



CHAPTER 6

FINANCIAL ANALYSIS



CHAPTER 6: FINANCIAL ANALYSIS

According to federal regulations, transportation improvement projects included in a Metropolitan Transportation Plan (MTP) and the final project list must be fiscally constrained (i.e. the funding available for projects must be greater than or equal to the anticipated cost of the projects). Chapter 8 shows the final MTP Project List. This chapter includes a list of funding sources and dollar amounts anticipated to be available to fund projects included in the Texarkana 2045 MTP. It also outlines the process by which funding levels were forecast to determine the amount of funds available. Because federal regulations stipulate that the financial forecast consider the change in value of the dollar over time due to inflation, funding and costs discussed in this chapter were estimated in year-of-receipt and year-of-expenditure dollars, respectively.

Estimating Funding

This section outlines the available funding sources to fund transportation investments over the life of this MTP. *At the development of the 2045 MTP, transportation highway project estimates of funding were based on the estimated construction cost in fiscal year 2019. The projects did not include an accurate level of all elements (i.e., contingencies, inflation percentages per year, indirect and ROW) to calculate a complete Total Project Cost and Year-Of-Expenditure cost for Texas side proposed projects. The MPO and TXDOT have adjusted the project cost estimates and Year-Of-Expenditure on projects in the implementation stage to provide a more accurate cost estimates for two proposed projects included in 2045 MTP.*

Roadway Funding Sources

The following section describes the potential federal, state (for both Texas and Arkansas), and local funding sources and categories for roadway projects that are funded through the FAST Act. Information about Federal funding sources was gathered from the Federal Highway Administration (FHWA).

Formulary Federal Funding Sources

The various potential roadway funding sources that can be obtained from the federal government fall under the Federal-Aid Highway Program (FAHP). These sources, which include core formula highway programs like the National Highway Performance Program (NHPP), Surface Transportation Block Grant Program (STBG), Highway Safety Improvement Program (HSIP), and National Highway Freight Program (NHFP) are summarized in the following sections.



The Congestion Mitigation and Air Quality Improvement Program (CMAQ) is the fifth core formula highway program under FAHP, but is only applicable to non-attainment areas, and is therefore not considered in the 2045 Texarkana MTP Financial Analysis.

The FAHP receives its funding through the Highway Account of the Highway Trust Fund (HTF), which is comprised of highway user taxes on fuels (which makes up the majority of the HTF's revenue), heavy truck tires, truck and trailer sales, and weight-based heavy-vehicle use.

[NATIONAL HIGHWAY PERFORMANCE PROGRAM](#)

Most activities that were previously funded under the SAFETEA-LU National Highway System (NHS) program are now eligible under the National Highway Performance Program (NHPP), the purpose of which is to:

- Provide support for the condition and performance of the National Highway System (NHS);
- Provide support for the construction of new facilities on the NHS; and
- Ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS.

NHPP provides funding for construction and maintenance projects located on the newly expanded National Highway System (NHS), which includes the entire Interstate system and all other highways classified as principal arterials. MAP-21 eliminated the programs with dedicated funding for repair by consolidating the Interstate Maintenance (IM) and Highway Bridge Repair (HBR) programs and shifting these funds to the new NHPP. NHPP provides funding for improvements to rural and urban roads that are part of the NHS, including the Interstate System and designated connections to major intermodal terminals. Under certain circumstances, NHS funds may also be used to fund transit improvements in NHS corridors.

[SURFACE TRANSPORTATION BLOCK GRANT PROGRAM \(STBG\)](#)

The STBG was created by the FAST Act as a replacement for the Surface Transportation Program (STP). The STBG has the most flexible eligibilities of all the Federal-aid highway programs and promotes flexibility in State and local transportation decisions, as well as provides flexible funding to best address State and local transportation needs. Eligible surface transportation projects under STBG include but are not limited to construction projects, operational improvements projects, and highway/transit safety infrastructure improvement projects.



Under STBG, each State is apportioned a lump sum of funding that it can then divide among its apportioned programs. In addition, portions of the State's STBG funding will be set aside for the following:

- Funding for Transportation Alternatives (also known as the TA Set-Aside, which replaced the Transportation Alternatives Program (TAP) from MAP-21);
- 2% for State Planning and Research (SPR); and
- Funding for bridges not on Federal-aid highways (off-system).

After the State has apportioned its TA Set-Aside, it will sub-allocate 55% of its FY 2020 STBG funds to various areas of the state based on their relative shares of the state's population. All funds remaining after sub-allocation may be used in any area of the state. Additionally, each fiscal year, a State may transfer up to 50% of its STBG funds to any of the other four core formula highway programs, excluding the funds sub-allocated to areas of the state based on population.

HIGHWAY SAFETY IMPROVEMENT PROGRAM

The purpose of the Highway Safety Improvement Program (HSIP) is to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal lands.

HSIP requires that the State develop, implement, and update a Strategic Highway Safety Plan (SHSP); produce a program of projects or strategies to reduce identified safety problems; and evaluate the SHSP on a regular basis. The SHSP is a statewide coordinated plan developed in cooperation with a broad range of multidisciplinary stakeholders. As a part of the plan, states are required to have a safety data system to perform problem identification and countermeasure analysis on all public roads; adopt strategic and performance-based goals; advance data collection, analysis, and integration capabilities; determine priorities for the correction of identified safety problems; and establish evaluation procedures.

The FAST Act continues MAP-21 authorization of a lump sum for this program, and it is the responsibility of the State to divide up these funds according to the State's priorities. For a project to be eligible under the HSIP program, the project must be consistent with the State's SHSP and correct or improve a hazardous road location or feature or address a highway safety problem. Workforce development, training, and education activities are also eligible uses of HSIP funds.



NATIONAL HIGHWAY FREIGHT PROGRAM

The FAST Act established the National Highway Freight Program (NHFP) as a new program to improve the efficient movement of freight on the National Highway Freight Network (NHFN). Eligible projects under the NHFP include but are not limited to project development phase activities (e.g. planning, feasibility studies, etc.), construction/reconstruction/rehabilitation, and infrastructure improvements such as geometric improvements, railway-highway grade separations, and adding or widening shoulders.

NHFP funds are apportioned to each State as a lump sum, which each State then divides among its apportioned programs. Prior to apportionment, a proportionate share of each State's NHFP funds is set aside for the State's Metropolitan Planning program, and 2% of the funds are set aside for State Planning & Research. Additionally, each fiscal year, a State may transfer up to 50% of its NHFP funds to any of the other four core formula highway programs, excluding funds set aside for Metropolitan Planning.

DISADVANTAGED BUSINESS ENTERPRISE SUPPORTIVE SERVICES PROGRAM (DBE)

The DBE Program's primary purpose is to provide training, assistance, and services to minority, disadvantaged, and women business enterprises so as to increase their activity in the program, and to facilitate the firms' development into viable, self-sufficient organizations capable of competing for, and performing on federally assisted highway projects.

ON THE JOB TRAINING PROGRAM (OJT)

The OJT Program is funded by the Workforce Innovation and Opportunity Act and allows States to hire and train skilled workers and get reimbursed for these efforts.

Competitive Federal Funding Sources

COMPETITIVE HIGHWAY BRIDGE PROGRAM

The Competitive Highway Bridge Program (CHBP) is a grant program meant to fund highway bridge replacement and rehabilitation projects on public roads. The CHBP replaced the Highway Bridge Replacement & Rehabilitation Program (HBRRP), and CHBP funding comes from the General Fund. CHBP funds require a federal/state match of 80%/20%, respectively.

FERRY BOAT PROGRAM (FERRY BOAT)

The Ferry Boat Program (Ferry Boat) provides funds for the construction of ferry boats and ferry terminal facilities. This is a competitive grant program.



BUILD GRANTS PROGRAM

Formerly the Transportation Investment Generating Economic Recovery (TIGER) Grant Program, the Better Utilizing Investments to Leverage Development (BUILD) Grant Program provides opportunities to invest in road, rail, transit, and port projects that promise to achieve national objectives. BUILD grants can be applied to both freight and passenger transportation network projects, and Congress has dedicated nearly \$7.1 billion for ten rounds of National Infrastructure Investments to fund projects that have a significant local or regional impact.

INFRA GRANTS PROGRAM

The Infrastructure for Rebuilding America (INFRA) Grants Program provides funding for projects that address critical issues facing highways and bridges in the U.S. This program supports USDOT's commitment to fixing America's crumbling infrastructure using innovative approaches to improve the processes used to build significant projects. In addition, the program holds funding recipients accountable for their performance in project delivery and operations.

Transportation Development Credits (TDCs)

TDCs are a federal transportation funding tool used to meet federal funding matching requirements. States can accrue credits when the State, a toll authority, or a private entity funds a capital transportation investment using toll revenues earned on existing toll facilities. Arkansas does not utilize TDCs, however, Texas does utilize them and allocates 75% of credits to the MPOs in which they were earned. Texas allocates the remaining 25% statewide on a competitive basis.

State Funding Sources

State transportation funding comes from several different revenue sources. Traditionally, states utilize their revenue to match federal sources and to fund their operations. The primary funding source for the Texas state program comes from motor fuels taxes allocations, motor vehicle registration fees, severance taxes allocations, and other revenue sources, including Proposition 1 and Proposition 7, which redirect revenue from the general fund to be spent on transportation projects. In Arkansas, the primary source of funding comes from dedicated road user fees administered through ARDOT such as motor fuel taxes, Act 251/3 (State Aid Roads), Act 251/5 (City Aid Streets), vehicle registration fees, natural gas severance tax, and motor carrier education. Other state funding sourced from miscellaneous income includes overload permits



and penalties, title transfer fees, driver search fees, other income, unified carrier registration fees, and State Highway Department (SHD) Fund interest.

ARKANSAS-SPECIFIC FUNDING

State revenue sources, also known as State Turnback Programs, are collected at the state level to be allocated (i.e. turned back) to local governments. Funding is administered through general highway-user revenue turnback funds and the Connecting Arkansas Program. In addition, Arkansas divides the funding it receives through the FAHP into its own State-level funding categories.

General Highway-User Revenue Turn-Backs

This includes revenue obtained through dedicated road user fees (e.g. motor fuel taxes, motor vehicle registration, etc.) which are used for maintenance, construction, and reconstruction of city and county roads and bridges, as well as parking for specified county facilities. Funds are allocated to each city based on a population apportionment from the most recent census. County funds are allocated based on a formula that factors county area, rural population, and an equal distribution of total revenues collected.

ISSUE ONE

An Amendment to the Arkansas Constitution to continue a levy of a one-half percent sales and use tax for state highways and bridges; county roads, bridges, and other surface transportation; and city streets, bridges, and other surface transportation after the retirement of the bonds authorized in Arkansas constitution, Amendment 91, as special revenue to be distributed under the Arkansas Highway Revenue Distribution Law.

The initiative proposes making permanent a 0.5% state sales tax that currently helps fund Arkansas's four-lane highway system, county roads, and city streets, by amending the Arkansas Constitution to include the tax. The existing 0.5% sales tax, which is used partially to repay highway, road, and street bonds, was set to expire in June 2023.

Issue One was voted into law on November 3, 2020.

ACT 416 OF 2019

This Act was created to provide additional revenue to maintain and repair highways, streets, and bridges in the State of Arkansas. The legislation levies a wholesale sales tax on motor fuel and distillate special fuel. Revenue is also generated from a casino tax and registration fees for hybrid and electric vehicles.



Other funds are from Matching funds possible contributed by local governmental entities. Local funded projects are fully funded by local governmental entities.

Connecting Arkansas Program

The Connecting Arkansas Program (CAP) is funded through a 10-year sales tax that was approved by Arkansas voters in 2012 and went into effect on July 1, 2013. Approximately 70% of the sales revenue is dedicated to fund roadway widening projects, while the remaining 30% is reallocated to local governments for road and street construction projects.

Federal-Aid Highway Program Apportionment

As discussed in the Federal funding source sections, each State receives portions of funding from the FAHP. **Table 6-1** breaks down how the funds Arkansas receives through each core formula highway program are apportioned into State-level funding categories.

TABLE 6-1: FEDERAL-AID HIGHWAY PROGRAM APPORTIONMENT BREAKDOWN FOR ARKANSAS

Core Formula Highway Program	AR State-Level Funding Categories
National Highway Performance Program	Pavement
	Bridge
	System Reliability
Surface Transportation Block Grant	Urbanized Area > 200K
	STBG Flex, City, Town and CMAQ
	Off-System Bridge
Surface Transportation Block Grant (Transportation Alternatives)	Urbanized Area > 200K
	STBG Flex, City and Town
	Recreational Trails
Highway Safety Improvement Program	--
National Highway Freight Program	--

TEXAS-SPECIFIC FUNDING

Categories 1-9 of the Texas UTP (TxDOT's 10-year plan to guide project development and implementation) combine formulary funding from both federal (FAHP) and state programs. Categories 10, 11, and 12 are strategic and discretionary funding categories. The 2019 Texas UTP provides the following definitions and criteria for each funding category:



Category 1: Preventive Maintenance & Rehabilitation

This covers funding for preventive maintenance and rehabilitation on the existing state highway system. This includes minor modifications to improve operations and safety along state infrastructure. Further, similar coverage applies to the maintenance and pavement of bridges, traffic control devices, traffic management systems, and ancillary traffic devices. Projects are selected at the district level, and funds are allocated by the Texas Transportation Commission (TTC) through a formula allocation program.

Category 2: Metropolitan & Urban Area Corridor Projects

Projects aiming to improve transportation facilities, decrease travel time/the level of duration of traffic congestion (i.e. mobility and added capacity projects), as well as safety, maintenance, or rehabilitation projects that increase the safe and efficient movement of people and freight in metropolitan and urbanized areas. Projects are selected by MPOs in conjunction with TxDOT. The TTC allocates funds through a formula allocation program.

Category 3: Non-Traditionally Funded Transportation Projects

Non-traditional transportation projects (included in state highway funding) including state bond financing under programs such as Proposition 12 (General Obligation Bonds), Texas Mobility Fund, pass-through toll financing, unique federal funding, regional toll revenue, and local participation funding.

Category 4: Statewide Connectivity Corridor Projects

Major mobility and added capacity projects on state highway system corridors that create statewide connectivity between urban centers and corridors, aiming to increase highway connectivity consisting of the Texas Highway Trunk System (network of complimentary rural divided highways), National Highway System, and connections from the former two systems to major ports of entry on international borders and Texas water ports.

Corridors are selected by the Texas Transportation Commission (TTC) based on analysis of three corridor types: mobility, connectivity, and strategic. Funds are allocated by the TTC to TxDOT districts, who then select projects within approved corridors in consultation with MPOs, the Transportation Planning and Programming Division (TPP), and TxDOT Administration using a performance-based evaluation.



Category 5: Congestion Mitigation & Air Quality Improvement

Projects that address attainment of a national ambient air quality standard in non-attainment areas in Texas. Projects are selected by MPOs in conjunction with TxDOT. The TTC allocated funds based on population and weighted by air quality severity to non-attainment areas (assigned by the Environmental Protection Agency). This category is not applicable to the Texarkana MPO as the MPO is in attainment. Should the Texarkana MPO become a non-attainment area, CMAQ funding may become available.

Category 6: Structures Replacement & Rehabilitation

This category includes three programs: the Highway Bridge Program (HBP), the Railroad Grade Separation Program (RGS), and the Bridge Maintenance and Improvement Program (BMIP). These programs involve the replacement/rehabilitation of structurally deficient existing bridges located on public infrastructure in the state, as well as the construction of grade separations at existing highway and railroad grade crossings. The rehabilitation of structurally deficient railroad underpasses on the state highway system also falls within Category 6 funding.

HBP projects can include both on- and off-system bridges and are selected based on eligibility and prioritized based on sufficiency ratings. RGS projects are selected from on-system bridges on a cost-benefit index rating, and BMIP projects are selected based on identified bridge maintenance/improvement needs to aid in ensuring the management and safety of the state's bridge assets. The TTC allocates funds through the Statewide Allocation Program.

Category 7: Metropolitan Mobility & Rehabilitation

This includes projects which address transportation needs within the boundaries of metropolitan planning areas of MPOs, but specifically located in a transportation management area (TMA). Projects are selected by MPOs operating in TMAs, with guidance from TxDOT. The TTC allocates funds through a federal program distributed to MPOs with an urbanized area population of 200,000 or greater (TMA guideline).

Category 8: Safety

These are safety related projects (both on and off the state highway system) including the federal Highway Safety Improvement Program, Railway-Highway Crossing Program, Safety Bond Program, and High-Risk Rural Roads Program. Projects are selected statewide by federally mandated safety indices and a prioritized listing. The TTC allocates funds through the Statewide Allocation Program.



Category 9: Transportation Alternatives Set-Aside Program

Transportation-related activities (as described in the Transportation Alternatives Set-Aside Program); on- and off-road pedestrian and bicycle facilities, and infrastructure projects that aim to improve access/connectivity to public transportation.

Category 10: Supplemental Transportation Projects

Transportation-related projects that do not qualify for funding in other categories, including landscape and aesthetic improvement, erosion control and environmental mitigation, construction and rehabilitation of roadways within or adjacent to state parks, fish hatcheries, and similar facilities, replacement of railroad crossing surfaces, maintenance of railroad signals, construction of replacement of curb ramps for accessibility to pedestrians with disabilities, and miscellaneous federal programs. Coordinated Border Infrastructure Program (CBI) projects are selected by districts with FHWA review and approval. Discretionary funds are congressionally designated. Federal Lands Access Program (FLAP) project applications are scored and ranked by the Programming Decision Committee (PDC). Members of the PDC include a representative from FHWA, TxDOT, and a member from a political subdivision of the state. Projects selected under FLAP are managed by TPP.

Category 11: District Discretionary

This category includes projects eligible for federal or state funding selected at the district engineer's discretion. Projects are selected at the district level. The TTC allocates funds through a formula allocation program. The TTC may supplement the funds allocated to individual districts on a case-by-case basis to cover project cost overruns, as well as energy sector initiatives.

Category 12: Strategic Priority

Projects with specific priority for the state fall within this category. This includes projects that generally promote economic opportunity, increase efficiency on military deployment routes or retain military assets in response to the federal military base realignment and closure reports, and maintain the ability to respond to both manmade and natural emergencies. The TTC selects projects.

Texas State Revenues

Information sourced from the Texas Comptroller notes that there are several different sources of State revenue in Texas, but the three most significant sources are from motor fuels taxes allocations, motor vehicle registration fees, and severance taxes allocations. Along with the



revenue that the State receives from Federal funding sources, the State revenue sources are gathered into the State Highway Fund (SHF).

Potential Local Funding Sources

Any costs not covered by federal and state programs are typically the responsibility of the local governmental jurisdictions. Local funding can come from a variety of sources including property taxes, sales taxes, user fees, special assessments, and impact fees. Local funding is also critical to maintain eligibility for several federal and state funding sources due to the usual requirements for a “local match” – which is typically around 20% of total project costs for federal funding sources.

PROPERTY TAXES

This form of local funding is historically the most prominent source of funding for local governments in the United States (property taxes account for roughly 80% of all local tax revenues).

SALES TAXES

The most common form of the general sales tax is the retail sales tax which is imposed on a wide array of commodities. The rate is typically a uniform percentage of the selling price. In addition to general sales taxes, with voter approval a county or city can levy a local option sales tax, which is a special-purpose tax appended onto a state’s base sales tax rate.

TAX INCREMENT REINVESTMENT ZONES

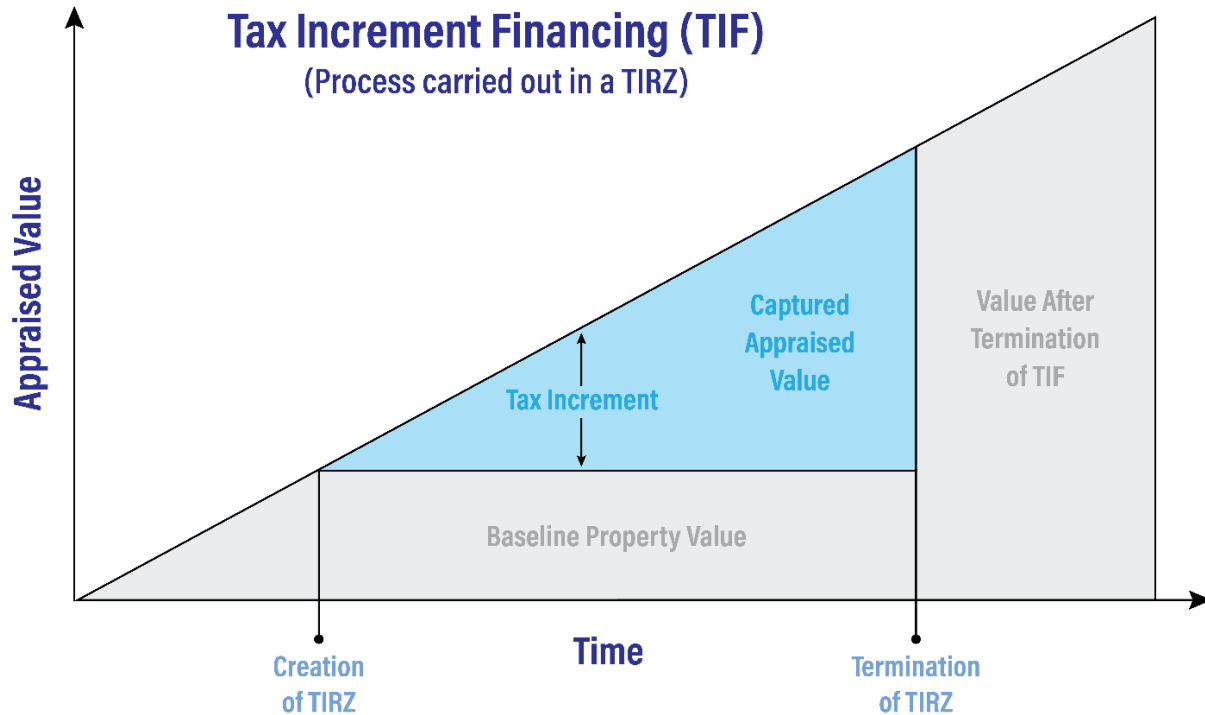
A Tax Increment Reinvestment Zone (TIRZ) is a designated political subdivision within Texas where Tax Increment Financing (TIF) occurs. These zones allow local governments to raise additional revenue to subsidize local projects without directly raising taxes in their jurisdiction. Two TIRZ currently existing in Texarkana, TX and the revenues generated help fund specific improvements, including, but not limited to:

- Pedestrian sidewalks, crossings, and supportive systems.
- Storm sewers, sanitary sewers, and drainage ponds.
- Landscaping and streetscaping.
- Parking lots and roadways.
- Public transportation projects; and

- Bicycle routes and facilities.

Figure 6-1 shows the process of Tax Increment Financing.

FIGURE 6-1: TAX INCREMENT FINANCING PROCESS



USER FEES

User fees are those collected from users of a service or facility. Fees are collected to pay for the cost of said service/facility, finance the cost of operations, and/or generate revenue for other uses. Examples where user fees are implemented include public parks, water and sewer services, transit systems, and solid waste facilities. The theory behind these fees is that those who directly benefit from these public services pay for the costs.

SPECIAL ASSESSMENTS

This refers to a method of generating funds for public improvements where the cost of a public improvement is collected from those who directly benefit from the improvement. A primary example would be new streets being financed by special assessment. Accordingly, the owners of property adjacent to the new streets are assessed a portion of the cost of the facility based on the amount of frontage they own along (in this example) the new roadway.



IMPACT FEES

Development impact fees are widely used amongst states and municipalities within the United States. New developments directly impact traffic increases/traffic volumes on adjacent roadway infrastructure. Development impact fees are a way of attempting to place a portion of the burden of funding improvements on developers who are creating or adding to the need for improvements.

BOND ISSUES

Municipal bonds are issued to raise money to support a variety of public works projects. These bonds are issued by municipal governments upon approval of the voting public and can help fund transportation projects. Property tax and sales tax funds can be utilized on a pay-as-you-go basis to pay off general obligation bonds or the revenues generated from the project can be used to pay off revenue bonds.

Roadway Funding Forecast

To determine the fiscal to be applied to the proposed program of projects in the MTP, an analysis of historically programmed funding was conducted. The project team coordinated with TxDOT and ARDOT for historical funding spent by funding category in order to determine projected funding and acceptable inflation rates for planned projects. Through this coordination an agreed-upon compounded inflation rate of 2% was used to project revenue through the life of the MTP.

Table 6-2 and **Table 6-3** show the total roadway revenue estimated to be available for each stage of the 2045 MTP's plan horizon for the Texas side of the MPO and the Arkansas side of the MPO, respectively. **Table 6-4** shows that the total amount of roadway revenue estimated to be available for the entire Texarkana MPO area is approximately \$750 million.



TABLE 6-2: PROJECTED ROADWAY FUNDING FOR THE TEXAS SIDE OF THE MPO AREA FOR 2020-2045 (IN THOUSANDS)

Category	Implementation Stage (2020-2023)	Short-Term Stage (2024-2029)	Medium-Term Stage (2030-2039)	Long-Term Stage (2040-2045)	Totals
1: Preventative Maintenance & Rehabilitation	\$19,452	\$13,420	\$22,700	\$15,942	\$71,515
2M/2U: Urban Area (Non-TMA) Metropolitan Corridor Projects	\$39,151	\$7,630	\$46,781	\$27,489	\$121,051
3: Non-Traditionally Funded Transportation Projects	--	--	\$2,843	\$1,996	\$4,839
4: Statewide Connectivity Projects	\$80,676	--	\$44,169	\$31,018	\$155,863
5: CMAQ	--	--	--	--	--
6: Structures	\$684	\$3,917	\$3,195	\$2,244	\$10,040
7: STP – Metro Mobility & Rehabilitation	--	--	--	--	--
8: Safety – HSIP	\$2,079	\$7,715	\$12,565	\$8,824	\$31,182
9: TA Set-Aside	--	\$390	\$762	\$535	\$1,687
10: Supplemental Transportation – 9 components	--	--	--	--	--
11: District Discretionary	--	--	\$12,240	\$8,595	\$20,835
12: Strategic Priority	\$20,833	--	\$12,583	\$8,837	\$42,252
Total	\$162,874	\$33,069	\$157,837	\$105,480	\$459,263



TABLE 6-3: PROJECTED ROADWAY FUNDING FOR THE ARKANSAS SIDE OF THE MPO AREA FOR 2020-2045 (IN THOUSANDS)

Category		Implementation Stage (2020-2023)	Short-Term Stage (2024-2029)	Medium-Term Stage (2030-2039)	Long-Term Stage (2040-2045)	Totals
National Highway Performance Program	Pavement Preservation	\$21,299	\$35,285	\$68,976	\$48,439	\$174,000
	Bridge	\$7,316	\$12,119	\$23,691	\$16,637	\$59,763
	System Reliability	\$437	\$725	\$1,416	\$995	\$3,573
Surface Transportation Block Grant	Urbanized Area > 200K	--	--	--	--	--
	STBG Flex, City, Town and CMAQ Flex	\$10,296	\$17,057	\$33,342	\$23,415	\$84,110
	Off-System Bridge	\$309	\$511	\$1,000	\$702	\$2,522
Surface Transportation Block Grant (TA Set-Aside)	Urbanized Area > 200K	--	--	--	--	--
	STBG Flex, City and Town	\$390	\$646	\$1,264	\$887	\$3,188
	Recreational Trails	\$86	\$142	\$278	\$195	\$701
Highway Safety Improvement Plan	\$1,741	\$2,884	\$5,638	\$3,959	\$14,223	
Congestion Mitigation and Air Quality	--	--	--	--	--	
National Highway Freight Program	\$1,655	\$2,742	\$5,360	\$3,764	\$13,522	
Total		\$43,528	\$72,112	\$140,965	\$98,994	\$355,602

TABLE 6-4: TOTAL ESTIMATED MTP ROADWAY FUNDING FOR 2020-2045 (IN THOUSANDS)

Implementation Stage (2020-2023)	Short-Term Stage (2024-2029)	Medium-Term Stage (2030-2039)	Long-Term Stage (2040-2045)	Totals
\$206,403	\$105,183	\$298,803	\$204,475	\$814,865

Transit Funding Sources

The following funding sources were considered when calculating the total amount of transit revenue available for the 2045 MTP.



Federal Funding Sources

[SECTION 5303, 5304, & 5305 PLANNING PROGRAMS](#)

Provides funding and procedural requirements for multimodal transportation planning in metropolitan areas and states. Planning needs to be cooperative, continuous, and comprehensive, resulting in long-range plans and short-range programs reflecting transportation investment priorities.

The Section 5303 Metropolitan Planning and Research Program provides planning funding for MPOs. This funding is formulaic and TxDOT provides the needed local match through TDCs. The States also receive Section 5304 Statewide Planning and Research funding, which is awarded to eligible entities for planning purposes.

[SECTION 5307 URBANIZED AREA FORMULA PROGRAM](#)

Section 5307, the Urbanized Area Formula program (49 U.S.C. 5307) makes federal funding available to urbanized areas for transit capital and operating assistance and for transit-related planning activities. Funding for the formula program is determined based on the level of transit service provision, population, and other factors.

[SECTION 5309 URBANIZED AREA FORMULA PROGRAM](#)

Mass transit discretionary funds for capital projects only. The presence of an identifier number in the project description indicated the transit agency has received the funds requested. Otherwise, the numbers shown in each fiscal year simply reflect needs as perceived by the requesting agencies and operators. Funding is constrained to the FTA's published estimates of future funding levels.

[SECTION 5310 \(ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES\)](#)

The Enhanced Mobility program provides formula funding to assist in meeting the transportation needs of the elderly and persons with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs. The purpose of this program is to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit dependent populations beyond traditional public transportation services and paratransit services. Funds from the 5310 program can be used for both capital improvements and operating expenses. However, at least 55% of program funds must be used on capital projects that are public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities.



when public transportation is insufficient, inappropriate, or unavailable. The remaining 45% of program funds may be used for the following:

- Public transportation projects that exceed the requirements of the Americans with Disabilities Act (ADA);
- Public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit; and
- Alternatives to public transportation that assist seniors and individuals with disabilities.

Funds are apportioned for urbanized and rural areas based on the number of seniors and individuals with disabilities. The federal share for capital projects (including acquisition of public transportation services) is 80%; the federal share for operating assistance is 50%.

[SECTION 5311 \(FORMULA GRANTS FOR RURAL AREAS\)](#)

This formula-based program (49 U.S.C. 5311) provides states and tribal governments with funding for administration, capital, planning, and operating assistance to support public transportation in rural areas, defined as areas with fewer than 50,000 residents. There are set asides within this program for the Intercity Bus Program, the Rural Transit Assistance Program (RTAP), Public Transportation on Indian Reservations, and the Appalachian Development Public Transportation Program.

[SECTION 5316 \(FORMULA GRANTS FOR RURAL AREAS\)](#)

Funds projects that provide work transportation or transportation to support services such as training, job search and childcare.

[SECTION 5317 \(FORMULA GRANTS FOR RURAL AREAS\)](#)

Provides funds for projects that provide new public transportation services and public transportation alternatives beyond those currently required by the ADA. ARDOT is responsible for ensuring consistency between the preparation of FTA-mandated coordinated, regional, public transit-human service plans and applicable metropolitan or statewide transportation planning processes.

[SECTION 5329 \(FORMULA GRANTS FOR RURAL AREAS\)](#)

To implement and maintain a national public transportation safety program to improve the safety of all public transportation systems that receive federal funding. The safety program



includes a national public transportation safety plan, a safety certification training program, a public transportation agency safety plan, and a state safety oversight program.

INTERCITY BUS

As part of the Section 5311 program, Federal law requires a State to set aside at least 15% of its Federal Transit Administration (FTA) rural program funding to support intercity bus services, unless intercity bus service needs have been met.

SECTION 5339 (BUS AND BUS FACILITIES)

This formula-based program (49 U.S.C. 5339) provides capital funding to states and designated recipients to replace, rehabilitate, and purchase buses, vans, and related equipment, and to construct bus-related facilities.

The Grants for Buses and Bus Facilities program makes Federal resources available to States and designated recipients to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and competitive grants. A sub-program provides competitive grants for bus and bus facility projects that support low and zero-emission vehicles.

TRANSPORTATION DEVELOPMENT CREDITS (TDCs)

In Texas, the Public Transportation Program is authorized by the Texas Transportation Commission to use up to \$15 million in TDCs to help provide the required non-Federal match for FTA programs. These TDCs can be combined with FTA funding and awarded to eligible public transportation providers or awarded to eligible recipients who receive Federal funding directly from FTA.

TA SET-ASIDE PROGRAM

This program provides opportunities to expand transportation choices and enhance alternative transportation infrastructure. Each State DOT reviews FHWA's guidance and develops rules to administer their TA Set-Aside Program according to that State's priorities.

Other FTA Formulary and Competitive Funding Programs

There are several other FTA grant programs with funding available. Most of these grant programs are focused on fixed guideway systems or on temporary assistance.



[SECTION 5309 \(CAPITAL INVESTMENT GRANTS\)](#)

The Capital Investment Grant (CIG) Section 5309 program is a discretionary grant program for funding major transit capital investments. This includes heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. By law, projects seeking CIG funding must complete a series of steps over several years to be eligible for funding. New Starts and Core Capacity projects are required by law to complete the Project Development and Engineering phases in advance of receipt of a construction grant agreement. Small Starts projects are required by law to complete the Project Development phase in advance of receipt of a construction grant agreement. By law FTA rates projects at various points in the process, evaluating project justification and local financial commitment according to statutory criteria. FTA provides policy guidance on the CIG process and the evaluation criteria on their website.

[FLEXIBLE FEDERAL FUNDING SOURCES](#)

Funding from the NHPP, the STBG, and TA Set-Aside can be “flexed” to transit projects, with certain eligibility restrictions depending on the funding source.

Other Funding Sources

[CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY \(CARES\) ACT](#)

The CARES Act provides emergency assistance and health care response for individuals, families and businesses affected by the COVID-19 pandemic and provide emergency appropriations to support Executive Branch agency operations during the COVID-19 pandemic.

[CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT OF 2021](#)

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Acts of 2021 (CRRSAA) provides \$14 billion to support the transit industry in response to COVID-19. It allocates supplemental funding for the Enhanced Mobility of Seniors & Individuals with Disabilities Program (Section 5310).

[ARKANSAS STATE TRANSIT TRUST FUND](#)

In 2001, the Arkansas State Senate passed a bill that dedicated the first \$2.85 million from the rental vehicle tax to be deposited in the Arkansas Public Transit Trust Fund. The funds are distributed to nonurban, urbanized, and human service transit providers for both operating and capital assistance.



LOCAL REVENUE

Local revenue is derived primarily from user fees in the form of bus fares and coupon pass sales, but also comes from advertising, contract services, and other miscellaneous revenue sources.

Transit Funding Forecast

The amount of funding estimated to be available for projects in the Texarkana MPO area between 2020 to 2045 are listed for each category in the following section. These estimates were generated from historical funding data and were extrapolated to complete the funding forecast for the duration of the MTP.

Table 6-5 shows the total transit revenue estimated to be available for all MTP stages from all sources.

TABLE 6-5: TOTAL ESTIMATED MTP TRANSIT FUNDING FOR 2020-2045 (IN THOUSANDS)

Category	Implementation Stage (2020-2023)	Short-Term Stage (2024-2029)	Medium-Term Stage (2030-2039)	Long-Term Stage (2040-2045)	Totals
5307 Operating Assistance	\$4,468	\$7,357	\$14,382	\$10,100	\$36,307
Capital – Preventative Maintenance	\$1,295	\$2,114	\$4,962	\$2,902	\$11,273
Capital – Paratransit	\$501	\$824	\$1,933	\$1,131	\$4,388
Capital – Planning	\$386	\$630	\$1,479	\$865	\$3,360
Capital – Rolling Stock/Support Equipment	\$153	\$249	\$585	\$342	\$1,330
Total	\$6,802	\$11,174	\$23,342	\$15,340	\$56,658

Estimating Project Costs

As mentioned in Chapter 1, project sponsors provided estimated total costs for projects submitted through the 2045 Call for Projects. Projects that were carried over from previous plans, including the 2040 Texarkana MTP and the TRATMP already included estimated total costs. In combination with the results from the project prioritization process, project costs were used to derive a constrained program of projects based on the estimated available funding and priority of each project. **Table 6-6** and **Table 6-7** show the total estimated project costs for the



2045 Texarkana MTP constrained program of projects for each state. **Table 6-8** shows the total costs for all illustrative projects.

TABLE 6-6: TOTAL MTP CONSTRAINED TOTAL PROJECT COSTS FOR THE TEXAS SIDE OF THE MPO AREA (IN THOUSANDS)

Stage	Roadway	Transit	Totals
Implementation (2020-2023)	\$183,718	\$4,505	\$188,223
Short-Term Stage (2024-2029)	\$25,415	\$7,355	\$32,770
Medium-Term Stage (2030-2039)	\$143,830	\$14,377	\$158,207
Long-Term Stage (2040-2045)	\$80,545	\$10,096	\$90,641
Total	\$433,508	\$36,333	\$469,841

TABLE 6-7: TOTAL 2045 MTP CONSTRAINED TOTAL PROJECT COSTS FOR THE ARKANSAS SIDE OF THE MPO AREA (IN THOUSANDS)

Stage	Roadway	Transit	Totals
Implementation (2020-2023)	\$23,475	\$2,298	\$25,773
Short-Term Stage (2024-2029)	\$51,409	\$3,820	\$55,229
Medium-Term Stage (2030-2039)	\$120,388	\$7,467	\$127,855
Long-Term Stage (2040-2045)	\$23,690	\$5,244	\$28,934
Total	\$218,962	\$18,828	\$237,791



TABLE 6-8: 2045 MTP TOTAL PROJECT COSTS FOR ILLUSTRATIVE/UNFUNDED PROJECTS (IN THOUSANDS)

Category	TX Costs	AR Costs	Joint TX-AR Costs
Locally Funded – Regionally Significant	\$21,699	\$636	--
Not Funded – Illustrative Highway	\$426,000	\$72,391	\$11,842
Not Funded – Illustrative Active Transportation	\$19,618	\$3,713	\$2,170
Total	\$467,317	\$76,740	\$14,012

Fiscal Constraint Summary

Table 6-9 and **Table 6-10** show the constrained estimated costs in comparison with the estimated funding available from 2020 to 2045 for each state.

TABLE 6-9: 2045 MTP CONSTRAINED FISCAL SUMMARY FOR THE TEXAS SIDE OF THE MPO AREA (IN THOUSANDS)

	Funding	Costs
Roadway	\$459,263	\$469,841
Transit	\$36,385	\$36,333
Total	\$495,648	\$506,174

TABLE 6-10: 2045 MTP CONSTRAINED FISCAL SUMMARY FOR THE ARKANSAS SIDE OF THE MPO AREA (IN THOUSANDS)

	Funding	Costs
Roadway	\$355,602	\$218,962
Transit	\$19,368	\$18,829
Total	\$374,970	\$237,791