



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING

JENNIFER M. GRANHOLM  
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July 15, 2009

Mr. John D. Niemela, Director  
County Road Association of Michigan  
P.O. Box 12067  
Lansing, Michigan 48901-2067

Mr. David Worthams, Asst. Director  
State Affairs  
Michigan Municipal League  
208 North Capital Avenue, 1<sup>st</sup> Floor  
Lansing, Michigan 48933

Dear Mr. Niemela and Mr. Worthams:

**PROGRAM ENDING PROCEDURES FOR THE LOCAL AGENCY PROJECTS**  
**American Recovery and Reinvestment Act of 2009**

A majority of the projects which will be funded from the American Recovery and Reinvestment Act (ARRA) have now been identified. The Michigan Department of Transportation's (MDOT's) Local Agency Programs (LAP) is working diligently with your constituency to review projects and package jobs for bid lettings. One of the primary concerns for both MDOT and the local agencies has been the ability to let the project early enough in the construction season to be able to build the project in fiscal year (FY) 2009, if possible.

We are underway! Eleven projects with an estimated total cost of over \$10 million were included in the June 5, 2009, letting. This is the first wave of potentially over five hundred projects. A significant effort has been ongoing to determine what methods should be used to fund the projects (lump sum or pro rata), include all the projects in the Statewide Transportation Improvement Program (STIP), identify the steps required for approval for the funding (governor certification of approved projects and Federal Highway Administration review), determine the reporting requirements, develop revised language for cost participation agreements, develop language for force account authorizations and manage the changing implementation guidelines.

Several local agencies have elected to wait until FY 2010 to implement their projects on the program end dates. Although the State of Michigan will have until March 2, 2010, to obligate all their funding, it is MDOT's intent to have the list of eligible projects finalized well in advance of this date. In order for the State of Michigan to be eligible for redistribution of funds from other states that have not used their funding, all the available obligation authority must be used by March 2, 2010. Michigan cannot afford to wait for the late program delivery without some assurance that the project is indeed being delivered.

An intermediate end date of December 30, 2009, has been established for this program. If the local agency has not provided the Grade Inspection package to LAP by this date, MDOT will no longer keep the project active, but will seek alternative projects to use the funding. The procedure will follow these steps:

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- MDOT will first contact the local agency and their associated Rural Task Force (RTF) or Metropolitan Planning Organization (MPO) to determine if they have a project which has developed plans and can be immediately implemented. This step will take one week and a decision must be made by January 9, 2009, if a project is available.
- If the RTF or MPO cannot deliver a project, MDOT will contact other local agencies statewide and determine if there is an agency with developed plans for a project which can be immediately implemented. This step will be one week and a decision must be made by January 16, 2009, if a project is available.
- If no local agencies' projects are available for immediate implementation, MDOT will identify a trunkline project to use the remainder of the funds.

If the state is fortunate enough to obligate all available ARRA funding by March 2, 2010, then we would expect to be eligible for redistribution of unused funds from other states. Any additional funds would again be shared at a 75/25 state to local split. New projects developed using the redistributed funds would have until September 15, 2010, to be obligated. Ending dates similar to the current process will again be established for the use of the redistributed funding.

Thank you for providing this information to your constituency. Delivering the American Recovery and Reinvestment Act of 2009 in addition to the current FY 2009 program will take a very large effort on both the department and the local agencies.

If you have any questions or need further information, please contact Mr. Rudolph S. Cadena, Local Agency Programs Engineer, at (517) 335-2233.

Sincerely,



Bradley C. Wieferich, P.E.  
Engineer of Design

cc: M. Van Port Fleet  
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