

What does it mean for federal funding to be suballocated?

Federal Transportation funding, in general, flows through state Departments of Transportation (DOTs), and it is then those DOTs who make the decisions about what to build and where to build it. Over the last decade, Congress has looked for options to balance that state flexibility in spending with giving more local control especially in Metropolitan areas, and to ensure that funds are distributed to all areas of the state. Suballocation is a tool to do that.

When a transportation program includes suballocation, that means a percentage of that program must be spent proportionate to population across four community types. (see below) So if 20% of the population lives in large Metropolitan areas, than 20% of the suballocated funding must be spent there.

Four Community types

- Metropolitan areas with a population over 200,000
 - A metropolitan area can include many cities or towns. So in Alabama, Birmingham Alabama would be the central city, but the suburbs would also be part of that MPO.
 - Each Metropolitan area has a Metropolitan Planning Organization, or MPO, which does the planning and implementation of projects.
 - MPOs have a decision making board made up of representatives of the communities in their MPO.
- Urbanized areas with a population of 50,000 to 200,000
 - These are smaller urbanized areas. Some of these may have MPOs, or Councils of Governments.
 - The decision making process is controlled by the state, in consultation with the local governments.
- Areas with a population of 49,999 to 5000
 - Some of these areas may fall under a regional or rural planning organization.
 - The decision making process is controlled by the state in consultation with the local governments.
- Small communities with a population under 5000
 - The decision making process is controlled by the state in consultation with the local governments.

Example from the Bipartisan Infrastructure Law

Under the Carbon Reduction Program (CRP) , 65% of the funding must be suballocated based on population.

In FY 2022 Alabama has been allocated \$24,662,360 for the CRP.

- The 65% or, \$16,030,534, has to be spent based on percent of population among the four types of communities.

- The 35% that isn't suballocated is under the control of the State DOT. The state DOT can spend that money anywhere in the state. (including in MPOs)

STATE	Total State Allocation	35% for State to decide/ anywhere in the state	SUBALLOCATION 65% which will be suballocated
ALABAMA	\$24,662,360	\$8,631,826	\$16,030,534

The Breakdown of community type in Alabama and sub-allocated Carbon Reduction Funding

Community Type	Percent of state population	CRP funding allocated to that area
AREAS > 200K MPOS	35.40%	\$5,680,780
50K ≤ AREAS ≤ 200K Urbanized areas	13.20%	\$2,117,948
5K ≤ AREAS < 50K	8.60%	\$1,375,590
AREAS < 5K	42.80%	\$6,856,216
Total suballocated	100.00%	\$16,030,534

That means that the \$5,680,780 for large MPOs must be split among Alabama's metropolitan areas based on population size. Each MPO will then get to decide how to spend that money. The MPO also has the ability to implement the project.

STATE	MPO, Pop> 200,000	CPR suballocation for FY 22
Alabama		
	Birmingham	\$2,513,696
	Columbus	\$205,471
	Huntsville	\$961,523
	Mobile	\$1,093,970

	Montgomery	\$885,105
	Pensacola	\$21,015
	Total	\$5,680,780

For the other three community types, the state will still be in control in choosing and implementing projects, but the state is required to ensure that the funding is spent in those areas.