



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

# Memorandum

Subject: INFORMATION: Eligibility of HSIP Funds for Sign Replacement

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In Reply Refer To: HSA

To: Division Administrator

Since the recent rulemaking on the minimum retroreflectivity of traffic signs we have received inquiries concerning the eligibility of Highway Safety Improvement Program (HSIP) funds for sign replacement.

While a variety of safety improvements, including signing, are eligible activities, section 148 of title 23 U.S.C. outlines specific requirements for identifying and prioritizing projects. Data analysis is the foundation of the HSIP and should be the determining factor when making funding decisions and allocating resources. Safety funds are to be used on the most effective treatments at the locations with the greatest needs.

In order for a sign replacement project to be funded with HSIP funds there must be a demonstrated need and a safety benefit that is supported by data. In addition, safety projects funded with HSIP funds must be consistent with the State's Strategic Highway Safety Plan (SHSP).

Section 148(d)(2) of title 23 U.S.C. makes clear that other Federal-aid funds are eligible to support and leverage the safety program. Improvements to safety features, including traffic signs, that are routinely provided as part of a broader Federal-aid project should be funded from the same source as the broader project. We encourage the use of other Federal-aid funds for system wide replacement projects.

If your State plans to use funds available under the HSIP (23 U.S.C. 148) for traffic sign replacement, it is important that these funds be spent in line with the purpose of the program: "to achieve a significant reduction in traffic fatalities and serious injuries on public roads."

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