# PRTPO TECHNICAL ADVISORY COMMITTEE MEETING

## January 21, 2021 | 10 AM – 11:30 AM

**Remote Meeting by Zoom Video Conferencing**
**Information found on Second Page of the Agenda**

| | | |
|---|---|---|
| 10:00 | **Chair's Welcome and Introductions** | |
| 10:05 – 10:10 | **Approval of Agenda**<br>**Approval of Minutes from November 19, 2020 *(Attachment)*** | ACTION<br>*Chair Clark-Getzin* |
| 10:10 – 10:40 | **Consolidated Grants Ranking Briefing *(Attachment)***<br>*On January 7, 2021 PRTPO's Consolidated Grant Ranking Committee met to evaluate and rank nine proposals. The TAC is asked to consider the Committee's recommendation and to forward its own recommendation on to the Executive Board for action in February.* | ACTION<br>*PRTPO Coordinators* |
| 10:40 – 10:50 | **Obligation Status Check-in for TAP Projects *(Attachment)***<br>*This is a status update on projects slated to proceed in 2021. PRTPO will conduct an annual check-in on progress status, starting in 2021.* | DISCUSSION<br>*PRTPO Coordinators* |
| 10:50 – 11:05 | **Statewide Obligation Authority Policy Review *(Attachment)***<br>*Attached is the refreshed statewide Obligation Authority (OA) policy that WSDOT is applying to all federal funding administered by local and regional agencies. The first of the two-year grace periods for meeting delivery targets is past; sanctions will go into effect August 1, 2021. This discussion is an opportunity to be sure all the region's partners are aware of the policy and its ramifications.* | BRIEFING<br>*PRTPO Coordinators* |
| 11:05 – 11:15 | **The Year Ahead**<br>*This is a discussion of known initiatives and activities on the 2021 horizon.* | DISCUSSION<br>*PRTPO Coordinators* |
| 11:15 – 11:20 | **RTIP/STIP Update**<br>*Projects have been submitted to WSDOT for inclusion into the 2021-2026 STIP. Amendments will be accepted as explained in the adopted RTIP.* | BRIEFING<br>*PRTPO Coordinators* |
| 11:20 – 11:30 | **Member Updates and Adjourn** | *DISCUSSION*<br>*Chair Clark-Getzin* |

**PRTPO HAS A NEW WEBSITE!!**
**PRTPO.org**

***Remote Zoom Meeting Information***

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PRTPO TAC Meeting – Zoom Login

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# Peninsula Regional Transportation Planning Organization

## TAC Meeting Summary

Meeting Location:

Remote Meeting via Zoom software per Washington Governors order #20-28 of the Open Public Meetings Act and Public Records Act

An audio recording of the meeting is available upon request

November 19, 2020

Attendees

Technical Advisory Committee Member

Bek Ashby, Port Orchard and EB Chair
Michael Bateman, Poulsbo
Jonathan Boehme, Port Angeles
Danette Brannin, Mason Transit
Jayme Brooke, Jefferson Transit
Wendy Clark-Getzin, Jefferson County and TAC Chair
Sara Crouch, Jefferson Transit
Dennis Engel, WSDOT Olympic Region
Dick Taylor, Port of Shelton
Penni Restivo, Squaxin Island Tribe
Matt Klontz, Sequim
Steve Gray, Clallam County Public Works
Steffani Lillie, Kitsap Transit
Melissa Mohr, Kitsap County
Annette Nesse, Jamestown S'Klallam Tribe
Mike Oliver, Clallam Transit

Staff/Guests

Thera Black, PRTPO Coordinator
Edward Coviello, PRTPO Coordinator

DRAFT

**Welcome & Introductions**

TAC Chair Wendy Clark-Getzin opened the meeting and initiated self-introductions around the table.

**Approval of the September 17th 2020 TAC Agenda and the September 17th TAC Meeting Minutes**

The TAC approved, with a motion from member Bateman and seconded, the agenda and draft minutes from the September 17th meeting. There was a note that Dave Peterson of Port Townsend was in attendance and it was wrong. Also, a spelling error was noted for Jonathan Bohme.

**Proposed Amendment to SFY 2021 UPWP**

Coordinator Black provided an overview of the Amendment proposal which is to recognize about $12,000 of prior year carry over funds. The funds are planned to establish a GIS foundation with support from the Association of Washington Cities which has a dedicated staff for GIS assistance and funds to help with efforts towards the Federal funding options research and education. The UPWP will be brought before the Board in December. The Chair had a question about the applicability of Title VI and GIS. Coordinator Coviello noted that US Census data can be mapped to display areas of transportation need. The Board will also have an opportunity map topics to improve communications throughout the Region. Public outreach can benefit from mapping transportation themes, etc. Chair Clark-Getzin expressed that members can stem into the GIS product in the future through the AWC GIS Program. It was noted by Member Bateman that the Limited English data would be helpful for the Region.

The TAC approved the UPWP for recommendation to the Executive Board.

**RTP 2040 Follow-up Activities**

The RTP follow-up topic areas were addressed and a table was provided to guide the TAC about what should be focused on. There were 10 different topic areas and the items highlighted in blue are being addressed where possible under the RTPO duties. The items in yellow need further action by the PRTPO in the near future. Climate Change and Electric Vehicle Infrastructure be addressed as one item and the other being system resiliency given the lack of transportation access to the Region. It was noted that the regional trails network should be mapped and available in the GIS tool. Chair Clark-Getzin noted that the improved Hood Canal Bridge travel time reliability was addressed in the past by PRTPO support. The Chair noted that the bridge is critical for transportation reliability to the Region. Member Engel noted that WSDOT does have the bridge opening history available. More discussion followed about the Hood Canal Bridge topic. It was noted that Port Orchard and Kitsap County conducted a Climate Change study.

**PRTPO Consolidated Grants Review and Ranking Process**

Coordinator Coviello briefed the TAC about the make up the Ranking Committee. Nine applications were received. The applicants will provide material to the staff. The staff will help the applicants prepare for a meeting in January to recommend ranking to the TAC and the Executive Board. Once approved, the applications will be forwarded to WSDOT for a statewide ranking. The Human Services Transportation Plan will be updated once the projects are approved by the EB. The applications will be posted on the PRTPO YouTube channel. Chair Clark-Getzin asked about the 2018 four-year projects and their status. Coordinator Black noted that the PRTPO will note those as being moved forward for continued funding.

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The amount of project slots available was discussed and the PRTPO has 21 slots available to help applicants received funding in the statewide ranking.

**RTIP/STIP Update**

Coordinator Coviello provided an update on the RTIP approval from the October EB meeting and that the deadline for the next STIP amendment is in early January 2021.

**Federal Funding Follow-up**

Coordinator Black briefed the Executive Board in October that the TAC supports training for federal funding and to relax the urban and rural split requirement for the rural counties. The staff would also like to request that a multi-year funding option be explored to improve funding flexibility. The Executive Board endorsed looking at the three items with WSDOT. The staff will schedule the training in the spring of 2021. Detailed conversation followed about the OA policy and its impacts on grantees. The topic will be brought before the EB in December.

**Legislative Forum Debrief and Insights**

An overview of the efforts completed thus far was given to the TAC by Coordinator Black. An ongoing effort has been established to assist PRTPO members with their transportation related concerns. Ms. Black thanked those who gave their time for this group. She asks what can be learned to improve next year's process. A series of comments followed about the process and experiences from participating members.

**Member Updates and Adjourn**

Chair Clark-Getzin closed the meeting.

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**ACTION ITEM**

**To:** PRTPO Technical Advisory Committee
**From:** Edward Coviello and Thera Black, PRTPO Coordinators
**Date:** January 14, 2021
**Subject:** Consolidated Grants Ranking Recommendation

Requested Action:

The TAC is asked to forward to the Executive Board a recommendation on two items:

- Rank assignment of Consolidated Grants applications
- Adoption of proposed projects into the 2019 Human Services Transportation Plan

Overview:

Every two years WSDOT identifies priority transit and special needs projects to receive funding in a statewide Consolidated Grants process. In its capacity as a Regional Transportation Planning Organization, PRTPO plays a role in that process, ranking the proposals WSDOT receives from applicants within the Peninsula region. Ranked projects are awarded points that contribute to their total scores in the statewide competitive process. Note that PRTPO has no funding to award in this process and has no say in the final funding decisions beyond this ranking assignment.

Nine projects from within the region were received by WSDOT for evaluation. Proposals included four operating projects and five capital (vehicle) projects. Applicants included four transit agencies and two non-profit service providers.

PRTPO convened a Ranking Committee to conduct the review and evaluation process. Ranking Committee members included:

- Melissa Mohr, Kitsap County
- Annette Nesse, Jamestown S'Klallam Tribe
- Dick Taylor, Port of Shelton
- Dina Geizler, OlyCAP
- Eric Phillips, Intercity Transit (Thurston)
- Dennis Engel, WSDOT Olympic Region

The Ranking Committee was tasked with forwarding a recommendation to the TAC on rank assignments. Committee members received copies of the statewide applications to review as well as pre-recorded presentations from each applicant about the proposals. They met on January 7th to review and evaluate the proposals, and to develop their ranking recommendation. They used the Pairwise forced-choice tool for project evaluation and ranking. This is the same tool the TAC used to evaluate and rank Transportation Alternatives proposals in 2020. Applicants were on hand to answer questions from committee members.

This rest of this memo summarizes results of the regional review and ranking process conducted by PRTPO's Ranking Committee and the recommended rank assignments that resulted. The TAC will consider the Committee's recommendation; it will not conduct its own separate project evaluation process. TAC members are encouraged to review project applications and video presentations ahead of the meeting and familiarize themselves with the proposals. Those materials are accessed online.

- Applications are found on the Documents page of PRTPO's website – look for **2021 Consolidated Grants Process**. *Note that the application packet itself is over 160 pages long* and includes the full WSDOT form for each proposal. Only certain sections of each application are relevant for PRTPO's review process. TAC members should refer to the Evaluation Guidance used by the Committee. This will be helpful in focusing on the most useful content for project review. Applications are hyperlinked for ease of navigation.

- Presentation videos are found on PRTPO's YouTube channel. TAC members may find it useful to start with these presentations. They provide a good understanding of each project and its importance to the project sponsor and the region. There is also a link to these videos from the Documents page of PRTPO's website.

Committee Rank Assignment Recommendation

Committee members were forced to compare operations and capital projects against each other, submitted from agencies as diverse as volunteer-based non-profit service providers and Kitsap Transit. Using the Pairwise evaluation tool, they compared every proposal to every other proposal and weighed considerations regarding vulnerable populations, service area, highly rural access, other funding resources, and more. Members found every project to be a priority that serves important mobility needs that support coordinated human services transportation needs and worthy of funding.

The Committee's final recommendation on priority and rank assignment is below. A copy of the Pairwise one-on-one evaluation results is attached.

**PRTPO CY 2021 Consolidated Grants Ranking Recommendation**

*PRTPO Ranking Panel Recommendation, January 7, 2021*

| PROJECTS | Rank | PRTPO Assign | PRTPO will assign (2) 'A' slots, (4) 'B' slots, and (3) 'C' slots to Consolidated Grants applications |
|---|---|---|---|
| ECHHO - ECHHO Service | 1 | A | |
| CoastalCAP - Operations | 2 | A | |
| CoastalCAP - Capital Project | 3 | B | |
| Clallam Transit - Rt 16 Rural/Tribal | 4 | B | |
| Clallam Transit - *Strait Shot* | 5 | B | |
| Mason Transit - Vehicle Replacement | 6 | B | |
| Clallam Transit - Coach Replacement | 7 | C | |
| Jeff Transit - Cutaway Replacement | 8 | C | |
| Kitsap Transit - Battery-Electric Bus | 9 | C | |

Those projects assigned an "A" ranking will receive 50 additional points to their overall statewide competitive application score, projects assigned a "B" ranking will receive an additional 25 points, and those assigned a "C" ranking will receive an additional 12 points to their score. All projects were accommodated within the available rank slots and so no projects will receive 0 points.

TAC Recommendations

The TAC is asked to make a recommendation to the Executive Board on two items.

First, the TAC is asked to consider the recommendation it received from the Ranking Committee. If it concurs with the recommendation, the TAC is asked to forward its own supporting recommendation on to the Board. If it disagrees, the TAC is asked to submit its own recommendation for Board consideration.

Second, the TAC is asked to recommend to the Board that all ranked projects be amended into the 2019 Human Services Transportation Plan by reference. Every project under consideration is consistent with that plan and advances the strategies it lays out to ensure access for the region's most vulnerable populations. Amending them into the plan will ensure consistency with state funding objectives for Consolidated Grants awards.

Next Steps

Pending the TAC recommendation, a public notice will be made of the intended action to amend the Human Services Transportation Plan to include these projects. Any comments received as well as the full ranking recommendation and amendment will be presented to the Executive Board for its consideration and action on February 19.

**For More Information:**
Thera Black | 360.878.0353 | TheraB@PeninsulaRTPO.org
Edward Coviello | 360. 360.824.4919 | EdwardC@KitsapTransit.com

**PRTPO CY 2021 Consolidated Grants Application Ranking**

Results of PRTPO Consolidated Grants Ranking Committee Evaluation and Ranking Process - January 7, 2021

**Project Proposals** [*Review order (A-I) assigned randomly at start of evaluation]*

| | |
|---|---|
| **G** | Clallam Transit: **Route 16 Rural and Tribal Access** |
| **H** | Clallam Transit: ***Strait Shot*** **Operating Assistance** |
| **F** | Clallam Transit: **Heavy Duty Replacement Coaches** |
| **I** | Coastal Community Action Program: ***Driven to Opportunity*** **Operations** |
| **D** | Coastal Community Action Program: ***Driven to Opportunity*** **Capital** |
| **C** | Ecumenican Christian Helping Hands Organization: **ECHHO** |
| **A** | Jefferson Transit: **Replace One Medium-Duty Cutaway for West Jefferson Service** |
| **E** | Kitsap Transit: **Battery-Electric Bus** |
| **B** | Mason Transit: **Vehicle Replacement** |

**PAIRWISE EVALUATION MATRIX** *(cells with formulas are locked to avoid accidents - 4780)*

| | PROJECTS | A | B | C | D | E | F | G | H | I | Pts | Prelim Rank | PRTPO Assign |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A** | Jeff Transit - Cutaway Replacement | A | B | C | D | A | F | G | H | I | 2 | **8** | **C** |
| **B** | Mason Transit - Vehicle Replacement | B | B | C | D | B | B | G | H | I | 4 | **6** | **B** |
| **C** | ECHHO - ECHHO Service | C | C | C | C | C | C | C | C | C | 9 | **1** | **A** |
| **D** | CoastalCAP - Capital Project | D | D | C | D | D | D | D | D/H | I | 6.5 | **3** | **B** |
| **E** | Kitsap Transit - Battery-Electric Bus | A | B | C | D | E | F | G | H | I | 1 | **9** | **C** |
| **F** | Clallam Transit - Coach Replacement | F | B | C | D | F | F | G | H | I | 3 | **7** | **C** |
| **G** | Clallam Transit - Rt 16 Rural/Tribal | G | G | C | D | G | G | G | G | I | 6 | **4** | **B** |
| **H** | Clallam Transit - *Strait Shot* | H | H | C | D/H | H | H | G | H | I | 5.5 | **5** | **B** |
| **I** | CoastalCAP - Operations | I | I | C | I | I | I | I | I | I | 8 | **2** | **A** |

**PRTPO will assign (2) 'A' slots, (4) 'B' slots, and (3) 'C' slots to Consolidated Grants applications**

**DISCUSSION ITEM**

**To:** Technical Advisory Committee
**From:** Thera Black
**Date:** January 14, 2021
**Subject:** **Obligation Status Check-in for TA Projects**

**REQUESTED ACTION:**

No action is requested. This item is for your discussion and feedback.

**Overview**

In June 2020 PRTPO awarded Transportation Alternatives (TA) Program funds to four priority regional projects:

- Clallam County: Forks Multi-User Calaway River Trail Bridge and ODT Project
- Port Angeles: Race Street Complete Street
- Jefferson County: SR 19 Rhody Drive Bike-Ped Improvements
- Jamestown S'Klallam Tribe – ODT-Tribal Land Adjacent to Old Blyn Highway Project

All four of these projects committed to obligate in Fiscal Year 2021, helping to ensure expedient project delivery and public access. Each are identified in the STIP as 2021 projects.

This discussion is the first of what is anticipated to be an annual progress check-in on PRTPO's federally funded projects. TAC members involved in project oversight and delivery are asked to provide a status update on efforts to complete project obligation, any unforeseen issues that may have arisen since June that might cause a delay in obligation, and when it is expected that the completed obligation packet will be submitted to WSDOT.

Challenges encountered in fulfilling obligation or project delivery requirements for PRTPO's TA projects are likely to be relevant to the rural STBG funds administered by Clallam, Jefferson, and Mason counties. Shared insights on PRTPO's TA projects benefit all the region's partners that must work with federal transportation funds.

**For More Information:**

Thera Black | 360.878.0353 | TheraB@PeninsulaRTPO.org

**DISCUSSION ITEM**

**To:** Technical Advisory Committee
**From:** Thera Black
**Date:** January 14, 2021
**Subject:** **Statewide Obligation Authority Policy Review**

**REQUESTED ACTION:**

No action is requested. This item is for your information and discussion.

**Overview**

In 2020 WSDOT updated its statewide Obligation Authority (OA) Policy. This is a policy that spells out WSDOT expectations about the pace at which projects selected for federal funding by PRTPO or rural counties will obligate. Of particular note, it spells out sanctions that WSDOT will take if projects obligate slower than the policy dictates.

"Sanction" means a funding reduction to a future allocation. Sanctions are attributed to delayed obligations that cause an administering agency to miss its obligation target two years in a row. The amount sanctioned is equal to the total overdue unobligated amount for that two-year period. For example, if PRTPO or a rural county had unobligated FY 2020 funds they are subject to sanction this year. The amount to be sanctioned includes FY 2020 funds or any FY 2021 funds that remain unobligated on August 1, 2021. That unobligated dollar amount will be deducted from the agency's next full allocation authority.

It is important to clarify that "obligated" means WSDOT has completed its process and approved the project for obligation. It does not mean a project package was submitted to WSDOT by August 1st for obligation.

***Is this a new policy from WSDOT?*** No, WSDOT has long had a statewide OA policy but it was not enforced. WSDOT updated the policy in 2020 and it went into effect starting with fiscal year 2020. Agencies may not be expecting WSDOT to actually sanction funds after so many years of not enforcing its previous policy. Local Programs assures agencies that it is serious about sanctioning. Unobligated FY 2020 and FY 2021 funds will be sanctioned August 1, 2021.

***Are the sanctioned funds returned?*** No. However, it is a one-time sanction and not a permanent reduction. Every missed OA target generates its own sanction.

***Can local agencies get sanctioned funds from elsewhere in the state?*** WSDOT's OA Policy describes the process by which an agency might receive some sanctioned funds. Basically, it is necessary to have fully obligated all available funds for the previous and current year and have the capacity to quickly put an indeterminate amount of federal funds onto a project and get it obligated within a matter of three or four weeks upon notification in early-to-mid August. Advance Construction (AC) projects are probably the best candidates for that remote possibility.

***What is the status of FY 2020 OA targets across the region?*** The attached FY 2020 summary offers a year-end snapshot of OA targets and delivery by administering entity. Note Kitsap County OA targets are part of PSRC's monitoring process and subject to some different considerations than PRTPO and the rest of the region's partners and are not included.

*Attachment:*

- *FY 2020 Local OA Target Delivery Results & Estimated August 1 Targets*
- *Statewide OA Policy*

For More Information:
Thera Black | 360.878.0353 | TheraB@PeninsulaRTPO.org

## FY 2020 Local OA Target Delivery Results & Estimated August 1 Targets

*Source: WSDOT Local Programs. Dollars, in Millions.*

*FY 2021 estimates are based on FY 2020 allocations.*

| Transportation Alternatives Program | PRTPO |
|---|---|
| Carryforward *(pre-2020 $$)* | 0.200 |
| FY 2020 Allocation | 0.199 |
| **FY 2020 OA Target** | **0.399** |
| *Actual FY 2020 Delivery - 10/1/19 - 09/30/20* | *-0.024* |
| *Unobligated FY 2020 Balance* | *0.423* |
| *PRTPO estimate of FY 2021 OA Target* | *0.224* |
| **Estimated Obligation Target for August 1, 2021** | **0.647** |

| Rural STBG Program | Clallam | Jefferson | Mason |
|---|---|---|---|
| Carryforward *(pre-2020 $$)* | 0.070 | -0.110 | -0.110 |
| FY 2020 Allocation | 1.060 | 0.440 | 0.820 |
| **FY 2020 OA Target** | **1.130** | **0.033** | **0.710** |
| *Actual FY 2020 Delivery - 10/1/19 - 09/30/20* | *0.330* | *0.420* | *0.690* |
| *Unobligated FY 2020 Balance* | *0.800* | *-0.387* | *0.020* |
| *PRTPO estimate of FY 2021 OA Target* | *1.064* | *0.439* | *0.824* |
| **Estimated Obligation Target for August 1, 2021** | **1.864** | **0.052** | **0.844** |

**What is the OA Target and why is it important?** Obligation Authority (OA) Target is the dollar value WSDOT uses to assess satisfactory flow of federal funds by the agency administering the funding program. WSDOT's OA Policy spells out sanctions if obligation targets are not met. An agency can miss its OA target the first year but must make it up the following year or lose funds. ***FY 2020 funds and FY 2021 funds that are still unobligated on August 1, 2021 will be sanctioned. That is, agencies should expect their next allocation of funds for distribution to be reduced by that amount.*** Agencies should expect their FY 2021 allocations and targets to be similar or identical to FY 2020 numbers. Administering agencies are strongly encouraged to check with their funding recipients to be sure obligations are on track to be completed well in advance of August 1st.

**Background**
Washington's Local Agency Federal Obligation Authority (OA) Policy was originally developed in 2012 to ensure delivery of the local share of the Federal Highway Administration (FHWA) program for each respective planning region or county.[1] The policy included provisions that described when funds would be sanctioned, if targets were not achieved.

It is critical that the total statewide local OA is delivered annually, the policy has been revised to streamline the overall delivery process based on recent experiences.

**Implementation**
FFY 2019 – No sanctions will be applied to any MPO, RTPO and/or County lead agency.

FFY 2020 – Starting fresh in 2020. This is year one of the updated policy. Planning regions and counties have been identified that were unable to meet their respective target.

FFY 2021 – Second year of policy, sanctions may be applied to planning regions and counties that did not meet their target in FFY 2020, and do not meet their total target in FFY 2021.

**Statewide Local OA**
FHWA distributes OA to the state annually, based on a pro-rata share of FHWA apportionment to obligation authority provided to the state. The state's OA must be obligated each FFY, by FHWA's September closing date (usually around September 25th). If the state's OA has not been obligated, it will be redistributed to other states to help ensure that the total nationwide OA is utilized.

The state's OA is split between WSDOT and Local Programs based on decisions made by the Governor, per the recent federal transportation act (FAST Act State/Local Distribution).

**Annual Local Allocation Equals Annual Target**
The statewide local OA is allocated proportionally to each program apportionment.

**Apportionments** – The distribution of funds using a formula provided in federal law is called an apportionment. Each FFY, the FHWA is responsible for apportioning authorized funding for the various highway programs among the states according to formulas established in statute.

WSDOT then provides annual program allocations for STBG, CMAQ and TA to the MPO, RTPO and County lead agencies, as applicable. Each region/lead agency's annual allocation (plus their previous year carry-forward) equals their regional obligation target. This target must be delivered in the respective FFY, and it is the responsibility of each MPO, RTPO and County lead agency to ensure that their regional obligation target is met.

**Allocations** – The obligation target provided to MPO, RTPO and County lead agency for their prioritization and selection of projects.

*NOTE: 23 CFR 133(e) requires the State to provide an amount of OA, for the STBG population over 200,000 funds, for use in that area based on the pro-rata share.*

[1] The state's OA is split between WSDOT and local governments based on decisions by the Governor for the respective federal transportation act. Additional details on the FHWA program are described in LAG Chapter 12.

**Delivery**

Washington has been successful in obligating its full amount of OA initially provided to the state. This successful delivery positions the state to receive additional OA in the form of Redistributed OA from those states that are unable to utilize all of their OA.

- **Redistributed OA**

  Redistributed OA is additional spending authority that must be obligated on projects no later than FHWA's September closing date. WSDOT and regions/local lead agencies cannot request redistributed OA unless they are certain to deliver the statewide OA. Therefore, WSDOT Local Programs must ensure that the statewide local obligation target will be delivered.

  If the State receives redistributed OA, an MPO, RTPO or County lead agency must have met their target by July 31st in order to be eligible to receive these funds.

  Please note: For states to receive redistributed OA, FHWA requires they submit a list of additional projects and amounts to support the request for redistributed OA, no later than August 10th. The additional projects must obligate no later than FHWA's September closing date.

  If received, redistributed OA will be split between WSDOT and Local Programs at that year's WSDOT/Local pro-rata share, if the statewide local obligation target is delivered and local projects are available. If received, redistributed OA will first be applied to projects authorized utilizing Advance Construction (AC), and then to additional projects within the MPO, RTPO and County lead agencies that met their target by July 31st (or the first working day after, if July 31st falls on a weekend). Redistributed OA will be based on FHWA's September closing date delivery and shall be added to the next year's allocation.

  *NOTE: For a project to be counted in the July 31st delivery, a complete funding package must be authorized by FHWA or in FHWA's queue awaiting authorization. The submittal of a complete funding package does not mean that the agreement is at HQ Local Programs, yet still waiting for a STIP amendment, NEPA approval, right of way certification, DBE goals, etc.*

**Sanctions**

- If the statewide local OA is not delivered by FHWA's September closing date, the difference will be utilized by WSDOT, with no required repayment. This shall result in sanctions to any MPO, RTPO, County lead agency, or WSDOT managed program, if they did not meet their regional obligation target. The sanctions would be applied to the following FFY.

- If the statewide local OA is delivered by FHWA's September closing date:
  1) First year – If an MPO, RTPO and/or County lead agency does not meet their annual target, the unmet portion shall be added with their next FFY annual allocation, increasing their year two annual target.
  2) Second year – If the same MPO, RTPO and/or County lead agency does not meet their year two annual target, the failure to deliver shall result in sanctions (lost local allocation) the following FFY. Sanction amount will equal the total amount of the undelivered year two target.

3) Continuing years – If the same MPO, RTPO and/or County lead agency continues to not meet their annual target, the failure to deliver shall result in sanctions (lost local allocation) each FFY, until they meet their respective annual target. Sanction amounts will equal the undelivered annual targets. Once their target is achieved, the following year will be the first year of a new policy period.

- Sanctioned funds will be distributed to those MPOs, RTPOs and/or County lead agencies that met their delivery target in the current FFY by FHWA's September closing date, based on their share of the total over-delivery amount.

*NOTE: Sanctions shall be applied to the most flexible funds.*

**Definitions**

**Federal Fiscal Year (FFY):** October 1st through September 30th

**FHWA's September closing date:** FHWA closes their project management and authorization system [Financial Management Information Systems (FMIS)] approximately one week prior to the end of the FFY and does not allow any additional project authorizations for the year.

**Obligation Authority (OA):** FHWA funding is only transferred to recipients as reimbursement for eligible project costs. So, rather than the money itself, states or other recipients are said to receive obligation authority -- authority (expressed as a dollar amount) to proceed with submitting projects to FHWA for final approval and obligation. FHWA distributes OA to states proportionately based on each state's share of apportioned and allocated revenues.

**Obligation:** The federal government's commitment to reimburse states or other entities for the federal share of eligible project costs. Following obligation by FHWA, the amount of FHWA funding associated with that project is said to be **obligated**.

**State's Obligation Target:** The total amount of annual OA provided for obligation within the Federal-aid Highway Program. FHWA requires that a state's OA (funding) must be obligated before the end of the FFY for which it is made available. Thus, each state's annual *obligation target* is equal to the amount of OA it has that year. If states fall short of their obligation target, the un-obligated OA is taken back by FHWA for redistribution to states that are able to use it that year.

**Statewide local obligation target:** In this policy document, the statewide local obligation target refers to the portion of Washington State's annual OA managed through WSDOT Local Programs. OA managed by Local Programs can be split into two broad categories: 1) funding sub-allocated to Metropolitan Planning Organizations (MPOs) and non-MPO counties (areas not required to have an MPO) for prioritization and awarding to projects (STBG, TA, CMAQ funds) and 2) funding prioritized and awarded to project sponsors by Local Programs (NHPP, Bridge, HSIP, SRTS, etc.).

**Regional obligation target:** Washington State practice is to provide local entities a portion of the states' annual OA for certain programs (STBG, TA, CMAQ) that is sub-allocated to areas of the state based on population. These sub-allocated amounts fund projects that are prioritized and selected by MPOs or non-MPO counties. The total amount of annual OA that is sub-allocated to each MPO or non-MPO County is considered to be that MPO or non-MPO County's regional obligation target (plus any carry-forward from the previous FFY, as discussed later in this document).

**Nationally Redistributed OA:** In years when one or more states fall short of their *state obligation target*, including discretionary OA originally allocated to TIGER, BUILD, INFRA, etc. the unused OA is taken back by FHWA and *redistributed* to states that will meet their state obligation target and have provided a listing of projects that can use redistributed OA prior to the end of that FFY.

**Sanction:** In this document, a sanction is a dollar amount of OA *reduction* applied to a region's *future* OA sub-allocation as a result of failing to meet its regional obligation target as outlined in this policy document. OA that has already been allocated is not taken away by a sanction. Rather, the next FFY's sub-allocation of new OA is reduced. The reduction of allocation will be made by the most flexible funds (e.g., any area, < 5,000 pop, etc.)

**Sanctioned OA / Redistributed sanctions:** In this document, sanctioned OA is the dollar equivalent of sanctions resulting from the policies outlined in this document. Sanctioned OA will be made available for redistribution pursuant to the policies explained by this document.

*NOTE: Additional details on the FHWA programs are described in LAG Chapter 12.*