



# Project Summary

Texas Department of Transportation

## 0-6199: Estimated Impact of the 2010 Census on the PTN Funding Formula

### *Background*

The breadth of public transportation in Texas is significant; public transportation provided more than 300 million passenger trips in 2009 throughout the state. Public transportation services in Texas are provided by many different agencies. Eight transit authorities and 30 urban transit districts provide transit services in 34 urbanized areas with populations of 50,000 or more. An additional 38 rural transit districts provide transit services in non-urbanized areas.

Each public transportation provider requires financial assistance. Transit systems receive funds from the federal government and the State of Texas in addition to locally generated revenues and private sector sources. Federal and state public transportation funds are allocated based on formulas according to population in areas classified as non-urbanized or urbanized. Changes to the current urbanized areas and additions of new urbanized areas will occur following the 2010 Census and, as a result, will impact federal and state public transportation funding allocations.

### *What the Researchers Did*

Research for this project estimated the results of the 2010 Census and identified how the results will impact formula-driven funding allocations. The research included four tasks. First, researchers reviewed legislative and administrative policies for funding public transportation in Texas. Second, researchers developed Census 2010 population estimates and projected the number and size of urbanized areas in the state. Using the projections, researchers documented the population change impact on federal and state funding for rural transit districts and the state funding for urban transit districts. Finally, researchers summarized the policy implications of the 2010 Census for the allocation of public transportation funds using the Texas Transit Funding Formula.

### *What They Found*

Texas is the second most populated state, experiencing the largest numeric population increase between 2000 and 2009. Most of this population growth has occurred in and around metropolitan counties, especially within the metropolitan counties of the largest cities and along the south Texas border.

#### *Research Performed by:*

Texas Transportation Institute (TTI),  
The Texas A&M University System

The University of Texas at San Antonio (UTSA)

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Because of its size and overall population growth, Texas has seen increases in numbers of disabled, elderly, and low-income persons. The implication of these demographic trends means that Texas will see greater demand for public transportation services.

### *Population Increase in Urban and Rural Transit Districts*

Population is increasing in both urban and rural transit districts in Texas. Researchers estimate a 21 percent increase in state-funded urban transit districts and a 12 percent increase in rural transit district population. Existing urbanized areas are expanding in population and land area that is urbanized.

### *Urbanized Area Changes*

Urbanized areas will continue to expand into rural and smaller urban areas (areas defined by the census as urban clusters). Rapidly urbanizing rural areas could merge into large urban areas or become new urbanized areas. The most likely scenario is that five communities will become small urbanized areas: San Marcos, New Braunfels, Georgetown, Conroe, and Cleburne.

## *What This Means*

### *Declining Transit Investments Per Capita*

Assuming no new funds, transit per capita investment will decline with the 2010 Census. State funds are \$10,059,374 per year for urban and \$18,681,694 for rural transit districts. The annual allocation of federal funds for non-urbanized areas under the Texas Transit Funding Formula is \$20,104,753 to rural transit districts. Without an increase in funding, the growth in 2010 population means the investment in public transportation will be less per capita than the existing baseline using the 2000 population.

### *Funds Are Needed to Avoid Negative Impacts*

Without new funds, current state dollars will be reallocated to provide funding for new urbanized areas and for urban and rural transit districts with higher growth rates. Without an increase in federal funds available for formula allocation to address population growth, the Texas Transit Funding Formula will reallocate funds from some rural transit districts to increase the resources for other rural transit districts.

The reallocation of funds means many transit districts that are growing in population will lose funding in order to redistribute dollars to the transit districts with higher population growth. Additional funds are required to maintain the investment per capita in 2010 compared to the baseline per capita using 2000 population. Transit district funds required to maintain per capita investment is \$5.2 million in state urban and rural funds and \$2.4 million in rural federal funds.

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