

# Counting for Dollars

## The Role of the Decennial Census in the Geographic Distribution of Federal Funds

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# Counting for Dollars Project: Aims

- Identify each federal program that geographically distributes financial assistance on the basis, in whole or part, of data derived from the Decennial Census
- Ascertain the connection between Decennial Census accuracy and the fair, equitable distribution of funds to states and local areas

# Counting for Dollars Project: Outputs

- Spring 2017
  - Identify Census-derived datasets
  - Estimate distribution by state of funding from 16 large Census-guided federal programs
- Fall 2017
  - Identify all Census-guided federal programs, annual funding of each program, and U.S. total
- Winter-Summer 2018
  - Prepare reports on additional programs at state and substate levels, based on stakeholder interests and to extent data sources allow

# 16 Large Census-guided Programs

- Medicaid
- SNAP
- Medicare Part B
- Highways
- Section 8 HCVs
- Title I to LEAs
- School Lunch
- Special Education
- S-CHIP
- Section 8 PBVs
- Head Start
- WIC

# Program Uses of Census-derived Data

- Program Eligibility
  - Area – e.g., urban/rural, size, poverty, unemployment
  - Household – income level
- Allocation Formulas
  - Based on specific area characteristics
  - Set by Congress in law or by department as authorized by Congress

# Program Uses of Census-derived Data

- Other than for urban/rural classification, program-guiding data are not taken directly from the Decennial Census
- Rather they are taken from 22 datasets derived from the Decennial Census

# Census-Derived Datasets – Foundational

- Geographic classifications
  - Urban/Rural Areas (Census)
  - Core-based Statistical Areas (OMB)
  - Small Labor Market Areas (BLS)
- Annual updates of decennial counts
  - Population Estimates (Census)
  - Housing Unit Estimates (Census)
- Monthly household surveys
  - Current Population Survey (Census/BLS)
  - American Community Survey (Census)
- Price and expenditure surveys
  - Consumer Expenditure Survey (BLS)
  - Consumer Price Index (BLS)

# Census-Derived Datasets – Indicators

- Personal Income (BEA)
- Per Capita Income (BEA)
- Local Area Unemployment Statistics (BLS)
- Poverty Thresholds (Census)

# Census-Derived Datasets – Program-specific

- Eligibility criteria
  - Poverty Guidelines (HHS)
  - State Median Income (HHS)
  - Index of Medical Underservice (HHS)
  - Median Family Income (HUD)
- Allocation formulas
  - Fair Market Rent (HUD)
  - Annual Adjustment Factors (HUD)
  - Renewal Funding Inflation Factors (HUD)
  - Geographic Practice Cost Index (HHS)
  - Small Area Income and Poverty Estimates (Census)

# Initial Report: Findings

- In FY2015, the 50 states plus the District of Columbia received **\$589.7 billion** from 16 large Census-guided programs.
  - Twelve grant-making programs distributed \$427.7 billion, **68.5 percent of all federal grants**. Of these, nine made \$401.4 billion in grants to state governments, **70.1 percent of all federal grants to states**.
  - Four programs providing direct payments to individuals distributed \$162.0 billion.

# Initial Report: Findings

- Medicaid is the largest, by far (\$312.0B)
- Next larger programs include SNAP (\$69.5B), Medicare Part B (\$64.2B), and Highway Planning and Construction (\$38.3B)
- Smallest program is CCDF (\$2.9B)
- 15 of 16 programs focus on populations in need

# Initial Report: Findings

- For 15 of the 16 programs (other than National School Lunch), the amount of funds received in a state was guided by its 2010 Census count.
- The more accurate the state's 2010 count, the more fair and equitable is its share of federal funds.
- At the same time, *there is not a linear relationship* between a state's Decennial count and the flow of federal funds.

# Initial Report: Findings

- A Decennial undercount of total population would reduce annual Population Estimates, which would lead to a smaller funds flow for:
  - Medicaid, Highways, and Foster Care
- A Decennial undercount of low-income households and ones with children would affect sample selection and weights in the CPS, ACS, and other household surveys and so would lead to an underestimation of households and persons in need, reducing funds flow for:
  - Title I, S-CHIP, Special Education, WIC, Head Start, Health Centers, LIHEAP, CCDF

# Initial Report: Findings

- An inaccurate Decennial count would result in a misallocation of funds, in ways that depend on the nature of the inaccuracies, for:
  - SNAP, Medicare Part B, Section 8 HCVs, Section 8 PBVs

# Conclusion

- Efforts to encourage an accurate 2020 Census are very likely to have a positive impact on the fair and equitable distribution of federal program funds to states, particularly for programs that serve households in need.

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