# Indian Housing Block Grant: Introducing Census2010/ACS Data into the Formula

# Basic Concepts

- All tribes qualify for Needs funding.
- The amount remaining after FCAS is allocated is divided among tribes based on their share of “countable” Needs.
- Needs are measured using specific variables from the Census.
- Needs count only if they are in a tribe’s Formula Area and if they do not exceed the population cap.

# Variables & Weights

- 0.11 AIAN Persons

- 0.13 AIAN HH < 30% Formula Median Income
- 0.07 AIAN HH 30%-50% Formula Median Income
- 0.07 AIAN HH 50%-80% Formula Median Income

- 0.25 AIAN HH Overcrowded or No Kitchen/Plumbing
- 0.22 AIAN HH Paying > 50% of Income for Housing
- 0.15 AIAN HH <80% Median Income-Assisted Units

# Simulation reflects:

- 2010 Census for Person Counts;
- The 2010 American Community Survey for other variables reflecting data collected 2006 through 2010.

# What is the "Base" for the comparison?

- Most of the files used in the "base" are the same as used in FY14 – FCAS, enrollments, cost variables, formula area definitions;
- Allocation set at $643 million;
- 2000 Census Data or data from census challenge **but "aged" to reflect conditions as of 2010** – the year of the decennial census.

This is an analysis of allocation changes which would occur if new Census/ACS data were to be used in the formula.

# Simulation to Base Comparison is the difference between an allocation based on:

- Demographic, social and economic conditions in 2010 as found by the Census

  and

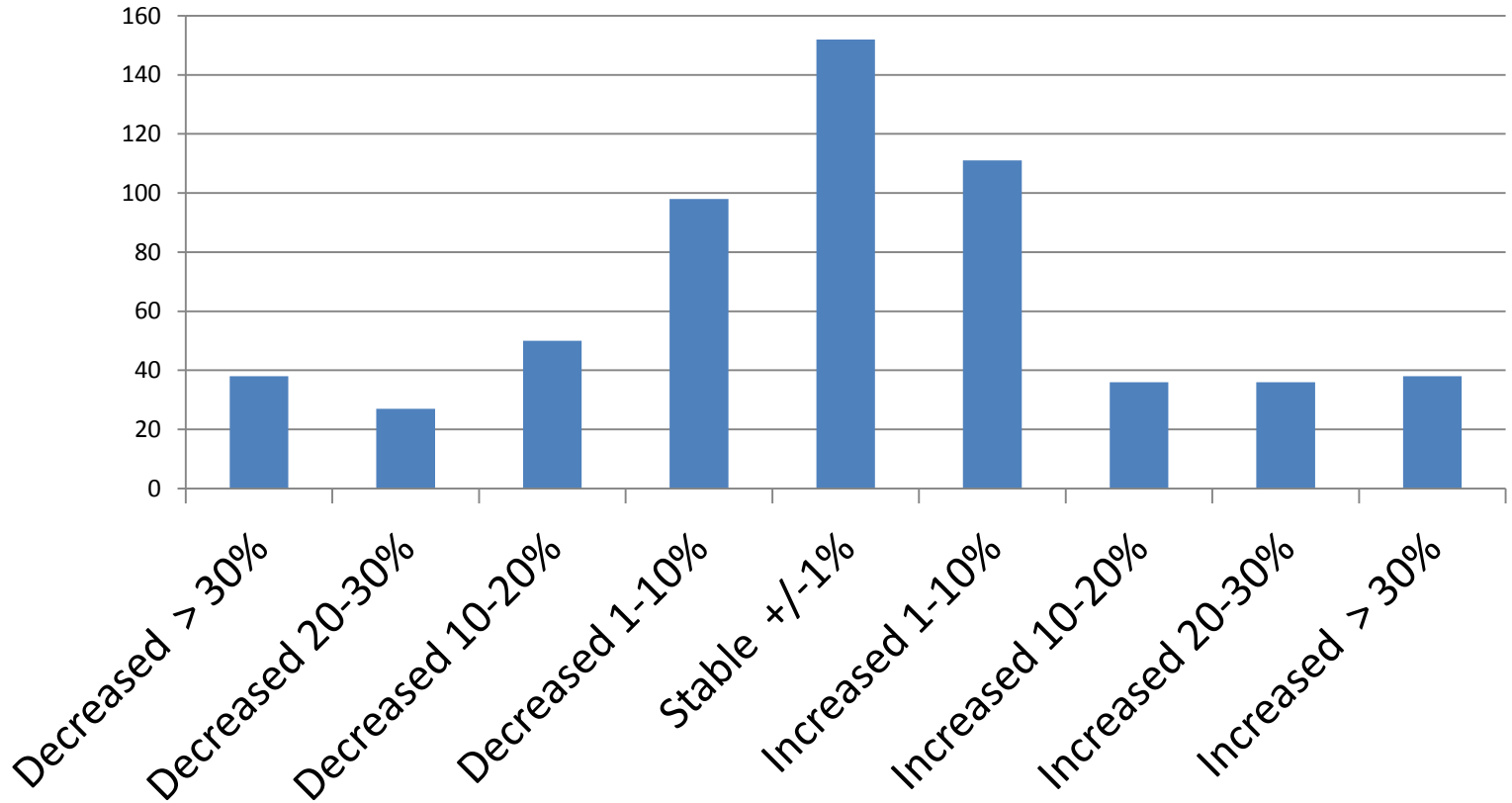
- What the formula "guesstimated" would be the conditions in 2010 based on old Census data and growth trends identified by the Indian Health Service.

Had the growth factor worked perfectly, allocations would have been stable.

# What happens in the simulation?

- In total, and on average, very little.
- For individual tribes, there are changes in the size of the grant.

# Grant Allocation % Change, Simulation Compared to Base



# Big % changes may not mean large $ changes.

- The 38 tribes with the biggest percentage losses saw their grants decrease by a total of $3.5 million.
- The 38 tribes with the biggest percentage gains saw their grants increase by a total of $4.4 million

# Grant Allocations: Change by Region

| | Total Grant | | Needs Allocation | |
|---|---|---|---|---|
| Region | $ in millions | % chg | $ in millions | % chg |
| ALASKA | $98.72 | 2.2% | $63.12 | 3.6% |
| CHICAGO | $97.16 | 8.1% | $57.47 | 14.6% |
| DENVER | $90.91 | -2.8% | $28.27 | -8.6% |
| OKLAHOMA | $95.00 | 0.8% | $56.88 | 1.5% |
| PHOENIX | $201.88 | -4.2% | $114.56 | -7.4% |
| SEATTLE | $59.32 | 2.2% | $37.65 | 3.5% |
| Total | $643.00 | NA | $357.96 | -0.04% |

# What explains observed patterns

- Tribes' shares of the national total needs shift due to;
  - Economic and demographic changes;
  - The inability of the growth factor in the formula to fully predict those changes.

# Growth factors do not fully predict population changes even though they are based on population projections, because:

- Based on births/death trends only, not migration;
- Factors are developed for counties and same factor is used for both Indian/non-Indian land within a county;
- Same factor used for single and multi race data.

# The "estimated" person counts

- Are too high overall, particularly in the single-race data set.
- Accuracy varies by area.
  - For single race population, growth rates were "close" for Chicago, Oklahoma and Seattle regions, but too high in other regions.
  - For multi-race population, growth was under-estimated in Seattle, Chicago and Oklahoma and over-estimated in Alaska, Phoenix and Denver.

# Same growth factor is used to "age" other needs variables.

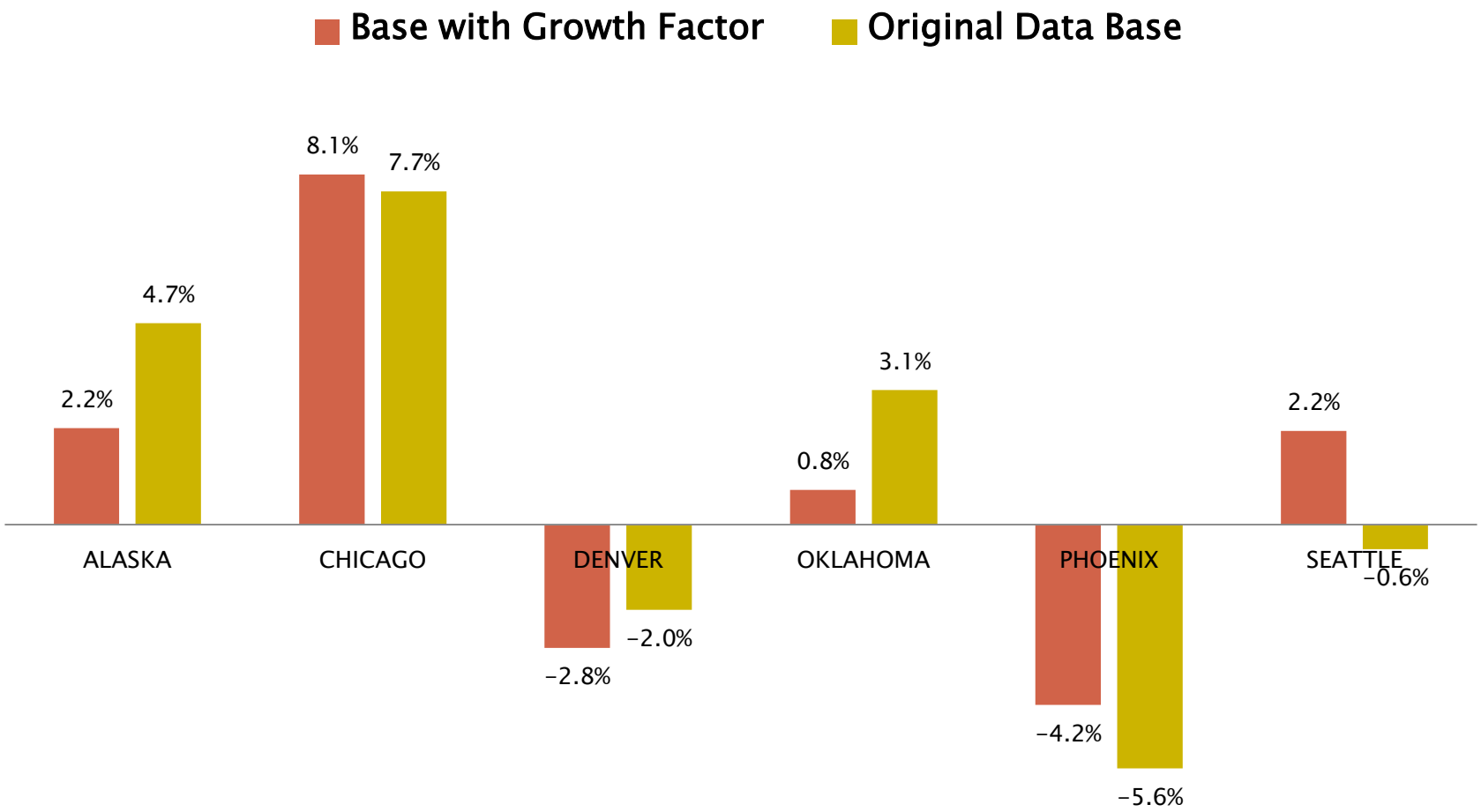
- Other needs variables reflect social/economic changes, more so than demographic changes.
- National data show that trends differed for the various measures of need.
- For most variables single- and multi -race national totals in "aged" base exceed ACS counts;
- Biggest discrepancy is count of overcrowded/substandard housing.

# What would have happened had there been no growth factor?

- Remember, if the growth factor perfectly predicted the changes recorded by the census, grants in the simulation would have been the same as the base.

- Use of the growth factor:
  - Reduced the $ change for 292 tribes;
  - Increased the $ change for 185 tribes;
  - Reduced the total shift of $ by about $4.5 million.

# Simulation: % Change



# Other Reasons Allocations Shift

- Population growth causes more tribes to be pop capped;
- Changing national totals affect the dollar amount allocated per unit of need;
- Census challenges were over-written;
- Census boundaries sometimes changed;
- Local area cost factors change slightly;
- Other technical or methodological issues.

# How to read the materials available on the website

- Request 1: ACS Simulation
- Request 4  ACS Simulation breakdown