



U.S. Department
of Transportation
**Federal Highway
Administration**

Notice

Subject:

**DISTRIBUTION OF FEDERAL-AID HIGHWAY PROGRAM
OBLIGATION LIMITATION FOR FISCAL YEAR (FY) 2016**

Classification Code	Date	Office of Primary Interest
N 4520.240	January 8, 2016	HCFB-10

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, 2016, title I of division L, Public Law (Pub. L.) 114-113.
2. **Does this Notice cancel FHWA Notice 4520.239?** Yes, this Notice cancels FHWA Notice 4520.239, Distribution of Federal-aid Highway Program Obligation Limitation for the Period Beginning on October 1, 2015, and Ending on December 4, 2015, dated December 1, 2015. This Notice reflects the full-year appropriations under the Department of Transportation Appropriations Act, 2016, and is calculated based on FY 2016 contract authority under the Fixing America's Surface Transportation Act (FAST Act), Pub. L. 114-94.
3. **What is the overall limitation on obligations, and what provision determines its distribution?**
 - a. The Department of Transportation Appropriations Act, 2016, provides an overall limitation on Federal-aid highway program obligations for FY 2016 of \$42,361,000,000.
 - b. Section 120 of the Department of Transportation Appropriations Act, 2016, 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 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 21st 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 21st 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., as in effect for fiscal years 2005 through 2012, but only in an amount equal to \$639,000,000 for each of those fiscal years;
- (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 2016.

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, 2016, the limitation on Federal Highway Administration administrative expenses is \$425,752,000 and the limitation for transfer to the Appalachian Regional Commission for administrative expenses is \$3,248,000 (which combined are equal to the FY 2016 contract authority for administrative expenses). 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 2016 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2016 under the Department of Transportation Appropriations Act, 2016, 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 2016 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 2016 apportionments subject to the obligation limitation for each State bear to the total FY 2016 apportionments subject to the obligation limitation for all States.
 - b. The attached Table 1 shows the amount of FY 2016 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 2016 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 2016 are shown in Table 2.

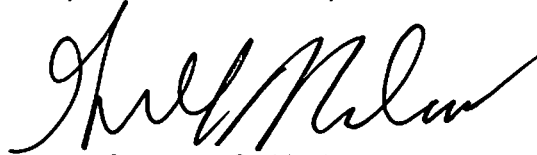
8. Is there any obligation limitation set aside under the special rule for high risk rural roads?

- 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 2016 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 title VI of the FAST Act 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 FISCAL YEAR 2016 UNDER THE DEPARTMENT
OF TRANSPORTATION APPROPRIATIONS ACT, 2016

STATE	Formula Obligation Limitation
ALABAMA	718,193,418
ALASKA	453,571,291
ARIZONA	689,276,768
ARKANSAS	479,215,508
CALIFORNIA	3,413,411,372
COLORADO	496,238,608
CONNECTICUT	464,764,375
DELAWARE	156,917,461
DISTRICT OF COLUMBIA	151,196,174
FLORIDA	1,793,513,693
GEORGIA	1,216,877,969
HAWAII	153,423,443
IDAHO	270,912,348
ILLINOIS	1,347,592,985
INDIANA	879,470,562
IOWA	465,298,970
KANSAS	357,802,906
KENTUCKY	629,032,323
LOUISIANA	634,550,564
MAINE	171,136,207
MARYLAND	569,712,716
MASSACHUSETTS	573,705,651
MICHIGAN	997,792,873
MINNESOTA	604,304,634
MISSISSIPPI	447,647,643
MISSOURI	876,358,184
MONTANA	379,981,225
NEBRASKA	273,727,580
NEVADA	344,238,874
NEW HAMPSHIRE	156,557,427
NEW JERSEY	943,518,427
NEW MEXICO	340,020,446
NEW YORK	1,592,003,170
NORTH CAROLINA	987,932,334
NORTH DAKOTA	230,006,417
OHIO	1,216,610,017
OKLAHOMA	600,405,162
OREGON	463,004,294
PENNSYLVANIA	1,554,665,862
RHODE ISLAND	202,671,917
SOUTH CAROLINA	633,948,635
SOUTH DAKOTA	259,758,519
TENNESSEE	782,891,123
TEXAS	3,269,713,792
UTAH	328,873,330
VERMONT	188,181,637
VIRGINIA	943,257,497
WASHINGTON	642,273,878
WEST VIRGINIA	413,826,350
WISCONSIN	712,577,597
WYOMING	232,000,764
SUBTOTAL	36,704,564,920
Allocated Programs	5,250,644,793
Sections 154 and 164 Penalties	382,356,953
High Risk Rural Roads Special Rule	23,433,334
TOTAL	42,361,000,000

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS AND ASSOCIATED OBLIGATION LIMITATION
FOR FISCAL YEAR 2016 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	21,631,332	20,535,300
ARIZONA	0	0
ARKANSAS	11,554,765	10,969,299
CALIFORNIA	72,334,882	68,669,763
COLORADO	11,169,962	10,603,994
CONNECTICUT	10,395,022	9,868,319
DELAWARE	3,570,874	3,389,942
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	7,202,458	6,837,518
IDAHO	0	0
ILLINOIS	0	0
INDIANA	20,652,389	19,605,958
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	31,481,784	29,886,642
MAINE	3,955,252	3,754,844
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	14,111,556	13,396,541
MISSISSIPPI	10,798,216	10,251,084
MISSOURI	21,057,067	19,990,132
MONTANA	9,028,196	8,570,748
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	8,124,789	7,713,116
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	5,414,606	5,140,255
OHIO	56,550,196	53,684,868
OKLAHOMA	0	0
OREGON	10,936,901	10,382,742
PENNSYLVANIA	0	0
RHODE ISLAND	4,734,276	4,494,396
SOUTH CAROLINA	0	0
SOUTH DAKOTA	6,146,363	5,834,934
TENNESSEE	18,421,614	17,488,214
TEXAS	0	0
UTAH	0	0
VERMONT	4,334,917	4,115,272
VIRGINIA	21,905,324	20,795,408
WASHINGTON	0	0
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	11,201,502	10,633,936
SUBTOTAL	396,714,243	376,613,225
Puerto Rico	6,052,400	5,743,728
TOTAL	402,766,643	382,356,953

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 2016 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	900,000	900,000
ARIZONA	4,093,716	4,093,716
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	6,299,452	6,299,452
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	2,273,676	2,273,676
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	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	0	0
OREGON	0	0
PENNSYLVANIA	0	0
RHODE ISLAND	0	0
SOUTH CAROLINA	0	0
SOUTH DAKOTA	1,517,100	1,517,100
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	23,433,334	23,433,334