

TEXAS DEPARTMENT OF TRANSPORTATION 2025-2026 EDUCATIONAL SERIES

FEDERAL GOVERNMENT

- Infrastructure Investment and Jobs Act (IIJA)
- Highways and Bridges
- Vulnerable Road Users
- Corridor Designations
- Transit
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Texas Department of Transportation (TxDOT): Public website offering information and resources for drivers, businesses, government officials, and anyone interested in learning about TxDOT.



TxDOT 2025-2026 Educational Series: Focuses on key transportation issues affecting TxDOT and Texas.





FEDERAL GOVERNMENT

The Federal-Aid Highway Program, created in 1917 and implemented by the Federal Highway Administration (FHWA) authorized federal funding to states and local governments for the national highway system's improvement and operations. In response, states began forming departments of transportation to administer these federal funds. In Texas, federal-aid funds from the Federal Highway Administration constitute an important component and source of approximately 30 percent of the state's current funding for transportation projects and programs.

To incorporate new policies and priorities into the federal transportation program, as created under the Federal-Aid Highway Program, the United States Congress (Congress) regularly votes on highway authorization acts, typically in five-year intervals. The Infrastructure Investment and Jobs Act (IIJA) was the most recent federal highway reauthorization. In some cases, these acts result in significant changes to the program's focus and complexity. Federal-aid transportation programs are subject to administrative and legislative processes that increasingly affect their reliability and predictability as a funding source for states and localities. The U.S. Department of Transportation and Congress maintain primary influence over the availability and flexibility of federal transportation funds. These two entities control and shape the federal-aid highway and transit programs through the reauthorization of programs and funding sources; the creation, administration, and funding of discretionary grant programs; and the annual budget and appropriations processes. In each case, USDOT and Congress determine if, when, and how states and localities access federal transportation funds.

In addition to state-administrated motor fuel taxes, the federal government collects federal motor fuel taxes through states (18.4 cents for gasoline and 24.4 cents for diesel). Federal motor fuel taxes from all states are collected and pooled in the federal Highway Trust Fund, then dedicated to federal-aid highway and transit programs. In recent years, the federal government has experienced an increasing shortfall between federal motor fuels tax revenue collections deposited into the Highway Trust Fund and spending levels coming out of the Highway Trust Fund as Congress directed more dollars to states than the federal motor fuels tax provides. To address this shortfall, Congress-directed revenue from the General Fund of the United States Treasury to the Highway Trust Fund. For example, the enactment of the Infrastructure Investment and Jobs Act in 2021 authorized a \$90 billion transfer from the General Fund to the Highway Trust Fund to subsidize the federal transportation program.

Highway Trust Fund dollars are distributed to states by contract authority, primarily through highway and transit formulas and discretionary allocations. Federal-aid program formulas offer the most stable and reliable mechanism for distributing these funds. States and local entities rely on this predictability to make transportation planning decisions. Formula programs occasionally change, requiring state and local transportation officials to adjust their programming and processes to comply with updated federal rules.

INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)

The 2021 Infrastructure Investment and Jobs Act includes the nation's standard surface transportation reauthorization bill, which governs highways, transit, freight, and railroads; these programs will be discussed below. Other federal transportation funding and programs, such as those administered by the Federal Aviation Administration and United States Maritime Administration, are governed by other congressional acts outside of the surface transportation bill and will be discussed later in this document.

TxDOT is set to receive over \$29 billion from fiscal years 2022-2026, as authorized by the Infrastructure Investment and Jobs Act, which includes funding for highways, bridges, active transportation facilities, transit, aviation, electric vehicle charging stations, and ferry boat operations. This funding represents a 29 percent increase in federal funding from the previous surface transportation bill but only a six percent increase in TxDOT's overall budget authority.



HIGHWAYS AND BRIDGES

In addition to continuing, long-standing federal highway programs for highway construction and maintenance, Metropolitan Planning Organizations, and safety programs, the Infrastructure Investment and Jobs Act created four new formula programs:

PROMOTING RESILIENT OPERATIONS FOR TRANSFORMATIVE, EFFICIENT, AND COST-SAVING TRANSPORTATION (PROTECT) FORMULA PROGRAM

The Infrastructure Investment and Jobs Act provides funding for states and localities to implement measures to mitigate the risks posed by natural disasters such as hurricanes, floods, and wildfires, through a formula program known as the Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) program. This may include the construction of flood barriers, seawalls, and other protective structures, and measures to protect highways and other infrastructure from landslides and other natural hazards. Texas is expected to receive \$729 million in PROTECT formula funds from 2022-2026.

CARBON REDUCTION PROGRAM

The Carbon Reduction Program provides funds to reduce transportation emissions or the development of carbon reduction strategies (including truck parking, and hike and bike trails). Under the Carbon Reduction Program, states must also develop carbon reduction strategies in consultation with Metropolitan Planning Organizations to identify projects and strategies tailored to reduce carbon dioxide emissions in their states; however, they can begin using these formula funds before the plan's approval. Texas is expected to receive \$641 million in Carbon Reduction Program dollars from 2022-2026.

BRIDGE FORMULA PROGRAM

The Infrastructure Investment and Jobs Act includes a new Bridge Formula Program to prioritize funding for bridges that are listed in poor condition, structurally deficient, or functionally obsolete. Texas will receive an estimated \$537 million, from 2022-2026, to address critical bridge infrastructure and help Texas repair and upgrade bridges that need maintenance or replacement.

NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE (NEVI) FORMULA PROGRAM

The National Electric Vehicle Infrastructure Program (NEVI) provides funding for states to deploy electric vehicle (EV) charging infrastructure along interstates and public roads, with the goal of establishing an interconnected network across the state and nation. The Infrastructure Investment and Jobs Act requires that states submit an "EV Infrastructure Deployment Plan" that outlines how they intend to use apportioned NEVI funds to deploy a statewide EV charging infrastructure. TxDOT's plan was approved on September 27, 2022. For fiscal years 2022-2026, Texas will receive an estimated \$408 million.



VULNERABLE ROAD USERS

The Infrastructure Investment and Jobs Act established a new special rule for vulnerable road user safety. Vulnerable road users include motorcyclists, pedestrians, and pedal cyclists who face an increased risk of fatality in a motor vehicle crash. The Vulnerable Road Users Safety Special Rule reflects an increased emphasis on non-motorist safety that includes a new obligation for states to conduct Vulnerable Road User Safety Assessments. According to the special rule, if the number of traffic fatalities for vulnerable road users is at least 15 percent of the total state fatalities in one year, the special rule will apply, and that state will be required to obligate at least 15 percent of the funds provided through the Highway Safety Improvement Program in the following fiscal year for program projects that address vulnerable road user safety.

The Federal Highway Administration uses data from the Fatality Analysis Reporting System (FARS) to determine if the special rule applies and to alert states of that determination every year. The Vulnerable Road User Safety Special Rule, per Federal Highway Administration's determination, has applied to Texas for fiscal years 2023-2025.

CORRIDOR DESIGNATIONS

Interstate 14 - Language in the Infrastructure Investment and Jobs Act officially designates Interstate 14 as a corridor across Texas, Louisiana, Mississippi, Alabama, and Georgia. The designation stretches from Odessa, Texas, to Augusta, Georgia. The interstate would provide for more efficient freight movement and provide additional roadway capacity between Interstates 10 and 20.

The Ports-to-Plains Corridor, Interstate 27 - Language was included in the Consolidated Appropriations Act of fiscal year 2022 which designated the Texas and New Mexico portions of the Ports-to-Plains Corridor as a future interstate. On March 22, 2024, legislation was enacted to designate this future interstate as Interstate 27. The 963-mile corridor spans 26 Texas counties and includes portions of:

- I-20, I-27, I-35;
- US 83, US 87, US 277, US 287, US 83, US 277; and
- SH 158, SH 349.

AVIATION

Almost all aviation programs at the federal level are administered by the Federal Aviation Administration (FAA) which controls the nation's airspace and is responsible for air traffic.

However, Texas is one of only ten block grant states that assumes the administration of the Federal Aviation Administration's Airport Improvement Program to Texas' federally recognized general aviation airports, including non-primary reliever airports. Each block grant state must comply with Airport Improvement Program guidelines and are responsible for determining which airports will receive funds for ongoing project administration, repairs, upgrades, and construction. Primary system airports are not part of the Federal Aviation Administration's block grant program and their funds come directly from the Federal Aviation Administration without TxDOT involvement. These airports are mostly airports that provide commercial or cargo flight services, such as George Bush Intercontinental Airport, El Paso International Airport, Dallas Love Field Airport, Rick Husband Amarillo International Airport, and Fort Worth Alliance Airport.

As a block grant state, TxDOT prepares and the Texas Transportation Commission reviews and approves federal grant funds for more than 180 eligible Texas airports. In 2024, Congress enacted legislation to reauthorize the Federal Aviation Administration through fiscal year 2028. The bill included several reforms important to TxDOT's support of general aviation airports, including: (1) defining the roles and responsibilities of Block Grant States; (2) providing funds to Block Grant States to administer Airport Improvement Grants included in the Infrastructure Investment and Jobs Act; and (3) increasing Airport Improvement Program funding and the apportionment for general aviation airports. TxDOT continues to work with other block grant states and industry partners to ensure the Federal Aviation Administration implements the bill in accordance with the law.

Another Federal Aviation Administration program important to the Texas aviation community is the Federal Contract Tower Program. Since its inception more than 30 years ago, the Federal Contract Tower Program has been successful in providing low-cost air traffic control facilities and personnel at airports that otherwise would not have received these services. Federal Contract Towers increase the level of safety at these airports for pilots and the surrounding local communities.

TRANSIT

TxDOT provides financial, technical, and coordination assistance to the state's rural and small urban public transit providers, as well as to TxDOT's Bicycle/Pedestrian and State Safety Oversight programs. The Infrastructure Investment and Jobs Act continues, and in many cases, increases funding for grant programs TxDOT administers to these transit providers. These grants include the Urbanized Area Formula Grant Program (Section 5307) and the Bus and Bus Facilities Program (Section 5339), comprised of both formula and competitive grant programs. Under the IIJA, certain components of these programs have been adjusted. For example, the Infrastructure Investment and Jobs Act requires Section 5307 recipients that serve urbanized areas with populations of 200,000 or more to allocate at least 0.75% of their funds to safety-related projects. Additionally, some applicants are now required to submit a zero-emission "fleet transition plan" for competitive grants.

The Federal Transit Administration's Section 5339 Buses and Bus Facilities grant program, provides funds through formula allocations and competitive grants to states, designated recipients, and local governments that run fixed-route bus operations to restore, mend, and procure buses and related equipment and to build bus-related facilities.

RAIL

The Infrastructure Investment and Jobs Act includes significant funding increases for rail programs. Amtrak, the national passenger intercity railroad company of the United States received its largest increase of over \$66 billion to enhance and grow its services. In addition, the Federal Railroad Administration provided funding that allows states to study potential new corridors to determine if they could benefit from passenger rail. Texas entities, including TxDOT, have been awarded a total of five grants under the Corridor Identification and Development Program to study passenger rail service throughout the state.

In addition to passenger rail funding, the Infrastructure Investment and Jobs Act significantly increases funding for safety at rail crossings. Texas is set to receive \$104 million to improve rail crossing safety. This program supports projects such as the installation of warning signals, gates, and other safety devices, as well as the closure of unnecessary crossings. Texas entities, including TxDOT, have been awarded five grants under the competitive discretionary Railroad Crossing Elimination Grant Program to improve grade crossing safety across the state.

MARITIME

In 2014, the United States Congress passed the Water Resources Reform and Development Act (WRRDA), of 2014. WRRDA included reforms to United States Army Corps of Engineers' (Corps) programs and instituted streamlining provisions to certain agency processes. The most significant of these changes for Texas ports and waterways is a targeted increase in expenditures from the Harbor Maintenance Trust Fund. Further reforms were made to the Harbor Maintenance Trust Fund in the Water Resources and Development Act (WRDA) of 2020, including a provision to ensure that 100 percent of Harbor Maintenance Trust Fund receipts are dedicated to navigation projects as originally conceived.

Water resources bills enacted since 2000 have authorized the Corps to carry out several projects of interest to Texas, including authorization of the following:

- Cedar Bayou Channel Improvement Project (reauthorized in 2000, and modified in 2007)
- Corpus Christi Ship Channel Improvement Project (reauthorized in 2014)
- Sabine Neches Waterway Channel Improvement Project (2014)

- Freeport Harbor Channel Improvement Project (2014)
- Brazos Island Harbor Channel Improvement Project (2016)
- Galveston Harbor Channel Extension Project (2018)
- Houston Ship Channel Expansion Project (2020)
- Matagorda Ship Channel Improvement Project (2020)
- Gulf Intracoastal Waterway (GIWW) Brazos River Floodgates and Colorado River Locks (2020)

In December 2024, Congress passed the Water Resources Development Act of 2024; the bill was signed into law by President Biden in January 2025.

WRDA 2024 contained several provisions that will benefit Texas including:

- Authorization of \$322.8 million for restoring a barrier system to improve navigation and storm damage resilience in the Gulf Intracoastal Waterway in Texas, which is exclusively federally funded through annual appropriations and the Inland Waterways Trust Fund that's financed by fuel-taxed waterways.
- Authorization of a new feasibility study for a navigation project (of which TxDOT would be the "non-federal sponsor") in Galveston Bay.
- Modifying the depth at which federal ports and harbors projects can receive federal assistance for construction and operation and maintenance to 55 feet.
- Mandating that the U.S. Army Corps of Engineers, to the maximum extent practicable, expedite completion of a project for navigation, Gulf Intracoastal Waterway, Brazos River Floodgates and Colorado River Locks authorized by section 401(1) of the Water Resources Development Act of 2020 (134 Stat. 2734)

Infrastructure Investment and Jobs Act funding for major maritime-related discretionary grant programs over five years include:

1. The Port Infrastructure Development Program: \$2.25 billion
2. America's Marine Highway Program: \$25 million
3. Reduction of Truck Emissions at Ports: \$250 million

Additional funds were provided for these programs in the fiscal year 2022 and 2023 Consolidated Appropriations Acts. The Infrastructure Investment and Jobs Act also

provides \$14.7 million to accomplish work to maintain the Gulf Intracoastal Waterway, which spans from Carrabelle, Florida, to Brownsville, Texas. Eligible projects include mining placement areas to assist with barrier island reconstruction, beneficial use sites, and repair of erosion protection measures.

- Bus and Bus Facilities Infrastructure Investment Program
- Corridor Identification and Development Program
- PROTECT Grant Program
- Wildlife Crossing Pilot Program
- Active Transportation Infrastructure Investment Program
- Advanced Digital Construction Management Systems Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program

In addition to submitting grant applications, TxDOT works with local transportation stakeholders to support applications that benefit projects in their communities. Since the passage of the Infrastructure Investment and Jobs Act and as of January 2025, TxDOT has supported over 160 grant applications submitted by cities, counties, Metropolitan Planning Organizations, and other entities.



FEDERAL DISCRETIONARY GRANTS

Since 2010, Congress has regularly directed funding for federal discretionary competitive grant programs. Under the Infrastructure Investment and Jobs Act, the number and scope of these grant opportunities significantly increased. These programs provide discretion to USDOT to solicit applications and award funds to public entities that demonstrate alignment with the overarching goals of a given program.

The current grant programs for which TxDOT has applied since the Infrastructure Investment and Jobs Act's enactment include:

- Better Utilizing Investments to Leverage Development (BUILD) Grant Program
- Nationally Significant Multimodal Freight and Highway Projects (INFRA)
- National Infrastructure Project Assistance Program (MEGA)
- Rural Surface Transportation Grant Program (RURAL)
- Bridge Investment Program
- The Consolidated Rail Infrastructure and Safety Improvement Grants Program (CRISI)
- Railroad Crossing Elimination Grant Program



FEDERAL DISCRETIONARY GRANTS

<https://www.txdot.gov/about/legislative-resources/federal-grants.html>



MISSION

Connecting you with Texas.

VISION

A forward thinking leader delivering mobility, enabling economic opportunity, and enhancing quality of life for all Texans.



VALUES

People

People are the Department's most important customer, asset, and resource. The well-being, safety, and quality of life for Texans and the traveling public are of the utmost concern to the Department. We focus on relationship building, customer service, and partnerships.

Accountability

We accept responsibility for our actions and promote open communication and transparency at all times.

Trust

We strive to earn and maintain confidence through reliable and ethical decision-making.

Honesty

We conduct ourselves with the highest degree of integrity, respect, and truthfulness.



PRIORITIES

Safety

Design, build, operate, and maintain our transportation system with safety as our #1 priority.

Delivery

Responsible program execution throughout the transportation life cycle (planning, design, construction, maintenance, and operations).

Innovation

Forward-thinking, technology-focused, fostering a culture of continuous improvement.

Stewardship

Professional, responsible stewards of resources.

