

Local Agency Program Information Advisory

LAP 2018-02
January 4, 2018

From Tracie Leix, Local Agency Program Engineer

Fiscal Year 2018 Obligation Authority Status

MDOT
Development Services Division
Local Agency Program
PO Box 30050
Lansing, MI 48909
Phone/517-373-0030
Fax/517-335-3234
www.michigan.gov/mdotlap

Index:

This advisory is superseded by any subsequent revisions to the references listed in this index.

Direct questions and inquiries regarding this Advisory to:

Tracie Leix, PE
LAP Engineer
MDOT Local Agency Program
517-335-2233
leixT@michigan.gov

Due to Fiscal Year 2018 beginning with short-term federal funding extensions, MDOT Local Agency Programs (LAP) wanted to send out a reminder of the policy regarding situations with limited Obligational Authority.

The Federal Highway Administration (FHWA) provided the Michigan Department of Transportation (MDOT) with obligation authority through December 9, 2017. Congress has passed two federal budget extensions since then (currently through January 19th, 2018) but MDOT has yet to receive the associated obligation authority.

LAP has and will continue to process the local program, though currently the reduced Federal Local Obligation Authority has been exhausted. In accordance with established LAP policy, completed project packages that were eligible for obligation were processed on a "first-come first-serve" basis for obligation.

In an effort to help keep remaining local program projects moving toward construction in 2018, 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 extends the current appropriation bill. If additional federal funding does not become available, the local agency would be responsible for the AC amount. Projects using this same year AC funding technique will not require a deposit.

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. Current year Non-AC projects will be obligated in order received.

Local agencies can contact their LAP staff engineer to find out the obligation status of their project. Please feel free to contact Tracie Leix at 517-335-2233 or by email at LeixT@Michigan.gov with any additional questions.