



U.S. Department
of Transportation
**Federal Highway
Administration**

Notice

Subject:

SEQUESTRATION OF HIGHWAY FUNDS FOR FISCAL YEAR 2026

Classification Code

N4510.906

Date

October 1, 2025

Office of Primary Interest

HCFB-10

1. **What is the purpose of this Notice?** This Notice is to notify the States of the portion of the National Highway Performance Program (NHPP) and emergency relief (ER) funds impacted by the sequestration order issued on May 30, 2025.
2. **What is the basis of the sequestration of these funds?**
 - a. The sequestration of funds is required pursuant to Sections 251A and 256(k) of the Balanced Budget and Emergency Deficit Control Act (BBEDCA), as amended, and Sections 901a and 906(k)(6) of Title 2, United States Code (U.S.C.). The order, which the President issued in accordance with the BBEDCA, requires that budgetary resources in each non-exempt budget account be reduced by the amount calculated by the Office of Management and Budget (OMB) in its report to Congress on May 30, 2025, entitled *OMB Report to the Congress on the BBEDCA 251A Sequestration for Fiscal Year 2026* (sequestration report).
 - b. The NHPP funds are authorized for Fiscal Year (FY) 2026 pursuant to the Infrastructure Investment and Jobs Act. Pursuant to the sequestration report, those NHPP funds that are exempt from the obligation limitation are subject to the sequestration at a rate of 5.7 percent. Therefore, the \$639,000,000 in NHPP funds exempt from obligation limitation available for FY 2026 is reduced by a total of \$36,423,000, resulting in a post-sequestration amount of \$602,577,000.
3. **How is the amount of NHPP funds sequestered for each State determined?** The total sequester amount of \$36,423,000 is distributed among the States in the same proportions as the funds subject to sequester were apportioned to the States for FY 2026. Each State's portion of the total amount to be sequestered is shown in the attached table.
4. **What other highway funds are subject to the sequestration?** Pursuant to the sequestration report, the \$100,000,000 in ER funds authorized from the Highway Trust Fund in 23 U.S.C. 125 is subject to the sequestration at a rate of 5.7 percent (\$5,700,000 sequester amount).
5. **What actions are required?** Division Administrators should ensure that this Notice is provided to the State departments of transportation.

A handwritten signature in black ink, appearing to read 'Sean McMaster', with a long horizontal flourish extending to the right.

Sean McMaster
Administrator

Attachment

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION**

N4510.906

**FY 2026 SEQUESTRATION OF NATIONAL HIGHWAY PERFORMANCE PROGRAM (NHPP) FUNDS
EXEMPT FROM OBLIGATION LIMITATION PURSUANT TO THE BALANCED BUDGET
AND EMERGENCY DEFICIT CONTROL ACT, AS AMENDED, 2 U.S.C. 901a, AND 2 U.S.C. 906(k)(6)**

STATE	<u>PRE-SEQUESTRATION NHPP EXEMPT FUNDS</u>	<u>SEQUESTERED NHPP EXEMPT FUNDS</u>	<u>POST-SEQUESTRATION NHPP EXEMPT FUNDS</u>
ALABAMA	12,774,417	728,142	12,046,275
ALASKA	8,149,597	464,527	7,685,070
ARIZONA	11,677,763	665,632	11,012,131
ARKANSAS	8,658,735	493,548	8,165,187
CALIFORNIA	55,270,046	3,150,393	52,119,653
COLORADO	8,558,195	487,817	8,070,378
CONNECTICUT	7,881,135	449,225	7,431,910
DELAWARE	2,697,170	153,739	2,543,431
DIST. OF COL.	2,555,450	145,661	2,409,789
FLORIDA	31,888,973	1,817,671	30,071,302
GEORGIA	20,994,509	1,196,687	19,797,822
HAWAII	2,716,171	154,822	2,561,349
IDAHO	4,684,758	267,031	4,417,727
ILLINOIS	22,457,885	1,280,099	21,177,786
INDIANA	15,545,541	886,096	14,659,445
IOWA	8,218,680	468,465	7,750,215
KANSAS	6,300,154	359,109	5,941,045
KENTUCKY	11,136,584	634,785	10,501,799
LOUISIANA	11,779,165	671,412	11,107,753
MAINE	2,980,192	169,871	2,810,321
MARYLAND	9,393,675	535,439	8,858,236
MASSACHUSETTS	9,326,801	531,628	8,795,173
MICHIGAN	16,779,971	956,458	15,823,513
MINNESOTA	10,621,458	605,423	10,016,035
MISSISSIPPI	8,090,918	461,182	7,629,736
MISSOURI	15,781,098	899,523	14,881,575
MONTANA	6,779,960	386,458	6,393,502
NEBRASKA	4,772,345	272,024	4,500,321
NEVADA	5,690,280	324,346	5,365,934
NEW HAMPSHIRE	2,652,278	151,180	2,501,098
NEW JERSEY	15,376,203	876,444	14,499,759
NEW MEXICO	6,095,921	347,467	5,748,454
NEW YORK	25,660,228	1,462,633	24,197,595
NORTH CAROLINA	17,018,556	970,058	16,048,498
NORTH DAKOTA	4,070,297	232,007	3,838,290
OHIO	21,368,404	1,217,999	20,150,405
OKLAHOMA	10,646,287	606,838	10,039,449
OREGON	8,216,150	468,320	7,747,830
PENNSYLVANIA	26,361,001	1,502,577	24,858,424
RHODE ISLAND	3,562,070	203,038	3,359,032
SOUTH CAROLINA	11,223,435	639,736	10,583,699
SOUTH DAKOTA	4,621,397	263,420	4,357,977
TENNESSEE	13,852,194	789,575	13,062,619
TEXAS	63,828,072	3,638,200	60,189,872
UTAH	5,703,276	325,087	5,378,189
VERMONT	3,267,788	186,264	3,081,524
VIRGINIA	16,501,150	940,565	15,560,585
WASHINGTON	10,947,351	623,999	10,323,352
WEST VIRGINIA	7,247,416	413,103	6,834,313
WISCONSIN	12,409,863	707,362	11,702,501
WYOMING	4,209,037	239,915	3,969,122
TOTAL	639,000,000	36,423,000	602,577,000