



U.S. Department  
of Transportation

**Federal Highway  
Administration**

# Notice

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Subject:

**DISTRIBUTION OF FEDERAL-AID HIGHWAY PROGRAM OBLIGATION  
LIMITATION FOR THE PERIOD BEGINNING ON OCTOBER 1, 2014,  
AND ENDING ON DECEMBER 11, 2014**

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Classification Code	Date	Office of Primary Interest
<b>N 4520.231</b>	October 1, 2014	<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 Continuing Appropriations Resolution, 2015, Public Law (Pub. L.) 113-164.
2. **What is the overall limitation on obligations, and what provision determines its distribution?**
  - a. Section 101(a) of the Continuing Appropriations Resolution, 2015, sets an overall limitation on obligations at an annual rate for operations of \$40,256,000,000 for Fiscal Year (FY) 2015. This annual rate for operations is equal to the obligation limitation made available in FY 2014 under the Department of Transportation Appropriations Act, 2014, title I of division L, Pub. L. 113-76.
  - b. Section 101(b) of the Continuing Appropriations Resolution, 2015, applies an across-the-board rescission of 0.0554 percent to the annual rate for operations. Therefore, a total reduction of \$22,301,824 (\$40,256,000,000 times 0.0554 percent) applies to the annual rate for operations. The net annual rate for operations of the overall limitation on Federal-aid highway program obligations after the reduction is \$40,233,698,176.
  - c. The Continuing Appropriations Resolution, 2015, covers the period from October 1, 2014, through December 11, 2014 (72 days). The pro-rata for that period is 19.73 percent (72 days divided by 365 days). The pro-rata is applied to the distribution of obligation limitation calculated based on the annual rate for operations. Therefore, the total obligation limitation provided by this Notice is \$7,938,108,650 (\$40,233,698,176 times 19.73 percent).
  - d. Section 101(a) of the Continuing Appropriations Resolution, 2015, continues section 120 of the Department of Transportation Appropriations Act, 2014, providing the distribution methodology for the overall limitation on Federal-aid highway program obligations.

- e. 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 provided as determined under the provisions of such law.
- f. Unless otherwise specified, all obligation limitation is available for one fiscal year and will expire at the end of FY 2015.

3. **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 2014 and in an amount equal to \$425,416,438 prior to sequestration (\$394,361,038 after sequestration) for the period beginning on October 1, 2014, and ending on May 31, 2015.

4. **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 Resolution, 2015, the annual rate for operations for limitation on Federal Highway Administration administrative expenses is \$416,100,000, which is reduced by 0.0554 percent to \$415,869,481 (\$82,051,049 at the pro-rata of 19.73 percent). 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 0.0554 percent to \$3,246,201 (\$640,475 at the pro-rata of 19.73 percent). 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 2015 contract authority subject to obligation limitation is determined. The ratio calculated for FY 2015 under the Continuing Appropriations Resolution, 2015, is 94.8 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 2015 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 from October 1, 2014, through December 11, 2014, is then determined by multiplying the annualized amount of obligation limitation for each allocated program by the pro-rata of 19.73 percent.

**5. 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 2015 apportionments subject to the obligation limitation for each State bear to the total annualized FY 2015 apportionments subject to the obligation limitation for all States.
- b. The formula obligation limitation available for the period from October 1, 2014, through December 11, 2014, is then determined by multiplying the annualized amount of formula obligation limitation for each State by the pro-rata of 19.73 percent.
- c. The attached Table 1 shows the amount of FY 2015 formula obligation limitation distributed to each State for the period from October 1, 2014, through December 11, 2014 (72 days) net of any obligation limitation associated with the penalty funding or set aside under the high risk rural roads special rule (see paragraphs 6 and 7 of this Notice below).

**6. 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 2015 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 from October 1, 2014, through December 11, 2014, is then determined by multiplying the annualized amount of obligation limitation associated with penalty funds for each State by the pro-rata of 19.73 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 for the period beginning on October 1, 2014, and ending on May 31, 2015, and associated obligation limitation for the period from October 1, 2013, through December 11, 2014 (72 days) are shown in Table 2.

**7. 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 from October 1, 2014, through December 11, 2014, 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 19.73 percent.
- d. The amounts of high risk rural roads special rule funds for the period beginning on October 1, 2014, and ending on May 31, 2015, and associated obligation limitation for the period from October 1, 2014, through December 11, 2014 (72 days) are shown in Table 3.

**8. 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 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 2015.

- 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, 2015, the Secretary will revise the distribution of obligation authority made available if a State does not plan to obligate the amount distributed during FY 2015 and redistribute such amount to those States able to obligate amounts in addition to those previously distributed during FY 2015. Procedures for this process (known as August Redistribution) will be provided via a separate notice to be issued around mid-July.
9. **What action is required?** Division Administrators should ensure that copies of this Notice are provided to the State departments of transportation.



Gregory G. Nadeau  
Acting Administrator

Attachments

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

OBLIGATION LIMITATION DISTRIBUTION FOR THE PERIOD  
FROM OCTOBER 1, 2014, THROUGH DECEMBER 11, 2014, UNDER  
THE CONTINUING APPROPRIATIONS RESOLUTION, 2015

STATE	Formula Obligation Limitation
ALABAMA	131,432,523
ALASKA	84,867,140
ARIZONA	129,911,052
ARKANSAS	89,724,969
CALIFORNIA	639,260,861
COLORADO	94,963,679
CONNECTICUT	87,017,503
DELAWARE	28,731,509
DISTRICT OF COLUMBIA	28,328,259
FLORIDA	336,018,457
GEORGIA	229,172,661
HAWAII	28,711,210
IDAHO	50,757,376
ILLINOIS	252,489,489
INDIANA	164,640,647
IOWA	87,175,385
KANSAS	67,035,808
KENTUCKY	117,851,143
LOUISIANA	118,726,730
MAINE	32,045,054
MARYLAND	106,744,294
MASSACHUSETTS	107,920,096
MICHIGAN	186,948,323
MINNESOTA	113,153,043
MISSISSIPPI	83,814,349
MISSOURI	164,084,356
MONTANA	71,147,149
NEBRASKA	51,284,434
NEVADA	64,498,246
NEW HAMPSHIRE	29,155,124
NEW JERSEY	176,751,694
NEW MEXICO	63,664,222
NEW YORK	298,291,655
NORTH CAROLINA	185,096,889
NORTH DAKOTA	43,066,872
OHIO	232,842,335
OKLAHOMA	111,738,076
OREGON	86,693,282
PENNSYLVANIA	291,283,000
RHODE ISLAND	37,771,716
SOUTH CAROLINA	116,031,148
SOUTH DAKOTA	48,921,850
TENNESSEE	146,590,269
TEXAS	612,606,593
UTAH	60,228,569
VERMONT	35,237,017
VIRGINIA	176,622,202
WASHINGTON	120,336,119
WEST VIRGINIA	75,767,149
WISCONSIN	133,505,635
WYOMING	43,412,055
<b>SUBTOTAL</b>	<b>6,874,069,216</b>
Allocated Programs	985,118,054
Sections 154 and 164 Penalties	75,991,829
High Risk Rural Roads Special Rule	2,929,551
<b>TOTAL</b>	<b>7,938,108,650</b>

U. S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

PENALTY FUNDS FOR THE PERIOD FROM OCTOBER 1, 2014, THROUGH MAY 31, 2015,  
AND ASSOCIATED OBLIGATION LIMITATION FOR THE PERIOD FROM  
OCTOBER 1, 2014, THROUGH DECEMBER 11, 2014, 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	11,111,987	3,122,618
ALASKA	14,062,900	3,951,863
ARIZONA	0	0
ARKANSAS	7,518,758	2,112,872
CALIFORNIA	46,905,894	13,181,186
COLORADO	0	0
CONNECTICUT	6,750,260	1,896,913
DELAWARE	4,640,230	1,303,967
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	4,680,788	1,315,364
IDAHO	0	0
ILLINOIS	0	0
INDIANA	13,428,216	3,773,509
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	20,488,022	5,757,409
MAINE	2,570,911	722,461
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	9,174,974	2,578,291
MISSISSIPPI	7,026,543	1,974,553
MISSOURI	13,700,765	3,850,099
MONTANA	5,872,516	1,650,256
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	0	0
NEW JERSEY	0	0
NEW MEXICO	5,285,647	1,485,338
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	3,521,174	989,497
OHIO	18,370,899	5,162,469
OKLAHOMA	0	0
OREGON	7,113,002	1,998,849
PENNSYLVANIA	0	0
RHODE ISLAND	3,078,132	864,996
SOUTH CAROLINA	9,754,202	2,741,062
SOUTH DAKOTA	3,996,969	1,123,202
TENNESSEE	11,979,621	3,366,434
TEXAS	0	0
UTAH	4,939,278	1,388,004
VERMONT	2,817,449	791,741
VIRGINIA	14,240,235	4,001,697
WASHINGTON	0	0
WEST VIRGINIA	6,281,880	1,765,293
WISCONSIN	0	0
WYOMING	7,284,922	2,047,161
SUBTOTAL	266,596,174	74,917,104
Puerto Rico	3,825,386	1,074,725
TOTAL	270,421,560	75,991,829

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 FOR THE PERIOD FROM  
OCTOBER 1, 2014, THROUGH MAY 31, 2015, AND ASSOCIATED OBLIGATION  
LIMITATION FOR THE PERIOD FROM OCTOBER 1, 2014, THROUGH DECEMBER 11, 2014,  
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	599,178	177,570
ARIZONA	0	0
ARKANSAS	0	0
CALIFORNIA	0	0
COLORADO	0	0
CONNECTICUT	1,000,554	296,520
DELAWARE	0	0
DISTRICT OF COLUMBIA	0	0
FLORIDA	0	0
GEORGIA	0	0
HAWAII	0	0
IDAHO	0	0
ILLINOIS	0	0
INDIANA	2,338,985	693,172
IOWA	0	0
KANSAS	0	0
KENTUCKY	0	0
LOUISIANA	0	0
MAINE	0	0
MARYLAND	0	0
MASSACHUSETTS	0	0
MICHIGAN	0	0
MINNESOTA	0	0
MISSISSIPPI	0	0
MISSOURI	0	0
MONTANA	0	0
NEBRASKA	0	0
NEVADA	0	0
NEW HAMPSHIRE	599,178	177,570
NEW JERSEY	2,219,096	657,642
NEW MEXICO	0	0
NEW YORK	0	0
NORTH CAROLINA	0	0
NORTH DAKOTA	0	0
OHIO	0	0
OKLAHOMA	2,529,076	749,507
OREGON	0	0
PENNSYLVANIA	0	0
RHODE ISLAND	599,178	177,570
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	0	0
TOTAL	9,885,245	2,929,551