

Local Agency Program Update

2026 County Engineer's Workshop



Bruce Kadzban PE, Section Supervisor
Local Agency Program

Local Agency Program



Presenters:

Local Agency Program:

Bruce Kadzban

Construction:

Theresa Eilers

Planning:

Brian Stark

Environmental:

Janet Arcuicci

Real Estate:

Kem Hoopingarner

Why Do We Do What We Do?

Federal Highway Administration (FHWA) is responsible for administering the National Highway Trust Funds

FHWA Michigan delegated some administrative responsibilities to MDOT via Stewardship and Oversight agreement

Repercussions – nonperformance results in losing Federal funds

Over 630 Customers

Act 51 Agency

(defined in PA 51, State of Michigan PA's of 1951)

- ◆ City, Village, County Road Commission or Road Department
- ◆ Other Federal & State Agencies and Departments

NOT a

- ◆ Township
- ◆ Other County Department, DDA, or other quasi-government agency
- ◆ Local special interest group

LAP's Goal

Simple –

Help each local agency to preserve its federal and state transportation funds

LAP's Partners

FHWA – Michigan

Various Federal & State Agencies and consultants

County Road Association (CRA)

Michigan Municipal League

Construction community

and you all here



Local Program

- 110,000 Miles of Federal Aid eligible roads (1,200 NHS)
 - Not trunkline (state routes, US, or Interstate routes)
 - major collectors, rural, etc
- FY 2025 - delivered over 605 projects
 - Over \$708 million
 - Average Project Cost is > \$1.3M



Separate from the MDOT Trunkline Program

All advertised and bid through the MDOT letting system

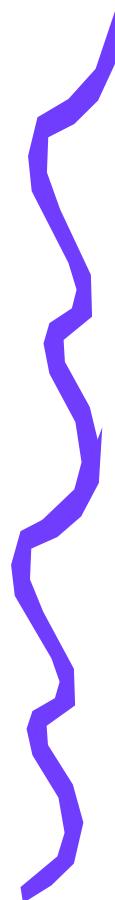
Funding Types & Sources

STBG - standard federal transportation funds

Federal & State Bridge

Federal & State Safety

Transportation Alternatives Program, Safe Routes to Schools



Funding Types & Sources

Misc -

Emergency Response,
Federal Lands Access Program (FLAP)
Federal and State Earmarks,
RAISE and INFRA
Bid Savings
"August Redistribution"
Federal Aid Buyout and fund exchange



Federal Funding

Congress expected to approve FY 2027 budget this week

About the same funding level as FY 2026

Earmarks

August redistribution - \$183.3M

Reminder - August Redistribution DOES NOT increase
obligation authority



State Funding

Current State FY 2026 budget is in place

Neighborhood Relief Funds (NRF)

\$100M/FY, for 5 years, in addition to the legislated \$50M/year
call for applications issued this week



Current LAP Scorecard

through February 2025

through January 2026

187 jobs bid and authorized

148 jobs bid

\$271.5M as read amount

\$161M as read amount

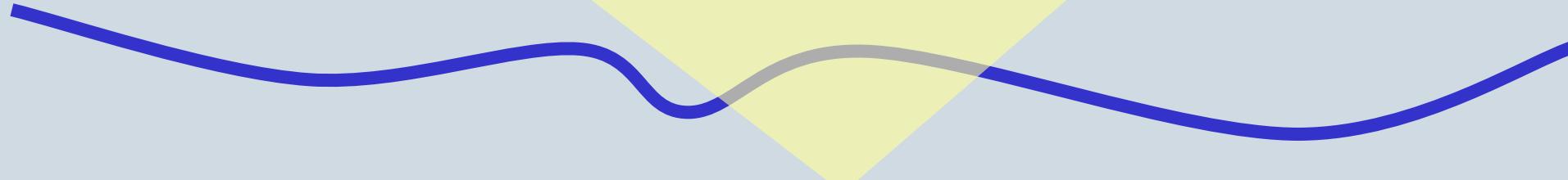
Possible bid savings. We'll address that in a few slides

Current LAP Scorecard

remaining obligation authority

\$16.7M Rural, \$10.4M Non-Rural

\$100M loan from Trunkline program to Local Program, for projects through the May 2025 letting





Local Agency Construction



Theresa Eilers, P.E.
MDOT Local Agency Construction
Contracts Engineer

AASHTOWare Apology Tour – We hear you!

- Over 300 active projects in system
- Several agencies with successful final file reviews
- Growing pains
 - Staff inexperience
 - Poor communication
 - Unique materials/special provisions



APCM Implementation

- Timeliness of Change Orders/payments
 - New reports that flag certain non-payment scenarios
 - Working to minimize exceptions that are withholding payment
- Contract Access
 - a streamlined process for contractor and subcontractor access.
- Read only File access
 - Process still runs and read only files are still available to contracts that use FM Contractor.
- Training/Wiki
 - Training link has moved to the front page of the APCM Wiki.
- Forums
 - MDOT continues to meet regularly with ACEC, MITA, FHWA and internally.

Buy America / Build America

- 4 Types of Domestic Materials
 - Source of Iron and Steel
 - Construction Materials
 - Manufactured Products - **Changes Dec. 2025 and Dec. 2026**
 - Other Materials
- Contractors must provide material certifications
- Construction Manual revision in progress
- SP selection based off NEPA clearance

Construction Manual

- Standardized format
- Updated language and procedural changes for APCM
- Guidance on signing manifests or other documents related to hazardous or non-hazardous materials
- Updates to standard naming convention, documentation guide
- Multiple sections updated with additional information (photos, videos, checklists) for field staff.
- New local agency boilerplate preconstruction meeting minutes expected this spring.

Final Inspection/Acceptance

- Working to split into two forms
- New 1120 – completion of field work
- New 1121 – completion of all contract activities (paperwork)
- Watch for form updates listserv.

If you require assistance accessing this information or require it in an alternative format, contact the Michigan Department of Transportation's (MDOT) Americans with Disabilities Act (ADA) coordinator at www.Michigan.gov/MDOT-ADA.

Michigan Department
of Transportation
1120 (04/2024)

FILE 106

FINAL INSPECTION/ACCEPTANCE

[Clear Form](#)

DISTRIBUTION INSTRUCTIONS (electronic distribution where applicable)

ORIGINAL - Contract Services Division. COPIES - Project File, Region Construction Engineer.

When applicable: TSC Local Agency Engineer, Development Services Division - Local Agency Programs, Traffic & Safety, Office of Rail.

FINAL INSPECTION/ACCEPTANCE REPORT

CONTRACT ID	FEDERAL PROJECT NUMBER	NATIONAL HIGHWAY SYSTEM (NHS) ROUTE <input type="checkbox"/> YES <input type="checkbox"/> NO
START DATE	ACTUAL OPEN TO TRAFFIC DATE	ALL CONTRACT WORK COMPLETE DATE

CONTRACTOR NAME

OVERSIGHT	<input type="checkbox"/> Federal Highway Administration (Risk-Based Project Involvement) <input type="checkbox"/> MDOT	DISADVANTAGED BUSINESS ENTERPRISE (DBE) <input type="checkbox"/> YES <input type="checkbox"/> NO
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FINAL INSPECTION ATTENDED BY (MDOT must be invited)

NAME/AGENCY (Print)

TYPE OF WORK (As per proposal)

IS PROJECT WARRANTED?	WARRANTY TYPE AND WARRANTY DOCUMENTS ON FILE	DURATION	EXPIRATION DATE
<input type="checkbox"/> YES <input type="checkbox"/> NO			

DATE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) NOTICE OF TERMINATION SUBMITTED	DATE SITE ID NUMBER IS DEACTIVATED	STRUCTURE CLEARANCE MEASUREMENTS FORM 1190? <input type="checkbox"/> YES <input type="checkbox"/> NO
--	------------------------------------	---

BRIDGE WORK: <input type="checkbox"/> YES <input type="checkbox"/> NO	BRIDGE INSPECTION	DATE REQUESTED:	DATE COMPLETED:
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RECOMMENDATIONS/CONCLUSIONS/REMARKS

Bagged Concrete

20SP-1004A-01

MICHIGAN
DEPARTMENT OF TRANSPORTATION

SPECIAL PROVISION
FOR
USE OF PRE-MIXED BAGGED PORTLAND CEMENT CONCRETE FOR POST
EMBEDMENT

CFS:CRB

1 of 2

APPR:KJK:LLR:12-12-25
FHWA:APPR:12-19-25

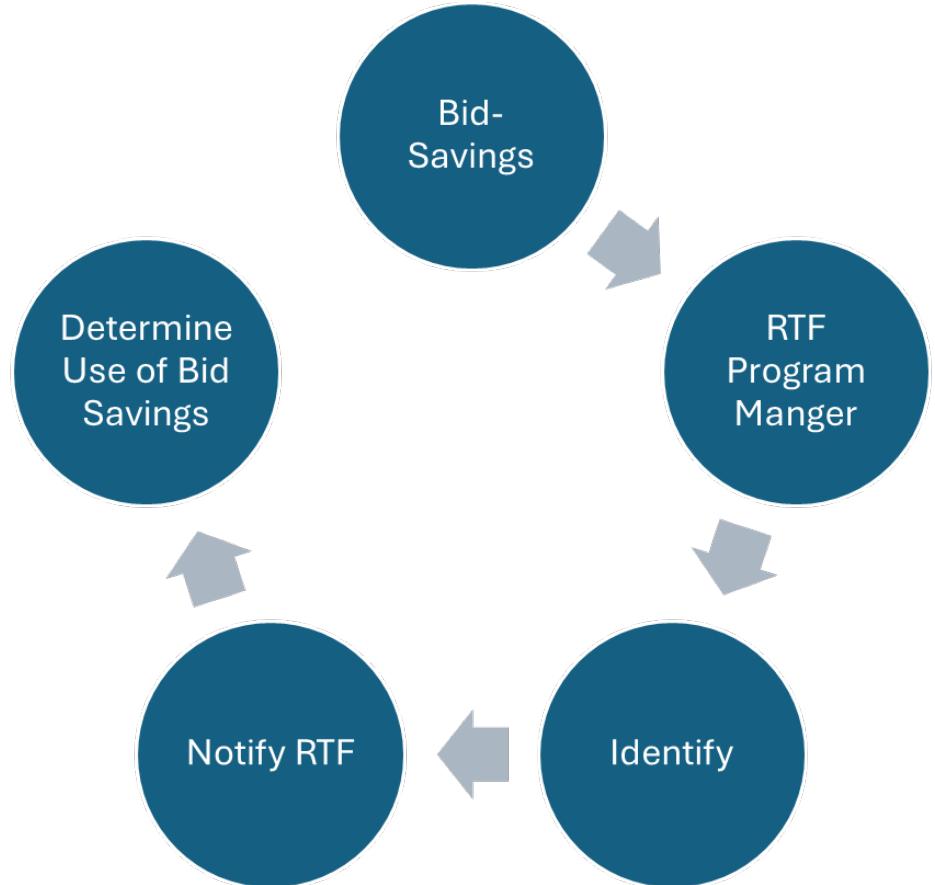
a. Description. This special provision permits the use of commercial pre-mixed bagged Portland cement concrete (PCC) for low-volume non-critical concrete placements for fence post embedment for woven wire fence, wood post sleeves, tube breakaway systems, chain link fence, temporary fence, protective fence, high tensile wire fence applications, and small signpost foundations. Total concrete volume used from pre-mixed bag concrete is limited to less than 5 cubic yards per day.

Use Statement: Use in all projects that include fence posts and sign posts that require concrete filled, drilled, or excavated holes for the post embedment in soils.

Road and Transit Project Planning

- ▶ Get Projects Through STIP process
- ▶ Make sure there is enough funding allocated for the project
- ▶ Project entered correctly in Jobnet
- ▶ Project letting and obligation will happen in the same year
- ▶ Bid-Savings on a project
- ▶ Road Agency is utilizing all of the funding allocated for them in that year for Federal Funding and three years for TEDF-D state funding
- ▶ Ways to make that happen-
 - ▶ Local Federal fund Exchange and Pro-Rata/Lump Sum

Bid Savings



Bid Savings: Transfer to another Project or Transit Project



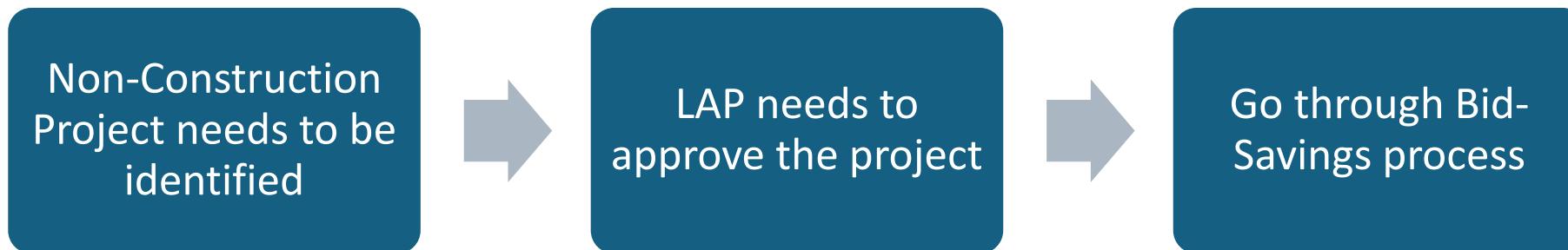
Bid Savings Transfer to another RTF



Bid Savings ACC Project



Bid Savings Project Other than Construction



Federal-Aid Buyout

- The purpose of the Federal Aid Buyout Program is to allow flexibility and enable the most efficient use of federal highway aid and other transportation dollars.
- State money will be exchanged at a rate of 90 cents per dollar
- Local agencies will follow the current MPO or RTF project selection process
- All exchanged funds must be expended within three years
- The federal aid buyout program is limited to the construction phase of a project.
 - Must be included in the STIP

Federal-Aid Buyout

- Based on analysis of budget estimates MDOT has identified adequate state funding for the Federal-Aid Buyout Program in Fiscal Year (FY) 2027. The FY 2027 program call for exchanges will follow this schedule.
 - Call information letter and materials distributed December 2, 2025
 - Call for Exchanges Opens January 6, 2026
 - Exchange Requests Due January 23, 2026
 - Draft Awarded Exchange list posted for review February 3, 2026
- Final Awarded Exchanges posted March 3, 2026

Lump Sum

- ▶ Lump Sum (Capped)
- ▶ Advantages
 - ▶ Defined Amount Of STP-Rural And State-D For Each Project
 - ▶ No Projects Will Use More Than Its Share
 - ▶ The RTF Will Have Sufficient Funding Allocation For Approved Projects
 - ▶ Funding Percentages Are Set At Obligation To Use The STP Rural and/or State-D More Rapidly (Example to Follow)
- ▶ Disadvantages
 - ▶ The Local Agency Is Financially Responsible For All Costs After The Cap(s) Is Reached On STP-Rural and/or State-D
 - ▶ Approved Extras And Overruns Are Only Covered By STP-Rural and/or State-D If The Cap(s) Has Not Been Reached. If The Cap(s) Has Been Reached, All Costs Above the Cap(s) Are 100% Local.

Pro Rata

- ▶ Advantages
 - ▶ All Participating Costs Are Funded At The Percentages Set At Obligation
 - ▶ Approved Extras And Overruns Are Funded At The Same Percentages
- ▶ Disadvantages
 - ▶ More Work On RTF Members To Track Costs And Manage Program
 - ▶ The Projects Submitted To MDOT Toward The End Of The Year May
- ▶ Not Be Funded In The Year Programmed
 - ▶ Requires The RTF Members To Monitor Costs Of Their Approved Projects
 - ▶ Requires The RTF Members To Communicate With Each Other On Project Costs Regularly So Any Needed Program Adjustments Can Be Made.

Example Set Up At Obligation (Lump Sum vs Pro Rata)

► Approved Funding - Pro Rata

Total Budget	\$500,000	
STP-Rural:	\$300,000	60%
State-D:	\$150,000	30%
Local:	\$50,000	10%

- If Lump Sum (Capped)
 - Project Initially Funded 80% STP-Rural / 20% State-D Until The STP
 - Rural Cap of \$300,000 Is Reached
 - Once The STP-Rural Portion Reaches \$300,000, The Project's Funding Is Changed To 80% State-D / 20% Local Until The State-D Cap of \$150,000 Is Reached.
 - All Remaining Costs Are 100% Locally Funded

- ▶ If The Low Bid Comes In At Less Than The Obligation Amount, MDOT Finance Will Lower The Cap Amounts
- ▶ Then, If During Construction, Approved Extras and Overruns Cause The Updated Caps To Be Exceeded, FHWA Allows The Caps To Be Increased Back Up To The Original Amount
- ▶ MDOT Will Increase The Cap(s) As Needed

WHY NEPA BEFORE ROW?

23 CFR 771.113(a) states property acquisition may not occur until after NEPA review is complete.

ECFR CONTENT

§ 771.113 Timing of Administration activities when NEPA applies.

(a) The lead agencies, in cooperation with the applicant and project sponsor, as appropriate, will perform the work necessary to complete the environmental review process. This work includes drafting environmental documents and completing environmental studies, related engineering studies, agency coordination, public involvement, and identification of mitigation measures. Except as otherwise provided in law or in paragraph (d) of this section, final design activities, property acquisition, purchase of construction materials or rolling stock, or project construction must not proceed until the following have been completed:

- (1)
 - (i) The Administration has classified the action as a CE;
 - (ii) The Administration has issued a FONSI; or
 - (iii) The Administration has issued a combined final EIS/ROD or a final EIS and ROD;
- (2) For actions proposed for FHWA funding, the Administration has received and accepted the certifications and any required public hearing transcripts required by 23 U.S.C. 128;
- (3) For activities proposed for FHWA funding, the programming requirements of 23 CFR part 450, subpart B, and 23 CFR part 630, subpart A, have been met.

(b) For FHWA actions, completion of the requirements set forth in paragraphs (a)(1) and (2) of this section is considered acceptance of the general project location and concepts described in the environmental review documents unless otherwise specified by the approving official.

(c) Letters of Intent issued under the authority of 49 U.S.C. 5309(g) are used by FTA to indicate an intention to obligate future funds for multi-year capital transit projects. Letters of Intent will not be issued by FTA until the NEPA process is completed. Letters of Intent issued by FRA under the authority of 49 U.S.C. 24911(g) may be issued prior to completion of the NEPA process.





Ok, property acquisition may not occur until after NEPA review is complete, but what is the reasoning?

This rule prevents premature commitments that could limit environmental and design choices

- Ensures alternatives are fully evaluated: The basis of NEPA is about making sound decisions based on a balanced consideration of transportation needs and of social, economic and environmental impacts of proposed transportation improvements.
- Environmental details, including wetlands, endangered species, historic properties and 4(f), should inform the final project design, and acquisition details often depend on these findings.
- Some types of property acquisition require specific review, documentation and public outreach through the NEPA review.

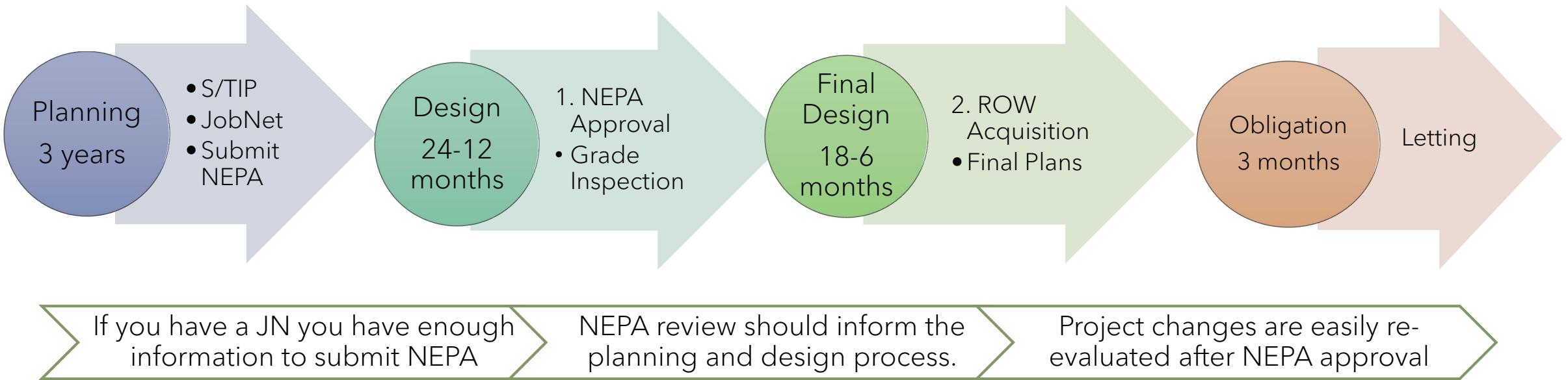


MDOT's Programmatic
Agreement with FHWA require
any ROW acquisitions with
relocations/displacements to
receive FHWA oversight &
approval.

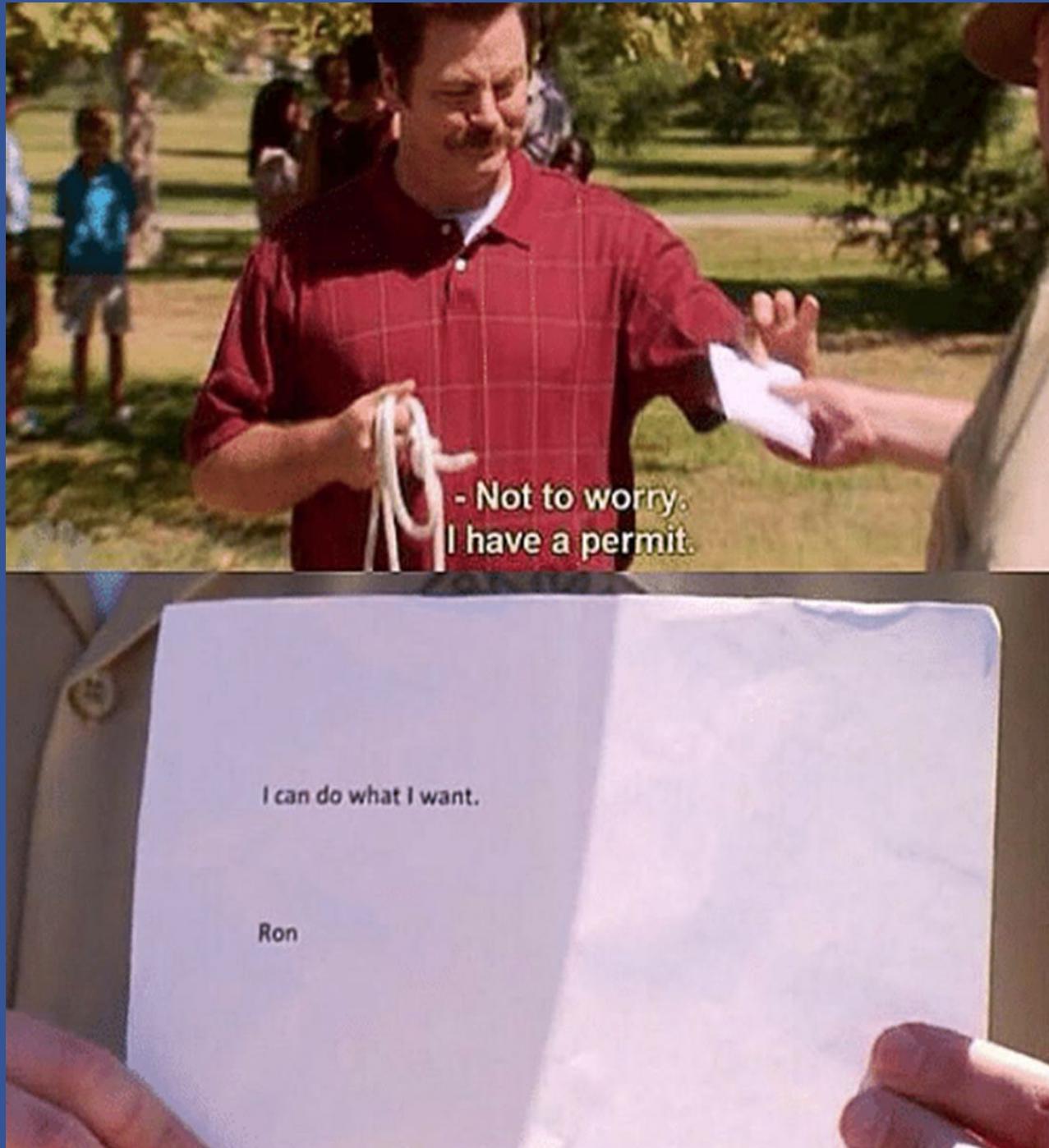


IDEAL PROJECT TIMELINE

TIME BEFORE CONSTRUCTION



*ROW acquisition can happen before Grade Inspection, but must happen after NEPA approval



The Buyout is back!

The state transpo budget is
bigger!

More state only funded jobs are
anticipated.

REMINDER environmental laws still
apply even when there are no federal
funds – all endangered species, clean
water/air (EGLER), river designations,
MDARD, some historic/archeological, etc.

Not applicable: NEPA process, Section 106
and 4(f) recreational properties.

MDOT Local Agency Program Environmental Services Unit



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LAP Environmental Supervisor

NATURAL RESOURCES

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Endangered Species NEPA coordinator

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Water Resources, LAP NEPA coordinator

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CULTURAL RESOURCES

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Archeologist

Brian Grendell | 517-388-5838 | grendellb@michigan.gov
Historian

General Email | MODT-LAP-SECTION106-Reviews@michigan.gov

LOCAL AGENCY REAL ESTATE

KEM HOOPINGARNER

(517) 242-8334

NEW

MDOT-ROW-LocalAgency@Michigan.gov



RIGHT OF WAY (ROW)



NEPA CLEARANCE



Can't negotiate until NEPA Approval



All types (CE, Individual CE, EA, EIS)



Submit 5323 EARLY



Include All Proposed Types of ROW
(permanent/temporary)



Early/Advanced Acquisition – NEPA Parcel
Approval



WHAT CAN BE DONE PRIOR TO NEPA?

- Title research/search
- Valuation Reports (Waiver Valuation or Appraisal/Review)
- Preliminary document & property map preparation
- Preliminary relocation planning activities
- Preliminary Interviews
- Explaining property owner's rights (e.g. MDOT booklets)



No Negotiation



NEXUS RULE - LINK TO PROJECT

- Any Real Estate rights acquired for project
- Must follow Uniform Act
- No Time Limit (Uniform Act enacted in 1970)



REAL ESTATE DOCUMENTS

Real Estate A (Attachment A)

- PROJECT NOTIFICATION

Agency submits to LAP Engineer:

- As soon as ROW determined needed, or possible (permanent or temporary rights)
- Prior to starting negotiations

Real Estate B (Attachment B)

- ROW CERTIFICATION

Agency submits to LAP Engineer:

- Once all ROW rights are secured
- New statistical information collected

ROW NEED FOUND LATE

Prior to starting negotiations/parcel construction contact:

A diamond-shaped orange sign with a black double border. The words "DETOUR" and "AHEAD" are written in large, bold, black capital letters.

DETOUR
AHEAD

- LAP Staff Engineer - Notification
- LAP Environmental Unit – Re-evaluate with ROW
- Real Estate Coordinator –
 - Agency submits revised A & B , if needed, & ROW documentation for review
 - Need Environmental Approval PRIOR to Negotiating
- If after award, contact TSC Designated Rep/Construction Engineer

Real Estate Support

MDOT-ROW-LocalAgency@Michigan.gov



Kem Hoopingarner
(517) 242-8334



Mike Christensen
(517) 335-4361

Call, Email, Teams, etc.

- ROW Acquisition Process & Documentation
- Updates - New Regulation's & Policies
- Real Estate Local Agency Guidance Webpage

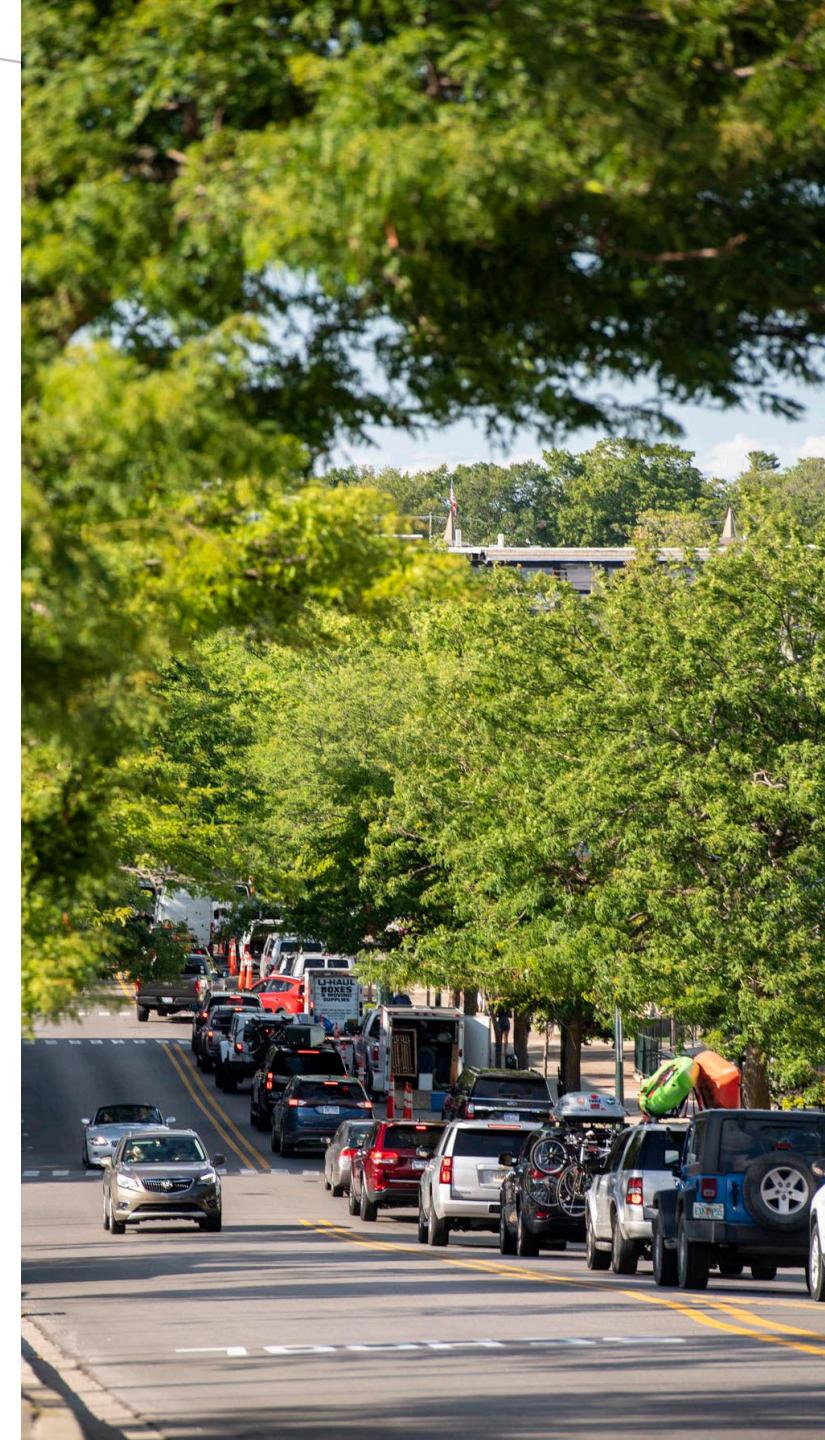
LAP EARMARK PROCESS

STATE EARMARK FUNDS

- Public Act is signed into law with sections for earmark funds. This varies from year to year.
- Legislators send in packets to the State Budget Office (SBO) with the local agency name and project details.
- LAP is notified of the legislator's packet and project details.
- LAP works with the local agency to confirm project details, execute an agreement, and pay out earmark funds.
- Yearly reporting on project status until project completion.
- LAP staff emails TSC staff that the project is complete for review of project completion.

FEDERAL EARMARK FUNDS

- FHWA notifies MDOT of all federally funded earmark projects.
- LAP earmark staff works with the grant recipient and their ACT 51 agency (if necessary) to confirm scope, funding, and timeline to get the project programmed.
- LAP staff engineers work with the ACT 51 agency through project completion and close out.
- LAP staff emails TSC staff that the project is complete for review of project completion.

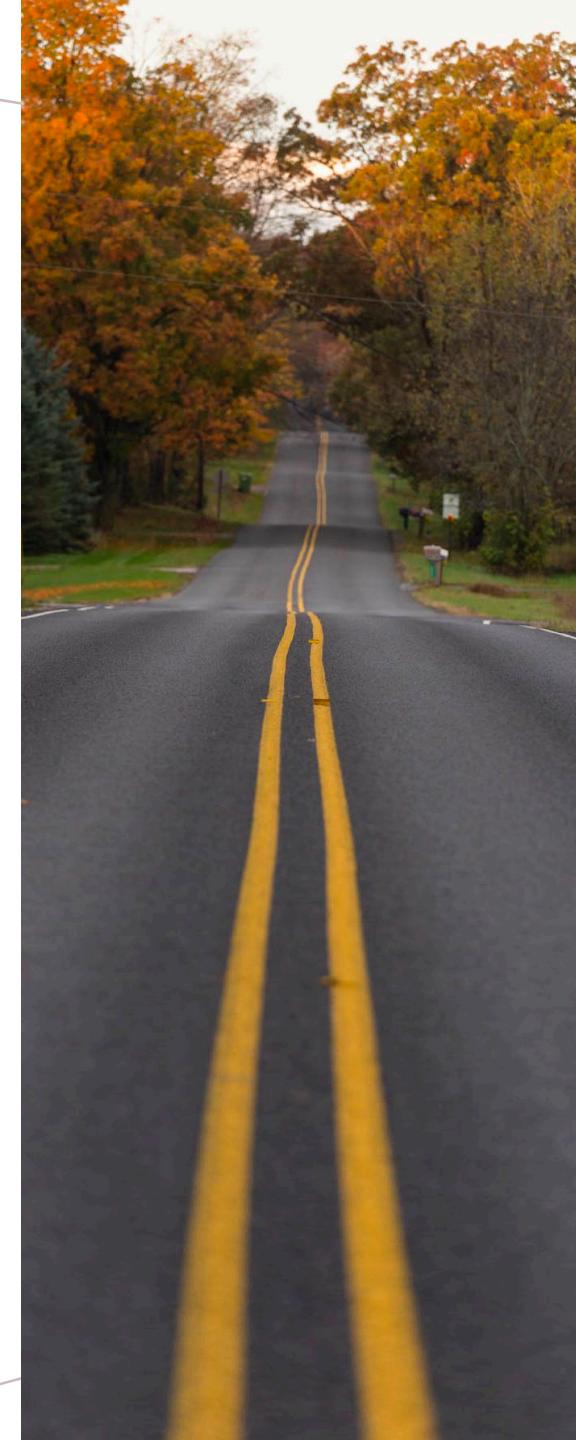


2025 LAP EARMARK FUNDS

State Earmark Projects (so far)

23 Projects

- \$55,250,000



2024 LAP EARMARK FUNDS

State Earmark Program

- 20 Projects
- \$104,600,000

Federal Earmark Program

- 14 Projects
- \$26,738,000



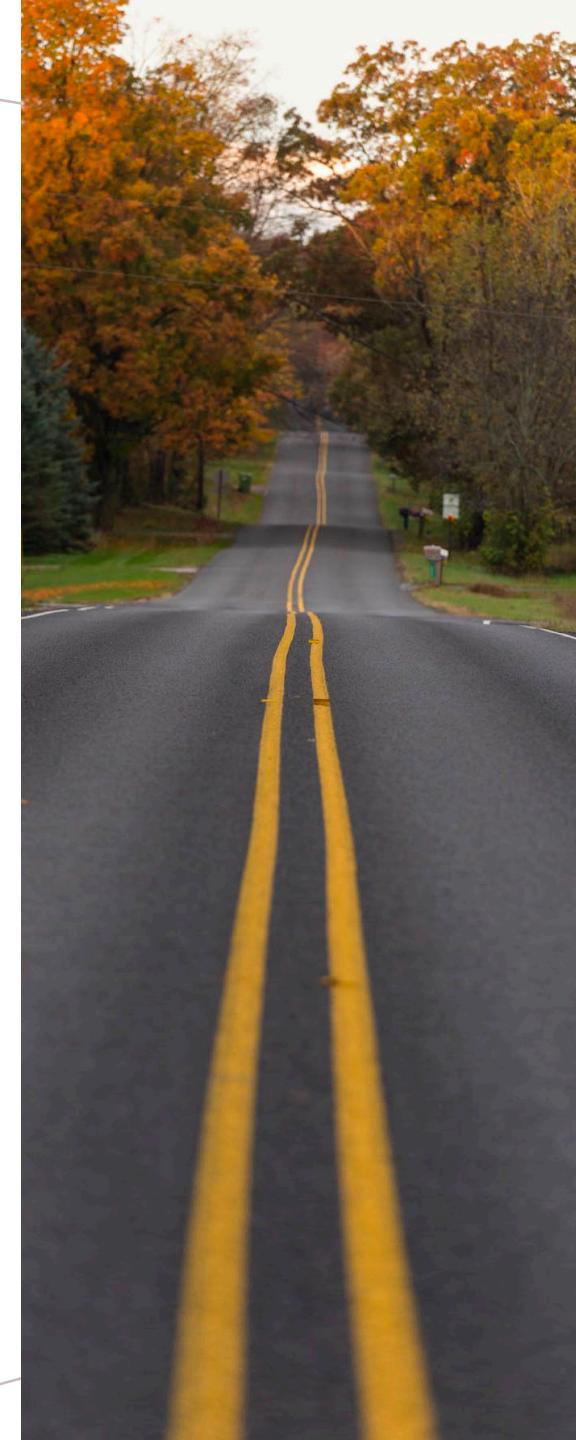
2023 LAP EARMARK FUNDS

State Earmark Program

- 1 Project
- \$12,000,000

Federal Earmark Program

- 26 Projects
- \$57,425,687



LAP Website Updates - www.michigan.gov/mdotlap

Local Agency Program

[Home](#) > [Business](#) > [Local Government](#) > [Local Agency Program](#)

The Local Agency Program (LAP) administers the local allocation of federal and state aid programs (road, special funding, and bridge). The program is responsible for the development of statewide processes for the implementation of all required state and federal regulations as it relates to local agencies. It is also the owner of Local Agency Program Management System (LAPMS) and Local Agency Reimbursement System (LARS).

Contacts

[Bruce Kadzban](#), P.E. | 517-449-8689
LAP Section Administrator

[John Welch](#), P.E. | 989-284-8906
LAP Statewide Project Engineer

[Kristen Sullivan](#) | 517-335-1209
LAP Earmark and Automation Analyst



LAP engineer contact map



Guidance and reports

[FY 2025 Project Planning Guide](#)

[FY 2024 Project Planning Guide](#)

[NEPA guidance](#)

[Real Estate guidance](#)

[Force Account and Obligation reports](#)



Doing business

[Local Agency advisories](#)

[Request a ProjectWise folder](#)

[Local Agency forms](#)

[Design](#)

[Consultant selection](#)

[Permits and utility coordination](#)



Federal resources

[FHWA Emergency Relief Program video](#)

[FHWA Emergency Relief flow chart](#)

[USDOT Navigator website](#)

[Federal Aid Buyout Program](#)

Programs



Road Program



Bridge Program



Special Funding Program





About MDOT

The Michigan Department of Transportation (MDOT) is responsible for Michigan's nearly 10,000-mile state highway system, comprised of all M, I, and US-routes. It is the backbone of Michigan's 120,000-mile highway, road and street network.

Providing the highest quality integrated transportation services for economic benefit and improved quality of life.

Region Offices

MDOT has seven region offices and several geographically located Transportation Service Centers (TSCs) in each region that handle transportation-related construction and maintenance programs. The TSCs are designed to respond to the transportation needs of local communities for the highest level customer service.

[MDOT Regions and TSCs >](#)

Sign up for e-mail from MDOT

doyer3@michigan.gov

[Submit](#)

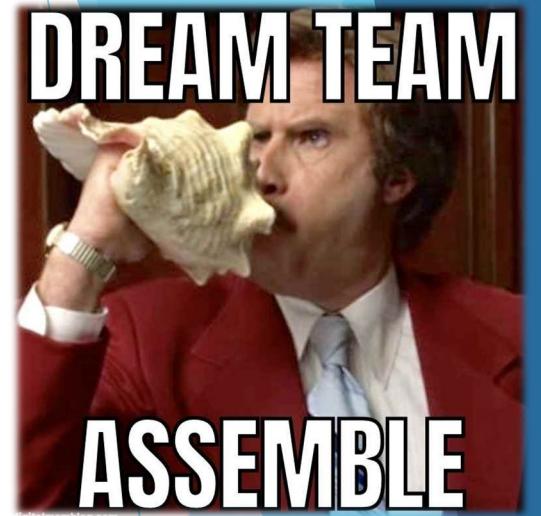
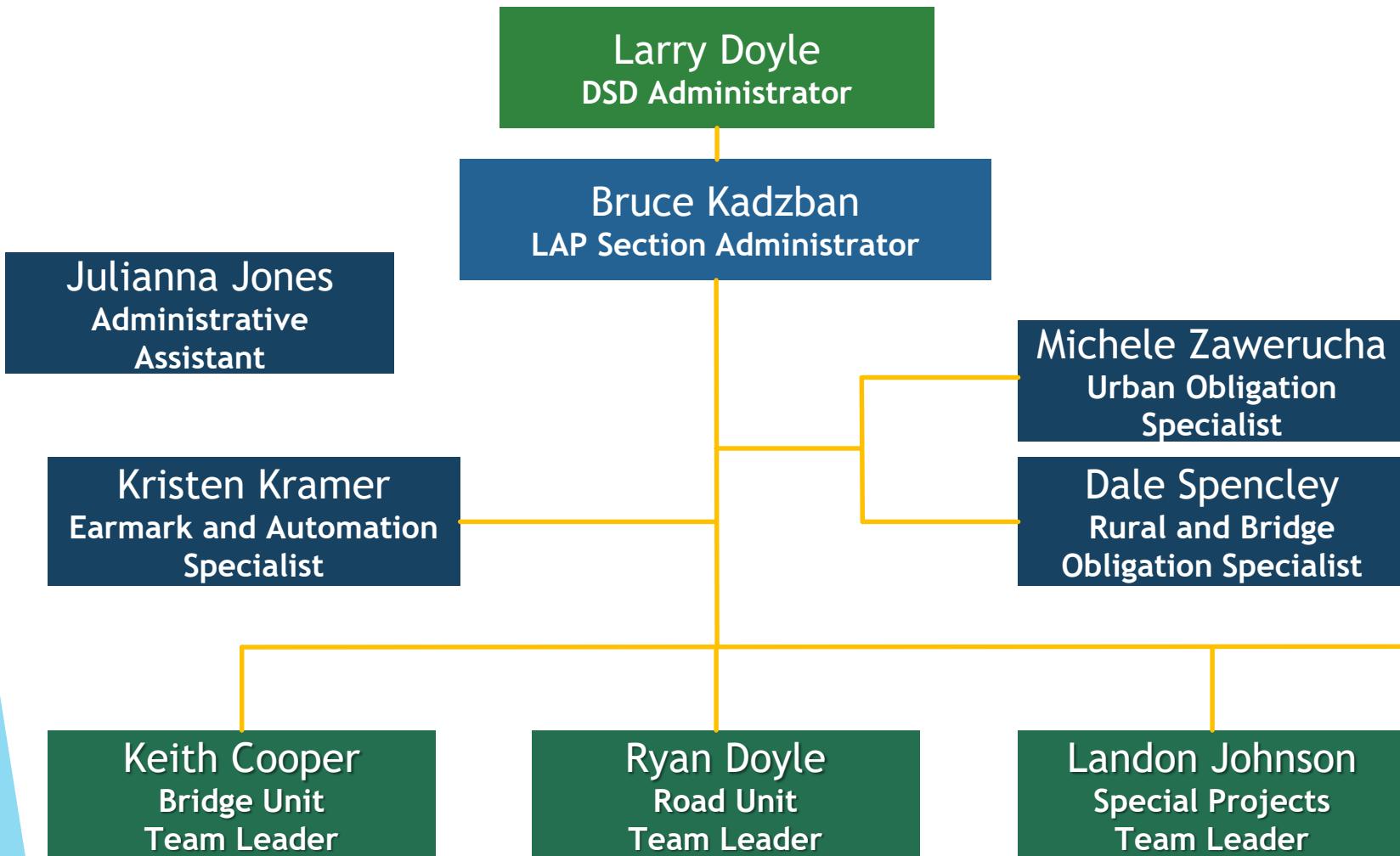
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erating Reference Stations (CORS) [i](#)
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port - External [i](#)
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- Planisware [i](#)
- Road/Bridge Design Publications [i](#)
- Special Provision Advisory [i](#)
- Traffic & Safety [i](#)
- Development Services
- Construction Restrictions
- Excess Property Auction [i](#)
- Local Agency Program [i](#)
- Real Estate Updates for Local Public Agencies [i](#)
- Spring Weight Restrictions [i](#)

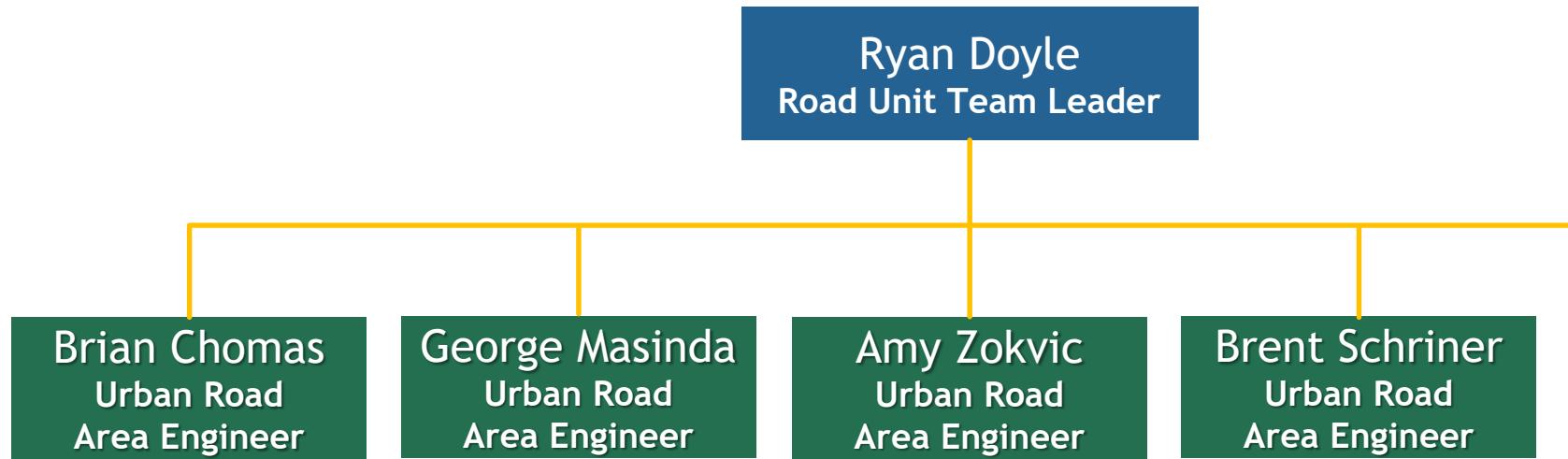
LAP LISTSERV Registration

- ▶ Bottom of any MDOT page to start
- ▶ Find LAP under “Development Services” toward the bottom

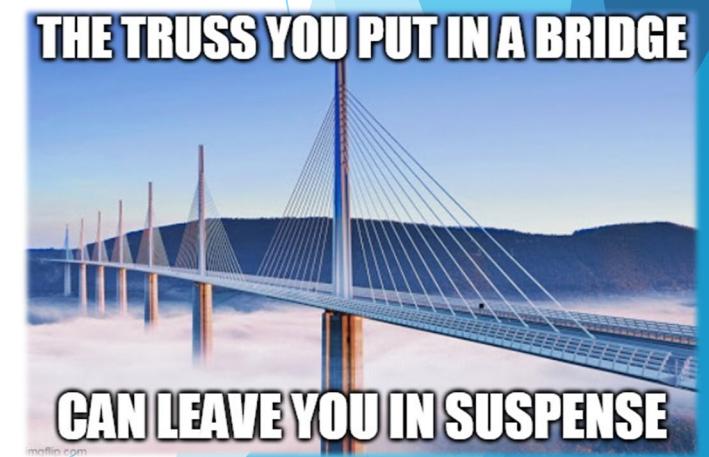
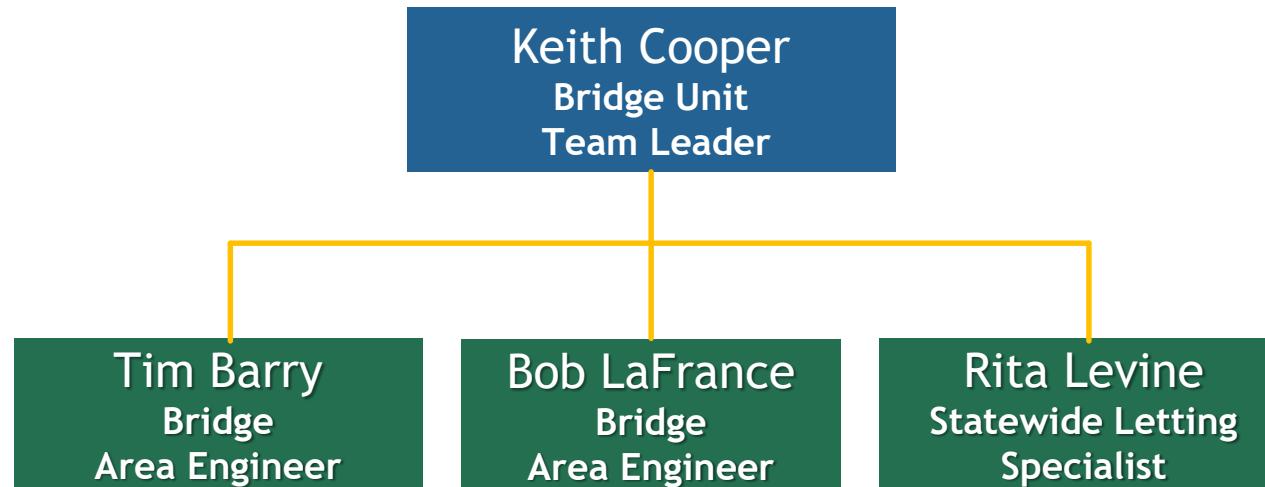
LAP Contacts



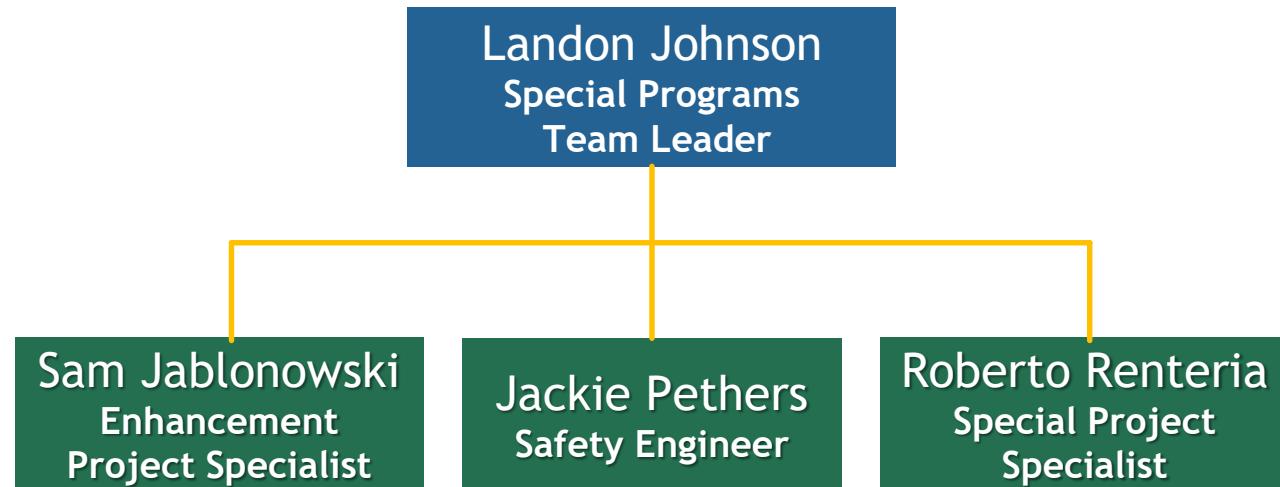
LAP Road Unit



Bridge Unit

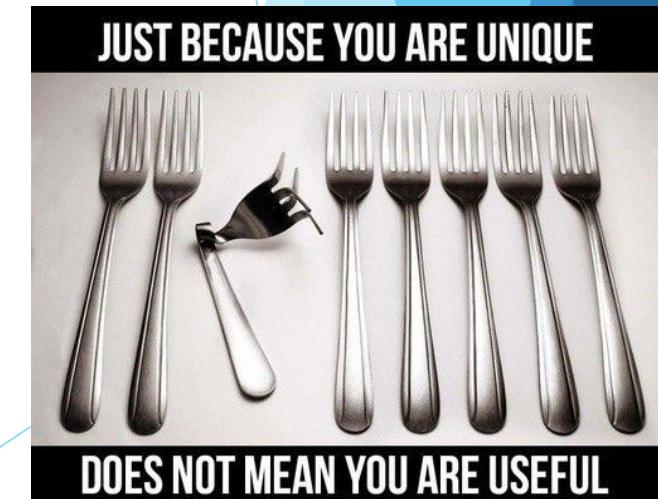


LAP Special Programs Unit



Unique Special Provisions (SPs)

- ▶ Unique SPs must have Local Agency Programs (LAP) Approval
- ▶ Some SPs require MDOT & FHWA approval prior to use
- ▶ Results in slow payment to subcontractors
- ▶ Urging LA's to use existing Frequently Used Special Provisions



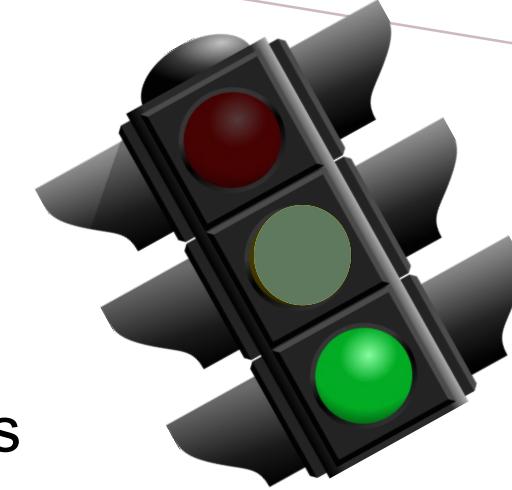


ON THE HORIZON

WHAT'S COMING

Special Projects

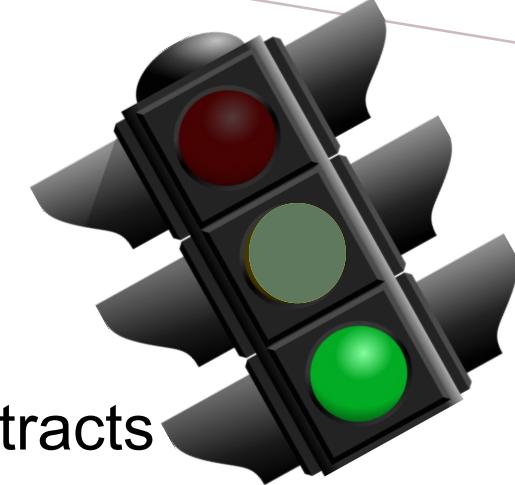
- Award FY 2028 Safety Program projects
- About 10 Safe Routes to Schools projects
- At least 40 Enhancement (TAP) projects



WHAT'S COMING

Special Projects

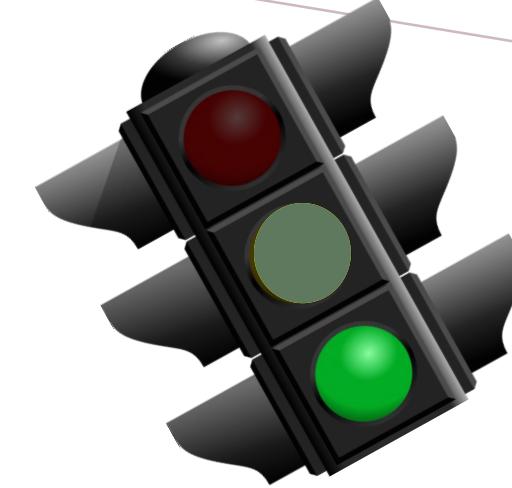
- **RFP for LAP Consultant Assistance contracts**
- Update to Forms 0258, 0259, 0260 (the program application forms)



WHAT'S COMING

Special Projects

- **Federal and State Earmark projects**
- Projects resulting from several RAISE grants

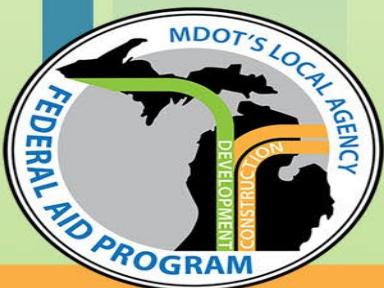


What's coming

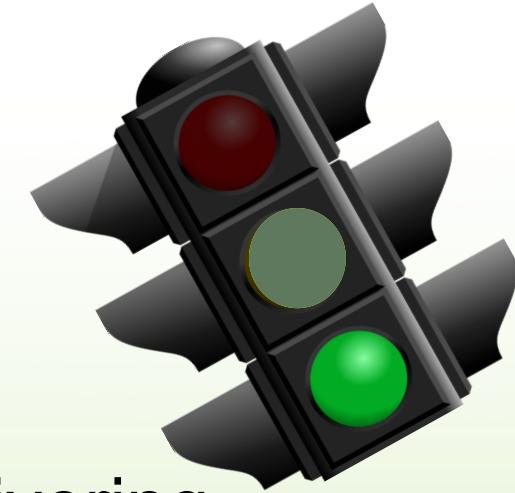


Along with

- The rest of the standard program (over 600 bridge, urban, and rural projects)



Emphasizing Communication:



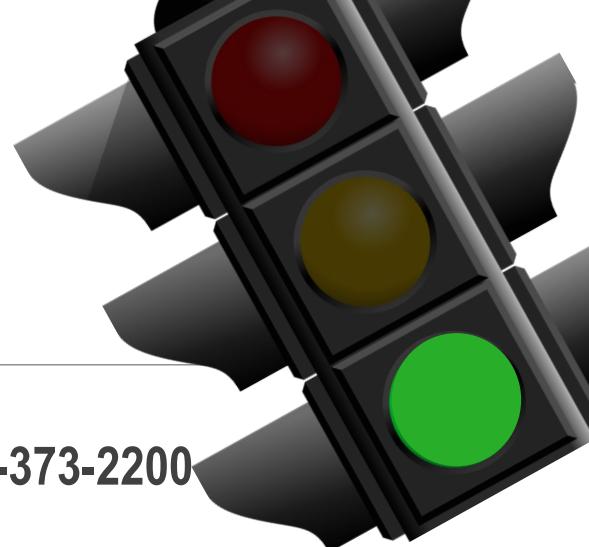
Local Agencies are responsible for delivering their own projects

30-day rule of thumb

Reply to MDOT's comments!



LAP CONTACTS



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Keith Cooper – Bridge

cooperk@michigan.gov

517-331-1395

Ryan Doyle – Road

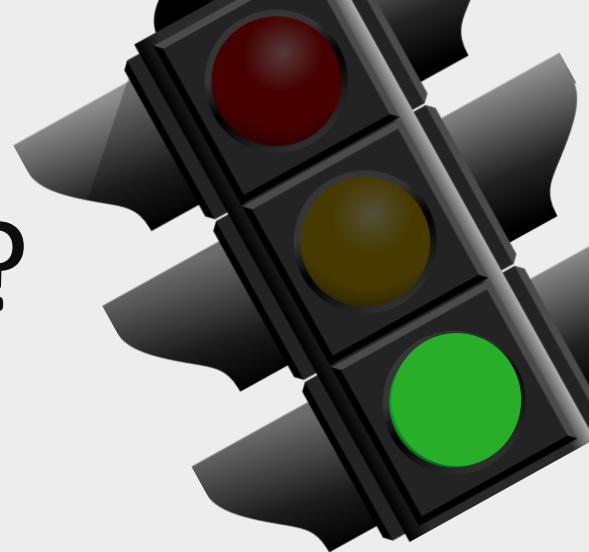
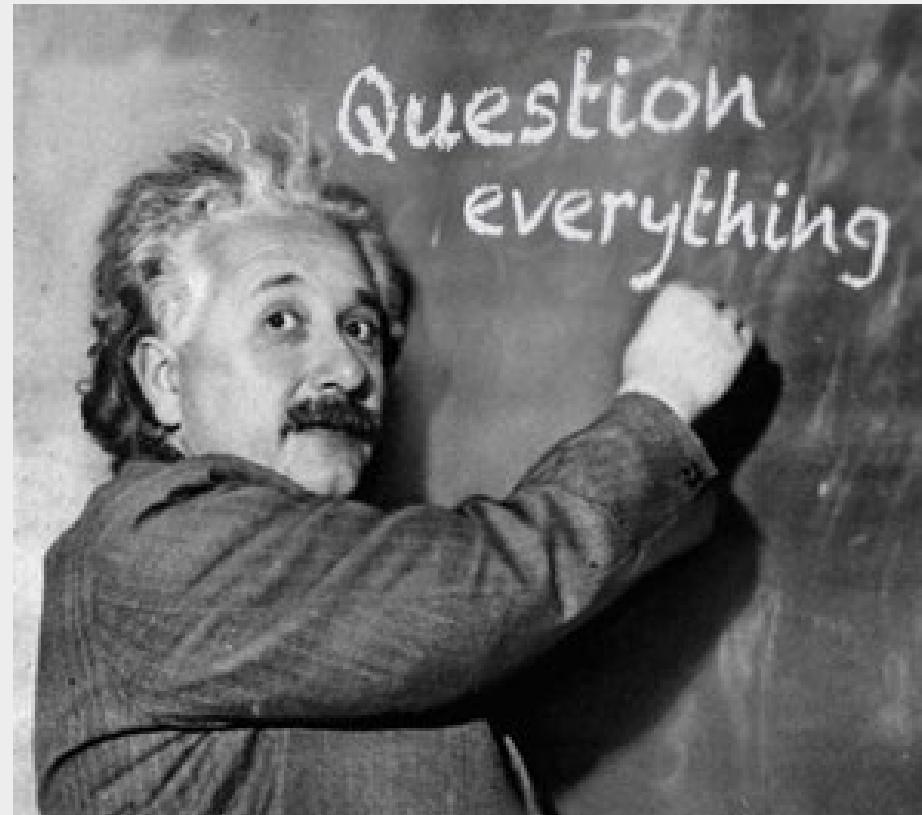
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QUESTIONS? COMMENTS?



THANK YOU!!

