,062,337
CAT 3 - Prop 1	\$0	\$0	\$0	\$0	\$0
CAT 3 - Build Grant	\$0	\$50,000,000	\$0	\$0	\$50,000,000
CAT 3 - PTF	\$3,400,000	\$0	\$0	\$0	\$3,400,000
CAT 3 - Regional Toll Revenue	\$0	\$71,000,000	\$363,018,586	\$0	\$434,018,586
CAT 3 - CRISI	\$2,000,000	\$0	\$0	\$0	\$2,000,000
CAT 3 - Local Transit	\$0	\$0	\$0	\$0	\$0
CAT 3 - PTF	\$0	\$0	\$0	\$0	\$0
CAT 3 - TDC	4,910,000	990,000	1,006,000	1,006,000	7,912,000
Statewide Budget PE	\$0	\$0	\$0	\$0	\$0
Statewide Budget ROW	\$0	\$0	\$0	\$0	\$0
Total	\$619,609,491	\$1,640,249,489	\$2,584,466,353	\$1,443,369,762	\$6,295,607,095

Notes: Financial constraint based upon Texas Transportation Commission Minute Order **115814**, approved August 27, 2020. FY 2021 Authorized funding includes FY 2020 carry over balance of \$80M Category 5, \$190M of Category 7 and \$10.4M Of Category 9 funding. CAT 3 - Local Contribution (LC) includes local toll revenue funds. Category 3 - CRISI grant award and Category 3 - BUILD grant awards. FY 2024 Group eligible projects programmed with \$70,723,000 of Category 2, \$70,682,818 of Category 7, and \$54,463,963 of Category 9 have been removed from 2021-2024 TIP.

**Table 2-2: Transit Financial Summary
Houston - Galveston Metropolitan Planning Organization
FY 2021- 2024 Transportation Improvement Program**

All Figures in Year of Expenditure (YOE) Dollars

Current as of 06/26/ 2020

Transit Program		FY 2021			FY 2022			FY 2023		
		Federal	State/Other	Total	Federal	State/Other	Total	Federal	State/Other	Total
1	Sec. 5307 - Urbanized Formula >200K	\$255,366,112	\$75,218,136	\$337,418,421	\$98,101,273	\$26,792,482	\$118,856,327	\$89,844,729	\$26,611,665	\$116,455,794
2	Sec. 5307 - Urbanized Formula <200K	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Sec. 5309 - Discretionary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Sec. 5310 - Elderly & Individuals w/Disabilities	\$3,452,206	\$889,139	\$4,341,345	\$182,840	\$41,139	\$223,979	\$0	\$0	\$0
5	Sec. 5311 - Nonurbanized Formula	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Sec. 5316 - JARC >200K	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Sec. 5316 - JARC <200K	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Sec. 5316 - JARC Nonurbanized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Sec. 5317 - New Freedom >200K	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Sec. 5317 - New Freedom <200K	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Sec. 5317 - New Freedom Nonurbanized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Other FTA	\$65,949,787	\$14,616,105	\$80,565,892	\$7,143,032	\$1,785,759	\$8,928,791	\$7,143,032	\$1,785,759	\$8,928,791
13	Regionally Significant or Other	\$0	\$117,449,780	\$117,449,780	\$0	\$80,901,736	\$80,901,736	\$0	\$76,869,945	\$75,451,171
Total Funds		\$324,768,105	\$208,173,160	\$539,775,438	\$105,427,145	\$109,521,116	\$208,910,833	\$96,987,761	\$105,267,369	\$200,835,756
Transportation Development Credits Requested				4,974,319			5,512,175			1,846,774
Transportation Development Credits Awarded				4,974,319			5,512,175			1,846,774

All Figures in Year of Expenditure (YOE) Dollars

Transit Programs		FY 2024			FY 2021-2024 Total		
		Federal	State/Other	Total	Federal	State/Other	Total
1	Sec. 5307 - Urbanized Formula >200K	\$84,281,994	\$24,432,459	\$107,498,853	\$527,594,108	\$153,054,742	\$680,229,395
2	Sec. 5307 - Urbanized Formula <200K	\$0	\$0	\$0	\$0	\$0	\$0
3	Sec. 5309 - Discretionary	\$0	\$0	\$0	\$0	\$0	\$0
4	Sec. 5310 - Elderly & Individuals w/Disabilities	\$0	\$0	\$0	\$3,635,046	\$930,278	\$4,565,324
5	Sec. 5311 - Nonurbanized Formula	\$0	\$0	\$0	\$0	\$0	\$0
6	Sec. 5316 - JARC >200K	\$0	\$0	\$0	\$0	\$0	\$0
7	Sec. 5316 - JARC <200K	\$0	\$0	\$0	\$0	\$0	\$0
8	Sec. 5316 - JARC Nonurbanized	\$0	\$0	\$0	\$0	\$0	\$0
9	Sec. 5317 - New Freedom >200K	\$0	\$0	\$0	\$0	\$0	\$0
10	Sec. 5317 - New Freedom <200K	\$0	\$0	\$0	\$0	\$0	\$0
11	Sec. 5317 - New Freedom Nonurbanized	\$0	\$0	\$0	\$0	\$0	\$0
12	Other FTA	\$7,082,182	\$1,770,546	\$8,852,728	\$87,318,033	\$19,958,169	\$107,276,202
13	Regionally Significant or Other	\$0	\$251,458,730	\$251,458,730	\$0	\$526,680,191	\$525,261,417
Total Funds		\$91,364,176	\$277,661,735	\$367,810,311	\$618,547,187	\$700,623,380	\$1,317,332,338
Transportation Development Credits Requested				1,874,316			14,207,584
Transportation Development Credits Awarded				1,874,316			14,207,584

Notes: Other FTA programmed amounts include 5312 - Transportation Innovation, 5337 - State of Good Repair and 5339 - Bus and Bus Facilities formula grants. Regionally Significant or Other include 100% locally funded transit projects.



Houston Galveston MPO - District # 12

Table 2-1 Initial FY 2021 - 2024 Transportation Improvement Program

Funding by Category

OBSOLETE - JUNE 2020

Funding Category	Description	FY 2021		FY 2022		FY 2023		FY 2024		Total FY 2021 - 2024	
		Programmed	Authorized	Programmed	Authorized	Programmed	Authorized	Programmed	Authorized	Programmed	Authorized
1	Preventive Maintenance and Rehabilitation	\$1,000,000	\$116,280,000	\$0	\$116,720,000	\$0	\$117,570,000	\$0	\$118,040,000	\$1,000,000	\$468,610,000
2M or 2U	Urban Area (Non- TMA) Corridor Projects	\$668,756,394	\$668,756,394	\$663,390,609	\$663,390,609	\$403,744,000	\$403,744,000	\$358,364,050	\$358,364,050	\$2,094,255,053	\$2,094,255,053
3	Non-Traditionally Funded Transportation Project	\$425,240,705	\$425,240,705	\$110,098,054	\$110,098,054	\$371,278,179	\$371,278,179	\$100,544,738	\$100,544,738	\$1,007,161,676	\$1,007,161,676
3DB	Design Build (DB)	\$0	\$0	\$519,900,000	\$519,900,000	\$0	\$0	\$0	\$0	\$519,900,000	\$519,900,000
4	Urban and Regional Connectivity	\$47,030,000	\$47,030,000	\$1,116,973,002	\$1,116,973,002	\$219,600,001	\$219,600,001	\$48,238,000	\$48,238,000	\$1,431,841,003	\$1,431,841,003
5	CMAQ	\$90,386,117	\$168,622,171	\$91,433,921	\$91,433,921	\$257,362,266	\$257,362,266	\$53,893,571	\$92,050,000	\$493,075,875	\$609,468,358
6	Structures - Bridge	\$0	\$253,000,000	\$0	\$351,750,000	\$15,000,000	\$353,560,000	\$52,643,635	\$355,440,000	\$67,643,635	\$1,313,750,000
7	Metro Mobility & Rehab	\$159,109,580	\$328,195,000	\$253,155,773	\$253,155,773	\$192,792,726	\$192,792,726	\$74,637,818	\$143,380,000	\$679,695,897	\$917,523,499
8	Safety	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	TAP Set-Aside Program	\$12,961,428	\$19,780,935	\$24,454,388	\$24,454,388	\$13,948,000	\$13,948,000	\$6,784,000	\$9,380,000	\$58,147,816	\$67,563,323
10	Supplemental Transportation	\$2,924,428	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,924,428	\$0
10 CBI	Corridor Border	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	District Discretionary	\$8,744,000	\$8,744,000	\$0	\$8,210,000	\$0	\$8,210,000	\$0	\$8,210,000	\$8,744,000	\$33,374,000
11	Energy Sector	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Texas Clear Lanes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Strategic Priority	\$0	\$0	\$1,637,370,000	\$1,637,370,000	\$428,900,000	\$873,526,164	\$0	\$0	\$2,066,270,000	\$2,510,896,164
SW PE	Statewide Budget PE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SW ROW	Statewide Budget ROW	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$1,416,152,652	\$2,035,649,205	\$4,416,775,747	\$4,893,455,747	\$1,902,625,172	\$2,811,591,336	\$695,105,812	\$1,233,646,788	\$8,430,659,383	\$10,974,343,076

Funding Participation Source

Source	FY 2021	FY 2022	FY 2023	FY 2024	Total FY 21-24
Federal	\$532,482,533	\$3,375,174,008	\$1,141,285,407	\$401,345,172	\$5,450,287,120
State	\$413,464,442	\$848,822,941	\$289,916,659	\$168,798,445	\$1,721,002,487
Local Match	\$44,964,972	\$82,680,744	\$100,144,926	\$24,417,457	\$252,208,099
CAT 3 - Local Contributions (LC)	\$425,240,705	\$60,098,054	\$371,278,179	\$100,544,738	\$957,161,676
CAT 3 - Prop 1	\$0	\$0	\$0	\$0	\$0
CAT 3 - DB	\$0	\$50,000,000	\$0	\$0	\$50,000,000
CAT 3 - Prop 14 Bonds	\$0	\$0	\$0	\$0	\$0
CAT 3 - Texas Mobility Fund	\$0	\$0	\$0	\$0	\$0
CAT 3 - TDC	\$0	\$0	\$0	\$0	\$0
Statewide Budget PE	\$0	\$0	\$0	\$0	\$0
Statewide Budget ROW	\$0	\$0	\$0	\$0	\$0
Total	\$1,416,152,652	\$4,416,775,747	\$1,902,625,171	\$695,105,812	\$8,430,659,382

Notes: Financial constraint based upon Texas Transportation Commission Minute Order 15550, approved August 29, 2019. Category 9 includes state funded (Cat 9 State - TASA) bicycle/pedestrian projects also. FY 2021 Authorized funding includes FY 2020 carry over balance of \$80M Category 5, \$190M of Category 7 and \$10.4M of Category 9 funding. CAT 3 - Local Contribution (LC) includes CAT 3 - PTF.