

# Revisiting the intra-State Distribution Formulas

For MPO and RPA planning funding

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## Background

- After the Census Bureau publishes the Federal Register notice announcing the qualifying urban areas based on the results of the 2020 Decennial Census, States are required to revisit the intra-State distribution formulas and revise, as necessary.
  - Required by law (23 CFR 420.109) (49 U.S.C. 5305(d)(2) for MPOs
- A revisit is to ensure that the new Census 2020 urban area population figures are being used and that any new MPOs are part of the calculation.
- Not required for RPA planning funding.

## Federal Requirements

- PL
  - All PL funds are to be made available to MPOs and distributed in accordance with a formula developed by the State, in consultation with the MPOs, and approved by FHWA.
  - State DOTs cannot use PL funds for grant or subgrant administration, but the formula may allow for a portion of the PL funds to be used by the State DOT for activities that benefit all MPOs in the State.
  - The formula may also provide for a portion of the PL funds to be made available for discretionary grants to MPOs to supplement their annual amount received under the distribution formula.
  - States must notify MPOs of their PL allocations, and any PL funds not needed for metropolitan planning may be made available for statewide planning with consent of MPOs.

## PL Distribution Requirements

- For the distribution of amounts within States, Section 23 CFR 104(d)(2) says the distribution within any State of the PL funds made available to MPOs shall be in accordance with a formula that takes into consideration:
  - Population
  - Status of planning
  - Attainment of air quality standards
  - Metropolitan areas transportation needs, and
  - Other factors necessary to provide for an appropriate distribution of funds to carry out the requirements of 23 U.S.C. 134 and other applicable requirements of Federal law.

## Iowa's PL Distribution Formula

- PL funding is allocated to each MPO based strictly on the percentage share of urbanized population within each MPO compared to the total population of all urbanized areas in Iowa.
  - If Ames has 4.76% of the total Iowa urbanized area population, they receive 4.76% of the total PL funding.
  - The formula only uses the MPO population within the Iowa border.

## 5305d Distribution Requirements

- 49 U.S.C. 5305(d)(2) addresses the formula requirements for FTA 5305d funding. It states that funds shall be made available to MPOs under a formula that:
  - considers population of urbanized areas
    - (FHWA and FTA still consider 50,000 or more people as an urbanized area);
  - provides an appropriate distribution for urbanized areas to carry out the cooperative process;
  - the State develops in cooperation with the metropolitan planning organizations; and
  - the Secretary approves.



## Iowa's 5305 Distribution Formula

- 5305 funding is more complex PL
  - 33.3% is distributed to all MPOs equally
  - 33.33% divided among MPOs based on their share of the total statewide urbanized area population from the most recent decennial Census
  - 33.33% divided among MPOs based on their share of the total statewide urbanized area population from the prior decennial Census



## RPA Distribution Formula

- RPAs utilize the non-urbanized area population
- FTA 5305e funds, FTA 5311 funds, and FHWA SPR funds are the planning funding sources available to Iowa's RPAs.
- A portion of the state's FTA 5311 funds is combined with the 5305e funds and, in turn, are sub-allocated by the state to RPAs by a formula that considers a
  - minimum distribution,
  - population, and
  - regional planning needs.

## RPA Distribution Formula

- For Iowa RPA FTA 5305e and 5311 funds, the agreed upon formula is that these funding sources are combined and distributed
  - one-half equally among all RPAs (minimum distribution/base),
  - one-quarter based on each RPA's share of the total statewide non-urbanized population from the most recent decennial census (population), and
  - one-quarter based on the ratio of the number of counties in each RPA out of the statewide total counties (regional planning needs).
- For FHWA SPR, funds are distributed on a 1:1 match of each RPA's FTA 5305e/5311 funding allocation, after such is determined.

## Options to consider in a distribution method

- Equity/Fairness
- Population
- Clauses
- Area transportation planning needs
- Appropriate distribution for areas to carry out requirements of the cooperative (3c) process

## Timeline of Next Steps

- **December 29, 2022**
  - Census Bureau publishes the Federal Register notice announcing the qualifying urban areas based on the results of the 2020 Decennial Census.
- **May 1 – June 1**
  - MPOs, RPAs, and Iowa DOT review the distribution formulas and reaffirm the existing formulas or agree on new intra-State formulas.
- **June 1 – mid July**
  - Iowa DOT staff will revise formulas as necessary and if needed, send back out new distribution formula to agencies, requesting review and confirmation.
- **October 1, 2023**
  - Target date for finalizing the PL and 5305d distribution formulas. If any revisions are made, the formulas must be submitted to FHWA and FTA for review and approval. Otherwise, just submitted.

## Questions?