

## AGENDA

Transportation Policy Board

Wednesday, April 8, 2020 7:00 a.m. – 8:30 a.m.

Zoom Teleconference Meeting

<https://zoom.us/j/567309720>

Meeting ID: 567 309 720

Audio by phone, dial in early:

(253) 215-8782, or (301) 715 8592

In order to comply with the Governor's guidance to "Stay Home and Stay Healthy" and in keeping with the Proclamation by the Governor Amending Proclamation 20-05 Open Public Meetings Act and Public Records Act issued on March 24<sup>th</sup> 2020, participation in the April 8<sup>th</sup> TPB meeting will be through **remote access only**.

Note:

- Agenda items may be covered by staff other than those listed on the agenda.

- |    |   |                                    |
|----|---|------------------------------------|
| 1. | <b>Introductions</b>  | Andy Ryder, Chair                  |
| 2. | <b>Approval of Agenda</b>   | <b>ACTION</b><br>Andy Ryder, Chair |
| 3. | <b>Approval of Meeting Notes from March 11, 2020 (Attachment)</b>   | <b>ACTION</b><br>Chair             |
| 4. | <b>Public Comment Period - Call in only</b>   |                                    |
| 5. | <b>7:15 - 7:35 Regional Transportation Plan (RTP) – Outreach Result and Releasing the Full Plan Draft for Public Review and Comment</b><br><i>Staff will brief the TPB on the Public Outreach Result, review the draft plan, and request that the Board recommend to Council that the plan be released for public comment.</i>  | <b>ACTION</b><br>Katrina Van Every |
| 6. | <b>7:35 - 7:55 Draft TRPC Obligation Authority Policy and Procedures</b><br><i>The complicated process of distributing and management federal funds includes ensuring that projects meet deadlines and that TRPC has clear remedies in those instances when projects fall behind so that the region and the state does not lose funding, but instead is in good standing to receive additional funding if defaults occur.</i> | <b>DISCUSSION</b><br>Paul Brewster |
| 7. | <b>7:55 - 8:05 Federal Call for Projects Update</b><br><i>Applications were due on March 27. Staff will provide an update on the number and types of proposals and the total amount of funding requested.</i>   | <b>UPDATE</b><br>Paul Brewster     |
| 8. | <b>Announcements</b><br><i>At the discretion of the Chair, this may be covered in the After-Meeting Summary.</i>  | TRPC Staff                         |
| 9. | <b>Outside Committee Report</b><br><i>At the discretion of the Chair, this may be covered in the After-Meeting Summary.</i>   | <b>BRIEFING</b><br>Doug DeForest   |

## Next Meeting –May 13, 2020

7:00 - at least 8:30 a.m.

**NOTE: At this meeting, the Board will review projects received under the Federal Call for Projects, which will likely require an extended meeting. At this time, we are planning for a remote meeting.**

TRPC ensures full compliance with Title VI of the Civil Rights Act of 1964 by prohibiting discrimination against any person based on race, color, national origin, or sex in the provision of benefits and services resulting from its federally assisted programs and activities. For questions regarding TRPC's Title VI Program, you may contact the Department's Title VI Coordinator at 360.956.7575.

If you need special accommodations to participate in this meeting, please call us at 360.956.7575 by 10:00 a.m. three days prior to the meeting. Ask for the ADA Coordinator.

For TDD users, please use the state's toll-free relay service, 711 and ask the operator to dial 360.956.7575.

## MINUTES OF MEETING

### TRANSPORTATION POLICY BOARD

Wednesday, March 11, 2020

2424 Heritage Court SW

Conference Room A, 1<sup>st</sup> Floor

Olympia, WA 98502

#### Call to Order

Executive Director Marc Daily called the meeting to order at 7:00 am. Chair Ryder and Vice Chair Sackrison are absent. Mr. Daily asked for volunteers to chair the meeting.

***Board member Zita moved, seconded by Board member Melnick, for Board member Kmet to chair the meeting. Motion carried unanimously.***

#### Attendance

##### Members Present:

City of Olympia  
City of Rainier  
City of Tenino  
City of Tumwater  
Intercity Transit  
North Thurston Public Schools  
Port of Olympia  
State Government  
WSDOT  
Emeritus Business Rep  
Business Rep

Dani Madrone, Council member  
George Johnson, Council member  
John O'Callahan, Council member  
Pete Kmet, Council member  
Don Melnick, Board member  
Deanna Maddox, Staff  
EJ Zita, Commissioner  
Kevin Dragon, DES Staff  
Joseph Perez, Staff  
Doug DeForest  
Renee Radcliff Sinclair

##### Members Absent:

City of Lacey  
City of Yelm  
Nisqually Indian Tribe  
Confederated Tribes of the  
Chehalis Reservation  
Thurston County  
Community Rep  
Community Rep

Andy Ryder, Chair  
Cody Colt, Council member  
David Iyall, Staff

Amy Loudermilk, Staff  
Gary Edwards, Commissioner  
Graeme Sackrison, Vice Chair  
Kevin Pestinger

##### Staff Present:

Marc Daily, Executive Director  
Karen Parkhurst, Planning & Policy Director  
Veena Tabbutt, Deputy Director  
Burlina Martin, Administrative Assistant  
Paul Brewster, Senior Planner  
Katrina Van Every, Senior Planner  
Sara Porter, Assistant Planner

##### Others Present:

Charlie Schneider, Tumwater City Council  
Mary Heather Ames, City of Tumwater  
Martin Hoppe, City of Lacey  
Sophie Stimson, City of Olympia  
Eric Phillips, Intercity Transit  
John Suessman, North Thurston Public Schools

- Agenda Item 1**  
INFORMATION      **Introductions/Announcements/Updates**  
All present provided self-introductions.
- Agenda Item 2**  
ACTION      **Approval of Agenda**  
Executive Director Marc Daily requested that agenda items 7 and 8 be switched on the agenda.  
  
*Board member O’Callahan moved, seconded by Board member Melnick, to approve the agenda after switching agenda items 7 and 8. Motion carried unanimously.*
- Agenda Item 3**  
ACTION      **Approval of Meeting Notes from February 12, 2020**  
  
*Board member O’Callahan moved, seconded by Board member DeForest, to approve the meeting notes from January 8, 2020. Motion carried unanimously.*
- Agenda Item 4**  
ACTION      **Public Comment**  
There were no public comments.
- Agenda Item 5**  
ACTION      **2020-2023 Regional Transportation Improvement Program (RTIP) Amendment 20.03**  
Assistant Planner Sara Porter provided information on Intercity Transit’s request to amend the 2020-2023 Regional Transportation Improvement Program (RTIP). The amendment is for the Pattison Maintenance and Operations Base Rehabilitation and Expansion project which received additional funding. The RTIP is being amended to reflect new funding levels, updated total estimated cost, and associated revisions to project title and description.  
  
Staff recommends that the Board approve amendment 20.3 to the 2020-2023 Regional Transportation Improvement Program to update the Intercity Transit Pattison Maintenance and Operations Base Rehabilitation and Expansion project, as presented.  
  
*Board member O’Callahan moved, seconded by Board member DeForest, to approve the Regional Transportation Plan Amendment 20.03. Motion carried unanimously.*
- Agenda Item 6**  
BRIEFING      **Regional Transportation Plan (RTP) Future Conditions – Model Results**  
Deputy Director Veena Tabbutt provided an overview of the Future Conditions chapter in the Regional Transportation Plan (RTP). The chapter assesses travel characteristics including how we travel, how far we travel, how system efficiency changes over time, how long it takes to travel, and how our network accommodates growth in travel.
- Agenda Item 7**  
BRIEFING      **TRPC Work Program – (Unified Planning Work Program – UPWP) Review**  
Deputy Director Veena Tabbutt provided an overview of the Unified Planning Work Program (UPWP). The UPWP is a requirement to receive federal and state planning funds.
- Agenda Item 8**  
BRIEFING      **I-5 Tumwater to Mounts Road Study – Public Review of Report**  
Executive Director Marc Daily provided an update on the I-5 Mounts Road to Tumwater study and its draft recommendations.
- Agenda Item 9**  
BRIEFING      **2020 Legislative Session Update**  
Planning & Policy Director Karen Parkhurst provided an update on the 2020 Legislative Session.
- Agenda Item 10**  
BRIEFING      **Outside Committee Report**  
There were no outside committee reports.
- Adjournment**  
There being no further business, Acting Chair Kmet adjourned the meeting at 8:33 a.m.

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Andy Ryder, Chair



**MEMBERS:**

- City of Lacey
- City of Olympia
- City of Rainier
- City of Tenino
- City of Tumwater
- City of Yelm
- Confederated Tribes of the Chehalis Reservation
- Nisqually Indian Tribe
- Town of Bucoda
- Thurston County
- North Thurston Public Schools
- Olympia School District
- Tumwater School District
- Intercity Transit
- LOTT Clean Water Alliance
- Port of Olympia
- PUD No. 1 of Thurston County

**ASSOCIATE MEMBERS:**

- Lacey Fire District #3
- Puget Sound Regional Council
- The Evergreen State College
- Thurston Conservation District
- Thurston Economic Development Council
- Timberland Regional Library

**MEMORANDUM**

**TO:** Transportation Policy Board

**FROM:** Katrina Van Every, Senior Planner

**DATE:** April 1, 2020

**SUBJECT:** Regional Transportation Plan (RTP) – Outreach Result and Releasing the Full Plan Draft for Public Review and Comment

**PURPOSE**

Staff will brief the TPB on the public outreach results, review the draft plan, and request TPB’s recommendation to release the draft plan for public review and comment.

**Summary:**

- The RTP is due to be updated in July 2020.
- Outreach for the RTP included a stakeholder survey, 14 presentations to various agencies and organizations, and a community survey.
- Staff has finished drafting the RTP, which is ready for release. The document includes an executive summary, seven chapters, and 13 appendices.
- Pending TPB’s recommendation, TRPC plans to release the draft for public review and set a public comment period from Friday, April 10<sup>th</sup> to Monday, May 11<sup>th</sup>.

**REQUESTED ACTION**

Staff requests the TPB recommend Council release the draft Regional Transportation Plan for public review and set a public comment period for April 10, 2020 to May 11, 2020.

Kve:bm



Marc Daily  
Executive Director

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**BACKGROUND**

The RTP must be updated every four years; the last update (not including amendments) occurred in 2016. Since January 2019, staff has worked on drafting the updated RTP. The draft includes an executive summary, seven chapters, and 13 appendices that provide additional information to help readers understand the data and information in the Plan. The full draft is available on TRPC’s website at [www.trpc.org/1012/Draft-2045-Regional-Transportation-Plan](http://www.trpc.org/1012/Draft-2045-Regional-Transportation-Plan).

Outreach for this update has included a stakeholder survey, 14 presentations to various agencies and organizations, and a community survey, which was released online in January 2020 and extended to March 20, 2020. 1,408 people participated in the community survey.

**ISSUES**

**Public Outreach.** The community survey asked the public to weigh in on transportation issues that will impact them over the next 25 years.

- **Transportation Technology.** When asked about transportation technologies that are becoming more common (autonomous vehicles, drone deliveries, toll and express lanes, etc.), most people felt there will be both positive and negative impacts on how they travel over the next 25 years. However, more than 70% felt that alternative fuels for vehicles was both important to them and that it would have a positive impact on how they travel.
- **Importance of Transportation Solutions.** When asked about nine transportation solutions and what was most important to individuals and the community, the answers were fairly consistent:

For Me...	Rank	For the Community...
Increase Local Transit Service	1	Increase Local Transit Service
Address Environmental Concerns	2	Maintain/Preserve the Existing System
Maintain/Preserve the Existing System	3	New Transportation Safety Projects
New Intersection Improvements	4	New Accessibility Projects
New Transportation Safety Projects	5	Address Environmental Concerns

- **Greenhouse Gas Emissions.** Approximately 36% of greenhouse gas emissions in Thurston County come from transportation sources. Seventy-four percent of survey respondents felt it was important that our transportation strategies reduce greenhouse gases; 8% felt it was unimportant.
- **Large-Scale Travel Options.** When asked about large scale travel options, more than 70% of survey respondents wanted to see high speed rail service between Portland, Oregon and Vancouver, British Columbia and expanded passenger rail service between Olympia, Tacoma, and Seattle. Only one in three respondents was interested in passenger air service from the Olympia Airport.
- **Survey Demographics.** We also asked for demographic information about the survey respondents. We learned:
  - Seven out of ten live in Lacey, Olympia, or Tumwater
  - One in four were between the ages of 25 and 39
  - More than half were women
  - Nearly nine out of ten were Caucasian
  - Eight out of ten earn \$50,000 or more annually

**Plan Draft.** The main body of the Plan is divided into seven chapters:

- **Chapter 1. Introduction.** Provides a high-level overview of the RTP’s purpose, state and federal planning requirements, and issues and challenges unique to the Thurston region.
- **Chapter 2. Recommendations.** Discusses recommendations for meeting the RTP’s goals. This chapter focuses primarily on:
  - Preserving and maintaining our existing transportation facilities, including transit facilities and services
  - 69 regional projects that either impact the movement of people and vehicles at the regional scale or actions and research that address the many questions and issues posed by the RTP.
- **Chapter 3. Guiding Principles, Goals, and Policies.** Provides a more detailed framework for transportation decision-making at all levels of government. Twenty goals address four aspects of transportation planning and implementation: transportation relationships, system management, system

components, and process. The goals and policies in this RTP are largely unchanged from the last adopted plan.

- **Chapter 4. State Facilities.** Provides a broad understanding of how Washington State Department of Transportation (WSDOT) plans for highways and how WSDOT and local transportation partners in the region collaborate to develop innovative, timely, and cost-effective transportation solutions. This is a new chapter in the RTP.
- **Chapter 5. Future Conditions.** Takes a broad look at the impacts the region's forecasted population and employment growth will have on our transportation facilities. It also highlights implications for future travel patterns and environmental considerations.
- **Chapter 6. Finance.** Details financial constraints placed on the RTP as well as an overview of the region's transportation revenues and expenditures forecast and assumptions.
- **Chapter 7. Environmental Considerations.** Highlights natural, built, and social environmental issues raised by projects included in the plan.

**Plan Review and Adoption.** The following is the anticipated schedule for adopting the RTP:

April 3 <sup>rd</sup> :	TRPC authorizes release of draft/sets public comment period pending TPB recommendation on 4/8.
April 8 <sup>th</sup> :	TPB Meeting on recommending draft release/public comment period.
April 10 <sup>th</sup> :	Public Comment Period begins. Legal notice will be published in the Olympian and then again on April 24 <sup>th</sup> . TRPC also submits the draft plan to WSDOT, Federal Highway Administration (FHWA), and Federal Transit Administration (FTA) for review.
May 11 <sup>th</sup> :	Public Comment Period ends.
May 21 <sup>st</sup> :	Public Comment review with TAC.
June 5 <sup>th</sup> :	TRPC's 1st Review for considering adoption of the RTP.
June 10 <sup>th</sup> :	TPB Recommendation and review of comments.
July 10 <sup>th</sup> :	TRPC Adopts RTP as a consent agenda item, and the final adopted plan is submitted to WSDOT, FHWA, and FTA.

**CONCLUSION**

Staff believes the draft RTP is ready for public review and requests TPB recommend the draft be released for a public comment period extending from April 10, 2020 to May 11, 2020.



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- Thurston Economic Development Council
- Timberland Regional Library

**MEMORANDUM**

**TO:** Transportation Policy Board

**FROM:** Paul Brewster, Senior Planner

**DATE:** April 1, 2020

**SUBJECT:** Draft TRPC Obligation Authority Policy and Procedures

**PURPOSE**

To review and provide staff feedback on the Draft TRPC Obligation Authority Policy and Procedures.

**Summary:**

- TRPC staff prepared a Draft Obligation Authority (OA) Policy and Procedures to maintain compliance with the Washington State Department of Transportation Local Agency Federal Obligation Authority Policy.
- The region's OA policy will provide a common framework for all Thurston County federal transportation grant program recipients to follow to obligate projects on schedule to maintain delivery of the region's annual obligation targets.
- The OA policy will also position the region to receive additional redistributed grant funds, if available, to obligate additional projects beyond the region's baseline grant allocation.
- The policy includes procedures for rescinding grant funds from local agencies that don't meet expected obligation dates—if WSDOT sanctions funds from the Thurston County Region for failing to meet its obligation targets.

**REQUESTED ACTION**

No action is required. This agenda item is for discussion only.

Attachment: Draft TRPC Obligation Authority Policy and Procedures

Pb:bm



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# DRAFT Thurston Regional Planning Council Obligation Authority Policy and Procedures

## Objectives

Thurston Regional Planning Council (TRPC) will implement the Obligation Authority policy outlined in this document to achieve the following objectives:

1. To comply with the Washington State Department of Transportation Local Agency Federal Obligation Authority Policy
2. To establish a clear and consistent framework for all local agency federal transportation grant recipients within Thurston County
3. To position the region to fund additional projects with redistributed sanctioned funds
4. To mitigate the adverse impact of sanctions on projects programmed and ready to obligate in the respective federal fiscal year (FFY)

## Background

Each FFY, Washington State Department of Transportation (WSDOT) sub-allocates Federal Highway Administration (FHWA) grant program funds to Metropolitan Planning Organizations (MPOs) or to non-MPO counties. That year's funding level (plus a region's previous year carry-forward amount) comprise a region's Obligation Authority (OA), here on referred to as the region's obligation target.

FHWA has a strong interest in ensuring that obligation authority (funding) is committed (obligated) by the end of the FFY it is made available. Thus, each state's annual obligation target is equal to its amount of OA that year. If states fall short of their obligation target, the un-obligated OA is rescinded by FHWA for redistribution to states that can use it that year.

WSDOT is responsible for ensuring the total statewide local OA is delivered annually. In turn, the MPO or lead county agency is responsible for delivering its regional obligation target. WSDOT Local Agency Federal OA Policy outlines how funds will be sanctioned if an MPO or non-MPO county fails to deliver its obligation target.

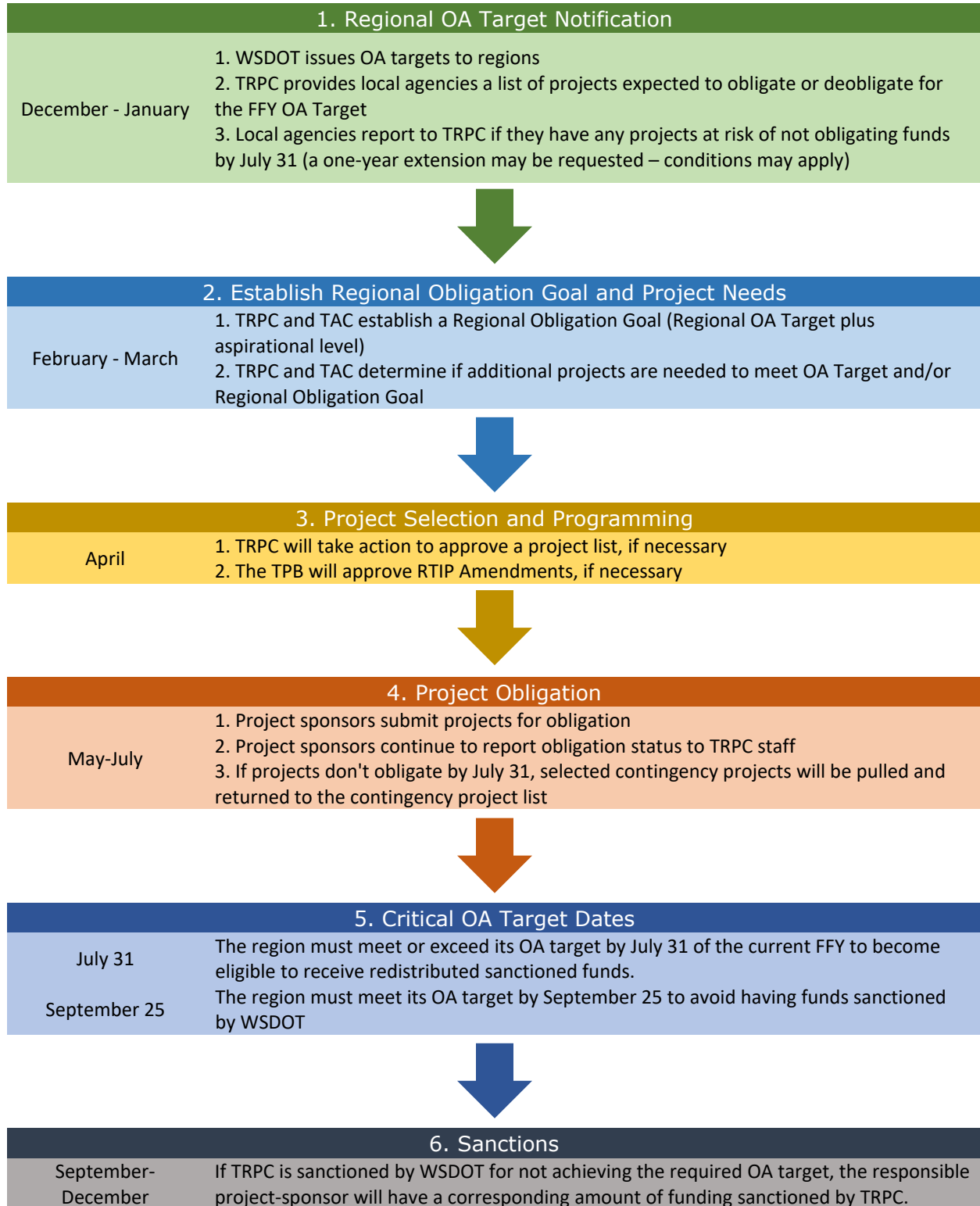
## Implementation

FFY 2020 is year one of the WSDOT Local Agency Federal OA policy. TRPC's 2020 OA target is subject to the state's policy. However, TRPC's procedures will be implemented starting in FFY 2021. Refer to Figure 1 for an overview of the TRPC OA Policy and Procedures timeline and activities. This policy can be amended by TRPC to streamline the region's needs and to reflect changes in the state's OA policy.

1. Critical Dates
  - A. WSDOT's OA policy specifies that the region must obligate its OA target by FHWA's September closing date (usually around the 25<sup>th</sup>).
  - B. For the region to be considered by WSDOT to receive redistributed funds, the region must meet or exceed its OA target by July 31 of the current FFY. **For a project to be counted in the July 31<sup>st</sup> delivery, a complete funding package must be authorized by FHWA or in FHWA's queue awaiting authorization.**



Figure 1: TRPC Obligation Authority Policy and Procedures Timeline



## 2. Regional OA Target Notifications

In December:

- A. WSDOT provides annual regional grant program allocations for Surface Transportation Block Grant (STBG), Congestion Mitigation and Air Quality (CMAQ) Improvement, and Transportation Alternatives (TA) grant programs to the MPOs and non-MPO counties.
- B. TRPC will provide local agencies a list of the projects expected to obligate or de-obligate for the corresponding FFY OA target. This list will be based on TRPC's grant award letters and the most current project delivery status report provided by WSDOT Local Programs.

In January:

- C. Local agencies (usually Technical Advisory Committee members) will report to TRPC if they have any:
  - i. Current FFY projects at risk of not obligating funds by July 31; and/or
  - ii. Projects likely to de-obligate funds in the current FFY not previously reported to TRPC

### *Options for At-Risk Projects*

- D. For any projects at risk of not obligating by July 31, a local agency may request a one-year obligation extension (from year stated in the award letter) without losing secure funding. However, project timing may be subject to funding availability.
- E. Projects delayed by more than one year must validate project feasibility to the Regional Council to maintain its secure funding status in the Regional Transportation Improvement Program (RTIP).

**Note:** The obligation date specified in the award letter is not always the same as the year the project is programmed in the RTIP.

## 3. Establish FFY Regional Obligation Goal and Project Needs

In February:

- A. TRPC staff will coordinate with the TAC to establish a **Regional Obligation Goal** for remainder of the FFY. This goal is comprised of the region's OA target plus an aspirational level to exceed the target by July 31.
- B. TRPC staff and the TAC will determine if additional projects are needed to meet the Regional Obligation Goal by July 31 and/or the region's OA target by September 25.

### *If Additional Projects are Needed:*

In March:

- C. By the third Thursday in March, local agencies will inform TRPC if a funding secure project that is programmed for a future year or a contingency project from the contingency list can submit complete paperwork and achieve FHWA obligation authorization by July 31.

**Note:** All contingency projects are drawn from the contingency project list. Contingency projects originate as pre-approved but unsecured funded projects during a Call for Projects Process.

#### 4. Project Selection and Programming

In April:

- A. The Regional Council will review and take action in one meeting to select candidate projects to meet the baseline OA target and/or the Regional Obligation Goal.
- B. The priority order for the selection of additional projects to obligation in the current FFY is as follows:
  - i. Funding secure projects that can obligate earlier than programmed will move forward to meet the current FFY OA target
  - ii. Contingency project funding level – the amount necessary to overcome the OA target shortfall
  - iii. Contingency project readiness as confirmed by project sponsor and WSDOT Local Programs
  - iv. Other TRPC Council priorities
  - v. A contingency project grant recipient not selected in the last two years (TRPC's intent to geographically distribute funding across the county)

**Note:** TRPC will abide by all agency policies and procedures for all RTIP Amendments and Administrative Modifications. Intercity Transit projects may require an Administrative Modification to the State Transportation Improvement Program (STIP) prior to obligation.

#### *Regional Transportation Improvement Program Amendments and Administrative Modifications*

- C. One or more contingency projects will be amended to the four-year project list in the STIP to enable them to obligate, as needed (TRPC staff will coordinate with project sponsors to process amendments).
  - i. If Formal STIP Amendments are required to respond to the Regional Council's project selection, the TPB will act during their April meeting.
  - ii. TRPC will issue updated award letters to grant recipients for projects with revised obligation timelines.
  - iii. TRPC staff will notify project sponsors when Administrative Modifications or Amendments are approved (expected by the third Friday in May).

#### 5. Contingency Project Obligation

- A. Contingency project sponsors are encouraged to prepare WSDOT Local Agency Agreement documentation prior to STIP amendment approval. However contingency projects will stand by until receiving approval from TRPC to obligate.
- B. All project sponsors with current FFY obligation deadlines, including contingency projects, will continue communicating project status with TRPC staff.
- C. If by July 31, there is any uncertainty to achieve the Region's OA Goal, the contingency project(s) that did not obligate by July 31 will be returned to the unfunded contingency project list to be reconsidered for future years.

## 6. Sanction Process

- A. If TRPC is sanctioned by WSDOT for not achieving the required OA target, the responsible project-sponsor agencies will be subject to the following corrective actions, under the direction of the Executive Director, to minimize impacts to other funding secure projects:
  - i. TRPC will rescind the corresponding project's funding secure status through a formal letter.
  - ii. If the sanction is caused by an unexpected de-obligation, the agency responsible will move a comparable funded project onto the contingency list.
  - iii. If a project has already obligated (but after the deadline), TRPC will issue a formal letter to the project sponsor requiring them to de-obligate the project funds.
- B. TRPC will initiate a RTIP amendment. The amendment will move the project from the four-year project list to Appendix A as a contingency project. Upon approval by TRPC, the project may be amended back into the four-year project list if funding becomes available.

## Definitions

**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.

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

**State obligation target:** FHWA has a strong interest in ensuring that obligation authority (funding) is used (obligated) by the end of the FFY 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 can use it that year.

**Statewide local obligation target:** In this policy-document, the statewide local obligation target refers to the target dollar amount equal to the portion of annual OA managed through the WSDOT Local Programs Office. OA managed by Local Programs can be split into two broad categories: 1) funding sub-allocated to MPOs and non-MPO counties for allocation to projects (STBG, TA, CMAQ funds) and 2) funding awarded to project sponsors by the Local Programs Office (National Highway Performance Program, Bridge, Highway Safety Improvement Program, Interstate Maintenance, etc.).

**Regional obligation target:** By law, a portion of states' annual FHWA obligation authority for certain programs (STBG, TA, and CMAQ) is sub-allocated to areas of the state based on population. These sub-allocated amounts fund projects that are selected by metropolitan planning organizations (MPOs) or counties (in regions not required to have an MPO). 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).

**Nationally Redistributed OA:** In years when one or more states fall short of their state obligation target, the unused OA is taken back by FHWA and redistributed to states that can use it 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 a region currently has and is still seeking to obligate to its projects is not taken away by a sanction. Rather, the next FFY's sub-allocation of new OA is reduced.

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