

11. PROJECT DEVELOPMENT/DELIVERY MILESTONE POLICY

BACKGROUND

For the past 3 years, H-GAC staff has conducted quarterly meetings with local government sponsors in which projects* programmed in the 4-year Transportation Improvement Program (TIP) are monitored for critical path milestones throughout the project development (engineering and environmental) process.

Within the first year (2022-2023) of the detailed project tracking effort approximately 90%† of project funding moved out of FY 2023. Of the 90%, approximately 50% moved to the next year (“rolled”) and 40% moved beyond FY 2024. By the end of 2024, an additional \$625M‡ shifted to more realistic let dates. Then another \$350M (presented at February 2025 TAC/TPC) will be moved to realistic let dates.

The carryover balances in both Category 5 (Congestion Mitigation Air Quality [CMAQ]) Funds and Category 7 (Surface Transportation Block Grant [STBG]) Funds were higher than desired before the detailed project monitoring and shifting effort began in 2022. Many of the projects described above that shifted let years via amendments between 2022-2025 had previously “rolled” into the next FY for multiple years. Some projects had not met one critical path milestone for project development.

Project “stagnation” creates high carryover balances, inability to estimate upcoming carryover balances (resulting from projects not letting on time), inability to accurately program projects (because there is not a clear understanding of the available balances per FY) as well extra work for H-GAC staff, TxDOT, TAC and TPC members (due to the continual “rolling” the projects from one year to the next via amendments).

CURRENT SITUATION

TPC directed H-GAC (during the February 2025 TPC meeting) to work through the TIP Subcommittee and TAC to formulate a policy preventing projects (particularly the Construction [“C” Phase] from being programmed in incorrect fiscal years within the 4-year TIP “window”. This, in turn, would secure the 4-year TIP funds for projects that would be realistically ready to let within the 4 year “window”. H-GAC formulated a workgroup through recommendation of TIP Subcommittee. The Project Development/Delivery Milestone Policy Workgroup has met 3 times and will meet a 4th time at the end of May. The meetings are set up on a bi-weekly basis. H-GAC staff will continue to meet with the workgroup and provide periodic updates to TAC and TPC as the work continues.

ACTION REQUESTED

Information Only.

* Cat 5 (CMAQ), Cat 7 (STBG), Cat 9 (TASA) and Cat 10 (CRP)

† Federal amount only hereinafter

‡ Costs hereinafter are estimated