

Local Non-Rural Program Obligation Thermometer

November 16, 2020

As of Oct. 9, 2020, the Federal Highway Administration (FHWA) has provided \$47.6 million of obligation limitation for the Local Non-Rural Federal Aid Program.^{1,2} **Currently, obligation limitation is available for only a partial fiscal year, approximately 72-days, from Oct. 1, 2020, through around December 11, 2020,** based on the Continuing Appropriations Act, 2021 and Other Extensions Act, Public Law 116-159.

Some obligation authority may be added to or removed from the local highway program due to voluntary transfers from other sources (e.g., Transit, Earmarks, Grants, Local Federal Fund Exchange, and Other). Obligation limitation is available to local agencies on a first come, first served basis. The obligation limit will be updated as additional obligation authority is provided by an additional federal appropriations bill.

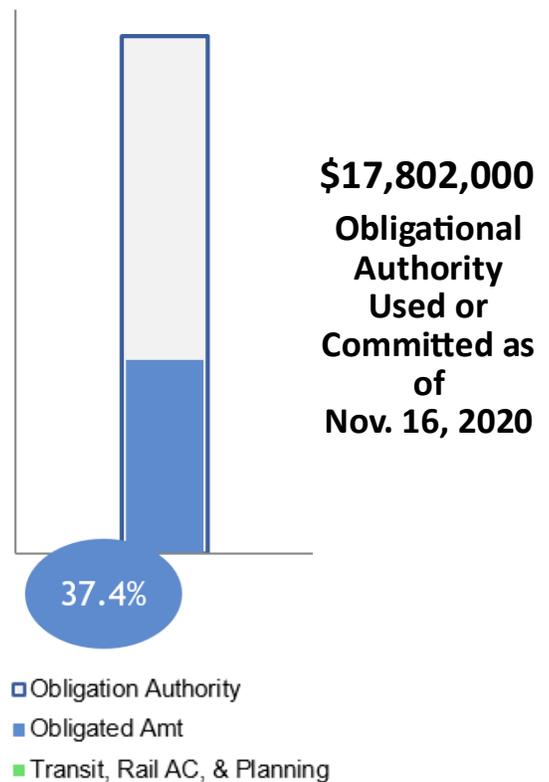
Federal obligations occur on new projects, cost adjustments to prior year projects, and the conversion of prior year Advance Construct Projects.

The Local Non-Rural Obligation Thermometer is a tool intended to give local transportation agencies information regarding the status of Federal-aid Obligation Limitation. The Michigan Department of Transportation intends to update the thermometer at least monthly and perhaps more frequently as we reach the end of the fiscal year. Obligations occur daily and the thermometer is by no means intended to be the official accounting of obligations. Rather, it is a general description of obligations that occurred at the time the thermometer was published.

The obligational authority is not being set aside at this time for metropolitan planning, local technical assistance programs, conversion of local rail advance construct projects, and projects that will be flexed to transit until additional obligational authority is made available for a larger portion of the fiscal year. **As projects adjust, the amount of obligation authority available is subject to change.**

Local Non-Rural Obligation Limit

\$47,603,000



Footnotes:

¹ Local obligation limitation is 25 percent of the amount of formula obligation limitation and limitation-exempt amounts received by the State of Michigan. It is then further separated for the Rural Task Force Program from all other local funding categories.

² Based on FHWA Notice N4520.267, Oct. 9, 2020.

