



U.S. Department  
of Transportation

**Federal Highway  
Administration**

# Notice

---

Subject:  
**FEDERAL-AID HIGHWAY PROGRAM OBLIGATION LIMITATION –  
FISCAL YEAR 2014 REDISTRIBUTION AFTER AUGUST 1, 2014  
(AUGUST REDISTRIBUTION)**

---

Classification Code	Date	Office of Primary Interest
<b>N4520.229</b>	July 18, 2014	<b>HCFB-10</b>

---

1. **What is the purpose of this Notice?** This Notice provides procedures governing the determination and redistribution of unneeded balances of Fiscal Year (FY) 2014 obligation limitation subject to lapse on September 30, 2014. The redistribution is pursuant to section 120(c) of the Department of Transportation Appropriations Act, 2014, title I of division L, Public Law (Pub. L.) 113-76.
2. **What is the background information?**
  - a. The Department of Transportation Appropriations Act, 2014, provides for the redistribution, after August 1, 2014, of any annual obligation limitation distributed to a State for FY 2014 that is subject to lapse on September 30, 2014, if the State cannot obligate the limitation during the fiscal year (effectively September 26, 2014, the last day to obligate Federal-aid highway program funding through the Fiscal Management Information System (FMIS)).
  - b. Any obligation limitation that is available until expended (not subject to lapse) or is available for multiple fiscal years—whether distributed to a State for FY 2014 or for a prior fiscal year—is not subject to redistribution and should not be included in the responses required by this Notice. The no-year and multiyear obligation limitation not subject to redistribution includes:
    - (1) Obligation limitation made available for transportation research programs carried out under division E of the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), Pub. L. 112-141 (available for 4 fiscal years); title V of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Pub. L. 109-59 (available for 3 fiscal years); the research title of previous authorization acts; or chapter 5 of title 23, United States Code (U.S.C.). **Please note that FY 2012 transportation research obligation limitation is subject to lapse if not obligated by September 26, 2014.**
    - (2) Special obligation limitation that is available until expended associated with the Equity Bonus Program, Minimum Guarantee, the Appalachian Development Highway System Program, High Priority Projects, Projects of National and Regional Significance, the National Corridor

Infrastructure Improvement Program, Transportation Improvements, the Bridge Set-asides, and any other special obligation limitation that is available until expended.

- c. Any obligation limitation associated with expired program funds that was de-obligated during FY 2014 is not subject to redistribution and should not be included in the responses required by this Notice. **Please note that these funds and associated obligation limitation are subject to lapse if not obligated by September 26, 2014.**
- d. If a State will not obligate, prior to September 26, 2014, any obligation limitation that has been allocated to the State and that is not subject to redistribution, then such State should contact the appropriate Federal Highway Administration (FHWA) Program Office to determine the necessary course of action regarding that obligation limitation and the funds with which it is associated.
- e. When determining unneeded balances of obligation limitation distributed for FY 2014, obligation limitation initially distributed as formula obligation limitation and obligation limitation initially reserved from the distribution to support the obligations of non-formula (allocated) programs will be identified separately and included in separate responses as outlined below.

3. **How is the obligation limitation distributed for FY 2014?**

- a. The total annual obligation limitation is \$40,256,000,000.
- b. The majority of the obligation limitation is distributed as formula obligation limitation to the States. This obligation limitation is available for FY 2014 only and is subject to lapse on September 30, 2014, if not obligated.
- c. Obligation limitation is reserved from the distribution and used to support the allocation of non-formula (allocated) programs, the Federal Lands Highway Program, Transportation Research, and administrative funds. Most of this obligation limitation is available for FY 2014 only and is subject to lapse on September 30, 2014, if not obligated. However, the obligation limitation for transportation research is multiyear obligation limitation and, thus, will not lapse on September 30, 2014.
- d. The remaining obligation limitation is reserved to meet the requirements of the penalty provisions including section 154 of title 23, U.S.C. (Open Container Requirements), and section 164 of title 23, U.S.C. (Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence), which are, in the proportions elected by the State, 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. This obligation limitation is available for FY 2014 only and is subject to lapse on September 30, 2014, if not obligated.

4. **What response is required regarding unobligated FY 2014 formula obligation limitation?**
- a. Each State department of transportation must devise a plan, in consultation with the FHWA Division Office, and send that plan to the State FHWA Division Administrator **by July 29, 2014**. When formulating the plan, the State must check in FMIS to confirm the unobligated balances. In addition, the State should consider additional obligation limitation that could be made available by closing projects or de-obligating excess funding associated with inactive obligations. The plan from the State must include the following information:
    - (1) The amount of formula obligation limitation that has not been obligated;
    - (2) The projects and/or Federal funds that will be obligated by the State no later than September 26, 2014;
    - (3) The formula obligation limitation in excess of amounts that can be obligated this fiscal year and that is released by the State for redistribution; and
    - (4) Any additional formula obligation limitation that the State could obligate by September 26, 2014, if additional limitation were provided.
  - b. The Division Administrator must review the plan submitted by the State and reach an agreement with the State on those projects that can be approved and authorized by the Division Office on or before September 26, 2014. The State and Division Office must ensure that the amounts to be returned for August Redistribution are not obligated prior to being released for redistribution.
  - c. **By August 6, 2014**, the Division Administrator must submit a report to FHWA's Office of Budget (HCFB-10) based on the review of the plan submitted by the State and the agreement reached with the State. The report should be submitted **via e-mail to the HCFB-10 official mailbox ("FHWA, BudgetDivision")**. **See Attachment 1 for the required report template**. The Division Administrator should also copy the report to Kimberly.Monaco@dot.gov. When submitting the report, please include in the e-mail subject line the following: "Response to Call for August Redistribution (N4520.229)\_[insert name of State]."
5. **What response is required regarding unobligated FY 2014 obligation limitation available for obligation of non-formula (allocated) funds?**
- a. Each State department of transportation must devise a plan, in consultation with the Division Office, and send that plan to the State FHWA Division Administrator **by July 29, 2014**. When formulating the plan, the State must

check in FMIS to confirm the unobligated balances. In addition, the State should consider additional obligation limitation that could be made available by closing projects or de-obligating excess funding associated with inactive obligations. The plan from the State must include the following information:

- (1) By program, the amounts of non-formula (allocated) funds and associated obligation limitation that have not been obligated;
  - (2) By program, the amounts of non-formula (allocated) funds and associated obligation limitation that could be obligated by September 26, 2014; and
  - (3) By program, the amounts of non-formula (allocated) obligation limitation in excess of amounts that can be obligated this fiscal year and that are to be released by the State for redistribution.
- b. The Division Administrator must review the plan submitted by the State. The Division Administrator and the State shall reach an agreement on which non-formula (allocated) funds and associated obligation limitation will be obligated no later than September 26, 2014. The Division Administrator, in consultation with the State, shall determine the amounts of FY 2014 obligation limitation available for the obligation of non-formula (allocated) funds that cannot be obligated by September 26, 2014, and will be released by the State for redistribution. The State and Division Office must ensure that the amounts to be returned for August Redistribution are not obligated prior to being released for redistribution.
- c. **By August 6, 2014**, the Division Administrator must submit a report **via e-mail to the HCFB-10 official mailbox (“FHWA, BudgetDivision”)** based on the review of the plan submitted by the State and the agreement reached with the State. **See Attachment 2 for the required report template.** The Division Administrator should also copy the report to Kimberly.Monaco@dot.gov. When submitting the report, please include in the e-mail subject line the following: “Response to Call for August Redistribution (N4520.229)\_[insert name of State].”
- d. The non-formula (allocated) funds that the States and the Division Administrators agree to release will result in the release of both obligation limitation and contract authority.
- e. The Office of Budget will not redistribute obligation limitation that has been allocated to a State unless the FHWA Headquarters Program Office officially releases the non-formula (allocated) funds and the obligation limitation associated with such program. The FHWA Headquarters Program Offices will issue deallocation/withdrawal memos requesting that the funds and associated obligation limitation be deallocated/withdrawn in FMIS based on the compiled responses that HCFB-10 sends to the Program Offices (if the deallocation/withdrawal has not been previously requested). The FHWA

Headquarters Program Offices must make all August Redistribution deallocation/withdrawal requests and release associated obligation limitation **by August 20, 2014.**

- f. If applicable, the plan submitted by a State to the State FHWA Division Administrator on July 29, 2014, and the Attachment 2 response submitted by the Division Administrator to HCFB-10 on August 6, 2014, should also include obligation limitation distributed to support obligation of section 154 or 164 penalty funds released for use on eligible Highway Safety Improvement Program activities that will not be obligated by September 26, 2014. Do not include any obligation limitation associated with penalty funds transferred to the National Highway Traffic Safety Administration for the section 402 program.

Based on the Attachment 2 responses, the FMIS Team will remove the funds and associated obligation limitation that cannot be obligated by September 26, 2014, from FMIS in order to release the obligation limitation for redistribution.

**6. What response is required regarding unobligated FY 2014 obligation limitation that was reserved for the Federal Lands Highway Program or programs controlled by FHWA Headquarters?**

- a. Any unobligated balances of non-formula (allocated) funds and the associated obligation limitation for which there are not firm commitments that the unobligated amounts will be obligated by September 26, 2014, must be withdrawn and made available for redistribution. Federal Lands Highway and the Program Offices must ensure that the amounts to be returned for August Redistribution are not obligated prior to being released for redistribution.
- b. **No later than August 6, 2014**, each Director and Program Manager shall submit a report **via e-mail to the official HCFB-10 mailbox (“FHWA, BudgetDivision”)** showing the amounts that will not be obligated by September 26, 2014, and for which the obligation limitation is being released for redistribution. **See Attachment 2 for the required report template.** The Director or Program Manager should also copy the report to Kimberly.Monaco@dot.gov. When submitting the report, please include in the e-mail subject line the following: “Response to Call for August Redistribution (N4520.229)\_[insert name of Program Office or Federal Lands Highway].”

**7. What response is required regarding unobligated FY 2014 obligation limitation that was reserved for other Federal Agencies?**

- a. Other Federal Agencies, such as the Federal Motor Carrier Safety Administration, the Federal Transit Administration, the Federal Railroad Administration, the National Highway Traffic Safety Administration, the

Internal Revenue Service, the Denali Commission, etc., that received non-formula (allocated) funds and the obligation limitation associated with such funds, must determine the amounts of obligation limitation that will not be obligated by September 26, 2014, and which are therefore being released for redistribution. Other Federal Agencies must ensure that the amounts to be returned for August Redistribution are not obligated prior to being released for redistribution.

- b. **No later than August 6, 2014**, other Federal Agencies shall submit a report showing what amounts are being returned for August Redistribution **via e-mail to the HCFB-10 official mailbox (BudDiv@dot.gov)**. **See Attachment 2 for the required report template.** The agency should also copy the report to Kimberly.Monaco@dot.gov. When submitting the report, please include in the subject line the following: “Response to Call for August Redistribution (N4520.229)\_[insert name of Federal Agency].”
8. **What procedure will be followed once HCFB-10 has received the required reports?** Once HCFB-10 has received the reports, it will compile the responses and forward them to the appropriate FHWA Headquarters Program Offices and other Federal Agencies. The Program Offices and other Federal Agencies will then review the compiled responses, with the Program Offices consulting any relevant States (via the Division Offices) or other Federal Agencies as needed. In addition, the Program Offices will issue any necessary deallocation/withdrawal memos. Once the Program Offices and other Federal Agencies have finalized the responses, HCFB-10 (including the FMIS Team) will complete the steps needed to redistribute the obligation limitation that has been returned for August Redistribution.
9. **How will the released obligation limitation be redistributed?** Consistent with section 120(c) of the Department of Transportation Appropriations Act, 2014, priority in redistribution will be provided to those States having large unobligated balances of funds apportioned under sections 144 (as in effect on the day before the date of enactment of MAP-21) and 104 of title 23, U.S.C.
10. **When will the excess FY 2014 obligation limitation be redistributed?** The target date to complete the redistribution of released obligation limitation will be September 5, 2014.
11. **Is there program monitoring?** Yes. FHWA Headquarters will monitor the program on a national basis to ensure that all available obligation limitation subject to lapse on September 30, 2014, is fully used.
12. **What actions are required?** Division Administrators must ensure (1) that copies of this Notice are provided to State departments of transportation, and (2) that the redistributed obligated limitation is used by September 26, 2014. In addition, States/Division Offices, FHWA Headquarters Program Offices, and other Federal

Agencies must provide their responses to this Notice. The timeline for responses is as follows:

- a. **July 29:** States must provide their plans for formula and non-formula (allocated) obligation limitation to the Division Administrators.
- b. **August 6:** Division Offices, FHWA Headquarters Program Offices, and other Federal Agencies must provide reports **via e-mail to the HCFB-10 official mailbox ("FHWA, BudgetDivision")**.
- c. **August 20:** FHWA Headquarters Program Offices must make all August Redistribution deallocation/withdrawal requests and release associated obligation limitation.



Gregory G. Nadeau  
Deputy Administrator

Attachments

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

Attachment 1

FISCAL YEAR (FY) 2014 REDISTRIBUTION AFTER AUGUST 1, 2014  
Report to HCFB-10 on FY 2014 Formula Obligation Limitation

State: \_\_\_\_\_

Unobligated Balance of Formula Obligation Limitation	Amount of Formula Obligation Limitation that could be Obligated by Sept. 26, 2014	Formula Obligation Limitation Released for Redistribution Among Other States	Additional Formula Obligation Limitation that could be used by Sept. 26, 2014
\$0.00	\$0.00	\$0.00	\$0.00

\* Note: shaded cells contain formulas.



