

Local Agency Task Force

Local Agency Federal OA Policy

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 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.

MPO/RTPO/County lead agencies are provided annual allocations based upon estimated OA available for the current Federal Fiscal Year (FFY). Obligation targets are developed in cooperation with the Local Agency Task Force utilizing the carry-forward balances and current year's estimated allocations. For 2015, targets were determined by starting with each organization's available allocation (Carry Forward plus FFY 2015 Estimated Allocation), and applying a percentage to that amount based upon the organization's carry forward. Organizations with a negative carry forward amount were given a base target that is equal to 50% of their available allocation. Organizations with a positive carry forward were given a base target equal to 75% of their available allocation. Each base target was then increased by 0.81% in order to achieve the \$107.4 million overall target. **(TBD – Based on FAST implementation)**

If the Statewide Target is delivered by August 1st, all entities have until the end of the FFY to obligate projects to meet their OA target. Once the entire local share of OA is delivered, projects will be authorized through the Advanced Construction (AC) process. If an entity fails to deliver their target by the end of the FFY, the undelivered portion of their target will be sanctioned. At the Task Force's discretion, if an entity failed to meet its target due to de-obligations from closure or other federal requirements (inactivity, etc.), the Task Force may elect to waive any or all sanctioned funds. In this case, any portion of the sanctioned funds that were waived will remain with that entity and it will be added to their target delivery amount the following year.

If the Statewide Target has not been delivered by August 1st – Lead agencies that were unable to deliver their OA target by August 1st will have the un-delivered portion of their target sanctioned. The August 1st deadline allows those agencies that met their target sufficient time to program and deliver sanctioned funds.

This policy also 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. If received, re-distributed OA will first be applied to projects authorized utilizing AC, and then to additional projects within those lead agencies that met their target by the deadline. Projects that use re-distributed OA or AC utilize the MPO/RTPO/County lead agency allocations.

To assist in delivering the local federal program:

- MPO/RTPO/County lead agencies are to have a four year TIP/STIP of programmed projects, fiscally constrained by year.
- WSDOT will provide:
 - ✓ An updated Target Delivery table to show the status of the programs overall; and
 - ✓ Monthly obligation reports to each MPO/RTPO/County lead agency that includes all federal activity in their respective area. (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.)
- MPO/RTPO/County lead agencies are to work with all their project sponsors with programmed projects 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.
 - ✓ For projects being transferred to another federal agency for administration, they must be programmed in the first year to ensure adequate funding is available for all first year projects. (In the event, a federal agency specifically requests a second, third or fourth year project advance, a formal request with mitigating factors will need to be submitted to WSDOT for consideration.)

By mid-June, all MPO/RTPO/County lead agencies need to submit a plan to the Task Force in the event that they will not meet their target – to address the expected shortfall in the submitted plan. These plans will provide a starting point to identify the next steps, if needed, for ensuring delivery of the statewide local OA.

- 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.
- 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.

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 target amount. If the Statewide Target has not been delivered by this date:

- 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 sanctioned funds.
- Projects that could be programmed for obligation include those identified in contingency lists approved in current TIPs and forwarded for inclusion in the STIP.
- Sanctioned 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 may meet in mid-August, if necessary, 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.

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. In addition, MPOs are limited to obligating no more than two years of their estimated annual allocation, after that Local Programs will AC projects.

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		6.9	-	-
CMAQ	8.0		5.5	-	-
TAP	4.0		4.0	-	-
Total	27.0	17.0	16.4	17.0	(0.6)

Consequences:

If funds are sanctioned, WSDOT will sanction the most flexible funds (e.g., STP) to ensure delivery of the local program. Any sanctioned funds not utilized by the specific MPO/RTPO/County lead agency will be removed from their carry-forward or annual allocation. 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.

Conclusion:

FHWA usually provides notification of redistributed OA to state’s the second or third 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 allocation.

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. However, in the event of federal legislation changes, the Task Force has the discretion to modify these requirements as necessary to continue the successful delivery of the local federal program.