

I. Introduction

The Statewide Transportation Improvement Program (STIP) identifies the multimodal strategic investments that have been developed through local, regional and state partnerships. The limited transportation resources, continues to emphasize the need for greater community involvement in programming investments that benefit our statewide system.

The federal transportation act, Moving Ahead for Progress in the 21st Century Act (MAP-21) extension transforms the policy and programmatic framework for investments to guide the growth and development of the country's vital transportation infrastructure along with creating a streamlined, performance based, and multimodal program to address the many challenges facing the U.S. transportation system. MAP-21 continues to promote the role of the MPO and requires that each designated MPO develop a Transportation Improvement Program (TIP), and the state to develop a Statewide Transportation Improvement Program (STIP). The STIP includes MPO TIPs without change per federal law. An approved STIP is required to authorize federal funds for transportation projects. Regional Transportation Planning Organizations (RTPO) are defined in MAP-21, however the federal definition of RTPO does not align with the state definition, and no additional federal planning funding was provided. Therefore, RTPOs will continue to follow the state planning and programming requirements as defined in chapter 47.80 Revised Code of Washington (RCW) and chapter 468-86 Washington Administrative Code (WAC).

The 2016-2019 STIP is a four-year, fiscally constrained prioritized program of transportation projects, compiled from local transportation programs, metropolitan and regional transportation improvement programs and is consistent with metropolitan and regional long range plans, and the 2007-2026 Washington Transportation Plan (WTP). These projects are identified through state, metropolitan, regional and local planning processes, and are the highest priority for the available funding to preserve and improve the state's transportation network. Local agencies work through their metropolitan planning or regional transportation planning organizations and counties as appropriate, to include projects into their TIPs and the STIP.

Included in the STIP are state and local roadway, bridge, safety, bicycle, pedestrian and public transportation (transit) projects, funded with revenues from federal, state and local sources. The projects are organized in alphabetical order by MPO and lead agency and are shown in a standardized format. Project information such as: project phases including design (PE (preliminary engineering (including environmental))), right of way (RW) and construction (CN) surface transportation projects and public transportation capital and operating projects.

To ensure federal compliance of a four year program of projects, Washington State Department of Transportation (WSDOT) collaborated with the Metropolitan Planning Organizations (MPO) to shift the way pavement preservation projects are programmed. WSDOT is providing a program of prioritized pavement preservation projects expected in each of the MPO areas for the next six years. This shift to programmatic projects in the STIP provides greater clarity to the public of WSDOTs expected pavement preservation projects in the pipe-line and opportunities for local communities to leverage and coordinate their nearby improvements. This approach also provides WSDOT the maximum flexibility to use available federal funding to expedite project delivery and quickly respond to emergent preservation and safety needs statewide.

All Metropolitan Planning Organization's TIPs are approved by WSDOT's Secretary of Transportation, as delegated by the Governor. The projects are listed individually in the STIP (*Appendix E: STIP Format & Project Listing*) except for those projects that have been grouped, (e.g., specific programs of transit and paving projects). Projects listed in the STIP are the only projects that can be approved by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) to utilize federal funds. Once projects are approved in the STIP, agencies may request project authorization with federal funds. STIP programming generally occurs every year.

Finally, WSDOT must certify that the transportation planning process is addressing the major issues facing the state and its non-urbanized areas and is being conducted in accordance with all applicable requirements (*Appendix A: State Self-Certification Statement*).

II. Financial Plan and Resources

Regulations (23 CFR 450.216(a)(2)) require that the STIP present a financially constrained program of projects that will be implemented during a four-year period. To demonstrate the STIP is fiscally constrained, by the funding identified, the federal terminology of committed, available and/or reasonably available funds is used. The STIP is designed to document the total amount of funds (federal, state, local, etc.) programmed for each project or phase of a project listed. Also, the STIP includes a project or an identified phase of a project, only if full funding can reasonably be anticipated to be available for the project within the time period contemplated for completion of the project and as documented in the Metropolitan Transportation Plan (MTP), etc. (*Appendix C: STIP Administration*). Accordingly, an investment level approach has been used for the second, third and fourth years of the STIP. The investment level is based upon the reasonably available amount of funding for the various sources.

It is difficult to completely accomplish a four year financially constrained program of projects in Washington, since WSDOT is limited by statute to a two-year capital construction program and local agency capital programs are adopted annually through their commissions and councils. However, financial constraint of the STIP is summarized in *Appendix B: Financial Feasibility Table*, to demonstrate the projects to be implemented are using current and/or reasonably available revenues, while facilities are being adequately operated and maintained. Details of each fund source are further described in Section VIII: Source of Funds.

State

Washington State's Fiscal Year (FY) 2016 transportation revenues are forecasted at \$2,641 million (see table on following page). This revenue is from numerous taxes, fees, permits, tolls, and other revenues. Washington's fuel taxes (gasoline, diesel, biodiesel, etc.) comprise the largest share of all transportation revenue at 57%. Licenses, permits and fee revenues comprise the second largest share at 22% of all transportation revenues. This revenue is related to motor vehicle registrations, weight fees, license plate replacement fees, title fees, and dealer permits. The remaining 21% consists of ferry fares, toll revenue, driver related, and other transportation related revenue. This revenue reflects the usage of the ferries, toll facilities, vehicle sales and use taxes, rental car sales taxes, filing fees, etc. The Transportation Revenue Forecast Council adopted the September 2015 Transportation Revenue Forecast and additional details are provided on the Office of Financial Management's (OFMs) web site at <http://www.ofm.wa.gov/budget/info/transportationrevenue.asp>. State transportation revenues are expected to grow due to the adoption of the 2015 transportation revenue package by 17%

over the next four years from \$2,641 million in FY 2016 to \$3,101 million in FY 2019. The total state bond proceeds are expected to decrease 4% over the next four years from \$392 million in FY 2016 to \$283 million in FY 2019.

State & Local Revenues (dollars in millions)	2016	2017	2018	2019
State	\$ 2,641	\$ 3,034	\$ 3,079	\$ 3,101
Cities/Counties	\$ 2,278	\$ 2,309	\$ 2,340	\$ 2,372
Transit	\$ 2,732	\$ 2,792	\$ 2,852	\$ 2,911
Sub-total	\$ 7,651	\$ 8,135	\$ 8,271	\$ 8,384
Future State Bonding Proceeds and Debt Service (dollars in millions)				
Total Gross Bond Proceeds *	\$ 392	\$ 483	\$ 370	\$ 283
GARVEE/Bonds	\$ -	\$ 112	\$ -	\$ -
Debt service on bonds except for GARVEE/Bonds	\$ -	\$ -	\$ -	\$ -
Total State Revenue & Bonds Less Bond Debt Service	\$ 3,033	\$ 3,517	\$ 3,449	\$ 3,384
Debt service on GARVEE Bonds ⁺	\$ -	\$ -	\$ -	\$ -
* 2010 local bonds totaled \$200 million but future local bond projections are not reflected in the table.				
⁺ GARVEE Bonds backed by federal tax revenue not state tax revenue				
# Fed Highway's based Sept. 2015 Alt. forecast				

In order to sell bonds, the Washington State Legislature must enact a statute authorizing the sale of bonds for a specific purpose. This statute requires a 60% legislative majority vote or approval by the voters in a statewide referendum (e.g., Referendum 49). Before bond proceeds may be delivered, the Legislature must first appropriate expenditure authority and a request for the sale must be made to the State Finance Committee.

In Washington, bond proceeds are only used for capital purposes and are referred to as "double-barrel" bonds. They are general obligation bonds, meaning they are secured by the full faith and credit of the state and are also secured by motor fuel taxes. Debt service on motor fuel tax general obligation bonds is paid from gas taxes. Debt service on toll backed bonds is first payable from tolls, then motor fuel taxes. Rating agencies look at the state's financial health when assigning credit ratings to the motor fuel tax bonds.

The Washington State Legislature has also authorized WSDOT to sell Grant Anticipation Revenue Vehicles (GARVEEs) bonds. Reimbursement for GARVEEs comes from a pledge of future Title 23 Federal-aid funding.

Local

In addition, to the state revenues shown above, local entities receive transportation funding totaling approximately \$2,278 million for cities and counties and an additional \$2,732 million for transit in FY 2016. Funding is primarily from the property tax for roadway type projects and the sales tax for transit projects. Other sources of revenue for local transportation projects may include local vehicle registration fees, street use permits, mitigation fees, impact fees, local improvement districts (LID), general funds, parking fees, developer fees, etc. Local cities and counties revenue projections in the near-term are based on using various external forecasts like sales and property tax forecasts as well as prior trends of these revenue sources. The last year of actual revenue is calendar year (CY) 2014. Overall local cities and counties revenue is projected to grow four percent over the next four years from \$2,278 million in CY 2016 to \$2,372 million

in CY 2019. Overall transit revenue is projected to grow seven percent over the next four years from \$2,732 million in CY 2016 to \$2,911 million in CY 2019. For additional guidance for creating long-term forecasts of local transportation revenues are provided on the STIP web site at <http://www.wsdot.wa.gov/localprograms/>.

Federal

After state funds, the largest source of transportation revenue is federal funds. The federal revenue table below identifies the programmatic funds distributed to Washington State by FHWA and FTA based on MAP-21. Federal funds reported in this forecast are based on federal fiscal year (FFY) which began on October 1st. The estimated gross level of highway funds available annually in 2016, 2017, 2018 and 2019, will be approximately \$688 million, not including discretionary funding. The transit funds are approximately \$46 million annually for 2016-2019.

Federal Revenue based on Apportionment (dollars in millions)	2016	2017	2018	2019
Highway [#]	\$ 677.90	\$ 685.00	\$ 691.40	\$ 696.40
Transit	\$ 45.10	\$ 45.61	\$ 46.13	\$ 46.67
Other (BIA, CDBG, etc.)	\$ -	\$ -	\$ -	\$ -
Total	\$ 723.0	\$ 730.6	\$ 737.5	\$ 743.1

Federal apportionment is a distribution of funds using a formula provided in law to states for obligation in an appropriation account. The distribution makes amounts available on the basis of specified time periods, programs, activities, projects, objects, or combinations thereof. Obligation authority is a limitation placed on Federal-aid highway and highway safety construction programs to act as a ceiling on contracts that can be made within a specified time period. These limits are imposed in order to control the highway program spending in response to economic and budgetary conditions.

When determining future year authorizations/apportionments federal guidance allows the state to use a growth rate estimated on the basis of previous authorizations. In September 2015, the Transportation Revenue Forecast Council approved the alternate federal revenue forecast. Therefore, for STIP programming the federal revenues shown above will be used, representing more recent developments which deviate from the September 2015 baseline forecast. This federal funding approach uses annual fuel consumption growth rates to grow 2015 funding levels reflected beyond MAP-21 funding levels. The specific differences of how the future Act and programs will look are continuing, and until legislation is enacted, WSDOT is basing estimates as those provided in MAP-21 and reflected in *Appendix B: Financial Feasibility Table*.

Financing Techniques

Toll Credit

Section 120(j) of Title 23 permits states to substitute certain previous toll-financed investments for state matching funds on current Federal-aid projects. It permits the non-Federal share of a project's cost to be met through a "soft match" of toll credits. The amount of toll credits earned by Washington State is based on the amount of toll revenues expended by its toll authorities for capital outlays to build or improve highways, bridges, or tunnels that serve interstate commerce. The Washington State Ferry System qualifies as a toll authority, and the ferry fare box revenues

qualify for eligible toll credits, up to the amount of capital expenditures on Washington State Ferries in the respective year. Also, the expenditures on the Tacoma Narrows Bridge project qualify as eligible toll credit since the toll revenues will be used to pay the debt service for bonds issued for this project.

To qualify for the credit, the state's total non-federal capital expenditures must exceed the average of the three prior years. This is called the maintenance of effort (MOE) calculation. The MOE test is required at the time WSDOT certifies the credit amount with FHWA. Once a credit amount is approved by FHWA, this credit will remain available until used.

As of June 2013, WSDOT has certified \$3.2 billion in toll credits and has a balance of \$2.6 billion. The department's current plan for the highway construction program and some local programs assumes the use of all available toll credits to maximize the use of federal funds over the 12 year plan.

WSDOT uses toll credits on large, federally funded projects to free up state funds for use on smaller projects and to reduce the number of federally funded projects. Using toll credits as match on projects also allows limited state funds to be expended on activities not eligible for federal funding. WSDOT also utilizes a portion of the toll credits for local projects to maximize delivery of the local federal programs. The federal programs can include bridge, safety, federal earmarks or discretionary funds if the matching funds are not already available

GARVEE

Grant Anticipation Revenue Vehicles (GARVEEs) enable the state to pay debt service and other bond-related expenses with future federal highway funds. The GARVEE financing mechanism generates up-front capital for major highway projects at generally tax-exempt rates and enables Washington State to construct a project earlier than if using traditional pay-as-you go federal funds. With projects in place sooner, costs are lower due to inflation savings, and the public realizes safety and economic benefits. By paying with future federal highway funds, the cost of the facility is spread over its useful life, rather than just the construction period.

A GARVEE is a debt-financing instrument authorized to receive federal reimbursement of debt service and related financing costs under Section 122 of Title 23, United States Code. GARVEEs can be issued by Washington State, a political subdivision of the state, or a public authority. Through this, Washington State can receive federal reimbursement for a wide array of debt-related costs incurred in connection with an eligible debt-financing instrument, such as a bond, note, certificate, mortgage, or lease. Reimbursable debt-related costs include interest payments, retirement of principal, and any other cost incidental to the sale of an eligible debt instrument.

In general, projects funded with the proceeds of a GARVEE debt instrument are subject to the same requirements as other federal projects with the exception of the reimbursement process. Instead of reimbursing construction costs as they are incurred, the reimbursement of GARVEE project costs occurs when debt service is due. For a GARVEE, the state may request partial conversion of advance construction project(s) to coincide with debt-service payments, allowing for effective use of obligation authority. Candidates for GARVEE financing are typically large projects (or programs of projects) that have the following characteristics:

- The costs of delay outweigh the costs of financing.
- Other borrowing approaches may not be feasible or are limited in capacity.

- The state is willing to reserve a portion of future year Federal-aid highway funds to satisfy debt-service requirements.

Advance Construction:

FHWA has implemented several fiscal management techniques that provide states additional flexibility in managing their obligation authority and cash flow, including advance construction (AC) and partial conversion of advance construction. The AC approach allows agencies to request and receive approval to construct a project in advance of the apportionment of federal-aid funds. This allows agencies to begin a project before accumulating all of the obligation authority needed to cover the federal share of the project. Using advanced construction, FHWA is asked to authorize the project without obligating federal funds. An agency will provide the up-front financing for the project and then at a later date “convert” the AC project to a regular federal-aid project by obligating the full federal share of the project costs when sufficient obligation authority is available. At the time of conversion, an agency can be reimbursed for the federal share of costs incurred up to the point of conversion. Partial conversion of AC is where the agency converts, obligates, and receives reimbursement for only a portion of its funding in a given year. This removes any requirement to wait until the full amount of obligation authority for the project is available. An agency can obligate varying amounts for the project’s eligible cost in each year; depending on how much of the state’s obligation authority is available. For GARVEE and TIFIA debt-financing instruments that will utilize advanced construction, the project description of the STIP will identify taking advantage of advanced construction.

A similar process is used for FTA projects called a ‘Letter of No Prejudice’. This technique allows transit agencies to start their projects prior to receipt of funds.

TIFIA

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides Federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance. TIFIA credit assistance provides improved access to capital markets, flexible repayment terms, and potentially more favorable interest rates than can be found in private capital markets for similar instruments. TIFIA can help advance qualified, large-scale projects that otherwise might be delayed or deferred because of size, complexity, or uncertainty over the timing of revenues. Many surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance.

The TIFIA credit program offers three distinct types of financial assistance designed to address the varying requirements of projects throughout their life cycles:

- Secured (direct) loan - Offers flexible repayment terms and provides combined construction and permanent financing of capital costs. Maximum term of 35 years from substantial completion. Repayments can start up to five years after substantial completion to allow time for facility construction and ramp-up.
- Loan guarantee - Provides full-faith-and-credit guarantees by the Federal Government and guarantees a borrower's repayments to non-Federal lender. Loan repayments to lender must commence no later than five years after substantial completion of project.
- Standby line of credit - Represents a secondary source of funding in the form of a contingent Federal loan to supplement project revenues, if needed, during the first 10 years of project operations, available up to 10 years after substantial completion of project.

III. Operations and Maintenance

Operations and maintenance are those expenses of labor, goods and services necessary for the provision of safe and responsive transportation facilities and services, but does not include special bonding, etc. for exceptionally large projects, such as, Sound Transit's match funding.

The statewide budget for operations and maintenance for each fiscal year in the 2016-2019 STIP is estimated as follows: 1) state highway system - \$741 million; 2) cities and counties local transportation system - \$894 million; and 3) governmental transit systems - \$1,759 million which also includes contracted services, administration and planning.

IV. Consistency Long-range Statewide Transportation Plan

The STIP is consistent with the 2007-2026 Washington Transportation Plan (WTP). The WTP is the federally-compliant long-range statewide transportation plan presented to the Governor and the state legislature in November 2006.

The WTP is a 20-year, fiscally constrained plan that outlines the service objectives and strategies for maintaining, operating, preserving, and improving the statewide transportation system. It also outlines a financial funding strategy that identifies the responsibilities for implementation and establishes needs for the system. It was developed in cooperation with the Metropolitan Planning Organizations and the Regional Transportation Planning Organizations. The WTP was developed to be consistent with the Metropolitan Transportation Plans (MTPs) and the Regional Transportation Plans (RTPs) and the Strategic Highway Safety Plan (Target Zero).

V. Consultation & Selection Process

MAP-21 emphasizes consultation during statewide, metropolitan and non-metropolitan planning. There are 12 Metropolitan Planning Organizations (MPOs) in Washington. Each provides a forum for local decision-making on metropolitan transportation issues.

Metropolitan planning, including metropolitan transportation improvement programs are coordinated with statewide planning and local land-use and economic development planning. MPOs annually self-certify that they meet all the federal metropolitan transportation planning requirements. Additionally, the Federal Highway Administration and the Federal Transit Administration are required to formally review and verify the plans of each Transportation Management Areas (TMA) at least every four years.

There are four TMAs in Washington and each selects projects in consultation with WSDOT. In non-TMA MPOs and in Regional Transportation Planning Organizations (RTPOs) projects are selected in cooperation with WSDOT. In addition, it is the practice in Washington State to provide federal funds to rural counties to prioritize and select transportation projects in their respective area in cooperation with WSDOT and member jurisdictions. The transportation needs of the rural counties are often much different than the needs of metropolitan areas. Rural counties frequently partner with the smaller local jurisdictions to meet the broader needs of the countywide transportation system.

WSDOT sub-allocates Surface Transportation Program (STP), Congestion Mitigation and Air Quality (CMAQ) and Transportation Alternatives Program (TAP) funds annually to MPOs, RTPOs and county lead agencies. Projects are prioritized and selected in consultation with WSDOT and member jurisdictions. This cooperative transportation decision-making process follows the respective public involvement plan to provide a forum for member jurisdictions and the public to discuss regional transportation issues to plan and program transportation improvements. For specific details of the regional transportation planning organizations selection and programming process, please visit their specific web site (*Appendix D: MPO/RTPO/WSDOT Directory*).

For the National Highway Performance Program and Highway Safety Improvements Program funds, projects are selected by WSDOT based on asset performance condition (pavement and bridge) and Target Zero (zero deaths and fatal crashes by 2030) priorities in combination with the performance and economic improvement created by the project (by using life cycle cost and/or benefit/cost analysis).

MPOs coordinate with WSDOT in developing transportation plans, and programs for the urbanized areas consistent with the long-range statewide transportation plan (2007-2026 Washington Transportation Plan (WTP). In addition to the requirement for MPOs to address the federal planning factors, future transportation plans will need to address the national performance goals created in MAP-21. All transportation plans in Washington must address the six transportation system policy goals in RCW 47.04.280.

This cooperative effort extends to Tribal Nations both through the WTP and the regional process. In addition, WSDOT consults with Tribes on statewide planning through the Washington Indian Transportation Policy Advisory Committee (WITPAC). WITPAC is a forum for government-to-government consultation on policy and statewide issues of concern to Tribes. WSDOT participates in meetings of the Tribal Transportation Planning Organization (TTPO). TTPO is a forum for tribes to take an active role in statewide transportation planning to discuss and participate in tribal transportation system needs and opportunities.

WSDOT further coordinates with Western Federal Lands (WFL) Highway Division as a participant on the Program Decision Committee. The committee also includes the County Road Administration Board (CRAB) and FHWA. The committee is responsible for selecting projects for the Federal Lands Access Program. The projects selected are from priority lists of projects located on a public highway, road, bridge, or trail system which is located on, is adjacent to, or provides access to Federal lands for which title or maintenance responsibility is vested in a state, county, town, township, tribal, municipal, or local government.

These efforts along with the lead agencies and tribal public authorities who receive the WFL and Tribal Transportation Program (TTP) funds are essential when programming projects in the STIP. Each July, WSDOT coordinates with WFL Highway Division and the Office of Federal Lands Highway TTP Programs in obtaining the new WFL and TTP Transportation Improvement Programs (TIPs) for the upcoming STIP development.

Tribal DOT's may receive their TTP formula funds through BIA, FHWA or Office of Self Governance. Depending on what agency, BIA or FHWA, the Tribe is receiving funds through will depend on the TIP process they follow. Once federal field offices review the TIP for consistency with 25CFR170.400, the TIP is forwarded to the Office of Federal Lands for final

approval. The TTIP's are then grouped together according to States and sent to the FHWA Division Offices upon request. The TTIP contains all TTP funded projects and eligible activities programmed in the next 4 years. The document is fiscally constrained and forwarded for approval to BIA/FHWA by Tribal resolution.

TTP projects may also be listed separately as part of the coordination with the WSDOT, MPOs, RTPOs and county lead agencies and tribal nations. [WFL](#) and [Tribal Transportation Program \(TTP\)](#) TIPs are available separately on the STIP web page at: <http://www.wsdot.wa.gov/localprograms>.

STIP Training

STIP training is held for two weeks each year across the state as a means to keep cities, counties, tribal nations, ports, transit agencies and other transportation partners abreast of any changes to/or new programming requirements. In addition, WSDOT is available for adhoc training as requested or due to staff changes if assistance is needed. Participation in conferences such as the Annual Tribal Transportation Symposium, the fall and spring conferences of the American Public Works Association (APWA) and the quarterly MPO/RTPO Coordination meeting also provides an opportunity for continuous coordination and consultation with transportation partners.

VI. Community Engagement

Community engagement is an integral part of the planning process at all levels. Local agencies are required to develop and adopt a six-year transportation program. All local agencies are required to hold at least one public hearing during the development of the six-year transportation program. The projects identified as regionally significant with funding in the first four years of the six-year program are incorporated into the STIP.

Additional opportunities for community engagement occur at the MPO and RTPO levels. Each planning organization is required to provide continuous public involvement during the development of the regional TIP. The public involvement process for the STIP is as follows:

- Each local agency holds a public hearing on their six-year transportation program.
- Each MPO/RTPO holds a public meeting and/or public forum in August or September of each year. This provides the public with an opportunity to review and comment on the transportation improvement program within the region. The meetings are coordinated with all of the member jurisdictions within the region. For additional information, contact your respective planning organization.
- The Governor's Office and the state legislature seek public involvement during all phases of the biennial and supplemental budget development and approval process.
- A "draft" STIP is available for public review and comment on WSDOT's website in November. As comments are provided during the 30 day STIP public review and comment period, WSDOT works with the MPOs, RTPOs, county lead agencies and rural cities to support and clarify any concerns and ensure the public participation process at the local, regional and state level was followed and issues addressed. Requests for materials in alternative formats are considered as received and will be granted where reasonable and appropriate consistent with WSDOT's Title VI and limited English proficiency plans. Written comments will be accepted at any time during the comment period and may be submitted in person, by fax, by mail or by e-mail. WSDOT provides a

log of comments received and the actions taken as part of the STIP submittal to FHWA and FTA in December.

- After approval by FHWA and FTA, a searchable database of the STIP is created and posted on WSDOT's website. In addition, a copy of the approved STIP is available at the state library.

See also WSDOT's Community Engagement Plan at <http://www.wsdot.wa.gov/planning/> and Chapter 12 of the Local Agency Guidelines (LAG) at <http://www.wsdot.wa.gov/localprograms/>.

VII. STIP Management

The STIP is a dynamic document in Washington due to the various budget cycles for the corresponding lead agencies and the selection cycles of the various state and regional transportation agencies. After FHWA and FTA initially approve the STIP in January, there is often a need to make changes to the STIP to ensure project delivery of the federal program as described below.

MAP-21 requires a project selection process that "selects" the projects for implementation from the STIP. All projects in the STIP are automatically deemed selected for implementation. WSDOT is responsible for the statewide coordination of the STIP. Once local agency projects are programmed, WSDOT manages the local portion of the federal highway funds on a first-come, first-serve basis. WSDOT manages their portion of the federal highway funds based on a biennial program of projects. This assures that all federal funds are utilized in a timely manner. For example, if a local agency project in Year One cannot be built according to schedule because of right-of-way problems, then a second or third year project could move forward.

MPOs are responsible for the management of their Metropolitan Transportation Improvement Programs (MTIPs) (i.e., their regional portion of the STIP). The regional procedures allow any federal project included in the STIP to be advanced or delayed without a STIP amendment contingent upon the financial balance being maintained for each fiscal year. With the uncertainty at the federal level and multiple fiscal controls at the state level, it is imperative that WSDOT have the flexibility to deliver the federal program in the most effective and efficient manner.

STIP Amendments & Administrative Modifications

In the event a change to the STIP is necessary, the MPO and WSDOT determine if the change is classified as either an amendment or administrative modification (23 CFR 450.104). WSDOT establishes a STIP amendment schedule annually that identifies the monthly deadline for submitting changes to the STIP. This schedule allows the various entities to work through their internal processes and approvals required for amending the STIP. The amendment schedule is available on the web site at <http://www.wsdot.wa.gov/localprograms/>.

An amendment is a major revision to a project included in the state, regional, or local transportation improvement programs or STIP, including adding or deleting a project to the STIP, major change in project scope, any change requiring a new regional air quality conformity finding etc.

An administrative modification is a minor revision to a project included in the state, regional, or local transportation improvement programs or STIP, including minor changes to project/project

phase initiation dates, minor change in project scope, lead agency change, etc., however, they do not require federal approval. Therefore, administrative modifications are posted to the web site after processing by WSDOT, and provided to FHWA and FTA as informational twice a year.

Approval of a STIP amendment at the state and federal level is dependent upon public involvement and continued financial constraint of the STIP. After review and concurrence by WSDOT, the amendment is submitted to FHWA and FTA for approval. WSDOT notifies MPOs, RTPOs and others on the status of STIP amendments and are available on the web site after approval at <http://www.wsdot.wa.gov/localprograms/>. For more information see Appendix C: STIP Administration.

Transfers between Title 23 Programs

As amended by 23 U.S.C. 126, Uniform Transferability of Federal-aid Highway Funds, allows up to 50% of the amount apportioned for the fiscal year to be transferred between the core formula programs. WSDOT considers transfers when developing and delivering the federal program. Transferring apportionment allows WSDOT and local agencies the maximum flexibility to proceed with projects to deliver the federal program and that are expected by the Legislature and the state's citizenry.

Transfers between FHWA and FTA

As amended by 23 U.S.C. 104(k)(1) provides that Title 23 funds made available for transit projects or for transportation planning may be transferred to FTA and administered under the provisions of chapter 53 of title 49, United States Code. Similarly, 23 U.S.C. 104(k)(2) provides that chapter 53, title 49 funds made available for highway projects or transportation planning may be transferred to and administered by FHWA. Projects must be programmed in the STIP in order to transfer funds. Transferring projects between federal agencies (FTA, BIA, WFL etc.) are restricted to only transferring funds for projects programmed in the first year.

Grouped Projects

The provisions of 23 USC 135(g)4(c)ii allows the state to combine non-regionally significant and environmentally neutral projects, previously listed as individual projects in the MPO TIPs, into statewide grouped projects or 'buckets' by funding source. This allows the state more efficient management of the STIP.

Projects that are exempt from the National Environmental Policy Act (NEPA), known as categorically exempt (CE or DCE) and non-regionally significant can be grouped by source of funds. All others are listed individually. Some projects may be programmed individually in the MTIPs and county-wide TIPs. Only the grouping name (fund source) and the amount of funds budgeted for the category will be shown.

When a project is no longer eligible for a grouping, (example - if the environmental status changes from CE or DCE to an environmental assessment (EA)) the state will process a STIP amendment, moving the project out of the grouping to display the individual project in the STIP. The following grouped projects are included in the 2016 STIP:

Asphalt/Chip Seal Preservation/Concrete Roadway Preservation – Grouping by MPO/RTPO of planned pavement preservation projects for state highways and freeways where the pavement condition rating is projected to drop below the acceptable pavement adopted performance standards. Each group's funding allocation is determined first by summing the federal funding cost by year for the expected pavement preservation projects in the first four years of WSDOT's

six-year plan. Then the federal cost per year for the expected pavement preservation projects within each MPO's/RTPO's boundaries is used to calculate each MPO's/RTPO's percentage of the total federal funding cost (for project limits that cross MPO/RTPO boundaries, the federal cost is pro-rated). This calculated percentage is then applied to the constrained pavement preservation federal funding available for each year to determine each MPO/RTPO group's funding allocation in the STIP. The individual pavement preservation projects supporting these groups can be found by using the Programmatic Projects in STIP search Tab at <http://www.wsdot.wa.gov/projects/>. The prioritized project list supporting this search function is updated once a year based on the annual update of WSDOT's six year plan. However, since project delivery assumptions can change (e.g. cost increases/decreases and project schedules accelerated/delayed), the most current status of an individual pavement preservation project can be determined by using the Project Delivery Status search Tab which is updated monthly.

FTA Section 5310 – This group contains projects serving the needs of the elderly and persons with disabilities primarily through private, nonprofit organizations and transit agencies in small urban and rural areas. Projects include program administration, operating assistance, mobility management, purchases of passenger vehicles and related equipment. Project administration is through the state consolidated grant program.

FTA Section 5311 – This group contains projects serving the public transportation needs of rural communities. Projects include: program administration; purchases of passenger vehicles; a 15% apportionment for intercity bus program projects; operating assistance projects; and Rural Transit Assistance Program (RTAP) technical assistance. Under MAP-21, Job Access and Reverse Commute (JARC) projects are now funded under the Section 5311 program. Project administration is through the state consolidated grant program.

FTA Section 5339 - Bus and Bus Facilities Formula Program: This new MAP-21 program provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities in rural and small urban areas. This formula program replaces the SAFETEA-LLU Section 5309(Bus) Discretionary Program. Project administration is through WSDOT. Projects and funding distribution are determined through a competitive application process.

For actual project listings, contact WSDOT's Local Programs Division at (360) 705-7378, or the MPO for the individual projects. For a list of transit projects, contact WSDOT's Public Transportation Division at (360) 705-7922.

VIII. Source of Funds

The following are descriptions of fund sources that have been identified through the federal transportation acts and through state legislative action for transportation projects in Washington.

Federal

The following are descriptions of fund sources identified in MAP-21, however, some of these fund sources have been revised or discontinued with the new act.

Bridge (BR): The Bridge Replacement/Bridge Rehabilitation Program provides assistance for eligible bridges on public roads. The state prioritizes and programs state and local bridges for funding. Discontinued in MAP-21.

Congestion Mitigation and Air Quality (CMAQ): The CMAQ category addresses congestion mitigation and air quality improvement in non-attainment and/or maintenance areas of the state. Funds are distributed to non-attainment and maintenance areas based on their population and the severity of air quality non-attainment. The MPO prioritizes and programs projects for funding.

Construction of Ferry Boats and Ferry Terminal Facilities (FBP): Provides funding for the construction of ferry boats and ferry terminal facilities.

National Highway Performance Program (NHPP): Provides support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS. Construction, reconstruction, resurfacing, restoration, rehabilitation, preservation, or operational improvement of segments of the National Highway System. The enhanced National Highway System (NHS) is composed of rural and urban roads serving major population centers, international border crossings, intermodal transportation facilities, and major travel destinations. It includes the Interstate System, all principal arterials (including some not previously designated as part of the NHS) and border crossings on those routes, highways that provide motor vehicle access between the NHS and major intermodal transportation facilities, and the network of highways important to U.S. strategic defense (STRAHNET) and its connectors to major military installations.

Surface Transportation Program (STP): This program provides flexible funding that may be used by WSDOT and localities for projects to preserve and improve the conditions and performance on any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects, including intercity bus terminals. The STP program includes sub-allocated funds based on population and flexible funds for use anywhere. STP funds are divided into the following categories:

- Bridge STP (STP(BR)): Replacement, rehabilitation, preservation, protection of local bridges and tunnels on public roads of all functional classifications. The state prioritizes and programs bridges for funding.
- Regional STP (STP(UL), STP(US), STP(R), etc.): MPOs and county lead agencies are allocated STP funds for prioritization and selection. The allocations are based on population areas as follows:
 - STP(UL) - Urban Large - Urbanized areas greater than 200,000
 - STP(US) - Urban Small - Areas greater than 5,000 but no more than 200,000
 - STP(R) - Rural - Areas of 5,000 or less
 - And for use anywhere in the state
 - STP(L) - Legislative Earmarks - Projects prioritized and selected by the legislature
- WSDOT's STP (STP): A portion of the STP funds that can be used anywhere, are for state highway system preservation and interstate reconstruction. WSDOT prioritizes and programs these projects.

Transportation Enhancement (STP(E)): Under SAFETEA-LU, the set aside is modified to be the greater of 10% of State's STP apportionment or the dollar amount of the TE set aside for the State for 2005. Eligible transportation enhancement projects include bikeways/walkways; highway beautification; acquisition of scenic easements and scenic or historic sites; historic preservation, rehabilitation and operation of historic transportation buildings including a provision for tourist and welcome centers; preservation of abandoned railway corridors; control and removal of outdoor advertising; archaeological planning and research; environmental mitigation of water pollution due to highway runoff or reduction of vehicle-caused wildlife mortality while maintaining habitat connectivity; safety and educational activities for pedestrians and bicyclists; and establishment of transportation museums.
Discontinued in MAP-21.

Transportation Alternatives Program (TAP): Provides funding for programs and projects defined as transportation alternatives, including on- and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhanced mobility, community improvement activities, environmental mitigation and safe routes to school projects. A set-aside for the Recreational Trails Program is provided. MPOs and RTPOs are allocated TAP funds for prioritization and selection. The allocations are based on population areas as follows:

- TAP(UL) - Urban Large - Urbanized areas greater than 200,000
 - TAP(US) - Urban Small - Areas greater than 5,000 but no more than 200,000
 - TAP(R) - Rural - Areas of 5,000 or less
 - And for use anywhere in the state.
- Safe Routes to Schools (TAP(SR)): The planning, design, and construction of infrastructure-related projects on any public road or any bicycle or pedestrian pathway or trail in the vicinity of schools that will substantially improve the ability of students to walk and bicycle to school. Also, may include activities to encourage walking and bicycling to school. The state prioritizes and programs safe routes to school projects for funding.

Highway Safety Improvement Program (HSIP): In MAP-21 the objective of the core safety program continues to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal lands. These funds are made available to all state and local agencies and tribal nations within Washington and can be applied to all public roadways. The state prioritizes and programs state and local projects based upon the Strategic Highway Safety plan approved by the Governor in 2006 called Target Zero. This program has a set-aside for the railway/highway crossing program.

- Safe Routes to Schools (HSIP(SR)): The planning, design, and construction of infrastructure-related projects on any public road or any bicycle or pedestrian pathway or trail in the vicinity of schools that will substantially improve the ability of students to walk and bicycle to school. Also, may include activities to encourage walking and bicycling to school. The state prioritizes and programs safe routes to schools projects for funding.

Safe Routes to School (SRTS): This program is to enable and encourage children, including those with disabilities, to walk and bicycle to school; to make walking and bicycling to school safe and more appealing; and to facilitate the planning, development and implementation of projects that will improve safety, and reduce traffic, fuel consumption and air pollution in the

vicinity of schools. The state prioritizes and programs projects for funding. Discontinued in MAP-21.

Coordinated Border Infrastructure (CBI): This program is to improve the safe movement of people and goods at or across the land border between the United States and Canada and the border between the United States and Mexico. WSDOT prioritizes and programs these projects. Discontinued in MAP-21.

Demonstration Projects (DEMO): Demonstration projects are identified through appropriation bills approved by Congress.

High Priority Projects (DEMO): The High Priority Projects program provides designated funding for specific projects identified by Congress in 23 U.S.C. 117. The designated funding can only be used for the project as described in the law, [1601(a)]. Discontinued in MAP-21.

Ferry Boat Discretionary (Discretionary): A national discretionary program for the construction of ferry boats and ferry terminal facilities. Historically, Washington is allocated \$5M per year, beginning in 1999. Discontinued in MAP-21.

TIFIA - The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides Federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance.

FTA Section 5307 – Urbanized Area Formula Grants: These funds are apportioned by a formula to each urbanized area, and are available for planning, capital and operating assistance. Where they exist, the transportation management area (TMA) and the designated recipient determine the programming of these funds. WSDOT is the designated recipient for the Asotin, Bellingham, Longview, Mount Vernon, Olympia, Walla Walla, Wenatchee and Yakima urbanized areas. Job Access and Reverse Commute (JARC) program activities, which focused on providing services to low-income individuals to access jobs, are now eligible under the Urbanized Area Formula program under MAP-21. This includes operating assistance with a 50 percent local match for job access and reverse commute activities. In addition, the urbanized area formula for distributing funds now includes the number of low-income individuals as a factor.

FTA Section 5309 (Bus and Bus Facilities): This transit discretionary program was eliminated under MAP-21 and replaced by Section 5339. However, some discretionary programs are administered under the 5309 umbrella. Those programs include, but are not limited to: Bus Livability Program and Ladders of Opportunity. Those competitive programs provide capital assistance for new and replacement buses, related equipment, and construction of bus facilities.

FTA Section 5310 - Enhanced Mobility of Seniors and Individuals with Disabilities: This program is intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and Americans with Disabilities Act (ADA) complementary paratransit services. MAP-21 combines the New Freedom Program into the Enhanced Mobility of Seniors and Individuals with Disabilities Program. Projects selected for funding must be included in a locally developed, coordinated Public Transit-Human Service Transportation Plan and included in the RTPO program in their respective area. WSDOT

administers these funds through a competitive grant program and programs rural Section 5310 projects in a statewide grouping in the STIP.

FTA Section 5311 – Rural Area Formula Grants: These formula funds are apportioned to each state, and eligible activities include planning, Rural Transit Assistance Program (RTAP), intercity bus programs, state administration, and both capital and operating assistance. WSDOT administers these funds through a competitive grant program serving the general public in rural areas of the state and programs all Section 5311 projects in a statewide grouping in the STIP. Activities eligible under the former Job Access and Reverse Commute (JARC) program, which provided services to low-income individuals to access jobs, are now eligible in MAP-21 under the Rural Area Formula Grants program. In addition, the formula now includes the number of low-income individuals as a factor.

FTA Section 5312 - Research, Development, Demonstration, and Deployment Projects: To support research activities that improve the safety, reliability, efficiency, and sustainability of public transportation by investing in the development, testing, and deployment of innovative technologies, materials, and processes; carry out related endeavors; and to support the demonstration and deployment of low-emission and no-emission vehicles to promote clean energy and improve air quality.

FTA Section 5316: SAFETEA-LU Job Access and Reverse Commute (JARC) program provides formula funding to support the development and maintenance of job access projects designed to transport welfare recipients and eligible low-income individuals to and from jobs and activities related to their employment, and for reverse commute projects designed to transport residents of urbanized areas to suburban employment opportunities. Projects eligible for Section 5316 funding are derived from a locally developed, coordinated Public Transit-Human Service Transportation Plan. Discontinued in MAP-21.

FTA Section 5329 - Transit Safety & Oversight: This new program will establish and enforce a new comprehensive framework to oversee the safety of public transportation as it pertains to heavy rail, light rail, buses, ferries, and streetcars. The law also includes important new safety provisions for bus-only operators.

FTA Section 5337 - State of Good Repair: This new MAP-21 program is dedicated to repairing and upgrading the nation's rail transit systems along with high-intensity motor bus systems that use high-occupancy vehicle lanes, including bus rapid transit (BRT). Projects are limited to replacement and rehabilitation, or capital projects required to maintain public transportation systems in a state of good repair. Under this new law, grantees will be required to establish and use an asset management system to develop capital asset inventories and condition assessments, and report on the condition of their system as a whole. This program replaces the SAFETEA-LU Section 5309 (FG) Fixed Guideway Modernization Program.

FTA Section 5339 - Bus and Bus Facilities: This new MAP-21 program provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. This formula program replaces the SAFETEA-LLU Section 5309(Bus) Discretionary Program.

Federal Lands and Tribal Transportation Programs: MAP-21 continues to acknowledge the importance of access to federal and tribal lands and creates a unified program for Federal lands transportation facilities, Federal lands access transportation facilities, and tribal transportation facilities.

- Tribal Transportation Program (TTP): Funds projects that improve access to and within Tribal lands. This program adds new set asides for tribal bridge projects and tribal safety projects. Formerly IRR.
- Indian Reservation Roads (IRR): Funds public roads that provide access to and within Indian reservations, Indian trust land, restricted Indian land, and Alaska native villages. IRR funds can be used for any type Title 23 transportation project providing access to or within Federal or Indian lands. Discontinued in MAP-21.
- Public Lands Highways (Discretionary): Funds projects on facilities defined as a forest road, or any highway through un-appropriated or unreserved public lands, non-taxable Indian lands, or other Federal reservations that are under the jurisdiction of, and maintained by a public authority and open to public travel. Discontinued in MAP-21.
- Federal Lands Transportation Program (Discretionary): Funds projects that improve access within the Federal estate, such as national forests and national recreation areas, on infrastructure owned by the Federal government. This program combines the former Park Roads and Refuge Roads programs, and adds three new Federal land management agency (FLMA) partners.
- Federal Lands Access Program (Discretionary): Funds projects that improve access to the Federal estate on infrastructure owned by States and local governments. Replacing and expanding the Forest Highways program, projects providing access to any Federal lands are eligible for this new comprehensive program.

Department of Defense (DOD): Transportation projects are sometimes funded through Department of Defense rather than FHWA.

Community Development Block Grant (CDBG): CDBG program funds are primarily for low and moderate-income communities, to partially pay for projects advocating for the interests of a low-income neighborhood, such as providing new street infrastructure and supporting neighborhood revitalization. These grants are awarded through Washington State Department of Commerce.

State

Washington State Department of Transportation (WSDOT): Funding provided by WSDOT to local agencies. These funds can be from the Transportation Budget, Public Transportations' Consolidated Grant Program, the Regional Mobility Program, or from other WSDOT administered state grant programs. (See below for Safe Routes to Schools (SRTS) and Pedestrian/Bike Program).

Transportation Improvement Board (TIB): An independent state agency that provides state funding through a share of the statewide gas tax, for street construction and maintenance to cities and counties.

- Urban Arterial Program (UAP): funds roadway projects that improve safety and mobility.
- Urban Corridor Program (UCP): funds roadway projects with multiple funding partners that expand capacity.
- Sidewalk Program (SP): funds sidewalk projects that improve safety and connectivity.

- Small City Arterial Program (SCAP): funds small city (under 5,000 population) projects that improve safety and roadway conditions.
- Small City Preservation Program (SCPP): funds small city (under 5,000 population) projects for rehabilitation and in some cases partners with WSDOT or county paving projects.

Connecting Washington Account (CWA): 2015 CWA package is a \$16 billion investment over the next 16 years.

County Road Administration Board (CRAB): An independent state agency that provides state funding through a share of the statewide gas tax, for county roadway projects and the county owned ferry system.

- Rural Arterial Program (RAP): funds improvements on the county existing rural arterial road network.
- County Arterial Preservation Program (CAPP): funds pavement preservation projects of a county's existing paved arterial road network.
- The County Ferry Capital Improvement Program (CFCIP): offers financial assistance for major capital improvements to the four county-operated ferry systems.

Public Works Trust Fund (PWTF): A low-interest loan program for local governments to fund needed infrastructure improvements, administered by the Public Works Board by the Washington State Department of Commerce.

Freight Mobility Strategic Investment Board (FMSIB): An independent state agency that provides state funds, combined with partnership funding, for freight mobility and freight mitigation projects along strategic freight corridors.

Pedestrian and Bicycle Program (Ped/Bike): This program's objective is to improve the transportation system to enhance safety and mobility for people who chose to walk or bike. The state prioritizes and programs projects.

Safe Routes to School (SRTS): This program is to enable and encourage children, including those with disabilities, to walk and bicycle to school; to make walking and bicycling to school safe and more appealing; and to facilitate the planning, development and implementation of projects that will improve safety, and reduce traffic, fuel consumption and air pollution in the vicinity of schools. The state prioritizes and programs projects.

Other State Funding Sources (OTHER): All other unidentified state fund sources.

IX. Annual Obligation List

WSDOT, in coordination with the twelve MPOs, provides an annual listing of projects obligated in the previous calendar year, to assist in the annual reporting requirements identified in MAP-21, Sec. 1202(g)(5)(B). CY 2015 obligations will be available on the individual MPO websites by April 1, 2015.