



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, 2015,  
AND ENDING ON NOVEMBER 20, 2015**

Classification Code	Date	Office of Primary Interest
<b>N 4520.238</b>	November 6, 2015	<b>HCFB-10</b>

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, 2016, Public Law (Pub. L.) 114-53, and the Highway and Transportation Funding Act of 2014 (Extension Act), Pub. L. 113-159, as amended by the Highway and Transportation Funding Act of 2015, Pub. L. 114-21, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, Pub. L. 114-41, and the Surface Transportation Extension Act of 2015, Pub. L. 114-73.
2. **Does this Notice cancel FHWA Notice 4520.237?** Yes, this Notice cancels FHWA Notice 4520.237, Distribution of Federal-aid Highway Program Obligation Limitation for the Period Beginning on October 1, 2015, and Ending on October 29, 2015, dated October 9, 2015. The revision to the distribution of obligation limitation is based on the Surface Transportation Extension Act of 2015, which further extends the authorizations for the Federal-aid highway program through November 20, 2015.
3. **What is the overall limitation on obligations, and what provision determines its distribution?**
  - a. The Continuing Appropriations Act, 2016, covers the period beginning on October 1, 2015, and ending on December 11, 2015. However, the Extension Act amended section 1102 of the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), Pub. L. 112-141, to specify a limitation on obligations of \$5,595,839,851 for the time period of the extension (October 1, 2015, to November 20, 2015).
  - b. Section 101(a) of the Continuing Appropriations Act, 2016, sets an overall limitation on obligations at an annual rate for operations of \$40,256,000,000 for Fiscal Year (FY) 2016. This annual rate for operations is equal to the obligation limitation made available in FY 2015 under the Department of Transportation Appropriations Act, 2015, title I of division K, Pub. L. 113-235.

- c. Section 101(b) of the Continuing Appropriations Act, 2016, applies a reduction of 0.2108 percent to the annual rate for operations, resulting in a reduction of \$84,859,648 (\$40,256,000,000 times 0.2108 percent). The net annual rate for operations after the reduction is \$40,171,140,352.
  - d. First, the distribution of obligation limitation is calculated on an annualized basis pursuant to section 120 of the Department of Transportation Appropriations Act, 2015, as continued by the Continuing Appropriations Act, 2016, and using the net annual rate for operations of \$40,171,140,352 for FY 2016. The contract authority for the Federal-aid highway programs extended by the Extension Act for the period beginning on October 1, 2015, and ending on November 20, 2015 (51 days), is annualized for purposes of calculating the distribution of obligation limitation.
  - e. The resulting distribution of obligation limitation is then reduced to reflect the current length of the extension (51 days) and the \$5,595,839,851 limitation on obligations for the extension time period by multiplying the distribution by 13.93 percent (51/366 rounded to 4 decimal places). Therefore, this Notice provides \$5,595,839,851 (13.93 percent multiplied by \$40,171,140,352) in obligation limitation for the period beginning on October 1, 2015, and ending on November 20, 2015.
  - f. Upon the enactment of a further 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. The distribution of obligation limitation will also be revised based on the enactment of any further continuing appropriations or a full-year appropriations act.
  - g. Unless otherwise specified, all obligation limitation is available for 1 fiscal year and will expire at the end of FY 2016.
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;
- (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 2015 and in an amount equal to \$89,040,984 prior to sequestration (\$82,986,197 after sequestration) for the period beginning on October 1, 2015, and ending on November 20, 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 section 101 of the Continuing Appropriations Act, 2016, the annual rate for operations for limitation on Federal Highway Administration administrative expenses is \$426,100,000, which is reduced by 0.2108 percent to \$425,201,781 (\$59,230,608 for the length of the current extension). The annual rate for operations for limitation to be transferred to the Appalachian Regional Commission for administrative activities is \$3,248,000, which is reduced by 0.2108 percent to \$3,241,153 (\$451,493 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 annualized 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 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 annualized FY 2016 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2016 under the Continuing Appropriations Act, 2016, is 94.0 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 annualized amount of contract authority authorized for FY 2016 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 annualized 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 for each of the allocated programs for the period beginning on October 1, 2015, and ending on November 20, 2015, is then determined by multiplying the annualized amount of obligation limitation for each allocated program by 13.93 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 among the States as formula obligation limitation. The formula obligation limitation is distributed among the States in the proportions that the annualized FY 2016 apportionments subject to the obligation limitation for each State bear to the total annualized FY 2016 apportionments subject to the obligation limitation for all States.

- b. The formula obligation limitation available for the period beginning on October 1, 2015, and ending on November 20, 2015, is then determined by multiplying the annualized amount of formula obligation limitation for each State by 13.93 percent.
- c. The attached Table 1 shows the amount of FY 2016 formula obligation limitation distributed to each State for the period beginning on October 1, 2015, and ending on November 20, 2015 (51 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 2016 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 annualized amount of the penalty funds by the ratio of a State's annualized 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, 2015, and ending on November 20, 2015, is then determined by multiplying the annualized amount of obligation limitation associated with penalty funds for each State by 13.93 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 and associated obligation limitation for the period beginning on October 1, 2015, and ending on November 20, 2015 (51 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 roads special rule for the period beginning on October 1, 2015, and ending on November 20, 2015 (51 days), is then determined by multiplying the annualized amount of obligation limitation associated with the high risk rural roads special rule for each State by 13.93 percent.
  - d. The amounts of high risk rural roads special rule funds and associated obligation limitation for the period beginning on October 1, 2015, and ending on November 20, 2015 (51 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, as amended, 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 2016.
  - 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, 2016, the Secretary will revise the distribution of obligation authority made available if a State does not plan to obligate the amount distributed during FY 2016 and redistribute such amount to those States able to obligate amounts in addition to those previously distributed during FY 2016. 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  
Administrator

**Attachments**

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

OBLIGATION LIMITATION DISTRIBUTION FOR THE PERIOD BEGINNING  
ON OCTOBER 1, 2015, AND ENDING ON NOVEMBER 20, 2015, UNDER THE  
HIGHWAY AND TRANSPORTATION FUNDING ACT OF 2014, AS AMENDED,  
AND THE CONTINUING APPROPRIATIONS ACT, 2016

STATE	Formula Obligation Limitation
ALABAMA	94,235,852
ALASKA	59,435,793
ARIZONA	90,413,105
ARKANSAS	62,838,989
CALIFORNIA	447,707,103
COLORADO	65,080,010
CONNECTICUT	60,941,127
DELAWARE	20,578,764
DISTRICT OF COLUMBIA	19,839,730
FLORIDA	235,330,925
GEORGIA	159,623,831
HAWAII	20,107,930
IDAHO	35,547,988
ILLINOIS	176,831,313
INDIANA	115,302,335
IOWA	61,053,384
KANSAS	46,948,608
KENTUCKY	82,537,188
LOUISIANA	83,150,406
MAINE	22,442,792
MARYLAND	74,758,493
MASSACHUSETTS	75,265,244
MICHIGAN	130,929,480
MINNESOTA	79,246,868
MISSISSIPPI	58,699,479
MISSOURI	114,916,673
MONTANA	49,827,990
NEBRASKA	35,917,114
NEVADA	45,171,423
NEW HAMPSHIRE	20,543,187
NEW JERSEY	123,784,523
NEW MEXICO	44,587,313
NEW YORK	208,908,915
NORTH CAROLINA	129,632,826
NORTH DAKOTA	30,161,935
OHIO	159,455,864
OKLAHOMA	78,780,812
OREGON	60,715,743
PENNSYLVANIA	204,000,395
RHODE ISLAND	26,577,828
SOUTH CAROLINA	83,182,258
SOUTH DAKOTA	34,051,144
TENNESSEE	102,664,668
TEXAS	429,039,755
UTAH	43,153,240
VERMONT	24,678,287
VIRGINIA	123,697,569
WASHINGTON	84,277,544
WEST VIRGINIA	54,299,938
WISCONSIN	93,500,830
WYOMING	30,403,684
SUBTOTAL	4,814,778,195
Allocated Programs	726,304,933
Sections 154 and 164 Penalties	51,492,460
High Risk Rural Roads Special Rule	3,264,263
TOTAL	5,595,839,851



U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS AND ASSOCIATED OBLIGATION LIMITATION FOR THE PERIOD  
BEGINNING ON OCTOBER 1, 2015, AND ENDING ON NOVEMBER 20, 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	0	0
ALASKA	2,943,408	2,767,692
ARIZONA	0	0
ARKANSAS	1,573,700	1,479,752
CALIFORNIA	9,817,550	9,231,460
COLORADO	1,518,572	1,427,916
CONNECTICUT	1,412,850	1,328,506
DELAWARE	485,607	456,617
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	979,704	921,217
IDAHO	0	0
ILLINOIS	0	0
INDIANA	2,810,568	2,642,782
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	4,288,208	4,032,209
MAINE	538,099	505,976
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	1,920,351	1,805,709
MISSISSIPPI	1,470,677	1,382,880
MISSOURI	2,867,613	2,696,421
MONTANA	1,229,136	1,155,759
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	1,106,303	1,040,258
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	736,992	692,996
OHIO	7,690,172	7,231,083
OKLAHOMA	0	0
OREGON	1,488,774	1,399,896
PENNSYLVANIA	0	0
RHODE ISLAND	644,262	605,801
SOUTH CAROLINA	0	0
SOUTH DAKOTA	836,578	786,636
TENNESSEE	2,507,372	2,357,686
TEXAS	0	0
UTAH	0	0
VERMONT	589,700	554,497
VIRGINIA	2,980,526	2,802,593
WASHINGTON	0	0
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	1,524,756	1,433,732
SUBTOTAL	53,961,478	50,740,074
Puerto Rico	800,665	752,386
TOTAL	54,762,143	51,492,460

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, 2015, AND ENDING  
ON NOVEMBER 20, 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	125,410	125,370
ARIZONA	570,436	570,255
ARKANSAS	0	0
CALIFORNIA	0	0
COLORADO	0	0
CONNECTICUT	209,419	209,352
DELAWARE	0	0
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	877,792	877,514
HAWAII	0	0
IDAHO	0	0
ILLINOIS	0	0
INDIANA	489,557	489,401
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	0	0
MAINE	0	0
MARYLAND	0	0
MASSACHUSETTS	316,824	316,723
MICHIGAN	0	0
MINNESOTA	0	0
MISSISSIPPI	0	0
MISSOURI	0	0
MONTANA	0	0
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	464,464	464,316
NEW MEXICO	0	0
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	0	0
OKLAHOMA	0	0
OREGON	0	0
PENNSYLVANIA	0	0
RHODE ISLAND	0	0
SOUTH CAROLINA	0	0
SOUTH DAKOTA	211,399	211,332
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	3,265,301	3,264,263