

# Make Kids Count: The Cost of a Census Undercount

## A High Stakes Headcount

The U.S. Census Bureau conducts a national census every 10 years, and the results determine how more than \$800 billion in federal funds are distributed among states.<sup>1</sup> Nearly 300 federal programs that provide support to families rely on data derived from the Decennial Census, and in North Carolina alone, more than \$16 billion in federal funding is dependent on an accurate count.<sup>2</sup>

## Census-Derived Funding is Critical for Kids

More than half (\$9.2 billion) of the federal funds that come to North Carolina through programs using census data are determined using a formula known as the Federal Medical Assistance Percentage (FMAP). Based in part on the state's Decennial Census count, this measure is calculated annually and determines how much money North Carolina receives to administer five major federal programs that support children and families:

- Medical Assistance Program (Medicaid),
- State Children's Health Insurance Program (CHIP),
- Title IV-E Foster Care,
- Title IV-E Adoption Assistance, and
- Child Care and Development Fund (CCDF).

Four of these five programs solely support children, and while Medicaid is also available to adults, 2/3 of enrollees in the state are children.<sup>3</sup>

## Understanding the FMAP

The FMAP formula is based on each state's per capita income (PCI) over the most recent three calendar years compared to the national average for those years.<sup>4</sup> Per capita income is determined by dividing residents' total income by the total population in that state. The lower a state's PCI, the higher the FMAP, and the more cents on each program dollar spent by the state that the U.S. Department of Health and Human Services will reimburse. The maximum FMAP is 83 and the minimum is 50; in FY2015, North Carolina was one of 13 states with an FMAP between 60-66.9%.

## An Undercount Means Fewer Funds for Kids

While a census undercount of residents has no effect on a state's total income, it does cause per capita income to rise. This in turn causes a reduction in the FMAP, requiring more state payments to be made to the federal government. By this measure, FY2015 estimates indicate that each person missed in North Carolina during the 2010 Census resulted in a loss of \$988 in FMAP-based funds. For every additional 1% of residents undercounted, the state lost \$94,218,427.<sup>5</sup>

**The Decennial Census determines how much money North Carolina receives – or forfeits – for many children's services for the next 20 years, so it's important that we get the count right. In 2019, legislators can allocate additional funding to census preparation and outreach to encourage full participation, but they need to hear from you!**

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## Endnotes

- <sup>1</sup> Reamer, A. (2018). Counting for Dollars 2020: The Role of the Decennial Census in the Geographic Distribution of Federal Funds [Report #2], George Washington University Institute of Public Policy
- <sup>2</sup> Reamer, A. (2017). Counting for Dollars 2020: 16 Large Federal Assistance Programs that Distribute Funds on Basis of Decennial Census-derived Statistics, Fiscal Year 2015, North Carolina [Report #1], George Washington University Institute of Public Policy
- <sup>3</sup> The Henry J. Kaiser Family Foundation. (2017). Medicaid in North Carolina [Fact Sheet]
- <sup>4</sup> Miller, V. (2013). FMAPs and the Impact of Decennial Census Data. National Association of Medicaid Directors.
- <sup>5</sup> Reamer, A. (2018). Counting for Dollars 2020: The Role of the Decennial Census in the Geographic Distribution of Federal Funds [Report #2], George Washington University Institute of Public Policy