

8. CARRY OVER SPEND DOWN (COSD) UPDATE REPORT

BACKGROUND

The Unified Planning Work Program (UPWP) directs the Metropolitan Planning Organization (MPO) to monitor, track and report to the Transportation Policy Council (TPC) and Technical Advisory Committee (TAC) the delivery status of projects included in the 2025-2028 Transportation Improvement Program (TIP). As such, H-GAC conducts quarterly meetings with all local government sponsors with projects included in the TIP.

H-GAC conducted meetings with 35 project sponsors to review 122 TIP Carry Over Spend-Down projects (COSD) totaling ~\$900 million across three categories of funding: Congestion Mitigation and Air Quality (CMAQ) Program/Category 5, Surface Transportation Block Grant (STBG) Program/Category 7, and Carbon Reduction Program (CRP)/Category 10 Funds. Status updates are as follows.

Between FY 2024 to FY 2025, \$440.2 million in COSD projects were let:

- FY 2024 – Two projects, funded through STBG/Category 7, Total: \$17.9M
- FY 2025 – 42 projects funded across three funding categories, Total: \$422.3 M
 - STBG/Category 7 - 32 projects, Total: \$226.6M
 - CRP/Category 10 - Seven projects, Total: \$34.7M
 - CMAQ/Category 5 – Three projects, Total: \$161M

From FY 2024 to the present, seven projects have been cancelled, totaling \$23.9M. Additionally, three METRO projects were deemed ineligible for CMAQ funding by FHWA, totaling \$53.9M.

CURRENT SITUATION

In FY 2026, H-GAC met with project sponsors regarding 73 TIP Carry Over Spend Down projects, totaling over **\$398,961,990** that were scheduled to let by FY August 2026. A summary of the letting status of these COSD projects (not including the cancellations and federal ineligibility mentioned above) is as follows.

Overall Letting Status Summary

Status	Project Count	Total Amount
Already Let (FY 2026)	14	\$46,825,054
On Track for August 2026 Letting	37	\$185,669,711
At Risk for August 2026 Letting	2	\$35,420,441
Will Not Meet August 2026 Letting	17	\$131,046,784

Staff have developed two scenarios for the remaining On Track projects to illustrate confidence in remaining below the 200% Carryover Threshold.

Scenario 1: 100% of remaining currently On Track projects Let by August 2026:

If 100% of the On Track projects let, then STBG balances are expected to be 82% of FY 2026 allocation and CMAQ balances are expected to be 128% of FY 2026 allocation at the end of the year. Both funding categories will be under the 200% threshold set by the Texas Transportation Commission.

Scenario 2: 70% of remaining currently On Track projects Let by August 2026:

If only 70% of the On Track projects let, then STBG balances are expected to be 109% of FY 2026 allocation and CMAQ balances are expected to be 178% of our FY 2026 allocation at the end of the year. Both will be under the 200% threshold set by the Texas Transportation Commission.

A detailed presentation of these projects and balances will be provided by staff for discussion.

ACTION REQUESTED

Discussion only.