

# Local Agency Program Information Advisory

LAP 2015-02  
May 28, 2015

**From Larry Doyle, Local Agency Program Engineer**

## UPDATE OF FISCAL YEAR 2015 FEDERAL LOCAL OBLIGATION AUTHORITY STATUS

**May 28, 2015**

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*This advisory is superseded by any subsequent revisions to the references listed in this index.*

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As was previously reported due to the Federal Highway Bill (MAP-21) expiring on May 31, 2015, the Federal Highway Administration provided the Michigan Department of Transportation (MDOT) reduced obligation authority (approximately two thirds) for Fiscal Year (FY) 2015. This corresponded to approximately \$160 million of Local Obligation Authority for the local program. MDOT Local Agency Programs (LAP) processed a very aggressive FY 2015 program to the extent that the reduced Federal Local Obligation Authority was exhausted by the end of April. In accordance with established LAP policy, completed project packages that were eligible for obligation request were processed on a "first-come first-serve" basis for obligation.

On May 23, 2015 Congress passed a 2-month extension of MAP-21 with an expiration date of July 31, 2015 which will provide an estimated \$40 million of additional Local Obligation Authority. The bill awaits the President's signature. After the signature FHWA will release additional federal-aid.

This additional federal-aid for local projects will be utilized in the following order:

1. Convert the current year projects that utilized the Advance Construct (AC) option.
2. Obligate the MPO operations and Transit Flex programs.
3. Obligate the current year Non-AC projects ready for obligation, until this additional obligation authority is expended.

Once this additional obligation authority is exhausted MDOT will still allow local agencies to utilize the AC funding option where a local agency provides the project funding up front and is converted to federal funds if/when additional federal-aid is available. Additional federal funding will be available if/when Congress passes new highway funding or further extends the current funding act. If additional federal funding does not become available the local agency would be responsible for the AC amount.

MDOT LAP staff engineers continue to accept and process projects to queue for obligation, in the order final complete project packages were received.

If the local agency elects to not use the AC option, then its project will be obligated if successive obligation authority is received.

The Local Bridge Program has State funds available for obligation of on-system bridge projects. Off-system bridge projects utilizing federal funds are subject to the constraints and procedures listed above.

Local agencies can contact their LAP staff engineer to find out the obligation status of their project. Please feel free to contact Larry Doyle at 517-335-2233 or by email at [doylel@Michigan.gov](mailto:doylel@Michigan.gov) with any additional questions.