



U.S. Department
of Transportation

**Federal Highway
Administration**

Notice

Subject:

**DISTRIBUTION OF FEDERAL-AID HIGHWAY PROGRAM OBLIGATION
LIMITATION FOR FISCAL YEAR (FY) 2017**

Classification Code

Date

Office of Primary Interest

N4520.245

May 24, 2017

HCFB-10

1. **What is the purpose of this Notice?** This Notice is to advise the States of the distribution of the limitation on Federal-aid highway program obligations pursuant to the Department of Transportation Appropriations Act, 2017, title I of division K, Public Law (Pub. L.) 115-31.
2. **Does this Notice cancel FHWA Notice 4520.244?** Yes, this Notice cancels FHWA Notice 4520.244, Distribution of Federal-aid Highway Program Obligation Limitation for the Period Beginning on October 1, 2016, and Ending on April 28, 2017, dated January 4, 2017. This Notice reflects the full-year distribution of obligation limitation under the Department of Transportation Appropriations Act, 2017.
3. **What is the overall limitation on obligations, and what provision determines its distribution?**
 - a. The Department of Transportation Appropriations Act, 2017, provides an overall limitation on Federal-aid highway program obligations for FY 2017 of \$43,266,100,000.
 - b. Section 120 of the Department of Transportation Appropriations Act, 2017, provides the distribution methodology for the overall limitation on Federal-aid highway program obligations.
 - c. Unless otherwise specified, all obligation limitation is available for one fiscal year and will expire at the end of FY 2017.
4. **What funds are exempt from the limitation on obligations?** The obligation limitation does not apply to obligations for projects covered under:
 - (1) section 125 of title 23, United States Code (U.S.C.);
 - (2) section 147 of the Surface Transportation Assistance Act of 1978;
 - (3) section 9 of the Federal-Aid Highway Act of 1981;

- (4) sections 131(b) and 131(j) of the Surface Transportation Assistance Act of 1982;
- (5) sections 149(b) and 149(c) of the Surface Transportation and Uniform Relocation Assistance Act of 1987;
- (6) sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991;
- (7) section 157 of title 23, U.S.C., as in effect on the day before the date of enactment of the Transportation Equity Act for the 21st Century;
- (8) section 105 of title 23, U.S.C, as in effect for fiscal years 1998 through 2004, but only in an amount equal to \$639,000,000 for each of those fiscal years;
- (9) the Federal-aid highway programs for which obligation authority was made available under the Transportation Equity Act for the 21st Century or subsequent public laws for multiple years or to remain available until used, but only to the extent that the obligation authority has not lapsed or been used;
- (10) section 105 of title 23, U.S.C., but only in an amount equal to \$639,000,000 for each of fiscal years 2005 through 2012;
- (11) section 1603 of the SAFETEA-LU, to the extent that funds obligated in accordance with that section were not subject to a limitation on obligations at the time at which the funds were initially made available for obligation; and
- (12) section 119 of title 23, U.S.C., but only in an amount equal to \$639,000,000 prior to sequestration for each of fiscal years 2013 through 2017.

5. How are the obligation limitation amounts associated with allocated programs determined?

- a. Obligation limitation is provided for administrative expenses and programs authorized under section 104(a) of title 23, U.S.C., and amounts authorized for the Bureau of Transportation Statistics. Pursuant to the Department of Transportation Appropriations Act, 2017, the limitation on Federal Highway Administration administrative expenses is \$432,547,000 and the limitation for transfer to the Appalachian Regional Commission for administrative activities is \$3,248,000 (which combined are equal to the FY 2017 contract authority for administrative expenses). For the other programs for which funding is authorized under section 104(a) of title 23,

U.S.C., and the Bureau of Transportation Statistics, obligation limitation is provided equal to the contract authority for each such program.

- b. Obligation limitation is provided for the unobligated balances of contract authority for allocated programs (or for the apportioned Tribal Transportation Program and Federal Lands Access Program) that are carried over from previous fiscal years and for which obligation limitation had been provided in a previous fiscal year. The obligation limitation provided is equal to such unobligated balances of contract authority.
 - c. The ratio between the remaining obligation limitation and the remaining FY 2017 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2017 under the Department of Transportation Appropriations Act, 2017, is 92.8 percent.
 - d. Obligation limitation is distributed for each of the allocated programs (other than those allocated programs for which obligation limitation has already been provided) and for the Tribal Transportation Program and Federal Lands Access Program. The amount of obligation limitation for each such program is determined by multiplying the amount of contract authority authorized for FY 2017 by the above ratio. The authorized contract authority that is not provided associated obligation limitation is “lopped off,” resulting in equal amounts of contract authority and obligation limitation available for such programs (except for the Tribal Transportation Program, which is not subject to the “lop off” of contract authority).
- 6. How is the distribution of formula obligation limitation to the States determined?**
- a. After obligation limitation is provided for the allocated programs (and for the Tribal Transportation Program and Federal Lands Access Program) as described above, the remaining amount of obligation limitation is distributed to the States as formula obligation limitation. The formula obligation limitation is distributed among the States in the proportions that the FY 2017 apportionments subject to the obligation limitation for each State bear to the total FY 2017 apportionments subject to the obligation limitation for all States.
 - b. The attached Table 1 shows the amount of FY 2017 formula obligation limitation distributed to each State, net of any obligation limitation associated with transfer penalty funding or set aside under the high risk rural roads special rule (see paragraphs 7 and 8 of this Notice below).

7. Is there any obligation limitation associated with transfer penalty funds?

- a. Yes, obligation limitation is associated with transfer penalty funds for those States that failed to meet the provisions of section 154 of title 23, U.S.C. (Open Container Requirements) or section 164 of title 23, U.S.C. (Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence) for FY 2017 as determined by the National Highway Traffic Safety Administration (NHTSA).
- b. Along with the transfer penalty funds under section 154 and section 164 of title 23, U.S.C., the associated obligation limitation will be reserved and then released for use on eligible Highway Safety Improvement Program activities under section 148 of title 23, U.S.C., or transferred to the State's safety program under section 402 of title 23, U.S.C.
- c. The amount of obligation limitation associated with the transfer penalty funds is determined by multiplying the amount of the transfer penalty funds by the ratio of a State's formula obligation limitation to that State's apportionments subject to the obligation limitation.
- d. The amounts of transfer penalty funds and associated obligation limitation for FY 2017 are shown in Table 2.

8. Is there any obligation limitation set aside under the special rule for high risk rural roads?

- a. Section 148(g)(1) of title 23, U.S.C., contains a special rule for high risk rural road safety. The special rule requires that, if the fatality rate on rural roads in a State increases over the most recent 2-year period for which data are available, the State must obligate during the next fiscal year for projects on high risk rural roads an amount at least equal to 200 percent of its FY 2009 high risk rural roads set-aside.
- b. The requirement to obligate such amounts during the next fiscal year is implemented by a set-aside of both Highway Safety Improvement Program funds and an equal amount of associated obligation limitation.
- c. The amounts of high risk rural roads special rule funds and associated obligation limitation for FY 2017 are shown in Table 3.

9. What other provisions apply that are related to the distribution of obligation limitation?

- a. Contract authority for transportation research programs under chapter 5 of title 23, U.S.C., or title VI of the Fixing America's Surface Transportation (FAST) Act is subject to obligation limitation that remains available for a

period of 4 fiscal years. Obligation limitation made available for Transportation Research in future fiscal years will be in addition to amounts made available for FY 2017.

- b. The amounts of contract authority "lopped off" from the allocated programs and the Federal Lands Access Program due to the imposition of the obligation limitation will be redistributed to the States. The redistribution will be provided via a separate notice to be issued no later than 30 days after the distribution of the obligation limitation.
 - c. After August 1, 2017, the Secretary will revise the distribution of obligation authority made available if a State does not plan to obligate the amount distributed during FY 2017 and redistribute such amount to those States able to obligate amounts in addition to those previously distributed during FY 2017. Procedures for this process (known as August Redistribution) will be provided via a separate notice to be issued in July.
10. **What action is required?** Division Administrators should ensure that copies of this Notice are provided to the State departments of transportation.



Walter C. Waidehlich, Jr.
Acting Deputy Administrator

Attachments

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

OBLIGATION LIMITATION DISTRIBUTION
FOR FISCAL YEAR 2017 UNDER THE DEPARTMENT
OF TRANSPORTATION APPROPRIATIONS ACT, 2017

STATE	Formula Obligation Limitation
ALABAMA	712,628,943
ALASKA	450,010,915
ARIZONA	687,982,814
ARKANSAS	475,484,179
CALIFORNIA	3,386,697,589
COLORADO	492,363,896
CONNECTICUT	461,122,317
DELAWARE	155,692,753
DISTRICT OF COLUMBIA	150,021,599
FLORIDA	1,779,618,569
GEORGIA	1,207,382,818
HAWAII	152,220,896
IDAHO	268,810,170
ILLINOIS	1,331,068,029
INDIANA	872,586,664
IOWA	461,692,506
KANSAS	355,029,187
KENTUCKY	624,157,395
LOUISIANA	629,587,207
MAINE	169,801,351
MARYLAND	565,281,230
MASSACHUSETTS	569,221,490
MICHIGAN	984,187,313
MINNESOTA	599,593,061
MISSISSIPPI	444,162,173
MISSOURI	869,533,568
MONTANA	375,630,982
NEBRASKA	271,604,493
NEVADA	341,561,495
NEW HAMPSHIRE	155,341,332
NEW JERSEY	936,147,784
NEW MEXICO	335,484,508
NEW YORK	1,579,606,127
NORTH CAROLINA	980,264,766
NORTH DAKOTA	233,322,140
OHIO	1,207,070,716
OKLAHOMA	595,752,503
OREGON	459,396,096
PENNSYLVANIA	1,542,589,954
RHODE ISLAND	201,091,769
SOUTH CAROLINA	629,035,652
SOUTH DAKOTA	259,239,151
TENNESSEE	776,789,071
TEXAS	3,483,394,963
UTAH	324,990,575
VERMONT	186,713,634
VIRGINIA	935,901,558
WASHINGTON	620,430,721
WEST VIRGINIA	410,617,342
WISCONSIN	707,050,392
WYOMING	230,184,212
SUBTOTAL	36,635,150,568
Allocated Programs	6,204,969,464
Sections 154 and 164 Penalties	388,503,818
High Risk Rural Roads Special Rule	37,476,150
TOTAL	43,266,100,000

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS AND ASSOCIATED OBLIGATION LIMITATION
FOR FISCAL YEAR 2017 FOR PENALTY PROVISIONS
UNDER SECTIONS 154 AND 164 OF TITLE 23, UNITED STATES CODE

STATE	TOTAL SECTIONS 154 & 164 PENALTY FUNDS	OBLIGATION LIMITATION FOR PENALTIES
ALABAMA	0	0
ALASKA	21,977,716	20,408,202
ARIZONA	0	0
ARKANSAS	11,739,631	10,901,259
CALIFORNIA	73,496,012	68,247,380
COLORADO	11,348,977	10,538,503
CONNECTICUT	10,561,658	9,807,409
DELAWARE	3,628,087	3,368,991
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	7,317,832	6,795,238
IDAHO	0	0
ILLINOIS	0	0
INDIANA	20,983,054	19,484,574
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	31,985,402	29,701,202
MAINE	4,018,599	3,731,615
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	14,337,505	13,313,609
MISSISSIPPI	10,970,977	10,187,497
MISSOURI	21,393,990	19,866,163
MONTANA	9,172,689	8,517,632
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	8,254,806	7,665,299
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	57,456,264	53,353,092
OKLAHOMA	0	0
OREGON	11,111,969	10,318,421
PENNSYLVANIA	0	0
RHODE ISLAND	4,810,079	4,466,573
SOUTH CAROLINA	0	0
SOUTH DAKOTA	6,244,758	5,798,796
TENNESSEE	18,716,519	17,379,900
TEXAS	0	0
UTAH	0	0
VERMONT	4,404,348	4,089,817
VIRGINIA	22,256,112	20,666,718
WASHINGTON	14,765,714	13,711,238
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	11,380,810	10,568,062
SUBTOTAL	412,333,508	382,887,190
Puerto Rico	6,052,400	5,616,628
TOTAL	418,385,908	388,503,818

NOTE: Puerto Rico Highway Program is an allocated program and is not treated as an apportionment to the States.

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

HIGH RISK RURAL ROADS (HRRR) SPECIAL RULE FUNDS AND ASSOCIATED
OBLIGATION LIMITATION FOR FISCAL YEAR 2017 PURSUANT TO
SECTION 148(g)(1) OF TITLE 23, UNITED STATES CODE

STATE	TOTAL HRRR SPECIAL RULE FUNDS	OBLIGATION LIMITATION FOR HRRR SPECIAL RULE
ALABAMA	0	0
ALASKA	900,000	900,000
ARIZONA	0	0
ARKANSAS	0	0
CALIFORNIA	0	0
COLORADO	0	0
CONNECTICUT	1,502,890	1,502,890
DELAWARE	0	0
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	6,299,452	6,299,452
HAWAII	0	0
IDAHO	0	0
ILLINOIS	6,048,546	6,048,546
INDIANA	3,513,290	3,513,290
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	0	0
MAINE	0	0
MARYLAND	0	0
MASSACHUSETTS	2,273,676	2,273,676
MICHIGAN	5,852,012	5,852,012
MINNESOTA	0	0
MISSISSIPPI	0	0
MISSOURI	0	0
MONTANA	1,389,760	1,389,760
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	3,333,210	3,333,210
NEW MEXICO	1,887,424	1,887,424
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	0	0
OKLAHOMA	0	0
OREGON	0	0
PENNSYLVANIA	0	0
RHODE ISLAND	0	0
SOUTH CAROLINA	0	0
SOUTH DAKOTA	0	0
TENNESSEE	0	0
TEXAS	0	0
UTAH	1,331,318	1,331,318
VERMONT	0	0
VIRGINIA	0	0
WASHINGTON	3,144,572	3,144,572
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	0	0
TOTAL	37,476,150	37,476,150