

# The Flavors of Urban Donuts: A Typology of Rural/Urban Changes under the Census

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## Background

Following every decennial census, the Census Bureau makes fresh determinations of urban clusters and urbanized areas. The census enumerations and urbanized area determinations are critical to state departments of transportation and transit providers in a couple of ways:

1. Population data from the decennial census is used to determine
  - a. 23.5 percent of FTA formula funding allocations in urbanized areas over 200,000 population,
  - b. 84.5 percent of FTA formula funding allocations in urbanized areas under 200,000 population,
  - c. 75.5 percent of FTA formula funding allocations in non-urbanized areas, and
  - d. 25.0 percent of FTA formula funding allocations to tribal nations.
2. Decennial census data are used to determine which census block groups are in urbanized areas, to identify these urbanized areas, and to determine whether these urbanized areas have more or less than 200,000 residents.

Programmatically, state departments of transportation receive and manage the allocations of Section 5311 rural transit funding to their states, receive and manage the allocations of Section 5310 funding for the rural and small-urban areas of their states, and have a role in managing the allocations of Section 5307 funding for the urbanized areas in their states with populations under 200,000. Therefore, they need to know what areas of their states are – or are not – part of Census-designated urbanized areas, and which of these urbanized areas have populations that are more or less than 200,000.

Note that population-based data are used to determine how state-managed transit grant programs receive 80 percent of their FTA funding.

Although state departments of transportation typically don't administer FTA-funded formula grant programs in urbanized areas with populations greater than 200,000, states nonetheless have important roles:

- The designated recipients of Section 5307 and 5310 funds in these larger urbanized areas are named by their states' governors. Typically, these designations are made once, and remain in force indefinitely, unless a governor changes a designation.
- Whenever an urbanized area is identified by the Census Bureau, it's the responsibility of the governor to name an MPO for that urbanized area; when an urbanized area falls within two or more states, the respective governors need to agree on the designation of MPOs. Typically, these MPO designations are made only once, and remain in force indefinitely, even as urbanized areas grow or merge (for example, the Boston urbanized area has four MPO planning areas wholly within its boundaries, plus other MPOs whose planning areas overlap the edges of Boston's three-state urbanized area).

## **Now, About those Urban Donuts**

The generic concept of urbanized areas is a situation in which there is a core area of census tracts with high population densities, surrounded by numerous census block groups of somewhat high population densities. Those qualifying high-density tracts and block groups make up the urbanized area, beyond which everything is non-urbanized (or, colloquially, "rural," bearing in mind that Census has a different, and very specific, definition of what it considers to be rural).

However, since urbanized area determinations are made without regard to state or local political jurisdictions, these "donuts" that surround urbanized areas take on many flavors of their own. Some of this is due to political boundaries that tend not to change, as parts of cities or counties find themselves within – or outside of – urbanized area boundaries. These more dynamic flavorings of urban donuts arise after each census, such as when portions of once-rural areas become urbanized, when all-new urbanized areas are identified, when urbanized areas combine, when the boundaries between adjacent urbanized areas are redrawn, or when tracts or block groups that had been urbanized are recategorized as no longer urban, to name the most common scenarios. Below is a more detailed categorization of what defines these various urban donut scenarios that can follow a decennial census.

- **Type 1:** An existing urban cluster and some of its adjoining block groups cross the population threshold of 50,000 residents, and become designated as an urbanized area. Typically, between two and three dozen new urbanized areas are designated after each census, almost always entering that small-urban cohort of urbanized

areas with populations less than 50,000. When a new urbanized area is identified, a new MPO must be established, with a number of roles and responsibilities it will almost immediately have to begin addressing, and any existing public transit services in that area are likely to begin participating in the Section 5307 program.

*Example: Grants Pass, Oregon, used to be non-urbanized, but was one of the newly designated urbanized areas following the 2010 census. Working with local officials, and with some technical advice from FHWA and FTA, the state of Oregon stood up a "Middle Rogue MPO," housed within the Rogue Valley Council of Governments (which already housed the MPO for the nearby Medford urbanized area). Josephine County's transit system used to be wholly rural, but now finds itself receiving some Section 5307 funding that helps cover the costs of having a transit program within Grants Pass, as well as continued receipt of Section 5311 funds to help with transit program in the still-rural areas of Josephine County.*

- **Type 2:** Areas that had not been urbanized grow in population density, and are absorbed into a nearby urbanized area having a population greater than 200,000. In some instances, this may lead to the addition of one or more local officials from that formerly rural area to the MPO's board or policy committee. Federal funding for public transportation within that now-urban area starts to be part of the urbanized area's Section 5307 allocation from FTA, and cannot be supported through Section 5311 (unless the transit service is designed to connect still-rural areas with the now-urban core). Any Section 5310-assisted projects in the formerly rural area now are to be planned, selected and funded through the coordinated planning process of the urbanized area's Section 5310 designated recipient, and no longer are part of the state's small-urban and rural Section 5310 program.

*Example: Until 2010, the city of Orange Beach, Alabama, had been just another part of the rural area in Alabama's Baldwin County. However, one outcome of the 2010 census was that Orange Beach and its 5,441 residents now had become part of the Pensacola (Fla.) urbanized area. Now, two of the seats on the Florida-Alabama TPO board are held by Baldwin County-based officials. FTA-based funding for Baldwin County's transit system continues derive primarily from Section 5311 funding it receives from Alabama DOT, but MPO does program some of "Pensacola's" Section 5307 funds to support transit projects and activities in the city of Orange Beach. There have not been any Section 5310-funded projects in Orange Beach since the 2010 census designations took effect; one challenge may be that Florida's Section 5310 projects and the coordinated planning for these projects are carried out largely on a county-by-county basis driven by that state's unique Commission for the Transportation Disadvantaged, which doesn't offer a ready mechanism by*

*which a Pensacola-based entity can plan and program federal funds for projects in the Alabama portion of its urbanized area.*

- **Type 3:** Areas that previously were their own small-urbanized area become absorbed in a neighboring large-urbanized area. Decisions must be made about whether the small-urban area's MPO remains in existence, or should instead have the expanding large-urban area's MPO assume all transportation planning functions for the increased planning area. The transit agency in the former small-urban area no longer receives its own apportionment of Section 5307 funding, and instead may (or, conceivably, may not) receive a portion of the Section 5307 funds allocated to the expanded large-urban area, and loses the programmatic flexibility associated with small-urban areas' Section 5307 funding; if, on the other hand, the state had been using Section 5307 funds allocated on the basis of that small-urban area to support small-urban transit projects elsewhere in the state, it loses this element of that transit funding stream. Section 5310 projects and funding that had been determined by the state for the small-urban area now are determined by the large-urban area's Section 5310 designated recipient, according to that area's coordinated planning process, and the state loses a portion of its future Section 5310 funding for small-urban and rural projects.

*Example: Annapolis, Maryland, was a small-urban area for several cycles of the decennial census. However, in the 2000 census, the entirety of what had been the Annapolis urbanized area was absorbed into an expanded Baltimore urbanized area. The Annapolis MPO was dissolved, with the Baltimore Regional Transportation Board (an entity housed within the Baltimore Metropolitan Council) now including all of Annapolis and its environs in the scope of its transportation planning and programming. The city of Annapolis has continued to operate its own urban public transit service, but must compete for a share of Baltimore's Section 5307 apportionment to receive FTA funding, rather than being able to tap into its own stream of small-urban Section 5307 funding, which formerly was the case; this was especially challenging at the time, since the absorption of Annapolis into the Baltimore urbanized area took place when Section 5307 funds to large-urban areas could not be used to provide any operating assistance to local public transit systems. Any Section 5310-funded projects in the Annapolis area must be selected as part of the coordinated planning and program management processes of the Baltimore area.*

- **Type 4:** On account of declining population and/or decreasing population densities, an urbanized area may no longer meet the Census Bureau's urbanized area criteria after a decennial census. Historically, this only has occurred in cases where small-urban areas' populations fell below 50,000 in a census. The area's MPO may stay in

place, albeit in an unofficial, consultative capacity, or it may be dissolved. The area's public transit program becomes part of the state's Section 5311-funded rural transit network, and no longer receives Section 5307 funding.

*Example: Sandusky, Ohio, had been a small-urbanized area until the 2010 census, at which time Census determined it was an urban cluster with a population of 48,990. Erie County's Regional Planning Commission continues to provide transportation planning services in the Sandusky area, but no longer is recognized by FHWA and FTA as an MPO for this area. The city of Sandusky continues to operate its own transit system, but the federal funds that help support this transit system now derive from the Ohio DOT's allocation of Section 5311 rural transit funding, instead of being able to receive a Section 5307 allocation directly attributable to Sandusky's population and population density.*

- **Type 5:** The population of an existing urbanized area had been less than 200,000, but the most recent census has identified more than 200,000 residents in this urbanized area. Structurally, the MPO doesn't change, but it now assumes sole responsibility for transportation planning and programming for both the FTA and FHWA funding streams directed to this urbanized area. Transit funding for this higher-population urbanized area now flows directly to the area's designated recipient, and no longer has the possibility of flowing through or being managed by the state; large-urbanized areas' transit agencies may experience a quantum increase in their FTA formula funds, but may find these funds are more restrictive in their eligible uses than was the case when the urbanized area had less than 200,000 residents. Not only does the state lose the possibility of including this area's attributable Section 5307 funding in a statewide small-urban transit program, the state also must give up its involvement in the area's Section 5310 programs, with those dollars going instead to a designative recipient for that large-urban area.

*Example: Portland, Maine, had been a small-urbanized area for many years. In 2010, its population was determined to be 203,914. Its MPO, the Portland Area Comprehensive Transportation System, remained in place, housed within the Greater Portland Council of Governments, but its planning and programming responsibilities increased considerably once Census determined its urbanized population exceeded the 200,000 mark. Since the Portland area's population no longer contributed to the basis by which Maine received small-urbanized areas' transit funding, the state experienced a loss of state-managed Section 5307 funds. Within the Portland area, there were several Section 5307 recipients, but rather than for them all to be the Maine DOT's Section 5307 small-urban subrecipients, they had to establish new relationships with the MPO and with the city of Portland's transit system, which became the designated recipient for*

*the area's Section 5307 funds. Later, when MAP-21 changed the Section 5310 program structure, GPCOG had to stand up a new facet of activity, becoming the designated recipient of the Portland area's Section 5310 funds, and using its coordinated planning process to determine what local entities would be Section 5310-assisted transportation providers.*

- **Type 6:** One large urbanized area becomes combined with another large urbanized area. This raises a host of decisions about what to do with MPOs (one could be merged into the other, or they could remain separate, which is a state and local decision), what entity or entities will be the designated recipient(s) of Section 5307 and 5310 funds, how to allocate these funds among the pre-existing recipients, etc. As urbanized areas continue to grow and expand over time, both in terms of population and area, this pattern, currently rare, is likely to become increasingly prevalent, and examples of this are sure to crop up in the 2020 and 2030 censuses. If the merged urbanized areas straddle multiple political jurisdictions, the need to consider local officials' priorities and the sustenance of local transportation networks may become even more complex.

*Example: As a result of the 2010 census, the Philadelphia urbanized area broke new ground, becoming the first four-state urbanized area in the country (it includes portions of Pennsylvania, New Jersey, Delaware and Maryland). Part of what took place when Census updated its urbanized area designations in 2010 was that Wilmington, Delaware, which previously had been the heart of its own large-urbanized area, was absorbed into the Philadelphia area. This situation could have induced severe bureaucratic trauma, but that seems not to have been the case. Wilmington's MPO, the Wilmington Area Planning Council, remains in place, with responsibility for transportation planning and programming within the Delaware portion of the urbanized area. The Delaware Valley Regional Planning Council retains responsibility for transportation planning and programming within the Pennsylvania portion of the urbanized area and its immediately adjacent portions of New Jersey. The South Jersey Transportation Planning Organization includes the remainder of the Philadelphia urbanized area's New Jersey portions in its transportation planning area, which also happens to include three other urbanized areas (all of which are entirely within New Jersey) and their surrounding rural areas in southern New Jersey. Mechanisms were set in place to assure that each of the incumbent urban transit systems in the Delaware, New Jersey and Pennsylvania portions of the urbanized area would receive equitable portions of the area's Section 5307 funds, with provisions for an equitable amount Section 5307 support in Maryland's Cecil County, as well. While it's unusual for state DOTs to be the designated recipients of large urbanized areas' Section 5310 funding, that's the precise situation here, with Philadelphia's Section 5310 funds being*

*managed by Pennsylvania DOT, NJ Transit, Delaware Transit Corporation, and the Maryland Transit Administration.*

- **Type 7:** Existing small urbanized areas are combined, becoming a somewhat larger, merged urbanized area with a population that remains below 200,000. As in every other case where urbanized areas are combined or absorbed, there is the question of whether to merge MPOs. If there were separate small-urban Section 5307-funded transit systems, the state has some flexibility about whether to combine these systems or keep them separate. Since all Section 5310 programming in small-urban areas remains the state's responsibility, there's not likely to be much change on that front.

*Example: Until 2010, the Hagerstown urbanized area in Maryland (which included a small portion in Pennsylvania) and the Martinsburg urbanized area in West Virginia were distinct, separate small urbanized areas. Following the most recent census, however, the Census Bureau determined that they would be combined into a single small-urbanized area stretching from the southern portion of Franklin County, Pennsylvania, through Hagerstown and its environs in Washington County, Maryland, and including most of Jefferson and Berkeley counties in West Virginia, all the way to the Virginia border south of Martinsburg, West Virginia. What used to be two MPOs were combined into a single entity, the Hagerstown-Eastern Panhandle MPO. Section 5307 funding streams and transit programming remained largely unchanged, with a Hagerstown-centric transit agency in Maryland (the Washington County Transportation Commission) and a Martinsburg-centric transit agency in West Virginia (the Eastern Panhandle Transportation Authority), both of which receive both their Section 5307 funding from their respective states, as well as receiving some Section 5311 assistance to help support transit in the non-urbanized portions of Washington, Berkeley and Jefferson counties. Because state DOTs are the statutory recipients of Section 5310 funding for small urbanized areas, nothing changed on that front when the Hagerstown and Martinsburg urbanized areas were combined. The future could become even more interesting, though, as it's likely that this expanding Hagerstown urbanized area will engulf its directly neighboring urbanized areas to the north (Chambersburg, Pennsylvania) and the south (Winchester, Virginia) in either the 2020 or 2030 census, thus becoming a sprawling urbanized area with a population slightly greater than 200,000, but falling within the states of Maryland, Pennsylvania, Virginia and West Virginia.*

## **Roles and Opportunities for State DOTs**

As affected areas prepare for the changes in urbanized areas status that may result from the 2020 census, there are several things that state DOTs should do, or could do, to help effect positive, pain-free transitions. These include the following:

- Review state management plans and practices around the management of the state's Section 5307 and Section 5311 programs, as there are certain to be more instances where transit agencies will be operating in both urban and rural areas.
- Begin forecasting how formula-based funding will shift as a result of census determinations. In general, increased urbanization will lead to a net increase in FTA funding, but you and your subrecipients may need to brace themselves for changes in your state's Section 5307, 5310 and 5311 allocations.
- If you have transit providers whose sole source of FTA funding is Section 5311, but operate in what's likely to become a small-urbanized area, you and FTA may need to help them prepare for life as a Section 5307 recipient.
- If you have rural or small-urban transit providers operating what's likely to become a large-urban area, there may need to be a lot of work to help these grantees be ready to participate in the large-urban area's transit program.
- For those rural and small-urban areas that will become parts of large-urban areas, you may need to prepare Section 5310 subrecipients for participation in that urbanized area's Section 5310 program.
- Areas that are becoming newly designated as urbanized areas will need to stand up an MPO, which will require action from the state, as well as technical assistance from FHWA and FTA.
- For those small-urban areas that are expected to cross the 200,000 population threshold, there will be significant transitions in their Section 5310 and 5307 programs, and a good deal of control over transportation planning programming will rest solely with the MPO.