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REQUIRING THE COMPILATION OF CURRENT DATA ON
TOTAL POPULATION BETWEEN CENSUSES

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JAN 30 1975

SUB **HEARING**
BEFORE THE
COMMITTEE ON CENSUS AND POPULATION
OF THE
COMMITTEE ON
OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
NINETY-FOURTH CONGRESS

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FIRST SESSION

ON

H.R. 4948

A BILL TO AMEND TITLE 13 OF THE UNITED STATES CODE
TO REQUIRE THE COMPILATION OF CURRENT DATA ON
TOTAL POPULATION BETWEEN CENSUSES AND TO RE-
QUIRE THE USE OF SUCH CURRENT DATA IN THE ADMIN-
ISTRATION OF FEDERAL LAWS IN WHICH POPULATION
IS A FACTOR

APRIL 24, JUNE 27, 1975

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CONTENTS

Statement of—	Page
Barabba, Hon. Vincent P., Director, Bureau of the Census, accompanied by Donald E. Starsinic, Chief, State and Local Estimates Branch, Population Division, Bureau of the Census, Washington, D.C.-----	19
Branch, Laurence, from the University of Massachusetts-----	50
Buckley, Jack, secretary of administration and finance for the Commonwealth of Massachusetts-----	28
Chappell, Hon. William, U.S. Congressman, Fourth District, State of Florida-----	1
Crane, Daniel, special assistant for policy and program review to the Governor of Rhode Island-----	34
Ganz, Alexander, director of research, Boston Redevelopment Authority-----	43
Harrington, Hon. Michael J., a Representative in Congress from the State of Massachusetts-----	62
O'Neill, Hon. Thomas P., a Representative in Congress from the State of Massachusetts-----	61
Stone, Hon. Richard B., U.S. Senator, State of Florida (presented by Mr. Barry Drenfeld)-----	7
Turlington, Ralph D., commissioner of education, Department of Education, State of Florida-----	18
Williams, Hon. James, Lieutenant Governor, State of Florida-----	3
Zitter, Meyer, Chief, Population Division, U.S. Bureau of the Census-----	55
Additional material—	
Copy of H.R. 4948, subject of hearing-----	IV
"The Federal Revenue Sharing Equity Act," comments in the Congressional Record, August 22, 1974, by Hon. William Lehman-----	63

[H.R. 4948, 94th Cong., 1st sess.]

A BILL To amend title 13 of the United States Code to require the compilation of current data on total population between censuses and to require the use of such current data in the administration of Federal laws in which population is a factor

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter IV of chapter 5 of title 13, United States Code, is amended to read as follows:

"SUBCHAPTER IV—CURRENT INTERIM DATA"

"SEC. 181. POPULATION

"During the intervals between decennial censuses of population under section 141, the Secretary shall annually produce and publish for each State, county, and local unit of general purpose government which has a population of 50,000 or more, current data on total population and shall biennially produce and publish for other local units of general purpose government current data on total population. Such data shall be produced and published for each State, county, and other local unit of general purpose government for which data is compiled in the most recent census of population taken under section 141. Such data may be produced by means of sampling or other methods, which the Secretary determines will produce current comprehensive and reliable data.

"SEC. 182. OTHER CURRENT DATA

"The Secretary may make surveys deemed necessary to furnish annual and other interim current data on the subjects (other than population) covered by the censuses provided for in this title.

"SEC. 183. USE OF MOST RECENT POPULATION DATA

"In the administration of any law of the United States in which population is used to determine the amount of benefit received by State and local units of general purpose government (other than laws relating to the apportionment of U.S. Representatives), the data most recently produced and published pursuant to section 181 shall be used except with respect to any date or period of time for which the census of population taken under section 141 is the most recent data. The preceding sentence shall apply with respect to any such law whether or not such law makes reference to the census of population taken under section 141.

"SEC. 184. DEFINITION

"For purposes of this subchapter, the term 'local unit of general purpose government' means the government of a county, municipality, township, or other unit of government below the State which is a unit of general government."

(b) The table of contents for chapter 5 of title 13, United States Code, is amended by striking out

"181. Surveys."

and inserting in lieu thereof

"181. Population.

"182. Other current data.

"183. Use of most recent population data.

"184. Definition."

SEC. 2. (a) The Secretary of Commerce and the Director of the Office of Management and Budget shall jointly initiate the development and establishment of uniform methods and procedures to be used by the Bureau of the Census and all other bureaus and components of the Executive Branch in producing statistical information used in effecting the delivery of Federal benefits to State and local governments.

(b) Not later than one year after the date of the enactment of this Act, the Secretary and the Director shall report to the Committees on Post Office and Civil Service of the Senate and House of Representatives with respect to progress made toward the development and establishment of the methods and procedures described in subsection (a).

(c) Nothing in subsection (a) or (b) shall be construed as to limit the present authority of the Office of Management and Budget to develop and promulgate statistical standards and authority under the Federal Accounting and Procedure Act of 1950.

REQUIRING THE COMPILATION OF CURRENT DATA ON TOTAL POPULATION BETWEEN CENSUSES

THURSDAY, APRIL 24, 1975

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON CENSUS AND POPULATION,
Washington, D.C.

The subcommittee met at 11 a.m., in room 210, Cannon House Office Building, Hon. Patricia Schroeder (chairwoman of the subcommittee) presiding.

Mrs. SCHROEDER. The subcommittee will come to order.

Today this subcommittee begins hearings on H.R. 4948. The concept behind the bill is simple: as a matter of equity, Federal grant programs which use population figures in their allocation formulas should use the most updated statistics available.

Unfortunately, no such uniform policy is now used in determining population statistics for distribution of Federal funds—and, in fact, many programs continue to use the 1970 decennial census population figures for their allocations.

Clearly, it is unreasonable, and inequitable, to use population figures up to 12 years old in a Nation as mobile as the United States. But, unless something is done in the interim, come 1982, many Federal programs will still be using 1970 population statistics.

For example, Federal highway funds are based on 1970 figures. The Comprehensive Training Employment Act allocates funds to cities with more than 100,000 in population, but continues to use 1970 figures for its population figures. Many housing and education programs also use outdated figures.

In short, we have a problem which deserves our immediate attention, and I hope a solution. I consider this bill to be a starting point in this direction.

And I welcome you this morning. My understanding is that Lieutenant Governor Williams would like to go first, is that correct?

Mr. CHAPPELL. I think—let me make a preliminary opening statement, if I might, Madam Chairwoman, and then, because Lieutenant Governor Williams is trying to make the airport by 12, that will give him an opportunity to share his experience in Florida on this subject, and point briefly to the need for the bill.

STATEMENT OF HON. BILL CHAPPELL, A MEMBER OF CONGRESS FROM THE STATE OF FLORIDA

Mr. CHAPPELL. Let me take just a moment to discuss the organization of H.R. 4948. You will note that the first section, 181, population, simply requires the Secretary annually to produce and publish for

each State, county, and local unit of general purpose government which has a population of 50,000 or more, current data on total population, and biennially to produce and publish for other local units of general purpose government current data on total population.

That is the gist of that section, and I emphasize the necessity for making it mandatory. I know there are those who feel that perhaps it ought not to be mandatory. I personally feel and believe that all of the delegation which will appear from our standpoint feels that it should be mandatory.

I feel that we have moved much too slowly in this area already, and we could move much more rapidly, and I think the way to accomplish this is to leave no uncertainty in it, and to require that the matter be done in this way.

The next pertinent part of the bill is section 183.

In the administration of any law of the United States in which population is used to determine the amount of benefit received by State and local units of general purpose government (other than laws relating to the apportionment of U.S. Representatives), the data most recently produced and published pursuant to Section 181 shall be used except with respect to any date or period of time for which the census of population taken under section 141 is the most recent data.

Again I emphasize the mandatory requirement that it be used, because experience now shows that the only areas where we have the utilization of this information is where the Congress itself has mandated it. It has not been used in other areas.

I will ask Lieutenant Governor Williams to mention specifically an experience in Florida that we have had on this very point.

That's the real gist of this bill. We can go into some of the other matters in a moment.

I do want to put into the record at this point, a proposed amendment which I would ask the subcommittee to have a look at, to be entitled, "Subsection 183(b)," after redesignating the first section of 183 as subsection (a), in which we would suggest the following language which has come to us from Senator Stone, which reads: "In the administration of any law of the United States in which other population details are available,"—such as age groups and so forth—"to determine the amount of benefit received by State and local units of general purpose government (other than laws relating to the apportionment of U.S. Representatives), the data most recently produced by the Bureau of Census shall be used."

That is the gist of this amendment, and we will go into it in detail later.

I want to put it in at this point, so we will have before you the thinking of all of us who appear here before you today, at least, in support of the bill as written, with this amendment.

[The full text of the proposed amendment follows:]

SEC. 183(b)

In the administration of any law of the United States in which other population details are available to determine the amount of benefit received by State and local units of general purpose government (other than laws relating to the apportionment of U.S. Representatives), the data most recently produced by the Bureau of Census shall be used, except with respect to any date or period of time for which the census of population taken under section 141 is the most recent data. The preceding sentence shall apply with respect to any such law whether or not such law makes reference to the census of population taken under section 141.

Mr. CHAPPELL. I'd like to introduce Lieutenant Governor Williams of Florida.

Mrs. SCHROEDER. Thank you, and welcome.

STATEMENT OF HON. J. H. "JIM" WILLIAMS, LIEUTENANT GOVERNOR OF THE STATE OF FLORIDA

Lieutenant Governor WILLIAMS. Madam Chairperson and Mr. Lehman, I appreciate the opportunity to represent the State of Florida to present our views on H.R. 4948.

Congress frequently authorizes the various Federal agencies to use population figures as a method of allocating resources which have been provided for programs and services.

Conceptually, this is a legitimate method of seeing that the available resources go where the people are, so that the needs of the people can be met equitably.

In actual practice, however, the distributors have been anything but equitable. The problem is not in the concept approved by Congress.

The problem has been in the way many Federal agencies have chosen to interpret congressional instructions to use the most accurate population figures. In a rapid growth State such as Florida, the population measure that is selected can be critical.

As each year goes by, the 1970 census figures used by many Federal agencies become more and more inaccurate as a measure of where the people are and where the resources should go. Periodic adjustments are absolutely necessary if we are to have fair and equitable distributions that deliver assistance where the people are, rather than where they were.

Ours is a growing country. To varying degrees, 48 of the 50 States have gained population since the 1970 census and are affected by the lack of a uniform system of adjustments to reflect the actual population changes in the distribution formulas of the Federal agencies.

The percentage of increase ranges from a minimum of 1 percent in some States to a significant 20 percent in Arizona. Our growth in Florida is 19 percent, and when you consider that our 1970 census figure was 6.8 million, we are talking about a population increase of almost 1½ million people in a little over 4 years.

It is easy to see that the use of census figures without adjusting for increased population has a serious effect on the distribution of Federal funds. The impact is felt in the allocations of funds for highway construction, highway safety, land and water conservation, children's medical services, and many other important program areas, including elementary and secondary education.

In education, the effect of growth was compounded by the fact that the U.S. Office of Education continued to use 1960 census figures until last fiscal year. Because of this, many schoolchildren in growing States were not considered in the distribution of compensatory education funds which were appropriated for them by Congress.

Rather than citing specific examples and presenting data to illustrate our position, we have prepared a supplementary paper which I will leave with the committee staff for you.

I also will present a statement from Florida Education Commissioner Ralph Turlington which provides additional information on the need for equitable funding in education.

We view House Resolution 4948 as an effort by Congress to insure that the Federal distribution formulas carry out the congressional intent for the equitable allocation of Federal dollars.

Since the necessary annual population data already is being collected, cost would not be a factor. The objective of this proposed change is simply to require the most accurate allocations possible when population is chosen by Congress as a basis of distribution.

This would be a much-needed improvement. On behalf of Governor Askew and all of the people of Florida, I endorse this important proposal. We support the proposed resolution as a way to provide uniformity and equity in Federal funding. And we urge its favorable consideration by the Congress.

Thank you.

Mrs. SCHROEDER. Thank you very much Lieutenant Governor Williams.

Congressman Lehman, do you have any questions?

Mr. LEHMAN. I thank you for coming, Lieutenant Governor, and, Bill. You have done a good job. I can see the apparent need of this throughout Florida. Certainly in Dade County, up until this year, it's been a rather unfortunate situation, especially in those fast growing municipalities within the south Florida/Dade County section.

We calculated, in the 4 or 5 years since the last census that Dade County alone has lost over \$2 million in revenue-sharing funds. However, we made some efforts through the Treasury Department and they have converted to updated figures and this year Dade County will pick up its differential, not based on census but only on the way that the Treasury Department has now interpreted regulations in regard to that part of Florida.

I think it's necessary to legislate this so it will not be discretionary in regard to not only Dade County but other sections of Florida and throughout the country, like Mrs. Schroeder's area in Denver, Colo.

I would just like to ask the chairperson what her experiences have been in a similar expanding area in her section of the country.

Mrs. SCHROEDER. Well, I was very interested in your testimony, because we found exactly the same thing in Colorado. We have a joke about every time John Denver sings "Colorado Rocky Mountain High," 10,000 people pack up and move west. We have to figure out a way to cope with it.

So the allocation formulas are always behind, and we are always trying to catch up. And it's a tremendous strain on everything in the State.

So we certainly appreciate your testimony and will do everything we can to see what can be done and expedite this if it's at all possible.

Lieutenant Governor WILLIAMS. We thank you very much for the opportunity to come and be with you this morning.

Our situation—as Mr. Lehman has stated and as you have concurred in—we also have experienced in Florida a great growth from 1960 to 1970, and, of course, to be limited in educational funding for needy children on a 1960 census meant that in our educational system, where we have had great success in equalizing educational funding for all students regardless of where they live in Florida, we found that approximately two of three were receiving credit with the Federal Government, and one-third of our young people in the needy categories were not even counted under the Federal census of 1960.

And we do feel it's significant and very important, and Mr. (Yelton), our State economist, who works with me in the Department of Administration, came with me and prepared some additional data that we are filing with your staff, and if you develop any information through the staff work, if we can be of any assistance, if you will simply let us know, we will be happy to try to comply with the information and request.

Mrs. SCHROEDER. Thank you very much.

Mr. LEHMAN. May I ask one other thing? Do you think there should be any hold harmless provisions in this? Because not every part of Florida is growing. In fact, some are losing population, and sometimes those are the areas that also have problems.

Lieutenant Governor WILLIAMS. Mr. Lehman, I have not had that experience of knowing an area that is losing population.

Mr. LEHMAN. In relation to the national average.

Lieutenant Governor WILLIAMS. In relation to the national average, I think that's true. And I think a misleading statement, taken out of context, would be my representation that 48 of the 50 States have grown since the 1970 census.

But the question is, have they grown at a comparable rate to the national average? And I do not have that information on our State from a hold harmless position.

But I assure you that hold harmless will not adversely affect Florida, in my opinion, to any degree, and I believe that the hold harmless arrangement may well keep the growth States from receiving their pro rata share of the national average of distribution of Federal dollars.

And I think that's where I am concerned is if you were to hold harmless that those States receiving above the per capita average, that might make more sense than a pure hold harmless on the law side.

Mr. LEHMAN. Dade and Broward Counties grew over 12 percent in the 1970 census, and that's four times the national average.

And you can see what is happening to areas when these expanding areas are the ones that need these revenue sharing funds more than the stable areas.

Thank you very much.

Lieutenant Governor WILLIAMS. Thank you, Mr. Lehman, and I hope you will excuse me for departing this morning a little before your committee concludes.

Mr. CHAPPELL. Madam Chairman, I'd like to thank the Lieutenant Governor for being with us, and request that the statement of the Honorable Ralph Turlington be made a part of the record.

Mrs. SCHROEDER. Without objection, it will be inserted in the record.

Lieutenant Governor WILLIAMS. We have some staff papers from the State Economist that are part of my report, which is in more detail than my oral testimony.

Mr. CHAPPELL. Also at this point, I'd like to ask that the suggested amendment, as I read it to you, and as suggested by Senator Stone, be made a part of the record.

Mrs. SCHROEDER. Very good. I'm sure there is no objection.

Mr. CHAPPELL. I have with me also Mr. Barry Dierenfeld, who is with Senator Stone's office. Senator Stone was here earlier. He had

an amendment on the Senate floor, and we are looking for him to come in momentarily. He is not here.

I suppose, with your permission, I'd like to expand a little, and then if he is not here we will have you read it for the Senator or do you want to read it now?

Mr. DIRENFELD. No; I thought you'd read your statement, and we'd wait until the end. Senator Stone may come back; otherwise, I will read it for the record then.

Mr. CHAPPELL. Fine. We will simply offer it into the record at the appropriate time.

I'd like at this moment to make it clear that we don't pose this as a Florida bill. I want to be sure that we all understand that this is a national problem. It isn't something that is just a problem in Florida, Colorado, or California, but in most areas of the States at one time or another.

Because we live in a rapidly growing country, and because we have people who migrate from one area to another all during the year, the only way to make certain that we have an equitable distribution of these Federal funds for the purposes enumerated by Congress is to make certain that we have census updates and that they are done periodically, mandatorily, and that we require all of the programs to be funded upon the information which is up to date.

I think we have shown Florida here simply as an example for this need.

Now, another thing I think we have to remember is that under the present circumstances, and by that I mean the use of the decennial census, there is a time lag between the taking of the census and the time in which the complete census data becomes available for use in the allocation of funds.

This means that the 1960 census could still be in use as late as 1973, thereby compounding the problem further.

This is unquestionably true throughout the country. It's certainly manifested itself in many respects in my State, and I am sure it has in all of the particularly fast-growing States in the Nation. I believe this legislation properly addresses that problem.

The purpose of the Federal programs which allocate funds on the basis of population is to meet the needs of the individual. Given the highly mobile nature of our society today, the yearly updating of population figures is necessary to insure that the intent of the programs we enact is met.

If we expect the States to meet the various needs of their rapidly expanding populations, we are going to have to take measures to insure that they receive the funds to which they are entitled and receive them timely.

We are not here requiring the Census Bureau to develop new statistical methods to meet the provisions of this legislation, but are requiring the expanded use of population updates currently produced by the Bureau. Some recent laws, such as the General Revenue Sharing Act, currently use these population updates to determine the allocation of Federal funds. In fact, we would be simply drawing upon a resource which is already available to insure the most equitable distribution of our Federal funds.

I would like to continue just to further emphasize—and again, I am using Florida figures simply as an example, and they are available for the remainder of the country.

The population of the United States, according to the 1970 census—that is, the resident population—was approximately 203,235,000. The July 1, 1974 population estimate for the country is 211,390,000, representing a 4-percent increase.

Projections for 1980, based on the figures closest to the present fertility rate, estimate the U.S. population will reach 222,769,000, a 9-percent increase over the 1970 population.

A corresponding figure from the State of Florida—and there are other States in similar circumstances—indicates a 19.2-percent increase from 1970 to 1974, and a projected 39.9-percent increase for this decade.

The State of Florida's population increases at the rate of about 7,000 persons a week. If projections are valid, Florida's population will grow at a rate of 3 to 5 times greater than the Nation as a whole. In the years between 1960 and 1970, about 72 percent of the State's net increase of 1,838,000 people was attributable to in-migration.

What these figures mean for Florida and for other growth States is that, if we rely on decennial census figures to distribute Federal funds, these States will, in fact, be deprived of the funds necessary to properly serve their rapidly expanding populations, and there will be areas which will receive a good deal more than is fair and equitable under the Federal distribution formulas.

Education represents one area in which allocation formulas often use population as a factor. To be effective, Federal education aid must reach the children and people for which it is intended. If the projections are valid for population increases in this decade, and if we continue to use the decennial census in allocation formulas, the State of Florida, and other States like it, could lose as much as \$111 million in education funds.

Inflation in this country is forcing cutbacks in all budgets at the Federal, State, and local levels. It is my firm belief that if we are going to insure the most equitable distribution of scarce funds, this legislation requiring the use of population updates is essential.

I thank the chairwoman for the opportunity to make my presentation in this regard. I would like to reserve the opportunity, after the agency has been heard, to make some response to what they may say, and at this time, perhaps we ought to proceed with Senator Stone's statement. I suggest you read it into the record, Mr. Durenfeld.

Mr. LEHMAN. May I offer my apologies? I have an 11:30 meeting in Congressman Yates' office, and I do have to make this meeting. But would you thank the Senator for helping us with this effort, and we will certainly do all we can for our State and make it more equitable on the basis of this kind of data.

STATEMENT OF HON. RICHARD STONE, U.S. SENATOR FROM THE STATE OF FLORIDA, PRESENTED BY BARRY DIRENFELD

Mr. DIRENFELD. I appreciate the opportunity to testify before the House Subcommittee on Census and Population today concerning H.R. 4948. This bill, introduced by Mr. Chappell, the distinguished Representative from Florida's Fourth Congressional District, deals directly with an area that has been of great concern to me for quite some time. I congratulate you for recognizing the importance and

urgency of this issue by placing it high on your agenda of committee business.

In the Senate, I have introduced an identical bill, S. 1009. I am pleased that Senator Gale McGee of Wyoming, chairman of the Senate Post Office and Civil Service Committee, is a principal cosponsor of the bill. S. 1009, introduced on March 7, 1975, already has 18 cosponsors, who represent wide geographical and political diversity.

The purpose of H.R. 4948 and S. 1009 is to alter the pattern of Federal financial assistance to States and to distribute this Federal money on a more equitable basis. Under existing Federal law, many Federal programs distribute money to the States based on formulas which include population as a factor. Some of these laws, including general revenue sharing, require the use of the most current Census Bureau population estimates. Others refer to the decennial census count. H.R. 4948 and S. 1009 would require the use of the most recent Census Bureau population estimates, developed annually for States, counties, and local governments which have a population of 50,000 or more and biennially for smaller local governments as a basis for distributing Federal funds on a population basis.

If we are to solve basic inequities in our system of returning taxpayers' money to the States, I believe it is necessary to annually update the statistics used as a basis for distributing Federal funds. The decennial census conducted by the Census Bureau has long been relied on for its accuracy, availability, and analysis of complex population characteristics. However, recent technological developments have allowed the Census Bureau to progress to the point that reliable annual estimates are now available. The decennial census count is an accurate description of the entire United States and of individual States and local populations, but only for a short period of time. During the 10-year interval between censuses, the data becomes progressively unreliable as to the population configuration of our country. In addition to the 10-year gap between censuses, there is also a 3-year lag between the taking of each census and the time when the complete data becomes available. That means figures provided by the 1970 census will be in use until 1983.

H.R. 4948 and S. 1009 would remove the inequities and inflexibility caused by the reliance on outdated decennial statistics. The annual Census Bureau updates are readily available, sufficiently accurate, and are already used as the basis for determining population in the funding formulas of many new laws. Why not use them for all laws? Our highly mobile society, reflected in the fact that 45 States have experienced significant population fluctuations since the 1970 census, makes it incumbent on Government to respond more quickly to changes in population patterns. This bill, by requiring the use of the Census Bureau's annual population updates, assures that Federal Government assistance will be directed toward those people whom various Federal programs were intended to benefit.

Florida, like Colorado, Wyoming, and every other rapidly growing State, is not receiving Federal benefits needed to deliver necessary services required by new residents. The resultant effect is that States and local governments are forced to either pay a disproportionately large share of the escalating cost or to curtail necessary services.

The economic impact this legislation would have upon growth States can best be understood by examining a specific example. Dur-

ing the last 4 years the rapid increase in Florida's population has placed a tremendous burden upon its school systems. Thousands of new students have moved into Florida each year since 1970, while Federal education benefits allocated to Florida are still to a large degree based upon the number of students indicated by the 1970 census. The Florida State Department of Education has estimated that passage of this bill would increase Federal education aid to Florida by as much as \$20 million per year. This bill does not attempt to restructure the funding formulas of existing legislation. Rather, this bill merely enforces the equitable principle that where present funding formulas distribute funds on a basis of population, they should in fact be delivered to the areas where the people actually are.

I might add only that in the bill, section 183, as presently worded, would deal only with total population statistics. I have been informed, through my conversations with the representatives from the Bureau of the Census, that other population components and details are available—population details such as age groups of 5 to 17 used in the distribution of education funds, and age groups over 65. All of these statistics are readily available and are presently produced by the Census Bureau.

We feel by adding this amendment, we can expand the coverage of this bill to include other statistics already produced by census. We are not asking that they go beyond the state of the art or mandating that they do something they are not already doing.

We suggest this amendment be received by this subcommittee.

In addition to addressing the immediate problems of distributing funds according to population, this bill also approaches the long-range problem of standardizing the production of statistical data. Presently, there are several different methods used by governmental agencies to produce the same statistical information. These varying methods of producing statistics bring about widely different results.

For example, the Bureau of Economic Analysis and the Census Bureau presently use different methods for projecting future populations. These methods result in conflicting population projections for identical areas. Many programs, including the Environmental Protection Agency's solid waste construction program, rely upon these long term population projections for planning and distributing benefits.

What this means is that the amount of benefits for which a State is eligible varies greatly according to which agency's projections are adapted. H.R. 4948 and S. 1009, while recognizing the complexity of developing new statistical methodology, directs the Secretary of Commerce and the Office of Management and Budget to develop jointly and establish uniform methods of producing statistical data for distributing Federal funds.

I believe that there are several reasons that compel the expeditious consideration of this bill. The next fiscal year is rapidly approaching. States and local governments must be able to plan their budgets, their construction programs, and their ability to provide service. Federal agencies must have enough advance notice to allocate money under the adjusted formulas.

But most importantly, it is time for us to eliminate the present inequities caused by the reliance on inaccurate and outdated data.

I thank you, Chairwoman Schroeder, and members of the subcommittee, for allowing me to testify here today in support of H.R. 4948.

Thank you very much.

Mrs. SCHROEDER. Thank you very much. I think it's an excellent statement. And I certainly again extend my apologies to the Senator for our delay in starting time here.

I think maybe the best procedure is to have the census people testify now, if that's OK. Bill, do you want to stay and ask questions?

Mr. CHAPPELL. I think that's certainly the way to do it, and I want to commend the gentlelady for joining us in cosponsoring this bill, and also to Bill Lehman for cosponsoring.

Mrs. SCHROEDER. Well, we certainly appreciate your hard work on it.

[The prepared statements which were submitted by Lieutenant Governor Williams follow:]

PREPARED STATEMENT OF J. H. "JIM" WILLIAMS, LIEUTENANT GOVERNOR,
STATE OF FLORIDA

FLORIDA DEPARTMENT OF ADMINISTRATION POSITION PAPER ON H.R. 4948

The Congress of the United States attempts to meet the needs of the nation by allocating funds on the basis of need and we support this philosophy. Most often population is used as an indicator of need and the Congress desires to allocate equal dollars per capita. We are not against a population based distribution even though it frequently understates our needs in Florida. The problem is that outdated population data fails to carry out the Congressional intent of putting the dollars where the people are. This failure occurs because population growth is not uniform across states and census counts are 10 years apart. Two states and the District of Columbia have lost population while 48 states have gained since 1970. (Attached ¹ is a chart reproduced from the Bureau of the Census Current Population Reports indicating the various population rates of growth from 1970 to 1974 for each state). Of the 48 states gaining population some have gained as little as 1 percent in four years and in the case of Arizona, growth has exceeded 21 percent in four years. In Florida we grew 1,838,369 in population from 1960 to 1970 and an additional 1,299,071 from 1970 to 1974. Thus, if a federal program calls for a population based allocation and we fail to use the most current estimates we fail to put federal dollars where the people are.

The State of Florida, without reservation, endorses HR 4948 and views this bill as an effort by Congress to insure that the Congressional intent of providing for the allocation of federal dollars to meet the needs of the people is carried out. Since the collection of yearly population data is presently being conducted there is no net cost of this bill. The bill does not require an annual census nor does it attempt to change the basis of allocation. The objective of HR 4948 is simply to require the most accurate allocation possible once the Congress has chosen population as the basis of allocation.

The problem of population data input is widespread, impacting virtually every program area in some way. For example:

(1) The Federal Aid Highway Act of 1973 allocates \$1.1 billion for urban extensions and urban systems based in urban population from the 1970 census.

(2) The Land and Water Conservation Fund Act is based on the 1970 census for 55% of its state allocations.

(3) Funding for Childrens Medical Services is based on the 1970 census of population under 21 years of age.

(4) Section 402 Highway Safety Funds is based on 1970 total population for 75% of its state allocations.

(5) The Elementary and Secondary Education Act—Title I Compensatory Education allocates \$1.6 billion on the basis of children ages 5-17 in the 1970 census. In this case, the U.S. Office of Education was using the 1960 census as late as 1973-74. Thus, in 1972-73 roughly 1 in 3 Florida school children were not included in the data series used as the basis of allocation.

¹ Retained in the files of the subcommittee.

In each of these examples allocations are not being made in equal amounts per capita despite the fact that the Congress desired equal allocations. This results from the failure to update population data in the face of differing rates of population growth. It should be pointed out that these are only a few of the many examples that could be cited.

Included with this statement is a listing of federal programs which indicates on a program-by-program basis Florida's share. Since Florida had 3.53% of the U.S. population in 1972 it would be expected that in the aggregate, Florida should receive approximately that share of federal programs. In fiscal year 1974, however, Florida received only 2.46% of the national total allocation. The difference amounts to over \$400 million. While not all of this is accounted for by outdated population estimates, our examples listed above and first hand knowledge of other federal programs indicates that it accounts for a significant amount of the misallocation.

HR 4948 can reconcile one further source of inequity. Federal agencies are frequently given the administrative authority to choose the most accurate population data available. This wide discretionary authority to executive agencies leads to the use of different population data when the law in each case calls for a population distribution. Frequently, the data input is negotiated with recipients by the agency. Attached is a list of the various population estimates and projections for Florida that indicates how easily this can happen. Legal advice within federal agencies frequently leads to the choice of the latest decennial census counts as "more accurate" than annual population estimates. Nothing could be further from reality in years subsequent to the census. Enactment of this bill would eliminate a myriad of alternative data sources and administrative discretion and place all federal programs on an identical population basis.

This bill makes one further comprehensive requirement on the allocation of federal dollars to state and local governments. It requires the Secretary of Commerce and the Director of the Office of Management and Budget to develop uniform methods and procedures to produce statistical information to be used in federal allocations. The goal of this requirement is *uniformity* in such typical data series as projected population or income per capita. Currently it is not uncommon for 3 or 4 different sets of population projections to be used in federal allocations or for an agency to use different sources of population projections in successive years. To mandate one set of population projections for purposes of all federal allocations is a reasonable way to carry out Congressional intent.

For these reasons we feel HR 4938 is significant legislation and support its passage.

FLORIDA RECEIPTS FROM FEDERAL GRANT OUTLAYS, FISCAL YEAR 1974

(Dollar amounts in thousands)

	Amount received	Percent of national outlay
TOTAL ALL GRANTS		
Total—All grants.....	\$1,124,132	2.46
DEPARTMENT OF AGRICULTURE		
Payments to Agric. Exper. Stations (Hatch).....	1,036	1.50
Payments to States and Possessions.....	97	6.30
Special Supp. Food Program (WIC), FNS.....	429	6.87
Contracts & Grants for Scientific Research.....	446	3.75
Cooperative Extension Service, Agriculture.....	3,437	1.73
Cooperative Forestry Research, CSRS.....	161	2.44
Farm Labor Housing Grants.....	1,608	15.95
Operations, Research, & Facilities, EPA.....	3	1.88
Rural Development Grants, FMHA.....	210	2.10
Rural Development Research, CSRS.....	22	1.50
Rural Self-Help Housing Tech. Asst. Grants.....	347	9.25
Water and Waste Disp. Systems Grants.....	660	2.78
Watershed Works of Improvement, SCS.....	224	.31
Appalachian Regional Development Programs.....		
Cropland Adjustment Program-Greenspan.....		
Flood Prevention.....		
Military Construction, Army.....		
Regional Development Programs.....		
Water and Sewer Grants.....		
Water Bank Act Program.....		
Total.....	8,680	3.34

FLORIDA RECEIPTS FROM FEDERAL GRANT OUTLAY FISCAL YEAR 1974—Continued

[Dollar amounts in thousands]

	Amount received	Percent of national outlay
DEPARTMENT OF COMMERCE		
Anadromus & Great Lakes Fisheries, Conserv.....	\$296	0.68
Commercial Fisheries Disaster Assistance.....	53	100.
Commercial Fisheries Research & Development.....	788	51.24
Econ. Dev-Grts. & Loans Pub. Works & Dev. Fac.....	1,159	.86
Econ. Dev-Planning Assistance.....	98	1.27
Econ. Dev-Public Works Impact Projects.....	500	1.30
Econ. Dev-Technical Assistance.....	311	1.65
Regional Action Planning Commissions.....	6	.02
Aid to State Marine Schools.....		
Appalachian Development Highway System.....		
Appalachian Housing Technical Assistance.....		
Appalachian Local Development Dist. Asst.....		
Appalachian State Res. Tech. Asst. & Demo.....		
Protection of Essential Hw's, Bridges, Etc.....		
Sea Grant Support.....		
Total.....	3,211	1.23
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE		
Adult Educ-Grants to States.....	1,561	3.00
Aging-Special Support Projects.....	12,659	4.55
Allergy & Infect Dis-Fellowsh & Devel Awar.....	3	.18
Allergy & Infect Dis-Research Grants.....	978	1.43
Allergy & Infect Dis-Training Grants.....	189	4.04
Allied Hlth Profess Special Project Grants.....	403	3.34
Animal Resources.....	1,294	1.90
Animal Resources Training Grants.....	59	13.50
Animal Resources-Fellowships.....	1	.51
Arthritis & Metab Disease-Fellowships.....	51	.85
Arthritis & Metab Disease-Grad Train Grant.....	245	2.27
Arthritis & Metab Disease-Research Grants.....	1,910	1.05
Assist to Refugees (Cuban) in U.S. Dade Cou.....	12,400	100
Assist to Refugees (Cuban) in U.S.—Teacher Tr.....	132	100
Basic Grants to Local Ed Agencies.....	4,250	3.83
Bilingual Education.....	1,275	2.20
Biomedical Scientific Publication Grants.....	20	5.88
Cancer-Clinical Training.....	101	2.34
Cancer-Graduate Training.....	168	1.30
Cancer-Research Centers.....	799	.95
Cancer-Research Fellowships.....	+1	.02
Cancer-Research Grants.....	2,168	1.83
Cancer-Task Force.....	370	3.83
Child Development-Head Start.....	12,111	2.04
Child Health & Human Devel-Fellowships.....	67	1.81
Child Health & Human Devel-Research Grants.....	1,208	1.47
Child Health & Human Devel-Training Grants.....	108	1.47
Child Welfare Services.....	1,517	3.20
Childhood Lead Based Paint Poisoning Contr.....	89	.67
Civil Rights Technical Assist & Training.....	603	3.49
Classroom Teacher Training.....	248	7.13
College Library Resources.....	269	2.70
College Teacher Graduate Fellowships.....	124	2.15
Comp Health Planning-Areawide Grants.....	148	.66
Comp Health Planning-Grants to States.....	292	3.01
Comp Public Hlth Services Formula Grants.....	2,803	3.21
Comprehensive Social & Rehab Research.....	319	1.01
Comprehensive Social & Rehab Training.....	271	1.23
Crippled Childrens Services.....	1,878	2.90
Dental Health Continuing Educ Training Gra.....	89	4.62
Dental Research Grants.....	531	2.31
Developmental Disabil-Demonstr Facil & Tra.....	81	2.67
Developmental Disabilities-Special Project.....	207	1.33
Developmental Disabled-Basic Support.....	876	2.71
Disease Control-Project Grants.....	1,937	5.69
Drug Abuse Education.....	416	10.32
Drug Abuse Prevention.....	24	2.41
Ed Pers Devel-Urban-Rural School Develop.....	639	6.21
Educ Deprived Child-In State Institutions.....	1,204	4.73
Educ Deprived Child-Local Ed Agencies.....	25,293	1.81
Educ Deprived Child-Migrants.....	10,917	14.29
Educ Deprived Child-State Administration.....	406	2.20
Educ Deprived Child-Urban & Rural Sch Gran.....	867	1.84
Educ Deprived Children-Handicapped.....	2,058	2.40
Educational Broadcasting Facilities.....	1,271	8.31
Educational Opportunity Grants-Suplmnts.....	5,064	2.37
Emergency Schl Aid Bilingual Projects.....	369	4.41
Emergency Schl Aid Spec Programs.....	301	2.82

FLORIDA RECEIPTS FROM FEDERAL GRANT OUTLAYS, FISCAL YEAR 1974—Continued

[Dollar amounts in thousands]

	Amount received	Percent of national outlay
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued		
Emergency Schl Aid Spec Programs & Projs.....	\$69	0.47
Environ Health Sciences-Research Grants.....	110	.70
Environmental Education.....	41	1.59
ESE Comprehensive Planning & Evaluation.....	132	2.90
ESE Equip & Minor Remod Grants to States.....	859	3.04
ESE Follow Through.....	1,707	3.54
Ethnic Heritage Studies.....	40	1.70
Exceptional Children Education Renewal.....	109	2.79
Eye Research-Fellowships.....	3	.32
Eye Research-Research Grants.....	1,412	4.88
Eye Research-Training Grants.....	230	6.00
Family Medicine-Training Grants.....	292	2.55
Family Planning Projects.....	3,770	3.49
Family Planning Services-Training Grants.....	1,738	4.74
Foreign Lang & Area Studies-Centers.....	282	2.12
Foreign Lang & Area Studies-Fellowships.....	79	.97
Fulbright-Hays Train Gr-Faculty Resch Abro.....	9	.69
General Clinical Research Centers.....	838	2.09
General Med Sciences-Fellowships.....	2	.03
General Med Sciences-Research Grants.....	1,599	1.45
General Med Sciences-Training Grants.....	560	1.07
General Research Support Grants.....	635	1.97
Handicapped Early Childhood Assist.....	122	.84
Handicapped Phys Ed & Rec Training.....	52	13.27
Handicapped Preschool & School Programs.....	1,380	2.91
Handicapped Teacher Education.....	1,360	3.32
Handicapped Research and Demonstration.....	74	.90
Health Care of Children & Youth.....	1,363	3.01
Health Facilities Construction Grants.....	6,017	4.03
Health Manpower Education Initiative Award.....	935	.76
Health Professions Capitation Grants.....	2,753	1.51
Health Professions Scholarships.....	112	2.04
Health Professions Student Loans.....	89	1.37
Health Professions Start-Up Assistance.....	180	1.91
Health Professions-Special Projects.....	3,117	4.42
Health Serv Research & Dev Grants & Contra.....	6,327	3.77
Health Services Devel-Project Grants.....	4,255	2.13
Heart & Lung Resch-Fellowships.....	49	.90
Heart & Lung Resch-Grad Training Grants.....	457	2.78
Heart & Lung Resch-Research Grants.....	2,684	1.83
Heart & Lung Resch-Specialized Cn.....	587	2.56
Higher Ed-Land Grant Colleges.....	247	2.02
Higher Ed-Strengthening Develop Inst.....	2,196	1.66
Higher Education Personnel Fellowships.....	64	3.05
Higher Education Work-Study.....	7,571	2.72
Higher Education-Basic Opportunity Grants.....	5,718	2.72
Higher Education-Cooperative Education.....	640	6.14
Higher Education-Grad Facilities.....	8	5.00
Higher Education-State Post Secondary Ed.....	601	3.04
Indian Programs Education Renewal.....	100	4.63
Lib Serv-Grants for Public Libraries.....	1,328	3.64
Library Resources-Undergrad Instruc Equip.....	424	3.24
Library Training Grants.....	162	3.80
Manpower Development & Training-Inst Train.....	3,903	2.93
Maternal & Child Health Research.....	968	4.08
Maternal & Child Health Services.....	1,845	2.79
Maternity & Infant Care Projects.....	2,885	7.38
Medical Assistance Program.....	72,951	1.24
Medical Lib Asst-Lib Resources Grants.....	50	2.24
Ment Hlth-Alcohol Formula Grants.....	2,639	3.66
Ment Hlth-Commun Assist Narc Addict & Drug.....	8,177	4.66
Ment Hlth-Community Mental Health Centers.....	6,233	3.98
Ment Hlth-Hosp Staff Development Grants.....	75	4.43
Ment Hlth-Hospital Improvement Grants.....	300	4.53
Mental Health Drug Abuse Formula Grants.....	887	3.55
Mental Health Fellowships.....	10	.49
Mental Health-Childrens Services.....	295	1.65
Mental Health-Research Grants.....	2,613	2.23
Mental Health Training Grants.....	3,166	2.26
Mental Health-Direct Grants Spec Proj, Alcohol.....	3,268	3.65
Mental Health-Spec Proj, Narc Addic & Drugs.....	875	13.20
Migrant Health Grants.....	2,813	10.79
Native American Program.....	120	.42
Neuro Disease & Stroke-Fellowships.....	3	.08
Neuro Disease & Stroke-Grad Training Grant.....	365	3.36
Neuro Disease & Stroke-Research Grants.....	2,145	2.49
NIE-Education Research & Development.....	24	.04
Nurse Train Improvement-Special Projects.....	585	3.61

FLORIDA RECEIPTS FROM FEDERAL GRANT OUTLAYS, FISCAL YEAR 1974—Continued

[Dollar amounts in thousands]

	Amount received	Percent of national outlay
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued		
Nursing Capitation Grants.....	\$854	2.55
Nursing Scholarships.....	255	1.79
Nursing Student Loans.....	101	1.84
Occupational Safety & Health Resch Grants.....	35	1.36
Policy Research.....	87	.51
Presch, Elem & Sec Ed-Spec Prog & Projects.....	533	2.87
Professional Nurse Traineeships.....	228	1.79
Public Assistance-Maintenance Asst (State Aid).....	92,447	1.89
Public Assistance-Social Services.....	1,413	.09
Public Assistance-State & Local Training.....	937	1.94
Radiological Health Training Grants.....	69	3.86
Rehab Services & Facil-Special Projects.....	1,053	2.49
Rehab Services & Facilities-Basic Support.....	24,449	3.76
Resch & Dev Contracts-Allergy & Infect Disease.....	7	.06
Resch & Dev Contracts-Child Hlth & Human Devel.....	34	.18
Resch & Dev Contracts-Dental Research.....	133	4.18
Resch & Dev Contracts-Heart & Lung Institute.....	243	.29
Resch & Dev Contracts-Natl Cancer Institute.....	2,693	1.34
Resch & Dev Contracts-Natl Eye Institute.....	150	4.51
Resch & Dev Contracts-Neuro Disease & Stroke.....	60	.54
Right to Read Eliminatn of Illiteracy.....	306	2.39
Sch Lib Resources Textbks & Instruc Materi.....	2,705	3.00
School Asst in Fed Aff Areas-Maint & Oper.....	13,355	4.25
School of Public Health-Grants.....	210	1.98
Spec Prog For Child With Specif Learn Disa.....	65	4.05
Spec Serv Disadvant Students in Higher Ed.....	834	4.12
SS Pay States for Certif Providers Hi Serv.....	660	3.57
SS Pay States for Determination of Disabil.....	5,323	3.45
Strength St Dept Ed-Grants to States.....	875	2.66
Strength St Dept. Ed-Special Projects Grant.....	50	2.79
Supplem Ed Cntrs & Serv. Guid. Counsel, & Te.....	3,732	2.96
Teacher Corps-Operations & Training.....	755	2.13
Training in Expanded Auxil Mgmt.....	43	1.25
University Community Serv-Grants to States.....	164	1.15
Upward Bound.....	1,033	2.99
Veterans Cost of Instruction.....	793	3.37
Vocational Ed-Basic Grants to States.....	13,568	3.30
Vocational Ed-Consumer & Homemaking.....	1,019	3.30
Vocational Ed-Cooperative Education.....	469	2.45
Vocational Ed-Innovation.....	579	4.00
Vocational Ed-Research.....	544	3.23
Vocational Ed-Special Needs.....	658	3.29
Vocational Ed-State Advisory Councils.....	118	3.32
Vocational Ed-Work Study.....	238	3.18
Vocational Educn Personnel Develop Awards.....	49	.58
Youth Develop & Delinquency Prevention.....	100	1.03
Academic Program, Howard University.....		
Adult Education Special Projects.....		
Adult Education Teacher Education.....		
Allied Health Prof-Special Improvement Gra.....		
Appalachian Supp to Fed Grant-in-Aid.....		
Appalachian Voc Ed Facilities & Operations.....		
Biomedical Communications Research Contrac.....		
Biotechnology Resources.....		
Cancer-Construction.....		
CDC Investigation Surveillance & Tech Asst.....		
Dental Health of Children.....		
Dental Research-Fellowships.....		
Dental Research-Training Grants.....		
Dropout Prevention.....		
Ed Activ Overseas-Inter-Inst Co-Op Researc.....		
Ed Exch Fund Payments by Finland WWI-Teach.....		
Educ Deprived Child-Spec Incentive Grants.....		
Educ Personnel Training Grants.....		
Educ R & D General Ed (Project) Research.....		
Educational Grants Consolidated Fund.....		
Emergency Schi Aid Educational TV.....		
Emergency School Aid-Pilot Programs.....		
Emergency School Assist-Spec Projects.....		
Environ Health Sciences-Fellowships.....		
Environ Health Sciences-Training Grants.....		
Food Research Grants.....		
Food Research Training Grants.....		
Foreign Lang & Area Studies-Research.....		
Gallaudet College-Operations.....		
Handicapped Innov Prog-Deaf, Blind Centers.....		
Handicapped Phys Ed & Rec Training.....		

FLORIDA RECEIPTS FROM FEDERAL GRANT OUTLAYS, FISCAL YEAR 1974—Continued

[Dollar amounts in thousands]

	Amount received	Percent of national outlay
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued		
Handicapped Regional Resource Center.....		
Handicapped Teacher Recruit & Info.....		
Health Prof Teaching Facil Construc Grant.....		
Health Prof-Financial Distress Grants.....		
Higher Education-Elender Fellowships.....		
Income Maintenance Research.....		
Indian Education-Leas.....		
Indian Education-Spec Prog for Adults.....		
Indian Education-Spec Prog for Children.....		
Intensive Infant Care Projects.....		
Library Research and Demonstrations.....		
Library Service Interlibrary Cooperation.....		
Med Lib Assist-Regional Medical Libraries.....		
Med. Lib Assist-Research Grants.....		
Med. Lib Assist-Spec Scientific Project Grant.....		
Med. Lib Assist-Training Grants.....		
Milit Construction-SAFA SAFECD-PL 81-815.....		
Minority Schools Biomedical Support.....		
New Careers Educational Renewal.....		
Nurse Scientist Graduate Training Grants.....		
Nursing Research Project Grants.....		
Occupational Safety & Health Trng. Grants.....		
Occupational Safety Health-Coal Miners.....		
Post-Secondary Innovation.....		
Public Works & Economic Development.....		
Radiological Health Research Grants.....		
Rehabilitation Research and Demonstrations.....		
RESCH&DEV Contracts-Environ Health Science.....		
Resch & Dev Contracts-Arth & Metabolic Disease.....		
Resch & Dev Contracts-Gen Medical Sciences.....		
Resch & Dev Contracts-Research Resources.....		
School Asst in Fed Aff Areas-Construction.....		
School Health and Nutrition Svcs. Low Incom.....		
Spec Preocdt & Postdoct Fellowship, Nurse, Re.....		
Survey and Special Studies.....		
Talent Search.....		
Teacher Development Grants.....		
Teacher Exchange.....		
Urban Rat Control.....		
Vocational Ed-Curriculum Development.....		
Work Incentives Program-Child Care.....		
Work Incentives Program-Training.....		
Total.....	\$472,358	2.02
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Comprehensive Planning Asst. To State Ag.....	2,872	3.63
Model Cities.....	3,869	2.54
Research and Technology.....	606	1.03
Total grant outlays.....	7,347	2.53
DEPARTMENT OF THE INTERIOR		
Federal Aid in Fish Restoration & Manag. ¹	436	
Federal Aid in Wildlife Restoration.....	1,328	5.10
Indian Education College.....	27	.12
Indian Employment Assistance.....	146	.41
Indian Housing Improvement.....	62	.59
National Wildlife Refuge Fund ¹	133	
Outdoor Recreation Assistance.....	2,697	1.34
Payments to States.....	3	
Water Resources Research.....	225	1.85
Coal Mine Health and Safety Grants.....		
Gen. Invest., Corps of Engineers, Civil.....		
Indian Education—Non-Federal.....		
Indian Water Rights.....		
Land and Water Conservation Fund.....		
Military Construction, Army.....		
Mine Health & Saf. Res.-Grants & Contracts.....		
Mineral Resources & Environmental Dev.....		
Mines and Minerals.....		
New Community Assistance Grants.....		
Regional Development Programs.....		
Wildlife Restoration.....		
Total, grant outlays.....	5,058	.73

See footnote at end of table p. 17.

FLORIDA RECEIPTS FROM FEDERAL GRANT OUTLAYS, FISCAL YEAR 1974—Continued

[Dollar amounts in thousands]

	Amount received	Percent of national outlay
DEPARTMENT OF JUSTICE		
Grants for Law Enforcement Assistance, total.....	\$20,794	2.59
DEPARTMENT OF LABOR		
Comprehensive Employment Trng. Assistance.....	39,453	2.49
Food Stamp Assistance.....	2,177	2.60
MDTA—Institutional Training.....	2,670	2.54
OSHA Statistical Operational Grants.....	44	1.70
Placement Services—Administration.....	9,188	2.35
Public Service Careers.....	366	3.53
Research, Experimental, Demo, & Evaluation.....	24	.46
Unemployment Insurance.....	14,140	1.77
Work Incentive Program.....	5,576	2.33
CWF, Manpower Administration.....		
Migrant Workers.....		
Neighborhood Youth Corps.....		
Older Amer. Community Svc. Empl. Program.....		
On-the-Job Training.....		
OSHA Operational Grants.....		
Total, grant outlays.....	73,637	2.27
DEPARTMENT OF TRANSPORTATION		
Coast Guard Marine, Harbor & Shore Svc.....	109	3.03
Grants-in-Aid for Airports, A/A Trust Fund.....	18,154	6.08
Highway Beautification.....	1,627	3.24
Highway Planning and Construction.....	176,766	3.32
Highway Studies.....	147	.10
Urban Mass Transportation Fund.....	3,233	.50
Allocation from HUD for UMTA.....		
Appalachian Regional Development Programs.....		
Development Facilities, EDA.....		
Development Highway System—Appl. Region.....		
Emergency Rail Facilities Asst. F.R.A.....		
Federal Grants to Nat'l. RR Passenger Corp.....		
Grant-in-Aid, Rail Safety, F.R.A.....		
Grants-in-Aid, Natural Gas Pipeline Safety.....		
Highway Safety Programs.....		
Interim Operating Assistance, F.R.A.....		
Military Construction, Army.....		
Regional Development Programs.....		
State and Community Highway Safety Program.....		
Total, grant outlays.....	200,037	2.89
DEPARTMENT OF TREASURY		
Fiscal Assistance to State and Local Governments, total.....	175,593	2.88
ACTION		
Foster Grand-Parents.....	803	4.29
Retired Senior Volunteer Program.....	340	3.17
University Year for Action.....	13	.23
Vista.....	60	.31
Total, grant outlays.....	1,216	.223
CIVIL SERVICE COMMISSION		
Intergovernmental Personnel Assistance, total.....	275	2.82
ENVIRONMENTAL PROTECTION AGENCY		
Abatement and Control, EPA ¹	1,287	
Air Pollution Control Program Grants.....	756	1.72
Air Pollution Control Research Grants.....	156	3.81
Air Pollution Fellowships.....	17	4.20
Construction Grants, EPA.....	146,289	5.12
Operations, Research, and Facilities, EPA.....	10	.15
Pesticides Research Grants.....	42	3.71
Research and Development, EPA ¹	94	
Solid Waste Research Grants.....	66	39.05
Water Poll. Control—State and Local Manp. Dev.....	45	4.68
Water Pollution Control—RD & D.....	118	.80
Water Pollution Control Training Grants.....	62	2.23

See footnote at end of table p. 17.

FLORIDA RECEIPTS FROM FEDERAL GRANT OUTLAYS, FISCAL YEAR 1974—Continued

[Dollar amounts in thousands]

	Amount received	Percent of national outlay
ENVIRONMENTAL PROTECTION AGENCY—Continued		
Agency and Regional Management, EPA.....		
Air Pollution Control—Technical Assistance.....		
Air Pollution Manpower Training Grants.....		
Comprehensive Research Grants.....		
Enforcement, EPA.....		
Radiation Research Grants.....		
Water Supply Research Grants.....		
Total, grant outlays.....	\$148,943	4.88
NATIONAL FOUNDATION ON ARTS AND HUMANITIES		
Grants for Progress in the Humanities.....	303	.56
Grants for Progress on the Arts.....	667	1.06
Payments for Progress on the Arts.....	23	.73
Payments for Progress on the Humanities.....	33	.66
CWF, National Foundation Arts and Humanities.....		
S. & E., National Foundation Arts and Humanities.....		
Total, grant outlays.....	1,025	.77
WATER RESOURCES COUNCIL		
Water Resources Council, Planning, total.....	52	1.20

† Program in Florida but doesn't show on Federal side.

ESTIMATES OF FLORIDA POPULATION

Year	1970 census count	Bureau of the Census Estimate			State of Florida population estimates
		Provisional	Revised	Percent of United States	
1970.....	6,790,929			* 3.34	
1971.....			7,025,000	† 3.41	
1972.....		7,259,000	7,347,000	† 3.53	7,441,545
1973.....		7,678,000	7,745,000	† 3.69	7,845,092
1974.....		8,090,000		† 3.83	8,248,851

- * Of the census.
- † Of the revised estimate.
- ‡ Of the provisional estimate.

PROJECTIONS OF FLORIDA POPULATION

Year	U.S. Department of Commerce				BEA
	Series I-C	Series III-C	Series I-E	Series III-E	
1975.....	7,608,000	7,069,000	7,557,000	7,020,000	
1980.....	8,471,000	7,448,000	8,280,000	7,272,000	8,926,400
1985.....	9,370,000	7,891,000	8,980,000	7,545,000	9,899,300
1990.....	10,241,000	8,334,000	9,626,000	7,805,000	10,978,100

Year	U.S. DOT	State of Florida population projections
1975.....		8,412,200
1980.....	8,563,500	9,574,600
1985.....		10,789,900
1990.....		12,011,700

PREPARED STATEMENT OF RALPH D. TURLINGTON, COMMISSIONER OF EDUCATION,
STATE OF FLORIDA DEPARTMENT OF EDUCATION

Madam Chairwoman and members of the subcommittee, as Florida's Commissioner of Education, I speak for the entire educational system of the State of Florida. I thank the Subcommittee on Census and Population for this opportunity to testify regarding this important and critical issue of annual up-dating of population data. The Florida educational system currently serves more than 1.5-million elementary and secondary students through the public schools. As Commissioner of Education, it is my responsibility to insure that these children receive the best possible education using all available resources. Of the total educational operating budget for fiscal year 1975, approximately 9.0 percent of \$163-million are Federal funds, allocated and appropriated by Congress. The impact of these funds, however, exceeds their relative share of the operating budget by virtue of the critical areas of need for which they are authorized. By accepting these funds, we as educational leaders also accept the responsibility to use them for the purposes which Congress intended.

The Department of Education's position in regard to the issue of population adjustment is based upon three important assumptions:

(1) A better distribution of educational quality and opportunity has long been a fundamental policy of Congress. Essentially the entire concept of distributive justice is based upon the identification and quantification of client groups to be served.

(2) In this context, grant formulas are an integral component and instrument of Congressional policy-making, which frequently address critical areas of need.

(3) Inequitable funding of formula grants because of outdated or inadequate population data does not accurately reflect Congressional intent, and decreases the relative impact and effectiveness of Congressional policy.

We believe that Congress also accepts the validity and truth of these assumptions.

Thus, in a related and very real sense, the underlying question which we must consider is whether or not the legislative intent of Congress may be facilitated by the use of up-to-date population data to allocate Federal funds. I assert that critical areas such as reading, compensatory education, aid to the handicapped, bilingual education, and vocational education, among other areas, can best be addressed by allocating funds where they are needed. Congress has wisely sought to insure that these problem areas are dealt with in a rational manner through the utilization of grant formulas which use population as an allotment criteria.

However, I urge the Congress to go one step further to require that the population data used in these formulas accurately reflect the population of each State. More specifically, I urge the Subcommittee to consider the critical impact which federal funds have on the educational process and act to insure that funds are allocated on the basis of current and not past needs.

The decennial census which originally began in 1790 provides an accurate and detailed profile of U.S. population. At best, however, it can only describe the United States at a single moment in time during what is essentially a period of ten years between the last and next census. Decennial census data is simply inadequate for the purpose of annual allocations.

Through the advent of modern technology our nation has become one characterized by mobility and change. Several states, as a result of in-migration, have grown and continue to grow at a much faster rate than the national average. My own State, Florida, continues to grow at a rate of 5.0 percent annually. The annual growth rate for the entire U. S. population is 0.8 percent. Thus, the projected cumulative rate of growth for Florida and the U. S. for 1970-1980 may approach 50 percent and 8 percent, respectively. The implications of these differences are obvious, should program funding continue on the basis of 1970 data. The projected loss in educational revenue for 1970-1980 for Florida may exceed \$110.0-million, if use of decennial census data continues.

Florida's own state educational funding program (FEFP) is predicated on the concept of equalization of per pupil expenditures. I emphasize the term "per pupil expenditures." I think you will agree that equalization in this context has also been a fundamental goal and policy of Congress. In light of the critical areas for which Federal funds are intended, the overall impact of this policy is even greater. Yet, without up-to-date population data on which to base allotments, the relative impact and effectiveness of Congressional policy will be significantly less.

As Commissioner of Education, it is my responsibility to insure that the State of Florida continue to provide the best possible educational opportunities to its citizens. As public officials, it is our responsibility to insure that existing social problems are effectively and responsibly addressed. The legislation which the subcommittee is currently considering would increase the effectiveness of not only many Federal education programs, but many other Federal programs which also allocate funds on the basis of population. Therefore, I sincerely urge you to favorably report this legislation which would increase the effectiveness and impact of Federal aid in dealing with the social problems confronting our nation. I submit to you that this can only be done if federal funds are accurately placed in the educational systems where the eligible students are located.

Once again I thank you for this opportunity to submit testimony before the Subcommittee on Census and Population.

Mrs. SCHROEDER. We welcome Mr. Vincent P. Barabba, the Director of the Bureau of the Census. We are glad to have you here this morning.

Mr. BARABBA. It's nice to be here. I have with me Donald Starsinic, the Chief, State and Local Estimates Branch, Population Division, of the Bureau of the Census.

Would you like me to proceed at this point?

Mrs. SCHROEDER. We'd be delighted to have you proceed.

STATEMENT OF HON. VINCENT P. BARABBA, DIRECTOR, BUREAU OF THE CENSUS, ACCOMPANIED BY DONALD E. STARSINIC, CHIEF, STATE AND LOCAL ESTIMATES BRANCH, POPULATION DIVISION, BUREAU OF THE CENSUS

Mr. BARABBA. Mrs. Chairwoman, we appreciate this opportunity to discuss with you H.R. 4948, which would amend title 13 of the United States Code to require the compilation of current data on total population between censuses and to require the use of such data in the administration of certain Federal laws in which population is a factor.

The use of the most current data available for the administration of Federal laws is a very sound concept, and we endorse the general intent of H.R. 4948 and similar bills. We have strong reservations as to some of the specific wording. The suggestions I am about to present are positive actions on your part to help insure that if this legislation is passed, we can meet the requirements that Congress has set forth, and it's in this spirit, Mrs. Chairwoman, that I present the following comments.

First, it is important to recognize that progress toward the general objective has already been made and will continue. The Bureau of the Census has had a program of producing population estimates for close to three decades.

These estimates serve a variety of needs during the years between decennial censuses of population. Until recently, however, our ability to prepare population estimates has been limited primarily to current population figures for the country as a whole, for States, and just recently for counties.

With the successful completion of an extensive research project and in response to the general revenue sharing legislation of 1972, we have just completed the preparation of current population estimates for mid-1973 to all units of local general-purpose government. These estimates have been provided to the Treasury Department's Office of

Revenue Sharing for use in apportioning funds for the forthcoming entitlement period.

I must point out, however, that our evaluation of these estimates indicates that the estimates for large areas are more reliable than those for small areas.

Of major importance to the Bureau, and certainly to the objectives of the proposed legislation, is the fact that the procedures for preparing these estimates depend heavily on information regarding residence which is extracted from individual tax returns, and furnished to the Bureau of the Census by the Internal Revenue Service in accordance with strict legal safeguards governing the confidentiality of the information.

S. 190 and H.R. 616, legislative proposals now pending before the Congress, would, if enacted, eliminate the Bureau's access to this type of tax return information. We would then be unable to comply with the requirements of H.R. 4948 to the extent we are now able.

I should point out that we just testified on those bills to the Senate subcommittee.

Even the older, and to an extent more limited, program of current population estimates for States, counties, and metropolitan areas depends significantly on the quality and availability of source information from a variety of administrative records, including, for example, birth and death registration data and local government data on school enrollment.

The Bureau has no fundamental control over the availability of Federal, State, and local sources of data; rather, we depend on the existing Federal laws that govern the transfer of Federal administrative information to the Bureau, and the longstanding cooperation of State and local agencies that assist us by providing information which is available to them.

We believe it is essential that the requirements of the proposed section 181 of title 13 should be flexible enough to recognize the uncertainties just referred to. The following substitute wording is suggested:

At appropriate intervals between decennial censuses of population, the Secretary shall insofar as possible produce and publish estimates of total population for each state, county, and for such local units of government as the Secretary determines will result in comprehensive and reliable data.

This wording would mandate the compilation of such data, while permitting the necessary determinations to be made with respect to the frequency of producing the estimates and to the number of areas for which reliable estimates can be produced.

A further difficulty we foresee in the bill, as presently worded, is the requirement that the units of government for which estimates would be compiled would have to correspond to the jurisdictions recognized in the decennial censuses of population. The population censuses, however, include Puerto Rico and certain of the outlying areas and territories under the jurisdiction of the United States; these are areas for which the Bureau is not able to prepare reliable population estimates for all units of government within those areas because of inadequate data sources and other limitations. The suggested substitute wording would resolve this difficulty.

The proposed new section 182 in the bill is the same as the existing section 181 of title 13, with one puzzling change—the insertion of the

parenthetical phrase, "other than population." This section is also our present authority to conduct population surveys, including the current population survey conducted each month to produce statistics on employment and unemployment, and other current social and economic characteristics of the population. In order to retain the present scope of authority, the parenthetical phrase should be deleted.

If our substitute wording for section 181 were adopted, the proposed section 184 would appear to be unnecessary in order to define the units of government for which current population estimates would be compiled, since the Secretary and the Bureau of the Census would make this determination based on the ability to compile estimates for as many jurisdictions as possible within the limitations of reliability.

The proposed section 183 would require all departments and agencies to use the estimates prepared pursuant to section 181 in the administration of any law of the United States in which population is used to determine the amount of benefit received by States and local units of general-purpose government, other than laws relating to the apportionment of the U.S. House of Representatives.

This requirement is not sufficiently flexible. Moreover, we believe it to be inappropriate to amend title 13 of the United States Code in order to codify requirements affecting all departments and agencies. We recommend that the proposed section 183 be deleted from the bill and that its objectives be dealt with in section 2 of the bill. Section 2 appears to be intended to have the force of public law in contrast to amendments to the census code.

As I stated earlier, we agree with the general concept that the most current and uniform population estimates should be used in the administration of Federal laws affecting State and local benefits. However, it is our view that this objective should be pursued through administrative actions rather than through a highly specific legal mandate.

It should be recognized that in some programs the latest population estimate may not be the most appropriate factor. For example, some Federal programs utilize the latest decennial census population totals because the benefits are calculated in conjunction with other information available only from the population census, such as a distinction between urban and rural populations or a limitation to urban population only.

Second, the Office of Management and Budget (OMB) has existing authority to issue guidelines or regulations requiring the use of uniform methods and sources of data for the administration of Federal programs. OMB also exercises general oversight over all Federal statistical activities and promotes the adoption of standard statistical practices as much as possible.

For example, it reviews all statistical survey plans and all Federal report forms and questionnaires proposed by the departments and agencies of the executive branch.

Third, the possibility of setting a standard for the use of current population estimates prepared by the Bureau of the Census in the administration of Federal laws has been under careful consideration for some time. We have endorsed the concept of the use of standard current population data as contained in a draft OMB circular. We understand that, in view of the positive responses by other Federal departments and agencies to the draft circular, OMB is now engaged in the final steps leading to its promulgation.

Section 2(a) of the bill would direct the Secretary of Commerce and the Director of OMB to initiate jointly the development and establishment of uniform methods and procedures throughout the executive branch for producing statistical information used in effecting the delivery of Federal benefits.

Although the Department of Commerce may have a significant role in the development of such methods and procedures, the establishment of such methods and procedures is more appropriately a function of OMB. The development of statistical standards is an OMB responsibility under the Federal Accounting and Procedures Act of 1950.

We recognize, of course, that progress toward the objectives of H.R. 4948 may be accelerated by legislating certain requirements. We suggest, therefore, that in lieu of the proposed section 183 and the present wording of section 2 of the bill, section 2 might read as follows:

(a) The Director of the Office of Management and Budget shall initiate the development of uniform methods and procedures to be used by the departments and agencies of the executive branch in producing statistical information used in effecting the delivery of Federal benefits to state and local governments. The Director or his representative shall consult with the appropriate departments and agencies for this purpose, and the Director shall issue regulations where it is deemed appropriate for the purpose of establishing uniform methods and procedures in producing statistical information effecting the delivery of Federal benefits to state and local governments.

(b) Not later than one year after the date of enactment of this Act, the Director shall report to the President of the Senate and the Speaker of the House of Representatives with respect to progress made toward the development and adoption of the methods and procedures referred to in Subsection (a).

We shall be happy to answer any questions.

Mrs. SCHROEDER. Thank you very much.

I wonder if you also have any comment about the amendment that has been proposed? Have you had time to look at that?

Mr. BARABBA. We had just an information conversation concerning the proposed amendment with the gentleman from Senator Stone's office. We would not want to comment on the amendment without further study.

Mrs. SCHROEDER. Thank you very much. Congressman Chappell, would you have any questions that you would want to ask of the Census Bureau?

Mr. CHAPPELL. No. I'd just rather respond to the interrogation.

Mrs. SCHROEDER. Let me ask counsel if he has any questions.

Mr. TERRY. With regard to the section 1 of the bill, you made reference to the fact that the population estimates are more reliable, obviously, for the larger units of the Government than the smaller units. But assuming that the Weicker bill does not affect your ability to make these estimates in the future, this bill requires that these updates be every 2 years, only for those units of Government population in excess of 50,000.

Now, are you able to do that now, or not? Is that a small enough or large enough population number to allow you to give reliable data sources?

Mr. BARABBA. The 50,000 figure is a good break.

Mr. TERRY. So you don't have any technical difficulties in complying with that under your present abilities and technology? You can comply with the 50,000 requirement?

Mr. BARABBA. That's correct. I should point out, however, that right now we are publishing those on a biennial basis.

We only publish the State and county data on an annual basis. The places below the county level are published on a biennial basis. That's the agreement we currently have for revenue sharing.

Mr. TERRY. Under the provisions of this bill, you wouldn't have any difficulty?

Mr. BARABBA. Technically we do not, because we have just completed it. And we have stated in our evaluation that for the communities of 50,000 and more, we are more comfortable with the reliability for those areas. We have also produced them for the areas of 50,000 and below, and there we have expressed our reservations.

Mr. TERRY. Right. OK. But there's no technical difficulties in terms of this bill at all.

Mrs. SCHROEDER. Do you have any idea of any additional costs resulting from this bill?

Mr. BARABBA. Well, it would be the cost of doing it on an annual basis for the places. And that would be difficult. We could find out and give you an estimate.

Mrs. SCHROEDER. That might be helpful, because I have a feeling we will probably be asked that question as it proceeds.

And then I take it from his question to you, the difference between larger and smaller is the 50,000?

Mr. BARABBA. Well, 50,000 is not a magic number. We are just more comfortable with the 50,000 and above break. Obviously, a community of 49,000, we are relatively comfortable with as well.

Mrs. SCHROEDER. I don't think I have any further questions. Thank you very much.

Congressman Chappell, do you have anything further?

Mr. CHAPPELL. Madam Chairwoman, let me respond first of all by saying that I want to commend the Census Bureau for the tremendous job which it has done in the past, and which it presently is doing, and I know will do in the future. It happens to be one of my favorite agencies. I think it does an outstanding job, and I want them to know that.

I want the committee and the Bureau to know that my office stands ready to work with you in any way to try to bring about the change of wording, if it be necessary, in the interest of all, to accomplish what we are after. And I think all of us understand the purpose and we simply are trying to do those things which are necessary to put into words the accomplishment of that purpose.

To go back and emphasize what I stated earlier, with reference to making this mandatory, those of us who have been a long time in the legislative process, I think, have learned the tremendous feasibility of making things such as this mandatory. While the Census Bureau would not be guilty in any way of feet dragging, there are agencies in our Government which do not hold that reputation, in my view anyway.

So I think if we are going to get the maximum use of this type of approach, we must make it mandatory that for all of the programs where we have the available data and can compile it with a fair degree of accuracy, that the agencies be required to use the most recent material.

I think that the point that is made here by Mr. Barabba on page 2 where he says, "We believe it is essential that the requirements of the proposed section 181 of title 13 should be flexible enough to recognize the uncertainties just referred to,"—I concur with that.

However, I am not at all certain that there needs to be any such wording as suggested by him at the top of page 3. The key words there, as I see it, that he suggests putting in are the words, "insofar as possible." We never contemplate in the law that you do anything impossible. We only insist that you do everything that is available within the law to do it, and I think to use such wording as this would be really damaging to the intent and purpose of what we are trying to do.

Now, perhaps other language might be more adequate, but I hate to see us emphasize, Mr. Barabba, such words, because all of us know we are not asking anybody to do the impossible, but rather to do that which is the best available under the circumstances.

I'd like to retain some rather strong language in this area so that the intent and purpose of the bill will be clear at all times, and that its intent and purpose be carried out.

I believe you mentioned with reference to section 182, the insertion of the parenthetical phrase, "other than population."

I was not a part of the actual drafting of the wording in that respect, but it is my understanding and intention that what we want to do is to use not only population but groupings and information of that sort which relates to other than just population, and the only way we can mandate that is to put that type of language in there.

So I would request the committee to look very closely and see if we can accomplish what concerns Mr. Barabba, without in any way weakening the intent and purpose of the bill.

On page 4 of his statement, he alludes to a recommendation that, in their view, this objective should be pursued through administrative actions, rather than through a highly specific legal mandate. While I recognize there are times when we are too restrictive, I don't believe this is an instance where we ought to be so careless with the intent and purpose as to leave it to administrative action.

I think the important feature of this bill would be to make it mandatory. As I pointed out earlier, some of the statistics in use in 1974 now go back to 1960. And to me this simply is not good enough, and this is the thing that has brought about the need for this type of legislation.

We have seen, time and time again, instances where discretion is left to an agency, and the agencies are the best in the world—better than we in Congress sometimes—about consulting with each other. And they consult and consult. And they go from desk to desk and consult some more. And when we get through, we have a lot of consultation, but don't necessarily have the results.

And we in the Congress are guilty of this, too, but I think that it's imperative that our agencies tie this down on a mandatory basis and that we don't leave this tremendous responsibility and burden to the agencies.

With reference to the recommendation on page 6, where we touched the mandatory question, I think that that language of the bill is far preferable.

On the other hand, if the intent and purpose can be carried out and still the mandatory section be improved, then I would have no objection to that. But I would strenuously recommend that we don't require consultation, but, rather, we decide to get the information before we put programs in to the Federal scheme, that we know enough about what's available to them for the distribution of funds, and then mandate it, and not leave it to the discretion of the agencies.

I have had some rather poor experiences in those areas, and again, I'm not talking about Census, but some of the others, and I suspect that all Members of Congress have had some problems in this field.

I believe it's the keen responsibility of the Congress to retain a close requirement and close look at these matters, and I believe that we ought to make this a rather strong bill insofar as the mandating of the requirements is concerned.

With that, Madam Chairwoman, I thank you for the time, and, again, I want to commend Mr. Barabba and his people.

Mrs. SCHROEDER. Thank you. I really appreciate your comments, and I think I hear what you are saying is you would like a nice, terse mandate, and let them work it out.

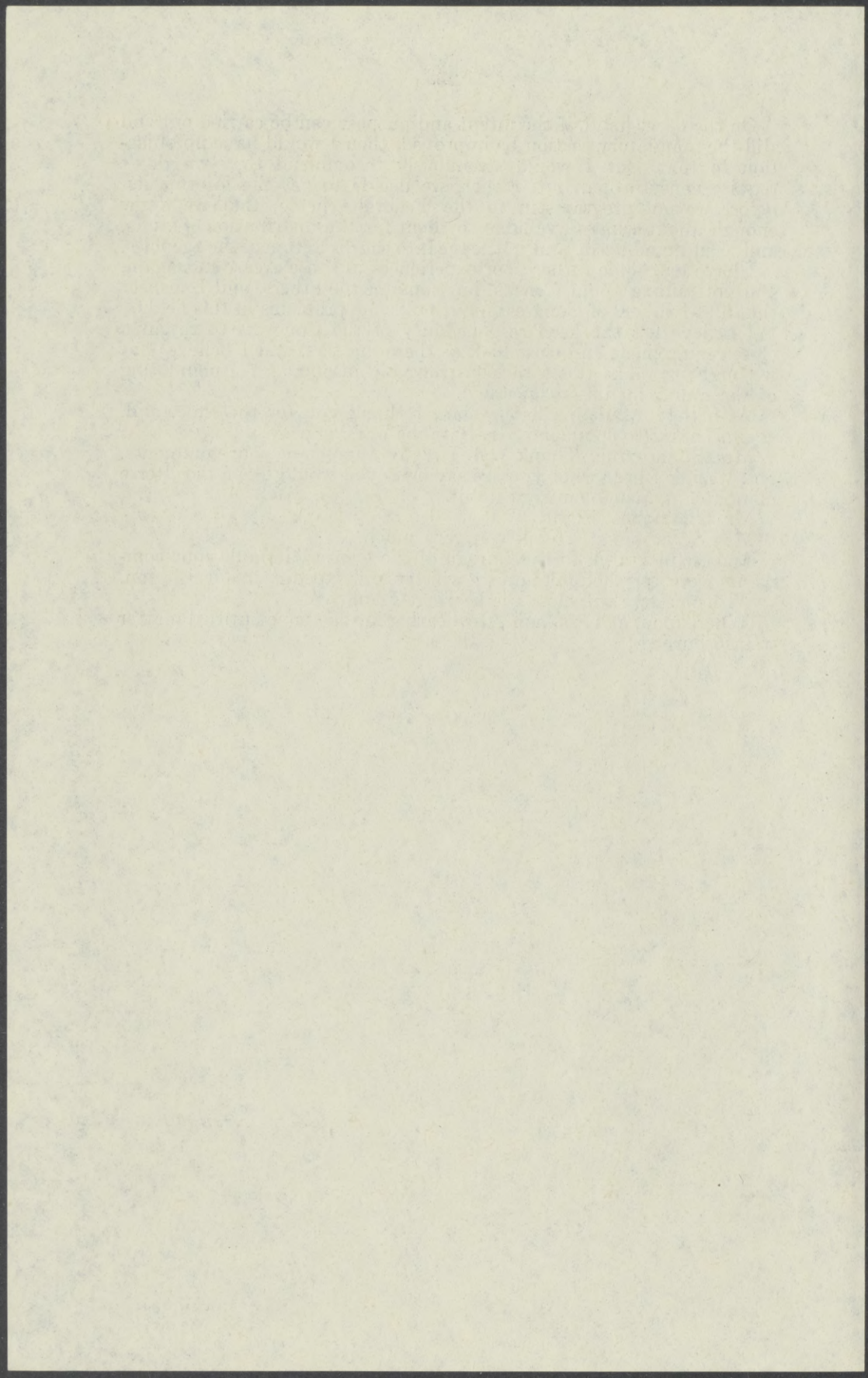
Mr. CHAPPELL. Right.

Mrs. SCHROEDER. Thank you very much.

And thanks, also, to the Bureau of the Census. I think your comments were very helpful, and we will try and expedite this legislation.

With that, we will close the hearing. Thank you.

[Whereupon, at 11:53 a.m., the hearing in the above-entitled matter was adjourned.]



REQUIRING THE COMPILATION OF CURRENT DATA ON TOTAL POPULATION BETWEEN CENSUSES

FRIDAY, JUNE 27, 1975

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON CENSUS AND POPULATION,
Washington, D.C.

The subcommittee met at 1:30 p.m. in room E-226 of the John F. Kennedy Federal Building, Boston, Mass., Hon. Patricia Schroeder (chairwoman of the subcommittee) presiding.

Members present: Hon. Patricia Schroeder of Colorado and Hon. John Rousselot of California.

Staff present: Donald Terry, subcommittee counsel.

Ms. SCHROEDER. I think we'll go ahead and start. Congressman Rousselot is here from California and I am Pat Schroeder from Denver.

The growth of Federal assistance to State and local governments over the recent years has been substantial. In 1950 grants to State and local governments totaled about \$2 billion. By 1960 it reached \$7 billion. In 1976 Federal aid is expected to reach \$56 billion, of which Federal formula grant and aid programs will account for over 76 percent of the total. The House Subcommittee on Census and Population is in Boston today to hear testimony on legislation which would greatly affect the way that much of this Federal aid is distributed. The bill before us today, H.R. 4948, would require all Federal grant programs which use population figures in their allocation formulas, to use the most updated estimates available from the Bureau of the Census. This is already being done for Federal revenue sharing funds, but the Library of Congress has provided the subcommittee with a preliminary report which identifies 101 other Federal grant programs which allocate money to States and localities based on formulas which use population.

Of these programs, 11 have no definitions of what population figures should be used; 27 mandate the use of biennial census figures in census population; and the remaining 63 programs generally state that the most recent satisfactory population data available from the Secretary of Commerce shall be used. Apparently for the latter group of programs, a number of executive departments and agencies continue to use the census statistics as the only satisfactory data available. In sum, then, well over half of the Federal grant programs which use population in their allocation formulas are using statistics which are today more than 5 years old. Clearly, given the nature of our mobile society, these 1970 figures no longer accurately represent the present population distribution, and by relying on these outdated figures to

(27)

distribute Federal benefits, many States are either being deprived of funds or are being granted more money than the present population warrants. This fact, of course, has not been lost on the high growth States, such as Florida, which recently had a number of representatives testify on H.R. 4948 in Washington, D.C. But the issue is more complex than simply using the most recent figures available. Are the population estimates good enough? Would H.R. 4948 replace one inequitable situation with another? For instance, the subcommittee is well aware of the great number of challenges and complaints about the accuracy of population estimates that are now being used for distribution of Federal revenue sharing funds, and we want to know whether these challenges are substantiated before we act on H.R. 4948.

Did you have anything you would like to add at the beginning?

Mr. ROUSSELOT. No; I think not.

Ms. SCHROEDER. Our witness is Mr. John Buckley, who is the secretary of administration and finance for the Commonwealth of Massachusetts. We welcome you and we are delighted to hear what you have to say.

STATEMENT OF JACK BUCKLEY, SECRETARY OF ADMINISTRATION AND FINANCE, COMMONWEALTH OF MASSACHUSETTS

Mr. BUCKLEY. Thank you very much. I am testifying on behalf of Lt. Governor Thomas O'Neill, who is out of State today. My name is Jack Buckley. I am secretary of administration and finance for the Commonwealth of Massachusetts. I appreciate this opportunity to testify before your committee on H.R. 4948, a bill which would require the compilation of current population data yearly, and would require the use of this data in Federal fund allocation formulas.

We support in principle any change which will help make allocation formulae more equitable, but we have to face the fact that many changes are needed, not just this one, and that solely using updated population figures without other changes will be disastrous for Massachusetts. Frankly, we cannot support a bill that will hurt the State without some assurances that work will be done concomitantly to correct other inequities in the allocation formulae.

As we see it, there are really four problems with the allocation formulae used to determine how much money each State gets from Federal programs.

First, outdated population figures are often used. Income figures from 1 year are combined with population estimates from another year to compute per capita income—a statistic which has much to do with how much money each State actually gets. H.R. 4948 will do a lot to eliminate this one problem by providing yearly population estimates.

The second major inequity in the formulae is they don't take into account the differences in States' cost of living. Thus, they are often irrelevant to States' situations. Simply put, it cost more to live in Massachusetts than in most other States. In fact, according to the Federal Bureau of Labor Statistics, it cost more to live here than anywhere else except Hawaii and Alaska. To assume, as is now done, that cost of living differences should not be a major factor in the formulae doesn't make sense. Obviously, if we get the same amount

of money as a State with equal population and unemployment, it will help our people less because everything cost more. The Bureau of Labor Statistics has taken one hesitant step to correct his problem by beginning to put together regional cost of living indices, but these aren't scheduled to be used before 1977. We just can't wait that long. We need cost of living figured into allocation formulae now, and we must have these figures State by State, or even city by city, not just one for an entire diverse region.

The third problem with the formulae is that they greatly favor States with resources and industries which make large amounts of money from capital gains. Capital gains are not counted as part of aggregate income, from which per capita income is figured. What this means is that States with large mining or livestock resources, for example, benefit tremendously in the aid formulas. All their capital gains income isn't counted as income. They, therefore, show a lower per capita income and get a correspondingly greater share of Federal money. Without counting capital gains, the formulae are clearly biased against nonmineral, nonrural States like Massachusetts.

The fourth problem, and it is a more general one, is that the Federal census population estimates often fail to take into account local characteristics which can substantially affect those estimates. The result, once again, is that many cities may not get their fair share. Let me give two examples of this problem in Massachusetts—the cities of Cambridge, across the river from Boston, and Fall River, Mass. 1973 Federal census estimates for Cambridge failed to take into account changes in the number of housing units, vacancy rates, and numbers of occupants per unit. The Federal estimate of population showed a loss of 4,191 people since 1970. But Cambridge has many students and a large transient population. By using all the data that the census left out City Manager James Sullivan demonstrated that the population had actually increased 10,733 over the same time period.

Fall River had similar complaints, although there the relevant data neglected was seasonal employment figures and migration statistics. Of course, the census can't take every local factor into account, but the complexity of the issue and the inequities which result when vital factors are overlooked, demand that a thorough review of the allocation formulae and the data on which they are based be undertaken.

Finally, I would like to point out that this bill will hurt Massachusetts and States like it. If updated population figures are used, it would mean that States, or cities like Denver, with rapidly growing populations will get more money than they would have with older statistics, and States with stable or decreasing populations will get relatively less money.

According to U.S. Census and IRS census data, of Massachusetts' 10 largest cities only 1 increased in population between 1970 and 1973, while those 10 cities showed a net loss of 42,981 people. Only 3 of the top 20 cities increased in population, while the top 20 Massachusetts cities had a net loss of 56,959 over the same time period. Declining populations in the cities will unquestionably mean less money, yet our higher cost of living requires that we not lose the money we are now receiving.

In conclusion, we need several reforms in our allocation formulae. We need updated population figures, but we also need to count capital gains as part of aggregate income, to figure cost of living into the formulae, and to review our data collection methods in general by taking account of local characteristics. It is only by making all of these changes that we substantially increase the equity of the allocation system. Changing only one aspect while leaving others untouched will do little to eliminate the inequities of the current allocation system.

I think that you are probably well aware of the serious financial straits the Commonwealth is presently in, based very much upon the industrial piece of Massachusetts, the older cities, the lack of revenue that can be raised on an equitable basis in Massachusetts, and the problems that come with industrial cities, unemployment and the higher welfare cost, and many of the other reasons that go with it. We are in the process of taking what is probably in accounting circles and financial circles an ungodly step of going to the bond market for \$450 million in bonds to fund operating expenses. On top of that, we are faced with a deficit for fiscal 1976 of \$687 million, that out of a budget of \$3 billion. I would suggest that Federal revenue sharing has got to come in much larger pieces to older industrial and urban States, and I would hope that it would be done based on a formula which would be equitable to the degree that it can be, and would take into account all of the aspects I cited today and I'm sure many aspects that you have heard elsewhere in testimony, and I'm sure many aspects that you are aware of that I am not. But to just touch the population piece for an older industrial State could very well be disastrous and just exacerbate the financial situation we are currently in.

Ms. SCHROEDER. Thank you very much for your testimony. I find the different things that you outlined very interesting. I'm not quite sure how you could crank all of those things into an allocation formula, because they have almost already become so complex.

Mr. BUCKLEY. If you could, we would like to have it done yesterday to try to bail us out now, but, seriously, the question I think of industrial States are much different than agricultural States and other States in the country. These cities, particularly in the urban area and the urban States and the industrial States are deteriorating because of our inability to fund many of the human services that are required from the population that live in those type cities. The statistics I cited are, unfortunately, factual. We are faced with an interim budget we hope that will be passed by the members of the Massachusetts Legislature by next Monday evening to get us through at least two-twelfths of the year before we can try to raise by some stroke of someone's imagination almost \$700 million in more taxes for the next fiscal year.

Ms. SCHROEDER. Do you revenue share at the Commonwealth level with the cities?

Mr. BUCKLEY. The revenue sharing in Massachusetts, the Massachusetts piece from the Federal Government comes directly to the State and then the cities and towns, but we do also from the State budget provide about a billion dollars for the cities and towns of Massachusetts.

Ms. SCHROEDER. And how do you allocate it?

Mr. BUCKLEY. We allocate on the basis—on many bases. We allocate the biggest piece is school aid to the cities and towns. It is based on the equalized valuation—property valuation in the individual community as compared to the statewide valuation, and the part of the formula has to do with the number of students as it relates to the equalized valuation. Again, we have a constitutional requirement that real property be assessed at a hundred percent of its market value. Many cities and towns avoid that constitutional requirement and there is a court case that was brought last year to mandate that happening, and when that happens, the cities in Massachusetts, which as all communities do in Massachusetts rely on—very heavily on the property tax—will be in worse shape because the State aid will be decreased and the decrease in the aid will go to other suburban communities. The question of the property tax in Massachusetts is a question that most citizens like to avoid. It is the highest in the country, without question, and in Massachusetts the revenue case is in deep trouble.

Ms. SCHROEDER. But the main thing you allocate on at the State level is school aid?

Mr. BUCKLEY. Yes. We allocate out of that billion dollars, 60 percent of it—between 50 and 60 percent based on school aid formulas. There are other distributions. Highway funds are used to help the highway police functions of communities. Mass transit aid is used for regional transit authorities. Housing authority aid and urban renewal aid, but by-and-large the biggest piece is either direct aid to school systems or reimbursements for school construction and school transportation.

Ms. SCHROEDER. Do you have any questions, Mr. Rousselot?

Mr. ROUSSELOT. Yes, Madam Chairperson. A fascinating name, Buckley, do you know Jim or Bill?

Mr. BUCKLEY. No. I guess I can cite as a 10-year member of the legislature, I was at the opposite pole of him philosophically, and since I've become a member of the executive branch, I have been told that I am to the right of him.

Mr. ROUSSELOT. I was interested in your comment that you support this in principle, but your problem is really with the allocation formula. Do you find that most of the funds that you are now using in revenue sharing go for services or capital expenditures?

Mr. BUCKLEY. The State portion, which is this year about \$68 million—\$67 million, goes to a debt service in the Commonwealth and, therefore, is a piece that does not have to be raised elsewhere in the budget. The local revenue sharing is used for any number of the services—police service or fire service or municipal, but most of it is for operating expenses and not capital expenses.

Mr. ROUSSELOT. So that local units are using it more in their general services rather than capital expenses?

Mr. BUCKLEY. That's right; yes.

Mr. ROUSSELOT. Well, this bill then really won't help that much.

Mr. BUCKLEY. No. The bill, if we revert to population changes only, will not help.

Mr. ROUSSELOT. I refer to your statement on page 3 that: "The declining populations in the cities will unquestionably mean less

money, yet our higher cost of living requires that we not lose the money we are now receiving." That is going to require changes in legislation.

Mr. BUCKLEY. A different change. This bill addresses itself to a population feature which would affect it if you made a yearly change.

Mr. ROUSSELOT. Do you think we would be just better off if we had a mid-decade census?

Mr. BUCKLEY. A mid-decade census would be better than a yearly estimate of a census, certainly from our viewpoint as a population decreases over a period of time; yes.

Mr. ROUSSELOT. So that would really be more helpful than this?

Mr. BUCKLEY. Yes.

Mr. ROUSSELOT. You mentioned the city of Cambridge where you say there are a lot of students. If, in fact, the cities are using most of it for services, then do you think the student population is really using all of these services?

Mr. BUCKLEY. In the city of Cambridge?

Mr. ROUSSELOT. Yes. I mean, when really, in effect, they are transient, as you say, and they are here from other parts of either the State or the country.

Mr. BUCKLEY. I think that the presence of the students necessitate, for example, a larger police force than would be necessary otherwise. Perhaps not so much the last couple of years as the years before that. They certainly use the mass transit system and the services there.

Mr. ROUSSELOT. How about welfare?

Mr. BUCKLEY. The welfare budget in Massachusetts is a sore and tender subject. Many of the students do use the general relief program, which is all State funded, and to which we are trying to address ourselves now in the Massachusetts Legislature. They do that and I think they are also responsible for higher cost in sanitation departments and services of that type.

Mr. ROUSSELOT. You mentioned that you are now having to go to bonding in order to raise, what did you say—

Mr. BUCKLEY. \$450 million.

Mr. ROUSSELOT. And how soon is that?

Mr. BUCKLEY. The bids are due Monday.

Mr. ROUSSELOT. What kind of interest rates?

Mr. BUCKLEY. We've got an interest rate of over 6 percent. We'll reject them and split the bond issue and go to market later on.

Mr. ROUSSELOT. Do you find much competition in the money market with the Federal Government?

Mr. BUCKLEY. We did earlier this year, but not as much now. Otherwise, we would be really out of business in that type of a situation. But even with a bond issue of that size and that magnitude—it's a public sale and I would doubt that we would get more than one bid. I would like to be able to get two bids. I'm not sure that we will. As I said, if we get one that's over 6 percent, we'll reject it and try again later.

Mr. ROUSSELOT. You don't think that the estimates of an add-on debt of anywhere from \$20 to \$80 million will affect your ability—

Mr. BUCKLEY. I think the deficit financing at the Federal level or the State level increases the cost of operating, without any question.

Mr. ROUSSELOT. Anything you can do to help influence your congressional delegation?

Mr. BUCKLEY. I think I would like to induce them, perhaps, instead of trying to solve the national debt, try to give us a national health plan to help bail out the State of Massachusetts.

Mr. ROUSSELOT. I guess though, in your ability to finance your debt or your bonding in the private market, you are affected to some degree by relief?

Mr. BUCKLEY. No question. I think if the Federal Government operates at a deficit of that magnitude and they're in the money market, certainly it affects our ability to finance. Our unfortunate piece is that we have to have a balanced budget at the end of every fiscal year.

Mr. ROUSSELOT. We appreciate your willingness to testify and give us this point of view. I tend to agree with you. I think a mid-decade census would be a more responsible way to do it than this.

Mr. BUCKLEY. Right.

Ms. SCHROEDER. Counsel, do you have any questions?

Mr. TERRY. Evidently you agree that it is grossly inequitable to use these greatly outdated population figures when you are computing or allocating funds. That is an inequity that helps out States, I expect, which are growing at less than the national average?

Mr. BUCKLEY. That's right.

Mr. TERRY. However, as long as the State of Massachusetts is suffering from inequities, such as the lack of a geographic differential to compensate for a higher cost of living, do you think that we ought to just maintain all of the inequities?

Mr. BUCKLEY. No. I think I'm saying, perhaps, that we would be much more inclined, as I'm sure would be the Lieutenant Governor and the rest of the members of the executive branch, to support a legislation that would address itself to some of the other inequities.

Mr. TERRY. Right, but this particular subcommittee can't address those other inequities. We do have jurisdiction over this particular inequity.

Mr. BUCKLEY. I think the problem of that is that the only particular inequity that you can address is not to our advantage at all. I think any larger urban industrial State has the same problems that we would have and would address your subcommittee in the same fashion.

Mr. TERRY. What has the State of Massachusetts' experience been with the estimates that are coming forward now and are being used for revenue sharing? It is the same type of estimate that would be used in this particular bill for all Federal programs. Have there been any problems?

Mr. BUCKLEY. There have been some appeals—some appeals that have been allowed, but not of any great significant dollar value when you speak of the whole piece of revenue sharing of the State.

Mr. TERRY. So, as far as the Commonwealth is concerned, the estimates are fairly accurate?

Mr. BUCKLEY. With some very—in a couple of the examples which are cited here, it would seem that rather than rely on estimates perhaps, the better way would be to go to a middecade census.

Mr. TERRY. The Commonwealth has its own census, does it not?

Mr. BUCKLEY. Yes, we do. In fact, we've had so many censuses in the last few years, that we have had special census to redistrict the

Massachusetts House of Representatives in 1971. We are having another one this year, a special census, as the House is reduced by one-third as a membership for new districts. We have an ordinary State census in the years ending in five, and I would guess that, as next year is six and nobody is knocking at people's doors in January, they will wonder what happened. But we have had many censuses.

Mr. TERRY. Do you know if the definition that you use in this State census of a resident is the same as the one that is used by the U.S. Bureau of Census? Are there any differences?

Mr. BUCKLEY. The census that was used this year, we tried to get more information into it for our own requirements and couldn't do it because it was far down the road when this administration took office. But it does differ and I can't justify as to what the differences are. I'm sure somebody else can this afternoon.

Mr. TERRY. Because I think that's relevant to us, if, for instance, the State of Massachusetts was having a census in 1975 and the results are at variance with what the official estimates are in the U.S. Bureau of Census, then it is important to us, but they would have to be the same definitional terms.

Mr. BUCKLEY. It would seem to me the best way to do it would be to adopt one set of standards and have both the State and Federal Governments use it, as far as residential populations.

Mr. TERRY. But, as far as you know, that isn't the situation in the State of Massachusetts? They don't use the same terms?

Mr. BUCKLEY. As far as I know. I can't testify to the veracity of that statement, but someone else can, I am sure.

Ms. SCHROEDER. Thank you very much for coming. We appreciate your input.

Mr. BUCKLEY. Thank you.

Ms. SCHROEDER. Mr. Daniel Crane, who is the special assistant for policy and program review to the Governor of Rhode Island is the next witness.

STATEMENT OF DANIEL CRANE, SPECIAL ASSISTANT FOR POLICY AND PROGRAM REVIEW TO THE GOVERNOR OF RHODE ISLAND

Mr. CRANE. Congresswoman Schroeder, members of the subcommittee, my name is Daniel Crane and I am here today representing Philip Noel, Governor of Rhode Island. It is a pleasure to have this opportunity to discuss with you the proposed use of updated population estimates in the allocation of Federal funds.

Initially, I would like to state that we have no objection to the use of updated population estimates in the allocation of Federal funds in principle, as Secretary Buckley indicated. But, without question, inequities do exist and this proposal may go to solve some of them. However the issue is a good deal more complex than this and not only would we like to address some of the points which have been raised, but also would hope that these hearings may lead to a reassessment of the appropriateness of using pure population or population as a factor in many of the existing grant formulas.

Rhode Island does not stand as a disinterested observer in this issue. If H.R. 4948 becomes law, we shall lose some—quite a bit of Federal revenue. Presently, only two States are estimated by the

Bureau of the Census to be actually losing population—New York at the rate of minus seven-tenths percent of population, and Rhode Island at the rate of 1.3 percent. When compared with a national growth rate of 4 percent, Rhode Island falls a bit over 5 percent behind the national average. Already Rhode Island has felt the effects of using updated population estimates in the distribution of general revenue-sharing funds. The explanation for this lies, to some degree, in the large part which population plays in the revenue-sharing allocation formula.

Presently, Rhode Island receives its Federal revenue-sharing entitlement on the basis of the House's five factor formula—population, urbanized population, population inversely weighed for per capita income, State income taxes, and general tax effort. The first three factors are each assigned 22 percent of the total national appropriation of the Federal formula, and the last two factors received 17 percent apiece.

The Federal revenue-sharing formula, as you know, uses current population estimates from the Bureau of the Census in determining each State's annual entitlement. As can be readily seen from the formula, population estimates directly effect two-thirds of Rhode Island's total entitlement. As such, the accuracy of such estimates must be guaranteed. In 1970, Rhode Island's population stood at 950,000 persons. The Bureau of the Census now estimates that Rhode Island's 1975 population, which is used to compute revenue-sharing entitlements, is 937,000 persons. Again, as I mentioned, a minus 1.3 percent decrease.

The impact of utilizing these population estimates has not been insignificant. Thus, while in absolute terms our revenue-sharing entitlement has been increased, we are getting proportionately less and less of the national appropriation.

In order to determine the direct effect of the use of the updated population estimates, we isolated the 22 percent of the national appropriation directly attributable to population. We then compared the results for Rhode Island, using both 1970 population data and the current population estimates which have been formulated by the Census Bureau.

Now, in fiscal year 1972-73, this differential cost us \$25,000 approximately. Last year it went up to over—a little over \$76,000 and for the upcoming fiscal year 1975-76, the difference amounts to \$281,000. Cumulatively, we have lost \$356,148 in general revenue-sharing funds through the useful population estimates in terms of direct moneys derived from the population factor in the formula. This, however, is just the tip of the iceberg, because the use of the current population estimates versus the 1970 population figures results in a differential which grows geometrically as we approach the 1980 census. So, if the estimates are inaccurate, which they may well be, the initial error will be compounded each year. Thus, Rhode Island's loss will increase geometrically and quite dramatically to a point where it will be much more than it is today.

If I may, I would also like to discuss a few other Federal programs which utilize population as a determinant in the allocation of funds. For example, title I of the 1974 Housing and Community Development Act brings to Rhode Island \$20 million this particular year.

This allocation is determined by a four-factor formula, of which population constitutes 25 percent. If HUD begins using the updated estimates, Rhode Island's allocation will drop by approximately a quarter of a million dollars. While this is not an exceptionally high amount when we are discussing the millions which are allocated by Federal grants, it certainly will be felt by those residents who are in need of such assistance.

Title XX of the Social Security Act represents the principal form of Federal assistance to the states for the purposes of delivering human services. HEW allocates title XX funds purely on the basis of population. Right now we receive approximately \$11 million from HEW under this program and, if updated population estimates are used, we will lose approximately \$550,000.

As you can see, Rhode Island, as well as the other States of the Nation which are not growing at or above the national average, will lose money if H.R. 4948 becomes law. In many instances, this will remedy some inequities by directing money to where it is most needed. In other cases, precisely the opposite effect will result.

Many Federal programs rely upon population because it is a relatively simple factor to determine. Unfortunately, pure population does not in every instance reflect the need of a particular State for financial assistance. For example, I would like to mention title XX again, a human service program which could be more usefully implemented if other factors, such as per capita need, were factored in rather than just pure population. But I feel that just the simplicity of using population often leads to an excessive reliance on that particular factor.

Similarly, general revenue sharing was enacted in large measure to assist poor urban communities. The House formula gives equal weight to pure population and population as it relates to income and need. I would suggest that the latter element should be given more emphasis if we are to achieve the purpose of legislation such as general revenue sharing and housing assistance, human services programs, and so on.

Finally, it must be realized that declining population may not necessarily signify a declining need for services. In our cities, a declining population has placed a heavier burden on those who remain to provide the municipal services which are still required, and which are, in fact, increasing. The cities also must serve people who do not reside in the cities themselves. So, in many of these instances declining population indicates a reduced economic vitality. In these cases, the need for Federal assistance increases as population diminishes. I would hope that this subcommittee would keep this fact in mind and at some future date examine the appropriateness of relying upon population in certain Federal grant programs.

For those programs where population is a proper indicator of need, the issue arises as to the accuracy of these estimates. First, from 1960 through 1970, the Census Bureau estimated that Rhode Island's population was increasing by 6,125 persons per year. In 1960, Rhode Island's population was estimated to stand at 908,000 persons. The 1970 census showed, however, that our population, in fact, was 949,000. So, either 41,000 people migrated to Rhode Island in this 1 year, which is very unlikely, or the previous estimates were grossly in-

accurate. Today the Bureau of the Census is using practically the same methodology for these estimates as it did then.

Another inconsistency appears when one compares the Bureau of the Census' statewide estimates with the total estimates of Rhode Island's cities and towns. In 1973 the Bureau of the Census estimated that Rhode Island's population stood at 967,000. For that same year, if one adds up the Census Bureau's estimate for each city and town, one finds that the sum of the parts do not equal the whole. In fact, the difference is a substantial one—997,325 as opposed to the statewide estimate of the 967,000. Now, there may be a statistical explanation for this, but perhaps it would have been remedied had the Census Bureau added up its totals instead of just leaving them there for someone else to check on their arithmetic.

So, the problem of accuracy, really, becomes a very crucial one. If the initial estimate is off, then the entire formula becomes tainted. For example, if we get back to revenue sharing, Rhode Island loses more revenue than is indicated by just looking at the 22 percent directly attributable to population. Additional losses result from the function of total population in determining per capita income and urbanized population—two factors which represent an additional 44 percent of the distribution formula. Unfortunately, we have not been able to measure the indirect financial implications of this multiplier effect.

This problem illustrates another difficulty of using updated population estimates in a vacuum. For example, in title II of the 1974 Housing and Community Development Act, allocation is based on a 7 factor formula. It is presently possible to update annually only one of these factors—population. The question then arises as to whether or not the remaining factors should also be updated lest the Congress create an imbalance which gives undue weight to the population factor. Whether or not these variables can be updated in a manner similar to that of population, is a vital issue for this subcommittee and the rest of the Congress to consider.

This committee's proposal to mandate the use of updated population estimates does, however, have much merit. As I mentioned earlier, several inequities would be eliminated. The problem of internal mobility between cities and towns would also be solved because, certainly, 12 years is too long to wait for this new information to be brought to light.

Again, a few more caveats, please. During the decade of the sixties, Rhode Island's population growth was staying abreast with the rest of the Nation. The Federal Government's decision to close the many military installations which were in our State, artificially distorted Rhode Island's growth picture. I believe that some language should be included in the proposed statute which would prevent a rapid loss of funds due to emergency conditions which lead to unexpected reductions in population. This situation is clearly distinct from the natural phenomenon of population decline and should be recognized as such.

Also, I believe our experience in the field of education illustrates the value of such an approach. Many of our school districts had undertaken long-range commitments premised on the continued presence of the Navy in Rhode Island. The sudden withdrawal of the Navy

left these school districts with financial obligations in excess of their present resources.

Senator Pell secured the passage of a special act which called for the gradual, rather than the immediate, curtailment of Federal assistance. In this way the school districts had time to adjust to their new situation. It, therefore, might be appropriate in those cases where population is sharply reduced because of external Federal action to hold-harmless Federal funding for a 2-year period. This type of a provision would insure that there would be a floor level for funds that would protect the budget until other sources of revenue could be generated.

In summary, I would like to reiterate our support for the principle behind this piece of legislation. The accuracy of the estimates, the use of population as a valid criteria in certain programs, safeguards for emergency situations, and the updating of just one of several factors in a distribution formula, these are some of the issues which I feel this committee must examine.

Finally, I would like to make two points for your consideration. A full-fledged census every 5 years which comes up with the kinds of detailed information the Federal Government needs to allocate funds might be much more effective in eliminating perceived inequities. Second, in this time of high unemployment, the Congress should think twice before enacting any law which might adversely effect the economies of several States, which, despite declining populations, desperately require all the financial assistance that is available and then some. I just might add that, in this respect, the proposals by Senators Muskie and Humphrey for counter-cyclical aid to the States points in this direction of not curtailing Federal aid to the cities, towns, and States which are suffering from increased economic problems in the sense that decline in population can indicate reduced economic vitality. I think this bill might go in the opposite direction of those counter-cyclical aid proposals. Thank you very much.

Ms. SCHROEDER. Thank you. I appreciate your coming in. In your testimony I find a debate between whether or not there is a greater need for places that have a declining population to continue to sustain the same floor that they have in the past, or whether or not the people with a mushrooming population are in worse shape. I don't know what the answer is. I mean, you can go into other parts and when you have large numbers of people moving in very rapidly, the 12-year gap, it is a phenomenal catch-up.

Mr. CRANE. Sure. Well, I feel that it depends which programs you are looking at to some degree. Some programs are not as appropriate for growing areas. The growing areas sometimes do not need the increased Federal revenue for certain programs as much as some other areas which are declining in population. I feel that you really cannot make a blanket statement which would cover every situation and every Federal program. That's why I wanted to mention, even though it is not strictly in this committee's jurisdiction, the use of population in several Federal formulas, particularly the title XX formula for human services delivery. It is a very simplistic way of determining how much money a State should get. But if you have a lot of people migrating to Colorado because there is more economic opportunity there, then these people may be less in need of some of

these human services types of assistance than people who are in areas of declining economic growth.

Ms. SCHROEDER. However, there are a lot of people in Colorado who think a lot of people migrate there because John Denver keeps singing about it, and the economic opportunity really isn't there. So, they come in and we have serious unemployment problems. I think the reason that there are several multiple factors in many of these allocation formulas is probably attempting to take somewhat into account the difference. But I am interested in your saying that a mid-decade census would be much more preferable to the estimates.

Mr. CRANE. Well, for instance, there is no fair way to determine how the other factors which are in the formula have changed over the interim between, say, a mid-decade census and a decennial census. Something like the housing program—something which takes into account the state of the housing stock in a particular city or community. These are things which are examined in the census. But, now, when you go and update just one of those factors, you have no information as to what changes have come about in these other areas. So, this gives extra weight to population. I don't think if the Congress intended to give 20 percent of the allocation to the population factor and then update that to give it a greater weight and not simultaneously update the other factors, then you would, by mandating this, distort the formula which the Congress has decided would be the fairest way to distribute the money. So, I don't think you can go at it piecemeal.

Mr. TERRY. As an example, for instance, if we're, let's use the city of Providence, the housing stock in Providence which may be deteriorating. If we use the formula in 1948, we would hurt Providence because its population was not increasing but, even though its housing stock was deteriorating, we would continue to use outdated housing statistics there, because they weren't updated?

Mr. CRANE. That's right. Particularly in the case of cities where you have population migrations out to the suburbs and a lot of the housing stock deteriorates within the city. Well, if you determined the increase in deterioration of the housing stock, that factor would increase and it would balance off what would be lost because of the decline in population. So, the cities would probably do at least as well, maybe even better.

Ms. SCHROEDER. Let me ask you another question that has always been a problem from the Federal-State level. Part of why I understand you think this bill is inequitable is part of a problem that we really don't have anything to do with, and that is the problem of your core city versus your suburbs, which is really a local issue. Yes; that's a problem in every part of the country, including where I come from, but isn't that because the States and the cities haven't come together on how to have metropolitan government? I mean, is that really the Federal—should we be devising our formulas because the cities and States haven't come to terms with that issue?

Mr. CRANE. It should be recognized because some of these problems deal with problems in the cities and because of the result of the cities' and towns' failure to come to grips with an acceptable form of metropolitan government. I think the Federal government recognizes

this and could correct some of its problems accordingly. There are programs which deal with the needs of the cities and even though the States and cities cannot absolve themselves of all blame, I think if the Federal Government has made an effort to address the problem, then they should address it in a realistic way, because they know this exists and they can't shut their eyes to it. In fact, it has been suggested that some Federal programs could be structured to encourage this type of government. There has been criticism with revenue sharing because it has encouraged the continuation of very small units of government. So, the Federal Government in that sense cannot absolve itself of the blame for the failure of cities and suburbs to get together on metropolitanization when at the same time it has a revenue sharing formula which encourages precisely the opposite effect.

Ms. SCHROEDER. Well, I suppose it's whether or not we wouldn't move them faster by not getting involved or whether or not we would move them faster by getting involved. I don't know. It's a fascinating philosophical debate. Anyway, thank you very much. Congressman Rousselot?

Mr. ROUSSELOT. Mr. Crane, thank you for your testimony. I assume that this pretty much represents the Governor's point of view.

Mr. CRANE. That's correct.

Mr. ROUSSELOT. You have not injected into this statement anything that does not pretty much represent him?

Mr. CRANE. No; I haven't.

Mr. ROUSSELOT. Does he share your view as strongly that really the better answer would be a mid-decade census?

Mr. CRANE. Yes. He feels that, if you are going to update one factor, you should update all factors, because it is not an excuse to say that if one factor creates inequities, that is not reason to perpetuate other ones. Maybe from the State's point of view—Rhode Island's point of view, updating that one factor alone would hurt us financially. But, still, we would be able to accept that much more readily if all of the factors were updated, because then we feel we would get a fair hearing as to our needs.

Mr. ROUSSELOT. You mentioned the allocation problems under HUD. I am on the Banking and Currency Committee and we just finished some substantial discussion in the House and the Banking and Currency Committee on the subject of housing. Mr. St Germain comes from your State and is on the Banking and Currency Committee and on the subcommittee that I am on of the regulations of financial institutions. Do you understand that the allocation formula which we have of which you complain, was legislated by the Banking and Currency Committee and Mr. St Germain participated in it?

Mr. CRANE. I do not complain, Congressman, of the allocation formula. I mentioned it first to illustrate the impact financially on the one hand, and second, to say that population plays a legitimate role in the allocation of Federal funds for housing, but there are other factors which your committee has injected into the formula as well and that in order to preserve the intent of your committee's decision, to preserve the integrity of that approach, all factors must be updated insofar as that is possible. If just one is—

Mr. ROUSSELOT. I understand that, but the point I am trying to make is that that is the problem whenever you try to legislate a national formula for any given area. It may help, say, in New York City and be very detrimental in Providence, R.I.

Mr. CRANE. That's correct.

Mr. ROUSSELOT. And, unfortunately, many times bills like this are written by the big city congressmen who have more interest in the public housing projects and things like that—not that you don't, but that becomes a real problem.

Mr. CRANE. Yes.

Mr. ROUSSELOT. You are firm in your belief that a mid-decade census would be far more appropriate?

Mr. CRANE. Yes, because the Government requires a very wide collection of data in order to determine what the needs are and population is just one of them, and the census, to some degree, goes to the other factors as well as just population. I think it would be better.

Mr. ROUSSELOT. Now, since you have addressed yourself too to the problems that occur and the way it affects your State relating to the removal of military bases, of course, the Congress has voted to reduce a lot of those things, and you understand what that problem is.

Mr. CRANE. Yes, I do.

Mr. ROUSSELOT. So, then we come to the problem which we dealt with in the housing legislation of hold-harmless clauses, which also phases out slower but also costs more money. It's nice to talk about hold-harmless clauses but I've been involved in so much legislation trying to do that fairly and there is just no real way.

Mr. CRANE. Well, in some cases the kids are gone, so naturally there is less need for services. So, there is less need for Federal money.

Mr. ROUSSELOT. In some cases they stay.

Mr. CRANE. Well, in some cases they stay. In the case of Rhode Island they estimate that we had a decline of 30,000 in our population as a result.

Mr. ROUSSELOT. Because of the two bases?

Mr. CRANE. Because when the bases closed up. Now, in some instances, long-range planning is shaped around the presumed presence of the Federal installations, and we recommend the hold-harmless type of provision because of those instances where commitments have been made and a little bit of time is needed in order to generate the other types of revenue which could be gathered in order to preserve the situation from a very rapid deterioration.

Ms. SCHROEDER. If the gentlemen would yield here, maybe we could pick up that indebtedness with a military appropriation.

Mr. ROUSSELOT. I was interested, further, in how it would affect you on general revenue sharing.

Mr. CRANE. Yes.

Mr. ROUSSELOT. Wouldn't it be better if we just—because of the loss of revenue that occurs by processing it through Washington—reduce the tax burden in some way and let you tax for what you really needed in the way of services? Wouldn't that be a better approach than general revenue sharing?

Mr. CRANE. Rather than general revenue sharing?

Mr. ROUSSELOT. In other words, because of the depreciation or loss.

Mr. CRANE. Well, there is an element of redistribution of national income involved in revenue sharing.

Mr. ROUSSELOT. But couldn't you do that through State income tax just as well?

Mr. CRANE. Well, for instance, in a general revenue formula Mississippi, for instance, gains dramatically from this general revenue sharing as a poor State in the country. Whether or not this recognizes their—

Mr. ROUSSELOT. What I'm trying to do is to get you to speak to the principle.

Mr. CRANE. Well, I think that, if it were just a case of returning the money which the Federal Government taxed from a particular State, just funneling it directly back, that would be an unnecessary intermediate step, if that's all you intended to do with it.

Mr. ROUSSELOT. That's all we're doing with it.

Mr. CRANE. No, because the way revenue sharing is structured, there is a distribution element involved and there is—the intent was to direct the money to some of the poorer urban communities. There was a political and philosophical principle which the Federal Government was seeking to implement to some degree.

Mr. ROUSSELOT. Do you think that has worked? On the basis of what you've said here, it obviously hasn't really worked.

Mr. CRANE. Well, I'm not really prepared to say whether revenue sharing has worked. I don't think the States would say—though it certainly hasn't returned a sufficient amount of money.

Mr. ROUSSELOT. On the basis of what you just said, does it really work that way?

Mr. CRANE. It has helped a little bit I think.

Mr. ROUSSELOT. You understand the principle. Since you're involved, I notice, in program review and planning, obviously wouldn't you, as a State, be better off if we didn't so preempt the field of taxation, that with a slight raise, say, in personal income tax in your own State, you could probably raise just as much revenue and not spend so much time in Washington trying to get it.

Mr. CRANE. Well, we have an interesting State income tax setup which is geared to a percentage of the Federal income tax paid. So, if we were to reduce the Federal income tax, in turn our State income tax would be reduced. So, the way our system stands today, theoretically it would not work out that way. That is, we would, in fact, have less State revenue if the Federal Government had less. We would have to change our tax laws.

Mr. ROUSSELOT. You understand the principle?

Mr. CRANE. It all depends. It's a conflict between State and Federal governments—a great philosophical conflict.

Mr. ROUSSELOT. What is your personal judgment, as one who is responsible for the planning and policy of your own State, if you had your own choice of whether you could slightly increase your own State income tax and not have to spend so much time in Washington trying to change the formula for general revenue sharing?

Mr. CRANE. Well, I enjoy being in Washington, but other than that, I think it really is a very, very difficult statement to generalize, because I have seen in some instances the Federal Government has directed efforts toward what I would perceive a proper direction which States independently would not go.

Mr. ROUSSELOT. Well, don't generalize. Just talk about your own State.

Mr. CRANE. I am talking about it. I'm talking about different programs and some programs, I feel, the Federal Government, rules and regulations which they have promulgated, hindered us in State government from doing the job which we feel needs to be done. In other cases, I have seen that a particular Federal mandate has provided the necessary motivation which otherwise was lacking, because in some instances you must reconcile parochial interests with more more cosmopolitan national interests, and I think that is what the system theoretically is about.

Mr. ROUSSELOT. Which of those two conflicts do you think would be of greater interest?

Mr. CRANE. Well, the States, naturally, would like to have more money available, especially in these times. There is no question about that.

Mr. ROUSSELOT. Which do you think would produce? Which process would produce the most revenue?

Mr. CRANE. Do I have to make an all or nothing choice?

Mr. ROUSSELOT. No.

Mr. CRANE. There's no question that we have the highest unemployment rate in the country, or at least second highest. It's almost 17 percent. And we are very hard pressed for money. The situation is somewhat similar to what Secretary Buckley said as far as Massachusetts. We could use the money. In the sense that a lot of money is taken out of the State by the Federal Government, we might have some quarrel as to what this money is expended for, since our interests don't necessarily always coincide with the largest part of the Federal Government's budget seeming to go to defense spending, which does not directly benefit the State.

Mr. ROUSSELOT. Do you think your State is going to lobby for general revenue sharing?

Mr. CRANE. Oh, certainly, certainly.

Mr. ROUSSELOT. OK. Well, you've answered the question. I can see why you represent your Governor very well.

Ms. SCHROEDER. Did you have some questions?

Mr. TERRY. No.

Ms. SCHROEDER. Thank you very much. Our next witness is Mr. Alexander Ganz, director of research, Boston Redevelopment Authority. We are glad to have you here.

STATEMENT OF ALEXANDER GANZ, DIRECTOR OF RESEARCH, BOSTON REDEVELOPMENT AUTHORITY

Mr. GANZ. Thank you, Ms. Schroeder and Mr. Roussetot. I'm very happy to be here. I'm here to present the testimony of Mayor Kevin H. White, mayor of the city of Boston. I'm glad to have the opportunity to testify on H.R. 4948. The city of Boston wishes to respectfully state its opposition to the enactment of H.R. 4948. The proposed bill would further reduce the proportionate return flow of Federal resources to Boston and the Nation's cities, despite their relatively larger contribution to Federal revenue raised, and at a time when their special needs are soaring. This prospective damage to cities would be further compounded by serious flaws in the Census Bureau population estimating method, as demonstrated in recent

estimates of the population of the city of Boston. I will comment on both aspects, the fiscal equity for cities, and the flaws in the Census Bureau estimating methods.

First, fiscal equity for cities. The cities are the Nation's principal creator of jobs, generator of income, even with the erosion of their economies in recent years. The Nation's 30 largest cities, with one-fourth of the country's population, generate one-third of the jobs and 40 percent of the earned income originating in the production of goods and services. The 30 largest cities produce an estimated 40 percent of all Federal revenue.

In contrast with this employment, earned income and revenue producing role of the cities, the present revenue sharing formulae and the proposed legislation gear the return flow of Federal resources to their smaller population role. The prospect of lesser population growth of the cities, in relation to the Nation as a whole, would further compound this fiscal inequity.

The proposed legislation comes at a time when the nationwide recession has impacted cities more heavily than the Nation as a whole and when the cities' needs are greater, meriting a larger Federal response.

Unemployment in urban areas, measured as a percent of the labor force, is 50 percent higher in poor urban areas than in the Nation as a whole. The economic recession, centered heavily in the decline in manufacturing production, has affected the cities disproportionately with their relative concentration of economic activity. The 30 largest cities account for 75 percent of the manufacturing production in their metropolitan areas.

The national economic boom of the 1960's, which brought new life to our large cities, has receded. There was a lesser recovery from the 1970-71 recession, soon followed by the severe 1974-75 recession.

The heavy impact of the national recession on the cities comes on top of the withering away of the Great Society programs of the 1960's which were urban oriented. The shift from categorical grant programs, which favored the cities, to general revenue sharing, has favored smaller suburban cities and towns with lesser relative needs. The cities, with their concentration of the poor and minorities, have been vulnerable to the recession-associated phenomena of last to be hired and first to be fired.

There has been a severe erosion of the purchasing power of the poor who are concentrated in the cities. As a consequence, cities need and merit relatively more Federal aid, not less.

In place of population share related Federal aid distributions, cities merit programs addressed to the relative magnitudes of their needs. This should include:

Community, economic development, and public work programs; public employment programs; credit for housing and for public capital improvements; a national urban development bank; federally financed tax reform to reduce the burden of the property tax and funnel new revenue to the cities; special assistance to impacted areas; and more revenue sharing for cities, related to need.

Cities need a program of conservation and equity. Conservation means preserving cities and enriching our most important natural resource—our people. We must not let 100 years of investment in

cities go down the drain through neglect. They offer an opportunity for increased productivity through better utilization of the economic infrastructure and existing capital investment, the existing housing stock and the underemployed urban labor force.

In the case of Boston, the discrepancy between its roles as job creator and income and revenue generator, on the one hand, and Federal local expenditures and population share related distributions, on the other hand, are striking. Boston, as a production center, with one-fifth of the metropolitan population, generates two-fifths of the metropolitan area production of goods and services, and raises an estimated \$2 billion a year in Federal revenue. In contrast, Federal expenditures of all kinds in Boston, including social security payments and all of the money that goes to the State government in the city of Boston, totaled \$1.4 billion, including \$200 million in grant aids to Boston. Under the Federal community development revenue sharing program, Boston is scheduled to receive \$30 million this year, under the hold-harmless provision, a sum substantially below amounts received in earlier years, and this sum is scheduled to fall to \$12 million by 1980 as the population share based formula goes into full effect. This will occur despite the large net Federal revenue which Boston raises for Washington, despite its relative concentration of the poor, and despite its level of unemployment which is far above the national average.

Clearly, the proposed legislation calling for Federal distributions based on population shares, would further increase the widening insensitivity of the role of Federal Government with respect to Boston and the Nation's cities.

Now I would like to address the question of flaws in the Census Bureau population estimating method. Since 1970, the U.S. Bureau of the Census has been publishing estimates of the population of the Nation's counties. In the case of Massachusetts, the estimating method for 1972 was based on data on elementary school enrollment, registered automobiles, and birth and death statistics. These indicators are not particularly appropriate to the kind of demographic changes underway in Boston and other large cities in the 1970's.

The results of an actual census—full head count—carried out in Boston in 1972 and the factors involved, when compared with the U.S. Census Bureau estimates for 1972 and the estimating method, are illustrative of the shortcomings in the estimating method of the U.S. Census Bureau. For example, Boston's own census shows an increase in population from 1970 to 1972 of 18,159; whereas, the U.S. Census Bureau estimate for Suffolk County shows an increase of 10,210 over the same period; roughly half of what our own census showed. Boston's census showed that this increase of 18,000 was concentrated principally in the 25- to 34-year-old young adult age group who moved into the more centrally located neighborhoods of the city. I have a couple of charts and a map. Basically, what the charts show is the increase in the population of the city—the increase of 18,000 concentrated in the 25- to 34-year-old age group and concentrated in the more centrally located neighborhoods. Both national and local factors are reflected in the Boston experience. At the national level, there is the projected concentration of population growth in the 25- to 34-year-old age group in the 1970-80 decade. This is illustrated in

chart 3. This age group, which flowed from the postwar baby boom, have lifestyles and residence location preferences that are different from that of their suburban oriented parents. They frequently prefer to live in the central city.

At the local level, Boston's population made up of "unrelated individuals" was growing all during the 1950's and 1960's even when the population in families was declining, and is now growing even more rapidly, and currently makes up almost a fourth of the city's total population. The influx of these young middle class adults was induced in part by the growth in jobs in Boston in the past decade, and by the improvement in urban amenities through the large public capital improvements in the past 10 years.

Demographic change centered in a young adult population influx— young singles and young marrieds without children—and living in the more central neighborhoods, is not readily captured by the U.S. Census Bureau estimating method which relies on elementary school enrollment, registered automobiles, and birth and death statistics. With mushrooming parking restrictions, the rising cost of gasoline, improvement in public transit, growth in a young adult population living close to their place of employment is not readily measured by registered automobiles. These young adults, thus far, are having fewer children and elementary school enrollment changes and birth statistics miss this phenomena. The same is the case with death statistics.

The committee might be interested to know that, in addition to the population estimates published by the Census Bureau, there are estimates published by other agencies of the Government—by the IRS and by the U.S. Bureau of Economic Analysis—and each of these estimates differ from each other. I have with me data from 1973 published by each of these agencies and they vary from showing virtually no change in Boston's population in the case of the Census Bureau to showing 23,000 to 24,000 decline in the case of IRS and the case of the U.S. Bureau of Economic Analysis.

In essence, the Boston experience with its own full-count census in 1972 indicates that the U.S. Census Bureau estimating method is seriously flawed, and is incapable of measuring the special demographic phenomena which Boston and other cities are experiencing in the 1970's.

In summary, to base Federal expenditure and aid distribution on population shares rather than need, and to use a population estimating method that is insensitive to the special demographic factors currently underway in the Nation's cities, would place our cities in double jeopardy. H.R. 4948 should be rejected.

Ms. SCHROEDER. Thank you very much. I really appreciate your testimony and wanted to ask you about page 8 where we're talking about Boston's census versus the U.S. census for Suffolk County. Does Boston use the same definition for a resident that the U.S. Census Bureau does, do you know—in your census?

Mr. GANZ. Yes. Boston does, and to allude to a question that was raised when Mr. Buckley was testifying, the State census has a major difference from that of the U.S. census in the treatment of college students. The State census requires that only those students from families residing in Massachusetts report as residents; whereas, the

U.S. Bureau counts all students residents on April 1, 1970, as members of the population count.

Ms. SCHROEDER. So, the difference, then, would not be due to a difference in definition?

Mr. GANZ. That's right. I might point out that the difference is not that great for 1972. After all, 8,000 is just a little over 1 percent of the total population. But we are concerned with the methodology because we see the year-by-year estimates fluctuating very widely.

Ms. SCHROEDER. And Suffolk County is pretty much the same as the city of Boston?

Mr. GANZ. Yes. There is about a 6-percent difference. Suffolk County is made up of Boston, Chelsea, and Revere.

Mr. ROUSSELOT. Actually, Suffolk County is more?

Mr. GANZ. That is right, yes.

Mr. ROUSSELOT. So, there really is an even bigger difference.

Mr. GANZ. This is why I dealt with changes rather than absolute amounts.

Ms. SCHROEDER. I like very much your comments on page 13 where you're pointing out that the Census Bureau estimates are based upon a preconceived notion of what everybody's lifestyle ought to be and, therefore, they are going to pick them up from registered automobiles, elementary school enrollment and birth and death certificates. And you're saying that because lifestyles are changing, a lot might be falling through the cracks?

Mr. GANZ. Exactly. I think that there is logic to what the Census Bureau has been doing for an ordinary time in an ordinary place, but in the 1970's we had two very unusual phenomena. We had the fact that young adults are now the most rapidly growing segment of the population.

Ms. SCHROEDER. In the cities?

Mr. GANZ. No. In the Nation as a whole, as indicated in my chart 3. The growth of young adults, as projected by the Census Bureau in the 1970-80 decade, will dominate the population change for the whole country in that decade. These are the postwar babies who are now young adults. But what we are finding, and this has been proven in our own census, is that, while their parents moved out to the suburbs, these young adults frequently are moving back to the city. And the other phenomenon is the growing role of the unrelated individual component of the population. Specifically, the population is made of a population of families and a population of unrelated individuals; the population of the number of unrelated individuals has been growing for a long time. It is a phenomenon that is related to income—per capita income levels improve. The young and the elderly can live in their own households instead of in the nuclear families. But we have an added twist to this phenomenon in the 1970's with the decline in the birth rate of young singles—young marrieds delaying the time when they will have families, and a phenomenon that affects particularly the central cities where a lot of these young people are moving and a Census Bureau method that might have made sense 10 years ago just is missing the boat right now.

Ms. SCHROEDER. And it might be more accurate for suburban lifestyles which are probably more similar to 10 years ago lifestyles than maybe the new urban lifestyle, is that what you're saying?

Mr. GANZ. That's right. And the other comment to be made on this is that by all means a full middecade census would be far superior because it would correct the problems with the estimating method.

Ms. SCHROEDER. Now, what is the Internal Revenue estimate?

Mr. GANZ. The Internal Revenue estimate shows a decline of 23,000 between 1970 and 1973, while the Census Bureau estimate shows virtually no change.

Ms. SCHROEDER. Does that mean that fewer people are paying their taxes?

Mr. GANZ. Well, I think there is a methodology problem there, too, and I am less familiar with exactly how the Internal Revenue Bureau turns out its estimates.

Ms. SCHROEDER. But they all do their estimates on a different basis, I assume.

Mr. GANZ. Apparently the U.S. Bureau of Economic Analysis, which produces the per capita income numbers for the Nation, has a number that shows a decline of 24,000, but its a number that fluctuates widely from year to year. It showed a substantial increase from 1970-72 and then a big decline in 1973.

Ms. SCHROEDER. Now, if the population of Boston really is going down, why would you need to hold level your community development fund? If we, say, have a middecade census and we find that the population really is going down, then why would we want to hold the same level of community development funds?

Mr. GANZ. Well, I think that the other information I have presented is germane to this. Boston is receiving about \$30 million this year in the community development revenue sharing fund based upon the hold-harmless criteria which was adaptive to a measure of need, but when Boston goes from a distribution related to need to a distribution related to population, its share would drop to \$12 million by 1980. That is simply because the population-based distribution formula favors smaller suburban cities and towns with less relative need.

Ms. SCHROEDER. That is very interesting. I just am not sure I quite understand that correlation, though, as to why if the population has gone down, the need doesn't go down with it.

Mr. GANZ. We think Boston's population is going up.

Ms. SCHROEDER. I understand that, but let's say we really found out that the population was going down.

Mr. GANZ. Well, the need, which is greater than indicated by the population share, might also go down but not go down as much.

Ms. SCHROEDER. I see what you're saying.

Mr. Rousselot?

Mr. ROUSSELOT. I very much appreciate your testimony, Mr. Ganz. I notice you are appearing on behalf of the mayor. Does he also support the concept of a middecade census as opposed to this bill, also?

Mr. GANZ. Very definitely, because he finds great fault with the census estimating method.

Mr. ROUSSELOT. I don't know if we should take the time today, but I was interested in your colloquy with Ms. Schroeder relating to some of the formulas we have under HUD, such as the community development, which we, of course, struggled with in the Banking and

Currency Committee quite extensively last year because that bill was a consolidation of, basically, seven programs. Are you enough involved in that to know how that has worked on the consolidation of the seven programs?

Mr. GANZ. Yes.

Mr. ROUSSELOT. Would you care to comment on it?

Mr. GANZ. Basically, this is an issue that Mayor White has spoken on on a number of occasions and quite forcefully. We are happy that, with the new Federalism, giving the cities responsibility on how to spend the money.

Mr. ROUSSELOT. And where it is distributed?

Mr. GANZ. And where it is distributed and Mayor White is making important changes that I think are quite good. On the other hand, we are unhappy with the level of funding; the fact that we are going to go down from \$30 million this year to \$12 million in 1980.

Mr. ROUSSELOT. Yes; but the thesis there was that you could put the emphasis where you wanted to; that maybe you didn't need all seven categorical grants and that you wanted to put it all into sewers or something else; that was your choice. So, obviously, there would be less money.

Mr. GANZ. Well, the usual way that Mayor White describes that is the good news and the bad news. The good news is that now we have control of the money; and the bad news is now we have less money.

Mr. ROUSSELOT. So, your comment is just more money?

Mr. GANZ. Exactly.

Mr. ROUSSELOT. Even if it meant going further into debt to do this?

Mr. GANZ. The Federal Government going further into debt?

Mr. ROUSSELOT. Yes.

Mr. GANZ. Well, I personally think that the Federal Government is not going into debt enough.

Mr. ROUSSELOT. That's really good news. I mean, you don't think \$80 or \$100 billion a year add-on debt is enough?

Mr. GANZ. I think the situation of the Nation merits an eye towards reducing unemployment rather than an eye on eliminating the debt.

Mr. ROUSSELOT. But you just heard the problem that the representative of the Lieutenant Governor said obviously comes up when the State has to go out and compete in the private money market for money with the Federal Government. Do you really want us to go into more deficit financing?

Mr. GANZ. I think the Federal Government also could do a little in the way of managing the money market and you are, undoubtedly, as familiar as I am with some of the proposals involved of Senator Proxmire and Senator Humphrey.

Mr. ROUSSELOT. Which proposal? They have about six.

Mr. GANZ. Well, for reducing the interest rate; the use of the power of the Federal Reserve Bank to reduce the interest rate, creation of an urban development bank.

Mr. ROUSSELOT. Could you describe your concepts? I notice you had in here a national urban development bank conceptually. Would you describe it for us?

Mr. GANZ. Yes. This is an old proposal that has been around for a number of years. The idea is that we ought to have in the United States an agency such as the World Bank; what the World Bank does for developing countries. That is an agency with bond issuing authority that would fund, through long-term loans, urban development projects both public and private of a meritorious nature that would have a key role in achieving goals in cities.

Mr. ROUSSELOT. Would the Federal Government actually provide the dollars or a guarantee?

Mr. GANZ. Proposals covering both approaches——

Mr. ROUSSELOT. Which do you favor? A guarantee or an actual loan?

Mr. GANZ. I think either one could work out. I would not be particularly biased, one way or the other.

Mr. ROUSSELOT. Well, thank you for your testimony. I find many of your proposals interesting and stimulating.

Ms. SCHROEDER. Thank you very much. I really do think your Boston is very similar to Denver.

The next witness is Mr. Laurence Branch, from the University of Massachusetts.

STATEMENT OF LAURENCE BRANCH, FROM THE UNIVERSITY OF MASSACHUSETTS

Mr. BRANCH. Thank you very much. I appreciate the opportunity to be here. I apologize for not having passed out or distributed my remarks beforehand.

My name is Larry Branch. I'm from the University of Massachusetts in Boston and I am also from the special Massachusetts Commission studying the effects of growth patterns on the quality of life in the Commonwealth, and in that capacity I am the chairman of their subcommittee dealing with demographic information needs in the Commonwealth. It is from this perspective that I have some idea of how the census data are being used and it is from this orientation that I would like to discuss some of the issues of H.R. 4948.

The previous speakers have unanimously been opposed to H.R. 4948 basically because the Federal projections of estimates are inaccurate. I would like to spend a little time discussing the larger issue of the strengths and the weaknesses of census-type information in general. Basically, I will be agreeing with the other speakers that the population estimates are not sufficiently accurate and would suggest that new data must be collected at more frequent intervals. As we all know, a Federal census can be viewed as a snapshot in time which provides us with all kinds of good information. This information, historically, has been used to accomplish three functions: One is for reapportionment; the second is the disbursement of moneys; and the third function has been for planning at all levels.

The first U.S. census was in 1790; I think if we had been there, we would have heard in 1791 that people were complaining about the inaccuracy of those data and I'm sure they would have been correct. Since about 1880 when the Census Office took over the responsibility from the U.S. marshalls for reporting the counts, there have been recurring requests for a Federal census to be done every 5 years, and we

have heard that suggestion here today more than once. The suggestion for a census done every 5 years has always been viewed as a risk by incumbent legislators, as I am sure you are well aware. The results of redistricting and reapportionment might change the situation from which they were last elected and, consequently, though the suggestion has been around 100 years, we do not have a census done every 5 years. In short, the issue of reapportionment has always been sufficient to stifle any requests for more frequent Federal census.

The planning people, on the other hand, have always been suggesting that we need data at more frequent intervals in order to make the proper planning decisions and the appropriate disbursement of services for population needs. And their requests, likewise, have not been answered because we don't have Federal censuses every 5 years. The issue of the disbursement of moneys, however, has become critical in the past couple of years and so this issue again is raised and, now, possibly has a more serious chance of changing the situation from Federal census data every 10 years to some other situation. The planners and the people concerned with the disbursement of moneys have said for a long time:

All right because of reapportionment considerations, if you won't give us a census every 5 years, then we are going to have to recognize that further we get away in time from that snapshot, the last census, the more we are going to have to use projections and estimators and all kinds of factors which may or may not produce accurate information.

As Mr. Ganz very accurately pointed out, the information is not always accurate and very few people will deny that, although there are some people from the Federal Bureau of Census who would argue their case.

If, however, you say that because of reapportionment we cannot have a census every 5 years, what is the best possible alternative we can come up with? Are the Federal projections based on IRS updated information the best alternative? Is this the best set of data that we can get? This has been the issue of discussion here today for the most part, and I would like to suggest that there is yet another option that hasn't been raised here today, and that is the suggestion that we collect new data at more frequent intervals than every 10 years, but rather than doing a census every 5 years, perhaps we can do sample surveys biannually or on some other basis upon which to provide more accurate projections and estimates than we are currently able to get based on census data done every 10 years.

The issue of how accurate the information could be if we had biannual sample surveys is not an easy one to resolve. It is basically a technical issue that takes into account three factors. Your accuracy is going to be a function of your sample size, both of which are going to be determined by how much money you are willing to spend. If someone can sit down and say, OK, I need my estimates to be accurate within, say, one-half of a percent of the population for cities and towns above 50,000, then it is very easy to determine exactly what sample size you need and how much that will cost. This issue of how much it would cost to get accurate information from the sample survey technique is not an easy issue to address. On the one hand, as Secretary Buckley pointed out, Massachusetts has been conducting an awful lot of censuses in the past few years—the Federal census

in 1970 and then they had a typographical error in one of their statutes and so they did their own census 9 months later.

And at the time when they did their own census 9 months later, notwithstanding the fact that they define inhabitant differently, the State came up with a count that was 2.6 percent less than the Federal count of 9 months previous. That issue of inhabitant, as was pointed out, is basically concerned with the issue of the residence of students and, although within cities and towns it would immensely complicate the projections at a statewide basis, it shouldn't enter into the problem that much. So, Massachusetts came along 9 months later with a projection that it was 2.6 percent under the Federal census of the previous year. To get an understanding of the implication of that type of underreporting, last year's revenue sharing to Massachusetts, as I understand, was in the vicinity of \$80 million, which comes to approximately \$1 million for every percent of people. So, to make an error of 2.6 percent, you are talking \$2.6 million in decreased revenue-sharing funds.

If that is the order of inaccuracy that we are talking about on such data, which indeed might be the case, then you can consider, all right, Massachusetts spent \$1½ million on their census to get numbers that were 2.6 percent inaccurate for a net loss of revenue sharing—if they would have pushed their figures—a net loss of over \$4 million. My recollection is that the regional office of the Federal Census Bureau suggested that they could do the whole State census in 1975; the basic set of counts for about \$3.5 million. So, the net effect to Massachusetts would be to get better data and ultimately end up with more money for other expenditures, if they were to try an approach getting their data correctly to begin with.

It is from considerations like these for every State that the dollars and cents are going to differ but I think the argument can be made that in the long run there will be more money distributed back to the States and the cities and towns if accurate numbers are obtained, and one way to do it, would be to conduct a census every 5 years. Another way to get those accurate numbers would be to have more frequent sample surveys; perhaps on an annual basis.

Ms. SCHROEDER. Thank you very much. We were just having a discussion up here which I can't remember—perhaps you can tell me. Do you know what the total black population of this State is—what the estimate would be?

Mr. BRANCH. Not offhand.

Mr. CRANE. It is very, very small. Three to five percent of the State.

Mr. BRANCH. It's virtually all in Boston.

Ms. SCHROEDER. And you don't have a Spanish-speaking population that shows up very much?

Mr. BRANCH. That, likewise, is in the vicinity of 3 percent, as I understand it.

Ms. SCHROEDER. So, the undercount of minorities that hit many urban areas in the country that have been admitted, that portion has not hit this area.

Mr. BRANCH. That's probably correct, but that's a type of question that I would have to sit down and look at the actual numbers.

Ms. SCHROEDER. So, compared to other urban areas, it is possible that this area has had more money than other urban areas that have had a much higher black and Spanish-speaking population which they are admitting gross undercounts of a much higher number and much higher percentage than you're talking about.

Mr. BRANCH. What you're saying is entirely possible and so is the exact opposite. I think that's the whole point. No one has good numbers and good numbers are not impossible to get.

Ms. SCHROEDER. Thank you again.

Mr. ROUSSELOT. Now, in your judgment, do you believe that a middecade census would provide the kind of accuracy that is being sought?

Mr. BRANCH. Yes, sir. Surely.

Mr. ROUSSELOT. But we would get so many complaints that when a regular, full census is taken that it isn't accurate.

Mr. BRANCH. You've been getting that complaint since 1790.

Mr. ROUSSELOT. Well, I know that, but how real, in your judgment, is the countercomplaint; that it doesn't matter what the Census Bureau does even at a full count; that its inaccuracies are still too great for the kind of refinement that we are talking about for these kinds of programs.

Mr. BRANCH. There is some degree of truth in that proposition, but I think to accept it would be like throwing out the baby with the bath water.

Mr. ROUSSELOT. So, in your judgment, the Federal census with all of the problems of inaccuracy, is a better value for the dollar than trying to struggle with the long-tenure period?

Mr. BRANCH. Exactly, and to my knowledge they have never looked at any suggested improvement, recognized that it was an improvement, and decided not to do it. They have incorporated all of the best ideas that are technically feasible and they do the best job that can be done.

Mr. ROUSSELOT. Have you ever done a study in your work to determine, what percentage of error is in the Census Bureau count?

Mr. BRANCH. Yes, we have. We just completed a statewide survey in which we had to make statewide population estimates.

Mr. ROUSSELOT. When you say "we."

Mr. BRANCH. The survey research program of the University of Massachusetts.

Mr. ROUSSELOT. And what did you find?

Mr. BRANCH. We have the opinion that if there was a discrepancy, our data would be better than the census data; and they, I am sure, would have the same opinion of their own data. Nobody knowingly collects bad data. We found, in our opinion, they somewhat undercounted those people in the young adult age group that Mr. Ganz referred to previously.

Mr. ROUSSELOT. In other words, you agree with Mr. Ganz?

Mr. BRANCH. Right. We found more people in that age group and, in my opinion, primarily because we do a more thorough job of call-backs.

Mr. ROUSSELOT. Did he base his judgment on your study?

Mr. BRANCH. No, he did not, sir.

Ms. SCHROEDER. Did this come in reference to the estimate, or are you talking in reference to the Census Bureau estimates as opposed to 1970 census data?

Mr. BRANCH. I am sorry. As opposed to the 1970 census data—taking the age distribution population that they found.

Mr. ROUSSELOT. So, it's a regular census?

Mr. BRANCH. Yes, sir.

Mr. ROUSSELOT. How much of a percentage would you say they are in error?

Mr. BRANCH. That is a technical question and, again, I would rather have my numbers right in front of me. It's not very great.

Mr. ROUSSELOT. Is it 2 percent or 5 percent?

Mr. BRANCH. I would suspect it's right around 2 percent or just a little under.

Mr. ROUSSELOT. But a full census, obviously, with all of its problems, is clearly more accurate and has less chance for inaccuracies than the sample survey.

Mr. BRANCH. Yes, sir, but considerably more expensive and at one point in my preliminary remarks I stated that accuracy, sample size, and cost—those three things—mutually interact with one another.

Mr. ROUSSELOT. Well, naturally, they tell us that they can now do a national census from anywhere from \$450 million to \$500 million and a sample, 25-percent survey for \$350 million. You're a person who has to look at statistics, so as a national priority, so to speak, do you think it's worth the difference in price?

Mr. BRANCH. Well, I would suggest that maybe that estimate you received was an estimate of what the 1980 census might cost. My recollection is that the 1970 census—

Mr. ROUSSELOT. No. They said they'd do it today. They clearly recognize that by the time we get to 1980, they're saying \$650 or \$700 million.

Mr. BRANCH. Well, inflation must be worse than we have all been told. The whole 1970 census, to my recollection, cost just a tad over \$200 million. It cost \$1.07 per person.

Mr. ROUSSELOT. That's right, but they say to do a full census today would cost \$250 to \$500 million. By the time we get to 1980 they say \$750 to \$800 million.

Mr. BRANCH. Did you ask why there would be a 150-percent increase in cost?

Mr. ROUSSELOT. Well, they said due to inflation and perfection in technique.

Ms. SCHROEDER. Technique? Trying to improve it?

Mr. ROUSSELOT. Trying to improve their technique; yes.

Mr. BRANCH. It would be unfair of me to second-guess their budget, but it would seem high to me.

Mr. ROUSSELOT. That's all right. We're always willing to have people second-guess on how we can save money. But do you think the difference—say we could take it today—do you think it's worth the difference between the \$350 million for a sample and, say, \$500 million to take a full census?

Mr. BRANCH. No; I don't, sir. I think that the accuracy that most people would demand could be obtained by the sample and saving \$200 million, approximately.

Mr. TERRY. So, essentially, your comment is that you'd prefer the mid-decade census, but if we have the same problems as we've had

over the last century in getting a mid-decade census, you think that the data compiled from a sample survey, even data for small areas, is far preferable and perhaps even less costly than running the estimates that we are now running?

Mr. BRANCH. Exactly.

Mr. ROUSSELOT. Well, I don't think the political problem is the reason, because the courts demand redistricting anyway.

Mr. TERRY. But not reapportionment.

Mr. ROUSSELOT. Right.

Mr. BRANCH. Well, I'm just not sure. All I know is that 1880 saw the first suggestion for a census every 5 years, and we are coming up to the 100-year anniversary.

Ms. SCHROEDER. Thank you very much.

Mr. Zitter, welcome, and you're from the Census Bureau. Can you tell us how accurate your estimates are?

STATEMENT OF MEYER ZITTER, CHIEF, POPULATION DIVISION, U.S. BUREAU OF THE CENSUS

Mr. ZITTER. Well, what I would like to say is that in every thing we do in making the estimates and publishing the reports, we very clearly state what we know about the accuracy of the numbers and how we have made them. I think from what I have been hearing so far, many of the people writing the statements have not been reading the reports, because our reports do point out some very significant changes we have been making in our methods over the years to take advantage of more and better information, and it attempts to show our estimated improvement in the accuracy of the numbers. I can't tell you how accurate each area is for estimates we put out in 1973, but what we could tell you is, on the average, the accuracy of estimates prepared during the 1960's when compared to the 1970 census, and we can tell you for 1973 how one method compared with others, and also from small areas how they compare with special censuses we have taken.

Now, what we do know is that for very large areas, say for States, we do very well there. For example, for estimates prepared for 1970—for the period of the 1960's, the average State error was less than 2 percent—something like 1.85. The improvements that we have made for the 1970's would have brought that down closer to 1 percent. By bringing in the new information from administrative records—that is, the Internal Revenue Service records—we improve that even further, but we don't have any true measure of that yet. We will have it, obviously, by 1980.

For areas like counties—again, for very large counties—we do quite well. We think our average error runs about 2 percent or less. As the counties get smaller, the errors would run much larger. For very small places, they get quite large. Again, all of this is very clearly spelled out in the reports.

One of the things that the gentleman from Rhode Island was pointing out—I think his statement had three things where he points to some inaccuracies and it's obvious that they just don't agree with the facts. I have the report for Rhode Island in front of me and he pointed out that he didn't think they added up to the totals, and somebody's arithmetic is wrong and it's not ours. It's very clear in the report that

the numbers that we do show in the report do add out to what we say they are.

I guess my main concern is the fact that there is no attention paid to what we consider significant improvements in the system of making our estimates and the purposes for which they are being used, and that in facing up to the problem of providing population updates, the choice one faces is, do you use 1970 or do you develop a system of updates that gives you a better measure of what is happening to the population since the last census? It is, essentially I think, the question that we asked ourselves, and when we were all through, and we came to the conclusion that, although the estimates obviously are subject to error—some of them quite large when we get into very small places—for the most part we are still better off using them than sticking with 1970. I think the best example of that, as we pointed out in the reports, if you take areas that had special censuses—at the request and expense of the local area, we would take a special census—these are generally very rapidly growing areas. They have more population than they had in 1970. They may have had an annexation and they wanted that to be reflected in the population base because they get more money. So, these are very unique kinds of areas, and these kinds of places—something like 165 areas in which we have taken special censuses—when we compare the updates we made for these areas, the errors run quite large, sometimes as much as 25 to 30 percent for very small places. But these areas are growing by 100 or 200 percent.

If you use the 1970 number for these areas, you're going to be much worse off than using the estimates even though they have large errors. They fall far short of the actual level, but they capture a very large part of the growth that is actually taking place. Sometimes you have an inequity, but you're really still very far ahead of the game if you rely on these kinds of updates. I think, perhaps, that's about all my statement ought to be. If you want some exact numbers, I can read them to you from the reports.

But, again, the point I want to make is that the measures we have are in terms of general levels of accuracy for different classes and different sizes of areas. For any one place the error could be much larger or much smaller. I must admit that I am not familiar with the study in Boston, for example. We will certainly make a point to find out just what the study is and try to get back to the committee. As a matter of fact, I would like an opportunity to report to the committee in writing to address some of the points made in the various testimonies, because I think they call for it being investigated. But I might point out that many of the large cities, again, feel that most estimates that we publish tend to show them to be growing very slowly in population and this generally is not the view in terms of what the city is saying. Yet, at least in two cases already where we have taken special censuses of very large places because the cities thought they were growing much faster than the estimates, the estimates have held up quite well. We have taken a special census of Milwaukee and the special census there came out below our estimates. We just finished one in San Bernardino and we expect that will come out below. San Bernardino, Calif., we just completed a special census of the county and all the areas within it, and I think there, too, some of the counts are running below the estimates that we have published.

So, in general, we feel quite comfortable with the system we have developed. Obviously, there is always room for improvement and we continually are trying to bring into play into the estimates whatever new input becomes available. We're working very closely with States, for example, State agencies, at the county level to try to get their input. Where a special census comes along, we would certainly incorporate this into our estimates. We are looking forward to the Massachusetts' State census results to see whether we can make use of them in our next round of updates. This is the problem of different residence rules, but we hope there may be ways to make adjustments to bring them in line with census-type rules, but we're not sure. We'd have to wait and see all the results before we can tell just how to take advantage of it.

Ms. SCHROEDER. I really appreciate your adding this and I wanted to ask, then, you are so comfortable with the estimates that you don't think that a mid-decade census would be necessary?

Mr. ZITTER. No. To the contrary, there is no question in my mind. In terms of accuracy and uniform accuracy throughout the country, a census is a much better set of numbers than any set of estimates.

Ms. SCHROEDER. Do you think it's better than a survey?

Mr. ZITTER. Yes. A census is generally better than a survey. Now, the results of sample surveys depend on the size of the sample. For very, very small areas to get a count from a sample survey with a sampling, it may require such a large sample that you just may as well count everybody.

Ms. SCHROEDER. What about in the New England area, the problem of the black and Spanish-speaking undercount? Would you assume that there has been less undercount in this area because of the low incidence of that population?

Mr. ZITTER. Well, what we know about the undercount is, basically, at the national level that it varied by age, sex, and race. We know that the blacks were more undercounted than the whites; that the young people, both black and white, were more undercounted than, say, older people. How it varies by geography, we don't know and we are still trying to analyze ways of getting at this. Presumably, if you have areas with a large black concentration of population, for example, Peoria may feel that they have a large undercount, but I don't know whether you can really say that with any degree of certainty.

Ms. SCHROEDER. Would you say, though, if you determined there is an 8-percent undercount of blacks in the census, wouldn't it be logical to assume that you are continuing to at least undercount by the same amount through your estimating or survey? The blacks anyway. I mean, those certainly wouldn't be more comprehensive.

Mr. ZITTER. Well, generally surveys have the same kind of difficulties in population coverage as censuses. Sometimes in surveys you may spend more time and effort to get at your population coverage. Again, it may depend upon just how much money you are willing to spend to get after that last nth person.

Ms. SCHROEDER. Thank you.

Mr. ROUSSELOT. Thank you, Mr. Zitter, for being willing to appear. You will, then, respond in writing to those things that you heard today that you think require some kind of a response?

Mr. ZITTER. Yes.

Mr. ROUSSELOT. You specifically said you found some contradiction in the report that you have with you as it relates to Rhode Island. Can you give us a couple of examples? You spoke with such substantial conviction that they were definitely wrong. How do you arrive at that?

Mr. ZITTER. I was looking at Mr. Crane's comment on page 7 of his statement. He, for example, said:

Another inconsistency appears when one compares the Bureau's census statewide estimates with total estimates of Rhode Island's cities and towns. In 1973 the Bureau estimated that Rhode Island's population stood at 967,000, which was right.

For that same year, if one adds up the census estimates for each city and town, one finds that the sum of the parts do not equal the whole. In fact, the difference is a substantial one—997,000.

Now, I have the report in front of me that he is referring to and with their quick arithmetic back there, the numbers add back out to 967,000.

Mr. ROUSSELOT. You mean the cities and towns? Do you have a computer with you, or do you have the total there?

Mr. ZITTER. No. We have subtotals, but between the three of us, obviously we'll go back and check them again. At best, it's a problem of arithmetic.

Mr. ROUSSELOT. So, you feel that the figure of 997,325 is not correct and that you can substantiate 967,000?

Mr. ZITTER. That's right, and it's in our report P-25, Number 584, which came out in April.

Mr. ROUSSELOT. Well, Mr. Crane is still here. Maybe you two can get together.

Mr. CRANE. This is the document—I can't confess that I calculated this myself.

Mr. ZITTER. This is a Census document?

Mr. CRANE. No. This right here.

Mr. ROUSSELOT. What document is that?

Mr. CRANE. Those were the figures. They were Xeroxed out of something that was sent over to me as a Census Bureau document, according to the people who sent it.

Mr. ROUSSELOT. Well, you both spoke with such great conviction; I just wondered.

Mr. ZITTER. This is a piece of paper that comes from the Department of the Treasury, and I think, obviously, there's some duplication there.

Mr. CRANE. OK. Well, this piece of paper which is from the Department of the Treasury, a general revenue sharing data element. Now, they used, as I understood it, the Bureau of the Census estimates.

Mr. ZITTER. Yes. Those numbers should agree with ours.

Mr. ROUSSELOT. Would you say, Mr. Crane, that one Federal agency conflicts with another Federal agency? That happens a lot, by the way.

Mr. CRANE. As I understood it, the Bureau of the Census' estimates were utilized by the Treasury Department.

Mr. ROUSSELOT. Something must have happened.

Mr. ZITTER. If these numbers are exactly the ones we gave them, I suspect there might be some city or town which may be listed with the town which already includes the city or vice versa.

Mr. CRANE. I don't know because I haven't sat down myself and added it up, but I will check on it.

Mr. ROUSSELOT. Well, that's interesting. It can show that two Government agencies can have an opposite figure. By the way, that's not the first time that has happened. Now, did you find other—

Mr. ZITTER. Yes. On the very same page at the end of the very first paragraph still on page 7 of Mr. Crane's statement, "The Bureau of the Census is today using the same methodology for population estimates as it did then," referring back to 1960's, and our reports make it very clear that we have developed much more improved kind of data to make the population estimates. In fact, because of revenue sharing we are able to take advantage of using data from the Internal Revenue Service, which obviously was not available to us during the 1960's. I think, again, a reading of the report would bear that out.

Mr. ROUSSELOT. In the Treasury Department's calculating of revenue sharing, do they ever make use of welfare statistics?

Mr. ZITTER. The only component that goes into the formula is spelled out. All of the data elements come from the Census Bureau, and welfare would not enter into the data at all, no, sir.

Mr. ROUSSELOT. Well, thank you very much and we will look forward to receiving your letter.

Ms. SCHROEDER. I think counsel has a question for you, too.

Mr. TERRY. Just one question. The witness that preceded you, in his estimation a sample survey could provide more accurate data even for small areas than the estimate that you are doing now. Do you have any comment on that?

Mr. ZITTER. Sample surveys, as I said earlier, can provide some very meaningful data to help you improve "pop" estimates. When you design a sample survey, you get an exact measure of the sampling error. It tells you the bounds within which the true number falls. If you make your sample big enough, you can get a very, very small error. If your sample is small, you have a larger error.

Mr. TERRY. Is it possible for you to give us just what kind of sample you would need to come out with the same kind of error factor?

Mr. ZITTER. No, sir; I can't.

Mr. TERRY. One final question. You said you compared the accuracy of the estimates that you are doing now in the 1970's to those you did in the 1960's and the ones in the 1970's are better than the ones in the 1960's. Can you compare—can you project a comparison as to the accuracy of the estimates that you are doing now as opposed to what they might be in 1978 or 1979? Are they going to be much less accurate in 1979 because you are that much further away from your base year which is the 1970 census?

Mr. ZITTER. In theory, the longer the time period, the more difficult it is to make the estimate and the larger the error, but in practice we haven't been able to prove this. We do know that even over a short period, the error can be as large as over a long period. We don't know whether the errors accumulate or whether they sort of reach a certain level and stay fixed.

Mr. TERRY. So, there's no way of knowing that your estimates in 1979 are going to be worse than your estimates in 1972 and 1973?

Mr. ZITTER. We really don't know. The theory sounds like it should be, but we haven't been able to demonstrate it.

Mr. ROUSSELOT. You were here when Mr. Branch testified, and have you seen the study that they did?

Mr. ZITTER. No. I haven't seen the study and I haven't seen the statement. I was going to make one other comment, now that you mention it. He said something about having population estimates from two other Federal agencies, and I think he was misunderstanding the numbers that the agencies were putting out. Neither the IRS or BEA issue population estimates. There is only one source of population estimates in the Federal Government. That is the Bureau of the Census. The numbers he is referring to from IRS may either be their count of the number of tax returns filed or the number of people covered on tax returns. I know of no case where they issue population figures. Similarly BEA, BEA is a sister agency with us. It is part of the Department of Commerce and makes use of our figures.

Mr. ROUSSELOT. I believe Mr. Branch said that there might have been error in the 1970 census of around of 2 to 3 percent. Is that what you find?

Mr. ZITTER. Yes. The estimated undercount was about 2½ percent.

Mr. ROUSSELOT. And that's what he found in his study as it related to Massachusetts.

Mr. ZITTER. If he did it separately, yes.

Ms. SCHROEDER. I would like to pick up, too, on the young people undercount that was brought up. Do you think that that is valid and that the estimate, with the change in the living styles and your system of estimating, may be less apt to count the new 25 to 35 year olds?

Mr. ZITTER. Not necessarily. Our estimates of undercounts in 1970 show that the young mobile population is more likely to be missed than other groups.

Ms. SCHROEDER. By how much? Do you have any estimates?

Mr. ZITTER. Well, I don't have that with me, but let's say from what I recall, the 15 to 29 group—young male is much more undercounted than the other groups; perhaps two or three times as much in terms of rates. I don't have the figures in front of me, but we can provide it to the committee if they are interested.

Mr. ROUSSELOT. Well, both Mr. Branch and Mr. Ganz came up with that same conclusion separately that the age group, 25 to 34, were clearly undercounted due to mobility and other factors.

Mr. ZITTER. I am saying that in evaluating the census coverage that we do find that the young are missed more often. In making our updates, we generally try to get back at the census level—the census definition. We don't try to correct the 1970 census. In making our estimates we also do not attempt to estimate each of these age groups separately. We don't think we have the data that permits us to do that. Each of these groups would be a small component and it would be very difficult to estimate. We're talking about in the aggregate and the total. It's the total population figure that we are concerned with; that here many of these problems sort of average out; and that on the average the errors are much, much less than one might expect when they start examining each of the small components of a population.

Mr. ROUSSELOT. Yes; but their estimate of a miscount of the age 25 to 34 group was pretty substantial.

Mr. ZITTER. Yes. Well, when we say nationally we missed 2½ percent of the country—age by age is quite different. So, this is really built into our estimates as well.

Ms. SCHROEDER. So, if a city has a higher concentration of people in that one that you're missing a lot of, then you just multiply?

Mr. ZITTER. Possibly. I say possibly because—

Mr. ROUSSELOT. Well, why don't you take Mr. Ganz's testimony, since he detailed it to a greater extent than Mr. Branch, or maybe you'll get to see Mr. Branch's study also. We would really like your comment, I think, on that one specific element which I have not heard before.

Ms. SCHROEDER. Are you proposing hiring enumerators in a single's bar?

Mr. ROUSSELOT. I think I could take that job.

Ms. SCHROEDER. Now, we haven't heard testimony—

Mr. ROUSSELOT. I have never heard this before.

Ms. SCHROEDER. I think it's fascinating if we are seeing a reverse trend of young people in that area moving in and that your estimating procedures aren't picking them up because of the change in their life-styles or that they're not as apt to pick it up.

Mr. ROUSSELOT. They don't sit still long enough to get counted.

Ms. SCHROEDER. Or to buy cars or have babies.

Mr. ZITTER. Or if they file income tax—

Ms. SCHROEDER. Apparently they're not doing that, according to the Treasury Department.

Thank you very, very much. Thanks to every one for coming. We really found this most educational. This meeting is adjourned.

[Whereupon at 3:40 p.m., the hearing adjourned.]

[The statements which follow were received for the record.]

STATEMENT OF THOMAS P. O'NEILL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

I would like to open my statement by welcoming you and your Committee to Boston. It is indeed an honor to have you here, the city is graced by your presence. I am pleased to have the opportunity to address myself to the subject of your bill, H.R. 4948, which would require all Federal programs which use population as a factor in their allocation formulas to use the most updated population estimates available from the Bureau of the Census. It is always best to use the most accurate data available when developing and implementing Federal programs. As you may know, the Commonwealth of Massachusetts through Secretary of State Paul Guzzi's office is presently conducting a State census. The deadline for the completion of this census is November 10, 1975. Preliminary figures from this census indicates an increase in the Commonwealth's population over the 1970 Federal census.

As you know, the Office of Revenue Sharing of the U.S. Department of the Treasury has adopted a policy such as that outlined in H.R. 4948 and for my home town of Cambridge, Mass., the Bureau of Census estimate is 96,170; whereas, the 1970 Federal census showed a population of 100,361. In other words, the present estimate shows a purported four percent drop in population. Anybody who has looked for a place to live in Cambridge can tell you and, as you know from your days at Harvard Law School, there is not an empty apartment in this city, yet the Bureau of the Census is attempting to tell us that the population dropped approximately four percent while there has been a net increase of 3,078 housing units during the years 1970 to 1973.

If you assume an occupancy rate of 3.5 persons per unit, the increase in population would be approximately 10,773 more people now than in 1970. Thus it is interesting to note that the preliminary figures of the State census indicates an increase in population while the Federal estimates indicate a loss of population.

Common sense tells you that the City of Cambridge has not lost population. The Commonwealth of Massachusetts had 117 institutions of higher learning listed in the 1974 Education Directory of the U.S. Department of Health, Education and Welfare. These schools annually attract thousands of students who, after being in the Commonwealth for a semester or two, decide to make their home in Massachusetts. This is a unique factor which probably is not included in the estimation process utilized by the Bureau of the Census.

In conclusion, I applaud the Subcommittee on Census and Population for their interest in insuring that the U.S. Government have available to it the most recent data to utilize in implementing Federal programs, but it is my opinion that the committee should be wary of using estimates based on national averages which may unduly overstate or understate actual population figures which may vary dramatically from area to area and state to state.

STATEMENT OF HON. MICHAEL J. HARRINGTON, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MASSACHUSETTS

No one can reasonably argue against accurate and objective data evaluation of the composition of the population of the United States and of the Commonwealth of Massachusetts. One can, however, insist that the data on which so much of the nation's well-being depends be the best available and be immune to criticism on any grounds. The problem is the uses to which this data is put. The combination of less than perfect statistical data and unreasonable application of that data to the pressing needs of the people of the nation is what is at issue here today.

Although the intent and purpose of the legislation before you sounds good, the actual fact of the matter is that the results would be particularly unjust. The legislation would bring hardship to those regions and those people who are least able to bear that hardship. Our cities and our oldest urban centers are this country's major source of employment and the primary source of income. In many metropolitan areas, for example, per capita production in cities is twice that of the other components of the metropolis. Cities contribute in some instances more than one and one-half times as much money to the Federal treasury than they receive back in goods and services. And yet, the cities are the areas which suffer most from unemployment, cases of human hardship, and the blight of a faceless, characterless way of life. Any law that contributes further to this unjust situation, which this proposed law apparently will do, cannot be tolerated by a nation that prides itself in the search for equal opportunity for all its citizens and a reasonable concern for the well being of all its people.

The real problem, of course, lies with the administration of the distribution of federal aid. To base the grants solely or primarily on population data, however accurate, is to neglect other factors of equal or greater importance. Any revenue sharing program should base its appropriations on the particular socio-economic pattern of the area, the cost of living figures of the area, and the productive capacity of the area. Cities large and small still serve more of the needs of the country's people than in other areas of the country. The proposed legislation demonstrates the desire to ignore these factors and to worsen still further the relation of federal government with the urban areas of the country, and particularly the urban areas of the Northeast and Massachusetts.

In addition to all this, the Census Bureau's tools for measuring and estimating the population are hardly without major defects of their own. These tools fail to take into account the tendency of urban populations toward a more nomadic way of life. People in the cities are more mobile and are therefore not tied so closely to a permanent address, to voter registration lists, and to accurate birth and death records. Furthermore, people in cities—especially younger people—tend to use the automobile less than those in suburban or rural areas, so that to base any census information on automobile registration is to build into the process an automatic and serious error. Although an actual "head count" is perhaps beyond the realm of the feasible, any method of population evaluation which does not at least come as close as possible in its results to this method is clearly inadequate and unfair. Certainly it is wrong to determine essential human needs on this basis.

If the purpose of federal government revenue sharing is to be to take from the pockets of those who are most in need of it and put it into the pockets of those least in need of it—a sort of reverse Robin Hood role—then I for one will have lost one more strand of faith in this government's ability to reasonably deal with the needs of its people. Adoption of HR 4948 would show further insensitivity to

the proper role of government. I urge that HR 4948 be amended to take these considerations into account, or that otherwise it be rejected.

[From the Congressional Record, Aug. 22, 1974]

THE FEDERAL REVENUE SHARING EQUITY ACT

Mr. LEHMAN. Mr. Speaker, I have introduced the Federal Revenue Sharing Equity Act, H.R. 16524, to restore a full and equitable share of Federal revenue-sharing funds to local governments serving areas of rapid population growth.

In 1972, Congress reaffirmed our country's historic commitment to the vitality of State and local government by establishing a general Federal revenue-sharing program. This program returns Federal tax dollars to State and local governments to help them provide important public services.

By creating the Federal revenue-sharing program, Congress rejected the assumption that the centralized Federal Government in Washington knows best how to determine priorities and administer programs in local communities. Federal revenue sharing is a way for the Federal Government to support the States, counties, and municipalities as they seek to fulfill their responsibility for meeting the day-to-day needs of our citizens.

I have found, however, that the funds for the Federal revenue-sharing program are not being allocated fairly and equitably. The Department of the Treasury is still using population figures from the 1970 census in its revenue-sharing formula. It does not have the up-to-date population information on which to base a fair allocation of funds. Because the Treasury Department is relying on the last decennial—10-year—census for its population statistics, States and municipalities which have experienced rapid population growth since 1970 are being deprived of the badly needed Federal funds to which they are entitled.

The 13th Congressional District of Florida is one of the most rapidly growing areas in the Nation. Some local governments in my district have already doubled their 1970 population. Dade and Broward Counties are growing at a rate three times the national average.

I have found that seven rapidly growing cities and towns in my district will lose a total of over \$1 million in fiscal year 1975 alone because the Office of Revenue Sharing in the Treasury Department is using outdated population data. Dade County, Fla., together with its municipalities will lose an estimated \$3 million. Broward County and its municipalities will lose approximately \$2.7 million in fiscal year 1975. These annual losses will grow even larger in the years before 1980—when the next decennial census will be conducted—as the 1970 figures become increasingly outdated for areas of ever-growing population.

The tables below outline the current impact of the use of this outdated population data on local governments in the 13th Congressional District of Florida:

REVENUE SHARING LOSSES FOR SELECTED LOCAL GOVERNMENTS IN FISCAL YEAR 1974—
13TH CONGRESSIONAL DISTRICT, FLORIDA

Government	1970 population ¹	1973 population (estimate) ²	3-year growth	Per- cent growth	Revenue sharing fiscal year 1974 ³	Revenue sharing per capita fiscal year 1974 ⁴	Revenue sharing loss fiscal year 1974 ⁵
Dade County total (29 govern- ments).....	1, 276, 792	1, 373, 609	105, 817	8	\$25, 326, 080	\$19.98	\$2, 114, 223
Hialeah.....	102, 452	117, 346	14, 894	14	1, 187, 981	11.59	172, 621
Hialeah Gardens.....	492	1, 076	584	119	5, 205	10.58	6, 178
North Miami.....	34, 767	42, 970	8, 203	24	247, 209	9.99	81, 947
North Miami Beach.....	30, 723	34, 463	3, 740	12	381, 973	12.43	46, 488
Opa Locka.....	11, 902	12, 924	1, 022	9	266, 537	22.39	22, 882
Dade County.....	1, 257, 792	1, 373, 609	105, 817	8	12, 837, 013	10.12	1, 070, 868
Broward County total (31 governments).....	620, 100	769, 419	149, 319	24	7, 550, 196	12.18	1, 818, 705
Hallandale.....	23, 849	32, 292	8, 443	35	303, 012	12.70	107, 226
Miramar.....	23, 973	27, 132	3, 159	13	165, 766	6.91	21, 828
Broward County.....	620, 100	769, 419	149, 319	24	2, 003, 162	3.23	482, 300

¹ Source: U.S. Bureau of the Census.

² Division of Population Studies, Bureau of Economic and Business Research, University of Florida.

³ Payment Summary, Office of Revenue Sharing, U.S. Department of the Treasury.

⁴ Total fiscal year 1974 allocation divided by 1970 population, the basis for the fiscal year 1974 allocations.

⁵ Per capita revenue sharing allocation multiplied by population increase since the 1970 census, the basis for the 1974 allocations.

REVENUE SHARING LOSSES FOR SELECTED LOCAL GOVERNMENTS IN FISCAL YEAR 1975—13TH CONGRESSIONAL DISTRICT, FLORIDA

Government	1970 population ¹	1974 population (estimated) ²	4-year growth	Percent growth	Revenue sharing fiscal year 1975 (estimated) ³	Revenue sharing per capita fiscal year 1975 ⁴	Revenue sharing loss fiscal year 1975 ⁵
Dade County total (29 gov- ernments)-----	1,267,792	1,405,202	137,410	11	\$28,574,988	\$22.54	\$3,097,221
Hialeah-----	102,452	132,233	29,781	29	1,371,464	13.39	298,767
Hialeah Gardens-----	492	2,000	1,508	306	6,928	14.08	21,232
North Miami-----	34,767	42,970	8,203	24	437,929	12.60	103,357
North Miami Beach-----	30,723	34,463	3,740	12	383,480	12.48	46,675
Opa Locka-----	11,902	16,561	4,659	39	317,685	26.69	124,348
Dade County-----	1,267,792	1,405,202	137,410	11	14,514,607	11.45	1,573,344
Broward County total (31 governments)-----	620,100	815,584	195,484	31	8,581,674	13.84	2,705,498
Hallandale-----	23,849	44,650	20,801	87	393,823	16.51	343,424
Miramar-----	23,973	30,264	6,291	26	147,076	6.13	38,563
Broward County-----	620,100	815,584	195,484	31	2,259,287	3.64	711,561

¹ Source: U.S. Bureau of the Census.

² Source: Testimony of local officials at hearings of the Subcommittee on Census and Statistics of the Committee on the Post Office and Civil Service of the House of Representatives, May 31, 1974. The 1973 population estimates of the University of Florida's Bureau of Economic and Business Research were used for the cities of North Miami and North Miami Beach because no 1975 estimates were available.

³ Payment Summary, Office of Revenue Sharing, U.S. Department of the Treasury.

⁴ Total fiscal year 1975 allocation divided by 1970 population, the basis for the 1975 allocations.

⁵ Per capita revenue sharing allocation multiplied by population increase since the 1970 census, the basis for the 1975 allocations.

Soon after I came to Congress, I began to search for a way by which the rapidly growing municipalities in the 13th District could have their Federal revenue sharing payments increased to reflect their rapid growth.

Since revenue sharing formulas were locked into the 1970 census figures, I sought to update the figures used for revenue sharing for high growth areas.

On February 13, 1973, I first wrote to the Director of the Census Bureau to inquire about proposed new data-gathering techniques which might produce new population statistics accurate enough for use in the apportionment of Federal funds.

In March 1973, the Census and Statistics Subcommittee of the Post Office and Civil Service Committee, of which I am a member, announced that it was to hold hearings on legislation to provide for a mid-decade census of population which could provide figures for updating the revenue sharing apportionment.

On March 13, 1973, I responded to the subcommittee's announcement, noting in my letter to subcommittee Chairman Dick White:

"The velocity of growth in Florida's 13th District is so great that 1970 census data is misleading as a criterion for allocating Federal revenue sharing and other local programs which are partially funded by the Federal and State governments."

When the mid-decade census hearings opened on April 9, 1973, I told the subcommittee that the 1970 census figures had no validity for the 13th District.

I supported a mid-decade census which would properly serve areas of rapid growth.

In response to my request, statements in support of the mid-decade census were submitted for the hearing record by Opa Locka City Manager William Griffiths and Hallandale Assistant City Manager Robert Bensko.

Since the cost of a full formal mid-decade census was estimated at a prohibitive \$300 million and because a full census every 5 years is not needed in every area of the Nation, the Census and Statistics Subcommittee decided to begin work in May 1973, on a bill which would authorize a mid-decade sample survey, rather than a full mid-decade census as had been previously proposed.

In anticipation of the subcommittee's deliberations on this bill, I formulated an amendment to assure that rapidly growing municipalities would have a full census.

As I wrote to each of my colleagues on the subcommittee on April 18, 1973:

"This amendment is designed to answer the rising complaints we have all been receiving from those towns in our districts which, due to a high growth rate, are not getting their fair share of revenue sharing funds.

"The amendment provides that in addition to a mid-decade sample survey, a full census will be held in those areas whose growth rates since the last full census have doubled that of the whole nation."

During the debate on the amendment in the subcommittee, I learned that the administration would insist that all areas, including those with little growth, must have updated population figures. I was forced to withdraw by amendment, but I did not give up my search for a way to increase the revenue sharing payments to the rapidly growing municipalities in the 13th district. The new Federal Revenue Sharing Equity Act which I have introduced will provide updated population data on all areas and should meet the objections of the administration.

In the spring of 1974, I asked Census and Statistics Subcommittee Chairman Dick White to bring the subcommittee to south Florida to hear from local officials on the impact of rapid population growth on Federal aid to local governments. These hearings took place in the North Miami City Hall on May 31, 1974.

Testifying before the subcommittee that day were Hialeah Mayor Dale Bennett, North Miami Mayor John Stembridge, North Miami Beach Mayor James Reardon, Opa Locka City Manager William Griffiths, Hialeah Gardens Town Council President A. C. Ramsay, Miramar City Clerk Joseph Tagg, Metro-Dade County Community Improvement Program Director James Paisley, and Hallandale Mayor Milton Weinkle.

The subcommittee learned that while many local governments across the Nation have been able to lower or at least hold down local taxes because of added revenue sharing funds, the rapidly growing communities of south Florida are under pressure to raise taxes. The need for new sewer, water, and recreation facilities and the pressures for increased and improved fire and police protection are especially acute. While it was these services which Federal revenue sharing was designed to aid, the areas which need this assistance the most are effectively discriminated against in the allocation of funds.

Hearing testimony from officials of cities and counties in south Florida, the subcommittee found that revenue sharing losses sustained by growing communities have contributed to the financial strains on local governments.

Water usage in the city of Hialeah has increased 31 percent in the last 4 years and the city is handicapped by sewage treatment problems, according to Hialeah Mayor Dale Bennett. This pressure on the city's resources will not be relieved in the near future. With population expected to grow as fast or faster than it already has, the loss of \$172,621 in fiscal year 1974 and \$298,767 in fiscal year 1975 increases the difficulty of providing adequate municipal services in Hialeah.

Construction now underway in North Miami is expected to push the city's population over 50,000 in the near future, up from the 1970 census figure of 34,767, according to Mayor John Stembridge. While North Miami will have the sewage and recreational needs of a rapidly growing city of over 50,000 residents, it will receive revenue sharing funds for a city of less than 35,000. The city is already experiencing a loss of \$81,947 for fiscal year 1974 and \$103,357 for fiscal year 1975. North Miami might have been able to lower local taxes—achieving one of the primary goals of the Revenue Sharing Act—if the city had received a share of Federal funds proportionate to its current population.

The city of North Miami Beach needs revenue sharing funds for the expansion of services most directly resulting from population increases such as transportation, traffic engineering, waste disposal, and police and fire protection, North Miami Beach Mayor Jay Reardon told the Census and Statistics Subcommittee. In describing one of many problems, Mayor Reardon told the subcommittee that the city must face the possibility of having to construct a new fire station equipped with costly vehicles to service new highrise dwellings. The city of North Miami Beach was deprived of \$46,488 in fiscal year 1974 and \$46,675 in fiscal year 1975, according to my estimates, because of the failure to use up-to-date population figures in the Federal revenue sharing distribution formula.

The growth problems of Opa Locka have strained the city's capacity to provide basic services to all its residents, Opa Locka City Manager William Griffiths told the subcommittee. The city is under a moratorium on water because the Opa Locka water plant is not sufficient to supply the necessary water for new residents. As with the sewer and traffic problems that the city faces, the water situation requires very expensive solutions. With a current millage of 9.7 and a cap of 10, the prospects of increasing local revenue by raising local taxes are dim.

The only source in many cases for additional funds is Federal revenue sharing. It is this great need for revenue sharing funds which makes especially inequitable and distressing the city's loss of an estimated \$22,882 in fiscal year 1974 and \$124,348 in fiscal year 1975.

The population boom in the town of Hialeah Gardens is one of the most startling examples of rapid growth in the 13th district. While the Census Bureau found only 492 people in the town in 1970, the population has already reached 2,000 and is

expected to reach 22,000 to 50,000 within the next 4 or 5 years alone, according to A. C. Ramsay, president of the Hialeah Gardens Town Council. With an estimated revenue sharing loss of \$6,178 in fiscal year 1974 and \$21,232 in fiscal year 1975, the town is simply not in a position to expand and extend water and sewer lines and provide the other services that a town of 22,000 or more will require. "We certainly need all of the Federal support that we are entitled to," Ramsay told the subcommittee. "I am sure we are not asking for something that we are not entitled to."

The city of Hallandale is also financially strained by the need to expand its municipal services, Mayor Milton Weinkle told the Census and Statistics Subcommittee. Hallandale has almost doubled in population since 1970 and clearly does not receive a proportionate share of Federal revenue sharing funds to provide services to these new residents. Hallandale is also deprived of revenue sharing funds for the many winter residents for whom it must maintain year-round facilities.

Approximately one-quarter of the city's people have second residences in northern cities and were not in Hallandale when the census was taken in the spring of 1970. While the city does not receive revenue-sharing funds for these residents, the city has to provide municipal services for them all year. Police, fire, water resources, and sewage treatment capacity must be based on the peak winter population. Hallandale's Assistant City Manager John Kooser explained to the subcommittee that:

"As municipalities have to provide an ever-increasing technical level of service to their community, they've got to hire more skilled and more professional type employees, and policemen, sewage treatment plant operators, and so forth and so on, which require a very high level of expertise. These people just can't be laid off during certain months because the population has decreased during those months."

Restoration of the \$107,226 in Federal revenue-sharing funds that the city lost in fiscal year 1974 and the \$343,424 under-allocation for fiscal year 1975 would certainly ease the burden on the city of Hallandale.

The city of Miramar, with a 26-percent population increase since the 1970 census, is in need of money to be able to go forward with long-range projects, capital improvements, and to update its police and fire departments, Miramar City Clerk Joseph Tagg told the subcommittee. Because there is no metropolitan government in Broward County—as there is in Dade County—the full brunt of providing these required services falls on the city. The loss of \$21,828 in Federal revenue sharing funds during fiscal year 1974 and the fiscal year 1975 under-allocation of \$38,563 have contributed to the drain on Miramar's financial resources.

Mr. Speaker, to guarantee that these local governments which serve areas of rapid population growth receive a full and equitable share of Federal revenue-sharing funds, Congress, should direct the Bureau of the Census to formulate annually updated population estimates for each unit of general government within the United States participating in the general revenue sharing program and to report this data to the Secretary of the Treasury so that revenue sharing funds can be allocated to meet the needs of the people in these rapidly growing areas. It is for this reason that I have introduced the Federal Revenue Sharing Equity Act.

Formulation of population estimates does not require the extensive and expensive work that goes into each decennial census. The subcommittee has found that such estimates can be made inexpensively and accurately by making use of other evidence of population growth. Almost half the States conduct censuses of even the smallest municipalities using water usage figures, numbers of building permits, telephone installations, and use of gas and electricity. These surveys are in most cases quite reliable.

In Florida, the Division of Population Studies of the University of Florida's Bureau of Economic and Business Research conducts a highly scientific study each year which is used as a basis for Florida's own State revenue-sharing program. The basic unit for this study is housing. The bureau makes use of information on building permits, demolitions, and mobile homes, as well as data from active residential electric customers, residential water meters, garbage collection, and sewer customers. Two independent estimates of population for the State and each county and municipality are derived wherever possible, one using the building permit data and the other the utility data. When these two estimates are significantly different, careful reexamination of the two original data sources is made to determine the cause of the discrepancy and the validity of the data sources.

If the State of Florida can develop annually updated population statistics which are accurate enough for the State's own revenue-sharing program, then the Census Bureau should certainly be able to develop such statistics for the Federal revenue-sharing program.

In short, Mr. Speaker, everyone knows where the people are. The State governments know. The local governments know. The utility companies know. It is derelict of the Federal Government to be so far behind in collecting the up-to-date information needed for the fair and equitable allocation of Federal revenue-sharing funds.

The Federal Revenue Sharing Equity Act directs the Bureau of the Census to make use of the best available means to gather the annual population information needed to insure that the rapidly growing areas of our country which are most in need of Federal revenue-sharing funds receive a full and fair share of this vital Federal assistance.

I urge my colleagues to support the Federal Revenue Sharing Equity Act.

At this point I would like to include the text of H.R. 16524, the Federal Revenue Sharing Equity Act for the attention and interest of my colleagues.

"H.R. 16524

"A bill to amend subchapter IV of chapter 5 of title 13, United States Code, to provide for the development of certain estimates of population in 1975 and every intercensal year thereafter, and for other purposes

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

"SHORT TITLE

"SECTION 1. This Act may be cited as the "Federal Revenue Sharing Equity Act of 1974".

"FINDINGS AND PURPOSE

"SEC. 2. (a) The Congress finds that—

"(1) many Federal legislative programs such as the Revenue Sharing Act of 1972, which involve the disbursement of Federal funds to State, county, municipal and other local governments, rely on population statistics in order to allocated those funds;

"(2) population data developed from the 1970 decennial census and now in use by these programs does not accurately indicate the current population of areas of rapid population growth;

"(3) local governments serving areas of rapid population growth are in great need of a full and equitable share of Federal revenue sharing funds, are rightfully entitled to such a share of funds, and are not now receiving their full and equitable share of Federal revenue sharing funds;

"(4) the Bureau of the Census has the capability to formulate accurate up-to-date estimates of population in areas of rapid growth without conducting a full and formal census.

"(b) The purpose of this Act is to direct the Bureau of the Census to develop annually updated population estimates for each unit of general government within the United States participating in general revenue sharing and other Federal legislative programs and to report such data to the Secretary of the Treasury.

"AMENDMENT OF TITLE 13, UNITED STATES CODE

"SEC. 3. (a) Subchapter IV of chapter 5 of title 13, United States Code, is amended by adding at the end thereof the following new section:

" § 182. Intercensal population estimates

" (a) The Secretary shall, in 1975 and every intercensal year thereafter, identify each unit of general government existing within the United States as of the first day of April of that year and shall develop an estimate of the population residing within the jurisdiction of each such unit. Each such estimate shall relate to the first day of April of the year to which it pertains. The Secretary shall establish the methods to be utilized in formulating the estimates, giving due account to considerations of feasibility, cost, and required data accuracy and shall report such estimates to the Secretary of the Treasury.

" (b) As used in this section—

" (1) "intercensal year" means every year other than a year in which a census of population, unemployment, and housing shall be taken pursuant to section 141 of this title; and

" (2) "unit of general government" means the government of the United States, any State, county, city, town, parish, or any other such governmental unit which performs general decisionmaking functions, not including school boards or any other such special purpose agency."

"(b) The table of section of chapter 5 of title 13, United States Code, is amended by inserting—

"'182. Intercensal population estimates.' immediately below—

"'181. Surveys.'"



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