

Consequences of an Undercount in the 2020 Census: Why Pennsylvania Needs a Public Fund

Policy
Briefing

As of December 3, 2018

Pennsylvania faces significant challenges in achieving a complete count in the upcoming Census. The Commonwealth receives \$26 billion annually in Census-directed funds, which includes funding for critical needs like healthcare, infrastructure, housing, rural communities, and local municipalities. Were the 2020 Census to fail to capture the population in Pennsylvania's hard-to-count communities, we would see a substantial reduction in these federal funds. It would be wise for Pennsylvania to begin making small but effective investments in preparing the Commonwealth for the Census to ensure a successful count.

The 2020 Census: Operational Challenges

Congress has limited the amount of federal funds available for the 2020 Census. This has forced the Census Bureau to significantly reduce its workforce, including both workers supporting local areas in preparing for the Census and workers who help people complete the Census. Additionally, this is the first Census that respondents will be encouraged to complete online. Most residents of Pennsylvania will not receive paper questionnaires.

This September, the federal Government Accountability Office added the 2020 Census to its "High Risk List" of federal programs that need continued attention and monitoring, citing data security issues, large cost overruns, and significant delays in testing and development of the needed IT infrastructure necessary to execute this first-ever high-tech Census. This trajectory is markedly similar to the initial disastrous rollout of the federal online website for health insurance, Healthcare.gov.

Beyond the operational challenge inherent in the new approach to Census collection, Pennsylvania has a population that will pose unique challenges for the Census including large rural areas and areas of concentrated poverty with limited access to broadband Internet, a disproportionately older population, and communities with limited English proficiency. Without adequate supports and a plan to reach out to these communities, the Commonwealth will likely see a decrease in the willingness or ability of residents to respond to the Census.

Why an Accurate Count Matters: Census-Directed Funding & the FMAP

Why should Pennsylvania invest in what is essentially a federal function? The answer is clear and has a direct impact on our state budget. First, Pennsylvania is required to provide medical assistance to the elderly, people with disabilities, and children who are eligible. The state cannot reduce eligibility for the individuals in these "traditional" Medicaid categories. The funding Pennsylvania receives to reimburse it for more than half of these costs is directly determined by the Census. The Census population is used to calculate the per capita wealth of the state, a key determining factor in the Federal Medical Assistance Percentage (FMAP) that is used to allocate federal funds.

With fewer people counted, the state’s calculated per-capita income will appear smaller than it really is, as illustrated in the graphic below:



A higher per-capita calculated income translates to a lower FMAP calculation, and therefore, a decrease in federal funds to the state. Since traditional Medicaid is a non-discretionary program, Pennsylvania would be forced to make up the difference for the 10 years following the Census.

According to George Washington University’s Institute of Public Policy, Pennsylvania is particularly vulnerable to these changes:

- Pennsylvania is second in the nation in the total amount of dollars that would be lost per person missed (\$1,746/person in 2015 dollars).
- Pennsylvania is second in the nation in the total amount of Federal funds that would be lost per year due to an additional 1 percent undercount (\$221,762,563/year in 2015 dollars).

The FMAP applies to seniors, children, and people with disabilities who are enrolled in Medicaid and it is not used for the Medicaid Expansion category, which receives an “enhanced” match. The FMAP is also used to determine the amount of federal funds available for programs like the Children’s Health Insurance Program, some foster care expenditures, adoption assistance expenditures, prescription drug assistance for seniors enrolled in both Medicare and Medicaid, and child care expenses that incentivize low-income individuals to go to work, attend school, or seek out job training. These programs are already lean, and Pennsylvania lawmakers, faced with an undercount, would have to make up the shortfalls with already scarce state dollars. Because the state’s elderly population is disproportionately large and growing, these shortfalls would only increase over the 10-year period, as the state would have to pick up a larger percentage of the cost for this population’s long-term services and supports and nursing home care.

Pennsylvania would be wise to examine the lessons from California on this matter. In the 2000 Census, California experienced a significant undercount that cost it billions in federal dollars. Subsequently, it added additional resources to Census operations in the 2010 Census that increased its count by 10 percent, but still failed to count 1.5 million people, according to state records. California is not as vulnerable as Pennsylvania in the George Washington report because of its proactive stance in assuring people are counted.

Recommended Strategies to Ensure an Accurate Count

Pennsylvania needs strategies designed to reach its aging population, which is less likely to answer the Census questionnaire online, its rural communities that lack broadband access, and traditionally hard-to-count communities such as immigrant communities, low-income communities, and communities of color. To do this, Pennsylvania should pursue two evidence-based strategies: a broad awareness and education campaign around participation in the 2020 Census and direct in-person outreach and assistance that encourages members of hard-to-count to participate in the Census.

Pennsylvania should appropriate \$12.8 million in state funds during the 2019-20 budget to directly support, through a competitive grant program, local governments and community-based organizations to execute specific actions related to these two strategies.

The awareness and education campaign should focus on promoting awareness of the Census through proven channels specific to targeted communities, including:

- Media outreach to trusted local news sources,
- Social media outreach, both paid and organic, from trusted messengers; and
- Local community events and presentations led by trusted community-based organizations with an on-the-ground presence in hard-to-count communities.

The state should also support community-based groups that can offer additional supports in hard-to-count communities. Interventions and supports that have proven effective in previous Census counts include:

- **Assistance centers.** Many rural and aging states are moving toward questionnaire assistance centers, which help overcome the digital divide. Trusted local organizations like senior centers, churches, and libraries should receive a small amount of funds to offer support and computer access for individuals desiring to complete the Census but who either lack computer access or savvy to do it on their own.
- **On-the-Ground Outreach.** Additional capacity is also needed in local communities to reach the hardest-to-reach through face to face interactions by trusted entities. In previous years, the federal government offered mini-grants to community-based organizations to provide this outreach. This year will be the first year that the mini-grant program has been eliminated, and we encourage Pennsylvania to fill this gap.
- **Hiring Enumerators from Hard-to-Count Communities.** Lastly, the community-based organizations involved in these efforts can also play a key role in recruiting community members to apply and be hired as official Census enumerators.

We recommend the creation of a public fund to increase awareness and education around the Census and increase in-person outreach and assistance with the Census through efforts by the Commonwealth, local governments, and community-based organizations. The FY 2019-20 budget should include, at a minimum, a dollar per Pennsylvanian, or \$12.8 million to support these activities. Both local government and community-based organizations should be eligible to apply for allocated funds through a competitive grant process. The amount of funding awarded should be proportionate to the population of hard-to-count communities in the applicant's community. Local direction of funds is best in responding to local communities, and those best connected to hard-to-count communities should be encouraged to apply.

This paper was done in partnership with Keystone Counts, a nonpartisan coalition of advocacy groups, service providers, and community organizations working together to build an education and outreach effort to ensure a fair and accurate 2020 census.

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