

How Decennial Data Drive Funding at State and Local Levels

Some Examples from Montana

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Discussion Points

- Values from the Decennial Census are used at the Federal, State, and Local levels to determine program and participant funding and eligibility.
- Those administering programs may not have the expertise to gauge fitness-for-use of a specific Decennial Census data value relative to the program objectives.
- There may also be timing issues which prevent using a Decennial Census value which would be more fit-for-use.

Federal Funding Program Formulas That Use Decennial Data

The 2017 U.S. Census Bureau working paper entitled “[Uses of Census Bureau Data in Federal Funds Distribution](#)” authored by Marisa Hotchkiss and Jessica Phelan found 132 programs that used Census Bureau data in funding distribution. Many of these programs use Decennial Census data in setting recipient eligibility criteria and awarding / allocating funding.

Decennial Census data are also referenced for the same purposes in state and local government statutes and rules.

Examples of Federal Funding Formulas for Rural / Tribal Areas That Use Decennial Data

Current Use Cases Specific to Rural and Tribal Areas Include:

- **Formula Grants for Rural Areas** Eligible areas are those with populations of less than 50,000 that have not been designated in the most recent Decennial Census as an urbanized area. (U.S. Department of Transportation)
- **Youth Homelessness Demonstration Program** Priority funding for communities with substantial rural populations. Rural is defined as having more population residing in rural areas than either suburban or urban areas, based on data from the Census Bureau and less than 30 persons per square mile as reported by the most recent Decennial Census. (U.S. Department of Housing & Urban Development)
- **Payments to Agricultural Experiment Stations Under the Hatch Act** The formula uses the ratio of the rural population of the State relative to the total rural population of all States as determined by the last Decennial Census. (U.S. Department of Agriculture)
- **Indian Housing Block Grant Program (IHBG)** Formula uses American Indian population and area population for the target area from either the Decennial Census or American Community Survey. (U.S. Department of Housing & Urban Development)

State Programs – Formulas Allocating Funding that Use Decennial Data

Like Federal Programs, State programs also use Decennial program to set criteria and allocate funding. Specific examples from Montana include:

- **Disposition of Gasoline and Vehicle Fuels Taxes** - MCA § [15-70-101](#) For the purpose of allocating gas and vehicle fuel excise tax receipts, percentage factors must be calculated to determine separate populations for the city and rural county by using the last official Decennial Census population figures.
- **9-1-1 System funding** – MCA § [10-4-101](#) A calculation is made to allocate a monetary amount for each person residing within the jurisdictional boundary of a county according to the total population count from the most recent Decennial Census compiled by the United States Bureau of the Census.
- **Public Library State – Aid** – MCA § [22-1-327](#) The total amount of annual per capita and per square mile funding to public libraries for each fiscal year is the base amount of 40 cents multiplied by the total number of residents of the state as determined by the most recent Decennial Census produced by the U.S. Bureau of the Census.

State Programs – Formulas Allocating Funding that Use Decennial Data

- **Apportionment of state funds to Urban Highway System** - MCA § [60-3-211](#) Each fiscal year, the department shall apportion the federal-aid highway funds allocated for the urban highway system to the urban areas in the state as delineated and reported in the latest Decennial Census with populations of 5,000 or more in the ratio of urban population in each urban area to the total urban population in all urban areas in the state.
- **Distribution of liquor tax for financial assistance** - MCA § [53-24-206](#) Eighty-five percent must be allocated according to the proportion of each county's population to the state's population according to the most recent United States Decennial Census.
- **Branch banking location limitations** - **MT Rule** [2.59.902](#) Principal city" means an area designated as a "principal city" by the federal Office of Management and Budget. "Short distance" means:(a) within a 1,000-foot radius of the current location of the branch if it is located within the principal city of a metropolitan statistical area (MSA); (b) within a one-mile radius of the current location of the branch if the branch is not located within a principal city but is within an MSA; or (c) within a two-mile radius of the branch if it is not located in an MSA.

Local Programs – Formulas Allocating Funding that Use Decennial Data

Local programs in Montana also use Decennial/DHC data to set criteria and allocate funding. Specific examples from Montana include:

- **Urban hospital – MT Rule:** [37.86.2901](#) is an acute care hospital that is located within a metropolitan statistical area, as defined in 42 CFR 412.62(f)(2) based on data from the most recent Decennial Census.
- **Limits on the compensation of a mayor, city council members, and city employees** MCA § [7-3-4255](#) as defined by § [7-1-4113](#) which requires use of population data from the latest Decennial Census.

Timing Issues

Example Montana's Biennial Legislature

Montana's Legislature meets every other year for just 90 days. This means statutes that reference Decennial or other census data cannot be adjusted to a different metric without calling a special legislative session.

Gauging Fitness-for-Use

Law, rule, and policy makers and program administrators may not have the expertise or access to the expertise to determine if the most recent Decennial Census data effectively matches the desired program goals for allocating funding / determining eligibility.