

**WAC 468-60 Revision Process**

June 29, 2005 – Conference Call Summary

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**Conference Call Participants**

Brian Lagerberg  
Bill Roach  
Erika Vandenbrande  
Ed Hillsman  
Pam McInnes  
Maggi Lubov  
Barbara Davis

Jordan Stevens  
Gunbjorg Ladstein  
Tim Apicella  
Joan Cullen  
Karen Parkhurst  
Robin Hartsell

**June 29th Agenda**

**1) Redesign of the program**

- a. Allow for multi-year (3-5 year) projects
- b. Establish program timelines for contracting and implementing projects
- c. Reevaluate project focus:
  - i. General trip reduction strategies
  - ii. Employer based / Residential based
  - iii. Cost effectiveness
- d. Reevaluate the purchase price for reduced trips
- e. Reevaluate the payment structure
- f. Geography

**2) Implementation Committee Update**

## 1) Redesign of the program

The following areas of WAC 468-60 will be affected by the “redesign of the program” and are subject to the discussions in the text below:

- Section (1) *What are CTR performance grants?*
- Section (2) *Definitions* – subsections (d), (h), (i), (k) and (m)
- Section (9) *How does the grant applicant apply for the grant?* – subsections (c), and (d)
- Section (11) *What are the review criteria?*
- Section (12) *How will the applicant receive the money?*
- Section (13) *Project timeline*
- Section (14) *Receipt of grant funds*
- Section (15) *Performance Documentation*
- Section (16) *Measurement of VMT and commute trips reduced*

### c. Reevaluate project focus

#### i. General trip reduction strategies

The committee discussed the following issues:

- Do we continue to focus on worksites or allow individual measurements?
- Continued focus on commute trips, or allow “home end” trips?

It was decided that the grant program should continue to focus on worksites, allowing individual measurements in some situations.

The program should measure commute trips – there is currently no mechanism to measure “home end trips” and there is not enough money in the program to support this type of measurement/program.

The issue of whether to allow sampling of worksites for measurement purposes was discussed and it was decided that it is an established methodology, and would continue to work well in some circumstances. The following are necessary to determine whether to allow sampling:

Currently, the statute focuses on commute trips

According to a recent survey conducted with the current grant recipients 42% experienced problems measuring their project.

- We need to reevaluate to make sure it will work
- Follow the redesign of the CTR program to maintain consistency

ii. Employer and/or residential based?

The committee discussed the following issues:

- Do we continue focusing on employer-based projects?
- Do we retain the option to select residential based projects?
- Would we need to supply a “special survey” form?
- If a residential based project is selected, do we still focus on commute trips only?
- If a residential based project is selected, will an aggregate individual (registrant based) measurement work?
- Can a residential based project be sampled using an aggregate individual (registrant based) measurement?

Since innovation is encouraged (an aspect of the program purpose), we need to leave room for “unique” proposals such as a residential based project that focuses on commute trips.

Sampling using an aggregate individual (registrant based) measurement could possibly work if the sample was large enough (enough participants).

A special survey form may be necessary.

d. Reevaluate the purchase price for reduced trips

The committee discussed the following issues:

- How did we arrive at the trip price cap?
- Will it be high enough to attract new applicants?
- Should the amount vary across the state?
- Or should there be a single cap?

The tripe price was based on the optimal tolling for efficient use of the highway system in the Puget Sound region. This method for determining the price was acceptable to the committee.

- Brian will check with PSRC to see if there is new data – and whether the “toll amount” has gone up

It was pointed out that the current amount was enough to attract applicants for the last round of grants.

The committee had no objection to having a single cap statewide.

e. Reevaluate the payment structure

The committee discussed the following issues:

- In order to encourage projects to continue, do we pay \$/\$ on projects until the money is gone?
- Does the 120% make sense, or do we need to find a better way to manage resources?
- Do we make allowance for amending total project amount to allow for more start up costs?
  - WAC would need to be revised to allow this.
  - Under what circumstances would we allow this?
- Is the current payment structure too risky for potential applicants?
- Do we measure multi-year projects every 2 years?
- How do we minimize administrative problems associated with a complex payment structure?

The term “manage the grant resources forward” or a “rolling base” was used to describe a basic philosophy toward managing the payment structure of the program. It was noted that there likely would not be that many 3 – 5 year project proposals. The ”manage forward” or “rolling base” structure includes:

- Saving back a certain amount of money to ensure new project funding.
- Measuring multi-year projects every 2 years.
- Revise WAC language to address problems with money left over at the end of the biennium.
- Payment for trips up to the point of the biennial cutoff.
  - Applicants would need to be clear regarding ability to accept payment beyond a certain date.
- Projects would need to be on the same survey timeline.
- Data would be collected for all projects at the end of the biennium.

Concern that applicants may inflate the number of trips to gain more start up costs was raised. One suggestion was to depend upon the review

board to perform a risk assessment to determine whether the projected number of trips reduced was reasonable.

Another suggestion was to pay a 120% bonus for each trip that went beyond the projection. It was pointed out that this could have an opposite affect if applicants were to underestimate their projection of trips reduced in order to gain more of the 120% bonus payments for each trip.

- The committee liked the idea of paying a 120% bonus for each trip as opposed to 120% bonus for the overall program.
- WSDOT will investigate whether the 120% bonus amount is the right percentage

The committee discussed the start up costs and whether there was too much risk on either part of the partnership.

- The 50/50 risk split seemed to be a very positive (easy to sell) risk sharing to the various management entities that were involved in the current grant process.
- The 50/50 risk sharing was generally supported by the committee – the question was raised, “Why reward the timid?” (that pretty much summed it up in most everyone’s mind)

➤ Risk Profile

- State/Grant recipient shared risk
- 50/50 sharing throughout a multi-year project
- Profile shifts over time – transitions to recipient/sponsor to assume more risk
- Proven projects – WSDOT’s risk would be less

Do we continue to support projects that are successful? – As long as the project was successful, they would simply submit a new baseline and improve their performance from there.

Can we “pull the plug” based on interim performance?

- No resolution for this question during the meeting.

f. Geography

The current program structure regarding geography includes 10% of the projects will be selected from:

- The Puget Sound (King/Pierce/Snohomish)
- Non-Puget Sound

- Statewide

Do we continue with this structure?

- The statute language indicates that geography must be considered.

The committee decided to keep the current structure but modify the language to allow flexibility – permissive, but not obligatory. WSDOT is bound only if there are applications that fit the structure and are viable, cost effective trip reduction projects.

WSDOT follow up with specific ideas for the next meeting:

- On bonuses
- The trip cap
- Start up costs for “return projects”
- The “right” percentage (currently 120%)

As well as information on:

- How many grant recipients exceeded the 50%, but did not make their goal?
- PSRC – optimal tolling amount (has it gone up since 2003?)

**WAC 468-60 Revision Process**

**June 15, 2005 – Conference Call Summary**

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**Conference Call Participants**

Ann Ward-Ryan  
Bill Roach  
Erika Vandenbrande  
Ed Hillsman  
Pam McInnes

R. Perry Eskridge  
Susan Horst  
Gillian Clark  
Brian Lagerberg  
Robin Hartsell

**June 15 Agenda**

Program's Purpose

Clarify purpose – “What is it we are trying to do?”

- a. Create innovative trip reduction strategies?
- b. Create cost effective trip reduction?
- c. Target trip reduction services?
- d. Create a sustainable trip reduction mechanism?
- e. Other?

Messaging

There are mixed messages – The purpose of the grant program does not come across in the WAC language. Areas to address:

- a. Focus on buying and selling avoided trips
- b. Focus on project Innovation and trip reduction performance

## Clarifying the programs purpose –

### Grant program or market?

Beginning with the name, the committee recognizes that there is confusion on whether it is a grant program or development of a performance-based market. The following areas of WAC 468-60 discuss the purpose of the program and are subject to the discussions in the text below:

- WAC 468-60-010 *Commute Trip Reduction Performance Grants (opening paragraph).*
- Section (1) *What are CTR performance Grants?*
- Section (2) *Definitions* – subsections (h), and (i)

According to a recent survey conducted with the current grant recipients (87% response rate), 19% indicated confusion regarding the purpose of the program.

### “What is it we are trying to do?”

Is the purpose to create innovative trip reduction strategies?, or to create cost effective trip reduction?

The committee discussed the importance of both aspects and agreed that innovation and cost effectiveness don't always “fit together.” Although “innovation” is a desirable criteria, the emphasis needs to be on creating cost effective trip reduction.

One committee member pointed out that it is possible to combine innovation with trip reduction in a grant application if an employer has the right conditions and management support. Ex. Fred Hutchinson. The right conditions for them were a parking problem and a manager who was willing to support trying some innovative parking changes through their grant. The end result was a big increase in vans and carpools.

Webster's defines **innovate** as:

*To introduce or change.*

And **innovation** as:

*Something new; the process of introducing something new.*

**Value** is defined as:

*The worth of a thing; something regarded as desirable; market price; a bargain.*

## Branding Subcommittee

Confusion stemming in part from the program name resulted in the formation of a subcommittee to develop and recommend several choices for a new program name. A branding subcommittee was formed consisting of Erika Vandenbrande, Perry Eskridge, and Robin Hartsell.

The Branding Subcommittee had a couple of email exchanges that resulted in a number of suggestions – the subcommittee has one suggestion for a possible name:

- Trip Reduction Investment and Performance Program (TRIPP) – TRIPP Grants or TRIPP Projects

The following areas of WAC 468-60 provide the review criteria, including cost effectiveness, and are subject to the discussions in the text below:

- Section (11) *What are the review criteria?*

Applications will be reviewed based on the following criteria.

- a. Applicant provides incentives
- b. Project predictability
- c. Measurability
- d. Cost effectiveness
- e. Sustainability
- f. Thoroughness
- g. Redundancy

\* *Innovation (new criteria?)*

The committee discussed how to cover the “cost effective” and “innovative” simultaneously.

One idea was to separate the purposes by creating by creating two “pots” of money – one for innovation and one for cost effectiveness.

### **Separate pots of money**

The discussion on separate pots of money included:

- Provides distinction between “innovation” and “cost effectiveness”
- One pot of money for cost effectiveness and one smaller pot for innovation
- Run separate application processes
- First screening would be for innovation, second would be for cost effectiveness
- Money not awarded from the “innovation” pot would go back into the

“Innovation” – a project doesn’t necessarily need to be a new idea, as long as it is new to the area.

#### **Recommendations:**

- Tailor WAC language to reflect that the primary purpose is to create cost effective trip reduction.
- Develop criteria for “innovative” projects.
- Tailor program so that administration is simplified.

- main “cost effective” pot
- “Innovation” would be marketed differently than “cost effectiveness”
- “Innovation” should be encouraged as a part of the revised WAC language

There was concern expressed regarding the administration of two pots of money, and separate application processes – it would be like administering two separate programs.

- The suggestion was made that the applications could simply be screened for innovation. If no innovative projects were proposed, the focus would be on the most cost effective.

### **Use a single process, but screen for innovative projects**

The discussion on screening for innovative projects included:

- Screen for “innovation” in application process
- Award projects based on their innovative qualities up to a certain amount of total funds
- Program administration, data collection and performance measurement would be easier to manage than separate pots of money
- Encourages innovation but focuses on cost effectiveness
- Requires careful attention to “mixed message” issue raised by Dan Carlson (innovation vs. pay for performance)

### **Targeting trip reduction services**

The following areas of WAC 468-60 discuss fund distribution and are subject to the discussions in the text below:

- Section (6) *How will the grant funds be distributed?*
- Section (7) *How much money will be awarded to individual grants?*
- Section (8) *How much money can be awarded to applications with multiple employer partnerships?*
- Section (9) *How does the applicant apply for the grant?*

The following questions were raised by the committee:

“What is the program target?”

“What is the trip value?”

“Do we focus on areas with highway system problems, mainly congestion, or statewide where congestion doesn’t impact the highway system?”

“Do we vary the value to trips based on geography, or simply limit the program to areas experiencing highway system problems?”

“Do we focus on areas currently experiencing congestion or areas where congestion levels are projected to increase?”

“Are we looking at congested period trips or commute trips?”

“Are trips in congested periods worth more (peak vs. non-peak)?”

It was suggested that the program should focus on areas where congestion is projected to get worse (as opposed to just existing congestion). It’s important to plan ahead, to do something about congestion before it’s too late. Along with recurrent congestion (capacity, bottlenecks, etc.), non-recurrent congestion (incident related), driver behavior could be considered the third major cause of congestion. Changing driver behavior (e.g., through incentives, education, etc.) can have positive impacts on the highway system.

It was also suggested that the higher valued trips are in the areas where congestion currently exists, and the program should be tailored to focus on these areas.

The current program addresses geography in a passive way by requiring that a minimum of 10% of program’s dollars will be provided for:

- Central Puget Sound
- Non-Puget Sound
- Statewide

**Staff Recommendations:**

Regarding the value of trips reduced –

To avoid a conflict of interest, this group should not determine the value of a reduced trip (there are several potential grant applicants on the committee).

Discussions on trip value by this committee should go no further than to identify elements for consideration by WSDOT.

WSDOT will consider the following when determining the value of a reduced trip:

- Areas of congestion vs. statewide program
- Current congestion vs. projected congestion
- Value based on geography or areas experiencing system problems
- Congested period trips vs. commute trips
- Peak vs. non-peak trips
- Value of non-commute trips (e.g., weekend and evening trips)
- Do we allow for partnerships in the grant process and strive for cost containment?
- Do we recognize congested corridors as City’s surface streets not just freeways?
- Should the grants be adaptable so that employers with certain needs and neighborhood conditions can apply?

WSDOT staff will provide congestion (delay) maps for the next meeting. WSDOT staff will develop draft recommendations on program's geography.

**Next Meeting's Discussion –**

Finish last bullet items from previous meeting (Target trip reduction services? and Create sustainable trip reduction mechanism?) and begin discussion on Messaging (some overlap has taken place with regard to this discussion).

**RCW 70.94.996**

**Grant program for ride sharing. (Expires January 1, 2014.)**

(1) To the extent that funds are appropriated, the department of transportation shall administer a performance-based grant program for private employers, public agencies, nonprofit organizations, developers, and property managers who provide financial incentives for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using non-motorized commuting, including telework, before July 1, 2013, to their own or other employees.

(2) The amount of the grant will be determined based on the value to the transportation system of the vehicle trips reduced. The commute trip reduction task force shall develop an award rate giving priority to applications achieving the greatest reduction in trips and commute miles per public dollar requested and considering the following criteria: The local cost of providing new highway capacity, congestion levels, and geographic distribution.

(3) No private employer, public agency, nonprofit organization, developer, or property manager is eligible for grants under this section in excess of one hundred thousand dollars in any fiscal year.

(4) The total of grants provided under this section may not exceed seven hundred fifty thousand dollars in any fiscal year. However, this subsection does not apply during the 2003-2005 fiscal biennium.

(5) The department of transportation shall report to the department of revenue by the 15th day of each month the aggregate monetary amount of grants provided under this section in the prior month and the identity of the recipients of those grants.

(6) The source of funds for this grant program is the multimodal transportation account.

(7) This section expires January 1, 2014.

## WAC 468-60 Revision Process

June 22, 2005 – Conference Call Summary

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### Conference Call Participants

Dave Gering  
Bill Roach  
Erika Vandenbrande  
Ed Hillsman  
Pam McInnes  
Jory Stevens  
Gunbjorg Ladstein

Tim Apicella  
Joan Cullen  
Susan Horst  
Carrie Blanco  
Brian Lagerberg  
Robin Hartsell

### June 22<sup>nd</sup> Agenda

#### 1) Program's Purpose

Clarify purpose – “What is it we are trying to do?”

- a. Create innovative trip reduction strategies?
- b. Create cost effective trip reduction?
- c. Target trip reduction services?
- d. Create a sustainable trip reduction mechanism?
- e. Other?

#### 2) Messaging

There are mixed messages – The purpose of the grant program does not come across in the WAC language. Areas to address:

- a. Focus on buying and selling avoided trips
- b. Focus on project Innovation and trip reduction performance

#### 3) Redesigning the Program

Is there support for multi-year projects?

## 1) Clarifying the programs purpose –

### Sustaining Trip Reduction

Although sustainability is desirable, it may be difficult to determine the sustainability of a project in the application review process.

Some program elements can be readily identified during the application review process (e.g., parking leases), but others may depend on incentives to change behavior. Behavior change due to incentives may be difficult to sustain once the incentives go away.

### Committee Findings –

- ★ *Sustainability – desirable, but difficult to determine during the application process.*

## 2) Addressing mixed messaging –

### Focus on buying/selling trips and/or innovation and trip reduction?

The message should focus on creating sustained, cost effective trip reduction projects.

The framework behind the message is prioritized as follows:

- 1) Cost effectiveness
- 2) Trip reduction strategies
- 3) Innovation
- 4) Sustainability

## 3) Redesigning the Program –

### A. Is there support for multi-year projects?

The committee overwhelmingly expressed support for multi-year (3 to 5 years) projects. Issues that may result from multi-year projects were identified as follows:

- i. Timeline
- ii. Ease of implementation
- iii. Structure of payments
- iv. Ranking of projects
- v. Sustainability

According to a recent survey conducted with the current grant recipients, 34% indicated problems associated with the implementation and timeline of the program.

- vi. Change in project scope (what is a minor vs. major change? – are they fundamentally different?)
  - a. Contract based agreement so changes are difficult or slow to happen
    - Does this mean renegotiation of contract?
    - Does this open WSDOT up for objections from other grant recipients who did not receive approval for project change?
    - Does scope change require resubmitting and rescoreing applications?
- vii. Administrative guidelines that ensure accountability
- viii. User friendly guidelines for recipients
- ix. Performance measures that are tailored to multi-year projects
- x. Start-up cost (50%) over 3 – 5 years may be too risky

**B. Establish program timelines for contracting and implementation**

Issues involving the timelines and implementation for a multi-year program are as follows:

- i. Risk shift – as timeline for grant moves forward, risk shifts from WSDOT to grant recipient?
- ii. Varying project timelines or length of project could be problematic
- iii. Timeline for measuring “annualized trips”
  - a. What is an annualized trip?
  - b. Start time – how do we pay for annualized trips for projects that start late as opposed to projects that start on time?
- iv. Should time clock start when project begins?
- v. Survey/calculation/measurement
  - a. Surveying is labor intensive
  - b. Surveys 2 years apart could skew results
  - c. Quarterly measurement?

<b>Possible Distribution of Funds?</b>	
<b>Start</b>	<b>% of Funds</b>
1 <sup>st</sup> quarter	100%
2 <sup>nd</sup> quarter	75%
3 <sup>rd</sup> quarter	50%
4 <sup>th</sup> quarter	25%

- vi. Delay in starting project
  - a. Cause
    - Ability to extend if WSDOT is cause of delay?
    - If WSDOT is cause, recipient is compensated?
    - If recipient is cause, results in penalty, no compensation, or retract award?
- vii. Uncertainty in getting paid (performance based) causes recipients to be reluctant to invest their own money – discourages participation
- viii. Grants turned back due to administrative requirements
- ix. What if performance is way beyond projection?
  - b. Compensation for over-achieving?
  - c. Suggest recipients build in risk factor?
- x. Community based vs. agency or business

A subcommittee was formed to develop recommendations regarding the issues behind implementation of a multi-year program.

**Implementation Subcommittee members**

Dave Gering (or assigns)

Anne Ward-Ryan

Erika Vandenbrande

Joan Cullen

Robin Hartsell

## **WAC 468-60 Revision Process**

July 6, 2005 – Conference Call Summary

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### **Conference Call Participants**

Brian Lagerberg  
Bill Roach  
Ed Hillsman  
Jordan Stevens

Anne Ward-Ryan  
Perry Eskridge  
Robin Hartsell

### **July 6<sup>th</sup> Agenda**

#### **1) Redesign of the program**

##### Coordination

- a. Clarify how this program is coordinated with local or regional efforts to encourage trip reduction
- b. Coordinate with research being performed on trip pricing

##### Program's measurement

- a. Clarify the data collection requirements for the program
- b. Baseline and final data measurement deviations need to be clear prior to signing contract
- c. Timeline
- d. Duplicate records
  - i. More than one jurisdiction using same site data for calculating trips reduced
- e. Segregating the sites in Annual CTR survey from sites specific to the performance grant
- f. Aggregation of employers and payments
  - i. King County – B-Trip model vs. lump sum approach

## 1) Redesign of the program

The following areas of WAC 468-60 address the “program’s measurement” and “timeline” and are subject to the discussions in the text below:

- Section (2) *Definitions*, subsections (e), (f), and (g)
- Section (6) *How will the grant funds be distributed?*
- Section (7) *How much money will be awarded to individual grants?*
- Section (8) *How much money can be awarded to applications with multiple employer partnerships?*
- Section (11) *What are the review criteria?* subsection (c)
- Section 12 *How will the recipient receive the money?* subsections (b), (c)
- Section (13) *Project timeline*
- Section (14) *Receipt of grant funds*
- Section (15) *Performance Documentation*
- Section (16) *Measurement of VMT and commute trips reduced*

According to a recent survey conducted with the current grant recipients 19% experienced problems with the timeline of the program.

### Branding Subcommittee –

The branding subcommittee recommended that the committee adopt a name (perhaps one of the names suggested in a previous conference call) and move on. The committee decided on a name that was similar to the suggestions.

The new CTR Performance Grant Program will be called the “**Trip Reduction Performance Program (TRPP)**”

### Coordination

- a. Clarify the program coordination with local and regional efforts

The committee discussed several ways to address this issue (same data or trips reduced from 2 different organizations) – committee felt strongly that solution should be “kept simple.” Discussion included:

- 1) Ask the applicant: “Are you participating in another TRPP project?”
- 2) Place the burden of proof back on the applicant
- 3) Create a contract “escape clause”

- 4) Require additional questions on the survey forms to help minimize double counting
- 5) Adjust the payout by dividing amount per trip by the number of TRPP projects they are participating in

It was decided that the best way to handle the “duplicate data” issue without creating a whole new set of administrative and measurement problems was through suggestion 5 – adjust the payout by dividing the amount by the number of TRPP projects they are involved in.

- b. Coordinate with research being performed on trip pricing
  - 1) It was determined that the best way to deal with trip pricing was for it to continue to be based on optimal tolling for efficient use of the highway system in the Puget Sound

### **Program Measurement**

- a. Clarify the data requirements for the program

The committee discussed several ways to address this issue

- 1) There needs to be consistency between the CTR Guidelines and the WAC
  - 2) Analyze measurement proposal in application screening
  - 3) There needs to be an avenue to change the contract if the proposed measurement is found to “not work”
  - 4) Need administrative flexibility regarding deviation of measurement and WSDOT approval – if measurement does not work, contract will be renegotiated
- b. Baseline and final data measurement deviations need to be clear prior to signing contract
    - 1) Review of proposed measurement procedures will need to be detailed enough to allow WSDOT the ability to determine if the methodology will work
    - 2) WAC language needs to state this clearly
  - c. Timeline

How do we deal with the “baseline” surveys being completed at the end of the project?

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION  
*TRIP REDUCTION PERFORMANCE PROGRAM*

- 1) No startup payment will be issued until the baseline survey has been completed (or in some cases, such as vanpools, until the baseline survey has begun)
- d. Duplicate records (addressed under “Coordination”)
  - e. Segregating the sites in the Annual CTR survey from sites specific to the performance grant
    - 1) This can be verified through the proposed measurement methods by the applicants – it will need to be stated in the measurement section of the WAC to ensure compliance
  - f. Aggregation of employers and payments
    - 1) Continue with the lump sum approach – clarify in the WAC

**WAC 468-60 Revision Process**

July 13, 2005 – Conference Call Summary

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**Conference Call Participants**

Bill Roach  
Ed Hillsman  
Jordan Stevens

Barbara Davis  
Robin Hartsell

**July 13<sup>th</sup> Agenda**

**1) Redesign of the program**

Communication

- a. Need language consistency between WAC, contract, web, etc.
- b. Need to identify the target audience for the program
  - i. Marketing to establish effective strategies to reach the target audience

## 1) Redesign of the program

### Communication

Barbara Davis provided the committee with the 03-05 Communication Plan along with the 03-05 Schedule of Activities.

- a. Need language consistency between WAC, contract, web, etc.

This issue was discussed on previous conference calls – it is straightforward and the committee recognizes this is a necessity. It was pointed out that this should be called “program consistency.” Since this effort pertains to revising the language in the WAC – both are valid.

- b. Need to identify the target audience for the program

Those participating in the conference call walked through the 03-05 Communication Plan. It was decided that:

- It would be better if the “target” were to get a letter/email tailored specifically to them.
- The word “grant” should be eliminated from the WAC language to save confusion.
- There needs to be an avenue to change the contract if the proposed measurement is found to “not work”
- Need administrative flexibility regarding deviation of measurement and WSDOT approval – if measurement does not work, contract will be renegotiated
- There is a need to allow some “breathing room” for the new TRPP schedule – last time it was too compressed
- Prepare for training (for new program) by the end of October

### Follow-ups:

1. A draft of the schedule will be available for the next Task Force meeting.
2. Case studies for the 03-05 CTR Performance Grant Program will be provided to Barbara

**WAC 468-60 Revision Process**  
**Multi-year Implementation Subcommittee**  
July 28, 2005 – Conference Call Summary

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**Conference Call Participants**

Brian Lagerberg  
Anne Ward-Ryan  
Ed Hillsman  
Marilyn Young Skogland

Joan Cullen  
Erika Vandenbrande  
Robin Hartsell

**July 28<sup>th</sup> Agenda**

**1) 1 – 2 Year Projects (basic)**

- a. Option to renew contract
  - Projects with good performance
  - Resubmit application requesting renewal
  - Subject to review committee approval
  - Allowed to propose adjustment to trip price and goal
- b. If project renewal is granted....
  - Use original baseline - must use same audience

**2) 3 – 5 Year Projects (multi-year)**

- a. Must apply specifically for multi-year project
- b. Goals must be identified for each biennium including the overall total
- c. No option to adjust trip price
- d. Phased startup costs
- e. Measurement
  - One time baseline measurement
  - Performance measurement every 2 years (by June 15<sup>th</sup>)
  - Final measurement (by June 15<sup>th</sup>)

**Consideration Points for Multi-year Projects**

- 1. Criteria for eligibility
- 2. Application process
- 3. Goals
- 4. Trip price
- 5. Baseline
- 6. Audience
- 7. Startup
- 8. Measurement
- 9. Five year total

**Proposed Formula for Startup Costs (per year)**

$$\frac{\text{Total project \$ X 0.5}}{\text{Number of years}}$$

**3) Payment Structure**

- a. Project scenarios (attached to back of this document)

**1) 1 – 2 Year Projects (basic)**

- a. Option to renew contract
- Projects with good performance
  - Resubmit application requesting renewal
  - Subject to review committee approval
  - Allowed to propose adjustment to trip price and goal

The first three bulleted items were accepted as criteria for implementing a basic project. There were concerns expressed for the fourth bullet, and some concern expressed that a 1 – 2 year timeframe may not be enough time to tell if a project was successful.

**Does the 1 – 2 year timeframe allow enough time to gage a project's success?**

- For the 03 – 05 performance grant program, 21 out of 29 projects either met or exceeded 50% of their goal. 14 out of 29 exceeded their goal. Only 4 projects were unable to reduce trips. Based on these results, it was generally felt that a review committee would be able to determine whether a project was successful or had the potential to succeed after 1 – 2 years.

**Should adjustment to trip price and goal be allowed for basic projects?**

The concern for allowing the trip price and/or goal to be adjusted for a renewed basic project centered on the startup costs. The suggestion was made to either make the applicant maintain or lower the trip price since startup costs were already received during the initial project timeline.

- It was determined that in some instances startup costs could be necessary even for a renewed basic project. As an example, startup costs are used to pay incentives throughout the life of the project and if they were not available, it would impact their ability to pay the incentives.
- Allowing an adjustment to the project goal would be necessary, for example, if analysis of the project led to the determination that their success level could not be matched again due to fewer opportunities within their target audience.

Also, if a project wanted to expand their target audience, it may be necessary to adjust the target audience to allow for more trips reduced than what the initial project was able to accomplish.

**Does the 1 – 2 year timeframe allow enough time to gage a project's success?**

- For the 03 – 05 performance grant program, 21 out of 29 projects either met or exceeded 50% of their goal. 14 out of 29 exceeded their goal. Only 4 projects were unable to reduce trips. Based on these results, it was generally felt that a review committee would be able to determine whether a project was successful or had the potential to succeed after 1 – 2 years.

b. If project renewal is granted....

- Use original baseline - must use same audience

There was concern expressed for this item from the Duwamish TMA point of view. Since their target audience is so large and includes so many small businesses, not being able to expand their audience would limit or prohibit them from participating.

- It was decided that an applicant would be allowed to submit a multiple baseline measurement proposal that would be subject to review. This would provide an opportunity for organizations like the Duwamish TMA to participate by proposing an alternative that is more conducive to the unique circumstances of a TMA. A measurement proposal that differs from the single baseline approach will have to be detailed in the application and must provide a methodology that would be as accurate an estimate of the trips reduced as would be generated if the applicant made use of the WSDOT-developed measurement tool.

**2) 3 – 5 Year Projects (multi-year)**

- a. Must apply specifically for multi-year project
- b. Goals must be identified for each biennium including the overall total
- c. No option to adjust trip price
- d. Phased startup costs

e. Measurement

- One time baseline measurement
- Performance measurement every 2 years (by June 15<sup>th</sup>)
- Final measurement (by June 15<sup>th</sup>)

The first two bulleted items were accepted as criteria for implementing a multi-year project. There were concerns expressed for item “c”, and for the first bullet of item “e”.

- It was decided that multi-year projects would be allowed to submit an application at the end of each biennium to request a change in the trip price. The proposed change would be subject to approval by WSDOT.
- For item “e” – the same would apply as stated above:

It was decided that an applicant would be allowed to submit a multiple baseline measurement proposal that would be subject to review. This would provide an opportunity for organizations like the Duwamish TMA to participate by proposing an alternative that is more conducive to the unique circumstances of a TMA. A measurement proposal that differs from the single baseline approach will have to be detailed in the application and must provide a methodology that would be as accurate an estimate of the trips reduced as would be generated if the applicant made use of the WSDOT-developed measurement tool.

### **3) Payment Structure**

a. Project scenarios (attached to back of this document)

The attached project scenarios were used for discussion purposes, and pertained to multi-year projects. The above decisions were aided by the scenarios and resulted in measures that are intended to minimize the potential for continuing to fund projects that do not work toward reducing trips.

## Multi-year project performance and payment scenarios

All of the scenarios assume a project with the following characteristics

Project is planned to reduce 500 annualized trips per day by the end of the fifth year of the project. Project does a baseline measurement at the start of year 1, and measurement surveys at the ends of years 2 (end of first biennium), 4 (end of second biennium), and 5 (end of project). Application specifies \$400/annualized trip reduced.

We present 4 different possible outcomes for this project (performance scenarios). For each performance scenario, we present two payment scenarios.

- Scenario A in each case recognizes and pays for maintaining trips reduced early in the project, relative to the baseline
- Scenario B in each case pays only for incremental reductions in each biennium. In effect, it resets the baseline each biennium to the results measured at the end of the preceding one.

All of the payment scenarios examine only the performance part of the project. This would need to be coordinated with the payment of startup costs, however it is recommended to handle startup costs for multi-year projects.

We believe the examples here would also encompass the range of situations that could occur if a 1-to-2-year project were to be renewed twice. We recommend that the performance part of the project payments for a series of 1-to-2-year project renewals yield the same payments as if the project had been approved as a single multi-year project and had performed similarly.

### Performance scenario 1

Project reduces 100 annualized trips per day at end of year 2; 200 (relative to the same baseline) at end of year 4 (i.e., project maintains the 100 measured at end of year 2, and reduces 100 trips in addition); and 500 at end of year 5 (i.e., project maintains the 200 measured at the end of year 4, and reduces 300 trips in addition).

#### Payment scenario A for performance scenario 1:

$\$400 * 100 \text{ trips} * 2 \text{ years} = \$80,000$  at end of year 2, adjusted for startup costs

$\$400 * 200 \text{ trips} * 2 \text{ years} = \$160,000$  at end of year 4, adjusted for startup costs

$\$400 * 500 \text{ trips} * 1 \text{ year} = \$200,000$  at end of year 5, adjusted for startup costs

Total payment: \$440,000 over 5 years (sum of above  
and also  $\$400 * [(100 * 5) + (100 * 3) + (300 * 1)]$ )

This payment scenario recognizes and makes payment for maintaining trips removed early in the project

#### Payment scenario B for performance scenario 1:

$\$400 * 100 \text{ trips} * 2 \text{ years} = \$80,000$  at end of year 2, adjusted for startup costs

$\$400 * 100 \text{ trips} * 2 \text{ years} = \$80,000$  at end of year 4, adjusted for startup costs

$\$400 * 300 \text{ trips} * 1 \text{ year} = \$120,000$  at end of year 5, adjusted for startup costs

Total payment: \$280,000 over 5 years (sum of above)  
and also  $\$400 * [(100 * 2) + (100 * 2) + (300 * 1)]$

This payment scenario pays only for incremental reductions, not for continuing established reductions.

## Performance scenario 2

Project reduces 100 annualized trips per day at end of year 2; 50 (relative to the same baseline) at end of year 4 (i.e., project maintains 50 of the 100 measured at end of year 2, but loses the other 50); and 500 at end of year 5 (i.e., project maintains the 200 measured at the end of year 4, and reduces 300 trips in addition).

Payment scenario A for performance scenario 2:

$\$400 * 100 \text{ trips} * 2 \text{ years} = \$80,000$  at end of year 2, adjusted for startup costs

$\$400 * 50 \text{ trips} * 2 \text{ years} = \$40,000$  at end of year 4, adjusted for startup costs

$\$400 * 500 \text{ trips} * 1 \text{ year} = \$200,000$  at end of year 5, adjusted for startup costs

Total payment: \$320,000 over 5 years (sum of above  
and also  $\$400 * [(50 * 5) + (50 * 2) + (450 * 1)]$ )

This payment scenario recognizes and makes payment for maintaining trips removed early in the project, and it penalizes backsliding

Payment scenario B for performance scenario 2:

$\$400 * 100 \text{ trips} * 2 \text{ years} = \$80,000$  at end of year 2, adjusted for startup costs

$\$400 * 0 \text{ trips} * 2 \text{ years} = \$0$  at end of year 4, adjusted for startup costs

$\$400 * 450 \text{ trips} * 1 \text{ year} = \$180,000$  at end of year 5, adjusted for startup costs

Total payment: \$260,000 over 5 years (sum of above)  
and also  $\$400 * [(100 * 2) + (100 * 2) + (300 * 1)]$

This payment scenario pays only for incremental reductions, not for continuing established reductions, and it penalizes backsliding

### Performance scenario 3

Project reduces 400 annualized trips per day at end of year 2; 400 (relative to the same baseline) at end of year 4 (i.e., project maintains all of the 400 measured at end of year 2, but makes no additional progress by the end of year 4); and 500 at end of year 5 (i.e., project maintains the 400 measured at the end of year 4, and reduces 100 trips in addition).

Payment scenario A for performance scenario 3:

$\$400 * 400 \text{ trips} * 2 \text{ years} = \$320,000$  at end of year 2, adjusted for startup costs

$\$400 * 400 \text{ trips} * 2 \text{ years} = \$320,000$  at end of year 4, adjusted for startup costs

$\$400 * 500 \text{ trips} * 1 \text{ year} = \$200,000$  at end of year 5, adjusted for startup costs

Total payment: \$840,000 over 5 years (sum of above  
and also  $\$400 * [(400 * 5) + (0 * 2) + (100 * 1)]$ )

This payment scenario recognizes and makes payment for maintaining trips removed early in the project

Payment scenario B for performance scenario 3:

$\$400 * 400 \text{ trips} * 2 \text{ years} = \$320,000$  at end of year 2, adjusted for startup costs

$\$400 * 0 \text{ trips} * 2 \text{ years} = \$0$  at end of year 4, adjusted for startup costs

$\$400 * 100 \text{ trips} * 1 \text{ year} = \$40,000$  at end of year 5, adjusted for startup costs

Total payment: \$360,000 over 5 years (sum of above)  
and also  $\$400 * [(400 * 2) + (0 * 2) + (100 * 1)]$

This payment scenario pays only for incremental reductions, not for continuing established reductions, and it penalizes failure to make continuous progress

#### Performance scenario 4

Project reduces 500 annualized trips per day at end of year 2; 500 (relative to the same baseline) at end of year 4 (i.e., project maintains all of the 500 measured at end of year 2, but makes no additional progress by the end of year 4); and 250 at end of year 5 (i.e., project maintains only 250 of the trips measured at the end of year 4, and loses the other 250; perhaps a key partnership falls apart).

Payment scenario A for performance scenario 4:

$\$400 * 500 \text{ trips} * 2 \text{ years} = \$400,000$  at end of year 2, adjusted for startup costs

$\$400 * 500 \text{ trips} * 2 \text{ years} = \$400,000$  at end of year 4, adjusted for startup costs

$\$400 * 250 \text{ trips} * 1 \text{ year} = \$100,000$  at end of year 5, adjusted for startup costs

Total payment: \$900,000 over 5 years (sum of above  
and also  $\$400 * [(250 * 5) + (250 * 4) + (0 * 1)]$ )

This payment scenario recognizes and makes payment for maintaining trips removed early in the project

Payment scenario B for performance scenario 4:

$\$400 * 500 \text{ trips} * 2 \text{ years} = \$400,000$  at end of year 2, adjusted for startup costs

$\$400 * 0 \text{ trips} * 2 \text{ years} = \$0$  at end of year 4, adjusted for startup costs

$\$400 * 0 \text{ trips} * 1 \text{ year} = \$0$  at end of year 5, adjusted for startup costs

Total payment: \$360,000 over 5 years (sum of above)  
and also  $\$400 * [(500 * 2) + (0 * 2) + (0 * 1)]$

This payment scenario pays only for incremental reductions, not for continuing established reductions, and it penalizes failure to make continuous progress