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P 81 THE USE OF CURRENT POPULATION DATA IN THE ADMINISTRATION OF FEDERAL LAWS


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KANSAS UNIVERSITY BEFORE THE

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HEARING

BEFORE THE

COMMITTEE ON

OFFICE AND CIVIL SERVICE

UNITED STATES SENATE

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

S. 1009

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

JULY 28, 1975

Printed for the use of the
Committee on Post Office and Civil Service



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POST OFFICE

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THE HISTORY OF THE

The history of the world is a long and varied one, encompassing the lives of countless individuals and the rise and fall of numerous civilizations. From the ancient world to the modern era, the human experience has been shaped by a complex interplay of social, political, and economic forces. The study of history allows us to understand the patterns of human behavior and the consequences of our actions, providing a valuable perspective on the world we live in today.

In the early days of human existence, our ancestors lived in small, nomadic groups, relying on hunting and gathering for survival. Over time, these groups evolved into more complex societies, with the development of agriculture and the establishment of permanent settlements. This period of human history is marked by significant technological and cultural advancements, as well as the emergence of major world religions and philosophies.

The rise of the Roman Empire in the Mediterranean region and the spread of Christianity throughout the world are key events in the history of the West. The Middle Ages saw the growth of feudalism and the rise of powerful monarchies, while the Renaissance and the Age of Discovery opened up new horizons for exploration and trade. The Industrial Revolution of the 18th and 19th centuries transformed the world, bringing about unprecedented economic growth and technological progress, but also leading to social inequalities and environmental challenges.

The 20th century has been a period of great turmoil and change, characterized by two world wars, the Cold War, and the civil rights movement. The end of the century has seen the fall of the Soviet Union and the emergence of a new global order, with the United States and other major powers vying for influence. The challenges of the 21st century, such as climate change, terrorism, and global inequality, require a new approach to international relations and a renewed commitment to human progress and peace.

THE USE OF CURRENT POPULATION DATA IN THE ADMINISTRATION OF FEDERAL LAWS

MONDAY, JULY 28, 1975

U.S. SENATE,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The Committee met, pursuant to notice, at 10:04 a.m., in room 6202, Dirksen Senate Office Building, Hon. Gale W. McGee (chairman of the committee) presiding.

Also present: Senator Fong.

Staff member assisting: Arthur Eck, professional staff member.

OPENING STATEMENT OF CHAIRMAN McGEE

The CHAIRMAN. The committee will come to order.

This hearing of the Senate Post Office and Civil Service Committee is convened to consider S. 1009, a bill to adjust the procedures and the dates for compiling current data on population between censuses.

The point of this proposal is an obvious one. Nearly all serious students of contemporary life today are joined in their concern over the rapid change and over how quickly population-based formulas become outdated.

So this, very frankly, is an attempt to keep the population element in revenue sharing and other matching fund programs current. Even in our rather more remote areas of the United States, such as Wyoming, particularly in those areas impacted by the onslaught of rapid energy development, we find that the population figures are running away from us almost on a weekly basis.

We appreciate in our small way what has been for a long time a massive problem in the more populous areas of the United States. And so it will be our purpose in this hearing to review the various attributes of this proposed piece of legislation and to hear from the Bureau of the Census itself the implications for such a mandate by congressional legislation.

We were all set up for this hearing just the morning that the new fracas in the Senate, which set everything back for awhile, got underway; and it had nothing to do with the proposal. It had only to do with the coincidence that it was a Monday morning and because there was objection in the Senate to taking up new legislation or proceeding with hearings of any sort.

So we are now trying to get back on the track again, and we are pleased to have Senator Stone, who has taken the lead in this proposal over here in the Senate, officials from the State of Florida at all levels and the Director of the Bureau of the Census.

For the record, at this point, I request that a copy of S. 1009 with the agency views be inserted.

[The aforementioned follows:]

94TH CONGRESS
1ST SESSION

S. 1009

IN THE SENATE OF THE UNITED STATES

MARCH 7, 1975

Mr. STONE (for himself, Mr. CANNON, Mr. CHILES, Mr. CRANSTON, Mr. DOMENICI, Mr. HANSEN, Mr. HASKELL, Mr. MCGEE, Mr. MONTOYA, and Mr. STEVENS) introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) subchapter IV of chapter 5 of title 13, United
4 States Code, is amended to read as follows:

5 "SUBCHAPTER IV—CURRENT INTERIM DATA

6 "§ 181. Population

7 "During the intervals between decennial censuses of pop-
8 ulation under section 141, the Secretary shall annually pro-

1 duce and publish for each State, county, and local unit of
2 general purpose government which has a population of fifty
3 thousand or more, current data on total population and shall
4 biennially produce and publish for other local units of general
5 purpose government current data on total population. Such
6 data shall be produced and published for each State, county,
7 and other local unit of general purpose government for which
8 data is compiled in the most recent census of population taken
9 under section 141. Such data may be produced by means of
10 sampling or other methods which the Secretary determines
11 will produce current, comprehensive, and reliable data.

12 **“§ 182. Other current data**

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

17 **“§ 183. Use of most recent population data**

18 “In the administration of any law of the United States
19 in which population is used to determine the amount of
20 benefit received by State, county and local units of general
21 purpose government, the data most recently produced and
22 published pursuant to section 181 shall be used except with
23 respect to any date or period of time for which the census of
24 population taken under section 141 is the most recent data.
25 The preceding sentence shall apply with respect to any such

1 law whether or not such law makes reference to the census
2 of population taken under section 141.

3 **“§ 184. Definition**

4 “For purposes of this subchapter, the term ‘local unit of
5 general purpose government’ means the government of a
6 county, municipality, township, or other unit of government
7 below the State which is a unit of general government.”.

8 (b) The table of contents for chapter 5 of title 13,
9 United States Code, is amended by striking out
“181. Surveys.”

10 and inserting in lieu thereof

“181. Population.

“182. Other current data.

“183. Use of most recent population data.

“184. Definition.”.

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

18 (b) Not later than one year after the date of the enact-
19 ment of this Act, the Secretary and the Director shall report
20 to the Committees on Post Office and Civil Service of the

1 Senate and House of Representatives with respect to progress
2 made toward the development and establishment of the
3 methods and procedures described in subsection (a).

4 (c) Nothing in subsection (a) or (b) shall be con-
5 strued as to limit the present authority of the Office of Man-
6 agement and Budget to develop and promulgate statistical
7 standards and authority under the Federal Accounting and
8 Procedure Act of 1950.



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

JUL 3 1975

Dear Mr. Chairman:

Reference is made to your request for the views of this Department on S. 1009, "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."

The bill, *inter alia*, would provide that during intervals between decennial censuses, there would be published annually for each State, county, and local unit of general purpose government which has a population of fifty thousand or more, current data on total population. Current data for other local units of general purpose government would be published biennially. The bill would require the use of most recent population data for certain Federal programs in which population is a factor including general revenue sharing. The bill would define a "local unit of general purpose government" as the government of a county, municipality, township, or other unit of government below the State which is a unit of general government.

The remarks of Senator Montoya, co-sponsor of S. 1009, which appear on pages S. 3395-96 of the Congressional Record for March 7, 1975, indicate that the bill is intended to correct the unjust situation where the population factor in a funding formula fails to accurately reflect the rapid growth in States between decennial censuses.

The State and Local Fiscal Assistance Act of 1972 (Act), in determining the allocation of revenue sharing funds to States applies whichever of two formulas, the three-factor formula or five-factor formula, yields the greater allocation. The revenue sharing allocation for local governments is determined by a single formula. All formulas contain the factor of population which is to be "determined on the same basis as resident population is determined by the Bureau of the Census for general statistical purposes."

The population of States that will be used for revenue sharing purposes in Entitlement Period 6 (July 1, 1975 to June 30, 1976) will be the 1974 population of States which represents the provisional estimates of the total resident population of the States

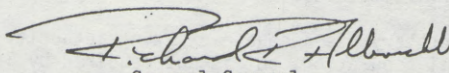
as of July 1, 1974. However, for Entitlement Period 6, the population of a unit of local government for revenue sharing purposes will be the resident population as of July 1, 1973 as determined by the Bureau of the Census. Section 109(a) (7) (A) of the Act requires that the "data used shall be the most recently available data provided by the Bureau of the Census or the Department of Commerce, as the case may be." Section 109(a) (7) (B) of the Act gives the Secretary discretion to use such additional data (including data based on estimates) as may be provided for in regulations where the Secretary determines that the data referred to in subparagraph (A) is not current enough or is not comprehensive enough. Thus, for some governments, the bill would require use of more recent data than is now being used. For others, the data now being used would be the same as that required by the bill.

The Department is opposed to the mandatory requirement that "[i]n the administration of any law of the United States in which population is used to determine the amount of benefit received by State, county and local units of general purpose government, the data most recently produced and published ... shall be used..." (Emphasis supplied.) We interpret this language to require the use of the annual and biennial data by the Office of Revenue Sharing. In this respect, S. 1009, does not provide for equity as far as the administration of the revenue sharing program is concerned, since it requires the use of some population data which is more current than other population data for competing units of local governments. Enactment of this provision would raise the issue of the flexibility in use of population data now provided by section 109(a) (7) (B) of the Act.

In addition, the definition of "local unit of general purpose government" should include Indian tribes and Alaskan native villages which are included under section 108(d) (1) of the Act.

The Department has been advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the submission of this report to your Committee.

Sincerely yours,



Richard E. Albrecht
General Counsel

Richard E. Albrecht

The Honorable
Gale McGee, Chairman
Committee on Post Office
and Civil Service
United States Senate
Washington, D. C. 20510



GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE
Washington, D.C. 20230

JUL 11 1975

Honorable Gale W. McGee
Chairman, Committee on Post Office
and Civil Service
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

This is in response to your request for the views of this Department on S. 1009, 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."

We are opposed to enactment of S. 1009 in its present form for the reasons set forth below.

The bill would amend title 13 of the United States Code by striking out section 181 and inserting in lieu thereof four new sections. The proposed section 181 would require the Secretary of Commerce to produce and publish estimates of total population annually for each state, county, and local unit of general purpose government which has a population of 50,000 or more, and to produce and publish such estimates biennially for other local units of general purpose government. The units of government for which estimates are produced shall be the same as those for which data are compiled in the most recent decennial census of population, and the data may be produced by means of sampling or other appropriate methods.

The Secretary has adequate existing authority to produce current estimates on total population, but is not required by law to do so. The Bureau of the Census maintains a program of producing and publishing population estimates on an annual basis. The program has expanded gradually over the years as better source materials for compiling population estimates have become available. At the present time, estimates are produced regularly for states, counties, and selected large standard metropolitan statistical areas (which consist primarily of groups of counties). The ability to produce these data depends heavily on the quality, completeness, and availability of various kinds of administrative records, including, for example, birth and death registration data, and local government data on school enrollment.

Several years ago research undertaken by the Census Bureau demonstrated that by using residence information available from individual Federal tax returns, the Bureau could prepare population estimates of generally satisfactory reliability for local units of government other than states and counties. This development recently led to the compilation of population estimates for all local units of government that qualify for general revenue sharing funds in accordance with the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512).

The present ability to produce these estimates, even for cities of 50,000 or more inhabitants, depends largely on the Bureau's continuing access to selective data from tax returns which are made available by the Internal Revenue Service in accordance with existing law. There are legislative proposals pending before the Congress which would, if enacted, eliminate the Bureau's access to tax return information for statistical purposes. We would then be unable to comply in any reasonable fashion with the requirements of S. 1009 as now worded.

The existing program of current population estimates is essentially a complex byproduct of available administrative records from Federal, state, and local agencies. The Bureau has no fundamental control over the availability of these data sources. It depends on the existing Federal laws that govern the transfer of Federal administrative information to the Bureau solely for statistical purposes, and the long-standing cooperation of state and local agencies that assist the Bureau by providing administrative data from non-Federal sources.

It is essential that the requirements of S. 1009 be flexible enough to recognize the uncertainties referred to above. We suggest that the following wording be substituted for proposed new section 181, beginning on page 1, line 7 of the bill:

"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 by the Secretary with respect to the frequency of producing the data and the number of areas for which reliable data can be produced.

The proposed substitute wording would eliminate a separate problem with the words "...for which data is compiled in the most recent census of population..." on page 2, lines 7 and 8. The units of government for which population estimates might be prepared are not necessarily the same as the units of government for which data are compiled from the decennial census

of population. The population census includes Puerto Rico and several of the outlying areas under United States jurisdiction. However, these are areas for which the Bureau of the Census is not able to prepare reliable population estimates for units of government within those areas because of inadequate data sources and other limitations.

The proposed new section 182 is a modified version of existing section 181 of title 13. It is not clear what is intended by the parenthetical phrase, "other than population", on page 2, line 15 of the bill. Existing section 181 constitutes the present authority to conduct population surveys, including the Current Population Survey conducted each month for the purpose of producing data on employment and unemployment. In order to retain the present scope of authority contained in existing section 181, the parenthetical phrase, "other than population", which now appears in proposed section 182 should be deleted.

We believe the proposed new section 183 is inappropriate as an amendment to title 13. This title, the census code, is now limited - and should be properly limited - to provisions concerned with the authorities and responsibilities of the Secretary of Commerce and the Bureau of the Census regarding the censuses, surveys, and other activities required or authorized by the title. The census code is not the desirable place to codify requirements affecting all departments and agencies of the executive branch.

We recommend deleting the proposed section 183 from the bill, and moving the matter pertaining thereto to section 2 of the bill.

New section 183 as now worded would require that data produced pursuant to new section 181 shall be used in the administration of any law of the United States in which population is used to determine the amount of benefit received by state, county, and local units of general purpose government, except when the most recent data are from the decennial census of population. This requirement is unworkable because of its inflexibility. Despite the recent trend toward the consolidation of Federal grant programs and the increasing use of uniform data produced by the Bureau of the Census, there is still a large number of Federal programs which utilize a variety of statistics and formulas other than or in addition to total population to determine benefits. Some of the statistical information is produced by Federal departments and agencies other than the Bureau of the Census, some of the information is produced by state and local agencies by methods not subject to Federal control, and some information is compiled by applicants or potential recipients of Federal grants in accordance with regulations that require or permit the use of information which is not necessarily statistical in nature. It would be virtually impossible and perhaps counter-productive to revise all of the guidelines and regulations governing the administration of Federal program benefits in which population is a factor in order to utilize uniformly the population estimates prepared by the Bureau of the Census.

The objective of greater uniformity with respect to the use of current population estimates is laudable. We suggest an alternative approach below as part of the discussion of section 2 of the bill.

The proposed new section 184 (which would be renumbered 183 in accordance with comments above) defines the term "local unit of general purpose government" to mean a government of a county, municipality, township, or other unit of government below the state level which is a unit of general purpose government. Since the definition is applicable to the areas for which population estimates would be required by the proposed section 181, it should be made clear that the Bureau of the Census would determine which areas are to be identified for the purpose of producing reliable estimates. We recommend adding the following words, beginning on page 3, after line 7 of the bill: "The units of government to be included within the meaning of the term shall be determined by the Bureau of the Census in accordance with its ability to produce and publish comprehensive and reliable data."

Section 2(a) of the bill directs the Secretary of Commerce and the Director of the Office of Management and Budget (OMB) to initiate jointly 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.

This wording presents two problems. First, the techniques and methods employed by the Bureau to produce statistical information are very detailed and complex, and it is impractical to assign a significant responsibility for the further development of such methods to OMB. OMB already exercises general oversight of Federal statistical programs, and it can and does issue guidelines and circulars requiring the adoption of uniform practices and methods with respect to statistical activities, when uniformity is desirable and feasible for all of the components of the executive branch. Second, the development and establishment of uniform methods and procedures with respect to statistical information should not be limited to a joint effort between OMB and a single department. The effort should be a common endeavor throughout the executive branch under the direction of OMB.

If S. 1009 were modified in accordance with the above suggestions, this Department would not object to its enactment.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this report to your Committee from the standpoint of the Administration's program.

Sincerely,

Karl E. Bakke

General Counsel

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

July 23, 1975

B-78395

The Honorable Gale W. McGee
Chairman, Committee on Post Office
and Civil Service
United States Senate

JUL 24 1975

Dear Mr. Chairman:

This refers to your request for our views on S. 1009, 94th Congress, 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.

The bill would rescind the present 13 U.S.C. § 181 (1970) which gives the Secretary of Commerce discretion in making surveys to produce annual or other interim current data on the subjects covered by the censuses, and require that the Secretary annually produce and publish current data on total population for each State, county and local unit of general purpose government with a population of 50,000 or more and biennially produce and publish current data on total population for other local units of general purpose government. The bill would further require that the data most recently produced be used in the administration of any law in which population is used to determine the amount of benefit received by the State, county and local units of general purpose government. Section 2 of the bill would require the Secretary of Commerce and Director of the Office of Management and Budget to jointly establish uniform methods and procedures to be used by the Bureau of the Census and other bureaus and components of the executive branch in producing statistical information and to report their progress in this regard within a year from enactment to the Committees on Post Office and Civil Service of the House and Senate.

We believe there is merit in maintaining accuracy of the population data used for the administration of Federal law. To this end, we believe that S. 1009 is a valuable and desirable modification of the present law. However we would invite your consideration to several matters contained in the bill.

First, we would suggest that rather than legislatively requiring annual and biennial censuses based on the population within a

governmental unit, as now provided for in the bill, it would be more effective for the Secretary of Commerce in conjunction with the Director of the Office of Management and Budget to establish criteria on the frequency interval between population estimates and let this determine when the population data should be developed. The reliability of annual and biennial estimates as required by the bill could be a problem since sampling methods produce population estimates which have a degree of error. This error tends to be relatively high for governments with small populations and relatively small for governments with larger populations. Thus, population estimates made at frequent intervals may result in changes in population figures which do not reflect real changes in population but are the result of errors in estimating which require subsequent corrective adjustments. We suggest that the first sentence of section 1 of the bill pertaining to section 181 be modified as follows:

"§ 181. Population

"The Secretary of Commerce and the Director of the Office of Management and Budget shall jointly draft and implement criteria on the frequency of gathering data on the current population in each State, county, and local unit of general purpose government between the decennial censuses of population. In accordance with such criteria, the Secretary of Commerce shall produce and publish the population data."

The last sentence of section 181 should also be modified to include reference to the Director of the Office of Management and Budget. It would read as follows:

"Such data may be produced by means of sampling or other methods which the Secretary and the Director of the Office of Management and Budget determine will produce current, comprehensive, and reliable data."

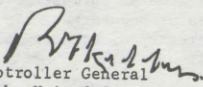
In connection with the development of population data, there is the problem of "undercount," which is the failure or inability to account for all persons. The Bureau of the Census estimates that the population undercount in the 1970 decennial census was 5.3 million people. This problem is particularly centered in counting those in the lower economic levels. In addition, the Immigration and Naturalization Service estimates that there are between 4 and 12 million illegal aliens residing in the United States, with concentrations in certain geographical areas, who are not included in the decennial census.

In our opinion, the size of the uncounted population, the 5.3 million undercount and the 4 to 12 million illegal aliens, is of such magnitude as to warrant specific mention in the statute regarding the currency and comprehensiveness of the population data. To this effect we recommend the following addition to the final sentence of section 181 as follows:

"* * * with particular concern for that portion of the population uncounted in the last decennial census, including aliens illegally present in this country."

Finally, we would suggest that it would be valuable for a review to be made of all Federal laws which provide benefits on the basis of population data. Although we know of no law in which the most current population data would not be appropriate as a basis for its operation, it is conceivable that exceptions might be desirable or necessary in certain cases. Therefore the Committee might want or need to make an adjustment in the bill accordingly.

Sincerely yours,


Deputy Comptroller General
of the United States



GENERAL COUNSEL

OFFICE OF THE SECRETARY OF TRANSPORTATION
 WASHINGTON, D.C. 20590

JUL 25 1975

Honorable Gale McGee
 Chairman, Committee on Post Office
 and Civil Service
 United States Senate
 Washington, D.C. 20510

Dear Mr. Chairman:

This letter is in reply to your request for the views of the Department of Transportation (DOT) concerning S.1009, 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."

This bill would amend 13 U.S.C. 181 to require the Secretary of Commerce annually to update census data for each State and local unit of general purpose government with a population of 50 thousand or more and biennially to update data on less populated units. Use of the data would then be required in the administration of any Federal law in which population is a factor in the amount of benefit received by State or local governments. The Secretary could use sampling or any other reliable data collection technique.

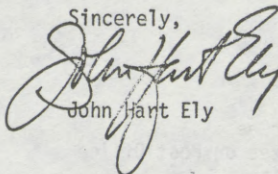
Population is a factor in many DOT programs. Given the rapid population shifts that can occur in a mobile society, we would welcome data that would increase the accuracy of our decision-making process.

The Department questions, however, whether population changes are so great as to justify an annual update. In addition, the bill does not address the population issues of geographical units such as urbanized areas or standard metropolitan statistical areas (S.M.S.A.), both of which are involved in Federal aid programs. Furthermore, the Department is not aware of any acceptable statistical methodology that would yield reliable estimates.

Thus, while this Department supports the availability of accurate census data, the bill does raise problems. We further suggest that data be collected on urbanized areas and S.M.S.A. as well as State, county, and local units of general purpose government.

The Office of Management and Budget has advised that, from the standpoint of the Administration's programs, there is no objection to the submission of this report for the consideration of the Committee.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Hart Ely". The signature is fluid and cursive, with the first name "John" being particularly prominent and stylized.

John Hart Ely



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 1 1975

Honorable Gale McGee
Chairman, Committee on Post
Office and Civil Service
United States Senate
6206 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

This is in reference to your request of June 13, 1975, addressed to Joseph W. Duncan, requesting that he testify before the Senate Committee on Post Office and Civil Service on S. 1009, 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," and your request of March 17 for OMB views on the same bill. David Hulett of our staff telephoned Mr. Eck to say that Dr. Duncan would be unable to testify at that time, since he would be out of the country, and that we would communicate our thoughts in a letter to you. Mr. Eck informed him that the hearings had already been postponed indefinitely. This letter presents our concerns on S. 1009.

While we are in basic agreement with the goals of the bill, we oppose its enactment for the reasons set forth below.

The need to assure the use of standard data on total population for the administration of Federal programs which use total population data in the distribution of Federal benefits has been recognized for several years. There is ample authority under existing law to accomplish that end. The Director has recently promulgated an amendment to the Office of Management and Budget Circular No. A-46 by adding Exhibit I, a copy of which is enclosed, dealing with this issue. We feel that this is a better approach than that incorporated in S. 1009.

The Exhibit establishes the general rule that population data to be used in allocation formulae for distributing Federal benefits shall be the most current data available from the Census Bureau

which refers to the same period of time for each class of eligible governments. A mechanism is provided for exceptions to the general rule upon application to the Director, since it may be necessary to use population data from other sources in lieu of, or in addition to that produced by the Census Bureau in the administration of certain mandated programs. This measure of flexibility is essential in view of the number of existing Federal programs which may be involved. Future legislation is to be drafted consistent, to the extent possible, with the general principle enunciated in the Circular.

Section 181 of S. 1009 requires the Secretary of Commerce to produce population data for certain levels of general purpose government at specified intervals. We feel that the Secretary must be given the flexibility to develop estimates of population of sufficient accuracy with the data sources which are available to him. At present, administrative data from many sources are used to produce information on births, deaths, and migration. Since these data largely are not under the control of the Secretary, their accuracy and availability to Census for this purpose cannot be assured. Thus, the Secretary might be unable to produce data of acceptable accuracy under the provisions of S. 1009 due to conditions beyond his control. The Secretary should be given the flexibility necessary to deal with situations as they arise, under the general guidance to produce and publish the desired population estimates; this can be accomplished under existing law.

More detailed comments on other sections of the bill will be developed by the Departments of Commerce and Treasury. We would comment further only on the duties and responsibilities assigned to the Director of the Office of Management and Budget incorporated in section 2 of the bill. Our office has had frequent discussions with the Census Bureau concerning the methodology and resulting accuracy of the population estimates which they produce, as well as with the principal Federal users of the data. These discussions, which are carried on under existing law, have enabled us to keep abreast of the methodological developments and to participate in determining the general direction of the Census program. In our view, there is no need for additional legislation to accomplish the purposes of section 2(a) of the bill. The purposes of section 2(b) of the bill can also be accomplished at present, and we would be glad to keep you informed at any time of the progress made and future plans for improving the Census program for developing population estimates.

I hope these views are useful to your Committee in its consideration of S. 1009.

Sincerely,

(Signed) James M. Frey

James M. Frey
Assistant Director
for Legislative Reference

Enclosure

The CHAIRMAN. Senator Stone, we have learned, has been delayed at the airport due to the Monday morning traffic problem, so we have agreed to proceed with his fellow Floridian, the Honorable Bill Chappell, Jr., from the House.

Mr. Congressman, would you please come forward and proceed in any way you prefer.

It is nice to have you over here.

We are honored you visited us on this side of the Hill.

STATEMENT OF HON. BILL CHAPPELL, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. CHAPPELL. Mr. Chairman, the pleasure is mine. I assure you I am very grateful for the opportunity of presenting my view on this piece of legislation, which is a companion measure to the one I introduced in the House, and upon which some hearings have already been held.

I will just take a moment to call to your attention the structure of the bill itself.

It is a very simple bill. The first section, section 181, simply deals with how this is to be set up. Section 182 deals with specifying other current data. Section 183 deals with the use of the most recent population data, and is the requirement part of the bill.

Section 184 deals with definitions of population, other current data, use of most current data, and so forth.

And then the remainder of the bill sets forth how the data shall be used.

Mr. Chairman, S. 1009 and the companion bill which I have introduced in the House, H.R. 4948, address a problem which is national in scope.

The problem, stated simply, is that the Decennial Census is no longer an adequate basis for allocating Federal funds to the States for the purpose of formula grants.

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

If we expect the States to meet the various needs of their rapidly expanding populations, we must take measures at the Federal level to ensure that they receive the funds to which they are entitled. An annual updating of population figures will help resolve the discrepancies between the Decennial Census data and actual populations.

We are not 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 State and Local Fiscal Assistance Act of 1972, currently use these population updates to determine the allocation of Federal funds. We will, in fact, be merely drawing upon a resource which is already available to insure the most equitable distribution of our Federal funds.

During hearings in the House on H.R. 4948, the point was raised that the ability to produce these statistics depends on a number of

factors and that the Census Bureau has no fundamental control over the availability of these data sources. I think it should be made clear that we are not going to ask the Census Bureau to do the impossible, we are just mandating the compilation of such information where reliable data can be produced.

In addition, the question was raised as to the necessity of making this compilation and use of these statistics mandatory. Mr. Chairman, it is encouraging that the Office of Management and Budget has recognized the problems involved in the use of the Decennial Census, as evidenced in their circular A-46 to the heads of executive departments and establishments. Some would argue since this circular has been put out by the Director, that we do not need the legislation. To the contrary, I think that is one of the very reasons we do need it. The problem has been recognized. We ought to tie it up, make it mandatory, so there is no discretion, and make sure it is used in the proper way. It is the keen responsibility of the Congress to retain the close requirement.

The use of the Decennial Census in grant formulas inevitably results in the loss of funds for States which experience rapid population growth relative to the rate of growth for the country as a whole. Intermigration between the States has become a crucial factor in assessing population growth in the States.

Over half of the States in this country are growth States. Migration patterns show the population of the United States moving to the southern and western regions. The southern and western region States have grown at the rate of 5.1 percent and 5 percent, respectively, as opposed to the national growth rate of 3.3 percent for the period from 1970 to 1973. In this same time period, the eight States representing the mountain region had an average growth rate of 10.5 percent.

Individually, Arizona, Nevada, Colorado, and Florida all have growth rates exceeding 10 percent for this period. It is obvious that the use of the Decennial Census will not provide us with adequate data for the apportionment formulas for Federal funds.

The problem is further complicated by the time lag which occurs between the taking of the census and the time at which the complete census data becomes available for use in the allocation of funds. This means that the 1970 census could still be in use as late as 1983.

An excellent example of the problem created by this time lag is found in the title I education funding for Brevard County, Fla. Brevard County, prior to 1973, received \$300,000 in title I money. In 1974, when the 1970 Census figures finally became available, the county received \$1.3 million.

I do not point this out to show you specifically the problem of Florida—this can be found all over the United States.

The distinguished gentlemen representing the State of Florida will provide the committee with more detailed information on the severity of this problem and its financial impact on the State of Florida, but I emphasize again this is not a Florida problem. This is a problem that reaches throughout the United States.

The resident population of the United States, according to the 1970 census 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 estimate the U.S. population will reach 222,769,000, a 9-percent increase over the 1970 population.

Corresponding figures for the State of Florida show a 19.2-percent increase in population from 1970 to 1974, with an overall increase of 39.9 percent during this decade projected. The State of Florida population increases at the rate of about 7,000 persons a week. We are not an exception to the country. There are other parts of the country that do essentially the same.

If projections are valid, Florida's population will grow at a rate 3 to 5 times faster 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 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 population.

Mr. Chairman and members of the committee, inflation in this country is forcing cutbacks in all budgets, at the Federal, State, and local levels. If we are going to insure the most equitable distribution of scarce Federal funds, we must mandate the compilation and use of population updates for formula grants.

I wish to congratulate the chairman for being a cosponsor of this legislation, and I am certain that he, as I, understands that if we are going to do the job fairly and equitably, it is going to take this type of legislation to make certain that the agencies apportion funds based on this kind of current information.

I appreciate the opportunity of appearing, and I hope that the committee will see fit to give favorable consideration to the bill.

The CHAIRMAN. I certainly appreciate your statement on this proposal.

Good morning, Senator Stone.

Bill Chappell just stole your thunder in eloquent style. He lends credence to everything you have been telling me.

I just wanted to show you, Mr. Chappell, how relevant this becomes, even for a low population State such as Wyoming. We say we are the land of high altitudes and low multitudes. We have about as many people in Wyoming as you have on a main intersection in Miami. But they are very important people and they reflect a way of life, which I suspect most of the country is very envious of, but change in population is very much underway.

And I notice here on the comparison of the 1970 and 1973 census estimates that while we do not have very many communities in Wyoming, the ones that are there are getting hit very hard.

Here is Greybull, Wyo., which has increased about 13 percent in 3 years. That has gone up in the last 2 years since that reading was taken.

Here is Baggs, 23 percent; Dixon, 20 percent; Elk Mountain, 22 percent; Rawlins, 13 percent; and so on down the list.

Sweetwater County has had a massive impact. Granger, 28 percent; Green River, 25 percent; Rock Springs, 22 percent. And those, I think, have probably gone up, at least another fourth of that total in the last year and a half, because of the development.

Jackson, Wyo., 20 percent. It is this sort of thing that is plaguing mayors and school boards and all agencies that have to make an orderly transition out of this kind of quick population input.

So you from Florida are striking a responsive note out in the Golden West.

We are delighted to join you in this effort.

Now, Senator Stone, did you want to start?

Mr. CHAPPELL. I wanted to say that normally I ride up with the Senator on this very plane and learn all I can from him, but he was able to go down this weekend and I was not.

May I be excused?

The CHAIRMAN. You certainly may be. We thank you for taking your time to come over.

STATEMENT OF HON. RICHARD STONE, A U.S. SENATOR FROM THE STATE OF FLORIDA

Senator STONE. I want to thank my colleague, Congressman Chappell, for his yeoman efforts in behalf of this legislation in the House.

Mr. Chairman, Congressman Chappell was able to have an early hearing from the appropriate committee, and a good many cosponsors have cosponsored companion legislation in the House, and I am confident of success because of the essential fairness of this piece of legislation.

May I ask unanimous consent to put my prepared statement in the record?

I will proceed very briefly and then you can proceed with the witnesses.

The CHAIRMAN. With that caveat, the answer is yes.

Senator STONE. Thank you, Mr. Chairman.

Mr. Chairman, I think what we are looking for here is simply the fairness of applying the latest data to any distribution formula in which population count is one yardstick, or the only yardstick. It is unfair and improper, although maybe administratively convenient, to apply other than the most recent, most accurate statistics to a statistical yardstick.

The proof of that is shown by the fact that some of our co-sponsors on this piece of legislation are from States that at the moment are losing population.

But even within a total State in which some areas are presently decreasing, other areas are presently increasing, and the pinch is felt even in the growth-loss States. It is true, too, that a State today maybe growth-loss, and tomorrow may be growth-gain. It has happened that way in as cyclical a fashion as the business cycle.

There is in particular one suggested amendment to this legislation which I want to mention very briefly before hearing from Government witnesses. This is the proposal that would add the phrase, "which refers to the same point or period in time for each class of eligible government," which would get around the difficulty of a mixture of large and small measurement areas, in which the figures present for some of that group of cities or urban areas or geographical areas are not as late for others in the mix.

All you do there is apply the latest you can get.

Under those circumstances, the pressure will mount from those in some of the smaller communities to gain as recent measurements as those for which the more recent measurements are available.

There are one or two other suggested technical changes we can take up when we get to the markup, but the fact is that after having a congressional hearing at the other body, and meeting with the administrative agency most directly involved, chiefly the Census Bureau and the OMB and Treasury, my staff feels totally confident that the few administrative objections raised can readily be handled by some very simple and straight-forward amendments on a committee amendment basis.

Mr. Chairman, I thank you and the members of the committee, Senator Fong, and the staff. I will wait to hear the other witnesses in case further testimony might be needed.

Senator FONG. I would like to ask you one question. Do you contemplate this will be very costly?

I notice in this bill you leave a lot of the discretion to the Secretary of Commerce on how to get the data.

Senator STONE. Senator, it would not cost a dime.

What we are doing is distributing whatever it is that the AID distribution, appropriation bills, and authorization bills, set forth, according to the latest figures.

Are you talking about in terms of administrative work?

Senator FONG. Yes; how to get the data.

Senator STONE. All we are saying is where the data is available, use it. We are not requiring any additional data.

The CHAIRMAN. You are not requesting a new survey, an additional survey?

Senator STONE. No, sir.

Senator FONG. You are saying whatever data there is——

Senator STONE. Use it.

The fact is that these annual and biennial updates are available for most redistribution formulas. All that is needed to get real fairness is to use what is there, and they are not.

Senator FONG. You are not requiring the Secretary of Commerce to go out and spend money getting this?

Senator STONE. Senator, not a dime.

All we ask is that where it is available, it be used.

You will hear some folks say, well, leave it to our discretion to use it where we think it is most relevant. That is not fair.

Then it can be used in an arbitrary fashion.

Senator FONG. You leave a lot of discretion to the Secretary of Commerce?

Senator STONE. Only as to what truly is an accurate update.

We do want to leave that to administrative agencies.

For example, something that looks like an estimate may not truly be an accurate account or accurate reliable indicator. The reliability of the information we leave to the administrative agencies to decide.

Senator FONG. If he cannot produce them, you give him the flexibility of reporting back to this committee why he cannot?

Senator STONE. That is right.

What we are doing, in effect is, we are telling them that if the information is reliable, use it. Whereas, they would come back and say to us, leave it to us, folks. If we think it is reliable, or if we think something else, we will use it.

That is not fair and it is not right. It does not really do the job for growth territories or areas, which Congress had in mind when it set

population as a yardstick, putting the aid where the people were as opposed to putting aid where the pine trees were or the stalks of celery were, or something else.

When population is a factor, we say to the appropriate administrative agencies by this legislation, if the most recent information is accurate, use it.

Senator FONG. Thank you.

Senator STONE. I thank the Senator.

The CHAIRMAN. What we are really saying to the world is that we mean it literally when we say we are a Nation under law, not under people.

While we have good guys there now that would move in the direction of more equitable administration of Federal funds, we have discovered the hard way over the years that there is discretion in this question depending on who is occupying the top seats. Therefore, S. 1009 intends to mandate it as a matter of policy, leaving no option for decision as to whether to do it or not to do it at the administrative level. That is really the nub of what you have to propose.

Senator STONE. That is accurate. It is not only a question of politics at the top, may I point out.

The CHAIRMAN. Decisionmaking at the top is the proper phrase.

Senator STONE. It is not even a question of the decisionmaking process by the top people in an agency. It is also a question of requiring more than simply convenience at the operating levels in the executive branches where the people actually have to put figures together and actually have to punch the checks on the IBM machine.

We are saying that even if it is more convenient year after year to pull that decennial formula off the shelf, work a little bit more, strain a little bit harder, and get it more fair because it is more updated. And that is what we are saying in effect.

We are leaving to them the analysis because they are on the firing line of what is truly accurate in the most recent figures.

But, other than that, we say to them, where population is a factor, use the latest figures that are reliable for each group.

Mr. Chairman, thank you for this opportunity.

The CHAIRMAN. Thank you for your leadership in this, Dick. Your full text will be a part of the record.

Senator STONE. Thank you.

[Prepared statement follows:]

STATEMENT BY
U.S. SENATOR RICHARD (DICK) STONE
BEFORE THE
SENATE POST OFFICE AND CIVIL SERVICE COMMITTEE
JULY 28, 1975

Mr. Chairman.

I appreciate the opportunity to testify before the Senate Post Office and Civil Service Committee today concerning S. 1009. I congratulate you for recognizing the importance and urgency of this issue by being a primary cosponsor of this legislation and placing it high on your agenda of committee business. The wide-ranging support for this bill is reflected by the twenty-eight cosponsors who represent great geographical and political diversity. As you know, Congressman Bill Chappell, the distinguished Representative from Florida's Fourth Congressional District, has introduced an identical bill, H.R. 4948, in the House of Representatives.

The purpose of 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. S. 1009 would require the use of the most recent Census Bureau population estimates for distributing federal funds according to population. These would be developed annually for states, counties and local governments which have a population of 50,00 or more and biennially for smaller local governments.

If we are to solve basic inequities in our system of returning taxpayers' money to the states, I believe it is necessary to update annually the statistics used 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 ten year interval between censuses, the data becomes progressively unreliable as to the population configuration of our country. In addition to the ten year gap between censuses, there is also a three year lag between the taking of each census and time when the complete data becomes available. That means figures provided by the 1970 census will be in use until 1983.

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? Forty-five states have experienced significant population fluctuations since the 1970 census. Our increasingly mobile society makes it necessary for the federal government to respond more quickly to changes in population patterns.

Mr. CHAIRMAN, the Office of Management and Budget has also recognized the need to update population data used to distribute federal benefits. In a recent draft budget circular sent to all executive administrative agencies, the Office of Management and Budget proposed that in all cases the data used to determine total population for purposes of distributing federal benefits shall be the most current data published by the Bureau of the Census. Consistent with the philosophy of the Office of Management and Budget circular, 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 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. During the last four 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.

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. S. 1009, while recognizing the complexity of developing new statistical methodology, directs the Office of Management and Budget to develop and establish uniform methods of producing statistical data for distributing federal funds.

Mr. Chairman, during hearings on H.R. 4948 before the House Subcommittee on Census and Population, the Bureau of the Census raised several technical objections with respect to certain provisions of the bill. I have also received a copy of the Department of the Treasury's comments prepared at the request of this committee in addition to the testimony of the Census Bureau.

Mr. Chairman, with the able assistance of the Senate Post Office and Civil Service Committee Staff, I have prepared a list of proposed amendments which would incorporate the technical suggestions made by the executive agencies. With your permission I would like to discuss briefly these proposed changes.

The Treasury Department in their printed comments to this committee stated that S. 1009 as originally introduced would create an inequity in the administration of Revenue Sharing. This objection was predicated upon the technical observation that this bill requires the use of annual population data for governmental units with populations in excess of 50,000 and the use of biennial population data for smaller units of local government. In the administration of programs such as Revenue Sharing, these governments are in a sense competing for federal assistance. By allowing large units of local governments to receive the benefits of annual population updates while restricting the smaller units of local government to biennial population data, S. 1009 contains a basic inequity. Mr. Chairman, with the assistance of the Department of the Treasury's legislative office, I have drafted language that would eliminate this inequity. Therefore, I propose that on page 2, line 22 after the words "section 181," the following phrase be added ... "which refers to the same point or period in time for each class of eligible government."

This amendment would ensure that all units of local government would be awarded federal benefits on a uniform basis. Programs dealing exclusively with states or larger units of local government would still use the annual population updates--while programs such as Revenue Sharing would require that the distribution to all competing governmental units be based upon the biennial updates. Mr. Chairman, I wish to express my appreciation to the Department of the Treasury for bringing this point to my attention and for offering the technical assistance necessary to rectify this problem.

Mr. Chairman, the Bureau of the Census has stated that its ability to produce annual population updates is dependent upon the continued access to selective data from tax returns which are made available by the Internal Revenue Service in accordance with existing law. Presently, there are several legislative

proposals pending before Congress which would restrict the Bureau's access to tax return information for statistical purposes. Should legislation of this nature be enacted, the Bureau of the Census would be unable to comply with the mandatory provisions of S. 1009. In order to provide the Bureau with sufficient flexibility in the event their access to vital information is restricted, I propose that S. 1009 be amended by inserting the following paragraph on page 2, line 12:

"Should the Secretary be unable to produce and publish current data on total population for county and local units of government as required by this section, a report shall be made by the Secretary to the Committees on Post Office and Civil Service of the Senate and the House of Representatives not later than one year after the date of enactment of this Act and not later than ninety days prior to the commencement of each fiscal year thereafter, enumerating each government excluded and giving the reasons for such exclusion."

By including this language the Bureau of the Census would be given the flexibility necessary to comply with the provisions of S. 1009 and Congress would be given the authority to assure the full compliance of this bill by virtue of the oversight powers contained in this amendment.

Mr. Chairman, the Bureau of the Census has also recommended that Section 2 of this bill be amended by deleting any reference to the Secretary of Commerce. They quite correctly state that the development and establishment of uniform methods and procedures with respect to statistical information should not be limited to a joint effort between the Office of Management and Budget and a single executive department. I fully agree with their suggestion that this effort be a common endeavor throughout the executive branch under the direction of the Office of Management and Budget. It is for this reason I propose that any reference to

the Secretary of Commerce in Section 2 be deleted. Mr. Chairman, I wish to express my appreciation to the Bureau of the Census and certain members of the Office of Management and Budget for the excellent technical assistance they provided me in drafting this legislation.

Mr. Chairman, it is time for us to eliminate the inequities caused by the reliance upon inaccurate and outdated census data. The enactment of S. 1009 with the proposed amendments would provide a simple and equitable method of distributing federal benefits to state and local governments.

The CHAIRMAN. The next witness will be Vincent Barabba. Vince it is nice to have you back again. Vince is Director of the Bureau of the Census, Department of Commerce.

STATEMENT OF HON. VINCENT P. BARABBA, DIRECTOR, BUREAU OF THE CENSUS, DEPARTMENT OF COMMERCE, SUITLAND, MD.; ACCOMPANIED BY FREDERICK J. CAVANAUGH, FEDERAL-STATE COOPERATIVE PROGRAM FOR LOCAL POPULATION ESTIMATES, POPULATION DIVISION, BUREAU OF THE CENSUS

Mr. BARABBA. Mr. Chairman, I have with me Fred Cavanaugh, who is from the Population Division, most particularly responsible for Federal-State cooperative program for population estimates.

Mr. Chairman, is it your preference that I read my statement?

The CHAIRMAN. It is my preference that you do not read your statement. It depends on whether you want to make points or not.

Mr. BARABBA. I will attempt to summarize my statement then.

The CHAIRMAN. Hit the obvious points, the points where there is a difference on the need or interpretation here. That is really where you ought to focus, it seems to me.

Your prepared statement will be made a part of the record.

Mr. BARABBA. I would like to continue on the point Senator Stone made as it relates to the flexibility that the Bureau requires in implementing a mandate which we are given by the Congress.

It is our intention and the intention of the administration to meet the spirit of this bill, and I understand the complexity of negotiating the words of mandating and meeting the spirit and intention.

I would like to present an example of difficulty that we face when we are required to provide a statistic at a particular point in time which requires access to information from agencies over which we have no control.

In case of the program the Senator has identified where we are now producing estimates of all the places eligible for revenue sharing, some 38,000 places, we were not able to do that up until just recently, and the only reason we are now able to do it is, because on the basis of research we had accomplished we found a technique of utilizing records of the Internal Revenue Service over a period of time to allow us to measure the migration component of people between these places.

We had always been able to find the records of births and deaths and fertility rates and things of this nature, but we have never been able to measure the migration component, that is the number of people that might have lived in Granger, Wyo., and moved to Tensleep, whatever it might be.

Using IRS records over time, we actually matched records of individuals—we are not interested in their name in this case, we are really interested in if they are living in the same place and the extent to which movement takes place, we develop a matrix of migration, and we are able then to add to or subtract to an estimated population of an area, the number of people who have moved in, and the number of people who have moved out.

There is legislation pending before both Houses of Congress which would restrict the Bureau's access to this information.

It is legislation which I am, in spirit, in agreement with, not necessarily that the Bureau should not get access, but tightening of access to very sensitive records.

As an individual, I applaud that intent.

On the other hand, if we are faced with two pieces of legislation getting passed simultaneously, one would mandate that we create a statistic every year, and the other would deny us access to the information we need to develop that statistic.

So, then, we find ourselves in a very difficult position of not being able to meet the mandate, at least with the same quality of estimate to the Congress that we had just delivered the year before.

In this case, instead of having the flexibility of saying we are not now prepared to deliver a report, we somehow have to come up with a statistic because the law so says, although there is a condition in this particular legislation—

Senator FONG. What procedure did you follow in getting information from IRS?

How do you go about it?

Mr. BARABBA. We work under a current Presidential order, which has existed, by the way, since President Roosevelt, which authorizes the Secretary of Commerce to request of the Secretary of the Treasury, these records. We have to identify the purpose of the acquisition, the people who will see the records and the specific information that we require.

The Internal Revenue Service at that point transfers to the Census Bureau the IRS records which are then manipulated for statistical purposes, and then either destroyed magnetically or returned as they are delivered to us to Internal Revenue Service.

Senator FONG. Does IRS give you every tax return or do they give you a compilation?

Mr. BARABBA. It depends on the purpose for which it is being used, Senator Fong.

In the case of this migration statistic that we generate, we require of them not the name, we do not get the tax form, we get magnetic tape with selected information. And in the case of the migration component we do not need the name. All we use is the social security number, because we match from the period, in this case 1969 to 1972 those two tax files, and we match social security number, and we determine if they are at the same address.

If they are not at the same address, then we develop this migration component.

The CHAIRMAN. How much work does that take?

Mr. BARABBA. A considerable amount of work.

Again I should point out that though there is no cost to implement this bill, the bill is relying upon the fact that we are doing this program. And this program is not an inexpensive program.

For example, to develop the geographic referencing system for this program could be a \$6 million or \$7 million project, to just update the geographic referencing system.

The CHAIRMAN. Which you are not doing now?

Mr. BARABBA. We have done it once, and we are now in the process of proposing that it be done again to update it.

The CHAIRMAN. You are also in a position then to budget it?

Mr. BARABBA. That is correct. If appropriate review indicates a need for the request.

Now, the annual program of estimating, once this geographic system is in place, is approximately a \$2 million program. So I think Senator Stone is correct.

To implement this bill, there is, in a sense, no additional expense other than publication and statistics, but that statement is conditioned on the fact that we have a continuing program in place, and if the Weicker-Litton bills are passed, the cost could either go up considerably, or we would not be able to produce as reliable statistics at the current cost.

And so I think we have to keep that condition in mind when we identify the cost of this bill.

Senator FONG. If you did not have access to IRS, how reliable would your data be?

Mr. BARABBA. We would stop publishing statistics, I believe, at the small place levels. We would limit ourselves to the larger places.

The CHAIRMAN. That means you would leave out Wyoming?

Mr. BARABBA. Leave out the smaller places in Wyoming.

The CHAIRMAN. We do not have any big places in Wyoming.

Mr. BARABBA. We would publish statewide and county statistics. That would be it.

Long before this procedure of using IRS records, we have published statistics at the county level. The reason for that is we had good statistics because the county is the administrative unit—

The CHAIRMAN. Could not break it down within the county?

Mr. BARABBA. We could not break it down within the county. That is where the tremendous amount of change is taking place.

Senator FONG. This law does not ask you to break it down to smaller areas within a county?

Mr. BARABBA. Yes, it does.

A community of 50,000 or more, it could be within a county.

The CHAIRMAN. If we cannot break ours down below the county level, it has no meaning for us.

Mr. BARABBA. That is correct.

Our concern is—and I can appreciate the sensitivity of Congress wanting these things specifically identified—but, on the other hand, the Bureau would like sufficient flexibility to adjust to the environment in which we are working. And this could be either way.

You could say we could find a way of doing it better and more often.

Senator FONG. What harm to the privacy of an individual is there if you found out if he lived in, say, Alabama instead of Wyoming?

This is the only data you will have, is that right?

The CHAIRMAN. That would call into question his judgment.

Mr. BARABBA. The Bureau's position in this matter, as to invasion of privacy, is the purpose for which the information is used.

Senator FONG. You would not know anything about how much he earns?

Mr. BARABBA. In that case, we would carry that information forward but not about that individual, because the other component of the revenue sharing is to estimate the per capita income. And this again becomes very critical in point of fact when you look at the formula for revenue sharing, the per capita income component is far more important in allocation than population component.

We do not look at the detail of the income. We look at the total. It is not of that person; it is not poring over his income tax form.

What we are doing is carrying the statistics across. The income is used as a statistic. When it is transferred from Internal Revenue Service to the Bureau of the Census, it is really done under a most important recent law passed by Congress; when the 1974 Privacy Act was passed, which governed the transfer of records from one agency to another, both bodies saw fit to insure that the Bureau was exempted from the provisions of that act as a receiver of information from other agencies of Government for statistical purposes only in carrying out the requirements of title 13 of the United States Code.

When looked upon that way, the information is under a tighter provision of law relative to privacy than it is at the Internal Revenue Service. So there is no further access of that record, of that individual, by his neighbors or by anyone that can affect him personally, because of that record. It only affects him as a statistical change.

The CHAIRMAN. You highlight here what often happens to many of us up here in the Congress.

I am one of the cosponsors of S.1009. I also discovered, upon the advice of counsel, that I am a cosponsor of the Weicker bill to restrict access to IRS files, which makes "McGee running into McGee."

The reason we do that is to surface precisely this kind of problem. You get a bill surfaced, you have a hearing. That then gives you the record upon which you make your final decision.

Obviously, in my judgment, we should place the priority on your shoulders rather than on the intended target of the Weicker bill, which could be a real complication for it. And the burden of this hearing is to make it obvious that we cannot have the best of both of those worlds.

Now, what I want to be sure we clarify for the record, No. 1, that if we are not going to be up against the Weicker bill or something like it, that you do not see any real complication for your meeting the mandate in this legislation?

Mr. BARABBA. We feel we could provide statistics.

The CHAIRMAN. And that the cost factor could—well, it would have to be a priority assignment, but it would receive that priority assignment because of this piece of legislation if the Congress were to see fit to adopt it?

Mr. BARABBA. Yes, sir.

The CHAIRMAN. It might require that you make a little different budget presentation the next time around, whenever you have another requirement for what you submit to the OMB. But that would simply be sorting within. It would not require proposing a substantial figure from without, unless you were to decide that all of the budget pressures on you required something else, and that would be due to many things.

Mr. BARABBA. I think in the case of this program, this is a good example of the kind of pressures that come forward.

It might be helpful if I might explain them, Senator.

Initially, at the implementation of the revenue sharing program, the Bureau was faced with a responsibility of creating these estimates at the place level. And in the hurry of establishing that program, we instituted this program with the Internal Revenue Service, placing the place of residence of the IRS form as was identified by the Revenue

Sharing Act. Because we did it in a hurry, the program did not work out completely to our satisfaction, and not everyone filled out that section of the IRS form.

So our geographic referencing system was not as complete nor as accurate as we would have liked to have had it. We were able to modify our procedures to attempt to deal with the problem.

As we are getting further away from that record of geographic referencing, and as cities change and new streets come in and annexations take place, it is our opinion now that we have to update that geographic referencing system, utilizing the 1975 tax year in January 1976. We have just reached agreement with the Internal Revenue Service to place that question on the forms once more.

It is our estimate that to place that information, that question, on the form, and then to code the data when it comes back from the population, is approximately \$7 million or \$8 million activity. And as such we will seek a budget approval for that.

If that budget approval does not come forward, then the Bureau would be faced with the difficult position of trying to take \$6 million or \$7 million out of its budget for other priority programs. These are also identified in the legislation.

So there is an increase in cost in providing the statistics, particularly if one wants to provide them in as accurate a manner as possible, which I think is everybody's intent.

I do not want to leave the impression that there is no money involved here. There is money.

When you say it must be done every year, we are going to be more and more concerned about the accuracy every year and try to find ways of improving that.

Senator FONG. How fast can you produce these figures?

Mr. BARABBA. The first time through the cycle, we published the 1973 figures in 1975.

Senator FONG. If you depend upon IRS figures, April 15 would be the date of filing for the year before.

Mr. BARABBA. That is correct.

Senator FONG. How long would it take IRS to put their figures on tape?

Mr. BARABBA. I would say that our report would come out in as short a period off the 1975 form as it did off the 1973 form. I could give a more specific answer to you, Senator, in writing. I do not have that calendar in front of me.

The CHAIRMAN. Do that and submit it for the record.

Senator FONG. The bill calls for 90 days prior to fiscal year. I do not think you can do it that fast.

Mr. BARABBA. When we get into the cycle, I think we can anticipate these kinds of problems, and maybe we will be using older data to meet the timing requirements.

Senator FONG. To get 1974 data, you will have to wait for 1974 tax returns, which will be filed by April 15; that is, most of them will be filed by April 15, 1975.

Mr. BARABBA. That is right.

Senator FONG. And then IRS would have to put the data on tape, and you would have to take the data and use them.

I am wondering how much leadtime you need.

Mr. BARABBA. I will submit this to you in writing, Senator, our estimate of the amount of time that is required.

Senator FONG. Fine.

[The following material was subsequently supplied for the record:]

The IRS processing cycle starts in early January of each year and continues through until all of the tax returns are processed. However, by the end of September something in excess of 95% of the tax returns have been processed and posted to the master file. It is at this point that IRS extracts the data that the Bureau needs to make population estimates.

After the Bureau receives the IRS data, 9-12 months of processing are required to produce the population and per capita estimates for all 38,000 governmental units. This means that the Bureau could make July 1, 1975 population estimates available by about the Summer of 1976.

The CHAIRMAN. You might borrow some of the equipment from IRS.

When they discover I make a mistake, it takes them 2 days to fire it back to me on my income tax. They must have an instant compilation system.

If you get a refund, you do not hear from them for 6 months.

One other thing I wanted to ask you about is, are there other data collected on an annual basis for specific purposes that we ought to take into account on this bill?

For example, the school-age children, for purposes of determining educational grants, or individuals over 65 years of age, senior citizens' programs, that sort of thing, ought we to encompass that in this legislation, or could you readily address yourself to that?

Mr. BARABBA. I would like to give that some further consideration.

The CHAIRMAN. Would you, please, and let us have a reading back on that for the record?

Mr. BARABBA. Yes.

The CHAIRMAN. That is a live quorum. I wonder if we could recess for a racehorse trip over to the floor and back.

Do you have any more questions you want to ask Vince?

Senator FONG. No.

The CHAIRMAN. I think that completes our interrogation of the Director.

Thank you very much.

If our friends from Florida will remain, we will be back in 5 or 6 minutes.

Mr. BARABBA. Am I excused?

The CHAIRMAN. You are excused.

Mr. BARABBA. Thank you.

[Short recess.]

[Prepared statement follows:]

Statement of
Vincent P. Barabba
Director, Bureau of the Census
before the
Senate Post Office and Civil Service Committee
July 28, 1975

Mr. Chairman, we appreciate this opportunity to discuss with you S. 1009, 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 S. 1009 and similar bills. We have strong reservations as to some of the specific wording, which I will explain shortly.

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, our ability to prepare population estimates has been limited primarily to current population figures for the

country as a whole, for states, and most recently for counties. With the successful completion of an extensive research project and in response to the general revenue sharing legislation enacted in 1972, we have just completed the preparation of current population estimates for mid-1973 for 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 emphasize 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. 199 and H.R. 616, legislative proposals now pending before the Congress, would, if enacted, eliminate the Bureau's access to tax return information. We would then be unable to comply with any of the requirements of S. 1009.

The residence information which appears on the tax forms returned by individuals is essential to keeping the population estimates for local units of government up to date. Form 1040 included, for the year 1972, some special questions on residence. The names of the counties, cities, towns, townships, etc. in which people lived at that time were assigned geographic codes in order to tabulate aggregate data.

A decision was recently made to include similar questions on the tax form for 1975, which will permit us to develop estimates of population migration which are required to produce current population estimates for small areas. A direct result of the use of updated estimates will be improved accuracy and equity of revenue sharing entitlements. The Treasury Department, the Commerce Department and the Office of Management and Budget, have agreed to continue the division of responsibility developed originally in accordance with the State and Local Fiscal Assistance Act of 1972, whereby the principal statistical tasks involved in data development will be undertaken by the Bureau of the Census, and the final statistics will, as now, be furnished to the Office of Revenue Sharing, Treasury Department.

The decision to include residence questions on the next tax return form demonstrates the Administration's strong support for using the most current information possible to maintain equity in the distribution of Federal benefits, including those of the general revenue sharing program.

The older and 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 long-standing 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 United States 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 recent OMB circular. I have copies of the circular for your information, which might be included in the record if you wish.

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 S. 1009 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.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 6, 1975

CIRCULAR NO. A-46
Transmittal Memorandum No. 1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Amendment to Circular No. A-46 "Standard Data of
Total Population Used in Distributing Federal
Benefits"

Attached is Exhibit I which amends Circular No. A-46. The purpose of this amendment is to assure use of standard data on total population for all Federal programs which make use of total population data in the distribution of Federal benefits.

JAMES T. LYNN
DIRECTOR

Attachment

STANDARD DATA SOURCE OF TOTAL POPULATION
USED IN DISTRIBUTING FEDERAL BENEFITS

Purpose: The purpose of Circular A-46, Exhibit I is to assure use of standard data on total population for all Federal programs which make use of total population data in the distribution of Federal benefits.

Current data: For the purposes of this Circular the term current data means the most current, complete national series as published by the Bureau of the Census in "Current Population Reports," P-25, P-26, or related series, except where data from a decennial census conducted by the Bureau of the Census is more current.

Use of Data of Total Population: Executive departments and establishments in distributing and/or determining eligibility for the benefits of an appropriation for a single year on the basis of data on total population shall use data which refer to the same point or period of time for each class of eligible government. The data on total population shall be the most current and comprehensive published by the Bureau of the Census. Where total population is used as the denominator of a fraction, the data for both numerator and denominator will be the most recent for which both are available. Where total population is used as the numerator of a fraction, the data for both numerator and denominator will be the most recent for which both are available.

Justification for Exception: Agencies shall request approval by the Office of Management and Budget (OMB) for use of data on total population other than the most current data published by the Bureau of the Census. The request will include identification of the program(s) affected, legislation implemented by those programs, justification for use of alternative data, and a report on consultations with the Bureau of the Census in respect to data sources.

Any agency required by legislation to use data on total population other than those required by this Circular shall notify the Office of Management and Budget prior to such use.

Proposed Legislation: Agencies developing proposed legislation involving the use of population data will be responsible for assuring that the provisions of such legislation are consistent with the principles outlined in this Circular or for identifying and justifying any departures from such principles at the time the proposed legislation is submitted to the OMB for review pursuant to OMB Circular A-19. As part of its review process under that Circular, the OMB may request additional information and justification relating to the population data and their proposed use.

Report on use of Data on Total Population: Executive departments and establishments shall report by August 29, 1975 on all programs the benefits of which are distributed on the basis of total population or formulas including total population as an element. The report shall separately identify for each program:

- a. Name of program and Catalog of Federal Domestic Assistance numeric identifier.
- b. Statutory basis.
- c. Data elements specified in addition to total population.
- d. Source(s) of data now used for each data element.
- e. Amount of funds distributed fiscal year 1974 and fiscal year 1975.
- f. Date of next distribution.

The CHAIRMAN. I want to agree upon a procedure here.

We were served notice on the floor that we are going to have another one of these live quorums in about 25 minutes. And knowing that, I would recommend that we make an agreement on procedure with our two remaining witnesses, that perhaps you submit your statement for the record as though read in full, and then just hit the high points of it that need underscoring.

Now, the next witness is Mr. William Gibson, assistant to the secretary, Department of Administration, State Capitol, Tallahassee, Fla.

**STATEMENT OF WILLIAM GIBSON, ASSISTANT TO THE SECRETARY,
DEPARTMENT OF ADMINISTRATION, STATE CAPITOL, TALLAHASSEE,
FLA.; ACCOMPANIED BY JAY YELTON, STATE ECONOMIST**

Mr. GIBSON. Thank you.

On behalf of Lieutenant Governor Williams, I want to apologize for his not being able to attend, but the Governor was out of the State.

The CHAIRMAN. We appreciate his many duties. We are glad you are here.

Mr. GIBSON. I have with me Dr. Jay Yelton, State economist. I would like to submit the Lieutenant Governor's statement and just briefly mention a couple of points in it, and ask Dr. Yelton to make a quick comment.

The CHAIRMAN. The Lieutenant Governor's full statement will be made a regular part of the record.

You can hit the highlights which you want to stress.

Mr. GIBSON. Our main point is that when population is chosen by Congress as the method, that is no problem. That is a conceptually legitimate way.

The problem has been the way the Federal agencies have interpreted the instructions to use the most accurate population figures.

Utilization of the updated figures which are available would provide a more equitable distribution. The ones that are already available. We believe it is the intent of Congress to allocate funds according to the best population estimate data that is available, and this would be a much needed improvement.

On behalf of the Governor and all the people of Florida, we endorse the proposal. We fully support the proposed legislation to bring more uniformity and equity in Federal funding.

Dr. Yelton would like to make a comment.

Dr. YELTON. Senator, one comment on the Weicker amendment and the drift of the testimony from Director Barabba.

I feel that the problems relating to Senate bill 1009 which were made were overly magnified in the testimony that took place following questions. They produce a substantial amount of State and county population estimates and have done so far before the Federal revenue sharing program was enacted.

The IRS-based estimate is totally new, totally related to revenue sharing program. We think that S. 1009 would still call for substantial improvement, a substantial program, even if the Weicker amendment passes.

The CHAIRMAN. You do not see a basic conflict there in terms of the slowing down of the mechanism by the Weicker amendment?

Dr. YELTON. No, sir.

In fact, the population estimates that are produced outside of the IRS based estimates, are developed much quicker, because you do not have the 1 year lag.

The CHAIRMAN. I appreciate your making that point.

We will reevaluate that one also.

But your real concern, as I understand it, Mr. Gibson, is that it is a little uncertain as to whether the Bureau would really stay abreast of population changes and that the Federal agencies would follow through with these figures in a predictable way on an annual basis, even though they have a couple of times. It is the uncertainty that you are trying to remove, is that it?

Dr. YELTON. Yes, sir, Senator.

In fact, it is the uncertainty with the Federal administrators, when they are given authority to choose the best population data available, they can choose anything from the most recent Decennial Census to the revised estimates, the population estimates.

We think that this bill will put all Federal programs on an equal basis and very importantly would let everyone know what that basis is.

Title X of the Social Security Act calls for the best population data available, the most recent. It took us eight telephone calls to the Federal bureaucracy, conversations with 11 persons, to find out what Bureau of Census data series was being used. And you magnify that by 50 States and counties and localities, and there are tremendous telephone bills and information costs being incurred just finding out what is going on, so you can determine whether or not you have gotten your fair share pursuant to the law.

We view this bill as something that would limit, and properly so, the discretionary authority of a Federal administrator and, most importantly, it would eliminate the most flagrant abuse, and that is negotiation of data inputs which is a frequent occurrence and one that never surfaces.

A State or local area can go in and lobby through a revision in its estimates, and no one ever knows.

The CHAIRMAN. That is a good point, too.

Do you have anything else you want to underscore for us?

Well, we really appreciate that. You are on the frontier of it all, where the firing is the roughest. We really appreciate your taking the time to be here on this, and you make it easier for us to move with dispatch on this matter.

Mr. GIBSON. Thank you very much.

The CHAIRMAN. Thank you very much.

[Prepared statement of Hon. Jim Williams, Lieutenant Governor of Florida follows:]

STATEMENT BY

THE HONORABLE JIM WILLIAMS

LT. GOVERNOR OF FLORIDA

FOR

U.S. SENATE

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

WASHINGTON, D.C.

JULY 28, 1975

MISTER CHAIRMAN AND MEMBERS OF THE COMMITTEE, I APPRECIATE THE OPPORTUNITY TO PRESENT THE VIEWS OF THE STATE OF FLORIDA ON THIS IMPORTANT LEGISLATION.

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 DISTRIBUTIONS 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.

OUR GROWTH IN FLORIDA SINCE THE 1970 CENSUS IS 19 PERCENT. WHEN YOU CONSIDER THAT OUR 1970 CENSUS FIGURE WAS 6.8 MILLION, WE ARE TALKING ABOUT A POPULATION INCREASE OF ALMOST ONE AND ONE-HALF MILLION PEOPLE IN A LITTLE OVER FOUR 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 EDUCATION, HIGHWAY CONSTRUCTION, HIGHWAY SAFETY, LAND AND WATER CONSERVATION, CHILDREN'S MEDICAL SERVICES AND MANY OTHER IMPORTANT PROGRAM AREAS.

FOR EXAMPLE, THE DEPARTMENT OF HEALTH, EDUCATION AND WELFARE HAS EARMARKED \$91.5 MILLION AS FLORIDA'S ALLOCATION FOR PROGRAMS UNDER TITLE XX OF THE SOCIAL SECURITY ACT. YET, IF REVISED ESTIMATES OF THE FEDERAL BUREAU OF THE CENSUS WERE USED, OUR ALLOCATION WOULD BE \$95.7 MILLION. THIS WOULD PROVIDE \$4.2 MILLION MORE TO ASSIST

IN FINANCING SERVICES FOR THE AGED, FOR THE HANDICAPPED AND FOR OTHER VITAL PROGRAMS UNDER TITLE XX. UTILIZATION OF THE UPDATED FIGURES WOULD PROVIDE A MORE EQUITABLE DISTRIBUTION AND WE BELIEVE IT WAS THE INTENT OF CONGRESS TO ALLOCATE THESE FUNDS ACCORDING TO POPULATION DATA AVAILABLE.

THE OBJECTIVE OF THIS PROPOSED LEGISLATION 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 FULLY SUPPORT THE PROPOSED LEGISLATION AS A WAY TO PROVIDE MORE UNIFORMITY AND EQUITY IN FEDERAL FUNDING. AND, WE URGE ITS FAVORABLE CONSIDERATION BY THE CONGRESS.

THANK YOU.

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UNITED STATES DEPARTMENT OF COMMERCE
Social and Economic Statistics Administration
BUREAU OF THE CENSUS
Washington, D.C. 20233

OFFICE OF THE DIRECTOR

AUG 15 1975

Honorable Gale S. McGee
Chairman, Committee on Post
Office and Civil Service
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I would like to make the following comments concerning the testimony given by Dr. Jay Yelton, Florida State Economist, before your committee on Monday, July 28, 1975, with regard to Senate Bill S. 1009.

First of all, in his testimony, Dr. Yelton suggested that my testimony on S. 1009 overly magnified the problems--especially as they relate to the preparation of population estimates for use in the Federal revenue sharing program. The fact of the matter is that, without access to individual Federal income tax information, the Bureau of the Census would be unable to make population or per capita income estimates below the county level. If the Bureau were denied access to the IRS data, we would be unable to comply either with the letter or the spirit of Senate Bill S. 1009 and just as importantly the State and Local Fiscal Assistance Act of 1972. We therefore feel it is imperative that the Bureau continue to be given access to IRS data.

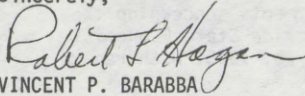
Secondly, Dr. Yelton commented that, in his view, the IRS-based population estimates need substantial improvement. We agree fully that the IRS (or administrative records) based estimates have not yet received a full scale test against a decennial census. However, the evaluations we have undertaken indicate that these estimates compare very favorably with estimates based on other methods and with special census counts. Moreover, the Bureau is continuing its program of research into the various ways of improving all estimating techniques, including the administrative records method.

Dr. Yelton states that estimates produced outside the IRS-based estimates are more timely than those produced by that method. I assume that here Dr. Yelton is talking about estimates produced by State and/or local agencies. This certainly is true in several States, including Florida. However, the vast majority of States do not produce subcounty estimates and, therefore, it would be impossible to use uniform estimates for all areas of the country. I would note that the local area estimates, which are prepared annually by the Bureau of Economic and Business Research, Division of Population Studies of the University of Florida, were averaged with estimates based on the administrative records method in producing the final estimates which were used by the Office of Revenue Sharing in distributing funds for Entitlement Period 6.

I would like to thank you for this opportunity to answer these very important points brought out by Dr. Yelton. With your concurrence, I would appreciate it if this letter is included as part of the printed record:

If you have any further questions on the Bureau's position on Senate Bill S. 1009, please let me know.

Sincerely,

for 
VINCENT P. BARABBA
Director
Bureau of the Census

The next witness is Dr. Rogers Nichols, deputy commissioner for Education Management, Department of Education, State of Florida, Tallahassee, Fla.

Dr. Nichols, if you can proceed in roughly the same way as you seek to highlight or underscore the real heart of the measure here, it would be helpful.

STATEMENT OF DR. ROGER NICHOLS, DEPUTY COMMISSIONER FOR EDUCATION MANAGEMENT, DEPARTMENT OF EDUCATION, STATE OF FLORIDA, TALLAHASSEE, FLA.; ACCOMPANIED BY DR. MARSHALL FRINKS, DIRECTOR, FEDERAL-STATE RELATIONS

Dr. NICHOLS. Thank you, Mr. Chairman.

The CHAIRMAN. Your full statement, incidently, will be made a part of the record.

There are two statements here and both will be made a part of the record.

Dr. NICHOLS. Thank you.

We are primarily concerned, Mr. Chairman, of course, with the effect of the census data upon the amount of Federal funds which we get.

The major problem of our programs are title I, that sort of thing.

We were operating for 14 years on 1960 Census before we caught up. We are dealing with about \$163 million a year, and in a period of 10 years, of course, our educational system will lose 1 year's allocation if we operate only on the Decennial Census data.

We have about 1,600,000 children in our school system that has grown about 35 percent in the last 10 years. And we have a great many children in this 1,600,000 who are disadvantaged under title I and so, consequently, we feel the impact upon Florida is quite great as a result of the fact that we only count these children every 10 years, these people every 10 years.

That really is the heart of our statement, sir.

The CHAIRMAN. We want to thank you for your statement.

I want to announce that the record will remain open long enough for second thoughts, hindsight, reassessment, rejudgment, and the additions requested of the Director of the Bureau of Census this morning so that we have as tight a record as circumstances permit.

So, as the witnesses reflect on this, if any other thoughts occur to them, they can be submitted.

I find that when I testify, I, as an individual, give a good bit of testimony, but because some staff member prepared it for me, it is after I go home that I get my best thoughts.

So, if you get any further thoughts that you wish you had presented this morning, we will put them in.

Are there any other comments now?

There may be some written comments, as I understand.

If there are no further comments, then we are prepared to adjourn the hearing under those conditions.

The record will remain open for additional comments.

Dr. NICHOLS. Thank you, Senator.

The CHAIRMAN. Thank you very much.

[Whereupon, at 11:20 a.m., the committee adjourned.]

[Statement of Dr. Nichols plus additional material that was submitted for the record follows:]

STATEMENT OF

RALPH D. TURLINGTON
COMMISSIONER OF EDUCATION
STATE OF FLORIDA
DEPARTMENT OF EDUCATION

PRESENTED BY

ROGER M. NICHOLS
DEPUTY COMMISSIONER FOR EDUCATION MANAGEMENT
STATE OF FLORIDA
DEPARTMENT OF EDUCATION

BEFORE THE

U. S. SENATE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE

ON

S. 1009

July 28, 1975

STATEMENT BEFORE THE COMMITTEE ON CENSUS AND POPULATION

Mr. Chairman and members of the Committee:

As Florida's Commissioner of Education I speak for the entire educational system of the State of Florida. I thank the committee 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 1.6 million (1,697,393 in FY 1974) 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 or \$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 Committee 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 1970 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 approximately 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 continues 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 Committee 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. I have taken the liberty of submitting additional comments on affected and related areas.

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

ADDITIONAL COMMENTS CONCERNING THE IMPLICATIONS OF DECENNIAL
CENSUS DATA ON THE ALLOCATION OF FUNDS UNDER TITLE I OF THE
ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA)

Ralph D. Turlington, Commissioner
Florida Department of Education

July 28, 1975

ADDITIONAL COMMENTS CONCERNING THE IMPLICATIONS OF DECENNIAL
CENSUS DATA ON THE ALLOCATION OF FUNDS UNDER TITLE I OF THE
ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA)

Prior to testifying about the negative implications that the use of "out-of-date" census data has for the allocation of Title I, ESEA (Part A) funds in the State of Florida, I would like to briefly review the four (4) basic funding criteria used in the Title I, ESEA funding formula.

1. The number of children aged five to seventeen, inclusive, from families below the criteria of poverty used by the Bureau of the Census in compiling the 1970 census. This criteria of poverty is the "Orshansky" index or formula.*
2. Two-thirds the number of children aged five to seventeen, inclusive, whose families receive payments in excess of the the current criteria of poverty, under the program of aid to families with dependent children (AFDC).
3. The number of children aged five to seventeen, inclusive, living in local institutions for neglected or delinquent children (not including institutions operated by the State of Florida or the U.S. Government, since their educational programs are not provided by a local school district.)

*The Orshansky index was designed to remedy some of the defects inherent in the use of a fixed family income to define poverty. For example, under the Orshansky formula a family of two adults and one child will have a different poverty threshold from a family of two adults and five children. (See chart below.)

Family size:	Nonfarm	Farm
2.....	\$1,840	\$1,569
3.....	2,383	2,012
4.....	2,924	2,480
5.....	3,743	3,195
6.....	4,415	3,769
7 (or more).....	4,958	4,244
	6,101	5,182

Note: Definitions:

Families: 2 or more persons related by blood, marriage, or adoption and customarily living in the same dwelling unit.
Income: Regular gross cash income from any source, before taxes.

Poverty (the poor): Those were classified as poor in the census whose 1969 cash incomes were below the index

4. The number of children aged five to seventeen, inclusive, who are supported in foster homes with public funds.

Since the number of children counted in the final two criteria are relatively slight*, I will concentrate my remarks on the first two criteria--decennial census data and AFDC payments.

Seemingly, the most accurate method for determining the number of low income children eligible for funding under Title I is through the decennial census. Data acquired in this manner possesses many desirable characteristics--it is uniform, comprehensive, objective, and accurate. Furthermore, census data is simple to understand and would therefore facilitate a more reliable and equitable distribution of funds for the eligible school districts. Unfortunately, under current conditions, census data becomes increasingly inaccurate with each passing year. To further complicate the issue, census data is many times three or four years old before it is officially used to allocate funds. For example, the 1970 census was not used in the Title I, ESEA formula until fiscal year 1974, fourteen years after the 1960 census.

As the decennial census data becomes more obsolete, other data are used to maintain currency. In Title I annually compiled AFDC data is used. There are, however, several problems inherent in using AFDC figures only, to update census data. First, AFDC qualification and payment standards differ greatly in each state--thus, AFDC data lacks interstate uniformity as a measure of poverty. Second, it

*According to FY 1973 data, census and AFDC data accounted for approximately 93% of the total eligible children. Consequently, the remaining children only accounted for 7% of the total allotted funds.

creates the possibility of double-counting children (counted by the decennial census as having an income below a certain level) to, in subsequent years, be counted again as part of the AFDC count, as their family income status changes. There are other inequities as well, too complex to be included in these brief comments.

Congress, too, has recognized that these inequities exist. But, it further asserted that it would be unfair to lock both state education agencies and local school systems into an inflexible decennial census formula for ten, or perhaps even fourteen, years. Consequently, Congress agreed to continue the use of AFDC data to up-date decennial census data, but agreed to fund only two-thirds of the AFDC children counted each year, thus moderating their negative impact.

Another problem which results from the use of decennial census data as a criteria for the Title I formula, is that as the data becomes more obsolete with each passing year, there is increasing pressure on Congress from state and local educational agencies for protective funding "floors" for some states (which also requires funding "ceilings" for other states.) Even though the use of arbitrary "floors" or "ceilings" keeps some states from getting hurt, it then, in my opinion, brings about the greatest of the inequities that occurs when Title I funding becomes static and can no longer be shifted to meet the changing population patterns of low income children. For example, through a series of "floors" and "ceilings" the Title I, ESEA (Part A) funds allocated to the State of Florida remained static at approximately \$26-million for each year from 1965 through 1974. During that same nine year period, the State of Florida experienced some of the most phenomenal population growth in its history. This growth brought

about a corresponding increase in the number of low income children eligible for Title I educational services. However, it was not until August 21, 1974, when President Ford signed into law Public Law 93-380 that the "floors" and "ceilings" were lifted from the Title I funding process and Florida's Title I funding began to realistically reflect our actual "low income" population. Our Title I, ESEA (Part A) allocation increased from \$26-million to approximately \$48-million (for FY 1975.) This new funding level represents a statewide increase of around 90%. At the local school district level a similar pattern was also reflected. For example, during the 1960's Brevard County, Florida experienced tremendous growth, largely a result of our national space program conducted at Cape Kennedy. Yet, throughout the late 1960's and early 1970's Brevard County's Title I allocation remained constant at around \$300-thousand. This year (FY 1975), since the 1970 census data has been fully applied with no state "floors" or "ceilings," Brevard County's allocation for Title I jumped to \$1.3-million. This is an increase of 376.7% for Brevard County alone--representing an extreme example of the inequitable application of decennial census data. Obviously, the eligible low income children did not move into Florida all at once during the year of the decennial census (1970). In-migration is a gradual process. Nevertheless, by the late 1960's and early 1970's the 1960 census had become so obsolete, and the AFDC data was so inadequate, that Congress resorted to a series of protective "floors" which conversely placed "ceilings" on growth states, such as Florida, during that same period of time. Meanwhile, low income children throughout Florida did not receive the funding that they needed and which Congress intended for them to receive, as embodied

by the declaration of national policy, contained in Section 101 of Title I of the Elementary and Secondary Education Act of 1965.*

*Sec. 101. In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in the following parts of this title) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children.

FEDERAL STATISTICS USERS' CONFERENCE

1523 L STREET, N. W. • WASHINGTON, D. C. 20005

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The Penn Central Company

Executive Director:
JOHN H. AIKEN

Area Code: 202
393-3322

July 11, 1975

The Honorable Gale W. McGee
Chairman
Senate Post Office and Civil
Service Committee
1110 Dirksen Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

Enclosed are five copies of a prepared statement submitted on behalf of the Board of Trustees of the Federal Statistics Users' Conference to express their views on S. 1009, 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.

Obviously, this is an issue of considerable importance to our membership and we would greatly appreciate it if this statement could be included in the printed record of the hearings.

Sincerely yours,

John H. Aiken
John H. Aiken
Executive Director

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Encs.

FEDERAL STATISTICS USERS' CONFERENCE

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393-3522

STATEMENT OF THE FEDERAL STATISTICS USERS' CONFERENCE

Submitted to the

SENATE POST OFFICE AND CIVIL SERVICE COMMITTEE

July 11, 1975

This statement is submitted on behalf of the Board of Trustees of The Federal Statistics Users' Conference to express their views on S. 1009, 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.

FSUC is a nonprofit association comprising 197 organizations generally classified as business firms, labor unions, nonprofit research groups (including professional associations), State and local governments and trade associations. Members of these groups have a common interest in obtaining adequate, timely and reliable information from Federal statistical programs. Almost every segment of the economy that uses Federal statistics is represented in the Conference. One of FSUC's primary functions, as spelled out in its By-laws, is "To coordinate efforts of Federal statistics users in developing Federal statistical programs of optimum usefulness at minimum expense."

Our members recognize that reliable current population data from States, counties and municipalities are needed not only for purposes of allocating federal funds but also for a large variety of governmental and other actions. The establishment of standard sets of data on which governmental action are to be based would serve to eliminate confusion and would make for more efficient coordination of governmental activities. This is a sound concept and for this reason we endorse the general purpose and intent of S. 1009 and similar bills.

On the other hand, it is our belief that the coordination of population estimates for use by government is a matter which can and should be provided through action by the Executive Branch. We understand that the Office of Management and Budget has recently issued a Revision of its Circular A-46, which provides in Exhibit 1 for the "use of standard data on total population for all Federal programs which make use of total population data in the distribution of Federal benefits". We believe that such action from the Executive Branch should be adequate to meet the purposes and permits adaptation to changing circumstances without the need for modifications in legislation.

We recognize that the Bureau of the Census has recently made some major improvements in the methods for providing population estimates for counties and individual municipalities in response to the requirements of the Revenue Sharing

program. However, the Bureau has repeatedly pointed out that its ability to provide such data depends in a major part on the quality and availability of source information over which it has no control. The provision that the Secretary may use sampling or other methods which he determines will produce current, comprehensive and reliable data would be essential to the continued supply of the amount of detail called for.

The need for current, comprehensive and reliable population data for each of the local general purpose governmental units in the country points clearly to the need for a Census of Population to be taken more often than once in ten years as now provided for in legislation. The Federal Statistics Users' Conference has previously reported its finding that there is a need for a Census of Population to be taken every five years. With the rapid changes which are taking place in the United States and with the changing patterns of population distribution, a census every ten years is no longer adequate to meet the needs of government or the private sector of the economy. A census of the entire United States which provides data for each locality in the country is the indispensable benchmark for the preparations of estimates of individual areas, especially those with relatively small population. Local population changes are so rapid and so large that the ten year span between censuses does not provide an adequate benchmark for estimates prepared in the second half of the ten year period.

Both HR 4948 and S 1009 are efforts to meet the growing need for current and reliable population data for small areas. The distribution of Federal and State benefits calls for reliable population data. Powers and duties of many local governmental units are determined by the size of the population and a large amount of governmental, as well as private activity depends on the availability of up-to-date and reliable population data. The Revenue Sharing Act has intensified this need. Other legislative enactments and proposals dealing with such diverse matters as education, housing and voting rights require such data, along with some detailed information, such as racial or ethnic background of the population of each area. The difficulties of making current estimates of total population are dwarfed by the difficulties of providing detailed information about the population of the area. We respectfully suggest that your Committee may wish to give consideration to the demands for demographic data which are being placed on the Federal agencies by legislation already in effect as well as by major proposed legislation. Gathering ad hoc information to meet specific needs may in the end turn out to be more expensive and less satisfactory than the provision of comprehensive basic information which would serve to meet many special needs.

* * * *

OKEECHOBEE, FLA., April 4, 1975.

Hon. GALE MCGEE,
Chairman, Senate Post Office and Civil Service Committee, U.S. Senate, Washington,
D.C.

DEAR SENATOR MCGEE: Just, a short letter in support of a bill (I understand) you co-sponsored with Senator Dick Stone. The bill I am speaking of, is one to change the formula for revenue sharing of funds, to our states, and political subdivisions.

As I understand: the funds are now distributed based on a 10 year census population figure.

Your and Senator Stone's bill would change this to: an estimate of population on a yearly basis.

I feel: that this is a fairer way of distribution, and that many states like Florida loses many millions yearly, because of our great population increase.

Sir; I think that you and Mr. Stone, should be highly commended, for your efforts to correct, and change the formula for distribution of revenue sharing funds.

Best of wishes, in your worthy efforts.

I am;

Sincerely yours,

HOMER J. HAYES.

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