



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) 2018**

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Classification Code	Date	Office of Primary Interest
<b>N4520.253</b>	April 16, 2018	<b>HCFB-10</b>

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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, 2018, title I of division L, Public Law (Pub. L.) 115-141. This Notice reflects the full-year distribution of obligation limitation for FY 2018.
2. **Does this Notice cancel FHWA Notice 4520.252?** Yes, this Notice cancels FHWA Notice 4520.252, Distribution of Federal-aid Highway Program Obligation Limitation for the Period Beginning on October 1, 2017, and Ending on March 23, 2018, dated February 22, 2018.
3. **What is the overall limitation on obligations, and what provision determines its distribution?**
  - a. The Department of Transportation Appropriations Act, 2018, provides an overall limitation on Federal-aid highway program obligations for FY 2018 of \$44,234,212,000.
  - b. Section 120 of the Department of Transportation Appropriations Act, 2018, provides the distribution methodology for the overall limitation on Federal-aid highway program obligations.
  - c. Unless otherwise specified, all obligation limitation is available for 1 fiscal year and will expire at the end of FY 2018.
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, 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 2013 through 2018.

**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, 2018, the limitation on Federal Highway Administration administrative expenses is \$439,443,925 and the limitation for transfer to the Appalachian Regional Commission for administrative activities is \$3,248,000 (which combined are equal to the FY 2018 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 the 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 2018 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2018 under the Department of Transportation Appropriations Act, 2018, is 91.7 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 the 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 2018 by the above ratio. The authorized contract authority that is not provided associated obligation limitation is “lopped off” (deducted), resulting in equal amounts of contract authority and obligation limitation 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 the Federal Lands Access Program) as described above, the remaining 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 2018 apportionments subject to the obligation limitation for each State bear to the total FY 2018 apportionments subject to the obligation limitation for all States.
- b. The attached Table 1 shows the amount of FY 2018 formula obligation limitation distributed to each State, net of any obligation limitation associated with transfer penalty funding, or set aside under the high risk rural roads special rule, or set aside for the minimum condition of National Highway System bridges penalty (see paragraphs 7, 9, and 10 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 2018 as determined by the National Highway Traffic Safety Administration.
  - 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 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 formula obligation limitation to that State's apportionments subject to the obligation limitation.
  - d. The amounts of transfer penalty funds and associated obligation limitation for FY 2018 are shown in Table 2.
8. **How is the distribution of the obligation limitation affected by a penalty that requires that funds be withheld from apportionment to a State, such as required by 23 U.S.C. 159?** The formula obligation limitation associated with any funds withheld from apportionment due to such a penalty is distributed to the States pursuant to the Department of Transportation Appropriations Act, 2018. See paragraph 6 for how obligation limitation is distributed to the States.
9. **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 an equal amount of formula obligation limitation.
  - c. The amounts of high risk rural roads special rule funds and associated obligation limitation for FY 2018 are shown in Table 3.

10. **Is there any obligation limitation set aside for the minimum condition of National Highway System bridges penalty?**
- a. Section 119(f)(2)(A) of title 23, U.S.C., provides for a penalty if a State for 3 consecutive years fails to maintain its National Highway System structurally deficient deck area at or below 10 percent. For the fiscal year after such a failure is determined, such a State must have an amount equal to 50 percent of its FY 2009 Highway Bridge Program apportionment set aside for use only on National Highway System bridge projects.
  - b. Part 490.413(a)(1) of title 23, Code of Federal Regulations, requires such penalty funds to be obligated in the year in which they are set aside.
  - c. The requirement to obligate such amounts during the next fiscal year is implemented by a set-aside of both National Highway Performance Program funds and an equal amount of formula obligation limitation.
  - d. The amounts of minimum condition of National Highway System bridges penalty funds and associated obligation limitation for FY 2018 are shown in Table 4.
11. **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 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 2018.
  - 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, 2018, the Secretary will revise the distribution of obligation authority made available if a State does not plan to obligate the amount distributed during FY 2018 and redistribute such amount to those States able to obligate amounts in addition to those previously distributed during FY 2018. Procedures for this process (known as August Redistribution) will be provided via a separate notice to be issued in July.

12. **What action is required?** Division Administrators should ensure that copies of this Notice are provided to the State departments of transportation.

A handwritten signature in black ink, reading "Brandye L. Hendrickson". The signature is written in a cursive style with a prominent initial 'B' and a long, sweeping underline.

Brandye L. Hendrickson  
Acting Administrator

Attachments

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

OBLIGATION LIMITATION DISTRIBUTION  
FOR FISCAL YEAR 2018 UNDER THE DEPARTMENT  
OF TRANSPORTATION APPROPRIATIONS ACT, 2018

STATE	Formula Obligation Limitation <sup>1</sup>
ALABAMA	721,148,219
ALASKA	455,438,589
ARIZONA	696,191,464
ARKANSAS	481,191,010
CALIFORNIA	3,427,166,613
COLORADO	495,432,985
CONNECTICUT	387,380,626
DELAWARE	157,557,589
DISTRICT OF COLUMBIA	151,811,844
FLORIDA	1,800,894,229
GEORGIA	1,221,873,378
HAWAII	154,052,190
IDAHO	272,020,438
ILLINOIS	1,274,042,757
INDIANA	886,603,606
IOWA	467,210,482
KANSAS	359,271,908
KENTUCKY	628,737,733
LOUISIANA	637,178,605
MAINE	159,778,358
MARYLAND	572,021,060
MASSACHUSETTS	481,175,236
MICHIGAN	1,001,851,504
MINNESOTA	606,781,235
MISSISSIPPI	449,493,157
MISSOURI	879,968,522
MONTANA	380,153,642
NEBRASKA	274,849,099
NEVADA	344,146,385
NEW HAMPSHIRE	157,195,190
NEW JERSEY	950,676,629
NEW MEXICO	339,532,375
NEW YORK	1,359,402,178
NORTH CAROLINA	991,969,966
NORTH DAKOTA	236,108,717
OHIO	1,221,586,636
OKLAHOMA	589,326,951
OREGON	464,905,769
PENNSYLVANIA	1,555,232,815
RHODE ISLAND	168,472,992
SOUTH CAROLINA	636,554,330
SOUTH DAKOTA	262,347,827
TENNESSEE	786,104,049
TEXAS	3,462,471,370
UTAH	321,653,040
VERMONT	188,950,970
VIRGINIA	942,659,592
WASHINGTON	627,903,841
WEST VIRGINIA	415,523,343
WISCONSIN	715,496,550
WYOMING	226,756,201
<b>SUBTOTAL</b>	<b>36,446,253,794</b>
Allocated Programs	6,805,433,470
Sections 154 and 164 Penalties	412,964,416
High Risk Rural Roads Special Rule	40,695,300
NHS Bridges Penalty	528,865,020
<b>TOTAL</b>	<b>44,234,212,000</b>

<sup>1</sup> The distribution of formula obligation limitation has been calculated based on the FY 2018 apportionments subject to obligation limitation net of any penalty funds withheld from apportionment and lapsed immediately for a State under section 159 of title 23, U.S.C.

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS AND ASSOCIATED OBLIGATION LIMITATION  
FOR FISCAL YEAR 2018 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	22,449,672	20,607,616
ARIZONA	0	0
ARKANSAS	11,991,434	11,007,505
CALIFORNIA	75,079,552	68,919,072
COLORADO	11,592,970	10,641,736
CONNECTICUT	10,788,802	9,903,552
DELAWARE	3,706,057	3,401,965
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	7,475,048	6,861,700
IDAHO	0	0
ILLINOIS	0	0
INDIANA	21,433,575	19,674,892
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	32,671,340	29,990,568
MAINE	4,104,915	3,768,096
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	14,645,358	13,443,667
MISSISSIPPI	11,206,289	10,286,783
MISSOURI	21,852,922	20,059,831
MONTANA	9,369,530	8,600,735
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	8,431,917	7,740,055
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	58,691,082	53,875,320
OKLAHOMA	14,757,694	13,546,785
OREGON	11,350,472	10,419,135
PENNSYLVANIA	0	0
RHODE ISLAND	4,913,360	4,510,206
SOUTH CAROLINA	0	0
SOUTH DAKOTA	6,378,811	5,855,412
TENNESSEE	19,118,295	17,549,587
TEXAS	0	0
UTAH	7,881,881	7,235,151
VERMONT	4,498,962	4,129,810
VIRGINIA	22,734,082	20,868,689
WASHINGTON	15,082,868	13,845,278
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	11,625,090	10,671,220
SUBTOTAL	443,831,978	407,414,366
Puerto Rico	6,052,400	5,550,050
TOTAL	449,884,378	412,964,416

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 2018 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	0	0
ARKANSAS	0	0
CALIFORNIA	0	0
COLORADO	2,826,084	2,826,084
CONNECTICUT	0	0
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	6,048,546	6,048,546
INDIANA	0	0
IOWA	0	0
KANSAS	0	0
KENTUCKY	2,879,986	2,879,986
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	1,389,760	1,389,760
NEBRASKA	0	0
NEVADA	1,487,814	1,487,814
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	1,887,424	1,887,424
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	0	0
OKLAHOMA	0	0
OREGON	0	0
PENNSYLVANIA	5,766,894	5,766,894
RHODE ISLAND	0	0
SOUTH CAROLINA	0	0
SOUTH DAKOTA	0	0
TENNESSEE	0	0
TEXAS	0	0
UTAH	1,331,318	1,331,318
VERMONT	0	0
VIRGINIA	4,459,774	4,459,774
WASHINGTON	3,144,572	3,144,572
WEST VIRGINIA	0	0
WISCONSIN	0	0
WYOMING	0	0
TOTAL	40,695,300	40,695,300

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

MINIMUM CONDITION OF NATIONAL HIGHWAY SYSTEM (NHS) BRIDGES PENALTY FUNDS  
AND ASSOCIATED OBLIGATION LIMITATION FOR FISCAL YEAR 2018 PURSUANT TO  
SECTION 119(f)(2)(A) OF TITLE 23, UNITED STATES CODE

STATE	TOTAL NHS BRIDGES PENALTY FUNDS	OBLIGATION LIMITATION FOR NHS BRIDGES PENALTY
ALABAMA	0	0
ALASKA	0	0
ARIZONA	0	0
ARKANSAS	0	0
CALIFORNIA	0	0
COLORADO	0	0
CONNECTICUT	80,781,889	80,781,889
DELAWARE	0	0
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	0	0
IDAHO	0	0
ILLINOIS	72,973,630	72,973,630
INDIANA	0	0
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	0	0
MAINE	0	0
MARYLAND	0	0
MASSACHUSETTS	94,856,125	94,856,125
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	0	0
NEW MEXICO	0	0
NEW YORK	239,023,417	239,023,417
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	0	0
OKLAHOMA	0	0
OREGON	0	0
PENNSYLVANIA	0	0
RHODE ISLAND	35,029,577	35,029,577
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	6,200,382	6,200,382
TOTAL	528,865,020	528,865,020