

GAO

Report to the Honorable
Connie Mack, U.S. Senate

September 1990

FEDERAL FORMULA PROGRAMS

Outdated Population Data Used to Allocate Most Funds





United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-237186

September 27, 1990

The Honorable Connie Mack
United States Senate

Dear Senator Mack:

This report responds to your request that we identify federal formula programs that use outdated population data to distribute funds to state and local governments. As you observed, the use by many programs of decennial census population data when more current population estimates are available penalizes fast-growing states.

In discussions with your staff, we agreed to

- identify all formula programs that use Bureau of the Census population data to distribute funds,
- determine what population data and data sources federal agencies used and were required to use to distribute funds, and
- determine whether the Census Bureau has provided or could provide more current population data for federal programs now using population data from the decennial census.

Scope and Methodology

Our review focused on federal formula programs that used Census Bureau decennial census population data or current population estimates to determine program eligibility or distribute funds to state and local governments in fiscal year 1989. To ensure that we identified all programs, we reviewed the General Services Administration's 1989 Catalog of Federal Domestic Assistance (CFDA), its 1989 Federal Formula Report to the Congress, and the Advisory Commission on Intergovernmental Relations' October 1989 catalog of federal grant-in-aid programs. We also referred to our March 1987 report that lists federal formula grants as of 1984.¹

We interviewed federal program managers to determine what population data and data sources they used to determine formula program eligibility or distribute funds. We asked them to specify the amount of funds distributed by the formula but not funds distributed by other

¹Grant Formulas: A Catalog of Federal Aid to States and Localities (GAO/HRD-87-28), Mar. 23, 1987.

modeling procedures. Such data would affect 12 of the 33 programs where the decennial census data is the most current available. Census could not, however, provide intercensal data on urban and rural area populations that would be needed for most of the other programs.

Proposed legislation (S. 477 and H.R. 1631) would require agencies to use the most recent population data for distributing federal formula funds. This legislation would affect only six programs (involving a total of \$204 million out of \$17.4 billion) because the remaining programs already use the latest available data or are required by statute to use the decennial census. Other issues would need to be addressed in the legislation to enable additional agencies and programs to use current population estimates.

Background

The Census Bureau publishes many types of data including population statistics that describe the number of inhabitants of an area and a wide variety of their social and economic characteristics, such as household composition and income. Information is divided into (1) state and sub-state population (county, city, metropolitan, urban, rural, and census tracts) and (2) population characteristics, such as age, sex, and race.

Federal programs use some of these population statistics to allocate funds to states and communities. Some data are produced decennially, while others are estimated monthly, annually, or by some other time frame. Appendix I contains more detailed information on the Census Bureau activities and products.

Formula Programs Using Population Data to Distribute Funds

In fiscal year 1989, 93 federal programs (listed in app. II) used Census Bureau population data, solely or combined with other formula factors, to determine program eligibility or distribute funds totaling \$27.5 billion. Thirteen federal agencies administer these programs.

Decennial Census Used to Distribute Most Funds

Forty-five of the 93 programs used decennial census data to distribute \$17.4 billion; the rest used current estimates from the Census Bureau to distribute \$10.1 billion (see app. III).

Thirty-three of the 45 programs allocated \$16.7 billion using population data, such as the number of persons living in urban or rural areas or

to the states, saying that the use of annual data would result in fluctuating yearly funding.

Program Statutes Specify Decennial Census

The authorizing statutes of 18 of the 45 programs specify the decennial census as the population data source to be used to distribute funds totaling \$6.4 billion (see app. VI). Twelve of the programs used either urban or rural population data to distribute \$6 billion. The other six used the decennial census state population data even though more recent state population data are available. Authorizing statutes would need to be amended to remove the references to use the decennial census in order for the programs to use current data.

Conclusion

Nearly two-thirds of fiscal year 1989 federal formula funds were distributed, in whole or in part, using population data from the decennial census. In some cases, authorizing legislation required its use; in others, the decennial data were the most current data available. If the Congress wants all federal programs to distribute funds using current population data, it would need to amend authorizing statutes that require federal agencies to use decennial census data and specify how funds are to be distributed. Also, agencies using urban population and low-income data to allocate funds would need to develop alternative means for making such allocations as such data are collected only every 10 years.

Legislation introduced in February 1989 in the Senate and in March 1989 in the House as the Fair Share Act of 1989 (S.477 and H.R.1631) would require federal agencies to use the most recent annual population data when determining the amount of benefits under federal programs for a state, county, or local unit of government. Other issues, as discussed above, would need to be addressed in the legislation to enable additional agencies and programs to use current population estimates.

Matters for Consideration by the Congress

In its deliberations on how best to distribute federal funds to the states, the Congress may wish to consider directing (1) affected program agencies to study the effects of using incorporated or metropolitan area data rather than urban data to allocate formula funds, and (2) the Bureau of the Census to study the feasibility of estimating the low-income population data on a more current basis. Depending on the outcome of these efforts, the Congress then could consider whether it should amend authorizing statutes to remove requirements that federal agencies use urban and rural population or low-income data from the decennial

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Abbreviations

WIC	Special Supplemental Food Program for Women, Infants, and Children
CFDA	Catalog of Federal Domestic Assistance

The reports present various statistics for blocks, census tracts, block numbering areas, general-purpose local governments, rural and farm areas, urbanized areas, metropolitan statistical areas, congressional districts, states, and American Indian and Alaska Native areas.

Current Population Data

Current population data from the Census Bureau provide recent estimates of population size and characteristics, population projections, and the results of special censuses of local areas. They consist of two general categories: (1) survey data and (2) estimates, projections, and special censuses.

Much of the current population data are derived from the Current Population Survey, a household sample survey of the civilian noninstitutional population. The survey's primary purpose is to produce monthly statistics on unemployment and the labor force. The survey also is the source of a series of three publications dealing with population characteristics (the P-20 series), special studies (the P-23 series), and consumer income (the P-60 series). A monthly survey of income and program participation, conducted since October 1983, produces information for household economic studies (the P-70 series). The Current Population Survey and the Survey of Income and Program Participation are generally available only at the national level.

Another Census Bureau statistical program prepares updated population figures. Using population statistics from censuses and administrative records, the Bureau prepares population estimates, projections, and special studies. These include intercensal estimates of population and per capita income, projections of the population, and data from special censuses of local areas. Population estimates and projections (the P-25 series) include monthly national estimates of the population; annual state population estimates by age, sex, race, and geographic area; and national and state population projections. Local population estimates (the P-26 series) include population estimates for counties and metropolitan areas and population and per capita income estimates for local government jurisdictions. Special censuses (the P-28 series) generally are taken at the request and expense of city or other local governments.

**Appendix II
Programs Using Census Bureau Population
Data to Allocate Funds (FY 1989)**

CFDA no.	Program	Funding, FY 1989
13.671	Family Violence Prevention and Services	7.6
13.672	Child Abuse Challenge Grants	4.8
13.673	Grants to States for Planning and Development of Dependent Care Programs	11.8
13.991B	Preventive Health and Health Services Block Grant—Rape	3.5
13.992	Alcohol, Drug Abuse and Mental Health Services Block Grant	435.3
13.994	Maternal and Child Health Services Block Grant	465.3
Total		\$4,548.2

Department of Housing and Urban Development

14.218	Community Development Block Grants Entitlement Grants	\$2,053.1
14.219	Community Development Block Grants Small Cities Program	38.4
14.221	Urban Development Action Grants	101.0
14.228	Community Development Block Grants State's Program	841.5
14.230	Rental Housing Rehabilitation	148.5
Total		\$3,182.5

Department of Interior

15.611B	Wildlife Restoration—Hunter Safety and Education	\$20.6
15.916	Outdoor Recreation—Acquisition, Development, and Planning	16.7
Total		\$37.3

Department of Justice

16.540	Juvenile Justice and Delinquency Prevention—Allocation to States	\$45.8
16.575	Crime Victim Assistance	43.5
16.579	State and Local Narcotics Control Assistance	118.8
Total		\$208.1

Department of Labor

17.235	Senior Community Service Employment Program	\$141.6
17.247	Migrant and Seasonal Farmworkers	66.2
17.250A	Job Training Partnership Act, Title II-A, Basic Program	1,747.1
17.250B	Job Training Partnership Act, Title II-B, Summer Youth	686.3
17.251	Native American Employment and Training Programs	59.0
Total		\$2,700.2

Department of Transportation

20.106B	Airport Improvement Program State Apportionments	\$155.1
20.205C	Highway Planning and Construction Primary System	2,313.2
20.205D	Highway Planning and Construction Rural Secondary	584.7
20.205E	Highway Planning and Construction Urban System	730.4
20.205F	Highway Planning and Construction Urban Transportation Planning	47.3

(continued)

**Appendix II
Programs Using Census Bureau Population
Data to Allocate Funds (FY 1989)**

CFDA no.	Program	Funding, FY 1989
84.049	Vocational Education: Consumer and Homemaking Education	32.8
84.053	Vocational Education: State Councils	7.9
84.126	Rehabilitation Services: Basic Support	1,446.4
84.151	Federal, State, and Local Partnerships for Educational Improvement	463.0
84.154	Public Library Construction	22.2
84.161	Client Assistance for Handicapped Individuals	7.8
84.164	State Grants for Strengthening the Skills of Teachers and Instruction in Mathematics and Science	19.5
84.169	Comprehensive Services for Independent Living	12.7
84.174	Vocational Education: Community Based Organizations	8.9
84.176	Paul Douglas Teacher Scholarships	16.6
84.186	Drug-Free Schools and Communities: State Grants	287.7
84.187	Supported Employment Services for Individuals with Severe Handicaps	27.2
84.196	State Activities: Education of Homeless Children and Youth	4.8
84.223	State-Administered English Literacy	4.4
Total		\$7,378.6
Grand total		\$27,494.7

Programs for Which Decennial Census Data Were the Latest Available

Dollars in millions

CFDA no.	Program	Population base	Funding, FY 1989
Department of Agriculture			
10.203	Payments to Agriculture Experiment Stations Under Hatch Act	Rural; Farm	\$155.5
10.205	Payments to 1890 Land-Grant Colleges and Tuskegee University	Rural; Farm	24.3
10.418	Water and Waste Disposal Systems for Rural Communities	Rural, Rural, below poverty level	97.5
10.420	Rural Self-Help Housing Technical Assistance	Rural, below 10,000	8.5
10.427	Rural Rental Assistance Payments	Rural; Rural families below poverty level	275.3
10.433	Rural Housing Preservation Grants	Rural	19.1
10.500	Cooperative Extension Service	Rural; Farm	276.8
10 557A	Special Supplemental Food Program for Women, Infants, Children	Persons potentially eligible to participate in WIC	1,927.4
10.568	Temporary Emergency Food Assistance (Administrative Costs)	Persons in households below poverty level	50.0
10.569	Temporary Emergency Food Assistance (Food Commodities)	Persons in households below poverty level	120.0
10.571	Food Commodities for Soup Kitchens	Persons in households below poverty level	\$40.0
Department of Health and Human Services			
13 183	Federal Assistance for Rural Hospitals to Improve Health Care	County, between 73,550-74,000 and between 17,500-17,550	1.4
13 600	Administration for Children, Youth, and Families—Head Start	Children aged 0-5 in families below poverty	519.4
13 992	Alcohol, Drug Abuse and Mental Health Services Block Grant	Urban, aged 18 -24, 25-44, 25-64 years	435.3
13.994	Maternal and Child Health Services Block Grant	Low-income children	465.3
Department of Housing and Urban Development			
14.221	Urban Development Action Grants	Population growth lag of cities and urban counties	101.0
Department of Labor			
17.247	Migrant and Seasonal Farmworkers	Farmworkers in poverty	66.2
17.250A	Job Training Partnership Act, Title II-A, Basic Program	Below poverty level	1,747.1
17.250B	Job Training Partnership Act, Title II-B, Summer Youth	Below poverty	686.3
17.251	Native American Employment and Training Programs	Indians and Native Americans below poverty level	59.0
Department of Transportation			
20.205C	Highway Planning and Construction Primary System	Rural, Urban	2,313.2
20.205D	Highway Planning and Construction Rural Secondary	Rural	584.7

(continued)

Programs Using Decennial Census When Later Data Were Available (FY 1989)

Dollars in millions

CFDA no.	Program	Funding, FY 1989	Decennial census specified in statute
Department of Health and Human Services			
13.614	Child Development Associate Scholarships	\$1.5	No
13.991B	Preventive Health and Health Services Block Grant—Rape	3.5	No
Department of the Interior			
15.611B	Wildlife Restoration—Hunter Safety and Education	20.6	Yes
15.916	Outdoor Recreation—Acquisition, Development and Planning	16.7	No
Department of Transportation			
20.106B	Airport Improvement Program, State Apportionments	155.1	Yes
20.205H	Highway Planning and Construction Highway Safety Programs	9.9	Yes
20.205i	Highway Planning and Construction Hazard Elimination	166.6	Yes
20.218	Motor Carrier Safety Assistance Program	46.7	No
20.600	State and Community Highway Safety	81.1	Yes
Environmental Protection Agency			
66.001	Air Pollution Control Program Support	\$101.5	No
Department of Energy			
81.050	Energy Extension Service	4.0	Yes
81.052	Energy Conservation for Institutional Buildings	34.4	No
Total		\$641.6	

Note: Allocations for all these programs were based, in whole or in part, on state population.

Comments From the Department of Commerce



UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Administration
Washington, D.C. 20230

AUG 20 1990

Ms. Linda G. Morra
Director, Intergovernmental
and Management Issues
U.S. General Accounting Office
Washington, D.C. 20548

Dear Ms. Morra:

Thank you for your letter requesting comments on the draft report entitled, "Federal Formula Programs: Outdated Population Data Used to Allocate Most Funds."

We have reviewed the enclosed comments of the Director, Bureau of the Census and believe they are responsive to the matters discussed in the report.

Sincerely,


Thomas J. Collamore
Assistant Secretary
for Administration

Enclosure

Appendix VII
Comments From the Department
of Commerce

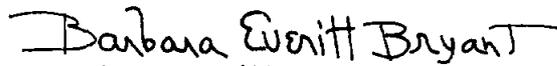
Ms. Linda G. Morra

2

(enclosed) as published in the 1980 Census of Population, "Number of Inhabitants."

We appreciate this opportunity to comment on the draft report.

Sincerely,



Barbara Everitt Bryant
Director
Bureau of the Census

Enclosure

Appendix VII
Comments From the Department
of Commerce

The following criteria are used in determining the eligibility and definition of the 1980 urbanized areas¹:

An urbanized area comprises an incorporated place² and adjacent densely settled surrounding area that together have a minimum population of 50,000.³ The densely settled surrounding area consists of:

1. Contiguous incorporated or census designated places having:
 - a. A population of 2,500 or more; or,
 - b. A population of fewer than 2,500 but having a population density of 1,000 persons per square mile, a closely settled area containing a minimum of 50 percent of the population, or a cluster of at least 100 housing units.
2. Contiguous unincorporated area which is connected by road and has a population density of at least 1,000 persons per square mile.⁴
3. Other contiguous unincorporated area with a density of less than 1,000 persons per square mile, provided that it:
 - a. Eliminates an enclave of less than 5 square miles which is surrounded by built-up area.
 - b. Closes an indentation in the boundary of the densely settled area that is no more than 1 mile across the open end and encompasses no more than 5 square miles.
 - c. Links an outlying area of qualifying density, provided that the outlying area is:
 - (1) Connected by road to, and is not more than 1 1/2 miles from, the main body of the urbanized area.
 - (2) Separated from the main body of the urbanized area by water or other undevelopable area, is connected by road to the main body of the urbanized area, and is

¹All references to population counts and densities relate to data from the 1980 census.

²In Hawaii, incorporated places do not exist in the sense of functioning local governmental units. Instead, census designated places are used in defining a central city and for applying urbanized area criteria.

³The rural portions of extended cities, as defined in the Census Bureau's extended city criteria, are excluded from the urbanized area. In addition, for an urbanized area to be recognized, it must include a population of at least 25,000 that does not reside on a military base.

⁴Any area of extensive nonresidential urban land use, such as railroad yards, airports, factories, parks, golf courses, and cemeteries, is excluded in computing the population density.

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Bureau of the Census, census designated places are recognized as central cities.

New SMSA Standards

New standards for designating and defining metropolitan statistical areas were published in the Federal Register on January 3, 1980. The SMSAs recognized for the 1980 census comprise (1) all areas as defined on January 1, 1980, except for one area which was defined provisionally during the 1970's on the basis of population estimates but whose qualification was not confirmed by 1980 census counts; and (2) a group of 36 new areas defined on the basis of 1980 census counts and the new standards that were published on January 3, 1980.

The new standards will not be applied to the areas existing on January 1, 1980, until after data on commuting flows become available from 1980 census tabulations. At that time, the boundaries, definitions, and titles for all SMSAs will be reviewed.

To aid users who want to become familiar with the SMSA standards and how they are applied, documents are available from the Office of Management and Budget, Washington, D.C. 20503.

Relationship Between
Urbanized Areas and
Metropolitan Areas

Although the urbanized area and the metropolitan area are closely related in concept, there are important differences. The urbanized area has a more limited territorial extent. The urbanized area consists of the physically continuously built-up territory around each larger city and thus corresponds generally to the core of high and medium population density at the heart of the metropolitan area. In concept, a metropolitan area is always larger than its core urbanized area, even if the metropolitan area is defined in terms of small building blocks, because it includes discontinuous urban and suburban development beyond the periphery of the continuously built-up area. The metropolitan area may also include some rural territory whose residents commute to work in the city or its immediate environs, while the urbanized area does not include such territory. In practice, because the SMSA definitions use counties as building blocks, considerable amounts of rural territory with few commuters are often included. However, even in New England, where cities and towns are used as building blocks, SMSAs are generally much larger in extent than their core urbanized areas.

It sometimes occurs, because of boundary anomalies, that a portion of the urbanized area extends across the SMSA boundary into a

Major Contributors to This Report

Human Resources
Division,
Washington, D.C.

Carl R. Fenstermaker, Assistant Director, (202) 275-6169
John M. Kamensky, Assistant Director,
Robert F. Derkits, Evaluator-in-Charge
William A. Brown, Staff Evaluator
Mark S. Vinkenes, Social Science Analyst

Office of General
Counsel,
Washington, D.C.

Robert G. Crystal, Assistant General Counsel
Jane R. Sajewski, Attorney Advisor

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nonmetropolitan county or another SMSA. However, such portions are usually quite small in area and population.

The new standards provide that each SMSA be associated with an urbanized area. However, the reverse is not true--there are some urbanized areas that are not in any SMSA. This situation occurs when an urbanized area does not qualify as an SMSA of at least 100,000 population (75,000 in new England), and the urbanized area has no city with at least 50,000 population.

In addition, some SMSAs contain more than one urbanized area. This occurs when--

1. Two or more urban concentrations not far apart and of generally similar size have separate urbanized areas but qualify as a single SMSA (for example, Greensboro, High Point, and Winston-Salem, North Carolina). Often the SMSA title includes the name of the largest city of each of the component urbanized areas.
2. A very large SMSA includes one or more smaller separate urbanized areas within its boundaries. Examples are the separate urbanized areas around Joliet, Aurora, and Elgin within the Chicago SMSA.

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not more than 5 miles from the main body of the urbanized area.

4. Large concentrations of nonresidential urban area (such as industrial parks, office areas, and major airports), which have at least one-quarter of their boundary contiguous to an urbanized area.

Standard Metropolitan
Statistical Areas

Definition

The general concept of a metropolitan area is one of a large population nucleus, together with adjacent communities which have a high degree of economic and social integration with that nucleus. The standard metropolitan statistical area (SMSA) classification is a statistical standard, developed for use by Federal agencies in the production, analysis, and publication of data on metropolitan areas. The SMSAs are designated and defined by the Office of Management and Budget, following a set of official published standards developed by the interagency Federal Committee on Standard Metropolitan Statistical Areas.

Each SMSA has one or more central counties containing the area's main population concentration: an urbanized area with at least 50,000 inhabitants. An SMSA may also include outlying counties which have close economic and social relationships with the central counties. The outlying counties must have a specified level of commuting to the central counties and must also meet certain standards regarding metropolitan character, such as population density, urban population, and population growth. In New England, SMSAs are composed of cities and towns rather than whole counties.

The population living in SMSAs may also be referred to as the metropolitan population. The population is subdivided into "inside central city (or cities)" and "outside central city (or cities)". The population living outside SMSAs constitutes the nonmetropolitan population.

SMSA Titles

Most SMSAs have at least one central city. The titles of SMSAs include up to three city names, as well as the name of each state into which the SMSA extends. For the 1980 census, central cities of SMSAs are those named in the titles of the SMSAs, with the exception of Nassau-Suffolk, N.Y., which has no central city, and Northeast Pennsylvania, the central cities of which are Scranton, Wilkes-Barre, and Hazleton. Data on central cities of SMSAs include the entire population within the legal city boundaries. In Hawaii, where there are no incorporated places recognized by the

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1980 Census of Population, PC80-1-1A, Number of Inhabitants, U. S.
Summary (excerpts)

Incorporated Places

Incorporated places recognized in the reports of the census are those which are incorporated under the laws of their respective states as cities, boroughs, towns, and villages, with the following exceptions: boroughs in Alaska and New York and towns in the six New England states, New York, and Wisconsin. The towns in the New England states, New York, and Wisconsin, and the boroughs in New York are recognized as minor civil divisions for census purposes; the boroughs in Alaska are county equivalents.

Some incorporated places include narrow strips of land (frequently only the rights-of-way of streets) which typically have no population or housing units. These areas, termed "corporate corridors," are generally not shown on the maps or in the tables of 1980 census reports.

In Connecticut, a unique situation exists in which one incorporated place (Woodmont borough) is subordinate to another (Milford city). The city of Milford is coextensive with the town of Milford. In the tables for the Connecticut report in this series and other series of 1980 census reports, data shown for Milford city exclude those for Woodmont borough, and the user must therefore refer to data for Milford town (which include those for the borough) for data for Milford city.

Urban and Rural Residence

As defined for the 1980 census, the urban population comprises all persons living in urbanized areas and in places of 2,500 or more inhabitants outside urbanized areas. More specifically, the urban population consists of all persons living in (1) places of 2,500 or more inhabitants incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin), but excluding those persons living in the rural portions of extended cities; (2) census designated places of 2,500 or more inhabitants; and (3) other territory, incorporated or unincorporated, included in urbanized areas. The population not classified as urban constitutes the rural population.

Urbanized Areas

The major objective of the Census Bureau in delineating urbanized areas is to provide a better separation of urban and rural population in the vicinity of large cities. An urbanized area consists of a central city or cities, and surrounding closely settled territory ("urban fringe").

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of Commerce



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of the Census
Washington, D.C. 20233
OFFICE OF THE DIRECTOR

August 2, 1990

Ms. Linda G. Morra
Director, Intergovernmental
and Management Issues
General Accounting Office
Washington, D.C. 20548

Dear Ms. Morra:

Thank you for your letter to Secretary Mosbacher requesting the Department's comments on the draft General Accounting Office report entitled Federal Formula Programs-Outdated Population Data Used to Allocate Most Funds.

This is an interesting and useful report, and we concur in its description of the availability of postcensal population estimates. We expect to prepare postcensal population estimates annually for states, counties, and metropolitan statistical areas and biennially for large incorporated places, but we will not be able to prepare postcensal estimates of the "urban" population. Also, we can examine the possibility of preparing postcensal estimates of the low-income population for the 1990s but will require additional resources to do so. We stand ready to discuss the possibility of producing estimates of the low-income population with Congressional staff.

To clarify responsibilities, we suggest a minor rewording of the first part of paragraph 1 on page 10 to read:

"In its deliberations on how best to distribute Federal funds to the states, Congress may wish to consider directing (1) affected program agencies to study the effects of using incorporated or metropolitan area data rather than urban data to allocate formula funds, and (2) the Census Bureau to study the feasibility of estimating the low-income population for states on a more current basis."

To show the differences between population in the metropolitan or incorporated areas and urban population, we suggest you include as an appendix to your report, a copy of the definitions

Now on p. 5.

Programs Required to Use Decennial Census Data

Dollars in millions

CFDA no.	Program	Statutory citation	Funding, FY 1989
Department of Agriculture			
10 203	Payments to Agricultural Experiment Stations Under Hatch Act	7 U.S.C. 361c	\$155.5
10 205	Payments to 1890 Land-Grant Colleges and Tuskegee University	7 U.S.C. 3222	24.3
10 500	Cooperative Extension Service	7 U.S.C. 343	276.8
Department of Health and Human Services			
13 183	Federal Assistance for Rural Hospitals to Improve Health Care	P.L. 100-607, Sec. 638,704-5 as amended by P.L. 100-690, Sec. 2603-4	1.4
Department of the Interior			
15 611B	Wildlife Restoration—Hunter Safety and Education	16 U.S.C. 669c(b)	20.6
Department of Transportation			
20 106B	Airport Improvement Program State Apportionments	49 U.S.C. App 2206(e)	155.1
20 205C	Highway Planning and Construction: Primary System	23 U.S.C. 104(b)(1)	2,313.2
20 205D	Highway Planning and Construction: Rural Secondary	23 U.S.C. 104(b)(2)	584.7
20 205E	Highway Planning and Construction: Urban System	23 U.S.C. 104(b)(2)	\$730.4
20 205F	Highway Planning and Construction: Urban Transportation Planning	23 U.S.C. 104(f)(2)	47.4
20 205H	Highway Planning and Construction: Highway Safety Programs	23 U.S.C. 402(c)	9.9
20 205I	Highway Planning and Construction: Hazard Elimination	23 U.S.C. 152(e), 402(c)	166.6
20 205J	Highway Planning and Construction: Rail-Highway Crossing	23 U.S.C. 130, 104(b)(2), 104(b)(6)	157.6
20 507A	Urban Mass Transportation Capital and Operating Assistance Grants—Large Urban	49 U.S.C. App 1604(a)(2) (A)(i)	1,448.0
20 507B	Urban Mass Transportation Capital and Operating Assistance Grants—Small Urban	49 U.S.C. App 1604(a)(2) (A)(ii)	147.6
20 509	Public Transportation for Nonurbanized Areas	49 U.S.C. App 1614(a)	66.4
20 600	State and Community Highway Safety	23 U.S.C. 402(c)	81.1
Department of Energy			
81 050	Energy Extension Service	42 U.S.C. 7010(c)(2)	4.0
Total			\$6,390.6

**Appendix IV
Programs for Which Decennial Census Data
Were the Latest Available**

CFDA no.	Program	Population base	Funding, FY 1989
20.205E	Highway Planning and Construction: Urban System	Urban	730.4
20.205F	Highway Planning and Construction: Urban Transportation Planning	Urban	47.4
20.205J	Highway Planning and Construction: Rail-Highway Crossing	Rural, Urban	157.6
20.505	Urban Mass Transportation Technical Studies Grants	Urban	40.5
20.507A	Urban Mass Transportation Capital and Operating Assistance Formula Grants—Large Urban	Large urban	1,448.0
20.507B	Urban Mass Transportation Capital and Operating Assistance Formula Grants—Small Urban	Small urban	147.6
20.509	Public Transportation for Nonurbanized Areas	Nonurbanized	66.4
Department of Education			
84.002	Adult Education State-Administered Basic Grant Program	Adults with no graduation certificate and not required to be in school	115.4
84.010	Educationally Deprived Children: Local Educational Agencies	Children aged 5-17 in families below and above poverty level	3,987.9
84.196	State Activities Education of Homeless Children and Youth	Children aged 5-17 in families below and above poverty level	4.8
84.223	State-Administered English Literacy	Number of individuals with limited English-speaking ability	4.4
Total			\$16,723.7

Federal Agencies and Bases Used to Allocate Program Funds (FY 1989)

Dollars in millions

Department/agency	Allocations based on		Total allocations
	Decennial census	Current estimates	
Agriculture	\$2,994.4	\$0	\$2,994.4
Commerce	0	46.2	46.2
Health and Human Services	1,426.4	3,157.8	4,584.2
Housing and Urban Development	101.0	3,081.5	3,182.5
Interior	37.3	0	37.3
Justice	0	208.1	208.1
Labor	2,558.6	141.6	2,700.2
Transportation	5,995.2	0	5,995.2
Arts and Humanities	0	49.5	49.5
Environmental Protection Agency	101.5	112.1	213.7
Energy	38.4	9.5	47.9
Federal Emergency Management Agency	0	57.0	57.0
Education	4,112.6	3,266.0	7,378.6
Totals	\$17,365.4	\$10,129.3	\$27,494.7

**Appendix II
 Programs Using Census Bureau Population
 Data to Allocate Funds (FY 1989)**

CFDA no.	Program	Funding, FY 1989
20.205H	Highway Planning and Construction: Highway Safety Programs	9.9
20.205I	Highway Planning and Construction: Hazard Elimination	166.6
20.205J	Highway Planning and Construction: Rail-Highway Crossing	157.6
20.218	Motor Carrier Safety Assistance Program	46.7
20.505	Urban Mass Transportation Technical Studies Grants	40.5
20.507A	Urban Mass Transportation Capital and Operating Assistance Formula Grants—Large Urban	1,448.0
20.507B	Urban Mass Transportation Capital and Operating Assistance Formula Grants—Small Urban	147.6
20.509	Public Transportation for Nonurbanized Areas	66.4
20.600	State and Community Highway Safety	81.1
Total		\$5,995.2

National Foundation on the Arts and Humanities

45.007	Promotion of the Arts: State Programs	\$24.5
45.129	Promotion of the Humanities: State Programs	25.0
Total		\$49.5

Environmental Protection Agency

66.001	Air Pollution Control Program Support	\$101.5
66.432	State Public Water System Supervision	32.1
66.433	State Underground Water Source Protection	9.5
66.700	Pesticides Enforcement Program Grants	3.8
66.801	Hazardous Waste Management State Program Support	66.7
Total		\$213.6

Department of Energy

81.041	State Energy Conservation	\$9.5
81.050	Energy Extension Service	4.0
81.052	Energy Conservation for Institutional Buildings	34.4
Total		\$47.9

Federal Emergency Management Agency

83.503	Civil Defense, State and Local Emergency Management Assistance	\$57.0
Total		\$57.0

Department of Education

84.002	Adult Education: State-Administered Basic Grant Program	\$115.4
84.010	Educationally Deprived Children: Local Educational Agencies	3,987.9
84.034	Library Services, Title I	79.4
84.035	Interlibrary Cooperation and Resource Sharing	18.7
84.048	Vocational Education: Basic Grants to States	815.3

(continued)

Programs Using Census Bureau Population Data to Allocate Funds (FY 1989)

Dollars in millions		
CFDA no.	Program	Funding, FY 1989
Department of Agriculture		
10.203	Payments to Agricultural Experiment Stations Under Hatch Act	\$155.5
10.205	Payments to 1890 Land-Grant Colleges and Tuskegee University	24.3
10.418	Water and Waste Disposal Systems for Rural Communities	97.5
10.420	Rural Self-Help Housing Technical Assistance	8.5
10.427	Rural Rental Assistance Payments	275.3
10.433	Rural Housing Preservation Grants	19.1
10.500	Cooperative Extension Service	276.8
10.557A	Special Supplemental Food Program for Women, Infants, and Children (WIC)	1,927.4
10.568	Temporary Emergency Food Assistance (Administrative Costs)	50.0
10.569	Temporary Emergency Food Assistance (Food Commodities)	120.0
10.571	Food Commodities for Soup Kitchens	40.0
Total		\$2,994.4
Department of Commerce		
11.307B	Special Economic Development and Adjustment Assistance Program—Long-Term Economic Deterioration	\$12.3
11.419	Coastal Zone Management Program Administration Grants	33.9
Total		\$46.2
Department of Health and Human Services		
13.138	Protection and Advocacy for Mentally Ill Individuals	\$12.6
13.183	Federal Assistance for Rural Hospitals to Improve Health Care	\$1.4
13.600	Administration for Children, Youth and Families—Head Start	519.4
13.614	Child Development Associate Scholarships	1.5
13.623	Administration for Children, Youth and Families—Runaway and Homeless Youth	24.2
13.630A	Administration on Developmental Disabilities—Basic Support Grants	59.8
13.630B	Administration on Developmental Disabilities—Protection and Advocacy Grants	19.8
13.633B	Special Programs for the Aging—Title III Part B—Grants for Supportive Services and Senior Centers	21.3
13.635A	Special Programs for the Aging—Title III Part C1—Congregate Nutrition Services	27.5
13.635B	Special Programs for the Aging—Title III Part C2—Home Delivered Nutrition Services	6.1
13.641	Special Programs for the Aging—Title III Part D—In-Home Services for Frail Older Individuals	4
13.643	Children's Justice Grants to States	3.6
13.645	Child Welfare Services State Grants	246.7
13.667	Social Services Block Grant	2,700.0
13.669	Administration for Children, Youth and Families—Child Abuse and Neglect State Grants	11.6

(continued)

Bureau of the Census Population Data

The Bureau of the Census collects and publishes various statistics about the people of the United States in two basic ways: (1) the decennial census that counts the population and (2) surveys and other periodic programs that provide current population data estimated between the censuses. The Bureau also conducts special censuses on a cost-reimbursable basis.

The censuses and surveys furnish information about the number and characteristics of the population, including social and economic characteristics such as household composition, ethnicity, and income, and provide the basis for population estimates, projections, and special studies. Data are used, among other things, to allocate billions of dollars of federal financial assistance.

Decennial Census

A census of the population has been taken every 10 years since 1790, and a census of housing has been taken as part of the decennial census since 1940. The 1980 Census of Population and Housing, the 20th decennial census, was conducted April 1, 1980.

Certain questions are asked of all persons (100 percent or complete-count) to provide precise data needed for congressional apportionment, legislative redistricting, and other purposes where units of analysis may be as small as a city block. Other questions are asked of a fraction of the households (a sample) with the resulting data reported as estimates rather than actual counts for larger geographic areas, such as census tracts, which average about 4,000 people. The same is true regarding questions about housing.

From the decennial census, the Census Bureau prepares three major groups of reports:

1. Population census reports, which display results from population questions concerning age, sex, race, commuting methods, prior years' income and poverty status, employment, and other topics;
2. Housing census reports, which focus on housing subjects such as rent, value, fuels, facilities, number of rooms, and others; and
3. Population and housing reports, which combine the results of the population and housing censuses.

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census to allocate funds and instead require that the funds be distributed using some other basis and data.

Agency Comments

A draft of this report was provided to the Department of Commerce, which commented on it (see app. VII). Commerce found the report interesting and useful and concurred in its description of the availability of population estimates. Commerce stated that the Census Bureau will be preparing population estimates annually for states, counties, and metropolitan areas and biennially for large incorporated places. It also said the Census Bureau could examine the possibility of preparing estimates of the low-income population, but would require additional resources to do so.

Commerce suggested that we slightly reword our matters for Congressional consideration in order to clarify responsibilities, and we have done this. Commerce also thought it useful to provide population definitions for urban areas, metropolitan areas, and incorporated places, and attached these to its comments.

Copies of this report are being sent to the Bureau of the Census, the Department of Commerce, the heads of the departments and agencies whose programs were studied, and other appropriate congressional committees. Copies also will be made available to interested parties upon request.

Please call me on (202) 275-1655 if you or your staff have any questions about this report. Other major contributors to it are listed in appendix VIII.

Sincerely yours,



Linda G. Morra
Director, Intergovernmental
and Management Issues

living below the poverty level, that are available only from the decennial census (see app. IV). The Census Bureau develops these data every 10 years and does not prepare more current estimates on a state-by-state basis.

At our request, the Census Bureau explored the possibility of providing current data on the number of inhabitants living below the poverty level and the number living in urban and rural areas. For persons below the poverty level, Census officials believe that “modeled” estimates could be obtained by using data from the most recent census and other sources. These data would be more current than those in the decennial census. Census officials who have carried out some preliminary feasibility studies using the modeling procedures say the study results appear promising.

Census does not estimate the urban population between censuses. It does, however, estimate population inside incorporated areas and population in metropolitan areas. Incorporated areas are more restrictive or smaller than urban areas, while metropolitan areas are more inclusive or larger than urban areas. Each of the three population areas—urban, incorporated, and metropolitan—would result in different fund distributions among the states. Whether incorporated or metropolitan population data should be substituted for urban population data in federal formulas so that later data can be used to allocate funds is a matter that will require further analysis.

Latest Data Not Used in Some Programs

Twelve of the 45 programs did not use the most current population data to distribute \$641 million (see app. V). State population from the decennial census was used rather than available annual estimates. For 6 of the 12 programs, authorizing statutes required the use of the decennial census.

Although six programs’ statutes do not specify the data source required, these programs (distributing \$204 million) used the decennial census. When we discussed the reasons for this with program officials, one program manager said he was unaware that more recent data were available. A senior public health advisor for another program told us that the agency wanted to use current estimates in 1989 but said it was too late in publishing the change in the *Federal Register*. He added that the agency published its intent to use current estimates to distribute 1990 funds. Two other program managers wanted to maintain “level” funding

methods such as set-asides and hold-harmless provisions.² Also, we interviewed Census officials to determine whether they had data more current than the decennial census data used by many program managers. Finally, we analyzed program laws and regulations to identify the population data and sources required to be used.

We conducted our review from September 1989 to March 1990 in accordance with generally accepted government auditing standards.

Results in Brief

In fiscal year 1989, 93 federal formula programs involving funds totaling \$27.5 billion used Census Bureau population data, in whole or in part, to determine program eligibility or distribute funds to state and local governments. Of these 93 programs,

- 48 used current population estimates to distribute \$10.1 billion, and
- 45 used 1980 decennial census population data to distribute \$17.4 billion. Statutes for 18 programs (distributing \$6.4 billion) specify using the decennial census as the source of population data for distributing funds.

For 33 of the 45 programs, the decennial population data used to distribute \$16.7 billion were the most current available. These consisted primarily of data on the populations living in urban and rural areas and below the poverty level. These data are not estimated between decennial censuses. Additionally, 12 of the 33 programs are required by law to use the decennial data.

Twelve of the 45 programs used state population data from the decennial census to distribute \$641.6 million, even though more current state population data are available annually from the Census Bureau. Six programs are required by law to use decennial census data and six programs had various reasons for not using current estimates.

The Census Bureau believes that it could develop and provide intercensal data (data between censuses) on poverty by using statistical

²A set-aside is a prescribed percentage or dollar amount of grant funds that is earmarked for a specific purpose at the national or at the state level and may not be used for other purposes. For example, in a program that allows a department secretary to use 15 percent of program funds for discretionary purposes, the 15 percent would be a set-aside. A hold-harmless provision guarantees that a grant recipient will not receive less funding than it did under a previous program or under a preceding formula. For example, in a program that guarantees that states will receive no less than the dollar amount they received in a prior year, the guarantee would be a hold-harmless provision. In either case, the set-aside or hold-harmless amounts would not be distributed by formula.

