

## **FISCAL YEAR 2015 FEDERAL LOCAL OBLIGATION AUTHORITY STATUS**

### **APRIL 2015**

Based on the Department of Transportation Appropriations Act, 2015, Title I of division K, Public Law 113-235, and the Highway and Transportation Funding Act of 2014, Public Law 113-159 an obligation limitation was placed where obligation authority is only available from October 1, 2014 through May 31, 2015. As a result the Federal Highway Administration provided the Michigan Department of Transportation (MDOT) reduced obligation authority (approximately two thirds) for Fiscal Year (FY) 2015. This corresponds to approximately \$160 million of Local Obligation Authority for the local program.

MDOT Local Agency Programs (LAP) has processed a very aggressive FY 2015 program to the extent that the reduced Federal Local Obligation Authority has been exhausted. 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.

In an effort to help deliver the remaining local program, MDOT is allowing local agencies to utilize the funding technique of Advance Construct (AC) where a local agency provides the project funding up front and can be 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 extends the current funding act. If additional federal funding does not become available the local agency would be responsible for the AC amount.

If/when MDOT receives additional obligation authority, federal-aid for local projects will be utilized in the following order:

1. Current year AC projects will be converted.
2. MPO operations and Transit Flex funding will be obligated.
3. Current year Non-AC projects will be obligated in order 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.