

Task Force

Over the past several years, local agencies have been unable to utilize the available federal funding annually. H&LP, as the steward of the Federal Highway Administration (FHWA) funds for local agencies, is delegated the responsibility of making the federal funds available to local agencies. In 2012, a Local Agency Task Force was created and included representatives from WSDOT Highways & Local Programs (H&LP), several Metropolitan Planning Organizations (MPO) and Regional Transportation Planning Organizations (RTPO) and County lead agency representatives and began meeting to develop a strategy to ensure delivery of the local share of federal funding was utilized on local projects.

After several meetings and updates, the Local Agency Federal OA (Obligation Authority) Policy was implemented immediately. WSDOT believes implementing the Local Agency Federal OA Policy provides an exciting opportunity for agencies to review their schedules and make the necessary project/schedule adjustments to ensure the overall local federal program is delivered.

Initially, H&LP provided annual allocations to MPO/RTPO/County lead agencies for Surface Transportation Program (STP), Congestion Mitigation/Air Quality (CMAQ) and Transportation Alternatives Program (TAP) funds. From these amounts, H&LP identified target obligation amounts for each MPO/RTPO/County lead agency to ensure delivery of the federal program. The targets were calculated based upon a percentage of delivery from the carry forward and a percentage of the annual allocation.

Each MPO/RTPO/County lead agency is provided monthly status report and obligation report for tracking where and which projects have been authorized. These reports provide MPO/RTPO/County lead agency's the opportunity to make adjustments to their programming as the year progresses.

Policy – pages 2 thru 6

Target – pages 7 and 8

Local Agency Task Force Local Agency Federal OA Policy

April, 2013 Revision

Washington's Local Agency Task Force was asked to develop a strategy to ensure delivery of the local share (34 percent) of the Federal Highway (FHWA) program. Through discussions, the Task Force has established a Two Tier Local Agency Federal OA (obligation authority) Policy that sanctions unutilized allocation from MPO/RTPO/County lead agencies that are unable to deliver their annual target.

In addition, it positions local agencies to obtain additional obligation authority for local projects to advance, in the event other states fail to deliver their federal program (re-distributed OA).

Re-distributed OA will be shared at the same pro-rata share, 66% WSDOT / 34% Local, if projects are available. Re-distributed OA will be shared among those MPO/RTPO/County lead agencies that met their 100% Target amount August 1st. Also, re-distributed OA will be applied proportionally to each MPO/RTPO/County lead agency based on the value of projects to the additional OA received. In the event all the OA is delivered, projects will be authorized through the Advanced Construction (AC) process. Projects authorized utilizing re-distributed OA or AC are utilizing the MPO/RTPO/County lead agency future allocations.

MPO/RTPO/County lead agencies are provided annual allocations and corresponding obligation targets based upon estimated OA available for the Federal Fiscal Year (FFY). The OA targets are developed based upon a formula utilizing localities carry-forward balance and annual allocation. The following goals and processes are in place to assist in timely delivery and positioning the state to obtain additional obligation authority for local projects.

The timeline below identifies the obligation expectations and the steps taken to ensure local program delivery and the consequences if a MPO/RTPO/County lead agency is unable to deliver.

Schedule	Goal %
March 31 st	45%
June 1 st	90%
August 1 st	100%

The first goal is to obligate at least 45 percent of the MPO/RTPO/County lead agency total obligation target by March 31st.

- MPO/RTPO/County lead agencies need to have a fiscally constrained by year four TIP/STIP of programmed projects.
- To assist MPO/RTPO/County lead agencies, WSDOT will provide:

- ✓ Monthly obligation reports to each MPO/RTPO/County lead agency that includes all federal activity in their respective area; and
- ✓ An updated Target Delivery table to show the status of the programs overall.
- MPO/RTPO/County lead agencies are to follow-up with all their project sponsors with programmed projects not yet obligated for the FFY to:
 - ✓ Ensure delivery of the projects programmed for the FFY;
 - ✓ Identify the projects that are delayed into a future FFY; and
 - ✓ Identify additional projects that are ready to go and able to be delivered this FFY.

The purpose of the following Two Tier approach is to ensure that the local OA levels are met by providing opportunities for additional priority projects that are ready to go either in the specific regional area delayed in delivering federal funds; or in other areas of the state that can move forward immediately. MPO/RTPO/County lead agencies that obligate more than their Target and allocated funds should not assume they are utilizing sanctioned funding, but implementing their current program of projects within their own Total Federal Allocation for the current year and possibly future years.

- ❖ **Tier 1** – Thru June 10th, each MPO/RTPO/County lead agency receiving an allocation must have obligated or have submitted to WSDOT (at Region Local Programs office or Headquarters) complete funding packages for at least 90 percent of their total obligation target. If a project releases funds (de-obligates due to closure, cancellation or good bids) those funds must be obligated on another project in the MPO/RTPO/County lead agency to ensure the full amount of the target is obligated within the year. This includes inactive projects identified by FHWA that are required to be de-obligated and closed.
 - In mid-June, a meeting of all the MPO/RTPO/County lead agency representatives will occur. Each representative will present a plan to the Task Force and others that clearly identifies their respective delivery plans for obligating their Target (100%) by the August deadline.
 - If a MPO/RTPO/County lead agency is aware that they will not be able to meet their target – this meeting provides a forum to begin identifying the next steps for ensuring delivery of the statewide local OA.
 - MPO/RTPO/County lead agencies can begin over-programming their TIP/STIP to maximize the delivery of the Local OA in the last quarter of the FFY.
 - Strategies MPO/RTPO/County lead agencies may utilize to ensure delivery of the Target's include:
 - ✓ Localities are to continue to deliver their projects.
 - ✓ Consider increasing the federal share and reduce the local participation to the minimum local match (13.5%). This decision would need the awarding agency's approval. All projects must adhere to the

requirements described in the STIP document Appendix C: STIP Administration.

- ✓ MPO/RTPO/County lead agencies identify additional priority projects that can be programmed for obligation. Projects include those identified in contingency lists approved in current TIPs and forwarded for inclusion in the STIP.
- ❖ **Tier 2** – By August 1st, each MPO/RTPO/County lead agency receiving an allocation must have obligated or have submitted to WSDOT (at Region Local Programs office or Headquarters) complete funding packages for 100 percent of their total targeted amount.
- WSDOT will notify the MPO/RTPO/County lead agencies of their OA delivery status by mid-August. Included in this notification will be whether funds were sanctioned from the MPO/RTPO/County lead agency specifically and the total amount of sanctioned funds available statewide.
 - All MPO/RTPO/County lead agencies that had funds sanctioned are required to reduce their programmed projects accordingly in the October amendment.
 - Only those MPO/RTPO/County lead agencies that have met the 100% target will be provided the opportunity to receive the additional OA.
 - Projects that could be programmed for obligation include those identified in contingency lists approved in current TIPs and forwarded for inclusion in the STIP.
 - Remaining funds will be made available based on first come, first serve basis for projects that are programmed and have complete funding packages submitted to WSDOT for obligation.
 - ✓ Project sponsors are to continue to deliver their projects. If funds were sanctioned from the sponsor's MPO/RTPO/County lead area, the project will be processed assuming the next year's allocation.
 - ✓ Projects must be programmed and have complete funding packages submitted to WSDOT (thru Region Local Programs office or Headquarters) by September 15th. NOTE: Any incomplete project submittals will be returned.
 - The Task Force will meet in mid-August to review the overall status of the Local OA to ensure statewide delivery of federal program.
 - If changes to the TIP/STIP are required due to the receipt of re-distributed OA, WSDOT will incorporate the projects in the STIP as soon as practicable.

Example:

<i>\$'s in millions</i>					
MPO A	Total Available	Target Delivery	Aug 1 Obligated	Aug 1 100% Goal	Aug 1 Sanction
STP	15.0	10.0	6.9	10.0	-
CMAQ	8.0	5.0	5.5	5.0	-
TAP	4.0	2.0	4.0	2.0	-
TOTAL	27.0	17.0	16.4	17.0	0.6

Consequences:

Any sanctioned funds not utilized by the specific MPO/RTPO/County lead agency will be removed from their carry-forward or annual allocation in proportion to each program where they did not meet their target. These lost funds will not be available for future programming by the MPO/RTPO/County lead agency. Sanctioned funds received by an MPO/RTPO/County lead agency are a bonus and will not affect their current or future annual allocations. In the event sanctioned funds are unable to be utilized by other MPO/RTPO/County lead agencies, WSDOT can utilize these funds without repayment. The sanctioned funds will be removed from the MPO/RTPO/County lead agency carry-forward or annual allocation, as applicable.

Example:

<i>\$'s in millions</i>					
MPO A	Total Available	Target Delivery	Total Obligated	Total Sanction	Carry-forward
STP	15.0	10.0	6.9	0.6	7.5
CMAQ	8.0	5.0	5.5	-	2.5
TAP	4.0	2.0	4.0	-	-
TOTAL	27.0	17.0	16.4	0.6	10.0

Conclusion:

FHWA provides notification of redistributed OA to state's the second week of September. WSDOT will inform the Task Force and applicable MPOs of the planned utilization of the redistributed OA. Due to the limited time, this discussion may be through email and/or impromptu phone conference.

Once the sanctioned funds are obligated, projects authorized utilizing AC or redistributed OA are utilizing the MPO/RTPO/County lead agency future allocation.

After the close of the Federal Fiscal Year, WSDOT will incorporate the projects utilizing redistributed OA into the current TIP/STIP, in order to reflect full transparency and to ensure federal compliance regarding fiscal constraint by year. Also, WSDOT/MPO/RTPO/County lead agencies will need to adjust their TIP for the STIP, to ensure federal compliance regarding fiscal

constraint by year for submittal and approval by FHWA/FTA. WSDOT will update the STIP Financial Feasibility table to reflect any additional funding the state received.

Maintaining accurate project schedules and managing to regional OA plans are essential for ensuring delivery of the local program of projects. Late notification of schedule changes limits the opportunity for other projects to be added to the program or advanced to utilize these available funds due to their project delays.

The goal of this process is timely delivery of local projects essential to the public for improving safety and movement of people and goods throughout the state.

Local Federal Delivery Status

dollars in millions		Status as of 2/28/13												
Remaining Estimated 2013 OA 270.1		Delivery Targets												
		<i>Dollars may not add due to rounding.</i>												
		RTC	PSRC	SRTC	BFCG	CWCOG	LCV	SMPO	TRPC	WCOG	WVTC	YVCOG	RTPOs & Counties	Bridge Safety & Safe Routes
		Vancouver	Puget Sound	Spokane	Benton-Franklin	Cowlitz-Wahkiakum	Lewis Clark Valley	Skagit	Thurston	Whatcom	Wenatchee Valley	Yakima Valley	Details Attached	Statewide
Total Federal Allocations ¹	361.1	15.41	140.47	23.07	10.21	2.23	1.39	0.66	9.09	7.28	3.10	5.39	54.71	88.10
Target ²	283.8	11.98	108.38	17.27	7.56	1.73	0.98	0.42	6.43	5.30	2.50	4.39	35.88	81.00
10/1/12 - 02/28/13 Delivery ³	13.7	4.81	21.74	0.96	1.84	0.68	0.03	(0.05)	0.63	(0.12)	0.38	(0.04)	1.58	(18.74)

¹ Total Federal funds available for programming in FFY 2013 (includes 2013 allocations and carry-forward amounts) of the Surface Transportation Program (STP), Congestion Mitigation/Air Quality (CMAQ) & Transportation Alternative Program (TAP) through the selection processes of the Metropolitan Planning Organizations, Rural Transportation Planning Organizations, County Lead Agencies. Also, provided are the WSDOT H&LP managed local bridge, safety and safe routes to school programs.

² Targets were established by WSDOT for each respective area based on their share of the total federal allocations.

³ Delivery is the amount of federal funds authorized on projects or returned due to project savings, during the current Federal Fiscal Year.

Note: For details see Local Federal OA Policy at: <http://www.wsdot.wa.gov/localprograms/>

Local Federal Delivery Status

RTPOs & County Details

Remaining Estimated 2013 OA 34.3		Delivery Targets												
		Adams	Clallam	Columbia	Ferry	Garfield	Grant	Grays Harbor COG	Island	Jefferson	Kittitas	Klickitat	Lewis	Lincoln
Total Federal Allocations ¹		1.26	4.22	0.91	2.23	0.10	4.54	4.02	4.99	1.98	3.31	1.98	2.03	1.38
Target ²		0.91	2.77	0.59	1.40	0.10	3.10	2.66	3.23	1.29	2.12	1.32	1.47	0.99
10/1/12 - 02/28/13 Delivery ³		(0.04)	0.69	-	-	0.22	-	0.77	(0.01)	(0.03)	-	0.07	0.04	(0.01)
													-0.038	
		Mason	Okanogan	Pacific	Pend Oreille	San Juan	Skamania	Stevens	Wahkiakum	Whitman	NEW RTPO	Palouse RTPO	Peninsula RTPO	QuadCo RTPO
											Ferry Pend-Oreille Stevens	Columbia Garfield Whitman Asotin	Clallam Jefferson Mason	Adams Grant Kittitas Lincoln
¹		3.94	3.53	0.99	1.64	1.50	1.64	4.52	1.49	1.05	0.266	0.086	0.336	0.765
²		2.54	2.34	0.68	1.06	0.95	1.03	2.90	0.92	0.94	0.104	0.043	0.146	0.294
³		-	0.35	-	-	0.70	-	0.47	0.09	(1.83)	0.091	-	-	-

¹ Total Federal funds available for programming in FFY 2013 (includes 2013 allocations and carry-forward amounts) of the Surface Transportation Program (STP), Congestion Mitigation/Air Quality (CMAQ) & Transportation Alternative Program (TAP) through the selection processes of the Metropolitan Planning Organizations, Rural Transportation Planning Organizations, County Lead Agencies. Also, provided are the WSDOT H&LP managed local bridge, safety and safe routes to school programs.

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