



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**

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Classification Code

Date

Office of Primary Interest

**N 4520.228**

February 7, 2014 **HCFB-1**

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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 Department of Transportation Appropriations Act, 2014, title I of division L, Public Law (Pub. L.) 113-76.
2. **Does this Notice cancel FHWA Notice 4520.227?** Yes, this Notice cancels FHWA Notice 4520.227, Distribution of Federal-aid Highway Program Obligation Limitation for Fiscal Year (FY) 2014 (October 1, 2013, through January 15, 2014), dated October 25, 2013. This Notice reflects the full-year appropriations under the Department of Transportation Appropriations Act, 2014.
3. **What is the overall limitation on obligations, and what provision determines its distribution?**
  - a. The Department of Transportation Appropriations Act, 2014, provides an overall limitation on Federal-aid highway program obligations for FY 2014 of \$40,256,000,000.
  - b. Section 120 of the Department of Transportation Appropriations Act, 2014, 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 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 expended, 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 for each of fiscal years 2013 through 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 the Department of Transportation Appropriations Act, 2014, the limitation on Federal Highway Administration administrative expenses is \$416,100,000 and the limitation for transfer to the Appalachian Regional Commission for administrative expenses is \$3,248,000. 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 2014 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2014 under the Department of Transportation Appropriations Act, 2014, is 94.9 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 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 equal amounts of contract authority and obligation limitation being 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 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 attached Table 1 shows the amount of FY 2014 formula obligation limitation distributed to each State, 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).

**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 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 formula obligation limitation to that State's apportionments subject to the obligation limitation.

- b. 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 FY 2014 are shown in Table 2.

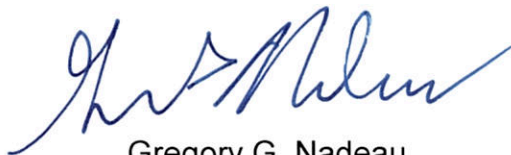
**8. Is there any obligation limitation set aside under the special rule for high risk rural roads?**

- 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 equal to at least 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 2014 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 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  
Deputy Administrator

Attachments

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

OBLIGATION LIMITATION DISTRIBUTION  
FOR FISCAL YEAR 2014 UNDER THE DEPARTMENT  
OF TRANSPORTATION APPROPRIATIONS ACT, 2014

STATE	Formula Obligation Limitation
ALABAMA	666,523,393
ALASKA	431,280,533
ARIZONA	658,807,679
ARKANSAS	444,300,322
CALIFORNIA	3,241,833,216
COLORADO	481,581,822
CONNECTICUT	441,285,833
DELAWARE	149,010,187
DISTRICT OF COLUMBIA	143,658,866
FLORIDA	1,704,023,915
GEORGIA	1,162,185,252
HAWAII	145,600,898
IDAHO	251,629,382
ILLINOIS	1,280,430,045
INDIANA	834,931,075
IOWA	442,085,658
KANSAS	339,953,410
KENTUCKY	597,649,211
LOUISIANA	602,089,506
MAINE	162,507,557
MARYLAND	529,861,416
MASSACHUSETTS	547,286,674
MICHIGAN	948,056,298
MINNESOTA	573,824,109
MISSISSIPPI	425,041,105
MISSOURI	832,108,062
MONTANA	360,802,930
NEBRASKA	260,074,708
NEVADA	325,597,060
NEW HAMPSHIRE	147,852,581
NEW JERSEY	896,348,773
NEW MEXICO	322,855,350
NEW YORK	1,512,702,959
NORTH CAROLINA	938,667,262
NORTH DAKOTA	218,401,631
OHIO	1,180,794,980
OKLAHOMA	566,650,592
OREGON	439,640,806
PENNSYLVANIA	1,477,160,518
RHODE ISLAND	191,549,224
SOUTH CAROLINA	602,320,145
SOUTH DAKOTA	242,397,515
TENNESSEE	726,319,740
TEXAS	3,106,663,529
UTAH	305,432,396
VERMONT	178,694,706
VIRGINIA	895,690,252
WASHINGTON	596,788,979
WEST VIRGINIA	384,231,972
WISCONSIN	677,036,603
WYOMING	220,152,132
SUBTOTAL	34,812,372,767
Allocated Programs	4,995,844,093
Sections 154 and 164 Penalties	432,347,118
High Risk Rural Roads Special Rule	15,436,022
TOTAL	40,256,000,000

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS AND ASSOCIATED OBLIGATION LIMITATION  
FOR FISCAL YEAR 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	15,835,484
ALASKA	21,123,284	20,040,774
ARIZONA	0	0
ARKANSAS	22,587,216	21,429,684
CALIFORNIA	70,455,356	66,844,712
COLORADO	0	0
CONNECTICUT	10,139,278	9,619,668
DELAWARE	3,484,946	3,306,352
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	7,030,812	6,670,502
IDAHO	6,084,301	5,772,497
ILLINOIS	0	0
INDIANA	20,169,954	19,136,299
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	30,774,190	29,197,098
MAINE	3,861,656	3,663,757
MARYLAND	12,081,663	11,462,511
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	13,781,339	13,075,083
MISSISSIPPI	10,554,272	10,013,394
MISSOURI	20,579,338	19,524,703
MONTANA	8,820,859	8,368,814
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	7,939,346	7,532,476
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	5,289,006	5,017,959
OHIO	27,594,148	26,180,023
OKLAHOMA	0	0
OREGON	10,684,138	10,136,605
PENNSYLVANIA	0	0
RHODE ISLAND	4,623,531	4,386,588
SOUTH CAROLINA	0	0
SOUTH DAKOTA	12,007,356	11,392,012
TENNESSEE	35,988,162	34,143,868
TEXAS	0	0
UTAH	7,419,080	7,038,872
VERMONT	4,231,970	4,015,093
VIRGINIA	21,389,653	20,293,492
WASHINGTON	14,189,258	13,462,097
WEST VIRGINIA	9,435,745	8,952,189
WISCONSIN	0	0
WYOMING	10,942,372	10,381,606
SUBTOTAL	449,953,073	426,894,212
Puerto Rico	5,745,950	5,452,906
TOTAL	455,699,023	432,347,118

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 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	1,502,890
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	3,513,290
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	1,487,814
NEW HAMPSHIRE	900,000	900,000
NEW JERSEY	3,333,210	3,333,210
NEW MEXICO	0	0
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	0	0
OKLAHOMA	3,798,818	3,798,818
OREGON	0	0
PENNSYLVANIA	0	0
RHODE ISLAND	900,000	900,000
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	15,436,022