

This document was originally published in the fall of 2012 to coincide with the passage of the Moving Ahead for Progress in the 21st Century (MAP-21) Surface Transportation Reauthorization and the use of the 2010 Census data in FTA's FY 13 Apportionments. It has been updated to take into account the Fixing America's Surface Transportation (FAST) Reauthorization and methodological changes put into place by FTA since 2012.

Census 2010 and FTA Formula Grants

Background Information

- On March 27, 2012, the Bureau of the Census released its list of Urbanized Areas (UZAs) based on data collected in the 2010 Census. This information is available at <http://www.census.gov/geo/reference/ua/uafacts.html>
- The Census Bureau has published reference maps of the 2010 urbanized areas at ftp://ftp2.census.gov/geo/maps/dc10map/UAUC_RefMap/ua/
- The 2010 Census UZA deliniations resulted in:
 - five UZAs going over the 1 million population threshold (Austin, Charlotte, Jacksonville, Memphis, and Salt Lake City);
 - one UZA going under the 1 million population threshold (New Orleans);
 - 27 UZAs going over the 200,000 population threshold;
 - 36 new UZAs, all under 200,000 in population; and
 - four areas that were UZAs based on the 2000 Census going under the 50,000 threshold that qualifies an area as a UZA in 2010 (Galveston, TX; Sandusky, OH; Danville, VA; and Saipan, MP).
- The Bureau of the Census determined the list of Urbanized Areas (UZAs) based on technical criteria established by them. Their determinations are strictly technical and are made without regard to any of the many Federal programs that use them in many different ways.
- The criteria used in 2010 were not significantly different from 2000. The changes were mostly minor tweaks, for example reducing the distance separating populated areas to be included in the same UZA from 2.5 miles back to the 1.5 miles they used in 1990.
- One major change is that Census “grandfathered” the UZAs from the 2000 Census, significantly reducing the number of splits and mergers in the 2010 Census compared to 10 years ago.
 - No Census 2000 UZAs were to be merged so long as both UZAs remained above 50,000 in population. Thus, there are no mergers.
 - Boundaries between contiguous UZAs were based on the locations of Census 2000 urban area boundaries.
 - One split occurred when two populated areas in the same Census 2000 UZA were no longer connected using the new criteria.

- These rules facilitated continuity and comparability between the Census 2000 and the 2010 Census urban area definitions, but maintained some inconsistencies from the 2000 Census (e.g. the very large Miami-Ft. Lauderdale-Palm Beach UZA in South Florida vs. the numerous small UZAs in the San Francisco Bay Area.)
- Virgin Islands, Guam, and Northern Marianas agreed to have Census measure urbanization within their territories, but asked that regardless of the results, that all urban areas be classified as “urban clusters” (which are considered to be “rural” for purposes of FTA programs.
 - No UZAs were identified in Northern Marianas;
 - An urban area with 139,000 population in Guam will be treated as “rural” for purposes of FTA’s programs;
 - An urban area with over 50,000 population in Virgin Islands will be “ignored” by FTA as statute provides for the entire Virgin Islands to be treated as a UZA for purposes of FTA programs;
 - No UZAs were identified in American Samoa
- The primary reasons underlying UZA changes are urban sprawl and population growth, rather than changes in methodology.
- FTA has incorporated the 2010 Census data in its apportionments beginning with the FY 2013 apportionments.
- FTA does not currently have the statutory authority to grant exceptions administratively to allow operating assistance where it is ineligible under current law.

Program-by-Program Summary

The Section 5303 and 5304 Statewide and Metropolitan Planning Formulas

Under the Section 5303 Statewide Planning and Section 5304 Metropolitan planning programs, funds are allocated to the states on the basis of the urbanized area population of each state relative to the nationwide urbanized area population. An individual states’ share of Section 5303 and/or 5304 funds will increase or decrease depending on the extent to which the results of the 2010 census increased or decreased that states’ urbanized area population.

The Section 5307 Urbanized Area Formula

All else being equal, the increase in the number of urbanized areas as well as the number of persons living in urbanized areas means fewer Section 5307 dollars allocated per-person residing in an urbanized area. Any change to an individual UZA’s allocation resulting from the 2010 census depends on that UZA’s relative share of population and population density compared to similarly situated UZAs. The transit service levels, as reported by recipients via the National Transit Database (NTD) also impact the allocations made to urbanized areas over 200,000.

Although the number of UZAs with populations under 200,000 increased from 313 to 316, an individual UZA that experienced population and/or population density increases may have increased its share of funds available under the portion of the Section 5307 formula. In addition, the newly qualified may now receive more funds via the Section 5307 program than it had received as a non-urbanized area (and via the State) in the Section 5311 program. Although FTA publishes individual allocations for urbanized areas under 200,000. The State's designated recipient may re-allocate the funds in their Governor's apportionment resulting in urbanized areas receiving different amounts than are displayed on our apportionment tables.

Urbanized areas that crossed the 200,000 person threshold may experience increases or decreases in their overall allocation share, and the change may depend on the levels of transit service data provided. The amount of funds apportioned on the basis of population and population density decreases for urbanized areas between 200,000 and 1 million, compared to the amount available for urbanized areas under 200,000, however urbanized areas that report relatively high levels of bus vehicle revenue miles may experience overall increases in their share of funds. In addition, urbanized areas that cross the 200,000 person threshold are no longer eligible for funds allocated under the Small Transit Intensive Cities (STIC) program. Urbanized areas that remained over 200,000 may see increases or decreases depending on whether they gained or lost population and population density.

Urbanized areas that cross the 1 million person threshold may experience a decrease in their overall allocation share. Although the amount of funds available to urbanized areas over 1 million is greater than the amount available to urbanized areas in the between 200,000 and 1 million tier, the percentage of the funds that go to the new UZAs in the over 1 million tier is less than their percentage in the prior tier. Urbanized areas that remained over 1 million after the 2010 census may see increases or decreases depending on whether they gained or lost population and population density.

MAP-21 changed the Section 5307 and 5311 formulas, making funds available on the basis of low-income population in urbanized and non-urbanized areas, respectively and the FAST act carries forward this provision. FTA used ACS data on low-income individuals to allocate funds on the basis of low-income population. We use the ACS 5-year data sets, table B.17024, "Age by Ratio of Income to Poverty in the Last Twelve Months."

Poverty data for American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands comes from a separate ACS survey that is conducted on a decennial basis and includes data on persons of up to 100% of poverty. FTA estimated the number of persons in these territories at 150% of poverty by increasing the ACS-reported data by the average % increase between the 100% and 150% poverty population attributable to urbanized areas between 50,000 and 199,999 in population (in the case of the U.S. Virgin Islands) and the average % increase between the 100% and 150% poverty population attributable to non-urbanized areas in the United States (in the case of American Samoa, Guam, and the Northern Mariana Islands).

Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities

Under the Section 5310 formula, funds are allocated using census data on older adults (i.e., persons 65 and older) and people with disabilities. Beginning in 2010, the Census Bureau stopped collecting this demographic information as part of its decennial census. Data on older adults and people with disabilities is now only available from the American Community Survey (ACS), which is conducted and published on a rolling basis.. Data on older adults comes from the ACS five-year data set, table S.0103, “Population 65 Years and Older in the United States,” and table S.0103PR, “Population 65 Years and Older in Puerto Rico.” Data on persons with disabilities comes from the ACS five -year data set, table S.1810, “Disability Characteristics.”

The American Community Survey publishes new five-year data sets in December of each year (for example in December 2014, the Census published their 2009-2013 five year data sets). The ACS data used in FTA’s annual apportionments are based on the most-recent ACS estimates that are available as of October 1st for the year being apportioned. This is consistent with the policies FTA has used for NTD data in the past. This policy provides predictability in the data to be used for the apportionment, without being contingent on the variable dates on which an appropriation is enacted into law, or on which an apportionment notice is formally published. In addition, it is consistent with the fact that even when an appropriation is enacted after the fiscal year, which begins on October 1st, the amount appropriated is based on that full fiscal year.

Section 5311 Non-Urbanized Area Formula

Under the Section 5311 formula, funds are allocated on the basis of non-urbanized area population and non-urbanized land area, as well as on the basis of low-income persons residing in non-urbanized areas and bus vehicle revenue miles associated with non-urbanized areas.

FTA derives a state’s non-urbanized population and non-urbanized land area by subtracting the urbanized area population and land area from the state’s total population and land area. This method includes subtracting the portions of any multi-state urbanized area that reside in the state whose non-urbanized area population and land area is being calculated. For example, the non-urbanized population for the State of Maryland consists of the statewide population minus the populations of the Baltimore, Aberdeen, Frederick, St. Charles, and Westminster urbanized areas and the Maryland portions of the Washington DC-MD-VA, Cumberland MD-WV-PA, Hagerstown MD-WV-PA, and the Salisbury MD-DE urbanized areas.

States who saw relatively large declines in non-urbanized population and land area may have seen their share of the Section 5311 apportionment decline, and vice versa. (The relative levels of vehicle revenue miles associated with each state also impact the state’s allocation).

Section 5339 Bus and Bus Facilities Formula

MAP 21 requires that FTA apportion funds under the Bus and Bus Facilities formula on the basis of the tier of the Section 5307 formula that allocates funds to urbanized areas under 200,000 as well as the basis of the Section 5307 formula tier that allocates funds to urbanized areas over 200,000 on the basis of population, population density, and bus vehicle revenue miles and the FAST Act carries forward this provision. The 2010 census data used for these portions of the 5307 formula was also applied to the Section 5339 formula. Since the Section 5339 program is a new program, it is not possible to compare allocations made using 2010 census data with 2000 census data, however the additional funds made available to urbanized areas under the 5339 program may help to offset any Section 5307 funding allocation losses that urbanized areas have experienced as a result of the 2010 census.

Section 5340 Growing States and High Density States Formula

The Growing States component of the section 5340 formula requires FTA to project each state's population fifteen years from the date of the most recent census. FTA is now projecting each state's 2025 population to derive each state's share of growing states funds. Pursuant to the Growing States formula, FTA divides Growing States funds for use in urban areas and non-urban areas on the basis of the population residing in urbanized versus non-urbanized areas. The 2010 census' increase in urbanized areas and population shifted this urban/rural split such that growing states funds are now divided approximately 71% to urban and 29% to non-urban areas as compared with a 68%/32% urban/non-urban split based on 2000 Census data.

Under the High Density States component of the Section 5340 formula, only states with population densities of 370 persons per square mile are eligible to receive funds. The 2010 census did not result in any new state being eligible for this formula allocation, nor did it render any of the existing seven states ineligible.

How Census Data will be Used in Future Fiscal Year Apportionments

Barring statutory changes to the funding formulas, FTA anticipates continuing to use the data on urbanized area population, population density and non-urbanized population and land area used this apportionment for all future apportionments until the census releases its 2020 urbanized areas. ACS data will be updated on an annual basis.

Per the statutory language governing the Section 5340 formula, FTA will continue to use the statewide population counts that the Census updates and posts each year to project each states' 2025 population. If the current-year statewide population table has not been posted by the Census at the time the apportionments are calculated, FTA will rely on the most recent data available.

The census data that FTA data used to calculate the apportionments associated with this notice can be found on our website.

How the 2010 Census Impacts FTA's Grant Administration Requirements

The changes to urbanized areas resulting from the 2010 census may require changes to how transit agencies, designated recipients, metropolitan planning organizations, and State Departments of Transportation conduct transportation planning and apply for, receive, and manage FTA formula funds. The extent to which change needs to take place depends on how the 2010 census impacts particular urbanized areas.

FTA's regional staff members are providing technical assistance to stakeholders in individual states and urbanized areas on how to respond to the particular census impacts and we encourage persons with questions about how the census will impact grant administration practices their state or urbanized area to contact their FTA regional office.

This notice provides general information on how grant administration procedures may change based on the types of urbanized area shifts that have resulted from the 2010 Census.

New Urbanized Areas

In the case of the areas that became new urbanized areas over 50,000 but under 199,999:

- Transit providers in the new Small UZA will need to become knowledgeable of, and fully participate in, the planning activities of a newly designated metropolitan planning organization (MPO) for that UZA.
- Transit providers that are eligible public entities may elect to become a direct recipient and receive grants directly from FTA. Direct recipients are subject to oversight by FTA, which includes additional reporting requirements and compliance reviews (e.g. civil rights reviews, triennial reviews.)
- Private, non-profit organizations that provide public transit services in urbanized areas will need to be under contract with an eligible direct recipient in order to receive funds.
- Funding for Small UZAs will be apportioned to the Governor as the Designated Recipient responsible for allocating these funds to the various small UZAs in the State. Amounts specific to each small UZA are published by FTA for informational purposes only, and are non-binding on the Governor.
- For multi-state Small UZAs, the Governor's Apportionment will include an amount attributable to the state's share of the Small UZA's population.
- Transit providers in the formerly non-urbanized area will now be eligible to receive funds under the FTA's formula programs for urbanized areas.

Formerly non-Urbanized Areas

In the case of formerly non-urbanized areas that have been subsumed into an urbanized area:

- Transit providers in the formerly rural area that are eligible public entities may elect to become a Direct Recipient and receive grants directly from FTA as allocated by the Designated Recipient. Direct recipients are subject to oversight by FTA, which includes additional reporting requirements and compliance reviews (e.g. civil rights reviews, triennial reviews).
- Private non-profit organizations that provide public transit in the formerly rural area will need to cooperate with an eligible Direct Recipient in order receive funds.
- The MPO for the UZA and transit providers in the formerly non-urbanized area will be required to coordinate in the programming of Federal transit funding (in cooperation with the Designated Recipient in areas with populations of 200,000 or more).
- If the formerly non-urbanized area has become part of a Large UZA, the state and designated recipient(s) must submit documentation that any transit providers in the formerly non-urbanized area have concurred in the selection of the designated recipient.

New Large Urbanized Areas

In the case of urbanized areas that have grown over 200,000 in population:

- The Governor must select an appropriate agency as the Designated Recipient, which will be responsible for sub-allocating FTA program funding to other service providers in the Large UZA.
- Current direct recipients of FTA funding will no longer be eligible for reimbursement of operating expenses, such as fuel and operator salaries, for services in a large UZA. An exception exists for transit service providers that operate fewer than 100 buses in fixed route service during peak hours.
- Transit providers in Small UZAs that have grown to above 200,000 in population will need to become knowledgeable of, and fully participate in, the planning activities of their MPOs, as a more robust level of multimodal planning is involved