



U.S. Department
of Transportation

**Federal Highway
Administration**

Notice

Subject:

**DISTRIBUTION OF FEDERAL-AID HIGHWAY PROGRAM OBLIGATION
LIMITATION FOR THE PERIOD BEGINNING ON OCTOBER 1, 2014,
AND ENDING ON MAY 31, 2015**

Classification Code

Date

Office of Primary Interest

N 4520.232

January 13, 2015

HCFB-10

1. **What is the purpose of this Notice?** This Notice is to advise the States of the revised distribution of the limitation on Federal-aid highway program obligations pursuant to the Department of Transportation Appropriations Act, 2015, title I of division K, Public Law (Pub. L.) 113-235, and the Highway and Transportation Funding Act of 2014, Pub. L. 113-159.
2. **Does this Notice cancel FHWA Notice 4520.231?** Yes, this Notice cancels FHWA Notice 4520.231, Distribution of Federal-aid Highway Program Obligation Limitation for the Period Beginning on October 1, 2014, and Ending on December 11, 2014, dated October 1, 2014. The revision to the distribution of obligation limitation is based on the full-year amount of obligation limitation provided by the Department of Transportation Appropriations Act, 2015, in conjunction with the Highway and Transportation Funding Act of 2014 extending the authorizations for the Federal-aid highway program through May 31, 2015.
3. **What is the overall limitation on obligations, and what provisions determine its distribution?**
 - a. The Department of Transportation Appropriations Act, 2015, provides an overall annual limitation on Federal-aid highway program obligations for Fiscal Year (FY) 2015 of \$40,256,000,000. However, the Highway and Transportation Funding Act of 2014 amended section 1102 of the Moving Ahead for Progress in the 21st Century Act (MAP-21), Pub. L. 112-141, to specify a limitation on obligations of \$26,800,569,863 for the time period of the extension (October 1, 2014, to May 31, 2015).
 - b. First, the distribution of obligation limitation is calculated on an annual basis pursuant to section 120 of the Department of Transportation Appropriations Act, 2015, and using the \$40,256,000,000 limitation on obligations for FY 2015. The contract authority for the Federal-aid highway programs extended by the Highway and Transportation Funding Act of 2014 for the period beginning on October 1, 2014, and ending on May 31, 2015 (243 days), is annualized for purposes of calculating the distribution of obligation limitation.

- c. The resulting distribution of obligation limitation is then reduced to reflect the current length of the extension (243 days) and the \$26,800,569,863 limitation on obligations for the extension time period by multiplying the distribution by 243/365. Therefore, this Notice provides \$26,800,569,863 (243/365 of \$40,256,000,000) in obligation limitation for the period beginning on October 1, 2014, and ending on May 31, 2015.
 - d. Upon the enactment of a full-year extension or reauthorization act, the distribution of obligation limitation will be revised and additional obligation limitation provided as determined under the provisions of such law.
 - e. Unless otherwise specified, all obligation limitation is available for 1 fiscal year and will expire at the end of FY 2015.
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 FY 2013 through FY 2014 and in an amount equal to \$425,416,438 prior to sequestration (\$394,361,038 after sequestration) for the period beginning on October 1, 2014, and ending on May 31, 2015.

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, 2015, the annual limitation on Federal Highway Administration administrative expenses is \$426,100,000 (\$283,677,534 for the length of the current extension). The annual limitation to be transferred to the Appalachian Regional Commission for administrative activities is \$3,248,000 (\$2,162,367 for the length of the current extension). 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, the annual amount of obligation limitation is equal to the annualized 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 annual amount of obligation limitation is equal to such unobligated balances of contract authority.
- c. The ratio between the remaining annual amount of obligation limitation and the remaining annualized FY 2015 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2015 under the Department of Transportation Appropriations Act, 2015, is 93.9 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 annual amount of obligation limitation for each such program is determined by multiplying the annualized amount of contract authority authorized for FY 2015 by the above ratio. The annualized amount of contract authority authorized that is not provided associated obligation limitation is “lopped off,” resulting in annualized amounts of contract authority equal to the annual amounts of obligation limitation available for such programs (except for the Tribal Transportation Program, which is not subject to the “lop off” of contract authority).

- e. The obligation limitation available for each of the allocated programs for the period beginning on October 1, 2014, and ending on May 31, 2015 (243 days), is then determined by multiplying the annual amount of obligation limitation for each allocated program by 243/365.

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 annual amount of obligation limitation is distributed among the States as formula obligation limitation. The formula obligation limitation is distributed among the States in the proportions that the annualized FY 2015 apportionments subject to the obligation limitation for each State bear to the total annualized FY 2015 apportionments subject to the obligation limitation for all States.
- b. The formula obligation limitation available for the period beginning on October 1, 2014, and ending on May 31, 2015 (243 days), is then determined by multiplying the annual amount of formula obligation limitation for each State by 243/365.
- c. The attached Table 1 shows the amount of FY 2015 formula obligation limitation distributed to each State for the period beginning on October 1, 2014, and ending on May 31, 2015 (243 days), net of any obligation limitation associated with the 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 penalty funds?

- a. Yes, obligation limitation is associated with 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 2015 as determined by the National Highway

Traffic Safety Administration. The annual amount of obligation limitation associated with the penalty funds is determined by multiplying the annualized amount of the penalty funds by the ratio of a State's annual formula obligation limitation to that State's annualized apportionments subject to the obligation limitation.

- b. The obligation limitation associated with penalty funds for the period beginning on October 1, 2014, and ending on May 31, 2015 (243 days), is then determined by multiplying the annual amount of obligation limitation associated with penalty funds for each State by 243/365.
- c. Along with the penalty funds, 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. The amounts of penalty funds and associated obligation limitation for the period beginning on October 1, 2014, and ending on May 31, 2015 (243 days), 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, on an annual basis, an equal amount of associated obligation limitation.
- c. The obligation limitation associated with the high risk rural roads special rule for the period beginning on October 1, 2014, and ending on May 31, 2015 (243 days), is then determined by multiplying the annual amount of obligation limitation associated with the high risk rural roads special rule for each State by 243/365.
- d. The amounts of high risk rural roads special rule funds and associated obligation limitation for the period beginning on October 1, 2014, and ending on May 31, 2015 (243 days), 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 division E of Pub. L. 112-141 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 2015.
 - 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, 2015, the Secretary will revise the distribution of obligation authority made available if a State does not plan to obligate the amount distributed during FY 2015 and redistribute such amount to those States able to obligate amounts in addition to those previously distributed during FY 2015. Procedures for this process (known as August Redistribution) will be provided via a separate notice to be issued around mid-July.
10. **What action is required?** Division Administrators should ensure that copies of this Notice are provided to the State departments of transportation.



Gregory G. Nadeau
Acting Administrator

Attachments

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

OBLIGATION LIMITATION DISTRIBUTION FOR THE PERIOD BEGINNING
ON OCTOBER 1, 2014, AND ENDING ON MAY 31, 2015, UNDER THE
DEPARTMENT OF TRANSPORTATION APPROPRIATIONS ACT, 2015,
AND THE HIGHWAY AND TRANSPORTATION FUNDING ACT OF 2014

STATE	Formula Obligation Limitation
ALABAMA	439,096,896
ALASKA	283,522,797
ARIZONA	434,013,884
ARKANSAS	299,758,041
CALIFORNIA	2,135,677,329
COLORADO	317,259,807
CONNECTICUT	290,702,867
DELAWARE	95,987,781
DISTRICT OF COLUMBIA	94,640,583
FLORIDA	1,122,588,672
GEORGIA	765,632,446
HAWAII	95,919,967
IDAHO	169,572,992
ILLINOIS	843,530,570
INDIANA	550,017,198
IOWA	291,240,250
KANSAS	223,956,861
KENTUCKY	393,723,485
LOUISIANA	396,648,694
MAINE	107,057,854
MARYLAND	356,617,124
MASSACHUSETTS	360,545,303
MICHIGAN	624,567,091
MINNESOTA	378,027,819
MISSISSIPPI	280,011,522
MISSOURI	548,181,910
MONTANA	237,692,252
NEBRASKA	171,333,816
NEVADA	215,479,237
NEW HAMPSHIRE	97,397,077
NEW JERSEY	590,479,629
NEW MEXICO	212,692,882
NEW YORK	996,548,928
NORTH CAROLINA	618,381,718
NORTH DAKOTA	143,880,138
OHIO	777,892,292
OKLAHOMA	373,275,536
OREGON	289,629,614
PENNSYLVANIA	973,134,032
RHODE ISLAND	126,183,854
SOUTH CAROLINA	387,643,146
SOUTH DAKOTA	163,440,768
TENNESSEE	489,736,714
TEXAS	2,046,629,307
UTAH	201,214,868
VERMONT	117,721,735
VIRGINIA	590,069,025
WASHINGTON	402,025,429
WEST VIRGINIA	253,126,999
WISCONSIN	446,022,860
WYOMING	145,033,346
SUBTOTAL	22,965,164,945
Allocated Programs	3,571,640,512
Sections 154 and 164 Penalties	253,879,161
High Risk Rural Roads Special Rule	9,885,245
TOTAL	26,800,569,863

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS AND ASSOCIATED OBLIGATION LIMITATION FOR THE PERIOD
BEGINNING ON OCTOBER 1, 2014, AND ENDING ON MAY 31, 2015, 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	11,111,987	10,432,210
ALASKA	14,062,900	13,202,600
ARIZONA	0	0
ARKANSAS	7,518,758	7,058,797
CALIFORNIA	46,905,894	44,036,422
COLORADO	0	0
CONNECTICUT	6,750,260	6,337,311
DELAWARE	4,640,230	4,356,363
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	4,680,788	4,394,440
IDAHO	0	0
ILLINOIS	0	0
INDIANA	13,428,216	12,606,743
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	20,488,022	19,234,666
MAINE	2,570,911	2,413,635
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	9,174,974	8,613,694
MISSISSIPPI	7,026,543	6,596,693
MISSOURI	13,700,765	12,862,619
MONTANA	5,872,516	5,513,265
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	5,285,647	4,962,297
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	3,521,174	3,305,766
OHIO	18,370,899	17,247,057
OKLAHOMA	0	0
OREGON	7,113,002	6,677,863
PENNSYLVANIA	0	0
RHODE ISLAND	3,078,132	2,889,827
SOUTH CAROLINA	9,754,202	9,157,489
SOUTH DAKOTA	3,996,969	3,752,454
TENNESSEE	11,979,621	11,246,766
TEXAS	0	0
UTAH	4,939,278	4,637,117
VERMONT	2,817,449	2,645,091
VIRGINIA	14,240,235	13,369,087
WASHINGTON	0	0
WEST VIRGINIA	6,281,880	5,897,585
WISCONSIN	0	0
WYOMING	7,284,922	6,839,266
SUBTOTAL	266,596,174	250,287,123
Puerto Rico	3,825,386	3,592,038
TOTAL	270,421,560	253,879,161

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 THE PERIOD BEGINNING ON OCTOBER 1, 2014, AND ENDING
ON MAY 31, 2015, 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	599,178	599,178
ARIZONA	0	0
ARKANSAS	0	0
CALIFORNIA	0	0
COLORADO	0	0
CONNECTICUT	1,000,554	1,000,554
DELAWARE	0	0
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	0	0
IDAHO	0	0
ILLINOIS	0	0
INDIANA	2,338,985	2,338,985
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	0	0
MAINE	0	0
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	0	0
MISSISSIPPI	0	0
MISSOURI	0	0
MONTANA	0	0
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	599,178	599,178
NEW JERSEY	2,219,096	2,219,096
NEW MEXICO	0	0
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	0	0
OKLAHOMA	2,529,076	2,529,076
OREGON	0	0
PENNSYLVANIA	0	0
RHODE ISLAND	599,178	599,178
SOUTH CAROLINA	0	0
SOUTH DAKOTA	0	0
TENNESSEE	0	0
TEXAS	0	0
UTAH	0	0
VERMONT	0	0
VIRGINIA	0	0
WASHINGTON	0	0
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	0	0
TOTAL	9,885,245	9,885,245