United States Government Accountability Office

GAO

Report to Congressional Requesters

June 2006

FEDERAL ASSISTANCE

Illustrative Simulations of Using Statistical Population Estimates for Reallocating Certain Federal Funding

GAO-06-567

June 2006

FEDERAL ASSISTANCE

Illustrative Simulations of Using Statistical Population Estimates for Reallocating Certain Federal Funding

GAO Accountability · Integrity · Reliability

Highlights

Highlights of GAO-06-567, a report to congressional requesters

Why GAO Did This Study

Decennial census data need to be as accurate as possible because the population counts are used for, among other purposes, allocating federal grants to states and local governments. The U.S. Census Bureau (Bureau) used statistical methods to estimate the accuracy of 1990 and 2000 Census data. Because the Bureau considered the estimates unreliable due to methodological uncertainties, they were not used to adjust the census results. Still, a key question is how sensitive are federal formula grants to alternative population estimates, such as those derived from statistical methods?

GAO was asked to identify (1) the top 20 formula grant programs based on the amount of funds targeted by any means, and (2) the amount of money allocated for Medicaid and Social Services Block Grant (SSBG), and the prospective impact of estimated population counts from the 1990 and 2000 Censuses on state allocations for these two programs. Importantly, as agreed, GAO's analysis only simulates the formula grant reallocations. We used fiscal year 2004 Medicaid state expenditure and 2005 SSBG state allocation data, the most recent data available.

What GAO Recommends

GAO is not making any recommendations in this report.

www.gao.gov/cgi-bin/getrpt?GAO-06-567.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Brenda S. Farrell at (202) 512-6806 or farrellb@gao.gov.

What GAO Found

In fiscal year 2004, the top 20 formula grant programs together had $308 billion in obligations, or 67 percent of the total $460.2 billion obligated by the 1,172 federal grant programs. Medicaid was the largest formula grant program, with obligations of $183.2 billion, or nearly 40 percent of all grant obligations. The federal government allocated $159.7 billion to states in Medicaid funds (not including administrative costs such as processing and making payments to service providers) and $1.7 billion in SSBG funds. Recalculating these allocations using statistical population estimates from the Accuracy and Coverage Evaluation and the Post Enumeration Survey—independent sample surveys designed to estimate the number of people that were over- and undercounted in the 2000 and 1990 Censuses—would have produced the following results:

- A total of 0.23 percent ($368 million) of federal Medicaid funds would have been shifted overall among the states in fiscal year 2004 and 0.25 percent ($4.2 million) of SSBG funds would have shifted among the states in fiscal year 2005 as a result of the simulations using statistical population estimates from the 2000 Census.
- With respect to Medicaid, 22 states would have received additional funding, 17 states would have received less funding, and 11 states and the District of Columbia would have received the same amount of funding using statistical population estimates from the 2000 Census. Based on a fiscal year 2004 federal Medicaid allocation to the states of $159.7 billion, Nevada would have been the largest percentage gainer, with an additional 1.47 percent in funding, and Wisconsin would have lost the greatest percentage–1.46 percent.
- With respect to SSBG, 27 states and the District of Columbia would have gained funding, and 23 states would have lost funding using statistical population estimates from the 2000 Census. Based on a fiscal year 2005 SSBG allocation of $1.7 billion, Washington, D.C. would have been the biggest percentage gainer, receiving an additional 2.05 percent in funding, while Minnesota would have lost the greatest percentage funding—1.17 percent.
- Statistical population estimates from the 2000 Census would have shifted a smaller percentage of funding compared to those using the 1990 Census because the difference between the actual and estimated population counts was smaller in 2000 compared to 1990.

Contents

Letter

1

Results in Brief 3
Background 5
The Top 20 Formula Grant Programs Represented Two Thirds of All Federal Grant Programs 6
Prospective Impact of Statistical Population Estimates on Medicaid and SSBG Allocations 8

Appendixes

Appendix I: Scope and Methodology 20
Appendix II: Medicaid 25
Appendix III: Social Services Block Grant 27
Appendix IV: Estimated Reallocations Using Statistical Population Estimates Based on the 1990 and 2000 Censuses 29
Appendix V: Estimated Percentage Changes in State Funding Using Statistical Population Estimates 33
Appendix VI: GAO Contact and Acknowledgments 37

Tables

Table 1: The Top 20 Formula Grant Programs and Their Fiscal Year 2004 Federal Obligations 7
Table 2: Comparison of the Changes in Medicaid and SSBG Allocations Using Statistical Population Estimates Based on the 1990 and 2000 Censuses 17
Table 3: Census 2000 and 1990 Population Counts and Statistical Population Estimates 21
Table 4: Medicaid Allocations and Recalculated Allocations Using Revised Population Estimates 29
Table 5: Social Services Block Grant Allocations and Recalculated Allocations Using Revised Population Estimates 31
Table 6: Percentage Difference between 1990 and 2000 Medicaid Allocations and Recalculated Allocations Using Statistical Population Estimates 33
Table 7: Percentage Difference between 1990 and 2000 Social Services Block Grant Allocations and Recalculated Allocations Using Statistical Population Estimates 35

Figures

Figure 1: Estimated Change in Federal Medicaid Grant Funding Using Statistical Population Estimates for States 10
Figure 2: Estimated Medicaid Percentage Change in Grant Funding Using Statistical Population Estimates for States 12
Figure 3: Estimated Change in Social Services Block Grant Funding Using Statistical Population Estimates for States 14
Figure 4: Estimated Social Services Block Grant Percentage Change in Grant Funding Using Statistical Population Estimates for States 16

Abbreviations

A.C.E.	Accuracy and Coverage Evaluation
CFDA	Catalog of Federal Domestic Assistance
CFFR	Consolidated Federal Funds Report
FMAP	Federal Medical Assistance Percentage
PCI	Per Capita Income
PES	Post-Enumeration Survey
SSBG	Social Services Block Grant

GAO
Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, D.C. 20548

June 22, 2006

The Honorable Tom Davis
Chairman
Committee on Government Reform
House of Representatives

The Honorable Michael Turner
Chairman
Subcommittee on Federalism and the Census
Committee on Government Reform
House of Representatives

Data from the decennial census are used to apportion congressional seats, redraw congressional districts, and allocate federal assistance to state and local governments through certain formula grant programs, as well as for a number of other public- and private-sector purposes. As a result, it is essential that census data be as complete and accurate as practicable. Although the U.S. Census Bureau (Bureau) puts forth tremendous effort to conduct a complete and accurate population count, some amount of error is inevitable because of the nation's size and demographic complexity, and the inherent limitations of census-taking methods.

To estimate the accuracy of the 2000 Census and possibly adjust for any errors, the Bureau conducted the Accuracy and Coverage Evaluation (A.C.E.), which was an independent sample survey designed to estimate the number of people that were over- and undercounted in the census, a problem the Bureau refers to as "coverage error."

In 1999, the Supreme Court ruled that the Census Act prohibited the use of statistical sampling for purposes of apportioning seats in the House of Representatives, but the Supreme Court's decision did not specifically address the use of statistical sampling for other purposes, including adjusting the data used to allocate federal assistance via formula grants.[1] However, after conducting a number of evaluations of the A.C.E. samples and methodology, the Bureau concluded that the A.C.E. population estimates were flawed and that all potential uses of these data would be inappropriate. As a result, the Bureau's parent agency, the Department of Commerce, determined that the A.C.E. estimates should not be used for

[1] *Department of Commerce v. United States House of Representatives*, 525 U.S. 316 (1999).

any purpose that legally requires data from the decennial census. We have also stated that the A.C.E. statistical population estimates are unreliable.[2]

Still, a key question that arises is how sensitive are federal formula grants to alternative population estimates, such as those derived by statistical methods? With that in mind, you asked us to examine how statistical population estimates might have redistributed federal assistance among the states had they been used to calculate formula grants rather than the actual population counts. In response, and as requested, we recalculated certain federal assistance to the states using the A.C.E. population estimates from the 2000 Census, as well as the population estimates derived from the Post-Enumeration Survey (PES)—the independent sample survey the Bureau administered to evaluate the accuracy of the 1990 Census. While only the actual census numbers should be used for official purposes, our analysis shows the extent to which alternative population counts would impact the distribution of federal grant funds and can help inform congressional decision making on the design of future censuses. As agreed with your offices, we identified (1) the top 20 formula grant programs based on the amount of funds targeted by any means, and (2) how much money would have been allocated using census data for certain formula grant programs, and the prospective impact of using estimated population counts from the 1990 and 2000 Censuses to recalculate state allocations for these grant programs.

To address the first objective, we used expenditure and obligations data from the fiscal year 2004 Consolidated Federal Funds Report (CFFR), the most recent year for which data were available. For the second objective, we recalculated the amount of federal funding allocated to the states for Medicaid using the 2005 fiscal year Federal Medical Assistance Percentage (FMAP) with 2004 state expenditure data, and recalculated the Social Services Block Grant (SSBG) state allocations using 2005 fiscal year allocation data.[3] In both cases we used the most recent year for which data were available. We based our calculation on the official population counts from the 1990 and 2000 Censuses. We then recalculated the allocations

[2] GAO, *Census 2000: Design Choices Contributed to Inaccuracy of Coverage Evaluation Estimates*, GAO-05-71 (Washington, D.C.: Nov. 12, 2004).

[3] Medicaid is a joint federal-state program that finances health care for certain low-income individuals. SSBG is a federal program that provides funds to assist states in delivering social services to adults and children.

using the PES population estimates from the 1990 Census, and the A.C.E. population estimates from the 2000 Census.

The federal share of total Medicaid program costs is determined using a statutory formula that calculates each state's FMAP. SSBG receives an annual appropriation that is distributed in proportion to each state's population. We selected these programs for our analysis because they would be particularly sensitive to alternative population estimates. Medicaid is the largest formula grant program; thus any changes would redistribute more money compared to other programs. Further, any changes in SSBG would have a proportional impact on the distribution of state funds.

Importantly, our analysis only simulates the formula grant reallocations using A.C.E. data and was done for illustrative purposes—to show the sensitivity of these two formula grant programs to alternative population estimates. (See app. I for a more detailed description of our methodology.) We use the term "allocation" to include Department of Health and Human Services (HHS) reimbursement to states of Medicaid expenditures subject to the FMAP formula (net of administrative costs) and SSBG state allotments. (Appendix II has additional details on Medicaid and the formula used to allocate money; app. III has the same information for SSBG.) We use the term "statistical population estimates" to refer to the results of the coverage measurement programs that the Bureau conducted following the 1990 and 2000 Censuses (but were not used to adjust the actual census counts).

We conducted our work between November 2005 and May 2006 in accordance with generally accepted government auditing standards. Because we did not evaluate the policies or operations of any federal agency to develop the information presented in this report, and because we are not making any recommendations, we did not seek agency comments. However, we discussed a statement of facts for this report with Census Bureau officials, who provided us with technical comments that we have incorporated where appropriate.

Results in Brief

In fiscal year 2004, the top 20 formula grant programs together had $307.9 billion in obligations, or 67 percent of the total $460.2 billion obligated by the 1,172 federal grant programs. Medicaid was the largest formula grant program, with obligations of $183.2 billion, or nearly 40 percent of all grant obligations.

The federal government allocated $159.7 billion to states in Medicaid funds (not including such administrative costs as processing and making payments to service providers) based on fiscal year 2004 state expenditures and $1.7 billion in SSBG funds based on fiscal year 2005 state allocations.[4] Recalculating these allocations using the A.C.E. and the 1990 Post-Enumeration Survey statistical population estimates would have produced the following results:

- A total of 0.23 percent ($368 million) of federal Medicaid funds would have been shifted overall among the states in fiscal year 2004 and 0.25 percent ($4.2 million) of SSBG funds would have shifted among the states in fiscal year 2005 as a result of the simulations using statistical population estimates from the 2000 Census.[5]

- With respect to Medicaid, 22 states would have received additional funding, 17 states would have received less funding, and 11 states and the District of Columbia would have received the same amount of funding using statistical population estimates from the 2000 Census. Based on a fiscal year 2004 federal Medicaid allocation to the states of $159.7 billion, Nevada would have been the largest percentage gainer, with an additional 1.47 percent in funding, and Wisconsin would have lost the greatest percentage—1.46 percent.

- With respect to SSBG, 27 states and the District of Columbia would have gained funding, and 23 states would have lost funding using statistical population estimates from the 2000 Census. Based on a fiscal year 2005 SSBG allocation of $1.7 billion, Washington, D.C. would have been the biggest percentage gainer, receiving an additional 2.05 percent in funding, while Minnesota would have lost the greatest percentage funding—1.17 percent.

[4] We subtracted administrative costs from Medicaid, because state allocations for administrative costs are not based on population counts, but did not subtract these costs from SSBG calculations, because its population-based formula is applied to the entire federal allocation.

[5] The percentage shift in Medicaid funding was calculated by dividing the larger of the gaining or losing amounts by total Medicaid allocations in their respective years. The percentage in SSBG funding was calculated by dividing the gaining amount by total SSBG allocations. The SSBG federal grant is for a fixed amount determined in an annual appropriation; an increase in funding to any state is offset by a decrease in others.

- Statistical population estimates from the 2000 Census would have shifted a smaller percentage of funding compared to those from the 1990 Census because the difference between the actual and estimated population counts was smaller in 2000 compared to 1990. For example, using statistical estimates of the population following the 1990 Census, a total of 0.45 percent of Medicaid funds would have been gained overall by the states in fiscal year 1997, and 0.37 percent of SSBG funds would have shifted among the states in fiscal year 1998.

Background

To help measure the quality of the 2000 Census and to possibly adjust for any over- or undercounts of various demographic groups, the Bureau designed the A.C.E. program, a separate and independent sample survey conducted as part of the 2000 Census. When matched to the census data, A.C.E. data were to enable the Bureau to use statistical estimates of net coverage errors to adjust final census tabulations. However, in March 2003, after much research and deliberation, the Bureau decided against using any A.C.E. estimates of coverage error to adjust the 2000 Census, because of several methodological concerns.

The Bureau measured the accuracy of the 1990 Census as well, and recommended statistically adjusting the results. However, the Secretary of Commerce determined that the evidence to support an adjustment was inconclusive and decided not to adjust the 1990 Census. In 1999 we examined how these statistical population estimates might have redistributed federal assistance among the states had they been used to calculate formula grants.[6]

Looking toward the 2010 Census, the Bureau plans to use statistical population estimates to (1) produce estimates of components of census net and gross coverage error (the latter includes misses and erroneous enumerations) in order to assess accuracy, (2) determine whether the strategic goals of the census are met, and (3) identify ways to improve the design of future censuses. The Bureau does not plan to use statistical estimates of the population for adjusting census data based on its belief that the 2000 Census demonstrated "that the science is insufficiently advanced to allow making statistical adjustment to population counts of a successful decennial census in which the percentage of error is presumed

[6] GAO, *Formula Grants: Effects of Adjusted Population Counts on Federal Funding to States*, GAO/HEHS-99-69 (Washington, D.C.: Feb. 26, 1999).

to be so small that adjustment would introduce as much or more error than it was designed to correct."

The Top 20 Formula Grant Programs Represented Two Thirds of All Federal Grant Programs

In fiscal year 2004, the federal government administered 1,172 grant programs, with $460.2 billion in combined obligations. However, as shown in table 1, most of these obligations were concentrated in a small number of grants. For example, Medicaid was the largest formula grant program, with federal obligations of $183.2 billion, or nearly 40 percent of all grant obligations, in fiscal year 2004. The top 20 grant programs comprised around two-thirds of all federal grant programs, with $307.9 billion in obligations for fiscal year 2004 (SSBG is not included in table 1, because with obligations of $1.7 billion, it is not among the top 20 formula grant programs).

Table 1: The Top 20 Formula Grant Programs and Their Fiscal Year 2004 Federal Obligations

Rank	Catalog of Federal Domestic Assistance (CFDA) #	Program	Federal amount in billions	Percentage of top 20 formula grants
1	93.778	Medical Assistance Program (Medicaid)	$183.2[a]	59.5%
2	20.205	Highway Planning and Construction	31.9	10.4
3	93.558	Temporary Assistance for Needy Families	17.2	5.6
4	84.027	Special Education Grants to States	10.1	3.3
5	84.010	Title I Grants to Local Education Agencies	8.3	2.7
6	10.555	National School Lunch Program	7.4	2.4
7	93.600	Head Start	6.6	2.1
8	10.557	Special Supplemental Food Program for Women, Infants, and Children	5.0	1.6
9	93.767	State Children's Health Insurance Program	4.9	1.6
10	93.658	Foster Care Title IV E	4.7	1.5
11	20.507	Federal Transit Formula Grants	3.7	1.2
12	20.106	Airport Improvement Program	3.4	1.1
13	14.218	Community Development Block Grants/Entitlement Grants	3.0	1.0
14	93.563	Child Support Enforcement	2.9	0.9
15	84.367	Improving Teacher Quality State Grants	2.9	0.9
16	93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	2.7	0.9
17	84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States	2.6	0.8
18	10.561	State Administrative Matching Grants for Food Stamp Program	2.5	0.8
19	14.872	Public Housing Capital Funds	2.5	0.8
20	17.225	Unemployment Insurance	2.4	0.8
Subtotal, top 20 programs			**$307.9**	**100.0%**
Total all 1,172 programs grant programs			**$460.2**	

Source: GAO analysis of CFFR data.

[a]CFFR uses direct expenditures or obligations, whereas in the rest of the report, for our analysis of Medicaid allocations, we use state Medicaid expenditures subject to the FMAP formula excluding administrative costs.

Prospective Impact of Statistical Population Estimates on Medicaid and SSBG Allocations

Based on our simulations, recalculating allocations of key programs using statistical population estimates, states would have shifted less than 0.25 percent of $161.4 billion in Medicaid and SSBG formula grant funding. The two key programs analyzed—Medicaid and SSBG—together received federal allocations of $161.4 billion in fiscal year 2004. Federal allocations for Medicaid (excluding such administrative costs as processing, making payments to service providers, and monitoring the quality of services to beneficiaries) were $159.7 billion, by far the highest federal allocation in fiscal year 2004.[7] Using statistical population estimates to recalculate federal Medicaid allocations to states, states would have shifted 0.23 percent of $159.7 billion in federal Medicaid funds in fiscal year 2004 and 0.25 percent of $1.7 billion in SSBG funds would have shifted as a result of the simulations in fiscal year 2005. (Appendix IV contains tables showing the difference between using estimated and actual population data from the 1990 and 2000 Censuses for Medicaid and SSBG.)

Because the two programs allocate state funding using different formulas, funding reallocations for the two programs may produce results that are different from one another for a particular state. For example, using the 2000 statistical population estimates, which were lower for Minnesota than the official census population count, Minnesota's Medicaid allocation would have remained the same. This is because Medicaid allocations are subject to a floor, and Minnesota was already receiving the minimum required reimbursement. However, it would have lost funding under SSBG, because the statistical population estimates from the 2000 Census, and the subsequent recalculations, would have reduced funding. In another example, the District of Columbia allocation would have remained the same for 2000 under Medicaid, because the District of Columbia receives a special rate that is higher than its calculated rate, but it would have gained funding under SSBG because its population, as measured by the 2000 Census, was originally lower than the census population estimates. (For information on how these formulas are calculated, see app. I.)

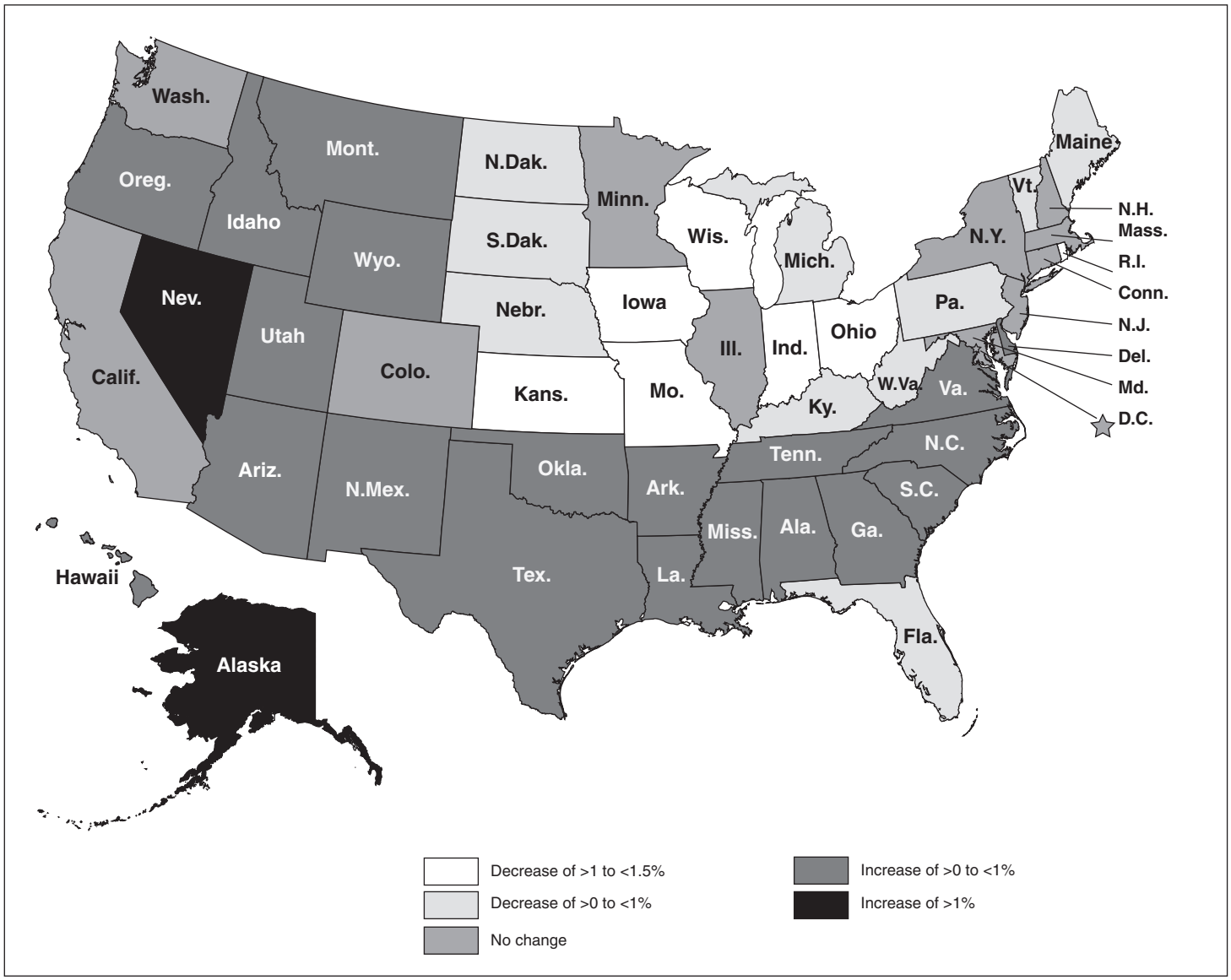
[7] We used allowable medical expenses subject to the FMAP formula—Medicaid state expenditures net of administrative costs—for our analysis. By contrast, the obligations shown in table 1 are CFFR fiscal year 2004 federal government obligations and expenditures as of December 2005. These include administrative costs.

States Would Have Shifted 0.23 Percent of Medicaid Funds Using Statistical Population Estimates Based on the 2000 Census to Recalculate State Medicaid Allocations

Using statistical population estimates to recalculate federal Medicaid allocations, states would have shifted 0.23 percent of $159.7 billion of federal Medicaid funds overall in fiscal year 2004 as a result of the simulation. If statistical population estimates had been used, of the overall allocation of $159.7 billion of federal funds, 22 states would have received more Medicaid funding, 17 states would have received less, while 11 states and the District of Columbia would have received the same. The gaining states would have received an additional $208.5 million, and the losing states would have received $368 million less in funding. Based on our simulation of the formula funding for Medicaid—Nevada would have gained 1.47 percent in grant funding and Wisconsin would have lost 1.46 percent. (Appendix IV contains tables showing the difference between using estimated and actual population data from the 1990 and 2000 Censuses to recalculate Medicaid allocations.)

Figure 1 shows the state-by-state result—gain or loss--of recalculated Medicaid grant funding using the statistical population estimates. Most of the estimated increases in state allocations would have tended to congregate in the northwestern, southwestern, and southeastern regions of the country and Hawaii and Alaska. Most of the estimated decreases in state allocations would have tended to congregate in the northcentral region of the country. The southeastern and northeastern regions would have experienced both increases and decreases in funding and all southeastern states except Florida would have experienced increases.

Figure 1: Estimated Change in Federal Medicaid Grant Funding Using Statistical Population Estimates for States

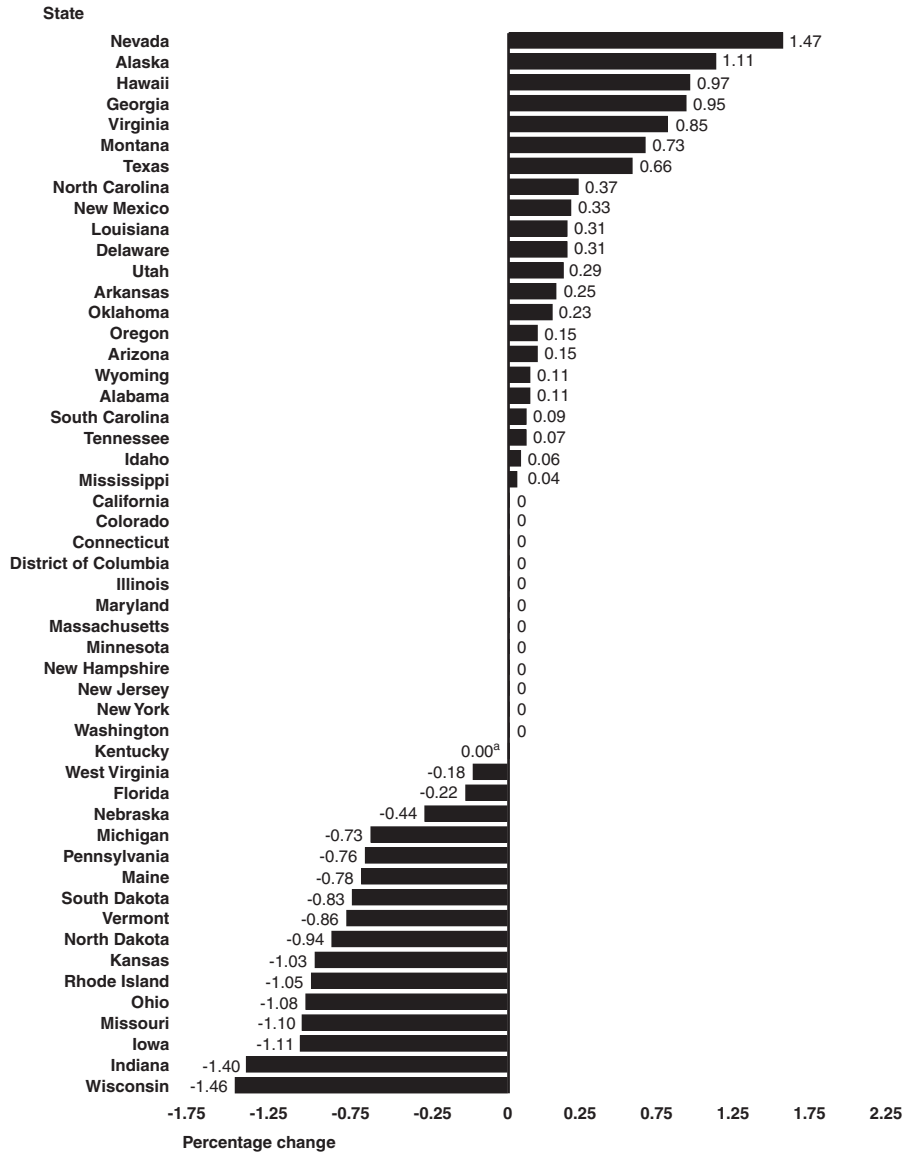


Source: GAO analysis of HHS and Commerce data.

Note: Percentage changes are based on a fiscal year 2004 federal Medicaid allocation of $159.7 billion. These percentages are the result of a simulation using alternative population estimates and are presented for illustrative purposes only. Kentucky's percentage change in grant funding would have been -0.0045 percent.

Figure 2 shows how much (as a percentage) and where Medicaid funding would have shifted as a result of using statistical population estimates for recalculating formula grant funding by state. We estimate that 20 states would have received an increase in allocations from more than 0 to less than 1 percent, while 2 states would have increased by more than 1 percent. Conversely, 7 states would have experienced a decrease in allocations of greater than one to less than 1.5 percent; 10 states' allocations would have decreased by more than 0 to less than 1 percent; and 11 states and the District of Columbia would have experienced no change because the shift would have fallen below the floor and above the ceiling that are built into the FMAP formula.

Figure 2: Estimated Medicaid Percentage Change in Grant Funding Using Statistical Population Estimates for States



Source: GAO analysis of HHS and Commerce data.

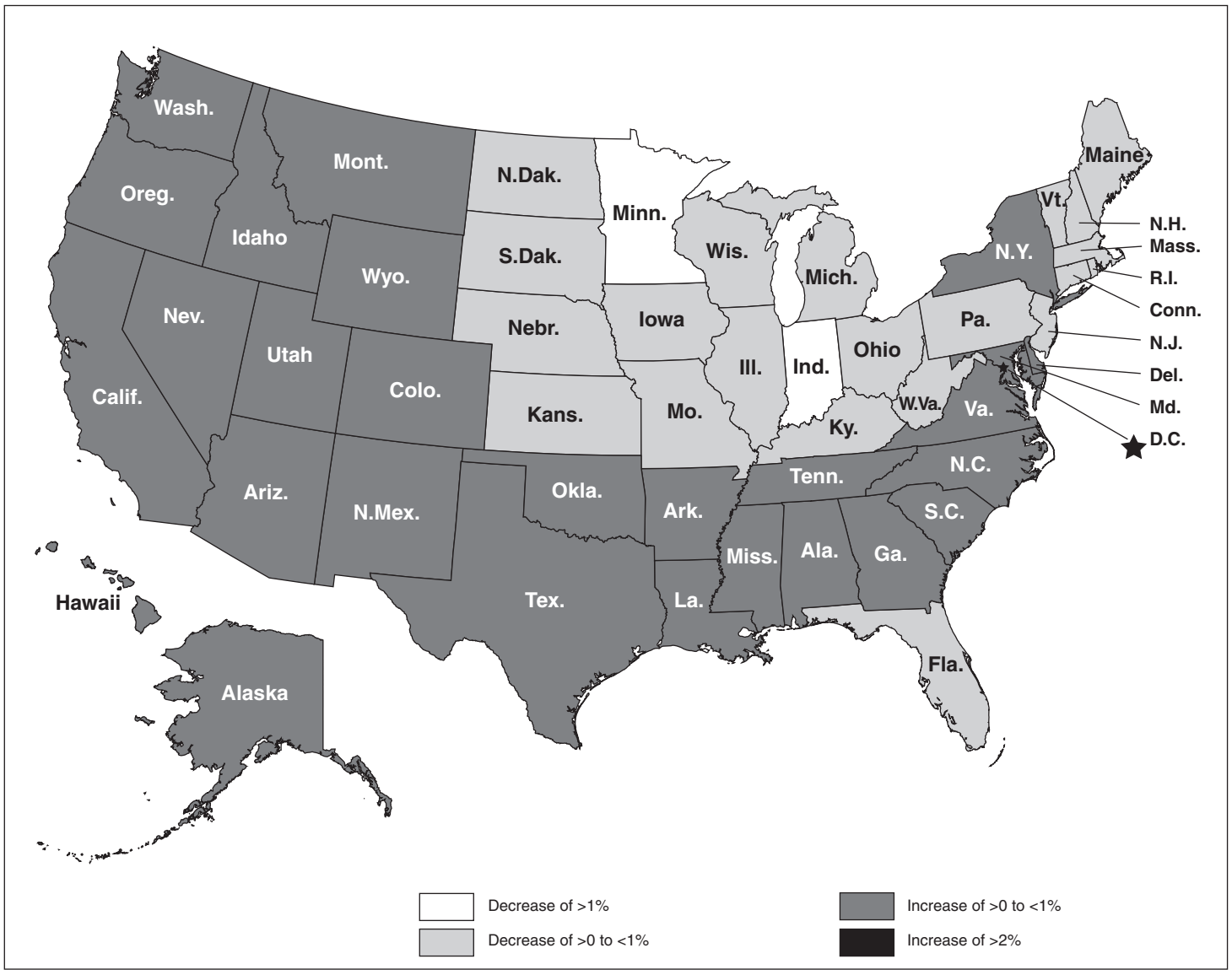
Note: Percentage changes are based on a fiscal year 2004 federal Medicaid allocation of $159.7 billion. These percentages are the result of a simulation using alternative population estimates and are presented for illustrative purposes only. Kentucky's percentage change in grant funding would have been -0.0045 percent.

Statistical Population Estimates from the 2000 Census Would Have Reallocated 0.25 Percent of SSBG Funds Among the States

Using statistical population estimates to recalculate federal SSBG allocations, 0.25 percent of $1.7 billion in SSBG funds would have shifted in fiscal year 2005 as a result of the simulation. The total $1.7 billion SSBG allocation would not have changed, because SSBG receives a fixed annual appropriation. In other words, those states receiving additional funds would have reduced the funds of other states. In short, 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. Based on our simulation of the formula funding for SSBG, Washington, D.C. would have gained 2.05 percent in grant funding and Minnesota would have lost 1.17 percent. (Appendix IV contains tables showing the difference between using estimated and actual population data from the 1990 and 2000 Censuses for SSBG funding.)

Figure 3 shows the state-by-state result—gain or loss—of recalculated SSBG grant funding using statistical population estimates. Because the reallocations are based on the same census statistical population estimates as the Medicaid estimated reallocations, most of the estimated increases in state allocations would have tended to congregate in the southeastern, southwestern, and northwestern regions of the country, as they did in our Medicaid simulation. The estimated decreases would have been grouped in the northcentral region and several states of the northeastern region of the country. The northeastern region would also have experienced both increases and decreases in funding.

Figure 3: Estimated Change in Social Services Block Grant Funding Using Statistical Population Estimates for States

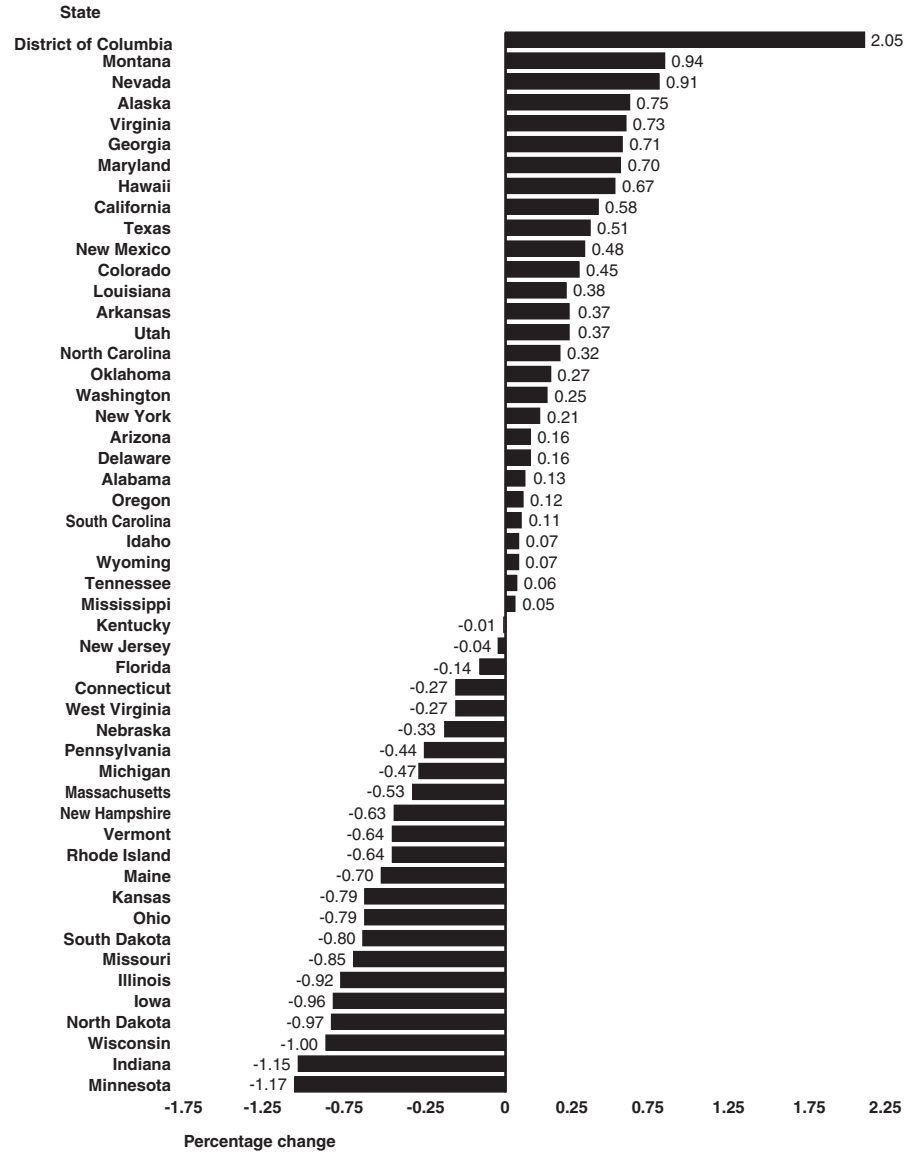


Source: GAO analysis of HHS and Commerce data.

Note: Percentage changes are based on a fiscal year 2004 SSBG allocation of $1.7 billion. These percentages are the result of a simulation using alternative population estimates and are presented for illustrative purposes only.

Figure 4 shows how much (as a percentage) and where SSBG funding would have shifted as a result of using statistical population estimates for recalculating formula grant funding by state. By recalculating SSBG state allocations using the statistical population estimates for states based on 2003 Census population numbers, we estimate that 27 states would have experienced an increase from more than 0 to less than 1 percent; the District of Columbia would have increased by more than 2 percent; 2 states' allocations would have decreased by more than one percent; and 21 states' allocations would have decreased by more than 0 to less than 1 percent.

Figure 4: Estimated Social Services Block Grant Percentage Change in Grant Funding Using Statistical Population Estimates for States



Source: GAO analysis of HHS and Commerce data.

Note: Percentage changes are based on a fiscal year 2004 SSBG allocation of $1.7 billion. These percentages are the result of a simulation using alternative population estimates and are presented for illustrative purposes only.

Statistical Population Estimates from the 2000 Census Would Have Shifted a Smaller Percentage of Funding Compared to Those from the 1990 Census

For the Medicaid program, recalculating state allocations using statistical population estimates based on the 2000 Census would have changed the funding for 39 states in fiscal year 2004. In particular, 22 states would have increased their allocations by $208.5 million, 17 states would have decreased them by $368.0 million, and 11 states and the District of Columbia would have had no change. By contrast, recalculating state allocations using statistical population estimates based on the 1990 Census, the number of changing states would have remained the same but the amounts shifting among the states would have changed in fiscal year 1997. Table 2 presents the comparative information from the two analyses. The allocations for the gaining states would have decreased by almost 50 percent, from $402.4 million for the 1990 Census to $208.5 million for the 2000 Census, while the allocations for the losing states would have increased by 7 percent, from $344.6 million to $368.0 million. While total allocations under the Medicaid program increased by over 75 percent from fiscal year 1997 to fiscal year 2004, the relative or percentage change in state funding would have decreased in our simulation of recalculations of state allocations using statistical population estimates.

Table 2: Comparison of the Changes in Medicaid and SSBG Allocations Using Statistical Population Estimates Based on the 1990 and 2000 Censuses

Dollars in thousands

		Gaining states		Losing states		
Census year statistical population estimates	Total allocations	Number	Amount	Number	Amount	Percentage shift in funding for program[a]
Medicaid Program						
2000 Census	$159,703,910	22	$208,486	17	$368,035	-0.23
1990 Census	90,002,703	22	402,434	17	344,593	0.45
SSBG Program						
2000 Census	1,690,512	28	4,158	23	4,158	0.25
1990 Census	2,286,151	28	8,514	23	8,514	0.37

Source: GAO analysis of HHS and Commerce data.

[a] The percentage shift in Medicaid funding was calculated by dividing the larger of the gaining or losing amounts by total Medicaid allocations in their respective years. The percentage in SSBG funding was calculated by dividing the gaining amount by total SSBG allocations. GAO/HEHS-99-69 shows a percentage shift in funding of 0.43 percent, because it divided the total amount for gaining states by the total Medicaid allotment, whereas in this report we divided the total amount for gaining states by the recalculated Medicaid allocation.

We have a similar finding for the SSBG program. Our recalculation of state allocations would have resulted in a smaller change in allocations when we compare the results of our recalculation using statistical population estimates based on the 2000 Census to the results based on the 1990 Census. The change in funding would have been reduced by half using the statistical population estimates based on the 2000 Census. Total SSBG state allocations decreased by 26 percent between fiscal year 1998 and fiscal year 2005, and the percentage shift in funding would also have been reduced, from 0.37 percent to 0.25, using the statistical population estimates based on the 2000 Census.

In summary, using the statistical population estimates based on the 2000 Census to recalculate Medicaid and SSBG allocations would have resulted in a smaller shift in program funding than using the statistical population estimates based on the 1990 Census. This is because the difference between the actual and estimated population counts was smaller for the 2000 Census compared to the 1990 Census. As mentioned earlier, the recalculated allocations are the result of simulations using statistical population estimates and were done for the purpose of illustrating the sensitivity of these two formula grant programs to alternative population estimates.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from its issuance date. At that time we will send copies of the report to other interested congressional committees, the Secretary of Commerce, the Secretary of Health and Human Services, the Director of the U.S. Census Bureau, and the Director of the Office of Management and Budget. We will make copies available to others upon request. This report will also be available at no charge on GAO's Web site at http://www.gao.gov.

If you or your staff have any questions concerning this report, please contact me on (202) 512-6806 or by email at farrellb@gao.gov. GAO staff who made major contributions to this report are listed in appendix VI.

Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

Brenda S. Farrel
Acting Director
Strategic Issues

Scope and Methodology

As agreed with your offices, we identified (1) the top 20 formula grant programs based on the amount of funds targeted by any means, and (2) how much money would have been allocated using census data for certain formula grant programs, and the prospective impact of using estimated population counts from the 1990 and 2000 Censuses to recalculate state allocations for these grant programs. We use the term "allocation" to include Department of Health and Human Services (HHS) reimbursement to states of Medicaid expenditures subject to the Federal Medical Assistance Percentage (FMAP) formula and Social Services Block Grant (SSBG) state allotments. We use the term "statistical population estimates" to refer to the results of the coverage measurement programs that the Census Bureau (Bureau) conducted following the 1990 and 2000 Censuses.

To identify the top 20 formula grant programs based on the amount of funds targeted by any means, we used fiscal year 2004 grants expenditure and obligations data from the Bureau's Consolidated Federal Funds Report (CFFR), the most recent data available at the time of our review. While we recently reported on inaccuracies in the CFFR,[1] we determined that the CFFR is adequate for purposes of identifying the top 20 federal formula grant programs because it shows the overall magnitude of these programs. Because the CFFR lists direct expenditures or obligations, the amount shown for Medicaid in table 1 is different from the Medicaid allocations shown in the rest of the report, where we use state expenditure data subject to the FMAP formula, which exclude administrative costs. Administrative costs for which Medicaid reimburses states include nine broad tasks: (1) inform potentially eligible individuals and enroll those who are eligible, (2) determine what benefits it will cover in what settings, (3) determine how much it will pay for the benefits it covers and from whom to buy those services, (4) set standards for providers and managed care plans from which it will buy covered benefits and contract with those who meet the standards, (5) process and make payments to service providers, (6) monitor the quality of services to beneficiaries, (7) ensure that state and federal health care funds are not spent improperly or fraudulently, (8) have a process for resolving grievances, and (9) collect and report information for effective administration and program accountability.[2]

[1] GAO, *Rural Economic Development: More Assurance Is Needed That Grant Funding Information Is Accurately Reported*, GAO-06-294 (Washington, D.C.: Feb. 24, 2006).

[2] Kaiser Commission on Medicaid and the Uninsured, *The Medicaid Resource Book*. (Washington, D.C.: July 2002) p. 138.

To determine how much money was allocated using census population counts for Medicaid and SSBG, we obtained population and income data from the Department of Commerce (Commerce). Additionally, we obtained Medicaid expenditures, SSBG allocations, and certain other information from HHS. Table 3 displays the census population counts for 1990 and 2000 and their statistical estimates. We obtained state per capita income—the ratio of personal income to population—for 2000, 2001, and 2002 from Commerce and replicated the actual FMAP for 2005 using fiscal year 2004 state expenditure data. For the SSBG state allocation formula, we obtained state population estimates for 2003 and replicated the SSBG allocations for 2005. The official 1990 Census population counts and statistical population estimates from the 1990 coverage measurement program known as the Post-Enumeration Survey (PES) come from our earlier report.[3]

Table 3: Census 2000 and 1990 Population Counts and Statistical Population Estimates

States	1990 Census official counts	1990 PES statistical estimates	2000 Census official counts	2000 A.C.E. statistical estimates
Alabama	4,040,587	4,113,810	4,447,100	4,432,192
Alaska	550,043	561,276	626,932	628,774
Arizona	3,665,228	3,754,666	5,130,632	5,114,152
Arkansas	2,350,725	2,392,596	2,673,400	2,670,915
California	29,760,021	30,597,578	33,871,648	33,915,728
Colorado	3,294,394	3,363,637	4,301,261	4,300,930
Connecticut	3,287,116	3,308,343	3,405,565	3,380,307
Delaware	666,168	678,385	783,600	781,132
District of Columbia	606,900	628,309	572,059	580,982
Florida	12,937,926	13,197,755	15,982,378	15,880,398
Georgia	6,478,216	6,620,641	8,186,453	8,208,427
Hawaii	1,108,229	1,129,170	1,211,537	1,214,225
Idaho	1,006,749	1,029,283	1,293,953	1,288,683
Illinois	11,430,602	11,544,319	12,419,293	12,245,193

[3] GAO, *Formula Grants: Effects of Adjusted Population Counts on Federal Funding to States*, GAO/HEHS-99-69 (Washington, D.C.: Feb. 26, 1999), pp. 24-25.

(Continued From Previous Page)

States	1990 Census official counts	1990 PES statistical estimates	2000 Census official counts	2000 A.C.E. statistical estimates
Indiana	5,544,159	5,572,057	6,080,485	5,981,091
Iowa	2,776,755	2,788,332	2,926,324	2,884,712
Kansas	2,477,574	2,495,014	2,688,418	2,654,471
Kentucky	3,685,296	3,746,044	4,041,769	4,022,526
Louisiana	4,219,973	4,314,085	4,468,976	4,465,176
Maine	1,227,928	1,237,130	1,274,923	1,259,856
Maryland	4,781,468	4,882,452	5,296,486	5,309,521
Massachusetts	6,016,425	6,045,224	6,349,097	6,285,987
Michigan	9,295,297	9,361,308	9,938,444	9,845,028
Minnesota	4,375,099	4,394,610	4,919,479	4,837,392
Mississippi	2,573,216	2,629,548	2,844,658	2,832,958
Missouri	5,117,073	5,148,974	5,595,211	5,520,892
Montana	799,065	818,348	902,195	906,595
Nebraska	1,578,385	1,588,712	1,711,263	1,697,592
Nevada	1,201,833	1,230,709	1,998,257	2,008,216
New Hampshire	1,109,252	1,118,632	1,235,786	1,221,757
New Jersey	7,730,188	7,774,461	8,414,350	8,370,927
New Mexico	1,515,069	1,563,579	1,819,046	1,819,367
New York	17,990,455	18,262,491	18,976,457	18,928,895
North Carolina	6,628,637	6,754,567	8,049,313	8,037,253
North Dakota	638,800	643,033	642,200	633,176
Ohio	10,847,115	10,921,741	11,353,140	11,210,356
Oklahoma	3,145,585	3,202,963	3,450,654	3,443,913
Oregon	2,842,321	2,896,472	3,421,399	3,409,373
Pennsylvania	11,881,643	11,916,783	12,281,054	12,169,921
Rhode Island	1,003,464	1,004,815	1,048,319	1,036,531
South Carolina	3,486,703	3,559,547	4,012,012	3,997,436
South Dakota	696,004	702,864	754,844	745,278
Tennessee	4,877,185	4,964,261	5,689,283	5,666,047
Texas	16,986,510	17,472,538	20,851,820	20,862,065
Utah	1,722,850	1,753,188	2,233,169	2,230,962
Vermont	562,758	569,100	608,827	602,066
Virginia	6,187,358	6,313,836	7,078,515	7,098,004
Washington	4,866,692	4,958,320	5,894,121	5,881,537
West Virginia	1,793,477	1,819,363	1,808,344	1,795,195

(Continued From Previous Page)

States	1990 Census official counts	1990 PES statistical estimates	2000 Census official counts	2000 A.C.E. statistical estimates
Wisconsin	4,891,769	4,921,871	5,363,675	5,284,299
Wyoming	453,588	463,629	493,782	491,841
United States	248,709,873	252,730,369	281,421,906	280,090,250

Source: Census Bureau.

To analyze the prospective impact of estimated population counts on the money allocated to the states through these two grant programs, we recalculated the state allocations using statistical estimates of the population that were developed for the 1990 and 2000 Censuses in lieu of the actual census numbers. We used the population estimates, which are based on the 2000 Census counts, and then adjusted these population estimates by the difference between the 2000 official population counts and the statistical estimates of the population (A.C.E.). Our procedure to simulate the formula allocations using adjusted counts was to (a) obtain the population estimates used to calculate the Medicaid FMAP and SSBG allocations, (b) subtract the A.C.E. population estimates from the official 2000 Census population counts, and (c) add the difference from (b) to the population estimates from (a). We included the 50 states and the District of Columbia in our calculations, but did not include the territories: American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands, because their allocations use formulas that are different from those used by the 50 states we analyzed.

To verify our approach, we spoke with Department of Commerce and Department of Health and Human Services officials who administer these grant programs about the procedures they use to calculate the formula funding amounts. Importantly, our analyses of Medicaid and SSBG are simulations and were conducted only to illustrate the sensitivity of these two grant programs to alternative population estimates. Both the Census Bureau and GAO deem the 1990 and 2000 statistical population estimates as unreliable and they should not be used for any purposes that legally require data from the decennial census.

Medicaid is an entitlement program. The federal share of total Medicaid program costs is determined using the FMAP, a statutory formula that calculates the portion of each state's Medicaid expenditures that the federal government will pay. Our Medicaid simulation uses the fiscal year 2005 FMAP, which applies 2001 through 2002 personal income and

population data, and fiscal year 2004 expenditure data. The formula calculates the federal matching rate for each state on the basis of its per capita income (PCI) in relation to national PCI. States with a low PCI receive a higher federal matching rate, and states with a high PCI receive a lower rate. If applying the formula renders a state's reimbursement less than 50 percent of its allowable expenditures, the state is still entitled to be reimbursed for a minimum of 50 percent—or "floor"—of what it spent. Conversely, a state cannot be reimbursed for more than 83 percent of allowable expenditures—the "ceiling."[4] Thus, if one used the A.C.E. statistical estimates to recalculate state Medicaid allocations, states' reimbursements for allowable expenditures would not be less than 50 percent, the "floor," or more than the "ceiling." Our calculations do not include administrative costs, because they are not subject to the FMAP formula. The Medicaid data we used in our calculations include the Indian Health and the Family Planning programs, which are not subject to the allocation formula. Agency officials told us that the expenditures for these two programs are so small in relation to the total Medicaid expenditures that they do not materially affect the calculations of state allocations subject to the FMAP formula.

The SSBG federal grant is for a fixed amount determined in an annual appropriation, and its formula is set up so that an increase in funding to any state is offset by a decrease to others. To estimate the prospective impact of using statistical population estimates to recalculate allocations for SSBG, we used 2003 population data adjusted by the difference between the 2000 Census and the A.C.E. estimates and fiscal year 2005 allocations to the states for our analysis—the data HHS used in its fiscal year 2005 grant allocations to the states. Unlike Medicaid, SSBG includes administrative costs in its population-based formula to calculate state allocations.

[4] Alaska and the District of Columbia have federal matching percentages that are higher than what would be calculated under the FMAP formula. Alaska's higher matching percentage, which was about 58 percent during the relevant period for this report, was the result of a legislative adjustment applicable to that state for fiscal years 2001 through 2005. Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, Pub. L. No. 106-554, App. F, § 706, 114 Stat. 2763, 2763A-577. The District of Columbia's 70 percent matching rate is prescribed by the statute detailing computation of the FMAP. 42 U.S.C. § 1396d(b).

Medicaid

CFDA Number: 93.778

Program Objectives: To provide financial assistance to states for payment of medical care on behalf of cash assistance recipients, children, pregnant women, and the aged who meet income and resource requirements and other categorically eligible groups.

Federal Agency: Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services.

Fiscal Year 2004 Obligations: $183.2 billion. (Federal allocations excluding administrative costs: $159.7 billion.)

Formula Calculation: Eligible medical expenses are reimbursed based on the per capita income of the state. The federal reimbursement rate, known as the Federal Medical Assistance Percentage (FMAP), ranges from a minimum of 50 percent to a maximum of 83 percent. Most administrative expenses are reimbursed at a flat rate of 50 percent but may be as high as 100 percent as is the case with immigration status verification.

Mathematical Structure:

$$FMAP = 1.00 - 0.45\left(\frac{PCI_{State}}{PCI_{US}}\right)^2$$

Where:

$$PCI_{State} = \left(\frac{PI_{State}}{Pop_{State}}\right)$$

Formula Constraints: No state may receive a matching percentage below 50 percent or in excess of 83 percent.

Definitions:

FMAP = Federal Medical Assistance Percentage.

PCI = Per capita personal income.

PI = Personal income.

Pop = State population.

Data Sources: PI: Department of Commerce, Bureau of Economic Analysis.

Pop: Department of Commerce, Bureau of Economic Analysis, and Census Bureau.

Amount Shifted: $368 million, or a 0.23 percent overall loss of the total $159.7 billion allocated among the states as a result of the simulation.

Comments: Allotment amounts were calculated for fiscal year 2004, the latest year for which data were available. Total federal allotment includes some amounts for Family Planning and Indian Health Services that are not subject to the FMAP. We use the term "allocation" to include HHS reimbursement to states of Medicaid expenditures subject to the federal FMAP formula (net of administrative costs).

Social Services Block Grant

CFDA Number: 93.667

Program Objectives: To enable states to provide social services directed toward the following goals: (1) reducing dependency; (2) promoting self-sufficiency; (3) preventing neglect, abuse, or exploitation of children and adults; (4) preventing or reducing inappropriate institutional care; and (5) securing admission or referral for institutional care when other forms of care are not appropriate.

Federal Agency: Department of Health and Human Services, Administration for Children and Families.

Fiscal Year 2004 Obligations: $1.7 billion.

Formula Calculation: State funding is allocated in proportion to each state's share of the national population.

Mathematical Structure:

$$\text{Federal Grant} = \text{Amt}\left(\frac{\text{Pop}_{\text{State}}}{\text{Pop}_{\text{All States}}}\right)$$

Formula Constraints: None.

Definitions:

Amt = Funds available for allocation to states.

Pop = A state's population count.

Data Sources:

Amt: Department of Health and Human Services, Administration for Children and Families.

Pop: Department of Commerce, Census Bureau.

Amount Shifted: $4.2 million, or 0.25 percent of the total $1.7 billion allocated. The Social Services Block Grant (SSBG) federal grant is for a

fixed amount determined in an annual appropriation; an increase in funding to any state is offset by a decrease in others.

Comment: We use the term "allocation" to include SSBG state allotments. SSBG state allotments are based on each state's population in proportion to the total U.S. population.

Estimated Reallocations Using Statistical Population Estimates Based on the 1990 and 2000 Censuses

Table 4: Medicaid Allocations and Recalculated Allocations Using Revised Population Estimates

The recalculated allocations are the result of a simulation using statistical population estimates and are presented for illustrative purposes only.

Dollars in thousands

States	Medicaid allocations using 1990 Census population counts	Recalculated Medicaid allocations using statistical population estimates based on the 1990 Census	Difference between Medicaid allocations and recalculated allocations based on the 1990 Census[a]	Medicaid allocations using 2000 Census population counts	Recalculated Medicaid allocations using statistical population estimates based on the 2000 Census	Difference between Medicaid allocations and recalculated allocations based on the 2000 Census[b]
Alabama	$1,521,873	$1,524,410	$2,537	$2,576,051	$2,578,843	$2,793
Alaska	166,528	166,528	0	508,992	514,621	5,628
Arizona	1,119,270	1,128,573	9,304	3,327,460	3,332,507	5,047
Arkansas	960,736	961,826	1,091	1,932,404	1,937,276	4,872
California	8,624,367	8,822,279	197,912	15,338,669	15,338,669	0
Colorado	789,232	795,962	6,730	1,324,289	1,324,289	0
Connecticut	1,352,982	1,352,982	0	1,937,874	1,937,874	0
Delaware	203,397	203,397	0	399,003	400,233	1,230
District of Columbia	419,100	419,100	0	558,019	558,019	0
Florida	3,494,419	3,515,299	20,880	7,533,162	7,516,439	-16,723
Georgia	2,142,366	2,157,433	15,067	4,257,302	4,297,557	40,255
Hawaii	279,351	279,351	0	530,865	536,010	5,145
Idaho	274,802	276,309	1,508	662,877	663,252	375
Illinois	3,286,678	3,286,678	0	4,995,655	4,995,655	0
Indiana	1,517,185	1,495,965	-21,220	3,069,569	3,026,529	-43,040
Iowa	743,363	732,688	-10,675	1,423,034	1,407,174	-15,860
Kansas	596,381	588,699	-7,682	1,087,500	1,076,293	-11,207
Kentucky	1,785,765	1,785,465	-300	2,844,337	2,844,208	-129
Louisiana	2,400,090	2,411,284	11,194	3,504,345	3,515,184	10,838
Maine	667,694	661,036	-6,658	1,311,498	1,301,309	-10,189
Maryland	1,344,632	1,344,632	0	2,293,215	2,293,215	0
Massachusetts	2,465,863	2,465,863	0	4,362,534	4,362,534	0
Michigan	3,093,964	3,048,145	-45,819	4,664,376	4,630,534	-33,843
Minnesota	1,434,601	1,404,771	-29,830	2,775,105	2,775,105	0
Mississippi	1,296,220	1,299,787	3,567	2,531,960	2,532,883	923
Missouri	1,840,145	1,815,772	-24,373	3,719,600	3,678,525	-41,075

(Continued From Previous Page)

Dollars in thousands

States	Medicaid allocations using 1990 Census population counts	Recalculated Medicaid allocations using statistical population estimates based on the 1990 Census	Difference between Medicaid allocations and recalculated allocations based on the 1990 Census[a]	Medicaid allocations using 2000 Census population counts	Recalculated Medicaid allocations using statistical population estimates based on the 2000 Census	Difference between Medicaid allocations and recalculated allocations based on the 2000 Census[b]
Montana	247,382	249,067	1,685	479,307	482,825	3,517
Nebraska	442,216	436,248	-5,968	853,310	849,522	-3,788
Nevada	237,073	237,073	0	580,205	588,739	8,534
New Hampshire	363,248	363,248	0	574,313	574,313	0
New Jersey	2,714,268	2,714,268	0	3,964,212	3,964,212	0
New Mexico	665,489	673,172	7,683	1,644,055	1,649,539	5,484
New York	12,310,085	12,310,085	0	20,489,233	20,489,233	0
North Carolina	2,784,269	2,790,896	6,626	5,055,887	5,074,348	18,461
North Dakota	215,369	213,392	-1,977	323,719	320,691	-3,028
Ohio	3,815,948	3,766,990	-48,957	6,893,102	6,818,354	-74,747
Oklahoma	818,975	820,326	1,351	1,754,743	1,758,801	4,058
Oregon	894,043	897,321	3,278	1,586,849	1,589,270	2,421
Pennsylvania	4,266,244	4,163,906	-102,338	7,584,585	7,527,076	-57,509
Rhode Island	487,532	475,091	-12,441	911,728	902,131	-9,597
South Carolina	1,458,451	1,464,118	5,666	2,689,550	2,692,074	2,524
South Dakota	202,825	201,357	-1,468	370,776	367,686	-3,090
Tennessee	2,318,131	2,322,125	3,995	4,556,105	4,559,146	3,041
Texas	5,907,424	5,991,913	84,489	9,786,215	9,850,434	64,218
Utah	442,829	443,272	443	891,376	893,918	2,542
Vermont	221,579	220,145	-1,434	480,106	476,000	-4,106
Virginia	1,154,912	1,163,277	8,365	1,912,608	1,928,955	16,347
Washington	1,594,707	1,602,781	8,073	2,621,780	2,621,780	0
West Virginia	915,214	913,894	-1,320	1,446,112	1,443,471	-2,641
Wisconsin	1,579,076	1,556,943	-22,133	2,572,515	2,535,052	-37,463
Wyoming	124,410	125,401	990	211,820	212,053	233
Total	**$90,002,703**	**$90,060,544**	**$57,841**	**$159,703,910**	**$159,544,361**	**-$159,549**

Source: GAO analysis of HHS and Commerce data.

[a]The total amount gained recalculating allocations using statistical population estimates based on the 1990 Census would have been $402.4 million, the total amount lost would have been $208.5 million, and the percentage change would have been 0.43 percent.

[b]The total amount gained recalculating allocations using statistical population estimates based on the 2000 Census would have been $208.5 million, the total amount lost would have been $368 million, and the percentage change would have been -0.23 percent.

Table 5: Social Services Block Grant Allocations and Recalculated Allocations Using Revised Population Estimates

The recalculated allocations are the result of a simulation using statistical population estimates and are presented for illustrative purposes only.

Dollars in thousands

States	SSBG allocations using 1990 Census population counts	Recalculated SSBG allocations using statistical population estimates based on the 1990 Census	Difference between SSBG allocations and recalculated allocations based on the 1990 Census[a]	SSBG allocations using 2000 Census population counts	Recalculated SSBG allocations using statistical population estimates based on the 2000 Census	Difference between SSBG allocations and recalculated allocations based on the 2000 Census[b]
Alabama	$37,004	$37,071	$67	$26,163	$26,197	$33
Alaska	5,255	5,276	21	3,772	3,800	28
Arizona	36,700	36,990	290	32,442	32,495	53
Arkansas	21,613	21,645	33	15,845	15,903	58
California	274,846	278,059	3,213	206,276	207,482	1,206
Colorado	32,602	32,751	150	26,454	26,573	120
Connecticut	28,495	28,218	-277	20,249	20,195	-54
Delaware	6,238	6,251	12	4,752	4,760	7
District of Columbia	4,820	4,910	90	3,275	3,342	67
Florida	123,254	123,708	454	98,934	98,794	-140
Georgia	62,654	63,003	349	50,485	50,846	361
Hawaii	10,328	10,354	26	7,311	7,360	49
Idaho	10,119	10,179	60	7,943	7,948	6
Illinois	102,929	102,283	-646	73,557	72,878	-678
Indiana	50,490	49,929	-561	36,016	35,601	-415
Iowa	24,727	24,431	-296	17,114	16,950	-164
Kansas	22,317	22,113	-204	15,832	15,707	-125
Kentucky	33,585	33,575	-9	23,937	23,935	-2
Louisiana	37,778	37,999	220	26,138	26,236	98
Maine	10,798	10,704	-94	7,590	7,537	-53
Maryland	43,878	44,091	214	32,024	32,247	223
Massachusetts	52,848	52,248	-600	37,398	37,202	-197
Michigan	83,083	82,329	-754	58,596	58,320	-276
Minnesota	40,110	39,637	-473	29,411	29,067	-344
Mississippi	23,466	23,574	108	16,749	16,758	9
Missouri	46,322	45,864	-458	33,161	32,879	-281
Montana	7,570	7,628	58	5,334	5,384	50

(Continued From Previous Page)

Dollars in thousands

States	SSBG allocations using 1990 Census population counts	Recalculated SSBG allocations using statistical population estimates based on the 1990 Census	Difference between SSBG allocations and recalculated allocations based on the 1990 Census[a]	SSBG allocations using 2000 Census population counts	Recalculated SSBG allocations using statistical population estimates based on the 2000 Census	Difference between SSBG allocations and recalculated allocations based on the 2000 Census[b]
Nebraska	14,243	14,106	-137	10,111	10,077	-33
Nevada	13,312	13,415	103	13,028	13,146	118
New Hampshire	9,988	9,911	-77	7,485	7,438	-47
New Jersey	69,127	68,406	-721	50,216	50,193	-23
New Mexico	14,661	14,887	226	10,897	10,949	52
New York	157,796	157,606	-190	111,555	111,790	235
North Carolina	62,601	62,730	128	48,872	49,027	154
North Dakota	5,577	5,524	-53	3,685	3,649	-36
Ohio	97,021	96,120	-902	66,478	65,950	-528
Oklahoma	28,521	28,575	54	20,413	20,468	55
Oregon	27,329	27,402	73	20,692	20,717	25
Pennsylvania	105,035	103,643	-1,392	71,882	71,564	-318
Rhode Island	8,614	8,487	-127	6,256	6,216	-40
South Carolina	31,958	32,105	147	24,108	24,134	26
South Dakota	6,343	6,302	-40	4,443	4,408	-35
Tennessee	45,731	45,799	69	33,959	33,979	21
Texas	162,912	164,883	1,971	128,578	129,229	651
Utah	16,975	16,996	21	13,669	13,719	50
Vermont	5,090	5,065	-25	3,599	3,576	-23
Virginia	57,581	57,797	216	42,938	43,249	311
Washington	47,253	47,370	117	35,643	35,733	90
West Virginia	15,905	15,875	-30	10,524	10,495	-28
Wisconsin	44,574	44,127	-446	31,811	31,494	-317
Wyoming	4,176	4,200	24	2,914	2,916	2
Total	**$2,286,151**	**$2,286,151**	**$0**	**$1,690,514**	**$1,690,514**	**$0[c]**

Source: GAO analysis of HHS and Commerce data.

[a]Because SSBG has a fixed allocation, the total amount gained and the total amount lost recalculating allocations using statistical population estimates based on the 1990 Census would have been the same: $8.5 million, and the percentage change or shift in funding would have been 0.37 percent.

[b]Because SSBG has a fixed allocation, the total amount gained and the total amount lost recalculating allocations using statistical population estimates based on the 2000 Census would have been the same: $4.2 million, and the percentage change or shift in funding would have been 0.25 percent.

[c]Column total adds to greater than zero due to rounding.

Estimated Percentage Changes in State Funding Using Statistical Population Estimates

Table 6: Percentage Difference between 1990 and 2000 Medicaid Allocations and Recalculated Allocations Using Statistical Population Estimates

States	Percentage difference between Medicaid allocations and recalculated allocations based on the 1990 Census	Percentage difference between Medicaid allocations and recalculated allocations based on the 2000 Census
Alabama	0.16	0.11
Alaska	0.00	1.11
Arizona	0.75	0.15
Arkansas	0.11	0.25
California	2.33	0.00
Colorado	0.81	0.00
Connecticut	0.00	0.00
Delaware	0.00	0.31
District of Columbia	0.00	0.00
Florida	0.58	-0.22
Georgia	0.67	0.95
Hawaii	0.00	0.97
Idaho	0.50	0.06
Illinois	0.00	0.00
Indiana	-1.34	-1.40
Iowa	-1.34	-1.11
Kansas	-1.23	-1.03
Kentucky	-0.02	0.00[a]
Louisiana	0.45	0.31
Maine	-0.96	-0.78
Maryland	0.00	0.00
Massachusetts	0.00	0.00
Michigan	-1.35	-0.73
Minnesota	-1.93	0.00
Mississippi	0.27	0.04
Missouri	-1.27	-1.10
Montana	0.61	0.73
Nebraska	-1.28	-0.44
Nevada	0.00	1.47
New Hampshire	0.00	0.00
New Jersey	0.00	0.00
New Mexico	1.06	0.33

(Continued From Previous Page)

States	Percentage difference between Medicaid allocations and recalculated allocations based on the 1990 Census	Percentage difference between Medicaid allocations and recalculated allocations based on the 2000 Census
New York	0.00	0.00
North Carolina	0.23	0.37
North Dakota	-0.86	-0.94
Ohio	-1.25	-1.08
Oklahoma	0.15	0.23
Oregon	0.34	0.15
Pennsylvania	-2.31	-0.76
Rhode Island	-2.46	-1.05
South Carolina	0.37	0.09
South Dakota	-0.66	-0.83
Tennessee	0.17	0.07
Texas	1.36	0.66
Utah	0.09	0.29
Vermont	-0.60	-0.86
Virginia	0.69	0.85
Washington	0.46	0.00
West Virginia	-0.14	-0.18
Wisconsin	-1.34	-1.46
Wyoming	0.74	0.11
All states	0.06	-0.10

Source: GAO analysis of HHS and Commerce data.

[a] Kentucky's percentage change in funding would have been -0.0045 percent.

Table 7: Percentage Difference between 1990 and 2000 Social Services Block Grant Allocations and Recalculated Allocations Using Statistical Population Estimates

States	Percentage difference between Social Services Block Grant allocations and recalculated allocations based on the 1990 Census	Percentage difference between Social Services Block Grant allocations and recalculated allocations based on the 2000 Census
Alabama	0.18	0.13
Alaska	0.40	0.75
Arizona	0.79	0.16
Arkansas	0.15	0.37
California	1.17	0.58
Colorado	0.46	0.45
Connecticut	-0.97	-0.27
Delaware	0.20	0.16
District of Columbia	1.86	2.05
Florida	0.37	-0.14
Georgia	0.56	0.71
Hawaii	0.25	0.67
Idaho	0.60	0.07
Illinois	-0.63	-0.92
Indiana	-1.11	-1.15
Iowa	-1.20	-0.96
Kansas	-0.91	-0.79
Kentucky	-0.03	-0.01
Louisiana	0.58	0.38
Maine	-0.87	-0.70
Maryland	0.49	0.70
Massachusetts	-1.14	-0.53
Michigan	-0.91	-0.47
Minnesota	-1.18	-1.17
Mississippi	0.46	0.05
Missouri	-0.99	-0.85
Montana	0.77	0.94
Nebraska	-0.96	-0.33
Nevada	0.77	0.91
New Hampshire	-0.77	-0.63
New Jersey	-1.04	-0.04
New Mexico	1.54	0.48

(Continued From Previous Page)

States	Percentage difference between Social Services Block Grant allocations and recalculated allocations based on the 1990 Census	Percentage difference between Social Services Block Grant allocations and recalculated allocations based on the 2000 Census
New York	-0.12	0.21
North Carolina	0.21	0.32
North Dakota	-0.95	-0.97
Ohio	-0.93	-0.79
Oklahoma	0.19	0.27
Oregon	0.27	0.12
Pennsylvania	-1.33	-0.44
Rhode Island	-1.47	-0.64
South Carolina	0.46	0.11
South Dakota	-0.64	-0.80
Tennessee	0.15	0.06
Texas	1.21	0.51
Utah	0.13	0.37
Vermont	-0.50	-0.64
Virginia	0.38	0.73
Washington	0.25	0.25
West Virginia	-0.19	-0.27
Wisconsin	-1.00	-1.00
Wyoming	0.57	0.07
Total	**0.00**	**0.00**

Source: GAO analysis of HHS and Commerce data.

GAO Contact and Acknowledgments

GAO Contact

Brenda S. Farrell, (202) 512-6806

Acknowledgments

In addition to the individual named above, Robert Goldenkoff, Assistant Director, as well as Faisal Amin, Robert Dinkelmeyer, Carlos Diz, Gregory Dybalski, Amy Friedlander, and Sonya Phillips made key contributions to this report.

GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are $2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm
E-mail: fraudnet@gao.gov
Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Paul Anderson, Managing Director, AndersonP1@gao.gov (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, D.C. 20548