

Fifty-five Large Federal Census-guided Spending Programs: Distribution by State

Counting for Dollars 2020: Report #5

Introduction

Counting for Dollars Project 2020 aims to understand:

- The extent to which the federal government will rely on data from the 2020 Census to guide the distribution of federal funding to states, localities, and households across the nation; and
- The impact of the accuracy of the 2020 Census on the fair distribution of these funds.¹

To date, the project has focused on census-guided geographic distribution of **federal financial assistance**. With this report, it expands to include distribution of **federal tax credits** and **federal procurement contracts**.

Counting for Dollars 2020: Prior Reports

Report #1: “Initial Analysis: 16 Large Census-guided Financial Assistance Programs” describes the state-by-state distribution of \$590 billion in Fiscal Year (FY) 2015 spending from 16 large federal financial assistance programs. (August 2017)

Report #2: “Estimating Fiscal Costs of a Census Undercount to States” measures state fiscal impacts of an undercount for U.S. Department of Health and Human Services programs (the largest being Medicaid) reliant on the Federal Medical Assistance Percentage (FMAP). In FY2015, FMAP-determined reimbursements to and payments from state governments totaled \$286.1 billion. (March 2018)

Report #3: “The Role of the Decennial Census in Distributing Federal Funds to Rural America” identifies 55 census-guided programs specifically targeted to rural communities. These programs distributed \$30.7 billion in FY2016. (December 2018)

Report #4: “Census-derived Datasets Used to Distribute Federal Funds” describes 52 census-derived datasets that the federal government uses to geographically distribute spending. (December 2018)

The project has identified 325 census-guided federal spending programs—for FY2016, these efforts distributed over \$900 billion across the U.S.²

To more effectively encourage household participation in the 2020 Census, state and local complete count committees and similar advocates regularly ask for data on census-guided spending for their respective levels of geography. In response to that need, this brief identifies the distribution by state of \$883.1 billion from 55 large census-guided spending programs in FY2016.

In 2010, the Counting for Dollars project (then housed at the Brookings Institution) relied on the Census Bureau’s Consolidated Federal Funds Report (CFFR) to provide national, state, metro area, and county estimates of FY2008 census-guided spending for over 200 programs. In 2012, the CFFR was terminated, replaced by the website USASpending.gov, which is operated by the Office of Management and Budget and the U.S. Treasury Department. However, experience indicates that USASpending.gov data at the state and local level for individual census-guided spending programs is frequently, and unpredictably, inaccurate or incomplete.

Consequently, Counting for Dollars researchers no longer have access to a single comprehensive dataset to easily generate spending numbers by program at the national, state, and county levels. For the 2020 analysis, researchers sought geographic spending data from multiple and disparate sources, one program at a time. They looked at 55 programs (out of 325) that collectively account for the large majority of census-guided federal spending.

This brief identifies nationwide spending for each of the 55 census-guided programs and total spending by state for those programs. It also describes the relationship between the accuracy of the 2020 Census at the state and local levels and the fair geographic distribution of federal funds.

For reference, the appendix describes the types of federal funding guided by census-derived data, the types of census-derived data, and the ways these data are used to distribute funding.

Distribution of Funds from 55 Large Census-guided Federal Spending Programs

For FY2016, as the table below indicates, 55 large census-guided federal spending programs distributed \$883.1 billion dollars across the nation.

Table 1: Allocation of Funds from 55 Large Federal Spending Programs Guided by Data Derived from the 2010 Census, Fiscal Year 2016, United States

Total Program Obligations: \$883,094,826,042

Program	Dept.	Obligations	Program	Dept.	Obligations
Financial Assistance Programs		\$864,018,463,690	Adoption Assistance	HHS	\$2,591,755,519
Medical Assistance Program (Medicaid)	HHS	\$361,218,476,000	Community Facilities Loans/Grants	USDA	\$2,428,333,880
Federal Direct Student Loans	ED	\$93,528,598,805	Supporting Effective Instruction State Grants	ED	\$2,218,528,106
Supplemental Nutrition Assistance Program	USDA	\$66,376,250,674	Crime Victim Assistance	DOJ	\$2,191,544,358
Medicare Suppl. Medical Insurance (Part B)	HHS	\$66,076,784,523	Community Development Block Grants -- Entitlement	HUD	\$2,072,933,213
Highway Planning and Construction	DOT	\$40,271,249,273	Public Housing Capital Fund	HUD	\$1,795,172,000
Federal Pell Grant Program	ED	\$25,992,700,000	Block Grants for the Prevention and Treatment of Substance Abuse	HHS	\$1,733,352,878
Section 8 Housing Choice Vouchers	HUD	\$19,387,184,000	Water and Waste Disposal Systems for Rural Communities	USDA	\$1,588,387,462
Temporary Assistance for Needy Families	HHS	\$17,096,198,545	Social Services Block Grant	HHS	\$1,575,547,556
Very Low to Moderate Income Housing Loans	USDA	\$16,904,961,354	Rural Rental Assistance Payments	USDA	\$1,333,976,699
Title I Grants to LEAs	ED	\$14,364,454,918	Business and Industry Loans	USDA	\$1,270,124,000
State Children's Health Insurance Program	HHS	\$13,761,924,000	Career and Technical Education - Basic Grants to States	ED	\$1,079,810,263
National School Lunch Program	USDA	\$12,042,774,000	Homeland Security Grant Program	DHS	\$1,013,504,299
Special Education Grants	ED	\$11,779,555,245	WIOA Dislocated Worker Grants	DOL	\$993,041,748
Section 8 Housing Assistance Payments Program	HUD	\$10,156,542,138	HOME Investment Partnerships	HUD	\$955,844,245
Federal Transit Formula Grants	DOT	\$8,871,200,000	Community Development Block Grants -- State	HUD	\$879,032,578
Head Start	HHS	\$8,648,933,810	WIOA Youth Activities	DOL	\$833,934,312
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	USDA	\$6,383,830,000	WIOA Adult Activities	DOL	\$791,866,056
Title IV-E Foster Care	HHS	\$4,727,773,596	Employment Service/Wagner-Peyser	DOL	\$722,594,062
Health Care Centers	HHS	\$4,319,604,643	Community Services Block Grant	HHS	\$676,683,000
School Breakfast Program	USDA	\$4,148,731,000	Special Programs for the Aging, Title III, Part C, Nutrition Services	HHS	\$657,175,268
Rural Electrification Loans and Loan Guarantees	USDA	\$3,822,683,759	Cooperative Extension Service	USDA	\$458,779,037
Public and Indian Housing	HUD	\$3,739,906,000	Native Amer. Employment & Training	DOL	\$47,493,783
Low Income Home Energy Assistance	HHS	\$3,351,810,105			
Child and Adult Care Food Program	USDA	\$3,324,184,000	Federal Tax Expenditures		\$12,130,000,000
Vocational Rehabilitation Grants to the States	ED	\$2,981,765,509	Low Income Housing Tax Credit	Treas	\$8,630,000,000
Child Care Mandatory and Matching Funds	HHS	\$2,840,075,000	New Markets Tax Credit	Treas	\$3,500,000,000
Unemployment Insurance Administration	DOL	\$2,717,410,000			
Federal Transit - Capital Investment Grants	DOT	\$2,660,924,472	Federal Procurement Programs		\$6,946,362,351
Child Care and Development Block Grant	HHS	\$2,612,564,000	HUBZones Program	SBA	\$6,946,362,351

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Counting for Dollars 2020 publications, including a corresponding version of the above table for each state, are available at <https://gwipp.gwu.edu/counting-dollars-2020-role-decennial-census-geographic-distribution-federal-funds>

Among the states, California received the most funds (\$115.1 billion), followed by New York (\$73.3 billion), Texas (\$59.4 billion), Florida (\$44.2 billion), and Pennsylvania (\$39.2 billion). States with the smallest distributions were Wyoming (\$1.4 billion), North Dakota (\$1.8 billion), and South Dakota (\$2.4 billion).

Table 2: Allocation of Funds from 55 Large Federal Spending Programs Guided by Data Derived from the 2010 Census, Fiscal Year 2016, by State

State	Total	State	Total
Alabama	\$13,072,790,109	Montana	\$ 2,990,170,076
Alaska	\$3,194,463,262	Nebraska	\$3,995,092,442
Arizona	\$20,550,087,125	Nevada	\$6,219,293,623
Arkansas	\$9,867,323,057	New Hampshire	\$3,718,487,379
California	\$115,133,486,972	New Jersey	\$22,726,090,349
Colorado	\$13,087,705,849	New Mexico	\$7,816,466,854
Connecticut	\$10,726,609,427	New York	\$73,300,580,854
Delaware	\$3,020,191,091	North Carolina	\$23,750,523,730
District of Columbia	\$6,255,979,818	North Dakota	\$1,810,322,991
Florida	\$44,193,384,025	Ohio	\$33,529,663,507
Georgia	\$23,835,175,686	Oklahoma	\$9,364,879,721
Hawaii	\$3,682,543,845	Oregon	\$13,452,034,877
Idaho	\$3,646,592,592	Pennsylvania	\$39,179,047,733
Illinois	\$34,331,000,530	Rhode Island	\$3,801,279,399
Indiana	\$ 17,975,960,697	South Carolina	\$12,691,509,891
Iowa	\$ 8,787,280,545	South Dakota	\$2,386,951,373
Kansas	\$6,054,507,586	Tennessee	\$17,298,449,635
Kentucky	\$15,818,206,235	Texas	\$59,409,844,723
Louisiana	\$14,470,446,489	Utah	\$5,694,470,987
Maine	\$4,114,357,289	Vermont	\$2,482,076,315
Maryland	\$16,399,153,415	Virginia	\$17,766,199,831
Massachusetts	\$22,849,016,142	Washington	\$16,676,186,274
Michigan	\$29,208,978,056	West Virginia	\$6,760,055,573
Minnesota	\$15,459,175,947	Wisconsin	\$12,608,476,954
Mississippi	\$10,113,194,229	Wyoming	\$1,355,240,322
Missouri	\$16,463,820,510	United States	\$883,094,826,042

As supplements to these tables, the Counting for Dollars webpage includes links to:³

- A version of Table 1 for the U.S., each of the 50 states, and the District of Columbia, and households across the nation.
- A spreadsheet with FY2016 census-guided expenditures by program (55 rows) and state (52 columns, with U.S. and the District of Columbia).
- A worksheet that identifies, for each of the 55 programs, the type of recipients, the type of federal assistance, the specific census-derived datasets relied on, the specific uses of those datasets, and a Congressional Research Service report providing a description of the program and its uses of census-derived data.

Impacts of Census Accuracy on Federal Funds Distribution to States and Local Areas

In the coming decade, the equitable geographic distribution of federal spending will depend on the accuracy of the 2020 Decennial Census. As this brief shows, a substantial amount of funding is at stake—in FY2016, funding across 55 large census-guided programs amounted to \$883.1 billion. (A future brief will provide nationwide funding for 325 programs. The expectation is that total funding across all census-guided programs will be over \$900 billion.)

While the fair flow of funds depends on count accuracy, for most programs there is not a easily measured relationship between a state or local population count and the flow of federal funds. Put another way, **for most programs, it is not possible to calculate the amount of additional funds per person counted.**

The reasons are as follows:

1. Many programs rely on census-derived data to determine **program eligibility**. For example, to be entitled to a Community Development Block Grant, an area must be a central city of a metropolitan area, an urban county (as defined in statute), or a satellite city with at least 50,000 people. Eligibility is a “yes/no” question and so not highly sensitive to a miscount.
2. Many programs use census-derived data to distribute funds through geographic allocation formulas based on **share of population with specific characteristics**. For example, Title I Grants to Local Education Agencies are allocated based on the number of school-age children. The geographic distribution of Title I funds is not affected by the presence of anyone over 17 or under 5.
3. To complicate matters, many programs rely on **several different census-derived variables** based on specific characteristics, such as the number of persons in poverty, the number who live in substandard housing, and the number who live in overcrowded housing (in the Community Development Block Grant program). Counting someone in substandard housing, but not in poverty but, only has a partial impact.
4. Some formula programs have **“hold harmless” provisions** that override formula results. For instance, for traditional Medicaid, regardless of its actual per capita income, no state can receive less than 50 cents for each dollar spent. For Workforce Innovation and Opportunity Act programs, each state and local workforce development area receives at least 90 percent of the funds that it received in the prior year.
5. Some formula programs rely on **variables not derived from the census**, such as the number of miles of bus routes (for Federal Transit Formula Grants).
6. Some programs have **preferences for certain characteristics** measured by census-derived variables. For example, the USDA Very Low to Moderate Income Housing Loan Program has a goal of distributing 20 percent of its funds to census tracts with poverty rates of 20 percent or more. It is not possible to measure how any county’s census count would affect its receipt of funds.
7. For some formula-based programs (such as WIC and Social Services Block Grants), state governments have **substantial discretion** in determining the allocation of funds to individual counties, cities, and towns. Consequently, the impact of counting someone is not predictable.⁴

Calculation of federal revenue per person counted—regardless of their demographic characteristics—can be done only for programs that rely solely or largely on total headcount.

Counting for Dollars 2020 has identified only six programs that fulfill this condition, all in the health and social services arena. As described in brief #2, five programs (the largest being Medicaid) rely on annual Population Estimates to calculate the Federal Medical Assistance Percentage (FMAP) for reimbursement to states.⁵ Only one program (Social Services Block Grants) allocates funding solely on the basis of a state’s share of U.S. population, per the Census Bureau’s annual Population Estimates. These six programs collectively account for roughly 30 percent of census-guided spending (due to the substantial size of the traditional Medicaid program).

While it is not possible to calculate federal revenue per person counted across all census-guided programs, **we can say that census accuracy is of utmost importance to the fair, prudent geographic distribution of federal funding.**

Appendix

Census-guided Federal Expenditures

Three types of federal expenditures are geographically distributed using census-derived data: financial assistance, tax credits, and procurement contracts.

Financial Assistance

The 2017 Catalog of Federal Domestic Assistance (CFDA) identifies 2,500 assistance programs.⁶ “Domestic assistance programs” provide financial assistance (such as direct payments to individuals, grants, loans, and loan guarantees) or non-financial assistance (such as counseling and technical assistance) to non-federal entities within the U.S.—such as individuals, state and local governments, companies and nonprofits—in order to fulfill a public purpose. Federal domestic assistance is provided in every realm of domestic policy, including

health care, education, economic development, transportation, social services, science, technology, criminal justice, and emergency management.

Four types of federal domestic assistance programs geographically distribute financial assistance on the basis of census-derived data: grants, direct payments, direct loans, and loan guarantees and insurance (see box). A significant proportion of programs in each category rely on census-derived data to distribute funds.

Four Types of Federal Financial Assistance

Grants are transfers of funds that recipients are legally committed to use for certain purposes in the public interest.

- **Formula grants** provide funds to states or local governments according to allocation formulas defined by law or by the granting agency, for ongoing activities not related to a single project. For example, the Medical Assistance Program (Medicaid, CFDA 93.778) distributes funds using a formula based on each state’s per capita income.
- **Project grants** distribute funds for uses related to a specific project. While formulas may be used to allocate project grants, funds must be used only for the intended project. The Head Start Program (93.600), for example, provides federal dollars to local agencies for the purpose of providing high-quality child care for low-income children.
- **Cooperative agreements** work the same way as project grants except that the funding agency is more heavily involved in the administration of the project. For example, The Department of Labor’s Work Incentive Grant Program (17.266), aimed to increase labor force participation by persons with disabilities.

Direct Payments provide federal funds directly to individuals or private institutions, generally for restricted uses, for the purpose of encouraging or subsidizing certain activities. For example, the Labor Department’s Work Incentive Grant Program (17.266) aims to increase labor force participation by persons with disabilities.

Direct loans are federal dollars provided to a business or individual recipient for a specific period of time, with the expectation of repayment to the federal government. An example is the Very Low to Moderate Income Housing Loans Program (10.410) operated by the U.S. Department of Agriculture (USDA).

Guaranteed/insured loans are those in which the federal government agrees to protect a lender against part or all of any defaults by a borrower. One example is the USDA’s Business and Industry Loans Program (10.768), which assists businesses and individuals in obtaining loans from other sources.

Tax Credits

The federal government allows businesses to claim tax credits for specified investments or expenditures deemed to be in the public interest. Several federal tax credit programs rely on census-derived datasets to identify tax credit-eligible neighborhoods. Such programs include the Low-Income Housing Tax Credit (LIHTC), the New Markets Tax Credit (NMTC), and the newly established Opportunity Zones Program.

Procurement

In FY2017, the federal government spent \$834.6 billion on contractual services and supplies.⁷ By law, the federal government aims to award three percent of Federal prime contract dollars to small businesses located in high-unemployment, low-income areas designated as Historically Underutilized Business Zones (HUBZones) on the basis of census-derived data. According to the Government Accountability Office (GAO), "For calendar year 2015 (the most recent year that data were available), firms in the [HUBZone] program had almost \$6.6 billion in obligations on active federal contracts directly awarded to bidders."⁸

Uses of Census-derived Data to Distribute Federal Funding

Federal spending programs use census-derived data in four ways to guide the distribution of funds—eligibility criteria, allocation formulas, selection preferences, and interest rates.

Article 1, Section 2 of the Constitution mandates a Decennial Census for the purposes of apportioning seats in the House of Representatives among the states. In January 1790, Representative James Madison proposed, and Congress adopted, an amendment to the Census Act of 1790 to include questions on population characteristics beyond those needed for “bare enumeration” so that Congress might “adapt the public measures to the particular circumstances of the community.”⁹ Agreeing with Madison, Congress added questions on race, gender, and age. Ever since, the Decennial Census has carried questions beyond those required for apportionment.¹⁰

For nearly 230 years, Congress has used the data from the Decennial Census to guide the design and implementation of public policies and programs. In the 20th century, these uses extended to guiding the geographic distribution of federal funding.

As the Decennial Census is carried out once a decade and collects data on a small number of demographic characteristics, Congress recognizes that the census numbers, on their own, cannot guide the fair geographic distribution of federal funds. Therefore, Congress has authorized a series of more current and descriptive datasets derived from the Decennial Census. Under Congress’ direction and through significant advances in the statistical sciences, the value of the Decennial Census has been greatly extended through the development of datasets derived from it.

Counting for Dollars brief #4 identifies 52 datasets derived from the Decennial Census and used to guide the geographic distribution of federal spending.¹¹

- Eight datasets are **foundational**, in that they make this data ecosystem possible, and 44 datasets are **extensions** of these.
- Two foundational datasets are **geographic classifications**—Urban-Rural Classification (Census Bureau) and Core-based Statistical Areas (OMB).
- Two foundational datasets are **annual updates of data collected in the Decennial Census**—Population Estimates and Housing Estimates (both Census Bureau).
- Four are **household surveys** that use the Decennial Census for the sampling frame, sample design, and response weighting—American Community Survey (Census Bureau), Current Population Survey (Census and Bureau of Labor Statistics [BLS]), Consumer Expenditure Survey (Census for BLS), and American Housing Survey (Census Bureau for Department of Housing and Urban Development [HUD]).
- Of the 44 extension datasets, 33 are **program-specific**—that is, they are developed primarily to enable the geographic allocation of funding. Examples include Areas of Substantial Unemployment (Labor Department), Qualified Opportunity Zones (Treasury Department), Area Median Income (HUD), and Federal Medical Assistance Percentage (HHS).

Census-derived data are used by federal programs in four ways to guide the distribution of funds—eligibility criteria, allocation formulas, selection preferences, and interest rates (see box). The large majority of census-guided programs use census-derived data in eligibility criteria and/or allocation formulas.

Four Uses of Census-derived Data in Guiding Federal Expenditures

First, programs use census-related data to define **eligibility criteria** – that is, to identify which organizations or individuals can receive funds. For instance, for several USDA assistance programs, eligible recipients must be in a rural area, “rural” being defined as “any area other than a city, town, or unincorporated area that has a population of greater than 20,000 inhabitants.” To be eligible to receive payments from HUD’s Rent Supplements Program (14.149), a household must be “low income,” defined as earning 80 percent or less of the area’s median income.

Second, programs use census-related data in **formulas** that geographically distribute funds among eligible recipients across the nation. For instance:

- **HUD’s Community Development Block Grants/Entitlement Grants Program** (14.218) allocates funds to metropolitan cities and urban counties on the basis of population size, extent of poverty, extent of overcrowding, growth lag, and age of housing share.
- **The Transportation Department’s Job Access–Reverse Commute Program** (20.516) allocates funds among eligible recipients on the basis of poverty level, population size, and location in an urbanized area – statistics all related to the census.

- **USDA’s Very Low to Moderate Income Housing Loans Program** (10.410) allocates direct loans among the states on the basis of share of rural population, share of rural occupied substandard housing units, share of rural households with incomes of between 50 and 80 percent of area median income, and other census-related factors.

Third, programs make funding decisions on the basis of **selection preferences**, using census-related data to score project applications. For instance, HUD’s Community Development Block Grants/Brownfields Economic Development Initiative (14.246) selects projects, in part, on the basis of extent of need (which includes poverty rate and unemployment rate).

Fourth, census-related data are used to determine **interest rates** for federal loan programs. USDA’s Water and Waste Disposal Systems for Rural Communities (10.760) sets interest rates on the basis of area median household income.

Footnotes

- 1 Project website: <https://gwipp.gwu.edu/counting-dollars-2020-roledecennial-census-geographic-distribution-federal-funds>
- 2 FY2016 is the latest year for which a complete set of spending data by program is publicly available.
- 3 These supplements are available at <https://gwipp.gwu.edu/counting-dollars-2020-role-decennial-census-geographic-distribution-federal-funds#Reports>.
- 4 On the Counting for Dollars website, a worksheet illustrates for six programs how these various reasons limit the sensitivity of federal funds flows to the specific population count.
- 5 These are Medicaid, the Children's Health Insurance Program (CHIP), Foster Care, Adoption Assistance, and the Child Care and Development Fund.
- 6 See <https://beta.sam.gov/help/assistance-listing>.
- 7 According to USASpending.gov, at https://www.usaspending.gov/#/explorer/object_class.
- 8 Governmental Accountability Office, "HUBZone Program: Oversight Has Improved but Some Weaknesses Remain," Testimony before the Subcommittee on Contracting and Workforce, Committee on Small Business, House of Representatives, March 2, 2017, GAO-17-456T, available at <https://www.gao.gov/products/GAO-17-456T>.
- 9 An extended quote from Rep. Madison lays out his thinking: "Mr. Madison Observed that they had now an opportunity of obtaining the most useful information for those who should hereafter be called upon to legislate for their country if this bill was extended so as to embrace some other objects besides the bare enumeration of the inhabitants; it would enable them to adapt the public measures to the particular circumstances of the community. In order to know the various interests of the United States, it was necessary that the description of the several classes into which the community was divided, should be accurately known; on this knowledge the legislature might proceed to make a proper provision for the agricultural, commercial and manufacturing interests, but without it they could never make their provisions in due proportion. This kind of information, he observed, all legislatures had wished for; but this kind of information had never been obtained in any country. He wished, therefore, to avail himself of the present opportunity of accomplishing so valuable a purpose. If the plan was pursued in taking every future census, it would give them an opportunity of marking the progress of the society and distinguishing the growth of every interest." (Italics added.) Source: "Article 1, Section 2, Clause 3: James Madison, Census Bill, House of Representatives," The Founders Constitution website, University of Chicago, at http://presspubs.uchicago.edu/founders/documents/a1_2_3s19.html.
- 10 Through 1930, each household was required to answer each Decennial Census question. Sampling began in 1940. In 1960, most census questions were placed on the "long form" that went to a sample of households. The last "long form" was used in 2000. In 2005, "long form" questions were shifted to the new American Community Survey, which statutorily is considered a part of the Decennial Census.
- 11 Andrew Reamer, "Census-derived Datasets Used to Distribute Federal Funds," Counting for Dollars 2020: Report #4, GW Institute of Public Policy, December 2018. A schematic of the 52 census-derived datasets is on p. 5 of this report.