

ITEM#: MPO 1  
DATE: 07-11-23  
DEPT: MPO

**TRANSPORTATION POLICY COMMITTEE ACTION FORM**

**SUBJECT: IOWA DISTRIBUTION FORMULA FOR METROPOLITAN PLANNING ORGANIZATION (MPO) PLANNING FUNDS**

**BACKGROUND:**

Every fiscal year, the Iowa DOT distributes federal funding to all the Iowa MPOs for transportation planning work and activities as identified in each MPO's Transportation Planning Work Program (TPWP). This federal funding comes from two primary sources: "PL funds" from the Federal Highway Administration (FHWA) and "5305d funds" from the Federal Transit Administration (FTA).

With the completion of each census, the Iowa DOT and Iowa MPOs jointly review the existing distribution methodology. All of the Iowa MPOs reaffirmed the existing distribution formula for FTA 5305d funding; however, an alternative distribution formula was proposed for FHWA PL funding. The current and proposed allocations are summarized below:

**Current PL Allocation Formula** – PL funds are distributed based on each MPO's share of the total statewide urbanized area populations from the most recent decennial Census.

**Proposed PL Allocation Formula** – An MPO's prior fiscal year allocation serves as a base amount. The difference between the prior fiscal year and current fiscal year Iowa PL apportionment is allocated among Iowa MPO's by their share of total statewide urbanized area population change from the prior decennial census to the most recent decennial census.

The table below summarizes the estimated PL funds the Ames Area MPO is estimated to receive in fiscal year 2025 depending on which allocation formula is utilized:

<b>PL Allocation Methodology</b>	<b>Est. FY 2025 Funding for AAMPO</b>
Current	\$127,264
Proposed	\$129,218
Increase/Decrease	+ \$1,954

**Per the funding table, the Ames Area MPO could expect an approximate \$2,000 increase in funding in FY 2025 if the proposed PL funding allocation methodology were used.** Additionally, an informal initial poll of staff from the Iowa MPOs showed unanimous support for the proposed allocation formula over the existing allocation formula. **There was general agreement that the proposed allocation formula will help protect MPOs from dramatic changes in allocated funding due to population decline. Instead, the change in funding would be more gradual.**

Once the Transportation Policy Committee chooses which PL distribution formula the Ames Area MPO will support, MPO staff will inform the Iowa DOT. Once the Iowa DOT has collected all the decisions from all 9 Iowa MPOs, the distribution formula with the simple majority will be selected for implementation until the next review after the 2030 census.

**ALTERNATIVES:**

1. Support the proposed Iowa distribution formula for MPO transportation PL funds.
2. Support the current Iowa distribution formula for MPO transportation PL funds.

**MPO ADMINISTRATOR'S RECOMMENDED ACTION:**

**The proposed distribution formula will help protect Iowa MPOs from dramatic changes in funding allocation amounts due to population changes. In addition, the proposed distribution formula will also lead to an estimated increase of approximately \$2,000 in PL funding for FY 2025 for the Ames Area MPO in comparison to the current distribution formula.** Therefore, it is the recommendation of the MPO Administrator that the Transportation Policy Committee adopt Alternative No. 1, as noted above.