



U.S. Department
of Transportation

**Federal Highway
Administration**

Memorandum

Subject: **INFORMATION:** Obligation Limitation for
Funds Suballocated to Urbanized Areas with
Populations of Over 200,000 Individuals

Date: November 30, 2016

Brian Bezio
From: Brian R. Bezio
Chief Financial Officer

In Reply Refer To:
HCFB-10

To: Division Administrators

The purpose of this memorandum is to clarify the provisions of section 133(e) of title 23, United States Code (U.S.C.), regarding State management of obligation limitation for urbanized areas with over 200,000 in population that are entitled to suballocated Surface Transportation Block Grant Program (STBG) funds. Ensuring compliance with this requirement is a joint responsibility of the Federal Highway Administration, the States, and the metropolitan planning organizations for the affected urbanized areas.

A State with STBG funds suballocated to urbanized areas with over 200,000 in population must make formula obligation limitation available to each of these areas based on the criteria set forth in 23 U.S.C. 133(e) (hereafter referred to as the "section 133(e) requirement"). During the period of fiscal years (FY) 2016 through 2020, a State must make available to each of these urbanized areas an aggregate (5-year) amount of obligation limitation equal to the following:

Aggregate FY 2016-2020 STBG funds suballocated to an urbanized area with a population over 200,000	X	$\frac{\text{Aggregate amount of FY 2016-2020 formulaobligation limitation distributed to the State}}{\text{Aggregate FY 2016-2020 Fed-aidapportionments to the State (excluding amountsexempt from the obligation limitation)}}$
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The formula obligation limitation amounts used in the above calculation include amounts distributed under both the annual obligation limitation notices and August redistribution.

The section 133(e) requirement applies to the entire 5-year period. Consequently, a State may decide how much obligation limitation to make available to the area each of these fiscal years, as long as the aggregate amount over the 5-year period adheres to the total amount required under that section.

To assist States in implementing this requirement, a workbook template is provided as Attachment 1. The workbook is designed to capture data related to the section 133(e)

requirement. It also calculates a target for the amount of obligation limitation that a State must make available to each of the relevant urbanized areas for FY 2016-2020 in order to ensure compliance with the section 133(e) requirement over the full 5-year period. Instructions are provided in the first tab of the workbook template.

Division Administrators should ensure that copies of this memorandum are provided to the State departments of transportation and that the States share with the affected metropolitan planning organizations. In addition, Division Administrators should periodically monitor the implementation of this provision throughout the 5-year period, ensuring that States have a plan to meet the requirement under section 133(e). In particular, since FY 2020 serves as the last year of the requirement, monitoring and coordination with the State should be especially close during that fiscal year and that year's August redistribution.

If you have any questions, please contact Chris Brust at 202-366-3017, Lily Kwok at 202-366-0960, or Valentina Raptis at 202-366-3906.

Attachment

Instructions

** All highlighted cells require user entries. Non-highlighted cells contain formulas and do not require any action.*

Obligation Limitation Ratio Tab

1. Enter the name of your State in cell B7.
2. Enter the amount of the State's total apportionment for the fiscal year in column D. This amount can be found on Table 1 of the annual apportionments notice.
3. Enter the amount of exempt NHPP for your State in column E. This amount can be found on Table 8 of the annual supplementary tables notice.
4. Enter the amount of the State's formula obligation limitation in column G. This amount can be found on the Table 1 in the annual obligation limitation notice. Note that States subject to penalty or the risk rural roads special rule will also need to include the limitation on Tables 2 and 3 in addition to the formula limitation on Table 1.
5. Enter the amount of additional formula obligation limitation that the State received under August Redistribution in column H. This amount can be found in the annual August Redistribution notice.
6. All other cells contain formulas and are automatically calculated.

Suballocated STBG Funds Obligated Tab

1. Enter the names of the urbanized areas over 200,000 population in column C. These areas can be found on Table 10 of the annual supplementary tables notice.
2. For each fiscal year, enter the STBG suballocation amount for each of the respective urbanized areas entered in the previous step. These amounts can be found on Table 10 of the annual supplementary tables notice.
3. For each fiscal year, enter the amount of STBG funds suballocated to each urbanized area that has been obligated using obligation limitation made available by the State for use in that area. Please note that obligations made in the respective fiscal year using STP or STBG suballocated funds are applicable.
4. All other cells contain formulas and are automatically calculated.

Obligation Status Tab

1. All cells contain formulas and are automatically calculated. This tab will enable the user to determine if an obligation limitation shortfall or excess occurs.

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

OBLIGATION LIMITATION RATIOS BY FISCAL YEAR

State	Fiscal Year	Total Apportionments	Exempt NHPP	Apportionments Subject to Limitation	Formula Obligation Limitation *	August Redistribution (Formula Limitation)	Total Obligation Limitation	Obligation Limitation Ratio
	FY 2016			-			-	0.0%
	FY 2017			-			-	0.0%
	FY 2018			-			-	0.0%
	FY 2019			-			-	0.0%
	FY 2020			-			-	0.0%
	Total	-	-	-	-	-	-	0.0%

* Plus obligation limitation associated with penalty funds or the special rule for high risk rural roads, if applicable.

