



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, 2016,
AND ENDING ON APRIL 28, 2017**

Classification Code	Date	Office of Primary Interest
N4520.244	January 4, 2017	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 Continuing Appropriations Act, 2017, Public Law (Pub. L.) 114-223, as amended by the Further Continuing Appropriations Act, 2017, Pub. L. 114-254.
2. **Does this Notice cancel FHWA Notice 4520.243?** Yes, this Notice cancels FHWA Notice 4520.243, Distribution of Federal-aid Highway Program Obligation Limitation for the Period Beginning on October 1, 2016, and Ending on December 9, 2016, dated October 4, 2016. This Notice reflects the distribution of obligation limitation through April 28, 2017, based on the Continuing Appropriations Act, 2017, as amended by the Further Continuing Appropriations Act, 2017.
3. **What is the overall limitation on obligations, and what provision determines its distribution?**
 - a. Section 101(a) of the Continuing Appropriations Act, 2017, as amended by the Further Continuing Appropriations Act, 2017, sets an overall limitation on obligations at an annual rate for operations of \$42,361,000,000 for Fiscal Year (FY) 2017. This annual rate for operations is equal to the obligation limitation made available in FY 2016 under the Department of Transportation Appropriations Act, 2016, title I of division L, Pub. L. 114-113.
 - b. For the period beginning on October 1, 2016, and ending on December 9, 2016, section 101(b) of the Continuing Appropriations Act, 2017, applies a reduction of 0.496 percent to the annual rate for operations, resulting in a reduction of \$210,110,560 (\$42,361,000,000 times 0.496 percent). The net annual rate for operations after the reduction is \$42,150,889,440. The pro-rata for that period is 19.18 percent (70 days divided by 365 days), which results in an obligation limitation of \$8,084,540,595 for the period beginning on October 1, 2016, and ending on December 9, 2016.

- c. For the period beginning on December 10, 2016, and ending on April 28, 2017, section 101(b) of the Further Continuing Appropriations Act, 2017, applies a reduction of 0.1901 percent to the annual rate for operations, resulting in a reduction of \$80,528,261 (\$42,361,000,000 times 0.1901 percent). The net annual rate for operations after the reduction is \$42,280,471,739. The pro-rata for that period is 38.36 percent (140 days divided by 365 days), which results in an obligation limitation of \$16,218,788,959 for the period beginning on December 10, 2016, and ending on April 28, 2017.
 - d. The overall pro-rata for the period beginning on October 1, 2016, and ending on April 28, 2017, is 57.54 percent (70 days divided by 365 days plus 140 days divided by 365). The total obligation limitation provided in this Notice for the period beginning on October 1, 2016, and ending on April 28, 2017, is \$24,303,329,554 (\$8,084,540,595 plus \$16,218,788,959).
 - e. Section 101(a) of the Continuing Appropriations Act, 2017, as amended by the Further Continuing Appropriations Act, 2017, continues section 120 of the Department of Transportation Appropriations Act, 2016, providing the distribution methodology for the overall limitation on Federal-aid highway program obligations.
 - f. The distribution of obligation limitation is calculated based on the FY 2017 contract authority under the Fixing America's Surface Transportation Act, Pub. L. 114-94, and the annualized obligation limitation. For the purposes of the obligation limitation distribution, the obligation limitation of \$24,303,329,554 for the period beginning on October 1, 2016, and ending on April 28, 2017, is annualized at \$42,237,277,640. The annualized obligation limitation distribution is then multiplied by the 57.54 percent pro-rata.
 - g. 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 will be provided as determined under the provisions of such law.
 - h. Unless otherwise specified, all obligation limitation is available for one fiscal year and will expire at the end of FY 2017.
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 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 2013 through 2017.

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, 2017, as amended by the Further Continuing Appropriations Act, 2017, the limitation on Federal Highway Administration administrative expenses for the period beginning on October 1, 2016, and ending on April 28, 2017, is \$244,262,203

(\$424,508,521 annualized). The limitation to be transferred to the Appalachian Regional Commission for administrative activities for the period beginning on October 1, 2016, and ending on April 28, 2017, is \$1,863,440 (\$3,238,512 annualized). 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 2017 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2017 under the Continuing Appropriations Act, 2017, as amended by the Further Continuing Appropriations Act, 2017, is 90.4 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 2017 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, 2016, and ending on April 28, 2017, is then determined by multiplying the annualized amount of obligation limitation for each allocated program by the pro-rata of 57.54 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 FY 2017 apportionments subject to the obligation limitation for each State bear to the total FY 2017 apportionments subject to the obligation limitation for all States.

- b. The formula obligation limitation available for the period beginning on October 1, 2016, and ending on April 28, 2017, is then determined by multiplying the annualized amount of formula obligation limitation for each State by the pro-rata of 57.54 percent.
- c. The attached Table 1 shows the amount of formula obligation limitation distributed to each State for the period beginning on October 1, 2016, and ending on April 28, 2017 (210 days) net of any obligation limitation associated with transfer 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 transfer penalty funds?

- a. Yes, obligation limitation is associated with transfer 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 2017 as determined by the National Highway Traffic Safety Administration (NHTSA).
- b. Along with the transfer penalty funds under section 154 and section 164 of title 23, U.S.C., 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.
- c. The annualized amount of obligation limitation associated with the transfer penalty funds is determined by multiplying the amount of the transfer penalty funds by the ratio of a State's annualized formula obligation limitation to that State's apportionments subject to the obligation limitation.
- d. The obligation limitation associated with transfer penalty funds for the period beginning on October 1, 2016, and ending on April 28, 2017, is then determined by multiplying the annualized amount of obligation limitation associated with transfer penalty funds for each State by the pro-rata of 57.54 percent.
- e. The amounts of transfer penalty funds for FY 2017 and associated obligation limitation for the period beginning on October 1, 2016, and ending on April 28, 2017 (210 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 beginning on October 1, 2016, and ending on April 28, 2017, 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 57.54 percent.
- d. The amounts of high risk rural roads special rule funds for FY 2017 and associated obligation limitation for the period beginning on October 1, 2016, and ending on April 28, 2017 (210 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 title VI of the Fixing America's Surface Transportation (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 2017.
- 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, 2017, the Secretary will revise the distribution of obligation authority made available if a State does not plan to obligate the amount distributed during FY 2017 and redistribute such amount to those States able to obligate amounts in addition to those previously distributed during

FY 2017. 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, 2016, AND ENDING ON APRIL 28, 2017, UNDER
THE CONTINUING APPROPRIATIONS ACT, 2017, AS AMENDED

STATE	Formula Obligation Limitation
ALABAMA	399,512,034
ALASKA	252,270,549
ARIZONA	385,694,990
ARKANSAS	266,564,603
CALIFORNIA	1,898,640,877
COLORADO	276,027,663
CONNECTICUT	258,490,879
DELAWARE	87,284,033
DISTRICT OF COLUMBIA	84,104,687
FLORIDA	997,684,757
GEORGIA	676,786,436
HAWAII	85,337,651
IDAHO	150,699,601
ILLINOIS	746,130,200
INDIANA	489,135,146
IOWA	258,832,754
KANSAS	199,035,464
KENTUCKY	349,913,363
LOUISIANA	352,957,409
MAINE	95,193,556
MARYLAND	316,906,373
MASSACHUSETTS	319,081,739
MICHIGAN	551,665,814
MINNESOTA	336,142,176
MISSISSIPPI	249,004,948
MISSOURI	487,475,464
MONTANA	210,564,641
NEBRASKA	152,266,147
NEVADA	191,485,244
NEW HAMPSHIRE	87,087,021
NEW JERSEY	524,771,263
NEW MEXICO	188,050,480
NEW YORK	885,554,345
NORTH CAROLINA	549,553,276
NORTH DAKOTA	130,804,402
OHIO	676,704,590
OKLAHOMA	333,989,093
OREGON	257,545,348
PENNSYLVANIA	864,802,441
RHODE ISLAND	112,735,502
SOUTH CAROLINA	352,648,198
SOUTH DAKOTA	145,333,923
TENNESSEE	435,481,304
TEXAS	1,952,851,087
UTAH	182,175,621
VERMONT	104,674,873
VIRGINIA	524,682,499
WASHINGTON	347,777,641
WEST VIRGINIA	230,199,139
WISCONSIN	396,384,602
WYOMING	129,045,226
SUBTOTAL	20,537,741,072
Allocated Programs	3,526,223,341
Sections 154 and 164 Penalties	217,801,364
High Risk Rural Roads Special Rule	21,563,777
TOTAL	24,303,329,554

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS AND ASSOCIATED OBLIGATION LIMITATION FOR THE PERIOD
BEGINNING ON OCTOBER 1, 2016, AND ENDING ON APRIL 28, 2017, 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	21,977,716	11,441,189
ARIZONA	0	0
ARKANSAS	11,739,631	6,111,433
CALIFORNIA	73,496,012	38,260,654
COLORADO	11,348,977	5,908,066
CONNECTICUT	10,561,658	5,498,202
DELAWARE	3,628,087	1,888,714
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	7,317,832	3,809,527
IDAHO	0	0
ILLINOIS	0	0
INDIANA	20,983,054	10,923,387
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	31,985,402	16,651,005
MAINE	4,018,599	2,092,008
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	14,337,505	7,463,838
MISSISSIPPI	10,970,977	5,711,286
MISSOURI	21,393,990	11,137,312
MONTANA	9,172,689	4,775,131
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	8,254,806	4,297,298
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	57,456,264	29,910,660
OKLAHOMA	0	0
OREGON	11,111,969	5,784,684
PENNSYLVANIA	0	0
RHODE ISLAND	4,810,079	2,504,037
SOUTH CAROLINA	0	0
SOUTH DAKOTA	6,244,758	3,250,905
TENNESSEE	18,716,519	9,743,471
TEXAS	0	0
UTAH	0	0
VERMONT	4,404,348	2,292,822
VIRGINIA	22,256,112	11,586,117
WASHINGTON	14,765,714	7,686,755
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	11,380,810	5,924,637
SUBTOTAL	412,333,508	214,653,138
Puerto Rico	6,052,400	3,148,226
TOTAL	418,385,908	217,801,364

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, 2016, AND ENDING
ON APRIL 28, 2017, 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	517,860
ARIZONA	0	0
ARKANSAS	0	0
CALIFORNIA	0	0
COLORADO	0	0
CONNECTICUT	1,502,890	864,763
DELAWARE	0	0
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	6,299,452	3,624,705
HAWAII	0	0
IDAHO	0	0
ILLINOIS	6,048,546	3,480,333
INDIANA	3,513,290	2,021,547
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	0	0
MAINE	0	0
MARYLAND	0	0
MASSACHUSETTS	2,273,676	1,308,273
MICHIGAN	5,852,012	3,367,248
MINNESOTA	0	0
MISSISSIPPI	0	0
MISSOURI	0	0
MONTANA	1,389,760	799,668
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	3,333,210	1,917,929
NEW MEXICO	1,887,424	1,086,024
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	0	0
TENNESSEE	0	0
TEXAS	0	0
UTAH	1,331,318	766,040
VERMONT	0	0
VIRGINIA	0	0
WASHINGTON	3,144,572	1,809,387
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	0	0
TOTAL	37,476,150	21,563,777