USDA Rural Development

United States Department of Agriculture
Rural Development

RD AN No. 4679 (1940-L, and RUS Staff Instructions 1780-2 and 1780-5)

TO: State Directors
Rural Development

ATTN: RUS, RHS, RBS National Office Program Staff, Community Programs Directors, Business Programs Directors, Housing Programs Directors, State Engineers, State Architects and Administrators

FROM: Dallas Tonsager
Under Secretary
Rural Development

SEP 25 2012

SUBJECT: Implementation of 2010 Census Data for Rural Development Programs

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) provides guidance to Rural Development (RD) National and State Office staff regarding the implementation of the 2010 Census data for use in the administration of direct loan, loan guarantee and grant programs across RD. The intended outcome is to instruct and inform RD National and State Office staff on appropriate data to be used as a source for population and income information needed for eligibility determinations and underwriting of applications for assistance filed pursuant to RD programs. In addition, this AN is being provided in advance of the transition to new data sources to allow for an orderly and consistent implementation across RD programs and to facilitate outreach that will provide current and potential applicants sufficient notice.

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued on this subject.

BACKGROUND:

In 2010, the United States Census Bureau conducted its decennial census. Decennial Census data on income is currently used by RD program areas for a variety of purposes, including: eligibility determinations, prioritization, and allocations. Unlike in previous years, the 2010

EXPIRATION DATE:
April 30, 2013

FILING INSTRUCTIONS:
Preceding RD Instruction 1940-L, and RUS Staff Instructions 1780-2 and 1780-5

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Census employed a significantly shortened questionnaire that included only the subject's name, gender, age, race, ethnicity, relationship and whether the residence is owned or rented. The Census Bureau discontinued collecting income data in the 2010 Census and has indicated that the decennial census will no longer include information related to income.

All RD programs will be impacted by both the transition to the new population data and the lack of income-related data in the 2010 Decennial Census. In order to continue to deliver RD loan and grant programs, the Agency must first identify a reliable source of data related to Median Household Income (MHI) and State Non-Metropolitan Median Household Income.

Income Date Source
RD has researched types of data available from other sources and determined that the American Community Survey (ACS) provided by the Department of Commerce, U.S. Census Bureau is the appropriate source for income –related determinations. The ACS can be found at **factfinder2.census.gov**. The ACS is part of the decennial census; however, this is an ongoing survey that is sent to a sample of the population each month to update what the population looks like and how it lives.

The ACS has three types of estimates available: 1-year estimates (based on data collected in a single year), 3-year estimates (based on data collected in three consecutive years) and 5-year estimates (based on data collected in five consecutive years).

The current 1-year estimates are based on data collected between January 2010 and December 2010. Those estimates are published for selected geographic areas with populations of 65,000 or greater and have smaller sample size than the 3-year and 5-year estimates. The current 3-year estimates are based on data collected between January 2008 and December 2010. They are published for selected geographic areas with populations of 20,000 or greater and have larger sample size than the 1-year estimates but smaller than the 5-year. The current 5-year estimates are based on data collected between January 2006 and December 2010 and is published for small geographic areas with populations of 20,000 or less.

The 5-year survey represents the average characteristics over the 5-year period of time; and has a larger sample size than the 1-year and 3-year estimates.

Continuing Resolution
The Continuing Appropriations Act, 2013 appropriates until March 27, 2013, amounts for continuing operations, projects, or activities which were conducted in FY 2012. Generally speaking, the authorities and limitations under USDA's FY 2012 Appropriations Act continue during this period. Therefore, RD will defer transition at this time.

RECEIPT OF, AND TRANSITION TO, 2010 CENSUS INFORMATION

Transition to using data from the 2010 decennial census of the United States and ACS data will be implemented on March 27, 2013. Until that time, and unless specifically directed otherwise, programs are instructed to use the data from the 2000 Decennial Census for program purposes.

Implementation of the 2010 decennial census data will require the use of two Census data sets, a data set for the population data and a separate data set for income and poverty data.

Population Data
All RD programs will begin using 2010 Decennial Census population data (2010 Demographic Profile Data set) on March 27, 2013. Until that time, and unless specifically directed otherwise, programs are instructed to use the population data from the 2000 Decennial Census for program purposes. The data can be found at **factfinder2.census.gov**.

Annexation and Boundary Changes
In cases where a rural city, town, village or other political subdivision's boundary changes through annexation or mergers, etc., the population used to determine eligibility should include the annexed or merged area, even if the annexation occurred after the most recent decennial census was taken.

It is important to note that the Census Bureau updates its decennial census data through annual surveys related to boundary and annexation changes. It is therefore possible that the Census data may take into account new boundaries and associated populations. However, staff should confirm that this is the case before making eligibility determinations.

Income and Poverty Data
The Agency has determined that the 5-year ACS estimate is the most appropriate data set for RD program to use for income and poverty data as it encompasses data from across the country and is updated within a shorter time period than the income data previously obtained from the decennial census and collected every 10 years.

MHI must be based on the most current 5-year survey of the ACS for all applications received on or after March 27, 2013 in all RD programs, with the exception of Single and Multi-Family Programs.

For Single Family Housing and Multifamily Housing programs, the Department of Housing and Urban Development (HUD) has incorporated the MHI based on the ACS data to develop the Income Limit Tables that HUD provides the Agency on an annual basis. The National Office will provide the HUD Income Limit Tables to the states and will publish them to the Agency website: http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do

States should use the MHI and per capita income data provided by the most current 5-year survey of the ACS if there is no data for non-metro MHI or non-metro per capita income according to the 2010 Census in areas which are eligible for RD financial assistance.

Treatment of Applications on Hand
The 2000 census data may be used for applications submitted in response to Notice of Funds Availability (NOFA) announcements published no later than March 26, 2013, or where no NOFAs are published, for complete applications on hand as of March 26, 2013, provided that the applications are obligated prior to September 30, 2013, 2013 and that written determination of eligibility and evidence of all documents necessary to be deemed complete exist. The Census 2000 MHI information is available on the Internet at http://factfinder.census.gov . If an application cannot be obligated by September 30, 2013, concurrence must be obtained from the appropriate Agency's Administrator to continue with the processing utilizing 2000 Census data.

Applicants whose eligibility for program assistance is the result of language in a General Provision in one of the appropriations bills or other statutory language that states eligibility expires upon receipt of the next decennial census, however, will no longer be eligible as of March 28, 2013. Any pending applications associated with such applicants are to be returned to the applicant.

A list of the applications on hand as of March 27, 2013, or filed pursuant to NOFA announcements published prior to March 26, 2013, sorted by program area, must be prepared by each National Office Program Area. The list shall be reviewed and confirmed by the Rural Development State Offices (for programs administered by the field) and placed in the operational files of the State Office. For programs administered in the National Office, the list should be placed in the National Office program operational files. A notation must be made in the docket for each application impacted by the 2010 Census implementation. This list should include each applicant's name, project name if applicable, location (county), requested amount broken down by loan and grant, the census data used (2000 decennial census, or, 2010 (population) and ACS 5-year survey), and whether the application has all the necessary documentation to be deemed complete pursuant to program rules.

OUTREACH TO CURRENT AND POTENTIAL APPLICANTS:

State and National Office personnel should communicate to current and potential applicants, as well as other stakeholders, on the impact of the 2010 Census on eligibility for RD program assistance.

SUMMARY:

Usage of 2010 Census and ACS data when determining population and income eligibility ensures that program funds are utilized in accordance with program statutes. Complete applications on hand as of March 27, 2013, may be processed using 2000 Census data provided that written determination of eligibility and evidence of all documents necessary to be deemed complete exist, and that the application can be obligated no later than September 30, 2013. This does not apply to applications on hand where the applicant is eligible as the result of legislative provisions that expire upon receipt of the next decennial census.

State Offices having questions on the use of 2010 Census data should contact the applicable program personnel in the National Office as listed below:

Agency	Program	Contact	Phone No.	Email Address
RBS	Business Programs	Mark Brodziski	202-720-1394	smark.brodziski@.wdc.usda.gov
RHS	Community Programs	Joseph Ben Israel	202-720-1505	Joseph.BenIsrael@usda.gov
RHS	Multi-Family Housing	Melinda Price	614-255-2403	melinda.price@usda.gov
RHS	Single Family Housing – Direct – Guaranteed	Shantelle Gordon Dean Daetwyler	202-205-9567 202-690-0514	shantelle.gordon@usda.gov dean.daetwyler@usda.gov
RUS	Water and Environmental Programs	Steve Saulnier	202-690-2526	stephen.saulnier@usda.gov
RUS	Electric Programs	Jim Elliott	202-720-9545	Jim.elliott@wdc.usda.gov
RUS	Telecommunications Programs	Jon Claffey	202-720-9459	Jonathan.claffey@wdc.usda.gov