

Federal Transportation Update

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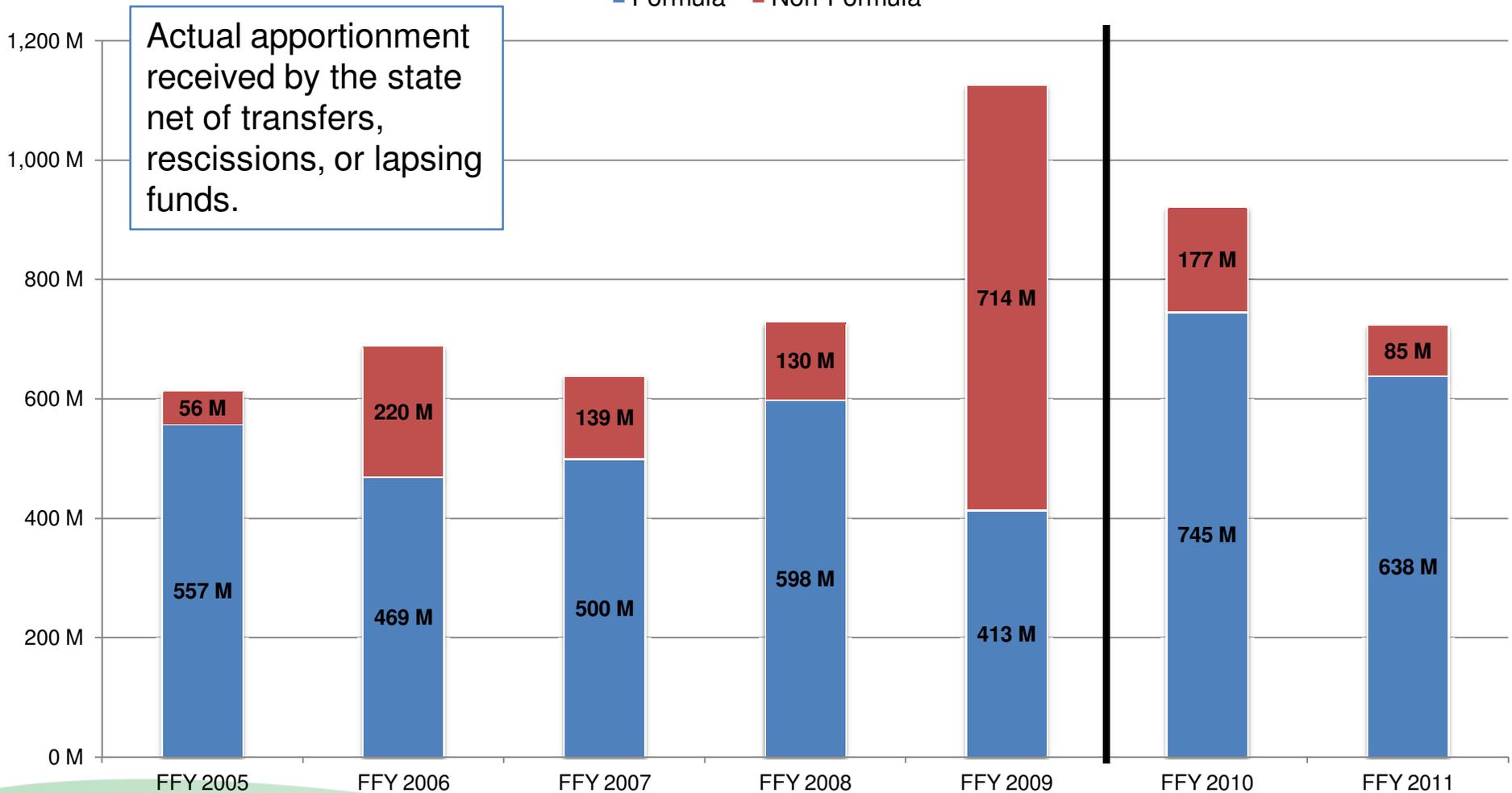
Joint Transportation Committee
May 23, 2012

Definitions

- **Apportionment:** The distribution of FAHP funds to the state pursuant to a statutorily mandated formula.
 - Lapses after four years (with few exceptions)
 - In WA used interchangeably with “Contract Authority.”
- **Obligation Authority:** Grant by FHWA to obligate apportionment necessary for financing the state’s federally approved transportation projects.
 - Lapses at end of federal fiscal year (with few exceptions)
 - Differs from “Obligation Limitation”
- **Advanced construction:** Allows a state to initiate a project using non-federal funds while preserving eligibility for future federal-aid funds.

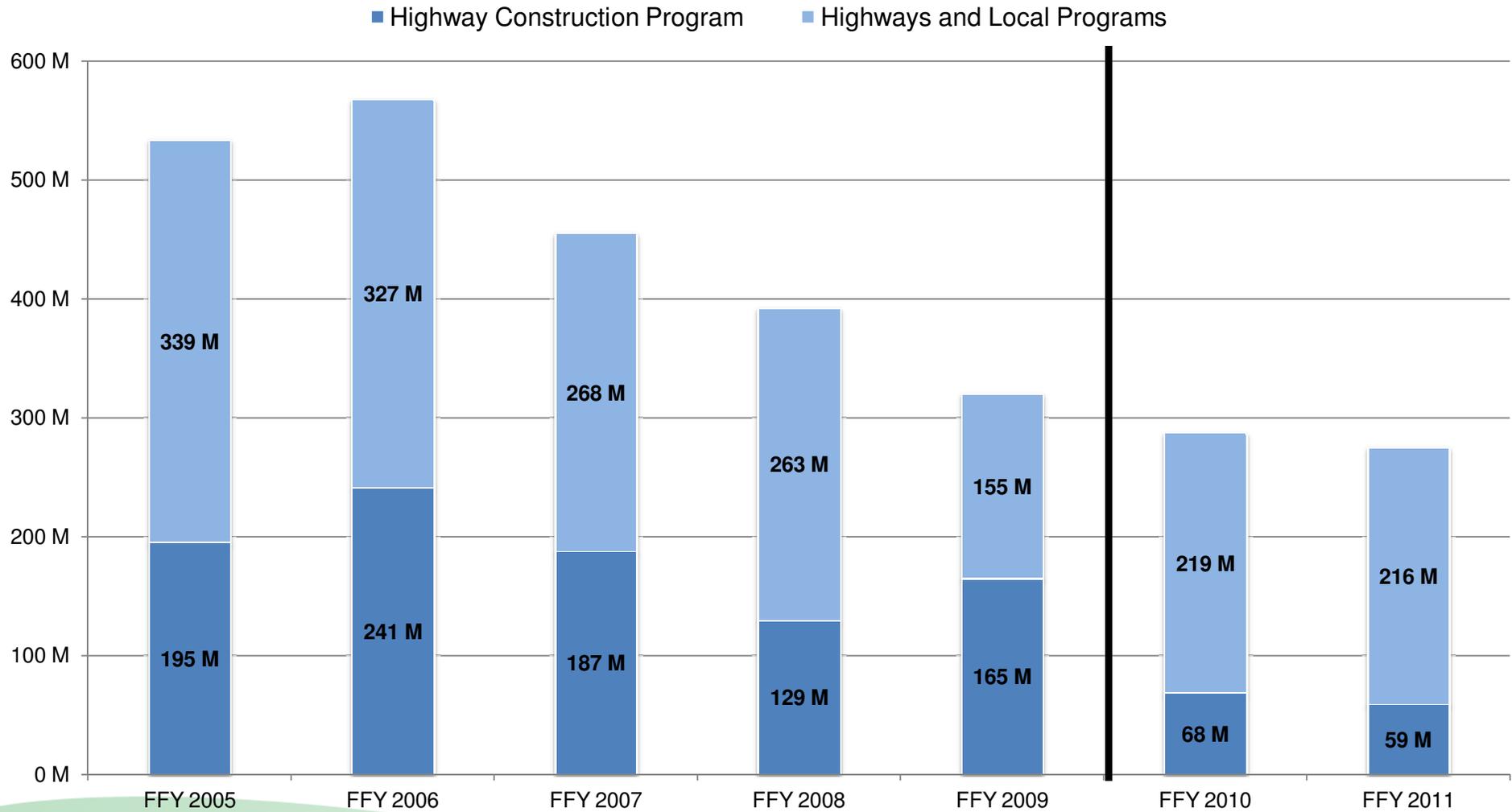
Apportionment

■ Formula ■ Non-Formula

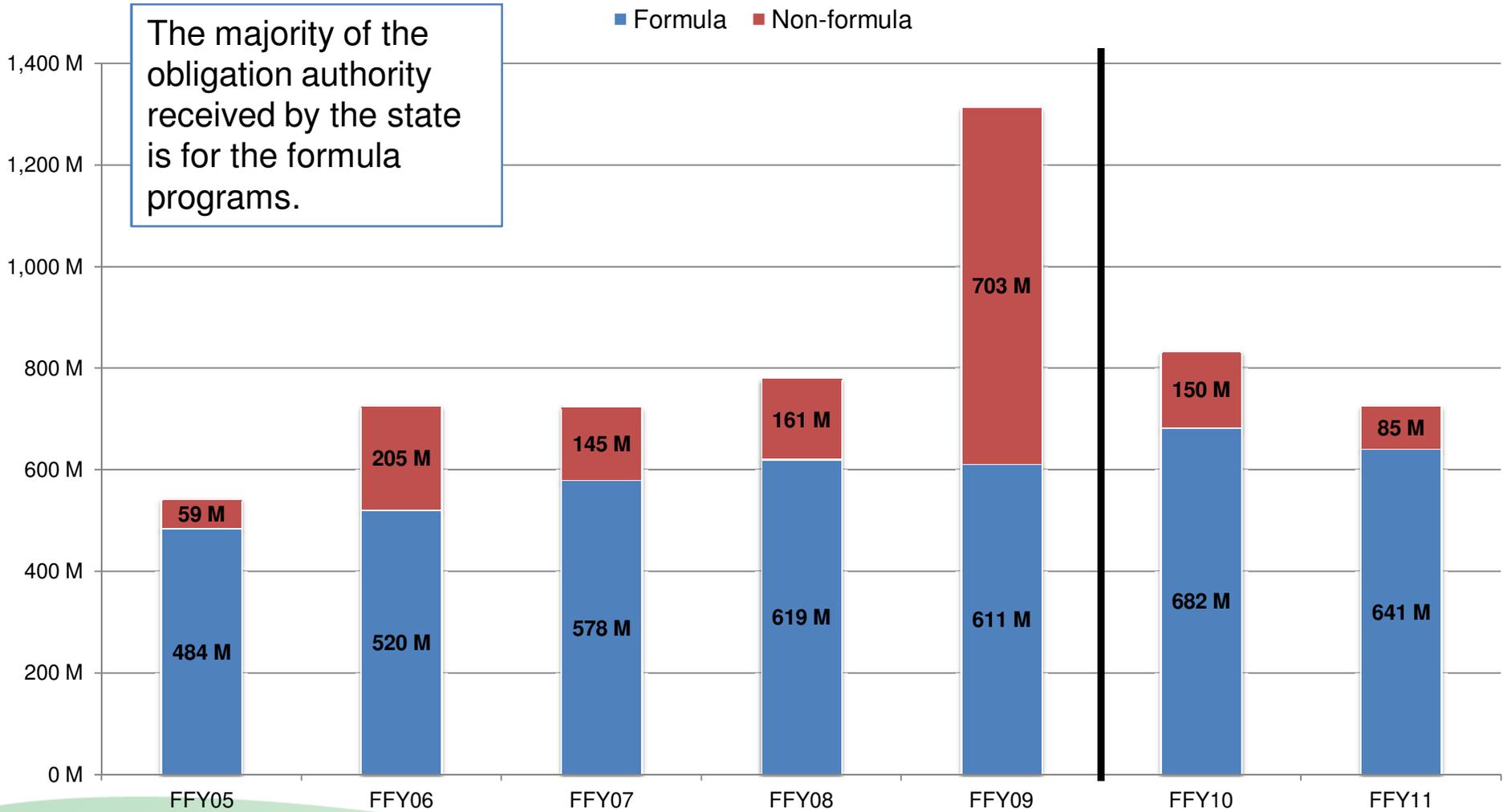


FFY 2009 includes \$492M for ARRA

Apportionment Balances

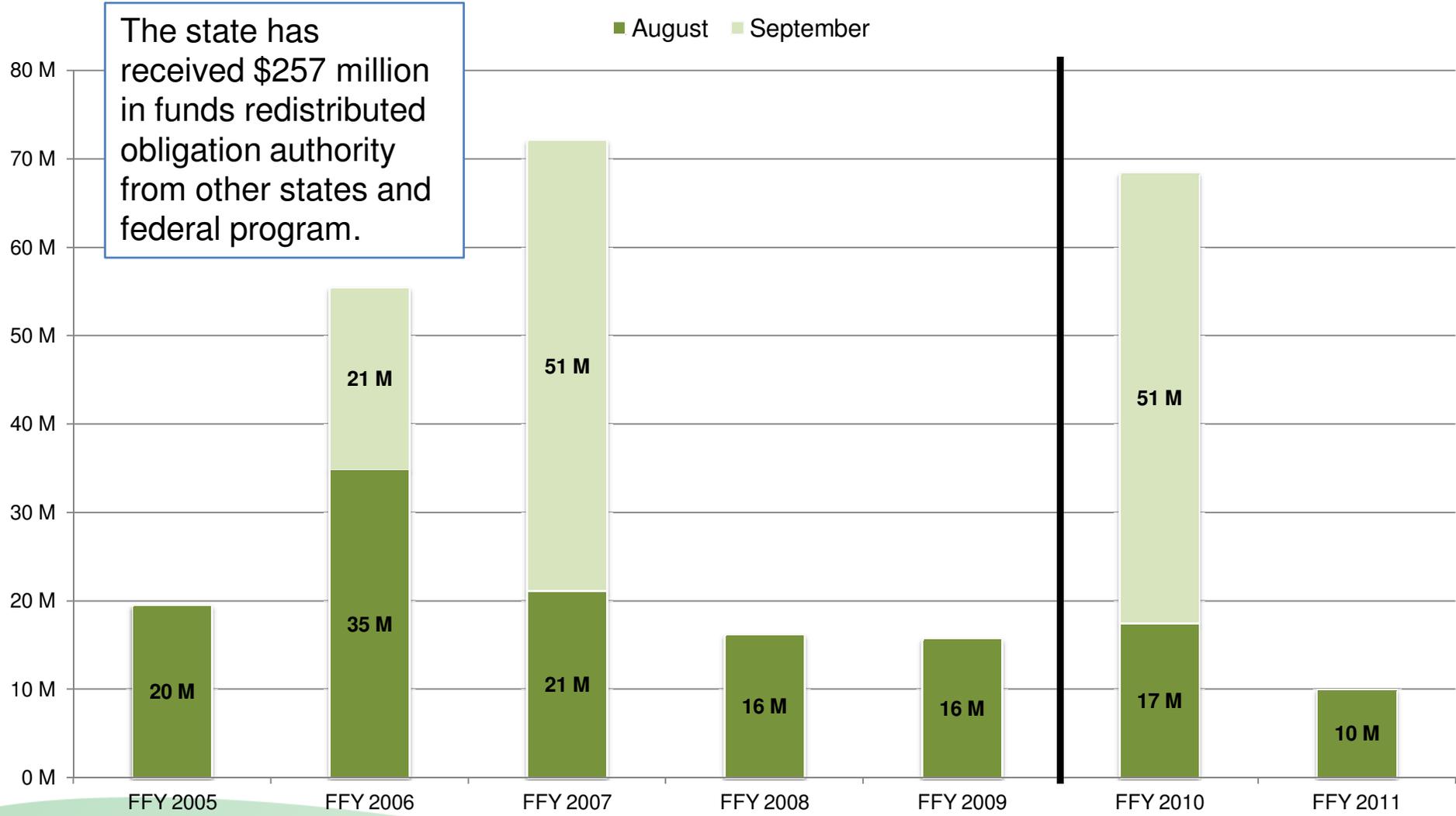


Obligation Authority



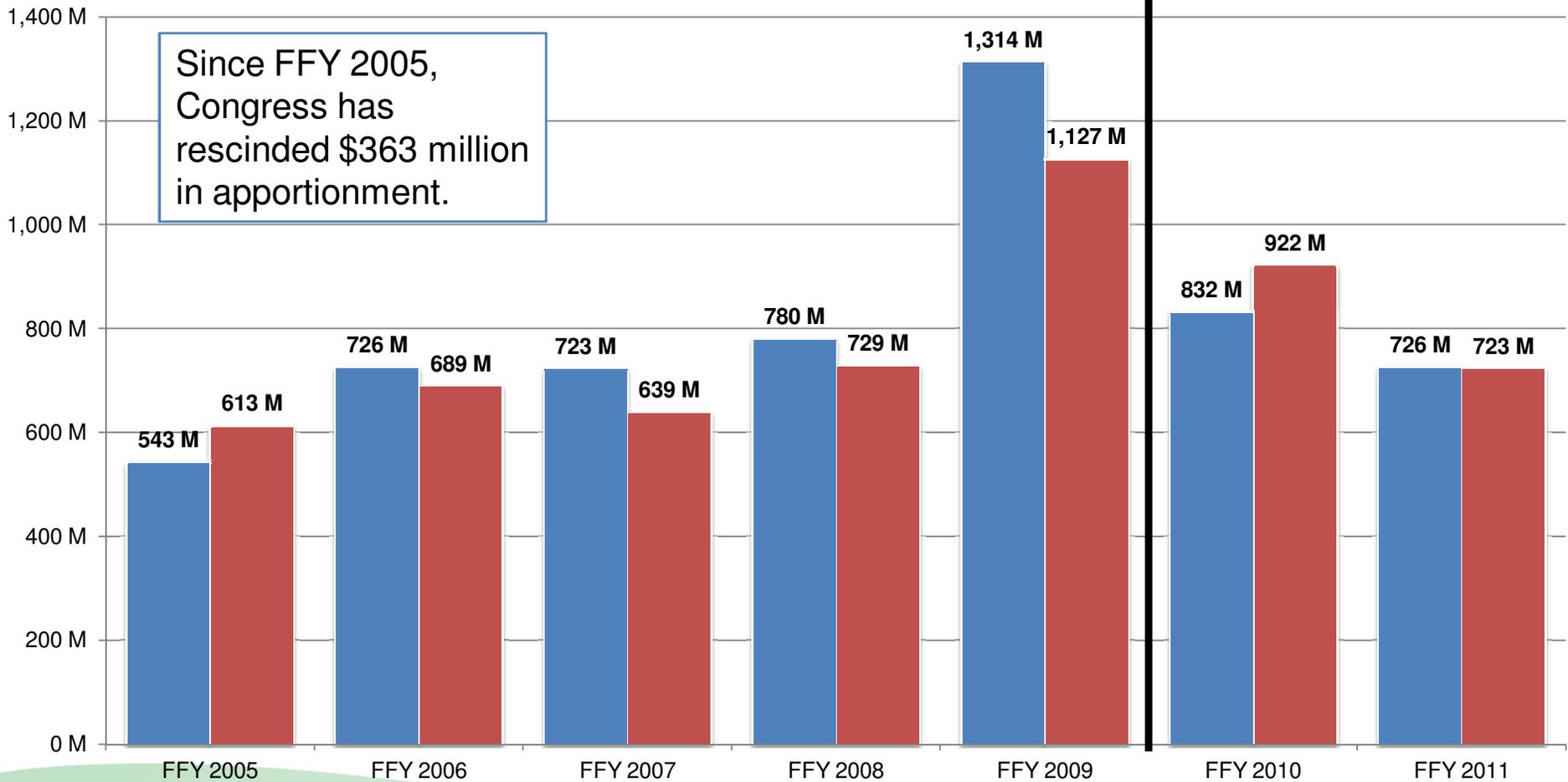
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Redistribution Obligation Authority

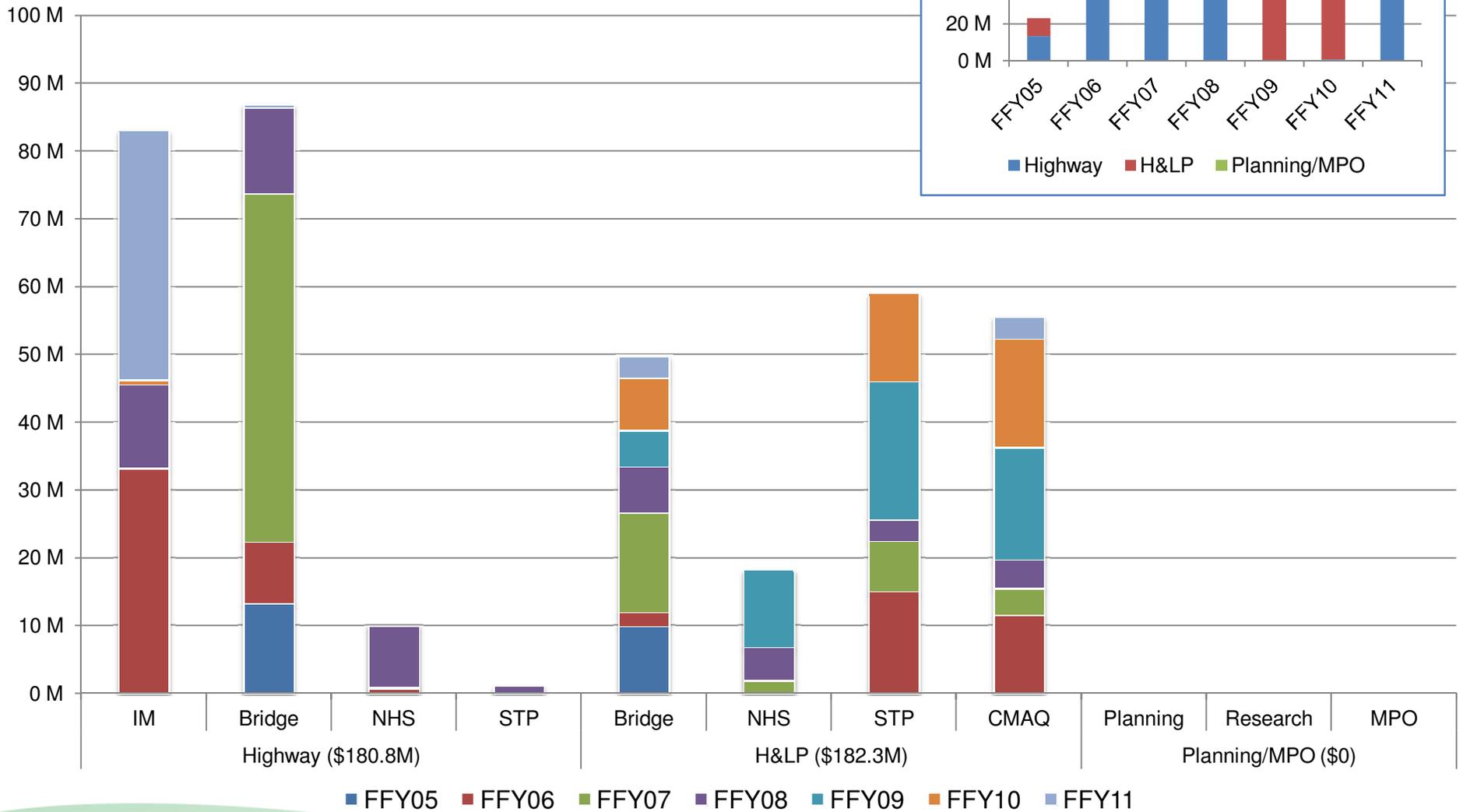


OA versus Apportionment

■ OA ■ Apportionment



Rescissions of Apportionment Has Not Impacted Programmed Projects



Does not include the \$148.1 million rescission in FFY 2009 that was returned in FFY 2010

Impact to Apportionment or Obligation Authority

	Apportionment	Obligation Authority
Annual Distribution		
Act/Extension	↑	
Appropriation/CR		↑
Rescission	↓	
Programming Action	↓↑	↓↑
Redistribution		
August		↑
September		↑
Section 164 Penalty	↓	↓

Programming Federal Funds

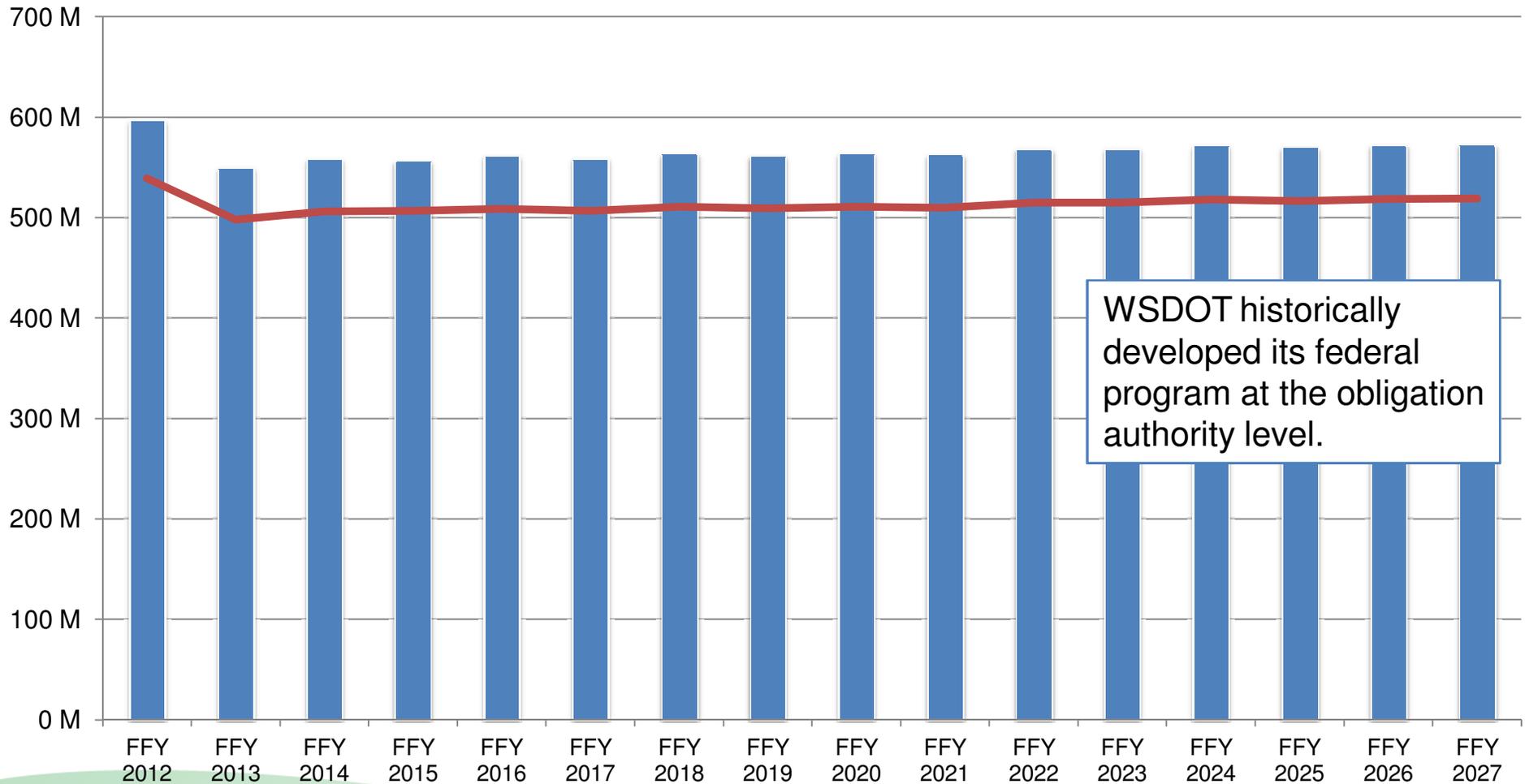


Federal Forecast Assumptions

- Department's 2012 Budget Proposal was built using the September 2011 Forecast
 - Incorporates the Surface and Air Transportation Programs Extension Act that extends SAFETEA-LU until March 31, 2012 at FFY 2011 levels
 - Forecast assumes a 20% reduction for last six months of FFY 2012 and FFY 2013
- November 2011 Forecast:
 - Obligation Authority level is set at pre-rescission FFY 2011 level for first 6 months, however reduces OA by 20% for the remaining 6 months
 - Increases the Obligation Authority in FFY 2012 from \$540 million to \$609 million
 - While the Minibus Appropriation bill sets the obligation level for a full fiscal year, the Surface and Air Transportation Programs Extension Act of 2011 (PL 112-30) passed in mid-September limits the amount of OA that can be distributed to half of the amount identified in the act
 - Forecast assumes a 20% reduction for FFY 2013 and beyond

Forecast (Sept 2011)

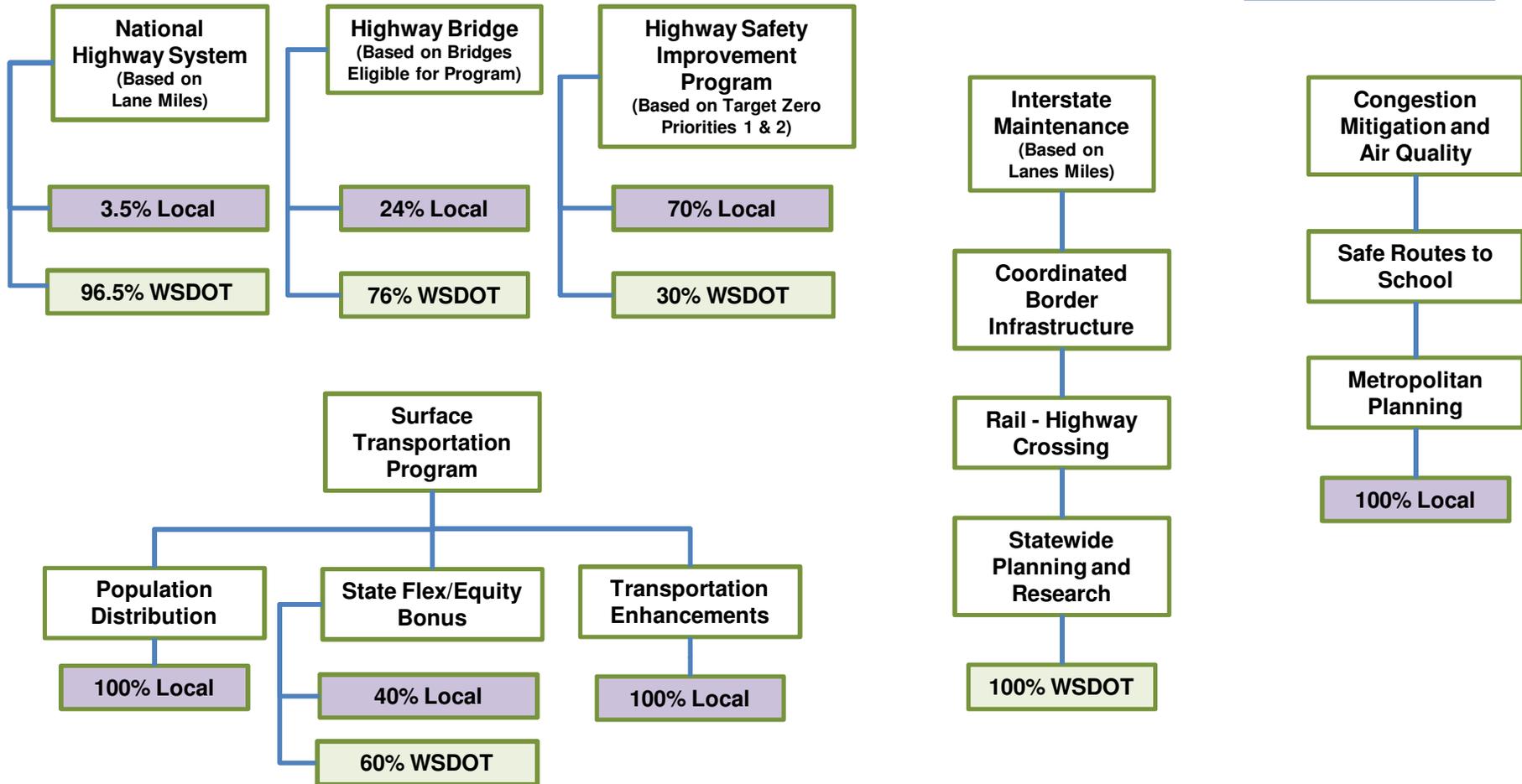
■ Apportionment — OA



WSDOT historically developed its federal program at the obligation authority level.

Distribution of Federal Funds

Distribution
WSDOT – 66%
Local – 34%



Managed by Program Management

Managed by Highways & Local Programs

Highways and Local Programs

- Programming federal funds
 - Federal program developed annually
 - Program at the obligation authority level
 - Programs managed based on statewide system analysis
 - Bridge Replacement and Rehabilitation Program
 - Highway Safety Improvement Program
 - Programs allocated for regional priority
 - Congestion Mitigation Air Quality
 - STP Population Distribution
 - Transportation Enhancements

Highway Construction Program

- Programming federal funds
 - Federal program developed biennially, adjusted annually, if necessary
 - Program at the obligation authority level
 - Develop a list of priorities
 - Considerations made when applying funds
 - Eligibility
 - Most restrictive programs used first
 - Oldest apportionment
 - Match requirements

COAX

- Convert OA to Expenditures
- Appropriation Authority versus forecasted Obligation Authority
- Estimated outlay rate applied to forecasted Obligation Authority level
 - Outlay rates developed using ten-years of expenditure history by federal fund type
- Individual projects programmed to fit within estimated expenditure levels

COAX Report

- Work in progress and GARVEE are “fixed” costs
- Identifies amount available for new starts
- Does not assume transfers
- Provides estimated appropriation levels

Formula Programs	11 - 13	13 - 15	15 - 17	Total		11 - 13	13 - 15	15 - 17
Bridge Replacement	192,179,894	223,618,696	232,576,908	648,375,498				
Work in Progress	97,703,508	135,725,608	79,615,247	313,044,363				
Adjustment ²	-19,540,702	60,000,000	60,000,000	100,459,298	11RDYDEK	47,148,044	77,735,224	60,056,247
New Starts	114,017,087	27,893,088	92,961,661	234,871,837		66,869,044	-49,842,136	32,905,415
Interstate Maintenance	126,448,514	169,836,576	179,447,760	475,732,850				
Work in Progress	97,395,234	13,481,092	0	110,876,326				
Adjustment ²	-19,479,047	0	0	-19,479,047	11RDYDEK	63,084,288	113,139,214	7,941,036
New Starts	48,532,327	156,355,484	179,447,760	384,335,572		-14,551,961	43,216,270	171,506,724
National Highway System	168,437,370	190,928,372	199,886,126	549,251,868				
Work in Progress	168,026,487	57,987,038	16,258,586	242,272,110				
Adjustment ²	-33,805,297	100,000,000	100,000,000	166,394,703	11RDYDEK	43,226,108	47,581,686	14,004,234
New Starts	24,016,181	32,941,335	83,627,540	140,585,055		-19,209,927	-14,640,351	69,623,306
Surface Transportation Program	52,589,409	59,961,176	62,781,220	175,331,805				
Work in Progress	81,394,527	18,880,102	2,062,661	102,337,289				
Adjustment ²	-16,278,905	40,000,000	40,000,000	63,721,095	11RDYDEK	13,942,323	21,561	0
New Starts	-12,526,212	1,081,074	20,718,559	9,273,421		-26,468,535	1,059,513	20,718,559
TOTAL New Starts	174,039,383	218,270,982	376,755,521	769,065,885		16,740,063	238,477,685	82,001,517
						6,638,620	-20,206,704	294,754,004

Bridge Replacement	June 10 Forecast	Year of Ob 24.6%	Ob year +1 45.2%	Ob Year +2 20.3%	Ob Year +3 4.4%	Ob Year +4 2.4%	Ob Year +5 0.8%
FFY 2010 (Unprogrammed)	\$ 84,018,544	20,662,347	38,014,827	17,054,377	3,723,248	1,991,789	648,120
FFY 2011	\$ 112,105,092	27,569,560	50,722,798	22,755,483	4,967,892	2,657,624	864,780
FFY 2012	\$ 114,144,643	28,071,139	51,645,609	23,169,478	5,058,274	2,705,975	880,513
FFY 2013	\$ 115,710,829	28,456,304	52,354,241	23,487,388	5,127,679	2,743,104	892,595
FFY 2014	\$ 117,330,122	28,854,531	53,086,903	23,816,078	5,199,437	2,781,492	905,086
FFY 2015	\$ 118,907,690	29,242,496	53,800,685	24,136,298	5,269,347	2,818,891	917,255
FFY 2016	\$ 120,459,418	29,624,106	54,502,776	24,451,273	5,338,111	2,855,677	929,225
FFY 2017	\$ 121,965,173	29,994,410	55,184,067	24,756,916	5,404,838	2,891,373	940,841

Bridge Replacement	FFY 2010	FFY 2011	FFY 2012	FFY 2013	FFY 2014	FFY 2015	FFY 2016	FFY 2017
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FFY 2016	\$ 120,459,418						29,624,106	54,502,776
FFY 2017	\$ 121,965,173							29,994,410
TOTAL		20,662,347	65,584,386	95,848,314	106,580,644	111,337,932	114,180,805	115,939,303
								117,456,539

Prioritization Process

- Thirty investment categories
- Subject matter experts identify a list of deficient projects
- In the fall of each year regions are asked to scope deficient projects
- Scoped projects are prioritized by CPDM staff
- Projects are selected for programming to meet a certain performance level at lowest cost

Obligating Funds

- Full phase obligation
 - Reduces number of agreements with FHWA
 - Simplifies TIP/STIP action
- Cash flow obligation
 - Obligation/apportionment amounts on some mega projects exceed the amount available annually
 - Requires a combination of programmed funds and Advanced Construction (AC) designation

Minimum Requirements

- Match
 - Requirements vary by program
 - Satisfied by Toll Credits
- Functionally classified route
- Programming
 - In TIP/STIP
 - Full phase funding
 - Financial Constraint
- Additional requirements based on federal program eligibility

Eligible for Federal Reimbursement

- Requirements for having a federal aid agreement approved
 - Preliminary Engineering
 - Phase must be in STIP as federally funded
 - Right of Way
 - Phase must be in STIP as federally funded
 - Project fund estimate
 - Environmental determination
 - Biological assessment
 - Construction
 - Phase must be in STIP as federally funded
 - Meet all right of way requirements
 - Right of way certification
 - Design approval
- FHWA will not reimburse WSDOT if work is performed before a federal aid agreement is approved
- Other issues:
 - Non-competitive contracts
 - Foreign materials (Buy America(n)), Davis-Bacon, etc.

Federal Penalties

- “Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence” (23 USC, Section 164).
- Penalty is an amount equivalent to 3 percent of our National Highway System, Surface Transportation Program, and Interstate Maintenance apportionments
- Penalty transferred to WSTC's Section 402 program for use for alcohol-impaired driving countermeasures, for enforcement of impaired or intoxicated driving laws, or for hazard elimination activities, at Washington’s option.

Federal Fiscal Year	Apportionment	Obligation Authority
2010	\$11,474,453	\$10,695,667
2011	\$12,228,469	\$11,283,661
2012 (partial)	\$8,558,866	\$8,095,281

Challenges

- Forecasting for future federal authorization act structure
- Federal oversight increasing
 - Programming projects
 - Federal financial plans
 - Reporting projects
 - Transparency Act
 - ARRA/TIGER
- New authorizations require performance based programming and reporting

Addressing Challenges

- Putting federal funds on fewer and larger projects
 - Reduces reporting requirements
 - Reduce programming requirements
- Having a list of federally eligible projects ready to program
- Working with MPOs/RTPOs/FHWA for flexibility in programming projects in the STIP
- Maintaining our good working relationship with FHWA – WA Division