

# Federal Aid Buyout Program

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FY 2023 Next Steps

Preparation for 2024

October 12, 2022

# Changes to the FY 2023 Program Process

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- Payment will be made through Statewide Integrated Governmental Management Application (SIGMA) rather than through Act 51 Distribution and Reporting System (ADARS)
  - During the refinement of the payment process it was discovered that making payment through the ADARS system would create a reporting issue.
  - The decision was made to change this to an electronic payment through the SIGMA system.

# Changes to the FY 2023 Program Process

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- We will use the exchange request form as the contract for the exchange.
- In order for this to work:
  - Needed to version the guidelines for each year of the program
  - Had to update the sentence on the form that refers to following the guidelines
  - From *The local agency agrees to follow the current Federal Aid Buyout Program guidelines.*
  - To *The local agency will complete the buyout process in accordance with the Federal Aid Buyout Pilot Program Guidelines for Fiscal Year 2023, dated September 28, 2022. The guidelines can be found at [Federal Aid Buyout Program Guidelines FY 2023 \(michigan.gov\)](#)*

# Current stage of the 2023 program

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- We have approved 41 exchanges for 2023
- The total federal funds programmed to those projects is \$20,554,778
- The state funds being paid out to local agencies total \$18,499,300

# Next Steps FY 2023 Program

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- Next week we will send out an updated exchange form with all fields filled out to each local agency for their review and signature.
- You will receive this no later than October 21, 2022.
- You will need to sign this form and return it to:

[MDOT-FederalAidBuyout@michigan.gov](mailto:MDOT-FederalAidBuyout@michigan.gov)

# Next Steps FY 2023 Program

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- Once the federal aid allocations are available in SIGMA, expected early next week, the appropriate allocation amount will be transferred from the allocation and template in which the exchanged project was programmed to a template that was created to hold transfers until they move to trunkline.
- This will be reflected in the allocation targets for FY 2023 when they are distributed.

# Next Steps FY 2023 Program

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- Any project outside of an MPO planning boundary will be abandoned in JobNet.
- MPOs will be notified of projects inside their MPO planning boundary.
  - Projects that are not considered regionally significant by the MPO will be abandoned.
  - Projects that the MPO decides are regionally significant will be changed to reflect 100% local funds and a note will be added to the comment section on the STIP page in JobNet stating that the project has been awarded an exchange through the Federal Aid Buyout Program.
  - The contracting process will also be updated to “Let by others”

# Next Steps FY 2023 Program

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- Statewide Planning Staff will notify MDOT Financial Operations Division (FOD) that a payment should be made to the local agency.
  - This will be based on receiving the updated form with an authorized signature
  - Allocation and template transfers will also be completed



# Next Steps FY 2023 Program

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- Once sufficient obligation authority is received by MDOT the appropriate obligation authority will be transferred from the local non-RTF and local RTF Obligation Authority to the Trunkline Obligation Authority.
- **Note:** The federal government is currently operating on a continuing resolution through December 16, 2022. MDOT will only receive one quarter of Obligation Authority until congress passes the 2023 appropriation bill or a second continuing resolution. The transfer of Obligation Authority will be delayed until we receive at least half of the expected Obligation Authority. MDOT anticipates this will be on December 16, 2022.

# Next Steps FY 2023 Program

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- Once the Obligation Authority is transferred and sufficient state funding is received by MDOT, FOD will initiate and process the payment in the amount of the exchange to the local agency through the SIGMA system.
- MDOT hopes to make the payments sometime in late January or February of 2023. This will depend on the action that the federal government takes by December 16, 2022.

# Next Steps FY 2023 Program

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- The local agency will complete the project as agreed to and utilize any surplus funding within the three-year timeframe as described in the Federal Aid Buyout Pilot Program Guidelines for Fiscal Year 2023, dated September 28, 2022
- If an unanticipated issue arises and you will not be able to complete the project as described in the STIP you must notify MDOT and the MPO or RTF and complete a comparable project within the same three-year time frame. This time frame starts when the payment is made to the local road agency.

# Next Steps FY 2023 Program

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- The local agency reports the completed project in the transportation asset management council investment reporting tool or any successor system.

# Next Steps FY 2023 Program

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- MDOT staff is developing a simple form that will be sent to the local agencies to report the following information:
  - Confirmation that the STIP project was completed
    - Or that notification was given, and an alternate project was completed
  - The amount spent on the project
  - what federal aid eligible activity any surplus funds were spent on (if applicable)
  - confirmation that the federal wage and benefits were adhered to
  - confirmation that the force account policy was adhered to (if applicable)
- The completed and signed form will be submitted by the local agency to [MDOT-FederalAidBuyout@michigan.gov](mailto:MDOT-FederalAidBuyout@michigan.gov)



Questions

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Feedback

# Plans for FY 2024 Program

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- Currently planning to keep the program the same for 2024 and reevaluate for 2025.
- Plan to send out the call for exchanges letter November 8, 2022, with details for the call process
- The call would open on November 29, 2022 and close on December 13, 2022



Questions?

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Feedback?