



U.S. Department  
of Transportation

**Federal Highway  
Administration**

# Notice

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Subject:

**DISTRIBUTION OF FEDERAL-AID HIGHWAY PROGRAM OBLIGATION  
LIMITATION FOR FISCAL YEAR (FY) 2014 (OCTOBER 1, 2013,  
THROUGH JANUARY 15, 2014)**

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Classification Code	Date	Office of Primary Interest
<b>N 4520.227</b>	October 25, 2013	<b>HCFB-1</b>

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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 Continuing Appropriations Act, 2014, Public Law (Pub. L.) 113-46.
2. **Does this Notice cancel FHWA Notice 4520.226?** Yes, this Notice cancels FHWA Notice 4520.226, Distribution of Federal-aid Highway Program Obligation Limitation for Fiscal Year (FY) 2014, dated October 15, 2013. This Notice reflects the obligation levels and obligation limitation distribution under the Continuing Appropriations Act, 2014.
3. **What is the overall limitation on obligations, and what provision determines its distribution?**
  - a. Section 101 of the Continuing Appropriations Act, 2014, sets an overall limitation on obligations at an annual rate for operations of \$39,619,602,000 for FY 2014. This annual rate for operations is equal to the obligation limitation made available in FY 2013 under the Full-Year Continuing Appropriations Act, 2013, division F of Pub. L. 113-6, after incorporating the 0.2 percent across-the-board rescission of obligation limitation in FY 2013 under section 3004 of division G of the Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. 113-6.
  - b. The Continuing Appropriations Act, 2014, covers the period from October 1, 2013, through January 15, 2014 (107 days). The pro-rata for that period is 29.32 percent (107 days divided by 365 days). The pro-rata is applied to the distribution of obligation limitation calculated based on the annual rate for operations. Therefore, the total obligation limitation provided by this Notice is \$11,616,467,306 (\$39,619,602,000 times 29.32 percent).
  - c. Pursuant to section 101(a) of the Continuing Appropriations Act, 2014, which continues section 1801(c) of the Full-Year Continuing Appropriations Act, 2013, the distribution of the overall limitation on obligations shall be determined by applying the obligation limitation

distribution methodology in section 1102 of the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21).\*

- d. Upon the enactment of a full-year appropriations act or a further continuing appropriations 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 one fiscal year and will expire at the end of FY 2014.
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 21<sup>st</sup> 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 21<sup>st</sup> 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;

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\* Paragraphs (1) and (2) of section 1801(c) of the Continuing Appropriations Resolution, 2013, instruct that section 1102 of MAP-21 be applied with specified changes to the distribution language.

- (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 for each of fiscal years FY 2013 through FY 2014.

**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 section 101 of the Continuing Appropriations Act, 2014, the annual rate for operations for limitation on Federal Highway Administration administrative expenses is \$416,126,405 (\$122,008,262 at the pro-rata of 29.32 percent) and for transfer to the Appalachian Regional Commission for administrative activities is \$3,213,560 (\$942,216 at the pro-rata of 29.32 percent). 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 annualized amount of obligation limitation is 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 annualized amount of obligation limitation is equal to such unobligated balances of contract authority.
- c. The ratio between the remaining annualized amount of obligation limitation and the remaining FY 2014 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2014 under the Continuing Appropriations Act, 2014, is 93.0 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 annualized amount of obligation limitation for each such program is determined by multiplying the amount of contract authority authorized for FY 2014 by the above ratio. The authorized contract authority that is not provided associated obligation limitation is "lopped off," resulting in amounts of contract authority equal to the

annualized amounts of obligation limitation available for such programs (except for the Tribal Transportation Program, which is not subject to the “top off” of contract authority).

- e. The obligation limitation for each of the allocated programs for the period from October 1, 2013, through January 15, 2014, is then determined by multiplying the annualized amount of obligation limitation for each allocated program by the pro-rata of 29.32 percent.

**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 annualized 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 2014 apportionments subject to the obligation limitation for each State bear to the total FY 2014 apportionments subject to the obligation limitation for all States.
- b. The formula obligation limitation available for the period from October 1, 2013, through January 15, 2014, is then determined by multiplying the annualized amount of formula obligation limitation for each State by the pro-rata of 29.32 percent.
- c. The attached Table 1 shows the amount of FY 2014 formula obligation limitation distributed to each State for the period from October 1, 2013, through January 15, 2014 (107 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 2014 as determined by the National Highway Traffic Safety Administration. The annualized amount of obligation limitation associated with the penalty funds is determined by multiplying the amount of the penalty funds by the ratio of a State’s annualized formula obligation limitation to that State’s apportionments subject to the obligation limitation.
- b. The obligation limitation associated with penalty funds for the period from October 1, 2013, through January 15, 2014, is then determined by multiplying

the annualized amount of obligation limitation associated with penalty funds for each State by the pro-rata of 29.32 percent.

- 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 for FY 2014 and associated obligation limitation for the period from October 1, 2013, through January 15, 2014 (107 days) are shown in Table 2.

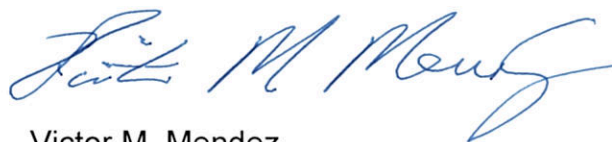
**8. Is there any obligation limitation set aside under the special rule for high risk rural roads?**

- 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 annualized basis, an equal amount of associated obligation limitation.
- c. The obligation limitation associated with the high risk rural road safety special rule for the period from October 1, 2013, through January 15, 2014, is then determined by multiplying the annualized amount of obligation limitation associated with the high risk rural road safety special rule for each State by the pro-rata of 29.32 percent.
- d. The amounts of high risk rural roads special rule funds for FY 2014 and associated obligation limitation for the period from October 1, 2013, through January 15, 2014 (107 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 2014.

- 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, 2014, the Secretary will revise the distribution of obligation authority made available if a State does not plan to obligate the amount distributed during FY 2014 and redistribute such amount to those States able to obligate amounts in addition to those previously distributed during FY 2014. Procedures for this process (known as August Redistribution) will be provided via a separate notice to be issued in mid-to-late July.
10. **What action is required?** Division Administrators should ensure that copies of this Notice are provided to the State departments of transportation.



Victor M. Mendez  
Administrator

Attachments

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

OBLIGATION LIMITATION DISTRIBUTION FOR THE PERIOD  
FROM OCTOBER 1, 2013, THROUGH JANUARY 15, 2014, UNDER  
THE CONTINUING APPROPRIATIONS ACT, 2014

STATE	Formula Obligation Limitation
ALABAMA	191,660,697
ALASKA	124,015,944
ARIZONA	189,442,021
ARKANSAS	127,759,821
CALIFORNIA	932,198,359
COLORADO	138,480,222
CONNECTICUT	126,884,509
DELAWARE	42,848,303
DISTRICT OF COLUMBIA	41,309,516
FLORIDA	489,996,922
GEORGIA	334,189,674
HAWAII	41,867,952
IDAHO	72,356,744
ILLINOIS	368,191,300
INDIANA	240,066,964
IOWA	127,122,988
KANSAS	97,754,570
KENTUCKY	171,855,730
LOUISIANA	173,132,550
MAINE	46,729,510
MARYLAND	152,363,157
MASSACHUSETTS	157,373,839
MICHIGAN	272,616,284
MINNESOTA	165,004,755
MISSISSIPPI	122,221,778
MISSOURI	239,275,039
MONTANA	103,749,909
NEBRASKA	74,785,222
NEVADA	93,617,958
NEW HAMPSHIRE	42,510,348
NEW JERSEY	257,728,815
NEW MEXICO	92,837,974
NEW YORK	434,982,037
NORTH CAROLINA	269,916,440
NORTH DAKOTA	62,802,010
OHIO	339,540,954
OKLAHOMA	162,920,536
OREGON	126,419,964
PENNSYLVANIA	424,761,707
RHODE ISLAND	55,075,442
SOUTH CAROLINA	173,198,871
SOUTH DAKOTA	69,702,095
TENNESSEE	208,855,306
TEXAS	893,329,931
UTAH	87,827,954
VERMONT	51,384,171
VIRGINIA	257,558,279
WASHINGTON	171,608,368
WEST VIRGINIA	110,486,996
WISCONSIN	194,683,800
WYOMING	63,305,371
<b>SUBTOTAL</b>	<b>10,010,309,606</b>
Allocated Programs	1,477,310,431
Sections 154 and 164 Penalties	124,321,427
High Risk Rural Roads Special Rule	4,525,842
<b>TOTAL</b>	<b>11,616,467,306</b>

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS FOR FY 2014 AND ASSOCIATED OBLIGATION LIMITATION  
FOR OCTOBER 1, 2013, THROUGH JANUARY 15, 2014, 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	16,690,844	4,553,539
ALASKA	21,123,284	5,762,782
ARIZONA	0	0
ARKANSAS	22,587,216	6,162,166
CALIFORNIA	70,455,356	19,221,387
COLORADO	0	0
CONNECTICUT	10,139,278	2,766,163
DELAWARE	3,484,946	950,751
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	7,030,812	1,918,122
IDAHO	6,084,301	1,659,898
ILLINOIS	0	0
INDIANA	20,169,954	5,502,697
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	30,774,190	8,395,708
MAINE	3,861,656	1,053,524
MARYLAND	12,081,663	3,296,078
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	13,781,339	3,759,777
MISSISSIPPI	10,554,272	2,879,380
MISSOURI	20,579,338	5,614,384
MONTANA	8,820,859	2,406,476
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	7,939,346	2,165,985
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	5,289,006	1,442,928
OHIO	27,594,148	7,528,140
OKLAHOMA	0	0
OREGON	10,684,138	2,914,810
PENNSYLVANIA	0	0
RHODE ISLAND	4,623,531	1,261,376
SOUTH CAROLINA	0	0
SOUTH DAKOTA	12,007,356	3,275,805
TENNESSEE	35,988,162	9,818,166
TEXAS	0	0
UTAH	7,419,080	2,024,048
VERMONT	4,231,970	1,154,552
VIRGINIA	21,389,653	5,835,451
WASHINGTON	14,189,258	3,871,064
WEST VIRGINIA	9,435,745	2,574,227
WISCONSIN	0	0
WYOMING	10,942,372	2,985,260
SUBTOTAL	449,953,073	122,754,644
Puerto Rico	5,745,950	1,566,783
TOTAL	455,699,023	124,321,427

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 FOR FY 2014 AND ASSOCIATED  
OBLIGATION LIMITATION FOR OCTOBER 1, 2013, THROUGH JANUARY 15, 2014,  
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	0	0
ARIZONA	0	0
ARKANSAS	0	0
CALIFORNIA	0	0
COLORADO	0	0
CONNECTICUT	1,502,890	440,647
DELAWARE	0	0
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	0	0
IDAHO	0	0
ILLINOIS	0	0
INDIANA	3,513,290	1,030,097
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	1,487,814	436,227
NEW HAMPSHIRE	900,000	263,880
NEW JERSEY	3,333,210	977,297
NEW MEXICO	0	0
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	0	0
OKLAHOMA	3,798,818	1,113,814
OREGON	0	0
PENNSYLVANIA	0	0
RHODE ISLAND	900,000	263,880
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	15,436,022	4,525,842