**FTA’s Narrative Guide to the Formula Program Flowcharts**

This document provides a narrative description, for the purposes of Section 508 compliance, of the formula flowcharts that are posted on [www.fta.dot.gov](http://www.fta.dot.gov). This document does not represent a complete explanation of FTA’s funding formulas. For more information on how funds are distributed via the statutory formulas that FTA administers, please contact the FTA Office of Transit Programs at 202-366-2053.

**I. The Section 5303 Statewide Planning Formula**

1. Start with the amount of funds appropriated by Congress (the appropriated amount).

1a. Subtract funds dedicated for program oversight (0.5% of funds appropriated)

1b. Add reapportioned funds that remain left over from prior fiscal years.

1c. The resulting amount is the program’s apportionment amount.

2. The apportionment amount is allocated to states on the basis of the population residing in large urbanized areas of the state compared with the population residing in large urbanized areas of all states.

2a. This formula contains a funding floor such that no state can receive less than 0.5% of the apportionment amount.

**II. The Section 5305 Metropolitan Planning Formula**

1. Start with the amount of funds appropriated by Congress (the appropriated amount).

1a. Subtract funds dedicated for program oversight (0.5% of funds appropriated)

1b. Add reapportioned funds that remain left over from prior fiscal years.

1c. The resulting amount is the program’s apportionment amount.

2. Eighty percent of the apportionment amount is allocated to states on the basis of the population residing in large urbanized areas of the state compared with the population residing in large urbanized areas of all states.

2a. This formula contains a funding floor such that no state can receive less than 0.5% of the apportionment amount.

2b. Twenty percent of the apportionment amount is allocated to states on the basis of the proportion of urbanized areas of with over 1 million in population in a state compared with the population of urbanized areas of over 1 million people in all states.

**III. The Section 5307 Urbanized Area Formula Program Formula**

1. Start with the amount of funds appropriated by Congress (the appropriated amount).

1a. Subtract funds dedicated for program oversight (0.75% of funds appropriated) as well as funds mandated for the Small Transit Intensive Cities (STIC) program.

1b. Add reapportioned funds that remain left over from prior fiscal years.

1c. The resulting amount is the program’s apportionment amount.

2. Allocate 9.32% of the apportionment amount to states for use in urbanized areas with populations of between 50,000 and 199,999. This is the amount for the governor’s apportionment tier.

2a. Fifty percent of the funds allocated to the governor’s apportionment tier are allocated to urbanized areas on the basis of the population of the urbanized areas in this tier and fifty percent of the funds in this tier are allocated on the basis of population multiplied by the population densities of the urbanized areas in this tier.

3. The remaining 90.68% of the apportionment amount is allocated to urbanized areas with populations of 200,000 persons or greater. This amount is divided into two tiers, a fixed guideway tier, which receives 33.29% of the funds and a bus tier, which receives 66.71% of the funds.

4. The amount available in the fixed guideway tier is divided into two tiers, a fixed guideway incentive tier, that receives 4.39% of the amount in the fixed guideway tier, and a fixed guideway non-incentive tier, that receives 95.61% of the fixed guideway tier.

4a. The funds in the fixed guideway incentive tier are apportioned on the basis of fixed guideway passenger miles traveled squared divided by operating costs.

4b. If the amounts calculated in step 4a results in any urbanized area with commuter rail service and a population of over 750,000 receiving less than 0.75% of the total amount of funds available in the fixed guideway incentive tier, than a 0.75% floor is established for all urbanized areas and the remaining funds are distributed using the calculations described in step 4a.

5. Sixty percent of the funds available in the fixed guideway non-incentive tier (referenced in step 4 of this narrative) are apportioned on the basis of fixed guideway vehicle revenue miles. The remaining 40% of the funds in this tier are apportioned on the basis of fixed guideway directional route miles.

5a. However, if the amounts calculated in step 5 results in any urbanized area with commuter rail service and a population of over 750,000 receiving less than .75% of the total amount of funds available in the non-incentive tier, than a .75% floor is established for all urbanized areas and the remaining funds are distributed using the calculations described in step 5.

6. The funds referenced in the bus tier (in step 3 of this narrative) are sub-divided into a bus incentive tier, which receives 9.2% of the total funds in the bus tier, and a bus non-incentive tier, which receives 90.8% of the funds in the bus tier.

6a. The funds in the bus incentive tier are apportioned on the basis of bus passenger miles traveled to the second power divided by operating costs.

6b. The funds referenced in the bus non-incentive tier (in step 6 of this narrative) are subdivided into a sub-tier that funds urbanized areas with populations of 1 million or greater, which receives 73.39% of the funds in the bus non-incentive tier, and a sub-tier that funds urbanized areas with populations of between 200,000 and 1 million, which receives 26.61% of the funds in the bus non-incentive tier.

6c. Fifty percent of the funds allocated to the 1 million or greater tier are apportioned to urbanized areas on the basis of bus vehicle revenue miles reported, 25% are apportioned on the basis of the urbanized area’s population, and 25% of the funds are populated on the basis of population density.

6d. Fifty percent of the funds allocated to the 200,000 to 1 million tier are apportioned to urbanized areas on the basis of bus vehicle revenue miles reported, 25% are apportioned on the basis of the urbanized area’s population, and 25% of the funds are populated on the basis of population density.

**IV. The Section 5340 Growing States and High Density States Formula**

1. Start with the amount of funds appropriated by Congress (the appropriated amount).

2. Fifty percent of the appropriated amount is allocated to a growing states tier and fifty percent of the appropriated amount is allocated to a high density states tier.

2a. Each state’s share of the growing states tier is calculated by first projecting the state’s population in 2015. This projection is performed by identifying the population of the state in the apportionment year and subtracting from that value the state’s population according to the 2000 Census. The resulting value is multiplied by the number of years between the apportionment year and 2015, and this resulting value is added to the state’s population according to the 2000 Census. Next, each state’s share of the growing states tier is calculated by dividing its 2015 projected population by the 2015 projected populations of all states.

2b. The funds allocated to each state under Step 2b, are divided into urbanized portion and non-urbanized portion on the basis of the percentage of the population in each state that resides in urbanized areas and outside of urbanized areas.

2c. The funds allocated to individual urbanized areas in a state is calculated by dividing an individual urbanized area’s population by the population of all of the urbanized areas in that state.

2d. The amount calculated for each urbanized area in step 2c is added to the Section 5307 apportionment for that urbanized area.

2e. The amount calculated for each state based in step 2b is added to the Section 5311 apportionment for that state.

3. The high density tier is allocated to states with a population density equal to or greater than 370 persons per square mile. This results in the following states receiving funds: Massachusetts, Maryland, New Jersey, Rhode Island, New York, Connecticut, and Delaware.

3a. The relative amount of funds allocated to each of the states referenced in step 3 is calculated by:

3a(1). Taking the total population of the state in question and subtracting from this value the state’s land area multiplied by 370 persons per square mile multiplied by the urbanized area population of the state in question.

3a(2). The value calculated in step 3a(1) is divided by the total population of the state.

3a(3). The value calculated in step 3a(2) is divided by the values obtained when the calculations in 3a(1) and 3a(2) are performed for all seven states.

3b. The individual urbanized area’s share of the high density tier is calculated by dividing population in urbanized area of the state by the population of all of the urbanized areas in the state.

3c. The amount calculated for each urbanized area in step 3b is added to the Section 5307 apportionment for that urbanized area.

**V. The Small Transit Intensive Cities (STIC) Formula**

1. The apportionment amount for the STIC program is 1% of the amount appropriated by Congress for the Section 5307 program.

2. The amount of money associated with each STIC performance factor is calculated by dividing the apportionment amount by the number of factors exceeded for that year.

3. The amount calculated in step 2 is divided by six and allocated to the following performance factors: passenger miles per vehicle revenue mile, passenger miles per vehicle revenue hour, vehicle revenue miles per capita, vehicle revenue hours per capita, passenger miles per capita, and passenger trips per capita.

**VI. Section 5309 Fixed Guideway Modernization Formula**

1. Start with the amount of funds appropriated by Congress (the appropriated amount).

1a. Subtract funds dedicated for program oversight (0.5% of funds appropriated).

1b. Add reapportioned funds that remain left over from prior fiscal years.

1c. The resulting amount is the program’s apportionment amount.

2. The first tier of the formula contains $497,000,000 of the apportionment amount. This amount is allocated to the following eleven areas: Baltimore, $8,372,000, Boston, $38,948,000, Chicago/N.W. Indiana, $78,169,000, Cleveland, $9,509,500, New Orleans, $1,730,588, New York, $176,034,461, N. E. New Jersey, $50,604,653, Philadelphia/So. New Jersey, $58,924,764, Pittsburgh, $13,662,463, San Francisco, $33,989,571, SW Connecticut, $27,755,000

3. The second tier of the formula contains $70,000,000 of the apportionment amount. Fifty percent t of this amount is allocated to the areas referenced in the first tier, and 50% of the funds are allocated to other areas with transit systems that were eligible to receive fixed guideway funds in 1997 on the basis of vehicle revenue miles and directional route miles used in the 1997 apportionments.

4. The third tier of the formula contains $5,700,000 of the apportionment amount. Of this amount, 61.76% is allocated to Pittsburgh, 10.73% is allocated to Cleveland, 5.79% is allocated to New Orleans, and the remaining 21.72% is allocated to other areas with transit systems that were eligible to receive fixed guideway funds in 1997 on the basis of vehicle revenue miles and directional route miles used in the 1997 apportionments.

5. The fourth tier contains $186,000,000 of the apportionment amount. Of this amount, 50% is allocated to the areas referenced in the first tier and 50% of the funds are allocated to other areas with transit systems that were eligible to receive fixed guideway funds in 1997 on the basis of the most current vehicle revenue miles and directional route miles reported to the National Transit Database.

6. The fifth tier contains $50,000,000 of the apportionment amount. Of this amount, 60% is allocated to the areas referenced in the first tier and 40% is allocated to other systems with fixed guideway segments over seven years old on the basis of the most current vehicle revenue miles and directional route miles reported to the National Transit Database.

7. The seventh tier consists of any funds remaining in the apportionment amount. Of the amount in this tier, 50% is allocated to the areas referenced in the first tier and 50% is allocated to other systems with fixed guideway segments over seven years old on the basis of the most current vehicle revenue miles and directional route miles reported to the National Transit Database.

**VII. The Section 5310 Elderly Individuals and Individuals with Disabilities Formula**

1. Start with the amount of funds appropriated by Congress (the appropriated amount).

1a. Subtract funds dedicated for program oversight (.5% of funds appropriated).

1b. Add reapportioned funds that remain left over from prior fiscal years.

1c. The resulting amount is the program’s apportionment amount.

2. The apportionment amount is allocated to states and territories on the basis of older adults and people with disabilities in the state and territory compared with the total number of older adults and people with disabilities in all states and territories.

2a. This formula contains a funding floor such that no state can receive less than $125,000 (including the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands). The formula also contains a $50,000 funding floor for the American Samoa and Northern Mariana Islands.

**VIII. The Section 5311 Non-urbanized Area Formula**

1. Start with the amount of funds appropriated by Congress (the appropriated amount).

1a. Subtract funds dedicated for program oversight (0.5% of funds appropriated) and 2% funds reserved for the Rural Transit Assistance Program (RTAP).

1a(1). Of the RTAP funds, subtract 15% of funds reserved for the National RTAP.

1(a)(2). The remaining funds are apportioned to states and territories on the basis of the population residing in other than urbanized areas of the state and territory compared with the total population residing in other than urbanized areas of all states and territories.

1(a)(3). The formula contains a funding floor such that no state can receive less than $65,000 in RTAP funds and no territory can receive less than $10,000 in RTAP funds.

1b. Add to the appropriated amount the reapportioned funds that remain left over from prior fiscal years

1c. The resulting amount is the apportionment amount.

2. Twenty percent of the apportionment amount is allocated to States and territories on the basis of the land area of the state or territory compared to the land area for all states and territories. There is a funding ceiling such that no state can receive more than 5% of the funds that are allocated on the basis of land area.

3. Eighty percent of the apportionment amount is allocated to States on the basis of the population residing in other than urbanized areas of the state compared with the total population residing in other than urbanized areas of all states and territories.

**IX. The Section 5316 Job Access and Reverse Commute Formula**

1. Start with the amount of funds appropriated by Congress (the appropriated amount).

1b. Add to the appropriated amount the reapportioned funds that remain left over from prior fiscal years

1c. The resulting amount is the apportionment amount.

2. Sixty percent of the apportionment amount is allocated to urbanized areas with populations of 200,000 persons or greater.

2a. Each qualifying urbanized area’s share is calculated on the basis of the low-income population residing in that urbanized area compared to the low-income population of all qualifying urbanized areas.

3. Twenty percent of the apportionment amount is allocated to states for use in urbanized areas with populations between 50,000 and 199,999 persons.

3b. Each state’s share is calculated on the basis of the low-income population residing in qualifying urbanized areas of that state compared with the low-income population of qualifying urbanized areas in all of the states.

4. Twenty percent of the apportionment amount is allocated to states for use in non-urbanized areas of the state.

4b. Each state’s share is calculated on the basis of the low-income population residing in the non-urbanized portion of that state compared with the low-income population of the non-urbanized areas of all states.

**X. The Section 5317 New Freedom Formula**

1. Start with the amount of funds appropriated by Congress (the appropriated amount).

1b. Add to the appropriated amount the reapportioned funds that remain left over from prior fiscal years

1c. The resulting amount is the apportionment amount.

2. Sixty percent of the apportionment amount is allocated to urbanized areas with populations of 200,000 persons or greater.

2a. Each qualifying urbanized area’s share is calculated on the basis of the population of people with disabilities residing in that urbanized area compared to the low-income population of all qualifying urbanized areas.

3. Twenty percent of the apportionment amount is allocated to states for use in urbanized areas with populations between 50,000 and 199,999 persons.

3b. Each state’s share is calculated on the basis of the population of people with disabilities residing in qualifying urbanized areas of that state compared with the low-income population of qualifying urbanized areas in all of the states.

4. Twenty percent of the apportionment amount is allocated to states for use in non-urbanized areas of the state.

4b. Each state’s share is calculated on the basis of the population of people with disabilities residing in the non-urbanized portion of that state compared with the low-income population of the non-urbanized areas of all states.