

THE IMPACT OF FEDERAL HIGHWAY RESCISSIONS ON WASHINGTON STATE

When the Omnibus Appropriations Act of 2009 passed in March, it put in place the second of two rescissions that affect federal highway funds coming to Washington State before the end of federal fiscal year 2009. The dollar amounts of the rescissions are:

- Omnibus Appropriations Act of 2009 – Highway Trust Fund – Rescission for \$3.15 billion with \$53.8 million impact on Washington State's FHWA funds.
- SAFETEA-LU Section 10212 was revised in the SAFETEA-LU Technical Corrections Act of 2008 which requires \$8.708 billion nationwide that is estimated as over 2% of Washington State's appropriations, a \$180.4 million impact.

Both rescissions solely impact apportionment above the obligation authority level and do not impact current programmed work.

In March, Jeff Wilkens, acting for the MPOs as Coordinating Committee Chair, asked Secretary Hammond to include the MPOs in WSDOT discussions regarding the state's response to the required federal rescissions. After WSDOT staff developed scenarios depicting the impact of various policies applied to both rescissions, WSDOT Executives met with MPO representatives on May 5, 2009.

The outcome of this meeting was a decision to "keep whole" the MPO planning funds in 2009.

Accomplishing this outcome belies the complexity of preparing for the rescissions. Each rescission has different protected or covered programs. Different calculations are required to meet the federal requirements while, at the same time, WSDOT strives to advance the policies and projects identified by the Legislature and the Governor.

The strategy agreed to will meet MPO needs and WSDOT objectives. The WSDOT objectives are:

- Obligate 100% of available Obligation Authority (OA).
- Not impact the delivery of state and local programs.
- Not reduce Metropolitan Planning or SPR programs.
- Position the state to best use redistributed OA in 2009.

The program dollars identified for rescission by Washington State to comply with the Omnibus Appropriations Act of 2009 are:

STP – Flexible	15.5 million
STP – Enhancement	4.9 million
National Highway System	11.5 million
Bridge Replacement	2.5 million
CMAQ	16.6 million
Safe Routes to School	<u>2.8 million</u>
Total Rescission required	53.8 million

To date, no specific guidelines for the SAFETEA-LU rescission have been received from the FHWA.

The current WSDOT estimate assumes a Washington State rescission of \$180.4 million and is based on:

1. The Obligation Authority (OA) plan of March 27, 2009.
2. An estimate of the Unobligated Apportionment balance as of September 30, 2009 (including the latest rescissions).
3. The total apportionments received by program from federal fiscal years 2004 to 2009.
4. Making whole the covered programs based on WSDOT's understanding of Congressional direction in applying the rescission.

The impact by program, given these assumptions, is:

Interstate Maintenance	8.2 million
National Highway System	16.0 million
Equity Bonus / Minimum Guarantee	19.7 million
STP Enhancements	5.9 million
Population Areas	12.3 million
Flexible	31.4 million
Highway Safety	34.4 million
Railway-Highway Crossings	0.3 million
Bridge	22.9 million
Border Infrastructure	15.0 million
CMAQ	13.1 million
Safe Routes to Schools	<u>1.1 million</u>
Total Rescission required	180.4 million

A table showing WSDOT's historical response to rescissions since federal fiscal year 2004 is attached.