Overview of FY 2024 Formula Apportionments

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U.S. Department of Transportation
Federal Transit Administration

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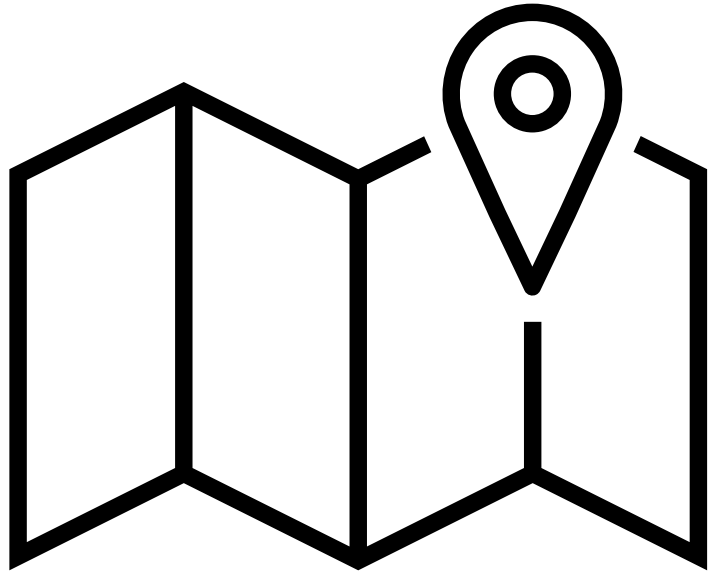
Agenda

1. Welcome and Introduction
2. FY 2024 Formula Apportionments Background
3. 2020 Census and Relevance to FTA Formula Programs
4. National Transit Database Reporting and Relevance to FTA Formula Programs
5. Summary-Level Impacts to FY 2024 Apportionments
6. Recipient Flexibilities with Apportioned Funds
7. FY 2024 Apportionments Resources



FY 2024 Formula Apportionments Background

U.S. Department of Transportation
Federal Transit Administration

FY 2024 Apportionments Provided in Two Stages

- **Partial-Year Apportionments (Published 2/29/2024):**
  - Enacted January 19, 2024
  - Represented approx. 5/12 of full year at FY 23 funding levels
  - However, could not be used to accurately estimate full-year apportionments due to funding levels being at the FY23 appropriated levels.

- **Full-Year Apportionments (Published 4/4/2024):**
  - Enacted March 9, 2024
  - Represents full-year of funding at FY 24 Bipartisan Infrastructure Law levels
  - Supersedes partial-year apportionments for FY 24

FTA Formula Grant Programs

- **Section 5303:** Metropolitan Transportation Planning Formula Grants
- **Section 5304:** Statewide and Nonmetropolitan Transportation Planning Formula Grants
- **Section 5307:** Urbanized Area (UZA) Formula Grants
- **Section 5310:** Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities
- **Section 5311:** Formula Grants for Rural Areas
- **Section 5311(c)(1):** Public Transportation on Indian Reservations
- **Section 5329(e):** State Safety Oversight Program
- **Section 5337:** State of Good Repair Grants
- **Section 5339(a):** Formula Grants for Buses and Bus Facilities
- **Section 5340:** Apportionments Based on Growing and High-Density States Formula Factors

What Drives Formula Apportionments?

- FTA apportions funds in accordance with statutory (set in law) formulas for programs included in Title 49, Chapter 53 (e.g., 49 U.S.C. 5336 for Section 5307 funds)

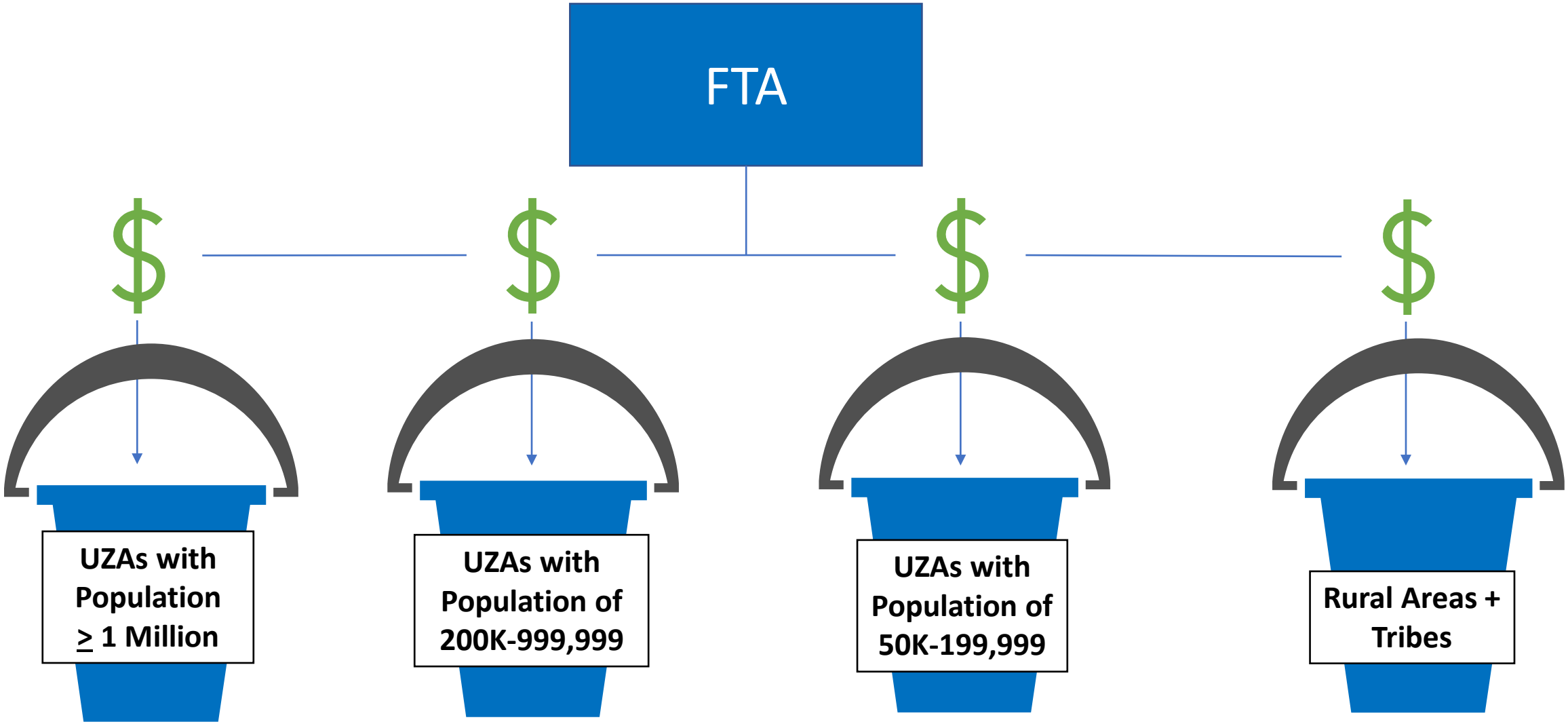
- Apportionments made to various tiers of Census geographies based on established population thresholds (on next slide)

- Various formula program apportionments based on numerous factors, but are most prominently driven by the following:

Census
1) Population
2) Population Density
3) Low-Income Population
4) Population of Seniors and Individuals with Disabilities

Service Data Reported to National Transit Database (NTD):
1) Vehicle Revenue Miles
2) Passenger Miles Traveled
3) Operating Expenses
4) Fixed-Guideway Directional Route Miles

Tiers of Census Geographies Receiving Apportionments



Important Points on Apportionments to Census Geography Tiers

- Census geography tiers function as independent buckets of funding that receive set amounts to be divided among the specific areas falling within each.

- Therefore, apportionments to specific areas are based on how they stack up against each other within that particular bucket of funding.

- Formula factors that inform apportionments vary among various formula programs (e.g., Section 5307 vs. Section 5310) and, for some programs, from bucket to bucket (e.g., UZAs ≥ 200K in population vs. UZAs < 200K) within each program. See FTA Recipients and Formula Factors Table on FTA's 2020 Census Resources and Information webpage.

- Also, formula factors that are common to more than one bucket are worth different values from bucket to bucket, and many of these values change from year to year. See FY 2024 Formula Apportionments Data Unit Values for differences in these values among tiers.

Example: Formula Apportionments for Different Programs Based on Different Factors

Section 5311 (Formula Grants for Rural Areas)
1) Population
2) Low-Income Population
3) Vehicle Revenue Miles
4) Non-Urbanized Land Area

Section 5310 (Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities)
1) Population of Individuals with Disabilities
2) Population of Individuals Age 65+

Example: Value of Formula Factors Varies Among Census Geography Tiers Within Same Formula Program

Section 5307 FY 2024 Value of Select Formula Factors			
Formula Factor	**Value to UZAs ≥1 Million in Population**	**Value to UZAs 200K-999,999 in Population**	**Value to UZAs < 200K in Population**
Population	$4.18	$3.73	$9.31
Low-Income Population	$3.78	$3.78	$7.00
Bus Vehicle Revenue Miles	$0.70	$0.84	N/A

FTA Formula Grant Funding – FY 23 to FY 24 Comparison

Formula Program(s) (before oversight takedowns)	FY 2023 Appropriated Funding	FY 2024 Appropriated Funding
Section 5305: Metro/Statewide Planning Funds	$188,504,820	$193,426,906
Section 5307: Urbanized Area Formula Grants*	$6,512,164,133	$6,682,987,840
Section 5310: Enhanced Mobility of Seniors and Individuals with Disabilities	$429,002,836	$438,899,052
Section 5311: Formula Grants for Rural Areas**	$884,639,522	$907,738,515
Section 5337: State of Good Repair	$4,237,778,037	$4,330,934,484
Section 5339(a): Buses and Bus Facilities	$616,610,699	$632,711,140
Section 5340: Growing and High-Density States Factors	$756,523,956	$776,277,698
TOTAL by Formula	**$13,625,224,003**	**$13,962,975,635**

*Includes State Safety Oversight formula
**Includes Rural Formula, RTAP, Appalachian, and Tribal formula

Two Big Changes For FY 2024 Apportionments

- **2020 Census:**
  - **FY 2024 apportionments** are first to use the new 2020 Census Urbanized Area (UZA) delineations
  - **FY 2023 and prior-year apportionments** to be used in accordance with the **2010 UZA vs. rural designations** and the rules attached to the respective UZA population tiers
- **Post-Pandemic Service Data:** For formulas, or parts thereof, driven by transit service data, FY 24 apportionments use 2022 data reported by transit agencies to the National Transit Database (NTD).
  - **FY 2023 Apportionments** - Used transit agencies' 2019 or 2021 service data based on the year with highest agency total VRM
  - **FY 2022 Apportionments** - Used transit agencies' 2019 or 2020 service data based on the year with highest agency total VRM

Background on 2020 Census and Relevance to FTA Formula Programs

U.S. Department of Transportation
Federal Transit Administration

2020 Census Overview

- On December 29, 2022, the Census Bureau announced final urban areas based on the 2020 Census.

- The Census Bureau delineates urban vs. rural geographic areas across the nation every 10 years to coincide with the decennial census.

- The geographic coverage and populations of all urban areas have changed to some extent (some by very little and others by a lot).

- The 2020 urban area delineations directly impact the funding distribution and eligibility of FTA formula grant programs.

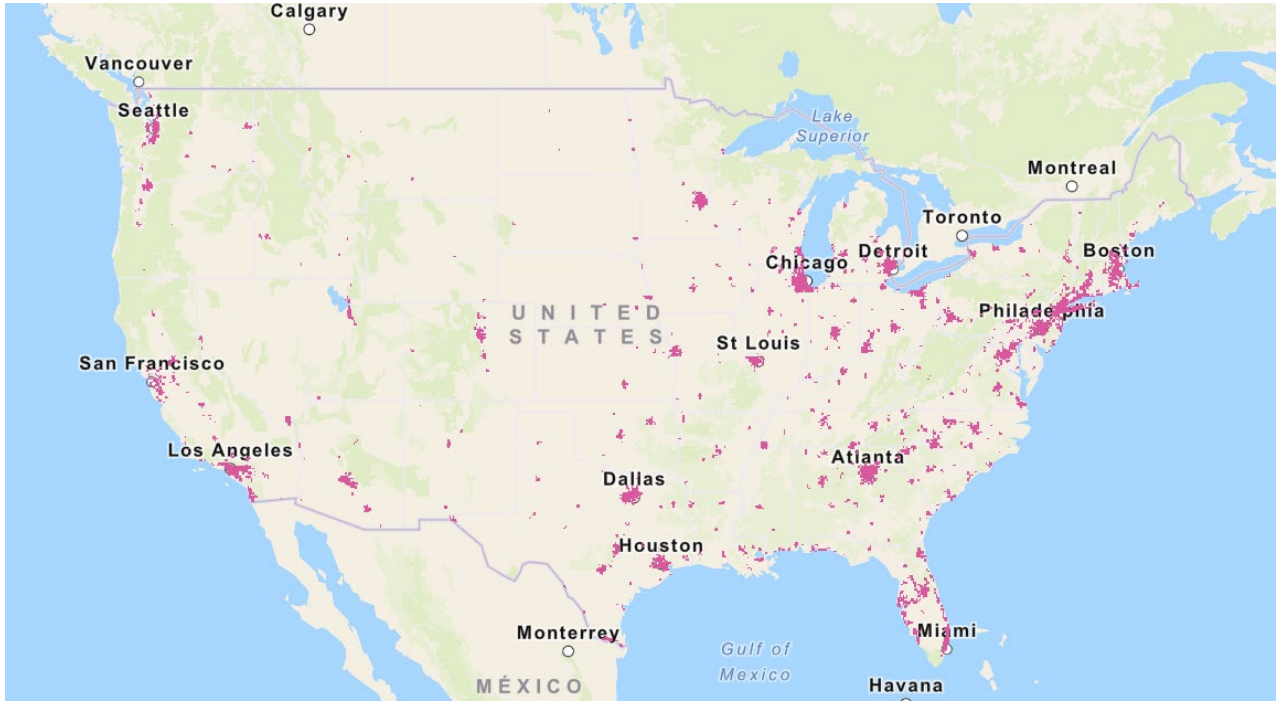
2020 Census and FTA Designations

Census Bureau:

- Urban Area – At least 2,000 housing units or 5,000 people

FTA:

- Urbanized Area (UZA) – Urban areas with 50,000 or more people
- 497 UZAs in 2010 → 510 UZAs in 2020

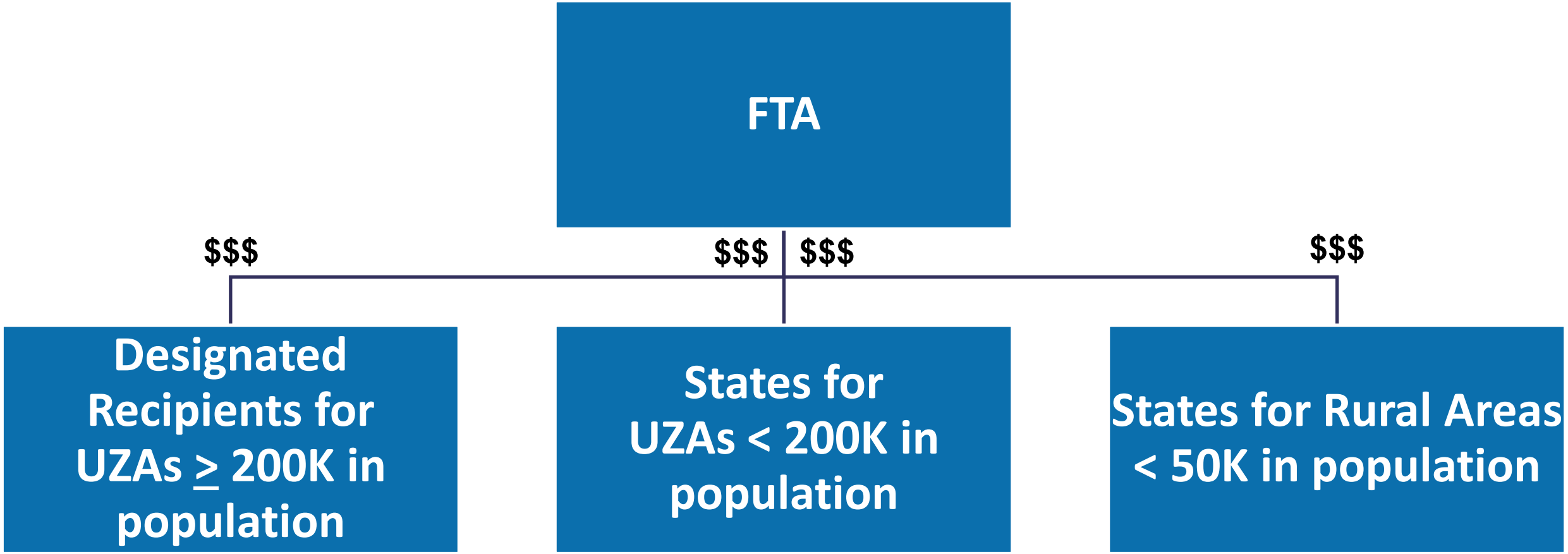


FTA formula funding program tiers reflect Urbanized Areas, or UZAs

FTA Population Tiers for UZAs

- **Large UZA –** Population of 200,000 or more
- **Small UZA –** Population of 50,000 to 199,999
- **Rural Area –** Everywhere outside of UZAs
- **Recipients, including those that have control of the funding; factors driving apportionments; program-specific requirements; flexibility to transfer funds to other Census geographies; and eligibility of activities/projects differ among tiers.**

Who Receives Formula Funds for Each Type of Census Designation?



2020 Census - Variety of Impacts to UZAs

Type of Impact	# of UZAs Impacted
Completely new UZAs created from previously Rural area	20
Completely new UZAs created from other pre-existing UZAs	8
Pre-existing UZAs eliminated and now Rural or part of another UZA	15
Small UZAs grew to Large UZAs	14
Large UZAs depopulated and/or contracted in geographic coverage to become Small UZAs	2

- Additional significant changes include pre-existing UZAs that have contracted in geographic coverage or expanded to absorb previously rural areas.
- UZA-specific changes are described in FTA's Crosswalk of 2020 Census Changes and can be viewed from a spatial perspective using FTA's Interactive Census Map.

Background on NTD Reporting and Relevance to FTA Formula Programs

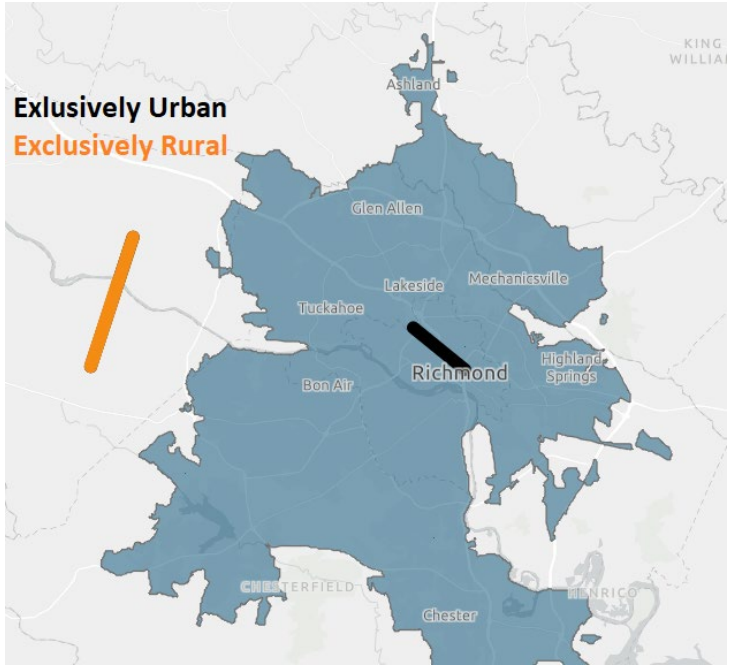
U.S. Department of Transportation
Federal Transit Administration

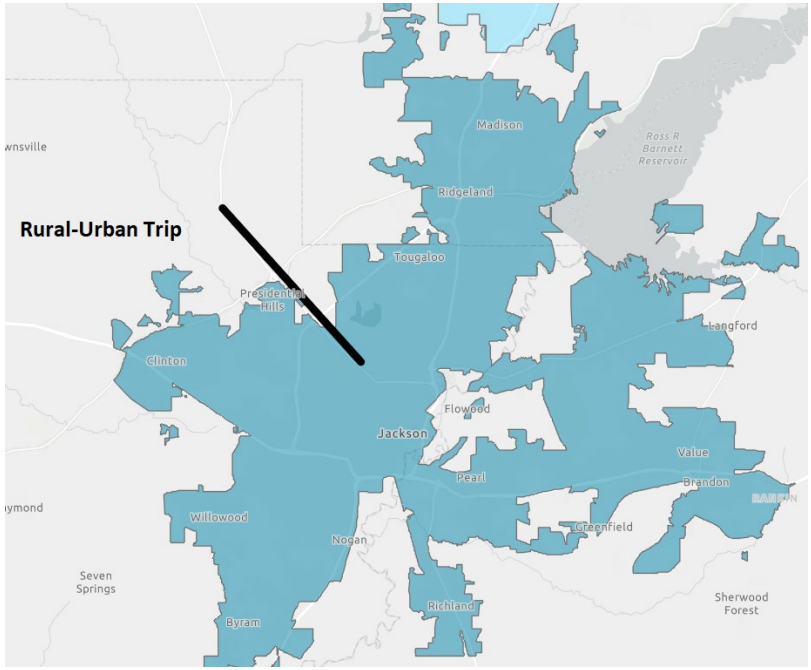
Transit Agency Service Data Reported to NTD

- Transit agencies annually report data (e.g., vehicle revenue miles) to the National Transit Database for service provided
- Typically a gap year from NTD report year to year of apportionment informed by that data (e.g., 2022 NTD report year informs FY 2024 apportionments)
- Data is allocated to UZAs or rural areas based on place of performance in accordance with FTA's NTD Reporting Policy Manual for the respective report year

NTD Reporting Based on Areas Served

- If reporter serves only one area, then all service data is allocated to that area
- If a reporter serves more than one area, must decide how to allocate data among those areas, subject to the **'Serve Rules'** provided in **FTA's NTD Reporting Policy Manual**
- The areas served determine the service metrics attributed to a UZA or rural area, which is a key input in determining UZAs' and States'/Territories' apportionments
- Areas served and data reported may change with Census boundary changes and/or service changes





Summary-Level Impacts to FY 2024 Apportionments

U.S. Department of Transportation
Federal Transit Administration

Summary-Level NTD Service Data Impacts

Service Metric Driving Apportionments	Total Used for FY 2023 Apportionments	Total Used for FY 2024 Apportionments	% Change
Large UZAs			
Bus VRM	2,762,332,858	2,314,769,654	-16.2%
Bus PMT	18,914,570,326	11,267,662,432	-40.4%
Fixed Guideway VRM	1,227,459,041	1,112,080,573	-9.4%
Fixed Guideway PMT	33,664,526,508	17,819,649,036	-47.1%
Rural Areas			
Bus and Fixed Guideway VRM	597,002,731	496,118,631	-16.9%

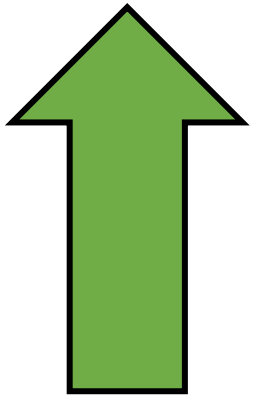
Lower service output and even lower ridership for FY 24 apportionments compared to service data used for FY 23 apportionments

Summary-Level 2020 Census Impacts

Census Geography Tier	2010 Census # of UZAs in Tier	2020 Census # of UZAs in Tier	% Population Change From 2010 to 2020 Census
UZAs with Population ≥ 1 Million	42	45	+10.0%
UZAs with Population of 200K-999,999	138	147	+6.3%
UZAs with Population of 50K-199,999	319	320	+0.1%
Rural Areas	N/A	N/A	+5.7%

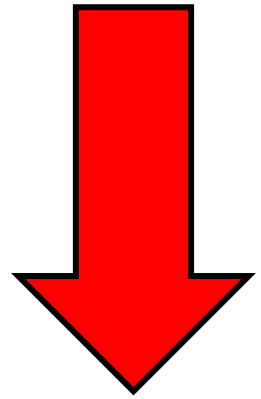
Population density increased in all 3 tiers of UZAs

Overall Impact on UZA Formula Factors From FY 2023 to FY 2024



Formula Factors Worth More Per Unit

Bus VRM	**+19-23%**
Fixed Guideway VRM	**+12%**
Bus Incentive (PMT X PMT/OE)	**+202%**
Fixed Guideway Incentive (PMT X PMT/OE)	**+264%**

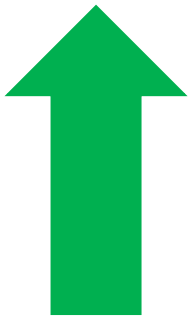
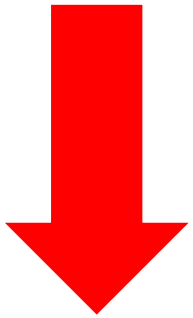


Formula Factors Worth Less Per Unit

Population*	**-3-7%**
Population X Density	**-6-14%**

*Unit value for population only worth less for large UZAs; worth slightly more for small UZAs

UZA Impact Examples

UZA	Changes to Apportionment Data	Impact on Section 5307 Apportionment	Explanation
Large UZA X (Bus Only)	• Population increased 12% • Bus VRM decreased by 8% • All other variables increased or decreased at same rate as overall tier		• Population increased at higher rate than overall tier • Bus VRM decreased at lower rate than overall tier
Large UZA Y (Bus Only)	• Population increased 5% • Bus VRM decreased by 23% • All other variables increased or decreased at same rate as overall tier		• Population increased at lower rate than overall tier • Bus VRM decreased at higher rate than overall tier

Recipient Flexibilities with Apportioned Funds

U.S. Department of Transportation
Federal Transit Administration

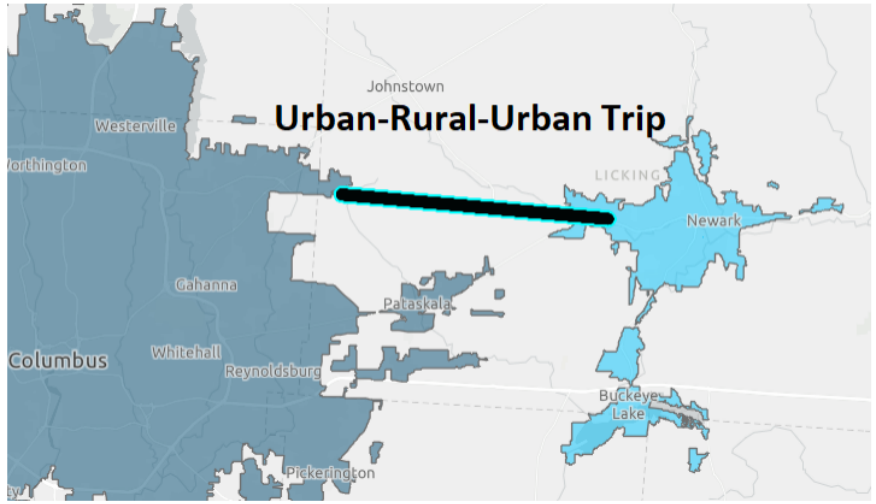
Apportionment Transfer Flexibility

FROM \ TO	RURAL (Section 5311)	SMALL UZA (Section 5307)	LARGE UZA (Section 5307)
RURAL (Section 5311)	YES	YES	NO
SMALL UZA (Section 5307)	YES (After consultation with impacted parties in donor UZA)	YES	YES (If funds are within 90 days of lapsing)
LARGE UZA (Section 5307)	NO	YES (After consultation with potential recipients in donor UZA and first transferring to State)	YES (After consultation with potential recipients in donor UZA and first transferring to State)

- Section 5310 and 5339(a) apportionments may also be transferred or reallocated between Census geographies and tiers under certain conditions.
- Section 5337 funds apportioned to a UZA may not be transferred for use in another UZA.

NTD Reporting Flexibility

Example: Both trip ends are in UZAs and the trip enters a rural area.



Solution: The agency may report all data to its primary UZA, or it may allocate between the urbanized and rural areas.

- Given reporting flexibilities identified in FTA's NTD Reporting Policy Manual, agencies may be able to optimize the relationship between their service reporting and resulting apportionment amounts

Example Scenario:

- For FY 24 apportionments, VRM are worth significantly more per unit to a large UZA versus rural areas
- Per the NTD 'Serve Rules', it was determined that a transit agency had the flexibility to report VRM to either a large UZA or rural area
- The transit agency reported the VRM to a large UZA rather than a rural area, which resulted in a higher Section 5307 apportionment to that large UZA than the subject State would have received for it through its Section 5311 apportionment

Place of Performance Flexibility with Apportionments

- Funds apportioned or transferred to UZAs or rural areas may be used outside those apportioned areas **under certain conditions**
  - UZA funds used in surrounding rural area
  - UZA funds used in another neighboring or proximal UZA
  - Rural funds used in a UZA

- Please consult formula program guidance (e.g., program circulars) or contact your regional office for place of performance flexibility eligibility

FY 2024 Apportionments Resources

U.S. Department of Transportation
Federal Transit Administration

FTA's Census Resources

- *For questions regarding changes to Urbanized Areas, please visit www.transit.dot.gov/census*

- FTA staff has created an Interactive Census Map to compare 2010 and 2020 UZA boundaries and other geographical information
- In addition, FTA has produced a Crosswalk of 2020 Census UZA Changes document that compares UZA changes from the 1990, 2000, 2010, and 2020 (current) Censuses
- Additional resources include 2020 Census Frequently Asked Questions, FTA Recipients and Formula Factors by FTA Formula Program, 2020 Census Impacts to Eligible Activities and Appropriations, and Program Requirement Changes from 2020 Census, etc.
- Additional resources on NTD reporting and its relationship to the Census can be found at https://www.transit.dot.gov/ntd/census-updates

Resources for FY 2024 Apportionments

- Summary document explaining summary-level impacts of 2020 Census and change in year of reported service data on FY 2024 apportionments
- This ‘Overview of FY 2024 Apportionments’ webinar and supporting slides posted to FTA website
- FY 2024 Apportionment Tables and other resources, including Formula Apportionments Data, Bipartisan Infrastructure Law Formula Flowcharts, Archived Apportionments, etc.

U.S. Department of Transportation
Federal Transit Administration

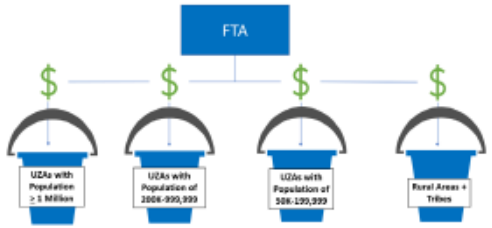
SUMMARY OF FISCAL YEAR (FY) 2024 APPORTIONMENT CHANGES

FTA Apportionments Background

1) The Federal Transit Administration (FTA) apportions funds annually in accordance with statutory formulas (set in law) for programs covered by 49 U.S.C. Chapter 53. FTA does not have the authority to apportion these funds in a different manner than what is prescribed in statute.

2) Apportionments are made to various tiers of Census geographies (e.g., Urbanized Areas or UZAs vs. rural areas) based on established population thresholds, as provided below:

Tiers of Census Geographies Receiving Apportionments



3) These tiers function as independent buckets of funding that receive set amounts to be divided among the specific areas falling within each based on how they stack up against each other with respect to statutory formula factors.

4) These factors include figures provided by the U.S. Census Bureau, such as population and population density, and transit service data reported to the National Transit Database (NTD), such as vehicle revenue miles (VRM) and passenger miles traveled (PMT), among others, and vary among formula programs (e.g., Section 5307 vs. Section 5310).

   For some formula programs, such as Section 5307: Urbanized Area Formula Grants, the formula factors vary between Census geography tiers (i.e., UZAs < 200K in population vs. UZAs ≥ 200K) within the same formula program. See FTA Recipients and Formula Factors Table on FTA's 2020 Census Resources and Information webpage.

5) Also, formula factors that are common to more than one Census geography tier are worth different values from tier to tier, and many of these values change from year to year. For instance, population is worth a different dollar amount per unit in a UZA with ≥200K in population than one with < 200K. See FY 2024 Formula Apportionments Data Unit Values for differences in these values among tiers.

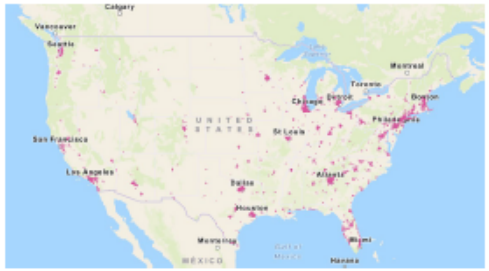
2020 Census and Relevance to FTA Programs

1) The Census Bureau delineates urban vs. rural geographic areas across the nation every 10 years to coincide with the decennial census.

2) In December of 2022, the U.S. Census Bureau released new urban area boundaries that correspond to the 2020 Census. All UZA boundaries (urban areas with a population of at least 50,000) have changed to some extent between 2010 and 2020.

   Some have contracted or grown in geographic coverage, some have traded territory, some were eliminated and are now completely rural, some were eliminated but are now part of another UZA, and some either exceeded or fell below the critical 200,000 in population threshold.

3) UZA-specific changes are described in FTA's Crosswalk of 2020 Census Changes and may be viewed through a geographic lens using FTA's Interactive Census Map.



4) The 2020 urban area delineations directly impact FTA formula apportionments beginning with the FY 2024 apportionments.

National Transit Database Reporting

1) Transit agencies annually report data (e.g., vehicle revenue miles) to the National Transit Database (NTD) for service provided, and there is typically a gap year from NTD report year to year of apportionment informed by that data (e.g., 2022 NTD report year informs FY 2024 apportionments).

2) The data are allocated to UZAs or rural areas based on transit service place of performance in accordance with FTA's NTD Reporting Policy Manual for the respective report year.

3) If a reporter serves only one area, then all service data is allocated to that area. If a reporter serves more than one area, the reporter must decide how to allocate data among those areas, subject to the **'Serve Rules'** provided in FTA's NTD Reporting Policy Manual.

4) The areas served determine the service metrics attributed to a UZA or rural area, which is a key input in determining UZAs' and States' and Territories' apportionments. Areas served and data reported may change with Census boundary changes every 10 years and/or with transit provider service changes.

Impacts on FY 2024 Apportionments

1) The FY 2024 formula apportionments will be the first to use the new 2020 Census UZA delineations and population figures. All formula funding from FY 2023 and prior years going back to the last decennial Census was apportioned based on the 2010 Census, and those funds can continue to be used according to the program and UZA size and place of performance applicable at the time those funds were apportioned (pre-2020 Census).

2) For formulas, or parts thereof, driven by transit service data, the FY 2024 apportionments will use 2022 data reported by transit agencies to the NTD. For the FYs 2022 and 2023 apportionments, FTA used the service data from each NTD reporter's annual report that had the highest agency VRM from either 2019 or the most recent year reported.

3) Across all Census geography tiers, measures of service output (e.g., VRM) and consumption (e.g., PMT) that inform the FY 2024 apportionments decreased significantly from those that informed the FY 2023 apportionments.

4) Further, Census changes resulted in considerable population increases in both tiers of large UZAs (over 200K in population) and in rural areas, as well as considerable increases in population density across all UZA tiers.

5) These changes have resulted in significant impacts to the value of formula factors that drive apportionments:

Overall Impact on UZA Formula Factors From FY 2023 to FY 2024

Formula Factors Worth More Per Unit

Bus VRM	+19-23%
Fixed Guideway VRM	+12%
Bus Incentive (PMT X PMT/Operating Expenses)	+202%
Fixed Guideway Incentive (PMT X PMT/Operating Expenses)	+264%

Formula Factors Worth Less Per Unit

Population*	-3-7%
Population X Density	-8-14%

*Unit value for population only worth less for large UZAs; worth slightly more for small UZAs

6) Accordingly, apportioned amounts to UZAs, States, and Territories in FY 2024 have fluctuated in proportion to these changes in formula factor values between the FY 2023 and FY 2024 apportionments.

7) Please contact your FTA regional office with any questions on apportionment changes or any permitted flexibilities that may help recipients better adjust to these changes, such as apportionment transfers between Census geography tiers or options for using funds outside of the apportioned geography.

Thank you!

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U.S. Department of Transportation
Federal Transit Administration

FTA Mission, Vision, Values

Mission

Improve America's Communities through Public Transportation

Vision

A Better Quality of Life for All Built on Public Transportation Excellence

Values

Service	Provide reliable, transparent, responsive, and anticipatory services to meet stakeholder needs
Integrity	Commitment to the highest professional and ethical standards
Innovation	Foster new ideas, concepts, and solutions for improved outcomes
Sustainability	Optimize decisions, resources, and systems to make long-term positive impacts on the environment, infrastructure, and safety
Equity	Remove barriers for systemically underserved communities to access all aspects of economic, social, and civic life