



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

Memorandum

Subject: **INFORMATION:** Operating Under a
Continuing Resolution (FY 2010)

Date: October 1, 2009

From: Elissa K. Konove *Elissa K. Konove*
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In Reply Refer To:
HCF-1

To: Associate Administrators
Chief Counsel
Director of Field Services
Division Administrators
Federal Lands Highway Division Engineers

Operations at the Beginning of Fiscal Year (FY) 2010

This guidance is provided for information purposes and is subject to revision based on actual events surrounding the FY 2010 appropriations process. The FY 2010 Transportation Appropriations Act was not passed by October 1, 2009, which means we will operate under the provisions of a Continuing Resolution (CR). A CR through October 31, 2009 (Division B of P.L. 111-68) was enacted on September 30, 2009.

Division B of P.L. 111-68 also includes an extension of the FHWA expenditure authority and programs authorized under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) through October 31, 2009.

The formula for determining the amount of funds available for obligation under the CR will be calculated by a percentage based on the number of CR days (31) divided by 365, applied to a base amount, which is the prior year's obligation level.

Agencies are required to spend at minimum levels so as not to impinge upon the prerogative of Congress to set full-year funding levels. Therefore obligations for administrative expenses and programs will necessarily be limited to the CR levels until a DOT Appropriations Act for FY 2010 is passed by Congress, signed by the President, and apportioned by OMB. Until then we will operate under the following guidance:



Annual Administrative Funds

While operating under a FY 2010 CR, General Operating Expenses (GOE) will generally be distributed as a percentage of your FY 2009 allotment for recurring expenses, with some adjustments (additional information regarding the GOE percentage will be provided). Since our ability to obligate funds will be limited while operating under a CR, it is important that we be prudent in incurring obligations, especially in discretionary areas such as travel, training, and conference planning. Spending should be limited to those activities which if delayed would adversely impact FHWA's ability to carry out its mission, provide essential services, or effectively deliver the Federal-aid and Federal Lands Highway programs. Specific guidance follows:

1. Travel and temporary duty, including overseas travel, should be limited to that which is required to ensure effective project and program delivery. Consider using alternate meeting and communication formats, such as telephone, web, and video conferences, to minimize travel costs.
2. All offices should make downsizing or cancellation decisions for external conferences where FHWA attendance is planned. Please consider the importance of the conference attendance to the mission and any sunk costs that will be incurred through cancellation, as well as the importance of our close management of funds during this critical period. Similarly, all internal conferences should be postponed, accomplished through video or web conferencing technology, or reduced to essential attendees.
3. Mandatory training, e.g., long-term training programs which began in a previous fiscal year, or instruction required for an employee to effectively perform his/her assigned job responsibilities may continue as planned.
4. Permanent Change of Station (PCS) costs may continue but must be approved in advance by the Office of the Chief Financial Officer.
5. All furniture and equipment purchases, including computer equipment purchases, must be limited to essential items needed to maintain normal business. Funding for larger non-recurring purchases such as telephone systems and major furniture acquisitions will be restricted to locations where these actions are required to complete an office move or relocation already in process.
6. Printing and graphics should be suspended, especially where high-quality printing is being requested.

We realize these limitations may affect efforts already underway or those occurring early in the fiscal year. Should you have a situation or expenditure you feel is necessary, but falls outside of the above criteria, please contact Debbie Gibson in the Office of Budget at 202-366-9129 with the specifics of your request and we will review them on a case-by-case basis. Division Offices should make their requests through their respective Director of Field Services.

Federal-aid Highways

Apportionments of FY 2010 contract authority will be made in accordance with the extension of SAFETEA-LU programs (also contained in Division B of P.L. 111-68) as soon as the necessary computations have been completed and the appropriate approval has been received from the Office of Management and Budget (OMB). Carryover contract authority for apportioned programs is available for obligation but is subject to the limitation of the CR. Until the FY 2010 Appropriations Act is enacted, we are required to abide by the conditions of the CR and will limit obligations accordingly. The CR will also apply to the special limitation for Equity Bonus and the Appalachian Development Highway System.

Subsequent information will be provided that will include an attachment showing each State's share of the interim obligation limitation under the CR. This limitation applies to all programs that were charged to the limitation in FY 2009.

There is no limitation on the obligation of funds exempt from the Federal-aid obligation limitation during the CR. This includes obligations for Emergency Relief, as well as a portion of the funds available to each State under the Equity Bonus Program. Carryover balances of Equity Bonus associated with special no-year limitation may be obligated.

Allocated Programs

Except for special circumstances, we will not distribute obligation authority to non-formula Federal-aid highway programs subject to the limitation before enactment of the FY 2010 DOT Appropriations Act. Funds for allocated programs, including unobligated balances available on September 30, 2009, are subject to the terms of the CR and will be made available by the Budget Office on an as-needed basis. However, carryover balances of unused, multi-year obligation authority for research, ITS, and special limitation programs, as detailed in the SAFETEA-LU, will continue to remain available for obligation and will be in addition to any limitations placed by the CR.

Advances from Foreign Countries/Other Agencies, etc.

Programs funded by advances from foreign countries/other agencies, etc., may operate at a level commensurate with unobligated balances available on September 30, 2009, together with any new deposits made in FY 2010.

American Recovery and Reinvestment Act (ARRA) Funds

Carryover balances of ARRA Highway Infrastructure Investment funds will be available for obligation as soon as FHWA financial systems are back up for FY 2010. Carryover balances of formula ARRA funds apportioned to States will be available in FMIS on October 7, 2009. Carryover balances for allocated ARRA programs, including Federal Lands and administrative expenses (GOE), will be available after allotted by the Budget Office on or about October 9, 2009. ARRA GOE funds will be distributed according to the ARRA GOE distribution plan for FY 2010, as updated.

Other Programs

For all other programs not specifically covered above, obligations are limited to unobligated balances as of September 30, 2009, that are not subject to lapse.

Funding Transfers

Transfers of new formula (one-year) funding to the Federal Transit Administration and other agencies will not be processed under this short-term CR. Transfers of carryover multi-year and/or no-year funding (e.g., High Priority Projects) can be requested and processed during the CR. All requests may be submitted to the Office of Budget, where they will be logged in and processed as appropriate.

As in past years, we will continue to keep you informed of our funding situation and ask for your patience and cooperation as we work through this period of time. If you have any questions, please call Brian Bezio in the Budget Office at 202-366-9891.

Attachment