



Off-System Rail Grade Separation State Fund Program

Frequently Asked Questions during the Program Webinar

TxDOT Rail Division

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Contents

Introduction.....	1
Frequently Asked Questions and Responses	1
General Questions	1
Eligible Project Sponsors	1
Project Eligibility	2
Use of Federal Funding towards the non-state match	2
Railroad Financial Participation	3
Application and Evaluation Processes	3
Project Award	5
Project Letting	6

Introduction

Senate Bill 1555 (89th Texas State Legislature) established the Texas Off-System Rail Grade Separation State Fund Program, authorized under Transportation Code § 471.010. This program provides financial assistance to eligible governmental entities in Texas for rail grade separation projects that are off system to improve public safety, support economic development, and reduce traffic congestion. Funding is available for project development and construction of projects that eliminate one or more existing adjacent at-grade rail-highway crossings or provide a grade-separated pedestrian-rail crossing.

On October 28, 2025, the Texas Department of Transportation (TxDOT), Rail Division, hosted a virtual workshop. The purpose of the workshop was to provide project sponsors guidance on eligibility and the application process. This document lists the questions that were received during the workshop and responses. Additional information on these questions can be found in the program guide at <https://www.txdot.gov/content/dam/docs/division/rrd/program-guide-10-24-25-final.pdf>

Frequently Asked Questions and Responses

General Questions

1. Will the presentation be sent out after the meeting?

Answer: The presentation will be uploaded to the TxDOT website.

2. Is the application portal on the TxDOT website?

Answer: The application portal will be on the TxDOT website. It will be activated on November 3, 2025 date when the preliminary application window opens.

3. How does TxDOT define rural?

Answer: For this grant program, rural is defined as the areas outside of the 2020 US Census designated "Urbanized Areas".

Eligible Project Sponsors

4. Will you define eligible sponsors?

Answer: The project sponsor must be the political subdivision of the state (e.g., counties, cities, special districts, and school districts) that has jurisdiction over the project's location, authority to undertake the project, and authority to enter into an agreement with TxDOT.

5. Are regional mobility authorities eligible applicants?

Answer: A regional mobility authority is a political subdivision of the state that is statutorily enabled to acquire a transportation project. A regional mobility authority with jurisdiction over the project's location is eligible to request funding under the program.

6. I noticed that transit agencies are not listed in the dropdown for the project sponsor - are transit agencies accepted sponsors for projects?

Answer: No, transit agencies are not eligible sponsors for this program. The project sponsor must be the political subdivision of the state (e.g., counties, cities, special districts, and school districts) that has jurisdiction over the project's location, authority to undertake the project, and authority to enter into an agreement with TxDOT.

7. Must the project sponsor be the local government "owner" of the roadway being grade separated?

Answer: Yes. The project sponsor must be the political subdivision of the state (e.g., counties, cities, special districts, and school districts) that has jurisdiction over the project's location, authority to undertake the project, and authority to enter into an agreement with TxDOT.

Project Eligibility

8. If the off-system roadway to be grade separated connects to (or may also be grade separated itself over/under) an on-system roadway...does that impact project eligibility?

Answer: It does not affect project eligibility as the project the sponsor is applying for funding is an off-system roadway that is being grade separated.

9. Can it be a project that parallels a TxDOT roadway but doesn't grade separate over it?

Answer: Yes. A project can run parallel to a TxDOT roadway so long as it eliminates at least one existing at-grade rail-highway crossing and provides a grade separate rail-highway crossing or provides a grade separated pedestrian-rail crossing.

Use of Federal Funding towards the non-state match

10. Can Federal funds (Surface Transportation Block Grant and/or other formula/discretionary grant funds) be used for part or all of the non-state match?

Answer: Federal funding is eligible as a non-state match, under the following conditions:

1. the funding is for the same project (both scope and project development phase) being requested.
2. The funding has been awarded to this project and is programmed for fiscal years 2026-2028
3. The federal funding agency will allow TxDOT to deliver the project on behalf of the sponsor (this must be stipulated in the federal grant agreement for the project).
4. The sponsor is able to outlay the federal portion of the project using their own funding in order to prepay TxDOT as defined in the program rules. The sponsor will seek reimbursement from the federal partner as the project is delivered and is in charge of coordinating deliverables with the federal partner as stipulated in their grant agreement.

Railroad Financial Participation

11. Is there a minimum participation level of the railroad required?

Answer: The participating railroad must share in the project cost in accordance with 23 C.F.R. §646.210 and may count toward the overall non-state funding match requirement. For state-only funded projects, railroad cost participation will be sought through negotiated agreements and TxDOT program policy; the cost share resulting from such agreements may also count toward the overall non-state funding match requirement.

12. Is the 5% RR contribution in addition to the 10% non-state match?

Answer: No. A railroad's financial contribution is not in addition to the minimum non-state match. It is applied to the non-state funding match as it is a source other than state funding.

13. Confirming that the railroad in our jurisdiction will be responsible for 5% of project cost? Does this funding include all cost associated with the project? Engineering, Administration, Testing, Land Acquisition?

Answer: The railroad's share of the project cost is required in accordance with 23 C.F.R. §646.210. This cost share may count as part of the overall non-state funding match requirement.

Application and Evaluation Processes

14. Can a consultant submit on behalf of an entity/sponsor?

Answer: No. The project sponsor must submit the nomination in the department's prescribed form; a consultant may prepare materials, but the sponsor must submit.

15. Are we able to save a draft /progress of this online application?

Answer: Yes, the online application has that functionality.

16. Will the DOT crossing number link to information on that crossing, such as vehicle crossings, number of trains, crashes, etc.?

Answer: Yes. That information is available through the online application.

17. Would a resolution from the submitting entity (City Council, Commissioners Court, etc.) be required to include within the detailed application package?

Answer: A resolution is not required as part of the detailed application package; however, you are welcome to submit documentation of community support, such as a resolution, as part of your application. The "Community Support & Planning" criterion has a weight of 18%.

18. Planning, Design and Construction are all eligible. Do these need to be separate applications or could Design & Construction be combined?

Answer: Applications are project based and should include all needed phases within the same application.

19. What do you recommend in regard to metropolitan areas or regions bundling projects so we're not competing against each other?

Answer: Each application must constitute a logical, self-contained unit of work that can be constructed as an independent project.

20. Does the preliminary application require the letter from the railroad?

Answer: The preliminary application does not require a letter of support or letter of funding commitment from the railroad.

21. Will you have to have an agreement with a railroad for the 5% for the preliminary application? That's a fast turnaround for something that would require negotiation.

Answer: No, you will not need an agreement with the railroad to submit the preliminary application.

22. What happens if the railroad just doesn't respond in time for the preliminary application?

Answer: The preliminary application does not require a letter of support or letter of funding commitment from the railroad. If a project sponsor sent a letter or correspondence to the railroad, you can upload a copy of that in your application.

23. How much weight do letters of support from stakeholders carry?

Answer: The "Community Support & Planning" criterion has a weight of 18%. This includes both letters of support along with documentation that the project is present in local/regional/state planning documents. See evaluation criteria in the program guide.

24. Is there greater weight for construction projects vs. planning/feasibility studies? Was the intent of the program to focus mostly on construction or will distinct phases of projects be allowed? planning only? design only?

Answer: For this program, greater weight may be given to projects that are ready for construction, since the program's primary intent is to eliminate at-grade crossings and improve safety. TxDOT's Executive Director may eliminate all or a part of a project from participation in the Program if construction has not been initiated within three years after Commission approval of the project.

25. Can you clarify the relative weights used for economic development, traffic reduction, and safety improvements?

Answer:

Table 3: Criteria Weights

Criteria Category	Criteria Category Weights
Public Safety	18%
Traffic Reduction	18%
Economic Development	18%
Project Readiness	18%
Community Support & Planning	18%
Non-state Match	5%
Transformational Elements	5%

26. What if the project addresses both pedestrian separation and road separation?

Answer: The Project Selection Committee would weigh the merits of that project in its evaluation process along with the other information submitted in the sponsor's application.

27. The likely State participation is the reasoning the Program Guide (pg. 5) asks applicants to add a 15% administrative fee to the estimated project cost...is that correct?

Answer: As noted in the Program Guide, projects selected by the Commission must include up to a 15 percent TxDOT administrative fee (based on the total estimated project cost) to cover the department's direct costs for administration and oversight. Applicants are required to include this fee in their grant request budget so that the total project cost, including the administrative fee, is reflected at the time of application. The fee will also be carried forward into the grant agreement.

Project Award

28. Did I hear correctly that only \$40 million will be allocated in grant funds in the first year?

Answer: No. The workshop host was stating that \$40 million was the likely average project cost.

29. Will partial awards be made? For example, if a proposed project is submitted but insufficient state funding exists for the full request, is there a possibility of a partial award to cover specific components, such as planning or design?

Answer: To be determined. Awards are at the discretion of the Texas Transportation Commission and the intent of this grant program is to select projects where construction can begin within three years after the grant award. This question can be further evaluated during the final review process.

30. Are there time restrictions on the funds, i.e., must the project be let within a certain period after award?

Answer: The TAC rules associated with this program do not specify when a project must be let within a certain period after award; however, under the TAC rules, the TxDOT's Executive

Director may eliminate all or a part of a project from participation in the Program if construction has not been initiated within three years after Commission approval of the project.

31. Will this be a recurring annual call for projects, or is this a one-time opportunity?

Answer: Unknown. The Texas Legislature allocated \$250 million for the program in the current biennium. The program is designed to be a recurring, biennial grant program if new allocations are provided.

32. What is the term limit for when the grant funds must be spent?

Answer: State appropriations generally must be spent within 5 years or seek extensions. The TAC rules for this program provide that the executive director may choose to eliminate all or a part of a project from participation in the program if construction has not been initiated within three years after the date that the project was approved by the commission.

Project Letting

33. Will the project be local-let or State-let?

Answer: The project will be State-let. TxDOT will lead the design and construction letting (advertisement for bids and contract management), provide oversight of project development, plan review, and construction, and incur direct state costs associated with these activities. TxDOT will work with project sponsors to estimate the time required to have the project ready for letting, which will be used to establish the year for construction letting.

34. Will TxDOT be selecting the design firm for the improvements, or will the project sponsor be selecting the design firm? If the second is true, can that cost be used as part of the match?

Answer: TxDOT will select a consultant firm to design and support the project development process. The project sponsor would not select the consultant.

35. Is there a list of TxDOT approved/recommended Engineers/Professional Design consultants that you could share for conducting the detailed engineering/design process?

Answer: Yes, TxDOT maintains a list of pre-certified engineering and professional design consultants who are eligible to perform detailed engineering and design work on transportation projects. Below is a list of resources you can use:

[Active TxDOT Precertified Firms](#)

[Engineering, architectural, and surveying consultants](#)

[TxDOT Working Categories](#)