



Updated February 26, 2020

## Why the Count Counts: *Federal Funding and the 2020 Census*

by Nancy Wagman, Kids Count Director

The 2020 Census will determine the distribution of billions of federal dollars to local communities every year. A **complete and accurate count** of every Massachusetts resident will help make sure that these dollars are available to the communities that need them most. These dollars are important to address health and well-being, they help educate our children, and they are critical to ensuring that Massachusetts' children can grow up in communities that have the resources to help every child thrive.

**Low-income communities, immigrant communities, and communities of color** have historically been undercounted in the census.

Getting an accurate count of our **youngest children** has also always been hard, and demographic changes overall and changes to the 2020 Census will make it even harder.<sup>1</sup>

An undercount of children understates a community's population and a community's needs. There are estimates that as many as **two million children under age five were missed nationally in the 2010 Census, with as many as 20,000 missed in Massachusetts alone.**<sup>2</sup>

If we miss people in the 2020 Census, they don't get a chance to be counted until the next census in 2030. **We would feel the impacts of a Census undercount for a decade – essentially the length of an entire childhood.**

When the census counts are off, the pictures we paint of our communities could be distorted. An undercount would affect the **drawing of legislative districts**, representation in Congress, and the Electoral College that chooses the President.

The 10-year Census also **creates the foundation for most of the statistics** that shape our understanding of our health, social, and economic well-being. These statistics affect countless business and government decisions.

Billions of federal dollars that come to Massachusetts are affected by the census one way or another. A portion of these are **directly affected by census population counts**. In other words, an undercount of our population in the 2020 Census will **directly affect** the amount of money that our communities will receive.<sup>3</sup>

### KEY TAKEAWAYS

At least \$3 billion in federal grants to Massachusetts each year is vulnerable to an undercount in the 2020 Census.

This funding is directly tied to census population counts in some way.

Young children are at particular risk of being missed in the census.

An undercount of Massachusetts residents could mean that communities will not receive essential funding for schools, health services, transportation, and more.

The list below highlights some of the funding that is **at risk from an undercount** in the census and includes the recent totals to Massachusetts from these grants for federal fiscal year (FFY) 2019 or state fiscal year (SFY) 2020.<sup>4</sup> This list is not comprehensive. Yet the grants listed here total **more than \$3 billion annually in federal funds coming to Massachusetts that would be directly affected** by an undercount in the 2020 Census.

## EDUCATION

### Special Education Grants to States

\$298.0 million (SFY 2020)

The federal Individuals with Disabilities Education Act (IDEA) authorizes the federal government to make grants to states for special education and related services for children with disabilities.<sup>5</sup> The allocation to each state is based, in part, on each state’s number of school-aged children and each state’s number of school-aged children in poverty.<sup>6</sup> These calculations are based on census data.

### Title 1 Grants to Local Education Agencies

\$237.5 million (SFY 2020)

Title I grants are available to local school districts to improve both teaching and learning in those schools with relatively large shares of low-income children.<sup>7</sup> The allocation of funds to school districts comes directly from estimates of the number of children aged five through 17 in families in poverty for each school district.<sup>8</sup> These calculations are based on census data.



### Head Start/Early Head Start

\$170.4 million (FFY 2019)

Head Start grants support the locally-run and federally-funded preschool programs that help low-income young children prepare for kindergarten.<sup>9</sup> Massachusetts is eligible for program expansion funds in part based on how many underserved low-income three- and four-year olds there are and the number of low-income children under five in Massachusetts relative to other states.<sup>10</sup> These calculations are based on census data.

### Child Care and Development Block Grant

\$146.1 million (FFY 2019)

The Child Care Development Block Grant provides funding to subsidize early education and care for low-income families and also to improve the quality of care for all children.<sup>11</sup> These funds require a state “match,” meaning the state must spend a portion of its own funds to receive the federal funds. Like some other states, Massachusetts uses a portion of its federal Temporary Assistance for Needy Families (TANF) block grant as part of its state match.<sup>12</sup> Massachusetts uses this block grant to pay for a large share of the spending at the Department of Early Education and Care. The amount Massachusetts receives is based in part on the population under five years old, the share of children in the state receiving free or reduced-price lunch, and per capita personal income estimates. These calculations are all based on census data.<sup>13</sup>

## HEALTH AND HUMAN SERVICES

### Children’s Health Insurance Program (CHIP)

\$724.6 million (FFY 2019)

Children’s Health Insurance Program (CHIP) funding reimburses the state for a portion of its spending on health insurance for low- and moderate-income children and pregnant women (see more detailed discussion of the state Federal Medical Assistance Percentage (FMAP) below).<sup>14</sup> The total amount of funding available to the state, however, is based on a formula that is in part based on the number of low-income children in the state without health insurance coverage,<sup>15</sup> and these data come directly from census estimates.

### Grants for New and Expanded Services under the Health Center Program

\$141.4 million (FFY 2019)

These grants support community health centers, including expanding existing services and improving access and quality of care.<sup>16</sup> The funding available under these grants is based in part on whether a health center provides care in a “medically underserved” area, which includes communities with seasonal agricultural workers, people experiencing homelessness, and residents of publicly-subsidized housing.<sup>17</sup> The designation of communities eligible for these grants relies on calculations based on census data.

### Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

\$77.2 million (SFY 2020)

The WIC program provides nutritious food, guidance on healthy eating, and breastfeeding support for low-income pregnant and postpartum women, as well as infants and young children determined to be at nutritional risk.<sup>18</sup> Participants use their WIC benefits in local grocery stores, and the funding that pays for that nutritious food is in part based on the Massachusetts share of women and young children with incomes at 185 percent of the poverty level.<sup>19</sup> These calculations are based on census data.



### State Vocational Rehabilitation Services Program

\$41.0 million (SFY 2020)

The federal vocational rehabilitation grants support assessment, counseling, and services including vocational rehabilitation and training and job placement for persons with disabilities.<sup>20</sup> The funding to Massachusetts is in part based on the state’s population relative to other states.<sup>21</sup> This calculation is based on census data.

### Social Services Block Grant

\$33.4 million (FFY 2019)

Social Services Block Grant funds are available to states to support families, prevent the abuse or neglect of adults or children, and reduce unnecessary institutionalization.<sup>22</sup> Massachusetts uses most of this block grant to pay for spending at the Department of Children and Families.

The grant to Massachusetts is in part based on the state’s population relative to other states.<sup>23</sup> This calculation is based on census data.

## INFRASTRUCTURE, HOUSING, AND ECONOMIC DEVELOPMENT

### Highway Planning and Construction

\$642.8 million (FFY 2019)

The Federal-Aid Highway Program, the Federal Lands Highway program, the National Highway Freight programs, the Nationally Significant Freight and Highway Projects, and the Highway Infrastructure Program are all encompassed under the federal Highway Planning and Construction grants.<sup>24</sup> These funds are available to support various aspects of construction, preservation, and improvement of highways and bridges. Funds are distributed in part based on the distribution of the population across the state.<sup>25</sup> These figures come from census counts.

### Federal Transit Formula Grants

\$358.0 million (FFY 2019)

These grants support public transportation specifically in “urbanized” areas, which are those with a population over 50,000.<sup>26</sup> This funding is only available to areas that meet a specific population threshold,<sup>27</sup> which is determined using census population counts.

### Low Income Home Energy Assistance Program (LIHEAP)

\$159.5 million (SFY 2020)

The federal fuel assistance program, known as the Low Income Home Energy Assistance Program (LIHEAP), helps low-income families pay for heat (or air conditioning in hot climates) as well as weatherization.<sup>28</sup> The funding formula is based in part on the state’s per capita income, as well as a calculation of how much low-income households spend on home energy costs.<sup>29</sup> These estimates are based on census data.

### Community Development Block Grant – Entitlement Community Development Block Grant – Non-Entitlement

\$64.1 million (FFY 2019) – Entitlement Funds

\$29.8 million (SFY 2020) – Non-Entitlement Funds

The Community Development Block Grant entitlement program provides funding to larger urban areas to support affordable housing, neighborhood revitalization, economic development, and other activities benefiting low- and moderate-income residents.<sup>30</sup> About three dozen Massachusetts cities and towns receive this funding. The Community Development Block Grant non-entitlement program provides funding to non-metropolitan areas.<sup>31</sup> The amount of funding for these grants is in part determined based on population counts, population growth rates, poverty rates, and housing overcrowding or age of housing.<sup>32</sup> These calculations are all based on census data.



## Home Investment Partnerships Program

\$31.2 million (FFY 2019)

This program provides funding to local and state government to expand the supply of affordable housing, particularly rental housing for low-income households.<sup>33</sup> These funds are distributed based on a formula that includes the estimated number of low-income households living in substandard housing and the poverty rate of an area.<sup>34</sup> These calculations rely on census data.

## Federal Funding to Massachusetts Not Directly Affected by Census Counts – Federal Medical Assistance Percentage (FMAP)

The single largest source of federal revenue that supports the state budget comes through a formula known as FMAP, the Federal Medicaid Assistance Percentage. FMAP specifies the federal reimbursement rate for state spending on Medicaid, the state's MassHealth program.

The reimbursement rate is based on a state's per capita income, and ranges from a low of 50 percent reimbursement in thirteen states, to as much as 77.76 percent in Mississippi. Higher-income states receive a lower reimbursement rate than do lower-income states. Census population data are used in part to determine the state's per capita income for FMAP.



Massachusetts – a high income state – is already at the minimum FMAP reimbursement rate. A population undercount in the 2020 Census, which could distort (and increase) the calculation of per capita income, would not change Massachusetts' FMAP.<sup>35</sup> The other states that are not already at this minimum FMAP reimbursement rate could be significantly affected by a population undercount in the 2020 Census.

These are the federal revenues in Massachusetts subject to FMAP:

### Medical Assistance Program/Medicaid (MassHealth)

\$10.62 billion (FFY 2019)

Reimbursement for state spending on the Medicaid program<sup>36</sup> (MassHealth) supports affordable health insurance to more than 1.8 million Massachusetts residents, including more than half the state's children. This funding also supports key elements of the state's services for adults with disabilities and provides essential support for health care providers that serve large numbers of low-income patients. Massachusetts also uses this funding to reimburse for operations and services in a dozen state agencies, including the Departments of Mental Health, Public Health, Developmental Services, Elder Affairs, and more.

### Foster Care (Title IV-E)

\$158.8 million (FFY 2019)

Reimbursement for state spending on the Title IV-E Foster Care program<sup>37</sup> supports the state's child welfare and child protection programs, including foster care. Massachusetts uses this

funding to reimburse for spending at the Department of Children and Families and the Department of Early Education and Care.

### **Adoption Assistance (Title IV-E)**

\$39.4 million (FFY 2019)

Reimbursement for state spending on the Title IV-E Adoption Assistance program<sup>38</sup> supports the state's child welfare and child protection programs, particularly adoption assistance for children with special needs. Massachusetts uses this funding to reimburse for spending at the Department of Children and Families.

### **Children's Health Insurance Program (CHIP) – also included above**

\$724.6 million (FFY 2019)

Reimbursement for state spending on the CHIP-eligible services for low- and moderate-income children and pregnant women within the MassHealth program, based on an enhanced FMAP reimbursement rate. The legislated FMAP for Massachusetts is 65 percent, however under the Affordable Care Act in fiscal years 2016 to 2019, the FMAP increased by 23 percentage points to 88 percent, and in fiscal year 2020 it drops back to 76.5 percent. In Fiscal Year 2021 the enhanced FMAP for CHIP will return to 65 percent.<sup>39</sup> (See above description for the impact of census counts on the CHIP allotment increase.)

## **GLOSSARY**

**FMAP {Federal Medical Assistance Percentage}**: The rate that the federal government reimburses the state for spending on the Medicaid program. There are several other federal programs that reimburse for state spending based on the Medicaid FMAP percentage. The Massachusetts base FMAP is 50 percent, the lowest statutory rate. The FMAP for the Children's Health Insurance Program (CHIP) is an enhanced rate, currently 65 percent.

**Federal Fiscal Year (FFY)**: The federal budget year, which goes from October 1 to September 30.

**State Fiscal Year (SFY)**: The state budget year, which goes from July 1 to June 30.

<sup>1</sup> William O'Hare, Deborah Griffin, and Scott Konicki, [Investigating the 2010 Undercount of Young Children – Summary of Recent Research](#), U.S. Census Bureau, February 14, 2019, p. 13.

<sup>2</sup> See Appendix A in U.S. Census Bureau, [The Undercount of Young Children](#), February 2014.

<sup>3</sup> For some of these, the federal government allocates funding to the states based on the number of people within a specific age group. There are other funds distributed based on formulas that look at population density to determine whether an area is urban or rural, and formulas that consider changes in the population totals. There are other formulas that rely on information from the U.S. Census Bureau's annual American Community Survey and the accuracy of that survey is directly affected by the accuracy of the decennial census.

<sup>4</sup> Funding data come either from the Governor's state fiscal year (SFY) 2020 budget documents, or from federal spending data provided by the U.S. General Services Administration (<https://beta.sam.gov/>) for federal fiscal year (FFY) 2019. All federal grants have a specific Catalog of Federal Domestic Assistance (CFDA) number.

<sup>5</sup> CFDA Number [84.027](#).

<sup>6</sup> [20 U.S. Code § 1411](#).

<sup>7</sup> CFDA Number [84.010](#).

<sup>8</sup> See National Center for Education Statistics, “Study of the Title I, Part A Grant Program Mathematical Formulas,” May 2019, U.S. Department of Education, available at <https://nces.ed.gov/pubs2019/titlei/summary.asp>.

<sup>9</sup> CFDA Number [93.600](#).

<sup>10</sup> [42 U.S. Code § 9835](#).

<sup>11</sup> CFDA Number [93.575](#).

<sup>12</sup> See Nancy Wagman, Elizabeth Schott, LaDonna Pavetti, *Funding for the TANF Program in Massachusetts*, Mass. Budget and Policy Center, August 2014.

<sup>13</sup> [42 U.S. Code § 9858m](#).

<sup>14</sup> CFDA Number [93.767](#).

<sup>15</sup> [42 U.S. Code § 1397](#).

<sup>16</sup> CFDA Number [93.527](#).

<sup>17</sup> [42 U.S. Code § 254b](#).

<sup>18</sup> CFDA Number [10.557](#).

<sup>19</sup> [7 CFR § 246.16](#).

<sup>20</sup> CFDA Number [84.126](#).

<sup>21</sup> [29 U.S. Code § 730](#).

<sup>22</sup> CFDA Number [93.667](#).

<sup>23</sup> [42 U.S. Code § 1397b](#).

<sup>24</sup> CFDA Number [20.205](#).

<sup>25</sup> [23 U.S. Code § 133](#).

<sup>26</sup> CFDA Number [20.507](#).

<sup>27</sup> [49 U.S. Code § 5336](#).

<sup>28</sup> CFDA Number [93.568](#).

<sup>29</sup> [42 U.S. Code § 8623](#).

<sup>30</sup> CFDA Number [14.218](#).

<sup>31</sup> CFDA Number [14.218](#).

<sup>32</sup> [42 U.S. Code § 5306](#).

<sup>33</sup> CFDA Number [14.239](#).

<sup>34</sup> [42 U.S. Code § 12747](#).

<sup>35</sup>  $FMAP = 1 - ((\text{state per capita income})^2 / (\text{US per capita income})^2 * .45)$  with per capita income determined as a 3-year average. The FMAP is affected by the census count in the calculation of per capita income, as the U.S. Bureau of Economic Analysis calculates per capita income by dividing the state’s total personal income by population figures that come directly from the decennial Census and annual estimates derived directly from the decennial Census. An artificially low census population count would increase a state’s per capita income. See Andrew Reamer, “[Counting for Dollars 2020: The Role of the Decennial Census in the Geographic Distribution of Federal Funds, Report #2 Estimating Fiscal Costs of a Census Undercount to States](#),” George Washington Institute of Public Policy, March 18, 2018, p. 6. See also list of current FMAP rates at Kaiser Family Foundation, “[Federal Medical Assistance Percentage \(FMAP\) for Medicaid and Multiplier](#).”

<sup>36</sup> CFDA Number [93.778](#).

<sup>37</sup> CFDA Number [93.658](#).

<sup>38</sup> CFDA Number [93.659](#).

<sup>39</sup> See [Enhanced Federal Medical Assistance Percentage \(FMAP\) for CHIP](#) at State Health Facts, Kaiser Family Foundation.