

Measuring Intergovernmental Fiscal Dependencies

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Government's Division's Role in AGA

State and Local Dependency

- State and Local Dependency
- Federal Role is One Piece in Understanding Fiscal Sustainability
- State and Local are the Next Step to Understanding the Issue
- Census Bureau Provides Data that Informs the Debate on the Issue Regarding State and Locals
- Measurement Provides Tools for Analysis



Census of Governments Programs

Background

- Provide the Only Source for Comprehensive Uniform Statistics on the Economic Activity of State and Local Governments
- Tell the Story of the Fiscal Condition of State and Local Government
- Follow the Activity of Governments Over Time
- Scope of Programs Compliment Other Operations
- “Gold Standard” of Government Statistics Data



Dual Mission

Aggregate and Individual

- Governments Division Data Serve two Main Communities:
 - Users of Aggregate Estimates (Macro-Data)
 - Users of Individual State and Local Government Data (Micro-Data)
- Unique Compared to Most Census Bureau Programs
- Part of our History for the Last 109 Years



Measurement of Fiscal Condition

Individual Units

- Not Accounting Data
- Fiscal Statistics
- Provides Data Regardless of Fund or Program
- Sectoral Data Divide Activities of Governments into Four Areas



Measurement of Fiscal Condition

Functionality

- No two Governments are Directly Comparable
- Cannot Compare Fund or Program
- Developed Classification Methodology to Recast Fund and Program into Activity-Based Statistics
- Limited Function for Revenues
- Great Detail on Intergovernmental Functional Expenditures



Measurement of Fiscal Condition

Intergovernmental Transactions

Data on Intergovernmental Transactions

- National and State-Area Aggregates
- Individual Governments

Intergovernmental Revenues

- Direct From Federal
- From State to Local
- From Local to Local and State

Intergovernmental Expenditures

- To Federal (few)
- To State
- To Other Locals

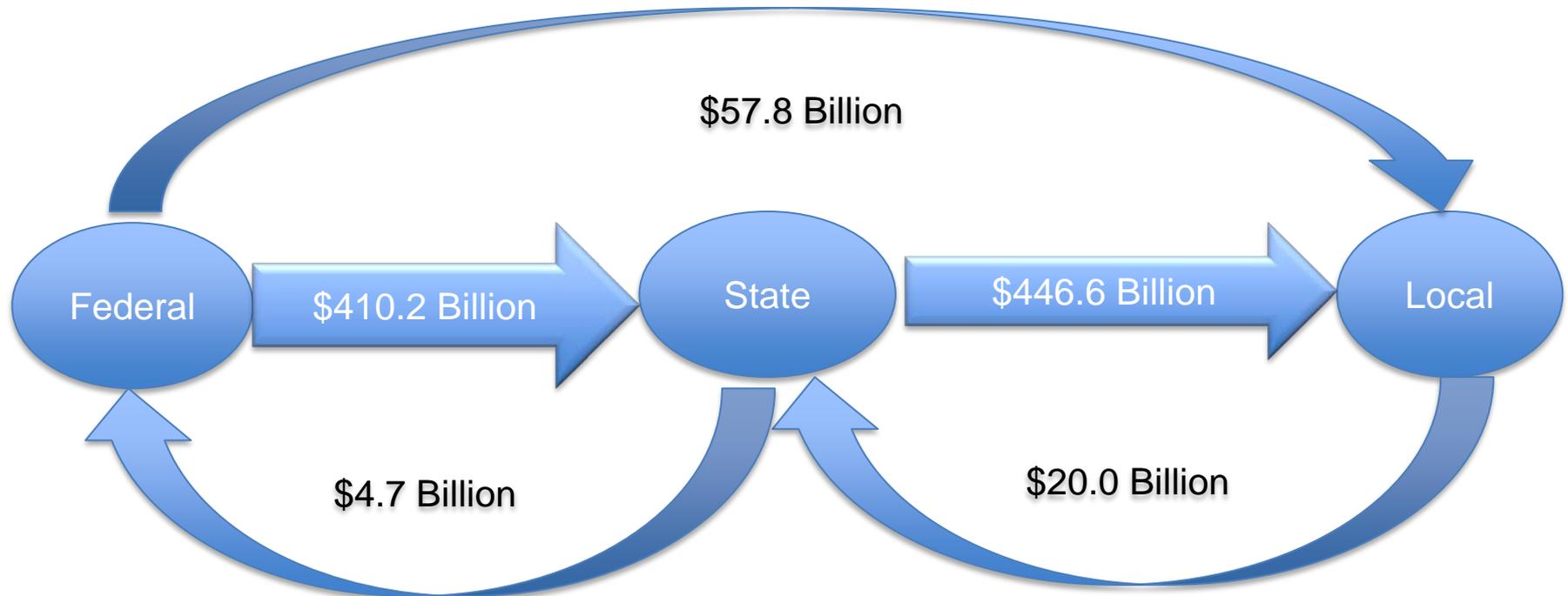
Sectoring of Data

- Allows for Distinction Between Direct and Direct General
- Important for Understanding Intergovernmental Flows
- Separates IG for Utilities from General Government



Intergovernmental Flows

Federal, State, and Local



Source: 2007 Census of Governments
Intergovernmental Revenues & Expenditures



Intergovernmental Fiscal Flows As a Percent of General Revenue

	State	County	Municipal	Township	Special District	Independent School District
Direct From Federal	28.1	3.2	5.3	1.2	15.8	1.0
From State	NA	30.7	18.7	18.6	8.6	53.2
From Local	1.4	1.9	2.4	2.5	7.3	1.2
Total	29.5	35.8	26.4	22.3	31.8	55.3

Source: 2007 Census of Governments
Details may not add to totals due to rounding



Quantifying Fiscal Relationships – Between Governments

Defining the Project

Pilot Project

Comprehensive Examination of Financial Reporting
Implications Associated with the Significant Degree of
Financial Dependency

Dependent on Multiple Census Bureau Inputs

Quantifying Fiscal Relationships – Between Governments

Presentation of Results

	<u>2009</u>
<u>Direct Flows</u>	
Direct Federal Revenue to State	\$ 10,796,610,808
Total State Revenue	\$ 40,222,098,000
% Direct Federal Revenue to Total State Revenue	26.84%
<u>Indirect Flows</u>	
Federal Grants to Local Governments within State (<u>2008</u>)	\$ 1,109,325,000
Federal Payments to Individuals	\$ 58,911,116,924
Federal Purchases from State Businesses	\$ 53,960,788,925
Total Indirect Federal Flows	\$ 113,981,230,849
Total Direct and Indirect Federal Flows	\$ 124,777,841,657
State GDP (Chained 2005 dollars)	\$ 367,399,000,000
% Direct & Indirect Federal Flows to State GDP	33.96%
<u>Other Measures of Indirect Federal Impact</u>	
Federal Leased Buildings in State (sq. ft.)	24,575,759
Federal Owned Buildings in State (sq. ft.)	4,538,789
Military Facilities	221
Present Replacement Value of Military Facilities	\$ 44,579,300,000
Military and Civilian Personnel on Military Facilities	200,590



Quantifying Fiscal Relationships – Between Governments

Testing the Model

What we Did

- Recreated the Intergovernmental Dependency Model for VA, MA, NV, NC, WV, NY, and FL
- Compared Own Source Data with non-Governments Division Data
- Tested the Model for use with Local Governments

What we Found

- Lack of Detail at Local Level Made Effort More Difficult Compared to State
- Information on Contractors is Difficult to Obtain
- The Model Does Provide an Approximation of Federal Impact on State's Economy

Quantifying Fiscal Relationships – Within a Government (Public Pensions)

Defining the Problem

Public Pensions

- Convergence of Demographics, Revenue Sources, and Pension Commitments
- Future Obligations Associated with Public Pensions are a Challenge for Governments

Unfunded Liabilities

- Other Post-Employment Benefits
- Actuarial Calculations

Quantifying Fiscal Relationships – Within a Government (Public Pensions)

Data Availability

Traditional Measurement of Defined Benefit Plans Only

Other Post-Employment Benefits Expenditures are Included in State and Local Expenditure Data

These Data are not Identifiable in Current Schema

No Measures of Defined Contribution Systems

Quantifying Fiscal Relationships – Within a Government (Public Pensions)

The Gap

	Defined Benefit Plans	Supplemental Defined Contribution Plans	Independent Defined Contribution Plans
State Pension Systems	223	91 (?)	???
Local Pension Systems	3,196	???	???

Quantifying Fiscal Relationships – Within a Government (Public Pensions) Future Challenges

Need for Data are Critical

- Need to Quantify the Effects of the Costs of Public Pension Systems on Present and Future Economic Conditions
- Need to Understand the Fiscal Dependencies of Federal, State, and Local Governments
- Need for Data to Ensure Real Measures in the Gross Domestic Product and Flow of Funds on Pension Statistics

Working with the Data

Data Access and Usability

Census Bureau has Been Increasing Use of Data Access and Visualization Tools

- Longitudinal Employer-Household Dynamics (LEHD)
 - On the Map
- American FactFinder (AFF)
- Central Indicator Data Repository (CIDR)

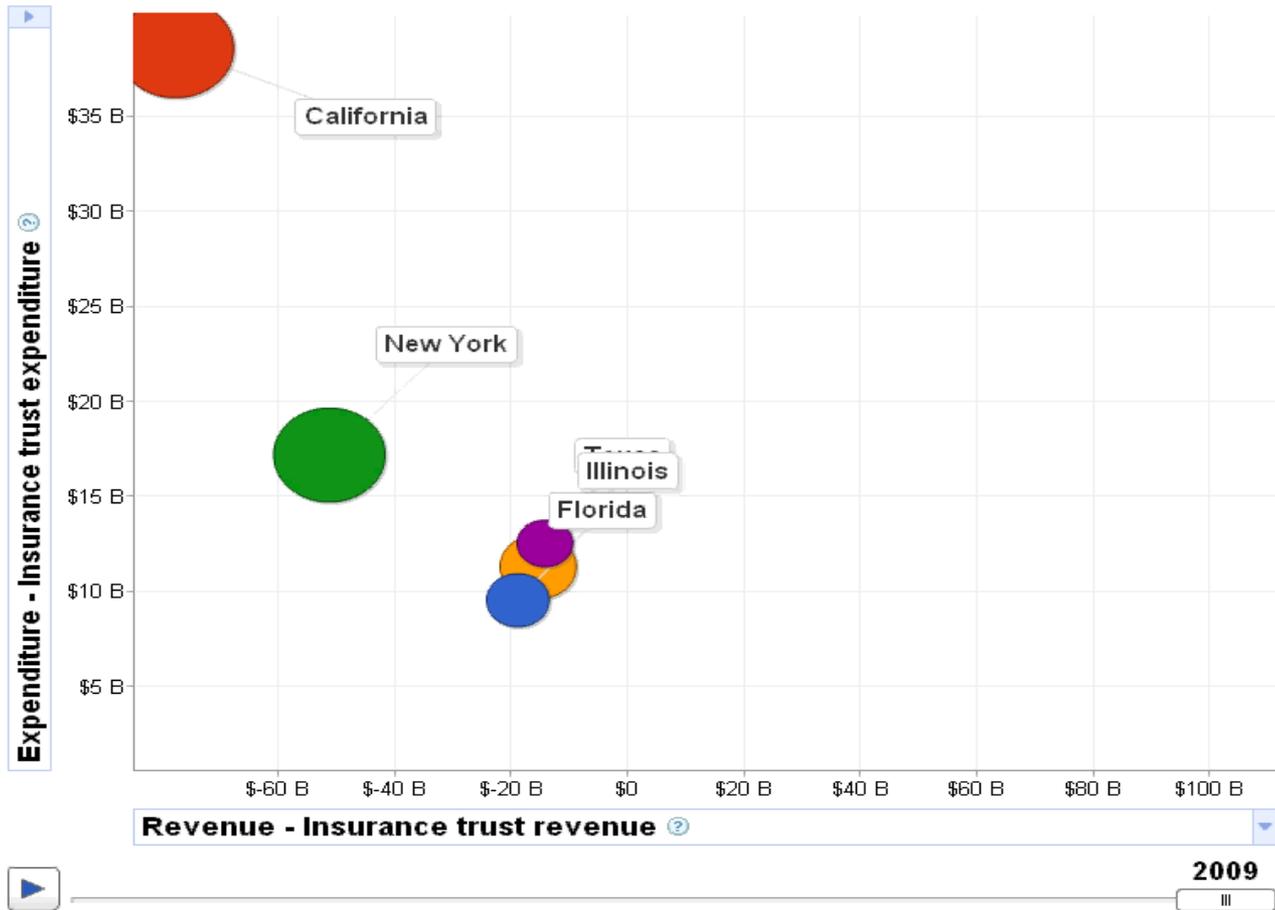
Census Bureau – Google Effort to Take Public Data and Make it Accessible

- Piloted State Finance



Working with the Data

Data Access and Usability



Working with the Data

Future Challenges

The Fiscal Sustainability Model – Challenges Remain

- Discontinuity in Source Material due to Availability of Reference Point (i.e., do all Combined Data Reflect the Same Point in Time)
- Data are not Static but Often the Datasets are

Census Bureau Still Examining Best Approach to Visualization



Thank You

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