



Highlights of [GAO-10-263](#), a report to congressional requesters

Why GAO Did This Study

Many federal assistance programs are funded by formula grants that have historically relied at least in part on population data from the decennial census and related data to allocate funds. In June 2009, the Census Bureau reported that in fiscal year 2007 the federal government obligated over \$446 billion through funding formulas that rely at least in part on census and related data. Funding for federal assistance programs continues to increase.

GAO was asked to determine (1) how much the federal government obligates to the largest federal assistance programs based on the decennial census and related data, and how the Recovery Act changed that amount; and (2) what factors could affect the role of population in grant funding formulas. To answer these objectives, GAO identified the 10 largest federal assistance programs in each of the fiscal years 2008 and 2009 based on data from the President's fiscal year 2010 budget. GAO reviewed statutes, agency reports, and other sources to obtain illustrative examples of how different factors could affect the role of population data in grant funding.

[View GAO-10-263](#) or [key components](#). For more information, contact Robert Goldenkoff at (202) 512-2757 or goldenkoffr@gao.gov.

FORMULA GRANTS

Funding for the Largest Federal Assistance Programs Is Based on Census-Related Data and Other Factors

What GAO Found

GAO's analysis showed that each of the 10 largest federal assistance programs in fiscal years 2008 and 2009 relied at least in part on the decennial census and related data—that is, data from surveys with designs that depend on the decennial census, or statistics, such as per capita income, that are derived from these data. For fiscal year 2008, this totaled about \$334.9 billion, representing about 73 percent of total federal assistance. For fiscal year 2009, the estimated obligations of the 10 largest federal assistance programs totaled about \$478.3 billion, representing about 84 percent of total federal assistance. This amount included about \$122.7 billion funded by the Recovery Act and about \$355.6 billion funded by other means.

Fiscal Year 2009 Estimated Obligations for the 10 Largest Federal Assistance Programs and Portion of Estimated Amount Obligated Due to Recovery Act

Dollars in billions

Program	Estimated amount obligated	Estimated portion from Recovery Act
Medicaid	\$266.6	\$36.7
Highway Planning and Construction	54.1	13.4
State Fiscal Stabilization Fund—Education State Grants	39.7	39.7
Title I Grants to Local Education Agencies	24.5	10.0
Individuals with Disabilities Education Act Part B	22.8	11.3
Temporary Aid for Needy Families	17.1	5.0
Section 8 Housing Choice Vouchers	16.6	0.0
Community Development Block Grant	13.3	1.0
Federal Transit Formula Grants Programs	13.0	5.6
Children's Health Insurance Program	10.6	0.0
Total	\$478.3	\$122.7

Source: Office of Management and Budget (OMB), *Analytical Perspectives, Budget of the United States Government, Fiscal Year 2010 (May 2009)*, Table 8-4, Summary of Programs by Agency, Bureau, and Program and Table 8-6, Summary of Recovery Act Grants by Agency, Bureau, and Program.

Note: Because the actual obligations for fiscal year 2009 are not yet available from OMB for each of these programs, we are reporting the estimated fiscal year 2009 obligations reported in the President's Fiscal Year 2010 budget.

Several factors can affect the role of population in grant funding formulas. When a formula includes variables in addition to total population, the role of population in the grant funding formula is less than if the formula relies solely on total population. All of the programs in GAO's review included one or more grants with formulas containing variables other than total population, such as the level of transit service provided. In addition, other factors can modify the amount that a state or local entity would have otherwise received under the formula. These factors include (1) hold harmless provisions and caps; (2) small state minimums; and (3) funding floors and ceilings. With the application of these factors, grant funding may be affected less or entirely unaffected by changes in population.