October 29, 2007

2010 CENSUS

Population Measures Are Important for Federal Funding Allocations

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Highlights

Highlights of GAO-08-230T, a testimony before the Subcommittee on Information Policy, Census, and National Archives, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The decennial census is a constitutionally-mandated activity that produces critical data used to apportion congressional seats, redraw congressional districts, and allocate billions of dollars in federal assistance. This testimony discusses (1) the various measures of population used to allocate federal grant funds (2) how the accuracy of the population count and measurement of accuracy have evolved and the U.S. Census Bureau's (Bureau) plan for coverage measurement in 2010; and (3) the potential impact that differences in population estimates can have on the allocation of grant funds. This testimony is based primarily on GAO's issued work in which it evaluated the sensitivity of grant formulas to population estimates.

What GAO Recommends

At this time, GAO is not making any new recommendations.

What GAO Found

In fiscal year 2000, GAO found that 85 percent of federal government obligations in grants to state and local governments were distributed on the basis of formulas that use data such as state population and personal income. The decennial census is the foundation for measuring the nation's population. It provides a count of the population every 10 years, and is the starting point for estimates of population made in years between the censuses.

Obtaining an accurate population count through the decennial census has been a concern since the first census in 1790. Concern that the decennial census undercounted the population has continued since then. To measure accuracy, the Bureau since 1940 has used demographic analysis, in which it compares census counts with information on births, deaths, and other information. With the exception of 1990, the Bureau's demographic analysis shows that the extent to which the census undercounted the population has declined. More recently, the Bureau has used statistical techniques in which it compares the census count with the results of an independent sample survey of the population. For 2010, the Bureau plans to use similar statistical techniques to measure the accuracy and coverage of the census. Evaluating the accuracy of the census is essential given the importance of the data, the need to know the nature of any errors, and the cost of the census overall.

GAO's prior work has illustrated that the accuracy of state and local population estimates may have some effect on the allocation of grant funds. Specifically, to show the sensitivity of grant programs to alternative population estimates, GAO simulated how two grant program formulas would allocate federal funds to states if population estimates were substituted for census counts. This simulation was done for illustrative purposes only. While only actual census numbers should be used for official purposes, this simulation showed some shifting of grant funds among the states when estimates were used. For example, recalculating allocations of Social Services Block Grant funds using estimates of population for 2000, rather than the census count, would result in shifting $4.2 million—or 0.25 percent—of $1.7 billion in fiscal year 2004 funds. Specifically, 27 states and the District of Columbia would have gained $4.2 million and 23 states would have lost a total of $4.2 million.

To view the full product, including the scope and methodology, click on GAO-08-230T. For more information, contact Mathew Scire at (202) 512-6806 or sciremj@gao.gov.