

*United States Congress, House, Committee on
Post Office and Civil Service, Subcommittee on
Census and Statistics.*

**EFFECT OF CENSUS STATISTICS ON FEDERAL
AID PROGRAMS
AND
FEDERAL REPORTING REQUIREMENTS**

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HEARINGS
BEFORE THE
SUBCOMMITTEE ON CENSUS AND STATISTICS
OF THE
COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
NINETY-THIRD CONGRESS
SECOND SESSION
HEARING HELD IN MIAMI, FLORIDA

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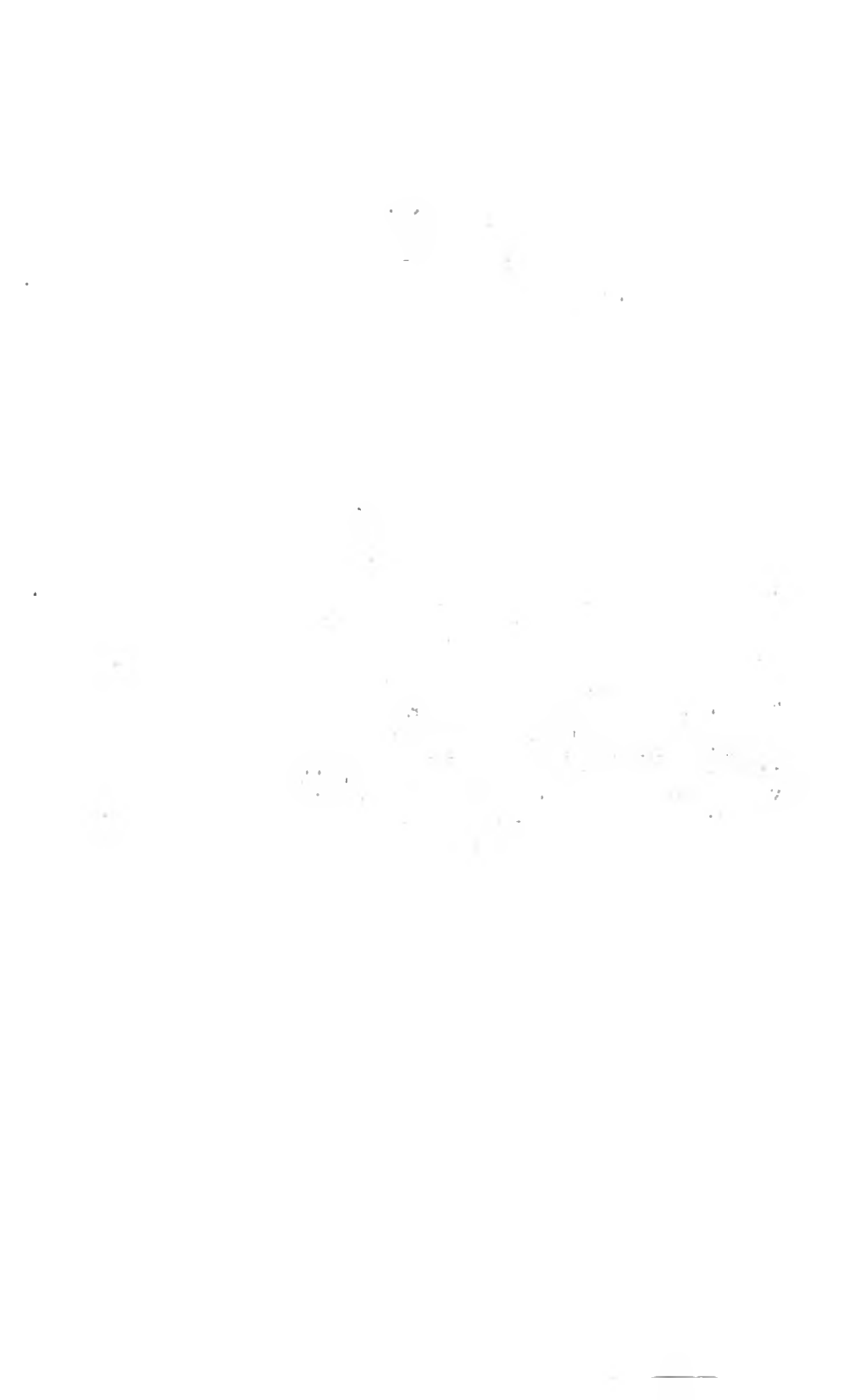
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EFFECT OF CENSUS STATISTICS ON FEDERAL AID PROGRAMS

FRIDAY, MAY 31, 1974

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON CENSUS AND STATISTICS,
Washington, D.C.

The subcommittee met at 2:10 p.m., in the North Miami City Hall, 776 Northeast 125th Street, Miami, Fla., Hon. Richard C. White (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. RICHARD C. WHITE, CHAIRMAN, SUBCOMMITTEE ON CENSUS AND STATISTICS

Chairman WHITE. The Subcommittee on Census and Statistics will come to order.

There are many programs in existence today in which Federal funds are distributed to State and local governments on the basis of Federal population statistics. A notable example is the general revenue sharing program. Also falling into this category are various Federal programs in the areas of education, manpower, health, and economic opportunity.

Congress designs the allocation formulas and guidelines used in Federal assistance programs with the intent of insuring an equitable distribution of Federal aid to State and local jurisdictions. Unfortunately, this intent is subverted when the data utilized in these formulas are out of date. No matter how equitable a formula may be in the abstract, it will yield equitable allocations and allotments only if the data employed in applying it are reasonably up to date.

In a society which changes as rapidly as ours population data tends to become obsolete quickly. Recognition of this subcommittee to actively support a more frequent production of such statistics by the Bureau of the Census was impelled by this fact.

In both 1972 and 1973 the subcommittee reported legislation to require the Census Bureau to conduct a mid-decade sample survey of population in this and future decades. Unfortunately, this legislation has not received floor consideration, and it appears we have passed the point where there remains sufficient leadtime to adequately prepare for a major population survey at mid-decade. So, therefore, we are looking toward 1985 as far as the mid-decade bill.

This development has not caused us to abandon our efforts in this important area, as I have said, but rather only to modify our approach. We are proceeding in two directions.

To aid in overcoming the obsolete data problem in future decades, the subcommittee has reported this new legislation to establish a continuing mid-decade sample survey program beginning in 1985, and to see what can be done to reduce the data obsolescence problem in this decade we are initiating a thorough review of all available alternatives and approaches for producing up-to-date population statistics prior to the taking of the next census in 1980.

It is to facilitate this review that these hearings are being held today. Congressman William Lehman, who has actively supported the subcommittee's efforts to improve the timeliness of population data, suggested that it would be well to begin our review effort by soliciting fresh viewpoints from local officials who live with the consequences of obsolete data on a day-to-day basis. The fact is it was Congressman Lehman who brought to our attention during the course of hearings we had commenced after the mid-decade census hearings had begun, hearings designed to determine whether adequate data was being obtained regarding these persons of Spanish origin. He pointed out some of the problems that had been met in the Miami area in his district, and this, too, we are in pursuit of. Unfortunately, we had already set up these particular hearings and set up the agenda before we had commenced that and before we re-vested the committee and realized that this had become a definite problem that is related to the problem we're speaking of today; that is to update accurate data statistically.

There certainly could not be a more appropriate starting point for this review effort, in relation to the mid-decade information. Few areas in the United States have undergone more rapid population growth since the last census was taken. Local officials in this area are therefore in an excellent position to communicate to the Congress the frustrations of high growth communities who fail to receive their equitable share of federal funding support because of obsolete population data.

At this time I would like to give some of the other members of the subcommittee an opportunity to make opening remarks, that is, if they wish to.

But before starting I would like to welcome—we will have later on students and teachers of North Miami High School—they have not arrived as yet, and when they do we will be pleased to have them, because this can be a very mutually edifying experience. It is most pleasing to have these people visit us. We have some come from Washington; we feel that they are the leaders of tomorrow and it's important that they understand and have confidence and appreciate their Government in action.

I would like to express the Subcommittee's sincere thanks to the City of North Miami for the facilities provided for us today, and also to extend deep appreciation to the staff of Congressman Lehman for its support in making these hearings possible, and I also want to, on behalf of those members who shared in the enjoyment, thank Mr. Lehman for providing some of the very fine Florida orange juice that we're partaking of just before commencing these hearings. You can say that Mr. Lehman is a one-man Chamber of

Commerce, as is Mr. Bafalis, who comes from another portion of Florida not too far away.

At this time I would like to call on Mr. Lehman for some remarks.

**STATEMENT OF HON. WILLIAM H. LEHMAN, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF FLORIDA**

Mr. LEHMAN. Thank you, Chairman Richard White and fellow members of the Subcommittee on Census and Statistics.

It just happens that the other two members, Congressman Bafalis and Congressman Udall, also come from rapidly changing and serve rapidly growing areas of this country.

The 10-year census stems from I guess you could call it a more stable America, a more horse and buggy type of economy. Now in the great mobility of the American people and the moving of the older citizens as they retire up north to southern Arizona, southern Florida and all over Florida, that the needs of these areas, the needs of the governmental units of these areas, can no longer be served adequately and fairly by statistical data gathered only every 10 years. If we're going to be fair and equitable to all areas of the country we must provide the kind of statistical information, the kind of criteria, that will give those sections and those municipalities and those units of government their equal share of any type of federal revenue that enables them to deal with the problems in the communities.

We are going more and more into a form of federalism whereby the Federal Government participates with the various municipalities, counties and other local governments in order to better serve the people at the grass roots. If we don't provide them with ongoing data then we're going to be inadequate and unfair and really not serving those areas that are rapidly changing and rapidly growing.

I'm very happy to see here so many of the elected officials and the administrators from the various municipalities in the 13th Congressional District. We'll certainly have some interesting information, I'm sure, from these mayors and city officials to give this panel and to take back to Washington to perhaps initiate or stimulate the kind of legislation in the near future that will relieve this problem in this areas and other sections of the country.

Mr. Chairman, I would like to submit my prepared remarks for the record, at this point.

[The prepared statement follows:]

**PREPARED STATEMENT OF HON. WILLIAM LEHMAN, REPRESENTATIVE IN CONGRESS
FROM THE STATE OF FLORIDA**

Mr. Chairman, I believe that the subject of today's hearings is one of the most important matters affecting South Florida today.

Like all others, South Florida governments have become dependent upon a wide variety of Federal aid programs touching almost every facet of community life. We receive Federal aid for education, health, housing, job training, law enforcement and many other vital services.

It is also a fact that South Florida is one of the fastest growing areas in the Nation. Dade and Broward counties are growing at a rate three times the national average. But Federal aid is not keeping pace.

In many Federal aid programs, the total amount of funds is divided up among state and local governments, using population as a major factor in the division. The population data which is used, comes from the decennial or ten-year census. In a rapidly growing area such as South Florida, these census figures are out of date by the time they are published. The Federal aid which comes to South Florida is therefore far below the amount we deserve.

This problem is continuing to worsen as we get further away from the last census count. By the end of the decade, certain rapidly growing municipalities may be receiving only one-half or even one-third of the funds they would deserve if more current population figures were used. As a result, local governments are becoming more and more hardpressed to provide an optimum level of government services to their citizens.

I first raised this point more than a year ago when this Committee was holding hearings on the Mid Decade Census in April 1973.

I noted then that the decade census is just not useful for all areas of the country. The little town that I grew up in in Alabama really hasn't changed very much in years. You could use the 1940 census there. Yet the 1970 census already has no validity for South Florida, where I've lived for almost 40 years.

Back in February 1973, I wrote to the Census Bureau about new techniques which would produce more accurate population statistics for periods between the decade censuses. The Bureau responded that they were able to develop reliable interim population statistics, but only for areas above 50,000 persons. While this would be of some help, it really wouldn't be useful to most of the smaller governments in the 13th District.

In May of 1973, when the Committee was working on marking up the mid-decade sample survey bill, I sought to amend the bill to provide that in addition to a mid-decade sample survey, a full census would be held in those areas whose growth rates had doubled that of the nation since the last full census. My purpose was to provide accurate population data for all local governments, including the smaller ones, so that they might receive their fair share of Federal aid.

This approach failed when the Office of Revenue-Sharing, which administers the most important Federal aid program for local governments, informed me that it would continue to use the 1970 census figures unless population figures were updated for the entire nation. A full mid-decade census would solve this problem, but it would cost the taxpayers nearly \$200 million dollars.

So we are still searching for a way to deal with this problem to make the allocation of Federal funds more equitable to the rapidly growing areas of our country such as South Florida.

We are hoping that by your testimony here today, you can bring into focus more clearly for this Committee the extent and impact of this problem so that we can be better able to come up with a good and workable solution.

I would like to insert in the hearing record at this point two tables. The first documents the rapid growth of selected municipalities in the Thirteenth District. The second lists the amounts of revenue-sharing which Thirteenth District governments will be receiving for fiscal 1975 under an apportionment based on the outdated 1970 census.

AREAS OF RAPID GROWTH

Municipality	1960	1970	Percent growth (10 year)
Hallandale.....	10, 483	23, 849	128
Hialeah.....	66, 972	102, 452	53
Hialeah Gardens.....		1, 492	1 258
Miramar.....	5, 485	23, 973	337
North Miami.....	28, 708	34, 767	21
North Miami Beach.....	21, 405	30, 723	44
Opa Locka.....	9, 810	11, 902	21
Dade County.....	935, 047	1, 267, 752	36
Broward County.....	333, 946	620, 100	86
U.S. growth rate.....			13

¹ 1973—1,762.

² 3-year rate.

REVENUE SHARING, FISCAL 1975—BASED ON 1970 CENSUS POPULATION DATA

Broward County.....	\$2, 259, 287
Hallandale City.....	393, 823
Miramar City.....	147, 076
Dade County.....	14, 514, 607
Biscayne Park Village.....	14, 856
El Portal Village.....	7, 783
Golden Beach Town.....	3, 179
Hialeah City.....	1, 371, 464
Hialeah Gardens Town.....	6, 928
Miami City.....	8, 935, 551
Miami Shores Village.....	34, 560
North Miami City.....	437, 929
North Miami Beach City.....	383, 480
Opalocka City.....	317, 685

Chairman WHITE. Thank you very much, Mr. Lehman, and thank you very much for hosting the committee today.

Mr. Bafalis and Mr. Lehman have formed a very important constructive part of this subcommittee. I think the people of Florida should know. We have been a very active committee. We've reported out a considerable number of pieces of legislation and it's been very carefully worked over, all viewpoints were input into the final product, and I would have to say that certainly Mr. Bafalis is one of the careful architects of what we have produced in the committee.

Mr. Bafalis, would you like to make some opening remarks.

STATEMENT OF HON. L. A. (SKIP) BAFALIS, REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. BAFALIS. Thank you, Mr. Chairman, for your very kind comments. I would like to commend you for scheduling these hearings this afternoon involving a major problem facing many parts of this country and particularly we here in Florida. I would also like to commend my colleague from the 13th Congressional District, Bill Lehman, who came to the Congress with me. He's been very concerned about this problem along with others, and I think his leadership in convincing you to bring the subcommittee to Miami this afternoon will be very beneficial to all of us here in Florida.

The problem, of course, is that we have a lack of current population figures upon which Federal monies are allocated.

This hearing is especially timely because the April issue of the "Survey of Current Business" of the U.S. Department of Commerce made some interesting projections of income and population by states and regions for 1980 and 1990.

For example, it is projected that from 1969 to 1990 total personal income growth in constant dollars for Florida will be 203 percent. That's the highest percentage change in the country. Population growth for that same period is projected to be 65 percent, the highest percentage change in the country.

Income growth is attributed to three basic factors:

1. Large numbers of retirees from other areas who bring with them transfer payments and investment income earned prior to retirement.

2. Tourism and recreation are expanding rapidly and thereby creating a new basic industry.

3. Financial and business services which were imported in the past are now expected and encouraged to be provided from within.

Population growth stems mainly from an increase in the number of persons migrating into the area in response to expanding economic opportunities because much of the previous excess labor supply has been absorbed into the labor market. Further, an increasing number of retirees are locating now in Florida.

Mr. Chairman, these projections make it abundantly clear that the great State of Florida must have its fair share of funds if (1) it is to meet its current and near future requirements for public and private demands for physical capital related to energy and water resource development; (2) if it is to meet the need for such services as education, medical care and protection; and (3) particularly, if the State is to be equipped to anticipate its inevitable needs and demands in services.

There is little doubt that the 1970 decennial census figures and the 1973 estimates of the population of states are totally inadequate. The losers in not having current population statistics are the citizens of the State of Florida.

The formula under which revenue sharing funds are distributed is described in a pamphlet published by the U.S. Treasury Department as "fair, objective and equitable." However, without current, accurate population figures the formula produces a hollow ring.

As the Chairman has mentioned previously, a mid-decade sample survey bill, which I cosponsored, is pending before our Post Office and Civil Service Committee at the present time. If enacted it will help, but not until 1985. Therefore, the next population census will be conducted in 1980, which could mean approximately 6 more years of underfunding here in Florida. Hopefully this hearing today will help us to find ways to remedy this dilemma.

Again, Mr. Chairman, I want to commend you for bringing the hearing to Florida. As I have mentioned, we in Florida are concerned in seeing that we get our fair share for our citizens.

Thank you.

Chairman WHITE. Thank you, Mr. Bafalis.

There's a gentleman in Congress who is universally respected to such a degree that recently he's been the subject of a resolution in the Congress to seek the highest office of this land. We're delighted that he could come with the subcommittee. He is a member of this committee. He also chairs a subcommittee in another important committee of the Congress, and at this time I would like to call on Mr. Udall of Arizona for any opening remarks he might make.

STATEMENT OF HON. MORRIS K. UDALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Mr. UDALL. Thank you, Mr. Chairman. I appreciate those kind comments. I said to someone the other day this little proposal that I run for President might be as short as that little town in Arizona near Tombstone which is so tiny that the entering and leaving signs are on the same post.

Anyway, I'm glad to be here with two very fine Florida Congressmen, and with the chairman of our subcommittee. I'm anxious to let the taxpayers talk now and we will listen.

I do want to say that I'm here largely at the urging of Congressman Bill Lehman who has made a very favorable impact in Washington. We all know exactly what's going on there. You may think we're confused and the Government isn't under control, but it is, and Bill is doing a great job and I'm glad to be in his district with him.

I thank him particularly for getting an opportunity to sample the world's second-best orange juice. We have the best in Arizona, but this is a very high quality, and I appreciate that.

This is an important hearing, and as has been said, we in Arizona share many of your problems. We have a large Spanish speaking population, and very heavy growth. Because of outdated census data, our municipal government can't keep pace with such growth.

So these hearings are important and I'm glad to participate. Thank you.

Chairman WHITE. Thank you very much, Mr. Udall.

Mr. BAFALIS. Mr. Chairman, I hasten to remind the gentleman from Arizona that we don't have any cactus juice mixed in our orange juice.

Chairman WHITE. We have an order of witnesses, and we'll just go down the list in sequence.

We call to the witness box the Honorable Dale Bennett, mayor, city of Hialeah.

**STATEMENT OF HON. DALE BENNETT, MAYOR,
CITY OF HIALEAH, FLA.**

Mr. BENNETT. First of all, the equitability factor is, I'm sure, of utmost priority in your concern.

Chairman WHITE. Pardon me, Mr. Mayor, I'm not so sure the sound system is working very well. If you could, pull the microphone closer to you.

Mr. UDALL. We've been having trouble with our electronics in Washington, too.

Mr. BENNETT. We have the same problem in Hialeah. They told me my voice wasn't being heard out there, but we finally run it down and found out that the mike didn't work.

My name is Dale Bennett, mayor of the city of Hialeah. I'm happy to have the opportunity to testify before the Committee on Census and Statistics.

The city of Hialeah has grown considerably since the 1970 census. I feel this city is not adequately accounted for when decennial census data is used as the basis for the distribution of Federal funds, which this is the question we're talking about.

To that point, the most aggravating problem I guess throughout Dade County, the southeast problem, is most of our traffic problem. I drove on the streets 3 years ago and drive on the streets today, you would bet there was at least a million more vehicles on the streets. But this is political, and these are the attitudes of the people or the vibrations we get from the people.

In the past the city of Hialeah has not disagreed with the data as sent in fear that it might jeopardize the payments we are receiving. That paragraph, although it's a little hard to understand, what it amounts to is that we in Hialeah have really outwardly appreciated the new concept created by Congress of Federal revenue sharing funds. They are an outside source of funding which has certainly moved our city, our municipality, and the services that we have to provide for the people of the community, in a very positive direction and has moved us ahead of anticipated goals by many years. We're far further ahead than we were before Federal revenue sharing.

The population figure used to compute our allocation is the 1970 population census figure of 102,452. Attached you will find information supporting our belief that our population figure should be adjusted to not less than 132,233.

Our chamber of commerce uses the figure of 135,000. The water usage this year as compared to 1970 shows the figure to be 133,673. Our building department estimates the population at 137,947. Our own Florida State preliminary adjusted population estimate for July 1, 1973, is 117,346; using a steady growth figure since 1970 the figure for July would be 122,311.

So we're, as far as estimates are concerned, split by a pretty fair margin. The low figure and the high figure—I would be inclined to lean toward our concrete grassroots usage like water usage and the number of units within the municipality, which is our most accurate way of keeping these records.

The city of Hialeah submits this information hoping your subcommittee will be able to assist us in receiving the proper Federal funds enabling us to provide the optimum level of benefits to our citizens, and this is the intent of your hearings, I'm sure.

[Material attached to the prepared statement follows:]

STATE OF FLORIDA PRELIMINARY POPULATION ESTIMATE

[Permanent resident]

For July 1, 1973:

1970 U.S. census.....	102,452
Population change due to annexation.....	
Total population change.....	14,894
Preliminary population estimate for July 1, 1973.....	117,346
Less inmates.....	
Preliminary adjusted population estimate for July 1, 1973 ¹	117,346

¹Population estimate proposed for State Revenue Sharing in Fiscal Year 1974-75.

Your preliminary population estimate for July 1, 1973, is 117,346.

BUILDING RESUME FROM JANUARY 1971 THROUGH JUNE 1974

	1973		1974	
	Buildings	Number of units	Buildings	Number of units
Single family dwellings.....	57	57	26	26
Two family dwellings (duplex).....	49	98	39	78
Three or four family dwellings.....	1	4		
Five or more family dwellings.....	27	3,140	9	917
Townhouses.....	143	143	43	43
Total.....	277	3,442	117	1,064

FAMILY DWELLING UNITS RESUME

1970 census.....	102,452
National average family.....	3.8
Estimated dwellings in 1970.....	26,961
Units built in 1971.....	3,029
Units built in 1972.....	9,276
Units built in 1973.....	3,442
Total dwellings for the period.....	15,747
Total dwellings through 1973.....	42,708
15 percent not occupied.....	6,406
Adjusted lived in dwellings.....	36,302
National average family.....	3.8
Estimated population.....	137,947

BUILDING RESUME FROM JANUARY, 1971 THROUGH JUNE 1974

	1971		1972	
	Buildings	Number of units	Buildings	Number of units
Single family dwellings.....	282	282	102	102
Two family dwellings (duplex).....	58	116	46	92
Three or four family dwellings.....	32	127	24	95
Five or more family dwellings.....	43	2,303	85	8,317
Townhouses.....	196	196	670	670
Total.....	611	3,029	928	9,276

CITY OF HIALEAH—WATER USAGE

1970:	
January.....	408,892,300
February.....	351,622,900
March.....	356,352,100
April.....	422,933,300
May.....	501,042,200
June.....	428,829,100

Average 411,611,300 gallons per month.

1974:

January.....	519,949,400
February.....	491,105,700
March.....	557,693,000
April.....	584,452,700

Average 538,300,200 gallons per month.

Population 1970..... 102,452

$$\frac{411,611,300}{102,452} = 4,027 \text{ gallons per person per month.}$$

102,452

$$\frac{538,300,200}{4,207} = 133,673 \text{ projected population 1974.}$$

4,207

30.47 percent increase.

CITY OF HIALEAH—RECREATION DIVISION ATTENDANCE

1970.....	852,294
1971.....	876,785
1972.....	1,236,129
1973.....	1,265,212
Recreation attendance—1970.....	852,294
Population—1970.....	102,452
Recreation attendance—1973.....	1,265,212
Estimated population—1973.....	151,828

¹ Consistent with Building Reports.

**ATTENDANCE FOR ALL FACILITIES—HIALEAH RECREATION DIVISION, FISCAL
1969-70**

Adult Center.....	46,891
Babcock Park.....	135,991
Bright Park.....	91,276
Milander Park.....	163,800
O'Quinn Park.....	83,954
Seminola Park.....	50,039
Southeast Park.....	9,370
Sparks Park.....	131,869
Walker Park.....	94,699
Milander Tennis Courts.....	14,405
Total.....	852,294
Schools.....	27,405
Pools:	
Babcock.....	16,614
Bright.....	13,384
Municipal.....	19,628
Reid.....	5,011
Walker.....	12,610
Total.....	67,247
All parks.....	852,294
Schools.....	27,405
Pools.....	67,247
Total.....	946,946

ATTENDANCE FOR ALL RECREATION FACILITIES—FISCAL 1972-73

Parks:	
Adult Community Center.....	48,336
Babcock Park.....	166,611
Bright Park.....	111,452
McDonald Tennis Courts.....	9,957
Milander Park.....	163,144
Milander Tennis Courts.....	68,333
O'Quinn Park.....	118,285
Seminola Park.....	53,641
Southeast Park.....	33,006
Sparks Park.....	344,781
Walker Park.....	147,666
Total.....	1,265,212
Pools:	
Babcock Pool.....	11,064
Bright Pool.....	12,475
Municipal Pool.....	13,842
Reid Pool.....	4,393
Walker Pool.....	12,502
Total.....	54,276
Schools:	
All School areas combined.....	37,940
Total.....	1,907,347

Chairman WHITE. Thank you, Mr. Mayor.

As I understand you're not complaining that there was an error in the original census in 1970, but you're talking now of the growth factor that has increased beyond the 1970 figure to such point that it has arrived at about 135,000?

Mr. BENNETT. Right. This is the intent of the testimony, and I'd certainly be happy to answer any questions that you all might have concerning our data.

Chairman WHITE. Well, we shall give the other member the opportunity. I'm sure that with a member of the Census Bureau in the audience and with such able leadership as you have in Mr. Lehman and Mr. Bafalis, we can seek to get some adjustment of this.

Mr. Udall?

Mr. UDALL. Mr. Mayor, thank you for a fine statement and for this information.

The first sheet you attach says "State of Florida, Preliminary Population Estimate, For July of '73." Who makes these estimates?

Mr. BENNETT. That is a good question. These are figures that come down to us—

Mr. UDALL. From Tallahassee?

Mr. BENNETT. From Tallahassee, stated as State Preliminary Adjusted Population Estimate.

The Census Bureau, I'm sure, on a State level would be involved.

Mr. UDALL. So some official in Tallahassee takes the information that has been accumulated and gives you this figure on which they base their disbursement of the Revenue Sharing Funds.

Mr. BENNETT. Yes.

Mr. UDALL. Do you have any right to appeal this if you don't like it, or how is it handled?

Mr. BENNETT. Well, I'm not aware of the right to appeal because I've never investigated it, and the reason for that is because we certainly haven't been unhappy with what we've received to this date. The equitability factor is not my concern as much as it is the maximum use of these funds for the people of any locality in any State, city, or county or whatever.

Mr. UDALL. I'm not entirely familiar with your Metro Government setup here although you've imported our old police chief from Tucson, and at one time our City Manager, Porter Homer, for this area but what functions does the city of Hialeah have—police, fire, garbage?

Mr. BENNETT. Police, fire, garbage, water, and sewer, trash.

Mr. UDALL. What does Metro do for you?

Mr. BENNETT. Metro—I feel that is a leading question. I don't mind answering the question, but it's one that's certainly been asked quite a few times, and the biggest thing that I've seen in the area that I've actually been involved in have been some traffic control and some section line and half-section line roads. They must have a priority system uptown where they establish who is going to get what roads and when. We've been waiting for four-laning on a

major thoroughfare within our city for—well, all the way through two tentative dates, and now the construction has finally begun and hoping for a third tentative deadline.

Mr. UDALL. Well, I didn't want to start a civil war rebellion here. Thank you, Mr. Chairman. That's all I have.

Chairman WHITE. Mr. Bafalis?

Mr. BAFALIS. Thank you, Mr. Mayor, for very fine statement. I had the opportunity to read your prepared text before the hearing.

I'm wondering, you state that since the last decennial census you had a growth of some 30,000 new persons into your city. I guess that is equal to a 8 percent growth since the 1970 decennial census.

Do you anticipate that kind of growth is going to continue?

Mr. BENNETT. Well, it depends on many things, particularly zoning, density regulations, and rules and laws that we have in our city.

We've currently passed a maximum land use plan for maximum number of units per acre and some general limitations on the use per acre. Our population certainly is going to grow, I would venture to say probably as fast or faster than it already has. Development is still underway. We're handicapped by certain sewage treatment problems which are under moratorium on a State level and kind of haphazardly been worked around at the moment, but in the near future I'm sure that we will see the adequate facilities created and that all of the cities within the county will move on in some orderly manner of growth.

We've anticipated—I'd have to just kind of throw it to you across the board—but we've got 1 square mile of newly annexed land that has currently been rezoned before the land use restrictions and it will be or is under development, certain portions of it already, which will produce additional population figure of somewhere around 67,000 people in 1 square mile.

Mr. BAFALIS. Well then, you're really looking forward to not only additional growth, but maybe growth at a faster rate than what you've seen since the last decennial census?

Mr. BENNETT. Well, I'm not looking for it, and I certainly hope it doesn't go that way, but tentatively it's just almost predictable that we will continue to grow.

Mr. BAFALIS. Well, have you made any estimate as to what you might have lost in the city in the way of Federal aid as a result of not being able to use current figures and what you might lose in the future prior to the next decennial census?

Mr. BENNETT. Well, I haven't compiled those figures, and I wouldn't want to make waves over what has been lost, and I'm certainly proud that we've got the opportunity to reconsider at this time for the increased census.

Mr. BAFALIS. It's a concern we have in this subcommittee, and it's really the reason that we're holding this hearing and other hearings, to determine if there is some way that states and municipalities that are having this tremendous rate of growth do not become penalized in their fair share of the Federal dollar. It might be beneficial to this subcommittee, Mr. Chairman, if some of the officials

here today who might be affected, would make some projections as to what they would be receiving in Federal aid versus what they are now receiving. The statistics might be rather dramatic.

Chairman WHITE. That would be very pertinent.

Can the participants here—did they hear Mr. Bafalis in that statement?

Mr. BAFALIS. And put it in the record later if they want to.

Mr. BENNETT. Mr. Schoeginger, could you put some figures together in that manner?

Mr. BAFALIS. And submit them to the committee at a later time.

Mr. BENNETT. In about 5 minutes?

Chairman WHITE. Mr. Lehman?

Mr. LEHMAN. I thought your testimony was right to the point, Mr. Mayor. I would just like to bring out a couple of other facts.

It seems that everyone else knows where the people are; the public school system knows, the utilities, the Florida Power and Light Co. and the telephone company, and certainly the immediate people know where the people are. I think it's derelict of the Census Bureau to be always so far behind in their data, as many of the other public or semipublic informational sources seem to have the data available and ready at hand.

One thing that we are dealing with also in size and numbers, and we've had recent hearings on, is the inability to accurately count Spanish speaking or Latin origin residents of various areas because of the lack of perhaps Spanish speaking census personnel, and most of your new, or a good portion of your new people in Hialeah are—would you say Latin origin?

Mr. BENNETT. A good percentage; yes, sir. I've heard recent figures as high as 52 percent, but then the publication factor is still a question.

Mr. LEHMAN. All right, and not only do you have a problem of counting the number of people there or making an attempt to count the number of people, but you have a problem in getting an accurate count for the Spanish speaking people overlooked in the last census-taking efforts. So you're doubly behind, not only in the growth factor, but in the lack of accurate figures from the last census.

Mr. BENNETT. Yes, sir. That is a fact, and that has been a substantial percentage of our increase throughout, especially the Hialeah area.

Chairman WHITE. Mr. Bennett, do you have anything further you would like to add at this time?

Mr. BENNETT. No, sir.

Chairman WHITE. We certainly do appreciate your coming today, and if there is anything that you desire to introduce into the record as a supplement of your testimony, we would appreciate it.

Mr. BENNETT. I appreciate it.

I beg your pardon. We do have that figure in less than 5 minutes—it's a loss of approximately \$1.7 million.

Chairman WHITE. \$1.7 million that you would have received had there been accurate accounting of your population.

Mr. BENNETT. Had the figures been graduated. This is approximate now, \$1.7 million.

Chairman WHITE. This is on revenue sharing.

Mr. BENNETT. Yes, sir.

Chairman WHITE. All right. Thank you very much for your very fine testimony.

Mr. BENNETT. Thank you.

Chairman WHITE. Hon. John Stemberidge, mayor, city of North Miami.

Mayor, I would like to publicly thank you for these facilities. These are your facilities?

**STATEMENT OF HON. JOHN STEMBRIDGE, MAYOR,
CITY OF NORTH MIAMI, FLA.**

Mr. STEMBRIDGE. Yes, they are, and Mr. Chairman, we are very pleased to host this congressional hearing. I stated earlier in meeting you gentlemen who have been gracious enough to come into our county and into our cities to hear these reports, I'm very optimistic that something good will be developed by you through legislation to help give relief and remedy to our cities and the present problems that do confront us.

North Miami's 1970 population was 34,767. This is the basis on which we received a share of funds from the Federal revenue sharing program.

By the time the third and fourth entitlement periods were computed, State by State, 1972 population estimates were available, and these figures were used in the new computations for the State's allocations.

The city of North Miami's allocation was still based on the 1970 census figure of 34,767. The Bureau of Economics and Business Research of the University of Florida indicated that as of July 1, 1972, the city of North Miami's population was 39,833.

It would seem that if the State's allocation was based on the 1972 population figure, then the city's should have been also.

The difference between the 1970 census figure of 34,767 and the 1972 figure of 39,833 is 5,066.

Our fourth entitlement period funds amounted to \$361,173. This amount, divided by our 1970 census figure of 34,767, is \$10.38 per capita. If we multiply the 5,066 difference in population by \$10.38 per person, we come up with a possible loss of approximately \$52,600 to the city.

In the fifth entitlement period the city will receive \$437,929. If we divide this by the 1970 census figure of 34,767, we come up with \$12.59 per capita, multiplied by 5,066, or a possible loss to the city of \$63,800. This amounts to a 2-year possible loss to the city of North Miami of approximately \$116,400. This is using a 1972 population figure which the State allocation is based on, which would logically follow that the city's allocation should also be based on.

The 1973 population figure for the city of North Miami by the Bureau of Economics of the University of Florida was 42,970, or an

increase of approximately 3,137, which could possibly have increased our fifth entitlement period funds by another \$39,500, which increases the total possible loss to the city of \$155,900.

There are other factors involved in computing the amount of dollars a city will get. These figures presented do not take these into consideration, but they will probably be fairly close to the loss the city incurred due to using outdated population figures.

The city has many problems, especially in the recreational and water and sewer areas, that it is trying to solve. All of these items cost tremendous amounts of money. The city should at least receive its fair share of Federal revenue sharing based on a current population basis. It would seem that we should be at least on the same population basis as the State, which is the 1972 population figures, and then work from there to try to get on a current basis as soon as possible.

Chairman WHITE. Very fine, Mr. Mayor.

Mr. Udall?

Mr. UDALL. Mayor Stembridge, an excellent statement.

Do you have governmental functions similar to those in Hialeah?

Mr. STEMBRIDGE. We have all except the fire. Our city some years back turned the fire department over to Metro or to Dade County, and we do not have that.

However, although we did do that, we did assume another debt obligation of \$12 million for Interama, which was in danger of bankruptcy at that time. Our people, when they turned the fire department over to Metro, reduced our millage by a little better than 3 mills, and because of that we were able to take up the 3 mills or so for Interama. In addition to that, Interama needed water and sewer lines and our city put an additional \$3 million out there in water and sewer lines, with a total investment there of \$15 million.

Mr. UDALL. Are you a full-time or part-time mayor?

Mr. STEMBRIDGE. No, our city is the council-manager form now. Mayor Bennett does have the mayor form of government, which is full time.

Mr. UDALL. Does your portion of revenue sharing funds from either the State or the city of North Miami depend on the number of governmental functions you offer? If there is a municipality here which does not offer police, fire, or protection, does it get less revenue sharing, or is disbursement of revenue sharing funds based solely on population?

Mr. STEMBRIDGE. Well, I'm not sure that I can answer that with accuracy, but I would say that I don't believe it would be based on the functions. I think it's more on the population.

Mr. UDALL. Do you have other programs, besides the general revenue sharing program, from which you receive revenues depending on population?

Mr. STEMBRIDGE. There are others that were spoken of. I don't think that they've possibly come through. Chief Devaney was looking to enter into a program. One thing that we were very concerned about in North Miami is the problem of drugs, and when I was elected this was one of the things that I wanted to see our

city really become involved in and see if we could reduce the flow of drugs in our city. At that time he and the chief of North Miami Beach were seeking to receive LEAA funds to help fund a program to put on a real drive in the reduction of drugs, but I don't believe that came through.

Mr. UDALL. That isn't the kind of program that's across the board where, for example, each city gets a grant depending on its population?

Mr. STEMBRIDGE. Well, now I really am not aware of the real fundamentals upon which they base that grant, but for some reason they were unable to obtain those funds and we were not able to implement that particular program that he did have in mind, but certainly if we were able to get increased allotments through your efforts and what you're trying to do, then this is just one program that we could see implemented within the city.

Mr. UDALL. Thank you very much.

Chairman WHITE. Thank you very much, Mr. Mayor.

Mr. Lehman?

Mr. LEHMAN. Thank you, Mayor Stembridge. I think you made a very excellent presentation. There's very little more I can add. It seems that with the number of apartment buildings you've built here, and that you're no longer building, that the population probably since 1970 has increased in these 4 years more than it did from the 1960 to the 1970 census. I think that these are the kind of facts that we need to measure as time goes along.

Mr. STEMBRIDGE. Along with that, I mean there's nothing official, but I would say that our city must be 45,000, closer to 45,000 to 50,000 right now, even since 1972, and there are several projects that when they are completed are going to bring us within the 50,000 range, but again, I would like to thank you, and I trust that these figures will be beneficial and helpful to your deliberations.

Chairman WHITE. Mr. Mayor, before you leave—your testimony points up something that perhaps this committee can instigate, if not from our subcommittee, from the jurisdiction of this committee through some other committee in Congress.

You suggest that up-to-date figures be produced from some source upon which these programs be based, and you're not talking just about Federal revenue sharing. There are many other programs in which there are allocations—

Mr. STEMBRIDGE. True, there is State revenue sharing and others that could be affected in addition to Federal funds.

Chairman WHITE. What would you think about a basic law in Congress in which all Federal programs can be based in the absence of a middecade census until such time that there can be periodic updating from whatever best available data that the Census Bureau can derive for official calculation of the allocations of these programs?

Mr. STEMBRIDGE. Well, I think that law would certainly—especially with those of us in south Florida, that we would wholeheartedly concur with such a law.

Chairman WHITE. It would seem to me that it would have to be a composite of a number of sources that otherwise have proven

to be somewhat reliable, and it doesn't have to be an official census survey or an official survey taken just strictly for population. It may be, as I said, a composite of many factors that will lead to some accurate figures.

Mr. STEMBRIDGE. Well, as an indication of just what you're talking about, the State received its revenue sharing on the basis of the Bureau of Economics and Business Research at the University of Florida. So there's an example, that the State receives its revenue sharing. Now if the State is allowed to do that, why should not our cities also be allowed to receive the same allotment as the State?

Chairman WHITE. I know it would be calling on your memory, but could you catalog just briefly for us some of the Federal programs and State programs that your municipality receives or shares in based on population?

Mr. STEMBRIDGE. All right. I'll tell you what. I don't know that—

Chairman WHITE. Or could you provide that for the record if you don't know?

Mr. STEMBRIDGE. John, could you help me with that? This is Mr. John Scharf of our finance department. What other funds are we participating in at this moment?

Mr. SCHARF. On a population basis it would only be the State revenue sharing and the Federal revenue sharing that are allocated based on population.

Mr. STEMBRIDGE. Then it would be the two.

Chairman WHITE. The Federal and the State revenue sharing.

Mr. STEMBRIDGE. I was not aware of any others.

Chairman WHITE. Well, there may be some in the nature of—I think some of the welfare programs, I believe, have some index of population, too, don't they?

Mr. UDALL. And there's ESEA, the elementary school program, but I guess that's not under your jurisdiction.

Mr. STEMBRIDGE. No, that would come under the school board, see. That wouldn't come through—

Chairman WHITE. So there are a number that would share in the benefit of some uniformity that could give reliable figures then?

Mr. STEMBRIDGE. Well, I think really going beyond just the municipalities that there are many governmental entities that could benefit from it.

One area—I don't know that your committee deals specifically with the LEAA funds, but certainly with the increase of crime and the new figures of the statewide crime figures in the State of Florida, the law enforcement agencies are going to need tremendous help.

Now in the city of North Miami we've had a great influx of crime over the last years, of happenings taking place within our city, and our chief is very concerned about it, and is wanting to do something in this realm. So there are many areas and entities that can benefit by this legislation that you're specifically dealing with at this time.

Chairman WHITE. Thank you very much, Mr. Mayor.

Mr. Bafalis?

Mr. BAFALIS. Mr. Mayor, I would like to ask you the same question that I asked Mayor Bennett.

Do you anticipate that North Miami is going to have as rapid a population growth in the balance of the 1970's as it has had in the first part of the 1970's?

Mr. STEMBRIDGE. Well, I don't anticipate that ours is going to be as rapid as it has been, and I feel that our city has really been a leader in taking a look at the matter of growth and the problems of growth. Our people were so concerned last year, in fact, they got up a petition to limit density in North Miami, and it was on our election ballot of May of 1973, and the people voted to limit density, that buildings would be no higher than four floors, and that there would be no more than 25 units per acre.

Now our city, at this moment, is approximately 90 percent developed. So I do not feel that we will have as large a problem with the growth factors as we have had in the past because of that, but at the same time I'm sure that the problem will remain there and that we will need all of the consideration from the growth factor as possible.

Mr. BAFALIS. Do you feel that your city's inability to get its equitable share of Federal funds in any way has forced you to keep your taxes higher than you might have kept them?

Mr. STEMBRIDGE. Well, I'm certain that it would have to affect our tax structure, because one of the very major purposes of Federal revenue sharing is to help lower or to reduce taxes. That's one of the major considerations, and certainly had we received this additional amount of money that was lost, we should have been able to reduce our taxes.

Mr. BAFALIS. This committee is presently conducting an investigation into the allegation that there was an undercount made during the last census of Spanish-speaking Americans.

I just wondered whether or not with the large population we have here in Miami of Spanish-speaking Americans if you have any ideas as to whether there was an undercount during the last census of that group or any other minority group here in Dade County, particularly in your city?

Mr. STEMBRIDGE. Well, I'm not personally aware of an undercount within or city, but I would see where there would be a tremendous problem in accounting of determining a completely accurate census of the Latin population, because one of the main reasons is that we've not only had the influx of people coming in from Cuba, but all of the ones that have been placed in other areas of the country. It's a proven fact that a great majority of them gravitate back to Miami. So that if you really want to be specific, I would say that in Dade County, as the county is concerned, that this would be the major consideration of the difference in population. It's not only those coming into our city and county from Cuba through the program there, but all of these others that have been located in other areas of the country have gravitated back. So this would have to be a tremendous factor.

Mr. BAFALIS. That really isn't an undercount. They may have counted people in other parts of the country in 1970 who were not here in 1970 and have migrated here since then.

Mr. STEMBRIDGE. I see.

Mr. BAFALIS. But you're not aware of any undercount—

Mr. STEMBRIDGE. Well, I'm personally not aware of it. Now if there is, this would be something you would have to determine through other sources.

Mr. BAFALIS. Fine. Thank you, Mr. Mayor. I appreciate your being with us and taking time from your business schedule.

Chairman WHITE. Thank you very much, Mr. Mayor. I appreciate your coming.

Mr. STEMBRIDGE. Thank you, and I appreciate Congressman Lehman for bringing all of you here.

Chairman WHITE. The next witness is the Honorable James Reardon, Mayor, city of North Miami Beach.

Mr. Mayor, I believe we have your statement.

STATEMENT OF HON. JOHN REARDON, MAYOR, CITY OF NORTH MIAMI BEACH, FLA.

Mr. REARDON. Mr. Chairman, I, too, would like to take the opportunity to thank the chairman and the members of the committee for coming here to Dade County to assist us in our deliberations, because they are deliberations of import on a national basis. Naturally on a grassroots level the Government is the most important factor, the closest to the people. So we wish to thank you gentlemen for taking your time away from your important responsibilities in Washington to be here today with us.

Honorable Chairman and Members of Congress, North Miami Beach is a rapidly growing city. Ours is a rapidly growing city in a rapidly growing area. Dade County's population as of July 1, 1972 was 1,331,200 according to the Bureau of the Census or 1,342,475 according to the State of Florida or 1,359,000 according to the Dade County Planning Department. Whichever figure you select, there is no question that this is a large metropolitan area. And our city is located in the burgeoning suburbs of this large metropolis.

According to estimates of population provided by the State of Florida, our city's population had grown from 30,544 in 1970, as counted by the U.S. census, to 34,463 by July 1, 1974; this represents an increase of 3,919 or over 11 percent in 3 years, an average annual growth rate of about 4 percent.

Population counts are utilized in public policymaking. Census counts and population estimates are utilized in various Federal and State formulae for distribution of financial assistance to our city. One of the most important of the Federal aids is the revenue sharing program which allocates \$404,970 to our city for the 1973-74 Federal fiscal year, or approximately \$13.70 per capita. State revenue sharing also considers our city's population. Our 1973-74 budget anticipates \$1,092,000 in State shared revenues, or approximately \$36 on a per capita basis. Unlike the Federal program, the State's distribution formula utilizes official State estimates of population.

One of the most important applications of the U.S. census data is the rearrangement of voting districts by population. The Supreme

Court's one-man-one-vote rule takes on significant importance in a rapidly growing area such as ours.

Many Federal agencies such as Housing and Urban Development and Health, Education, and Welfare consider demographic, social and economic data on grants relating to community development programs, and education, manpower development and community action programs. Data on race, age groups, family status, and employment are needed for many Federal grant applications. These grants consider data describing cities as a whole as well as specific areas within cities.

Apart from the Federal revenue sharing program, the amount of direct financial assistance our city is currently receiving from the Federal Government is insignificant. However, Federal formula for distribution of aid to cities under community development programs, manpower programs, et cetera, are subject to change. While we are not receiving significant direct financial assistance at this time, due in part to Federal budgetary constraints, our city has the potential to qualify for various Federal grant-in-aid programs in the future.

In addition to various State and Federal programs that utilize population counts in the execution of public policies, demographic data is utilized in area-wide planning activities. The task of projecting population growth as it relates to vital public services, such as water supply, sewerage and solid waste disposal, transportation, public safety and numerous other local governmental services is essential to a rapidly growing area such as ours.

Population growth affects local governmental service demands. This is evidenced by the effect of the recent construction of numerous medium and high density apartment and condominium developments within our city. Most significant to us is a large development within our city limits known as the Eastern Shores area. This area now contains approximately 1,500 housing units and it will have approximately 3,000 housing units upon its completion. The impact this development has had upon demands for local governmental services is tremendous.

For example, because this development contains a large population of senior citizens, we are receiving an increasing demand for our emergency ambulance service. Approximately 20 percent of all emergency calls to our fire department originate in this area and we are contemplating the construction of a new fire station equipped with costly vehicles to service the high rise dwellings. Because the extensive water frontage provided in the new development has attracted a number of boat owners, we are also receiving numerous requests for police protection of water front properties and for police patrol services upon the area's streets, too. Other requests include neighborhood park and recreational facilities, beautification of public streets, and clean up of vacant lot areas not yet under construction. Additionally, we must anticipate demands for future street maintenance, adequate supplies of water, increasing loads for our solid waste disposal service, and traffic engineering problems resulting from the increase of vehicular traffic. The de-

mands for local governmental services that are coming from the growing Eastern Shores population are too numerous to mention here, but suffice to say that those of us who are on the "front lines" in local government are in daily contact, on a person to person basis, with the population we serve. And they are calling upon us to increase our services at least in proportion with our population growth while we are also expected to maintain existing service levels to older, established areas.

The 1970 United States Census is already seriously out of date from our point of view. By 1980, the 10-year-old census figures will be enormously out of date. Insofar as population counts have become an increasingly vital tool to public policymakers, and insofar as these datum are used to implement the distribution of governmental resources, we are vitally interested in current and accurate census figures. When these datum are out of date, my constituency will be short changed in the distribution of government resources and services.

The question has been posed and we took an approximate figure of our population differential since the Federal census in 1970, and our figures show at this time, approximately, gentlemen, that the City of North Miami Beach is losing \$53,000 through Federal Revenue Sharing because of the fact of the census being used for the output of funds from the Federal Government.

It would seem to me that the reasonable answer to this would be that a body, be it Federal or State or local, countywide, who could verify to your committee the differential in the population increase from 1970 to the present day would probably give us the answer that we're looking for in fair apportionment of the funds from the Federal Government.

I would like to just state that it is our city's belief that although Federal Revenue Sharing is used for purposes of reduction of millage, that it is our city's policy as of now that we are not using these funds for the purposes of reducing millage. We are using them for one-time capital expenditures for the simple reason, no disrespect in this remark, that what the Government gives the Government could at one time take away.

We know that we're living in very, very trying times financially. The Government is strained. The people are strained. So we feel, and we hope we have done the proper thing, we're using our general income from ad valorem to continue to reduce our millage. Our city council has set aside sufficient funds, hopefully this year, from last year by a resolution passed by the city council to do just that, to reduce the millage because of the assistance of the Federal Government in Revenue Sharing, and we are using it, the Federal Revenue Sharing, for programs such as youth programs. We just finished a youth facility. We are looking right now at a plan, or will be very shortly, to expand our police department, which Federal Revenue Sharing will be used for; and other programs of this nature.

But we feel that the Federal Government has instituted what we believe is something of a fair reapportionment of dollars back to the local governments. We would hope that at any future date these funds would never be reduced or removed.

It would seem to me that road programs are constant in a community. They serve other people from other areas, and we're always trying to keep our roads in repair. We are trying to do things for the benefit of all age groups within our community. We have a large populace of senior citizens. We are constantly working on programs to improve these facilities, programs and the like for these senior people, as well as the youth of our community.

I feel that if we work together through forms of meetings such as this we will have a better input as to what is transpiring in government in Washington, and through you gentlemen we will have our remarks at least expressed when you get back to Washington and make your final deliberations.

I'll be very happy to answer any questions you might pose with regard to anything of my testimony as far as the testimony of the city is concerned.

Chairman WHITE. Your statement was excellent, Mr. Mayor.

I would like to call on Mr. Bafalis at this time.

Mr. BAFALIS. Thank you, Mr. Mayor. I appreciate your testimony.

For the record, could you tell us how the State of Florida distributes its funds back to your community and what basis is used? How do they determine population?

Mr. REARDON. Yes. As I understand it, through the cooperation of our very fine city manager, Mr. Mariam, who is sitting here on my left, your right, in the first row, he has put together most of the information for my presentation here today, and we have noted that the Florida University has received a grant for this purpose of determining the growth population, and in my report here we have broken it down, in our first statement here, about the difference of three different agencies within the community itself, determining the population, and I might digress for a moment if I may, and read this, rapid growth of our community.

Dade County's population as of July 1, 1972 was 1,331,200 according to the Bureau of the Census, or 1,342,475 according to the State of Florida, or 1,359,000 according to the Dade County Planning Department.

So with all of the information that we can gather it is very difficult, as I stated in my first remarks, to have the Federal Government predetermine how the population has changed and (1) where the people have left the area, and (2) where they have come into the area.

So it would seem to us that a reasonable answer to the problem would be to have one agency preselected by you gentlemen, through the cooperation of the state or the county, to verify the differential in population in order to give the cities and the counties more revenue where they're entitled to it and decrease it where the population is leaving.

Mr. BAFALIS. Yes, sir, Mr. Mayor.

My question is, and you may not have the answer, on what basis or what formula does the State use in making its distribution?

Mr. REARDON. Population.

Mr. BAFALIS. Strictly on population?

Mr. REARDON. As I understand, yes, sir.

Mr. BAFALIS. What source does it use for those figures?

Mr. REARDON. Well, the State of Florida University statistics are used on a grant, as we understand it, and Mr. Mariam am I correct on that?

Mr. BAFALIS. But are they updated on a yearly or biannual basis?

Mr. REARDON. Is that done on a yearly?

Mr. MARIAM. Yes, it is.

Mr. REARDON. Annually, yes, sir.

Mr. BAFALIS. And they are updated annually?

Mr. REARDON. Yes, sir.

Mr. BAFALIS. All right. That's all I have, Mr. Mayor. Thank you.

Chairman WHITE. Thank you, Mr. Bafalis.

Mr. Udall?

Mr. UDALL. Do you or your assistant know the methodology that Florida State uses? Is it based on utility connections, school population, or anything like that?

Mr. REARDON. Mr. Mariam, we have a graph, don't we, on that?

Mr. MARIAM. Well, I have an excerpt from their studies.

Chairman WHITE. Would you identify yourself, please?

Mr. REARDON. This is Mr. Oliver Mariam, city manger of the City of North Miami Beach.

Mr. MARIAM. Sir, I'm sorry I can't answer that question accurately. However, information is available to them with regard to housing units constructed and occupied in the State, and we also have other applicable data such as utilities connection, water and sewer connections. The professional demographers do have a variety of tools available to them whereby they can accurately project population shifts and population growth. I can't tell you what formula the University is using, but I know that they do a competent and professional job.

Mr. UDALL. Is it correct that based on a grant from the State of Florida, the State University makes determinations for each political subdivision which are used for the purpose of State Revenue Sharing distribution?

Mr. MARIAM. That's correct, for State Revenue Sharing distribution.

Mr. UDALL. In contrast to the Federal's, the Feds use the 1970 census which is 4 years old and badly out of date.

Mr. REARDON. Yes, sir.

Mr. UDALL. Okay. Thank you, Mayor Reardon. That's a very good presentation.

Chairman WHITE. Mr. Lehman?

Mr. LEHMAN. I think everything has been covered, Mayor, and I just want to thank you for coming down here and giving such a fine presentation.

Mr. REARDON. Thank you very kindly for having us, and gentlemen, thank you very much for being here.

Chairman WHITE. Mr. Mayor, I have a question or two myself.

Mr. REARDON. Yes, sir, surely.

Chairman WHITE. Mr. Mayor, you've identified in your excellent statement the number of areas upon which programs are population oriented, and this is very helpful to our record.

Now you spoke of one agency to verify—one Federal agency to verify the population growth in order to have an up-to-date population count.

Mr. REARDON. Yes, sir.

Chairman WHITE. And in your opinion would the Census Bureau serve aptly in this role?

Mr. REARDON. No, sir; not at this time, due to the fact that if you were to implement a Federal census you would have to do it on a national basis, because when you're talking about revenue sharing it's given to every State, and then funneled down to the municipalities.

Chairman WHITE. Well, now I'm not talking in terms of using the traditional type of questionnaire. I'm talking about using the Census Bureau as an agency in order to utilize whatever sources might be available in each State. They would have to tailor, for instance, their survey. It might be the university system in Florida. It might be the utility system in another State and so on, whatever would be the most accurate, reliable source in each State.

Would you feel comfortable in having the Census Bureau conduct that?

Mr. REARDON. Personally; yes, sir, I would. I think that if we're going to do it, we might as well do it where we can effect a saving instead of having one group in one area do it and verify, and then have another do it. Then you have an accumulation of cost. Where you do it one time through the Federal Government and through the Census, I would say this would be the proper way to do it.

Chairman WHITE. Now, Mr. Mayor, in order to consider cost to the U.S. Government and therefore to the average taxpayer, to all taxpayers really, would it be appropriate, you think, if we were going to propose this responsibility on one Federal agency to provide that an entire survey of the entire country not be provided for, but that growth areas be identified and that their attention, their efforts towards updating their surveys be focused in those growth areas, or do you think it should be done nationwide?

Mr. REARDON. Well, that's a very difficult question to answer, but it would seem to me that if information could be funneled into an agency without going into something that would be necessary to maintain year round, so to speak, because the Federal census, as you know, is from every 10 years, and there's an output of money by the Federal Government for the census itself, but it would seem to me if you had an agency located in each State, sufficient in staff enough to take all the input—say our city, I don't think anybody would question a verification by certification of the differential in population up or down from a city and verify it by its city clerk to one of the agencies that we could give this information to, and if anybody were to put information that was not truth in fact they would be subject to losing Federal revenue sharing in its entirety.

Chairman WHITE. Would you fear the interference of any chambers of commerce inviting them to put a thumb on the scales a little bit in their particular areas? Now I know that Florida gets all the population they need, but there are some communities in this Nation where they're urging population and they always like to show good statistics of growth while they may not have totally what they want in growth.

Would you have a hesitancy whatever about the local verification of such figures or do you think it could be done fairly and responsibly by those areas?

Mr. REARDON. Well, I, personally, would have no objection to a chamber or any other agency that would be acceptable to the Federal Government, but it would seem to me that the cities themselves are quite capable to have the staff to work on a situation like this and save the Federal Government money whereby we could give you the necessary data and keep our records up to date.

The chamber of commerce, as you know, are business people who dedicate their time—

Chairman WHITE. Well, I'm not talking about the chamber of commerce conducting it, but I'm just talking about the chamber of commerce interference in the finality, in the final figures that may be reported.

Then what you're suggesting is another element. You're suggesting that the Federal Government then allocate moneys to the city to implement the survey by the city itself and certify and update the figures to report back to the Federal Government?

Mr. REARDON. I would say yes, sir, and I'll tell you, I think that certification by the city clerk and city manager in our case—we have the city manager form of government—would be sufficient in my opinion to show you the differential of the growth pattern in our community, and I think in effect it would save the Federal Government untold sums of money on interim reports of a Federal census that you would have to do nationally to accomplish this goal.

Chairman WHITE. How often would you suggest an updating to be viable?

Mr. REARDON. I would say every 5 years.

Chairman WHITE. Every 5 years. You wouldn't need it every year then?

Mr. REARDON. Well, we could give you the input yearly, but I'm sure that—I though you were talking about a national Federal census.

Chairman WHITE. Well, I am. I'm talking about a national survey.

Mr. REARDON. My apologies. Every 5 years I think would be necessary.

Chairman WHITE. All right, but now what about updating for Federal revenue purposes?

Mr. REARDON. I believe, sir, that the city could give you the necessary data that you would require yearly. That is why we're here.

Chairman WHITE. Well, are you suggesting then that as far as the Federal Government goes, whatever agency should be the clearing-house should update these figures for Federal revenue sharing and other Federal programs purposes every year?

Mr. REARDON. Yes, sir; for the simple reason that the answer is in my first statement here about the Federal census being 1970, and if you took another State where the population growth was decreasing, and theretofore took another State where it was increasing, the State where the decrease took place would be receiving the same amount of Federal revenue sharing in the 1970 Federal census according to this, the way we're doing it now, and the one who was taking the brunt of the increase would be absorbing the populace and not getting or deriving the Federal revenue sharing that they're entitled to.

Chairman WHITE. Has your municipality or any municipality that you know of in this area protested the figures on which the Federal revenue sharing was based with the Federal Government or urged otherwise?

Mr. REARDON. As far as I know, Mr. Chairman, no, sir.

Chairman WHITE. Of course, we had one mayor that came in today and urged that we get the figures updated, but previous to this you're not aware of anyone who has actually protested that?

Mr. REARDON. No. I can only speak for our community. I have not heard this outside of our community.

Chairman WHITE. Were you satisfied with the reporting of the census in 1970? Did you feel like it was a fair survey of the area in population?

Mr. REARDON. I'd better, sir, because my wife worked on it.

Chairman WHITE. All right, sir, fine. Mr. Mayor, we thank you very much for your valuable contribution to us today.

Mr. REARDON. Thank you very kindly for having us.

Mr. BAFALIS. Mr. Chairman, might I suggest or make a request that our staff write to the State government in Tallahassee to determine the methodology that we are using here in Florida for distribution of funds and how we are determining our population growth?

Chairman WHITE. Fine. If there's no objection from any member of the committee, we'll instruct the counsel to so write, and would you provide counsel with the proper person to write to.

Mr. LEHMAN. Mr. Chairman, there's a small differential in the figures that the city of Hialeah presented, and I would like to make it for the record. It's 1.3, not 1.7, which indicates the amount they've lost.

Chairman WHITE. The city of Hialeah lost \$1.3 million?

Mr. LEHMAN. And I think they quoted 1.7, and that's not right, so they want to change those figures now.

Chairman WHITE. That will be fine.

Mr. UDALL. The taxpayers will be glad to know they're \$400,000 ahead of where they were a half an hour ago.

Chairman WHITE. All right. At this time we'll call Mr. William Griffiths, city manager, city of Opa Locka.

**STATEMENT OF HON. WILLIAM GRIFFITHS, CITY MANAGER,
CITY OF OPA LOCKA, FLA.**

Mr. GRIFFITHS. Mr. Chairman and members of the committee, my report is short and concise, and I would like to read it into the record.

Chairman WHITE. Please proceed, sir.

Mr. GRIFFITHS. This is the testimony of the city of Opa Locka, Fla., which we wish to present to your honorable committee in favor of more up-to-date population statistics.

To substantiate the increase in population in the city of Opa Locka since the last 1970 census, our building department records indicate and the certificates of occupancy substantiate them, that 1,331 units of residences were constructed since the 1970 census was taken. These units of residence were located primarily in the low-income area of our city.

There is an average of 3.5 persons in each unit, for a total increase in population of 4,659 persons, which represents a 39-percent increase in population over our 1970 census figure of 11,902 persons. This increase of 4,659 persons would give us a total population of 16,561 persons.

Based on the revenue sharing funds which we received for the year ended December 31, 1973, which were based on the 1970 census figures, in the amount of \$261,568, an increase of 39 percent of this amount would give us an approximate additional sum of \$102,012. This additional sum of money would enable the city administration to expand their participation in the priority expenditures in the Code of Federal Regulations, subtitle B, part 51.

The city of Opa Locka recognizes their responsibilities to the citizens of Opa Locka. Therefore, we respectfully request that this consideration be given by your honorable committee to a program to update population statistics in order that we may receive our just share of the Federal revenue sharing funds.

Chairman WHITE. Thank you very much, Mr. Griffiths for a very fine statement, and we'll call on Mr. Lehman for questions.

Mr. LEHMAN. The city of Opa Locka is not growing as fast as some of the other areas in this county, but you do have growth problems, and also you have a large new movement of Spanish-speaking people into your area, I think, don't you?

Mr. GRIFFITHS. We do. They are gradually moving in.

Mr. LEHMAN. And are you intending to perhaps annex any additional territory that will anticipate further growth any time in the near future?

Mr. GRIFFITHS. The only area we can annex is to the west of the city. It's a vast area of vacant property up to Red Road, and it's practically all an industrial area.

Mr. LEHMAN. I see that you grew 21 percent in 10 years, but in the last 3 years you've grown about the equal amount. You're really being penalized now for this particular growth, and your city of Opa Locka is not a wealthy community. When a community doesn't have a strong tax base they need this proportion of their Federal revenue sharing. It's particularly detrimental to a type of middle- or low-income community where you do not have the kind of taxpayers, you do not have the kind of income, but you do have all the great needs of the people that live in urban areas at this time. You have the great urban needs, but you don't have the great urban taxpayers, and you particularly need the benefit of these Federal revenue sharing funds that you're not getting because of inadequacy of this data.

Mr. GRIFFITHS. At the present time our millage is 9.7, and we've got a 10 cap, unless the vote of the people, which is very difficult to

attain. We do have—we're under a water moratorium at the present time because our waterplant is not sufficient enough to supply the necessary water for new construction. We have approximately the availability of 3,000 more residential units to be built in the city, and whenever we are able to achieve our water expansion program we will be able to take on some new customers, but then there's money involved in that program, also.

Mr. LEHMAN. Are you locked in on your millage? Do you need more? I know for over the period of the last few years you've had sanitary sewer problems. You've got all kinds of traffic situation problems out there. So your only resource in many cases is revenue sharing, and if you're not getting your fair share because of inadequate statistics, then in fact you are the one that's being hurt the most at this time.

Mr. GRIFFITHS. That's right.

Mr. LEHMAN. Thank you very much.

Chairman WHITE. Thank you very much, Mr. Lehman.

Mr. Bafalis?

Mr. BAFALIS. I don't have any questions.

Chairman WHITE. All right. Thank you.

Mr. Udall?

Mr. UDALL. Do I understand you provide sewage service?

Mr. GRIFFITHS. Yes, sir; we do.

Mr. UDALL. Is the pattern in this area for the municipalities to provide sewage service rather than for Metro to do it?

Mr. GRIFFITHS. No. We furnish a collection system, and our sewage goes through the North Miami outfall.

Mr. UDALL. OK. That's all I have.

Chairman WHITE. Thank you very much, Mr. Griffiths. We appreciate your appearing as we did appreciate your submitting testimony before.

Mr. GRIFFITHS. Thank you. It was a pleasure to be here.

Chairman WHITE. Now the committee calls Mr. A. C. Ramsay, vice mayor of the city of Hialeah Gardens. Would you prefer to read your statement?

**STATEMENT OF HON. A. C. RAMSAY, VICE MAYOR,
HIALEAH GARDENS, FLA.**

Mr. RAMSAY. It's rather limited, and I would prefer to read it if I may.

Chairman WHITE. You may proceed, sir.

Mr. RAMSAY. And precluding reading it, I would like to answer a question that you asked a previous witness, in which you asked if he knew of anyone who had challenged seriously the equity of this proposition, and I might tell you, and I think Congressman Lehman's office could verify this, that we've been in conflict with it from the beginning except for our first quarter of it, and so if I may I'll continue with this report, and I'll be happy to answer questions afterward.

Our purpose in submitting this written testimony is to supply evidence that indicates the procedures presently used in calculating

revenue sharing allotments is inequitable and unreasonable, penalizes many municipalities such as our own Hiialeah Gardens, and makes it impossible for us to share realistically and fairly in the revenue sharing program. Categorically, let us deal with the formula applied to municipalities.

NO. 1 CONSIDERATION—POPULATION

Basically it states "Resident population as determined in the 1970 Census of Population and Housing." Thus, even if a city has increased or decreased its size in terms of number of residents since the 1970 census, its population for revenue sharing purposes is the same as it was in April of 1970. This apparent rigidity is necessary as it is very important that the data be uniform for all units of Government.

Our position is that a formula made primarily to facilitate the bookkeeping of the program if it is proven to result in serious inequities is unrealistic and should be changed. We submit the following information to support our position.

We sent the Treasury Department on November 7, 1973, the following report: 1970 population, 492; 1969 per capital income, \$3,429; 1972 adjusted taxes, \$96,874. In February of 1974 we submitted the following: 1970 population, 492; 1969 per capita income, \$5,224; 1973 adjusted taxes \$128,691.

Now we know our population to be in excess of 2,000. We have 2,200 housing units under construction and a substantial number of these to soon be ready for occupancy. We have an additional development of 495 starting, and another 1,500 where zoning permits have been granted.

This is just the beginning of the growth we know will take place in the next 2 or 3 years. Yet, according to the formulas we will be required to live with the figure of 492 in population until the next official census is taken.

NO. 2 FORMULA CONSIDERATION—PER CAPITA INCOME

Here the figure was changed from \$3,429 on November 7, 1973, to \$5,224 on February 27, 1974.

Under per capita income explanation the rules state that where a town is no more than 500 population that the average per capita income of the country will be used.

We remind you that most of the towns and cities in Dade County are so nearly developed and inhabited by people still on payrolls that the average of the county is sure to be greater than that of Hiialeah Gardens where we are still at least 50 percent populated by retirees.

NO. 3 FORMULA CONSIDERATION—ADJUSTED TAXES

On November 7, 1973 we reported adjusted taxes of \$96,874, and on February 2, 1974 adjusted taxes of \$128,691, a substantial increase.

Regarding this factor the regulations state:

Taxes excluding taxes for education provide a measure of not only the size of the governmental operation but also the efforts of the community to help itself.

In general, Revenue Sharing "helps those units which help themselves". It continues that tax adjustments are calculated because of the ease of securing updated information on taxes.

The logical question then seems to be does the organization set rules and formulas to make it easy for them to administer the programs, or is it the intent to distribute the Revenue Sharing on the basis of realistic quotas to which growing and expanding communities are entitled?

In conclusion, Hialeah Gardens is in for a very rapid expansion and growth. We need revenue to expand our recreation areas, parks, water, and sewer facilities, if we are to meet the demand that cannot be avoided.

We, therefore, feel justified in asking that there be enough flexibility applied in the Revenue Sharing program, that we not be hamstrung by rules that fail to take into account the changing conditions of such communities as ours, and consequently prevents our sharing fully and fairly in the program.

Sincerely yours, Town of Hialeah Gardens, A. C. Ramsay, Vice Mayor.

That completes our statement, but I welcome any questions you have.

Chairman WHITE. Thank you very much, Mr. Ramsay.

Mr. UDALL?

Mr. UDALL. Mr. Ramsay, if you'll forgive me for asking, where is Hialeah Gardens?

Mr. RAMSAY. It's directly west of Hialeah, and it's bounded on the south by the Miami River and the north by 106th Avenue.

Mr. UDALL. When did you come into existence as a municipality?

Mr. RAMSAY. 25 years ago.

Mr. UDALL. And you had only 490 people up until 1970?

Mr. RAMSAY. 490 people, that's correct.

Mr. UDALL. And now the explosion has occurred?

Mr. RAMSAY. That's correct.

We anticipate within the next 4 or 5 years a minimum of 22,000 people, and it can go from there to as much as 50,000.

Mr. UDALL. I'll light a candle for you.

Mr. RAMSAY. I might point out another thing that I think is important.

Most of the cities and towns heard from today are dealing in thousands of dollars in which \$100 or \$1,000 may not seem significant. When you anticipate that our revenue sharing is in the neighborhood now, an adjusted down figures of some \$8,000, it's obvious that \$100 to us in revenue sharing is an important factor. Such a figure in \$1 million allotment wouldn't be so significant. But we, until some few years back, most of our country out there, our land, was under water until the drainage system came along, and consequently it's been slow in developing, but today it's going to be the next big population explosion area of south Florida.

We are not in a position actually financially to supply the money required to expand and extend our water lines and our sewer lines and give some of the other services that we know a town of some 22,000 or more people are going to require.

We have had requests in for other grants of the government for assistance with our water needs, our water line needs and so on, and have had no action from those.

When they first came out with this revenue sharing allotment, ours was indicated to be some \$18,000. Those are in round figures. Today it's down to \$8,000, and we have grown steadily and are living with a condition out there which we know we're going to have this growth. We know the commitments that have been made, and we certainly need all of the Federal support that we're entitled to. I'm sure we're not asking for something that we're not entitled to.

Mr. UDALL. Facing these kind of growth problems you actually ran for this office or was it thrust upon you?

Mr. RAMSAY. Well, yes. I wondered why a few times, but I did.

Mr. UDALL. There have been no efforts to impeach you or anything?

Mr. RAMSAY. Yes, there has. This is a favorite pastime in south Florida.

Mr. UDALL. Well, this outfit I work for in Washington has been having similar problems lately.

Mr. RAMSAY. Well, I would like to point out one thing—that in reality our growth pattern at this time is over 300 percent of the population, 400 percent of the population quota that they're giving us our allotments on, and we know that due to the units already under construction that within the next year we are going to more than double our present population. We have 2,200 units under construction and they're moving rapidly. Soon they'll start occupying those, and if you take 2,200 times 2½ people, you have about again over twice, a 200 percent increase in our present population.

So this is the reason we have been challenging the equity.

Mr. UDALL. Well, this dramatizes the problem very much. I don't imagine that any community could have a more serious problem or need for updated population figures than an area that finds itself in the box you're in right now, and as I say, I will light a candle for you.

Mr. RAMSAY. Thank you, sir.

Chairman WHITE. Thank you, Mr. Udall.

Mr. Bafalis?

Mr. BAFALIS. Thank you, Mr. Chairman. I'd like to point out to my colleague from Arizona we have a number of problems like this one throughout south Florida. This may be a little more demonstrative in the numbers, but the growth is phenomenal.

Mr. Mayor, only one question. How much Federal money would you be receiving if current population figures of your community were used instead of the 1970 figures?

Mr. RAMSAY. I don't know if I would be accurate in stating that with an increased population of 400 percent that we would be getting four times as much, but not having that formula actually before me and this being just thrust upon me last night to appear before your committee today I'm not prepared to give you the actual figures on that.

Mr. BAFALIS. Could you send that to the committee so we can put it in the record?

Mr. RAMSAY. Yes, sir.

Two other things—well, let me answer any further questions you have, and then I'd like to make a couple of more statements.

Mr. BAFALIS. That's the only question I had, Mr. Mayor.

Mr. RAMSAY. Thank you.

Chairman WHITE. Did you want to make a comment now or wait until all the questions have been asked?

Mr. RAMSAY. Until the questions are answered.

Chairman WHITE. Mr. Lehman?

Mr. LEHMAN. I'm quite familiar with the problems of Hialeah Gardens. There's hardly a month goes by that they don't try to once again get their rightful share of revenue sharing and our office cooperates in any way we can to help them along. But based on the data that we have to use at our office, it's frustrating to try to get any kind of Federal assistance for this community, because the only data that we can use as a criteria to justify this kind of funding is the 1970 census. With all the computer capacity in this country, why we have to wait every 10 years in order to enable this country to bring its information to date on communities like this and to justify the kind of revenue sharing that's so necessary is beyond my understanding.

I think the Census Bureau is very much lagging in not only its duty but probably in its capacity or potential capacity to relieve this kind of situation.

The only other thing I would like to ask is—how large an area do you serve?

Mr. RAMSAY. We have in round figures 1,800 acres.

Mr. LEHMAN. 1,800 acres.

Mr. RAMSAY. 1,800 acres, yes, sir.

Mr. LEHMAN. That makes a pretty good size town.

Mr. RAMSAY. A fair size town; yes, sir.

Mr. LEHMAN. And how many voted in the last elections?

Mr. RAMSAY. 700—well, I don't have the exact total, but we have registered voters over 700-725, and yet we show only four hundred and something.

Mr. LEHMAN. So even your registered voters, unless you voted people in the cemetery, would indicate you had twice as many people.

Mr. RAMSAY. Almost. Right.

Mr. LEHMAN. Thank you, Mr. Ramsay.

Mr. RAMSAY. Thank you.

Chairman WHITE. Mr. Ramsay, what do you regard as the most reliable source of figures to determine the actual population in your community?

Mr. RAMSAY. We have—as a matter of fact, we use every facet that we know, such as the telephone services, the other utilities connections, and then the fact that we're small enough that we are within—our city hall is within a couple of miles of our furthest extremity, and we are still small enough that we can almost count them on our fingers and know that our figures are reasonable accurate.

Chairman WHITE. What would you recommend any Federal agency would use to verify the actual population figures of a community in an off-decennial census year?

Mr. RAMSAY. Mr. Chairman, my suggestion would be that some sort of a questionnaire could be sent to a township in advance of the visit of someone from the Federal Government to verify statements, a questionnaire in which it would indicate the number of utility hook-ups and the nature of the hookups, and any other—then a miscellaneous area in the report where you could identify other sources of additional citizens living in your township, and have these actually sworn to and then give the man that would come in to inspect those the evidence and let him thereby initial it because he would have at his disposal all of the figures and the sources necessary to verify any statement that he wanted to question, and I can't see how that would fail in letting us know what the very accurate growth would be in the town.

Chairman WHITE. How often do you feel that these figures should be updated?

Mr. RAMSAY. I think that should be in the neighborhood, again depending on the nature of the growth of the town, and in the belief that a town is enough interested in its own welfare that if they have a doubling of a population within a 12-month period, that by special request, as long as they continue to supply the information, they would get an inspector there who could verify their claims.

Now I believe you asked earlier if this should be nationwide. I don't think that it should be necessarily nationwide, but only in the areas where people know they have a real problem of population growth that has thrown them out of the mainstream of the Federal revenue that they have a right to, and at that time they could make the request, a special request, to get someone to come in and verify their claims.

Chairman WHITE. In other words, you're not suggesting a periodic check, but you're suggesting a check on the requests?

Mr. RAMSAY. Yes, I would. It could be that you could make such a check periodically, but basically very many factors involve the growth of a town, such as ours.

I think one of ours, for instance, that's going to pressure us into tremendous growth in a hurry is the fact that they have in certain areas of south Florida restrictions today and moratoriums, and the developers have to keep working and they have to keep their money working and they're looking for places to develop, and we have it, and there's no question that what we're going to get it.

Now if this then becomes a special and an isolated case due to certain unusual factors, then I think that by special request we should be able to hope we could have relief from having an inspection.

Chairman WHITE. Well, do you feel it would be appropriate to establish certain categories; say category 1 is a city or a community that is increasing its population by a certain percentage; then category 2, by different percentages?

Mr. RAMSAY. I think it would be very logical to do it that way.

Chairman WHITE. Fine.

We certainly do thank you, Mr. Ramsay, for coming today and we appreciate your talking to us.

Mr. RAMSAY. Thank you.

Chairman WHITE. Now the next witness is Mr. Joseph Tagg, city clerk of Miramar.

STATEMENT OF JOSEPH TAGG, CITY CLERK OF MIRAMAR, FLA.

Mr. TAGG. Gentlemen, I'll be very brief. The city of Miramar is in Broward County and not in Dade County. We don't have metropolitan government in Broward County. The city of Miramar, since 1968, has sustained a 6-percent increase in population each year since 1968. We anticipate the same percentage of increase for the next 5 years as based on utility hookups by both Florida Power & Light and the city of Miramar itself, and we are constantly being put upon by the county to assume more obligations that are being let go by the Federal Government, and we do feel that if there's any money due us we want it or need it, we should say.

[The following letter and attachments were submitted by Mr. Tagg:]

CITY OF MIRAMAR, FLORIDA,
May 30, 1974.

HON. WILLIAM LEHMAN,
Member of Congress,
North Miami Beach, Fla.

DEAR SIR: On April 22, 1974, the City of Miramar passed a Resolution memorializing the Broward County Commissioners to take appropriate action for an inter-decenial census in Broward County in 1975.

We in Miramar are sympathetic to the other counties and states throughout the nation, who are in periods of rapid growth.

It is the City of Miramar's position that an inter-decenial census be taken in Broward County in 1975, so that Miramar can get its fair share of Federal Revenue Sharing and State Revenue Sharing and by receiving more Revenue Sharing money and City of Miramar would be able to go forward with long range projects and capital improvement programs such as putting sewer in the area which was annexed by the State Legislature in 1969 and 1970. We would also be able to use the additional Federal Revenue Sharing Money to up date our Police Department, Fire Department, etc., and to assure our citizens of a more up to date response to their needs.

Very truly yours,

JOSEPH J. TAGG,
City Clerk.

CITY OF MIRAMAR, FLORIDA.

CLERKS' CERTIFICATE

I, Joseph J. Tagg, as the duly qualified and acting City Clerk of the City of Miramar, Broward County, Florida, do hereby certify that the attached Resolution No. 73-170 is a true and correct copy of same; and that the original, bearing date of April 22, 1974, is officially of record among the files of the City of Miramar, Florida.

In witness whereof, I have affixed my signature and the official seal of the City of Miramar, this 30th day of May, 1974.

(SEAL)

JOSEPH J. TAGG,
City Clerk.

RESOLUTION No. 73-170—A RESOLUTION MEMORIALIZING THE BROWARD COUNTY COMMISSIONERS TO TAKE APPROPRIATE ACTION FOR AN INTER-DECENNIAL CENSUS IN BROWARD COUNTY IN 1975

Whereas, it would be beneficial to the City of Miramar, Florida for an accurate census to be taken in early 1975:

Now, therefore, be it resolved by the city council of the city of Miramar, Florida:

1. That the Broward County Commissioners be, and they are hereby, memorialized to take appropriate action for the conducting of an inter-decenial census in February or March of 1975.

2. That the City Clerk be, and he is hereby, authorized and directed to send a copy of this Resolution to the Broward County Commissioners.
 Passed and adopted: April 22, 1974.

RICHARD CALHOUN,
Mayor.
 HARRY M. ROSEN,
President of Council.

Attest:

JOSEPH J. TAGG, *City Clerk*

Mr. TAGG. I'm open to any questions.

Chairman WHITE. That's certainly to the point, Mr. Tagg. We appreciate your candor.

I call on Mr. Bafalis.

Mr. BAFALIS. I don't have any questions.

Chairman WHITE. Mr. Udall?

Mr. UDALL. No questions, sir, and thank you very much for coming.

Chairman WHITE. Thank you very much, Mr. Tagg.

Mr. TAGG. Thank you.

Chairman WHITE. The next witness will be Mr. Joe Malone, chief of Management Information Systems of the Community Improvement Program, metropolitan Dade County.

STATEMENT OF JOSEPH MALONE, CHIEF OF MANAGEMENT INFORMATION SYSTEMS OF THE COMMUNITY IMPROVEMENT PROGRAM, METROPOLITAN DADE COUNTY

Mr. MALONE. I am discussing in the statement, which I am submitting for the record, the undercount of the Latin population. This arises because of certain statements made by your Census Bureau and taken up by the Civil Rights Commission, I believe, whose report I haven't received yet, so I can't really talk directly to the findings of this Commission.

That there was an undercount of the Latin population is very evident. How much of an undercount took place is the problem. The census was done very thoroughly, using the most modern techniques for gathering information on population and housing. The work was of great importance and was done with great professionalism.

There are many things that are faulty in the census, but it's the best we have. No matter what other techniques you might try to use it still is using the resources available in the best possible way.

Now I discuss in my presentation how the census was taken that caused some of the problems of the undercount with the Latin people. The basic geographical identification of persons was the mailing address. This was done by an address register built by the Census Bureau with the cooperation of the Postal Service, the mail carriers, and then on the whole this was of great effectiveness.

However, by its very nature, it did admit some undercount of the Latins. If we consider, for example, that many of the Latins live in the congested areas, boardinghouses, roominghouses, where there is only one mailing address, not apartments, this I think brought about a large undercount of the Latins. This is particularly true of Little Havana, the Wynwood area, Edison, all in the city of Miami, and also in Hialeah in their congested parts.

I made a check on the Polk City directory on one roominghouse that I know in Little Havana. There was only one person listed as residing there, whereas I know there were 13 different household units in that one building. Many of these roominghouses are not legal. The place is zoned for a single family and maybe five families are living there. The poor people have to live someplace and so they double up this way.

This, therefore, was an omission that lowered the total count of the Latin population.

Another reason for the undercount of the Latins was definitions. Now the large figure, the larger figure of Latin count is called Spanish language for this area. Spanish language means any family unit, household unit, in which either father or mother speak Spanish as their mother tongue. I, for example, belong to that group. I'm Irish, born in the lower East Side of New York, but I'm in the Spanish language because my wife speaks Spanish as her first language.

In the southwest of the United States the count was made on the basis of last names, Spanish last names. That's because the Spanish people there, many of them were there for generations, even before the country began.

Another fault of definition in the census was with the Mexicans, and this is because of this Spanish language business. According to the census count there were 2,500 Mexicans in Dade County. I believe there are about 10,000. The difference is because many of these Mexicans speak Spanish, and so they were counted as Spanish speakers, but they were born in this country, and their father and mother were born in this country. They weren't born in Mexico. So consequently the table that gives national origin says "were you born in this country or was your father or mother born in this country." They said yes, and so Mexico never came into it.

Another problem of definition occurs with the Puerto Ricans. The Puerto Ricans are American citizens by birth. They travel freely between the Island, centers in New York, Chicago, and so forth, and the migrant fields of south Florida. Consequently, they may not consider to have any home but Puerto Rico. They would be miscounted here, although they may live for many years in this area.

A third fault of definition finds itself in the migrant definition. What is a migrant? Even the Federal agencies don't agree one with the other, or even programs within the same agency don't agree. A migrant is somebody who works on a farm, but many would consider a migrant as not belonging here, living someplace else. So I think that the Mexican migrant, the Puerto Rican migrant was undercounted on that basis.

One of the other problems of the undercount of the Latins occurs because of sampling limitations, something we can't do anything about. The sample for Spanish language people was at a 15 percent level. If you are going to count black people, a 15 percent sample will be very valid. I believe, because blacks have their housing patterns forced upon them no doubt, where the 15 percent will cut right through the middle of the total population.

However, with the Spanish there is a dispersion throughout the county. Very few census tracts of the county have no Spanish. So consequently, small numbers of Spanish living perhaps next to each other were missed by the sampling techniques. This was also true in the National origin tables of Mexican, Puerto Rican, and Cuban, which was only a 5 percent sample.

Now a fourth problem with the Census was that the Spanish characteristics were not as thoroughly considered as should have been done. One characteristic, of course, is language. There was an attempt made to have Spanish questionnaires and Spanish questioners, but it wasn't as great as it should have been, I believe, and I'm not quite certain about this, I just suspect this.

But there is another aspect of this whole thing, that the Latin has a fear of official forms and he hesitates to have the government interfere with his own private life. Now this is just a generalization, and it, therefore, is a weak statement, but it can be the grounds for suspicion that there was an undercount because of lack of cooperation of these people in returning their forms.

I have in my presentation certain conclusions that can be read into the record.

We have been doing some work in the community improvement program trying to track population, trying to gauge the size, year by year, and its distribution throughout the county. I have been working for some time now, and I haven't got the figures finally in shape, but I would consider that today there is about 413,000 Latin Americans in Dade County. It is a growing, very vital, dynamic community.

This is not of importance only for the Revenue Sharing question, of course. It's more important I think for the social programs that need to attend the needs of these people.

On that level, also, the social program should not be considered just as Spanish language programs. The problems of the Mexicans are quite different than the problems of the Cubans, and the Puerto Ricans have their unique situations that must be met in some fashion.

Previously, we had considered these populations as insignificant. They are now of significance to Dade County.

One further thing that I might mention before you turn to your questions is that you've been discussing how we can get a better grasp on the population in Dade County.

If we can't have a 1975 census or a minicensus there are techniques that are available. The technology is already in existence—where we can have a pretty good idea of where the population is and how it's growing.

My boss, Mr. Paisley, is here. He can perhaps enlighten you more about what we are doing locally in this way, but the Federal Government in its Bureau of the Census has methods, using the computer, using the latest statistical methods, whereby a greater grasp can be gotten on the size of the population.

Well, gentlemen, this is the end of my statement. I'll be glad to answer any questions.

[The prepared statement which was submitted follows:]

PREPARED STATEMENT OF JOSEPH MALONE, DIRECTOR, MANAGEMENT INFORMATION SYSTEMS METROPOLITAN DADE COUNTY

Recent stories in the newspapers have told of the undercount of the largest minority in Dade County, the Spanish Language population. The Bureau of the Census has admitted that this population may be 25% larger than was reported in some localities. It has long been obvious that certain segments of the Latin Americans have been counted low, particularly the Mexicans and Puerto Ricans.

It is our opinion it would be only compounding error to raise Dade County's totals by 25% across the board. This would only give a false picture, further confusing local planners and frustrating programs designed to serve these people. Yet, it must be admitted that the true size and distribution of Spanish Language population as a whole and in its segments are nearly impossible to measure to serve as a 1970 benchmark.

While further attempts are under way to correct this situation, it seems indicated in order that a review of the causes of the Spanish undercount be made. These fall into three main categories—the statistical limitations of the sampling technique, the inconsistencies resulting from fitting a national system of data gathering to local conditions not completely suitable to that system, and the characteristics of the Spanish Language census respondents which led to distortions.

THE NATIONAL CENSUS OF 1970

Only five questions were asked of all individuals—relationship to head of household, sex, race, age and marital status—required by constitution to determine representation in Congress.

All other information concerning individuals from sample. There was a 15% and a 5% sample and certain questions common to both samples resulted in a 20% sample. Information required for apportionment purposes and that which was tabulated for city blocks was collected on 100% basis. That tabulated for larger areas, smallest being a census tract, was asked on a 15% or 20% sample. Five percent sample provides reliable data for all large counties. This last on the tract basis can be used for statistical analysis only with great caution. Reference is made to Table 1, which shows the sample level of Census items. Address identification began with commercial type mailing lists. These were turned over to mail carriers who check each address card for accuracy and completeness, i.e. non-existent addresses were marked for deletion, incorrect addresses were corrected and addresses missing from master list were added to the Address Register. Each address within an enumeration district was designated through a random-start serialization technique to receive one of the three types of questionnaire. Householders were requested to return the completed form on Wednesday, April 1, 1970.

Within a few days after Census Day, check-in and review of the mail returns began. Incomplete questionnaires and nonresponse cases were followed up by enumerators' phone calls or house visits. The goal of the operation was to have a complete questionnaire for each address on the mail register, or an explanation on the register of why a listed address was not included in the census, (e.g., it was really part of another housing unit, or it was not a residential address despite the letter carrier's belief).

The 1970 National Decennial Census attempted to be as thorough, accurate and complete in its coverage, within the restraints of its budget, utilizing all the latest tools of technology and relying heavily on the insights of special local committees whose input determined tract definition, jurisdictional boundaries and other particular conditions. The Census process was and remains the best possible method to obtain information on people and housing. However, the Census Bureau itself admits certain weaknesses and errors, among which is the undercount of minorities. By using local intuition in applying a national data gathering system to the census of Dade County, the following explication of omissions can be identified in regard to the Latin Americans.

THE UNIQUE POPULATION OF DADE COUNTY

From 1960 to 1970 the Latin population of Dade County has multiplied many times over, due chiefly to the Cuban Refugee arrivals but including other smaller streams. No one could estimate the size of this population nor its distribution throughout the County, and too little importance was given to the characteristics of its various segments.

DISTRIBUTION OF SPANISH LANGUAGE POPULATION

Perhaps it was presumed that the Latins as in the case of that other large minority, the blacks, lived principally in concentrations, where sampling would be completely valid. Unfortunately, this is not so.

Of the 210 Census tracts, the Four County Summary tape indicates Spanish Language population in all but seven tracts. Many have less than four hundred. Reference to the sample size table will show that data on Spanish Language was collected on a 15% sample. Consequently, only one out of a little more than six houses was asked about mother tongue of residences. It is logically possible to infer many were missed.

Sampling error becomes more severe in the question on national origins, since it was only a 5% take. Again, of the 210 tracts Cubans are found in all but 14 tracts, Puerto Ricans, with a reported total of 17,000, reside in all but 27 tracts, while Mexicans whose official tally is about 2,500 reside in 119 different tracts. These people are widely dispersed, therefore. And although they do not form "barrios" or "Colonias", of any size it may be suggested they are close neighbors usually of one another. Consequently, counting only every twentieth house would admit a great margin of sampling error.

Although some preparations were made to confront the language problem in data collection, the suspicion has been raised in some quarters that these measures were not sufficient, in that there were not enough Spanish questionnaires available, nor Spanish speaking enumerator.

What estimates can be made of those missed because of Dade County's particular Latin population? There is no method available short of a recount at a higher sample size.

PROBLEMS ARISING FROM THE ADDRESS SYSTEM

Census questionnaires were sent to mailing addresses. This provided sufficient coverage for usual housing patterns, whether from single family units to hotel and apartment residences.

The Spanish Language population in this type of housing was not missed by the Census except under sampling errors of the caveats to be mentioned later. However, one of the greatest problems of this population is the overcrowding of housing.

Densities are extremely high in certain sections. Older houses, designed for one family, have been pressed into service for many. Rooming houses are common in the congested areas, particularly Little Havana, Wynwood, Edison and a small part of Hialeah. Many of these establishments are operating outside the zoning restrictions.

Therefore, it is obvious that many holders of a mailing address returned a questionnaire that satisfied the Census mailing registry, but did not include the totality of housing units in that structure. The official address, appearing as one, in reality served many. To give an illustration of this, a certain rooming house on S. W. 11 Street was looked up in the Polk City Directory. A legal operation, it was listed as such, but only one household was listed, whereas it is known to have thirteen other households there.

It is impossible to solve this undercount in any scientific fashion. An educated guess would be to add 4% to the Spanish Population in those areas noted above.

A further problem with addresses is encountered in South Dade among the migrant Mexican farmworkers. First, there is no one official definition of migrant. The popular impression is that a migrant lives somewhere else, coming here for some months for the harvest. This does not seem to fit what facts we know. Many were migrants but have left the farm worker stream. Many still follow the harvest, but leave their families here. Somewhere here in April on Census day and may have reported as their residence places they have not seen for years.

But many did not have the chance to even be miscounted because of the Census's address system. Large number of the migrants lived in farm camps (many more in 1970 than in 1974) which were private property or on undedicated streets. Hence there was a single mail address at most and very likely a single blank questionnaire delivered. This is not a simple inference, for those tracts containing labor camps do not show a corresponding tally of Mexican households.

The published tables show 2,535 Mexicans for Dade County. By redefining "migrant", by using school records and client use of special Mexican health

projects, and by including the Department of Agriculture's reports on farm workers (70 to 80% Mexicans) it appears the more accurate number of Mexicans would be seven to ten thousand.

CHARACTERISTICS OF SPANISH LANGUAGE LEADING TO UNDERCOUNT

A recognized feature of the Latin personality is suspicion of official forms. Even if each Spanish household received a questionnaire in his language, which can be doubted, completion of that questionnaire in an exact manner would be questionable.

One of the chief purposes of the Census is to realign political representation. For the majority of Cubans (less than 20% registered voters), this would not be a strong motive for compliance. Many still consider themselves refugees, temporary residents in this country. It would be impossible to calculate the weight of influence this would have on an undercount.

In regard to the Puerto Ricans, a different set of characteristics can be suggested. First, these people are born U.S. citizens. Experience in surveys has shown that many do not identify themselves further, feeling no greater compunction in this than another American would declare himself as from Massachusetts. Many long residents of Dade County feel they still have a home in the Island, meaning to return there or proceed to New York in some future indefinite date.

Public Assistance considerations may be another reason that Puerto Ricans are undercounted. Some insist that the Puerto Rican "man in the house" is the new "invisible man" of Census totals. Some even emulate the people of the movie "POPI" and declare themselves Cuban in order to gain obvious economic edges.

Whatever combination of explanation is used, it is obvious from many sources the Puerto Rican has not been correctly identified. The Census tabulation gives 17,435 Puerto Ricans as residents of Dade County.

The various social and health services in the Puerto Rican cultural center of Wynwood show client use and citizen participation demanding a much higher population base. Field workers are convinced of a huge undercount. The voter registration of Dade County shows 40,000 Spanish voters with 37,000 of these Cubans. It cannot be accepted that only 3,000 votes are split between the Puerto Ricans and naturalized Latin American. The counting system appears completely wrong for this population.

To fill this gap again the educated guess must be used. This is the doubling of the census figure to 35,000.

A final segment of Latins in Dade County is the people who reside here illegally or quasi-legally. Many are economic refugees, fleeing their home countries to achieve some measure of a better life, without the benefit of valid U.S. documents. Many devices are available to do this and many are doing it. One thing these illegals have in common is the avoidance of any official contacts—they are the most careful drivers in Dade County. It is very evident a Census questionnaire would be avoided at all cost.

The size of this population is impossible to estimate, although some familiar with this underworld will say 70,000 belong to this group.

CONCLUSIONS

1. The Spanish Language population of Dade County, because of its size and rapid rate of growth, it of great importance to the local community. The undercount of this population has had the effect of underestimating the necessity of programs, special services and priorities, although this omission was not so great as to be disastrous. However, special attention to its segments, especially Mexican-American and Puerto Rican, has not been sufficient because the weaknesses of the counting system could not take into consideration their idiosyncracies. There can be no doubt problems designed to serve these people have suffered a data-lack.

2. It is hoped that the next National Census will have benefitted from its experience of 1970. This is not the sole responsibility of the Federal Government, however. The Bureau of the Census consistently responds as it can to local needs and suggestions. The participating agencies of Dade County will have to give particular attention to the Spanish Language population.

3. Meanwhile, the special problem of Spanish undercount only underscores the necessity of some kind of intercensal data gathering. The Community Improvement Program is attempting one method of population updating with the Latins as its target population. Although much work remains in testing and refining the method before official reports can be released, the preliminary total of Latins in 413,000 for Dade County.

Chairman WHITE. Mr. Malone, you've certainly covered a wide area of some of our findings in the hearings that were held in Washington on this great problem, and we were aware, as has been brought out in testimony earlier, that the 5-percent questionnaire certainly did miss a number of people, and I think that, as you pointed out, the name identification was only in five Southwestern States of the county and it was completely ignored in such areas as Florida that has a large Spanish-speaking population.

Did you find in your studies and observations that the mail system of sending questionnaires to the populace, the Spanish-speaking population, met with some failure? In other words, did you find some reluctance to answer a mail questionnaire which represented officialdom?

Mr. MALONE. Yes. Of course the Census had foreseen that sort of thing and where there was no return from an address corresponding to their register they were to follow up by phone calls or by a visit by an enumerator.

Chairman WHITE. Now did that enumerator speak Spanish?

Mr. MALONE. That is where I am not sure of how it was handled. I consulted with the Department of Commerce locally, the field office, and they thought that there were some, but they weren't sure they were sufficient.

Chairman WHITE. We found also that the questionnaires I believe were not in Spanish, even to the Spanish-speaking communities.

Mr. MALONE. I was given to understand there were some. Now that's the way it was put to me. There were some.

Chairman WHITE. The questions or the instructions?

Mr. MALONE. I'm not sure which. I was told the questionnaire.

Chairman WHITE. Well, this may be clarified a little bit later, but we felt as a committee at our hearings, that there was not an adequate effort to try to reach those who have familiarity with Spanish and not with English, because after all, we're trying to elicit information, and if you can't communicate you're not going to get that information.

Mr. MALONE. That's right.

Chairman WHITE. What do you feel are the most reliable means, besides the computers that you spoke of, to properly identify the Spanish speaking or Spanish origin people of this Nation in areas other than the five Southwestern States?

Mr. MALONE. Well, my method that I am trying to develop is by using a certain city directory and taking the most common last names, Latin last names, and counting the increase year by year. Last names are Rodriguez, Fernandez, Gonzalez, Garcia, Hernandez, and Perez.

Chairman WHITE. Just those?

Mr. MALONE. Just those, because they form 20 percent of all Latin last names.

Chairman WHITE. I see.

Mr. MALONE. About 20 percent.

Chairman WHITE. In other words, you've got your own sample survey?

Mr. MALONE. That's right. That's right. And this city directory has five different volumes, and consequently they can be distributed throughout the county, the city of Miami, the city of Miami Beach, the north suburbs, the south suburbs and Homestead, and so I have even the ability to assign this population. That's one method that I'm trying to develop.

Chairman WHITE. Have you put this to a test yet?

Mr. MALONE. I have not—I have, but I am not satisfied with my results.

Chairman WHITE. All right. Well, let me ask you, though your conclusions are not complete yet, what was the population of Miami, Spanish-speaking population or Spanish-origin population that was found by the Census Bureau, if you recall?

Mr. MALONE. 299,217.

Chairman WHITE. Was that in the Miami area?

Mr. MALONE. That was Dade County.

Chairman WHITE. All right. Now Dade County, and what, by your survey, your system, did you find would be the population of Dade County of Spanish origin or Spanish speaking?

Mr. MALONE. Well—for 1970?

Chairman WHITE. Yes, sir.

Mr. MALONE. I would imagine a 25,000 to 35,000 undercount.

Chairman WHITE. And this, of course, would effect revenue sharing and many other programs?

Mr. MALONE. Well, we don't know, see. Are they counted as part of the 1,267,000 or not? We don't know that. Or did they fail when they failed to indicate themselves as Spanish? This is the point.

Chairman WHITE. Now in Dade County are there numbers of the Spanish-speaking population, through their unfamiliarity with the language, overlooked by a good part of the governmental programs, food stamp programs, and other things like this?

Mr. MALONE. I think Dade County can be very proud of itself with its efforts up to date. It hasn't done all it could, but it has done a tremendous job in trying to meet this Spanish problem in the sense that most forms are in two languages, most public departments are staffed bilingually. There are special programs for Spanish. For example, the Community Action Agency Center for the Spanish speaking is called Accion. In the drug program spectrum there are two programs, Casa Abierta and El Encuentro, specifically for Cubans and for Puerto Ricans.

The Mexicans have a health program called La Clinica Campesina Martin Luther King, Junior. That's the name of it, down in Homestead. They're mixing two right there, but they're getting both sides.

So they are facing—the authorities are facing the problem, even to have a man in the Human Administration, Human Resources Administration, dedicated to the Latin American problem.

Chairman WHITE. I would make my own observation by surmise more than by actual knowledge that the Cuban migration to this country really tapped a very educated or higher degree of educated person from Cuba than, say, the influx from some other Latin American countries. The first waves of migration from other countries were not always the most established. They were not the displaced persons. Cubans were displaced, and the others were those searching for jobs and often were not of the highest education.

Mr. MALONE. Generally, that's true, but I would hope that people would not consider the well-known Cuban success story as the total Cuban story, because the Cubans have many problems and need much social assistance.

Chairman WHITE. Adjusting.

Mr. MALONE. Because—well, I think it would be a continued assistance because great numbers of these Cuban refugees, at least in the last years, were older people who come here to die or to spend their last years at least, without being able to support themselves. Many of the last years, too, found workers who were from the lower classes, you might say, who were not as well prepared as the first years. The Cuban migration is a very special migration. It's so massive, and at first very selective in who came, but it would be simplistic to say that the Cubans have just come here and taken their place and they don't need any help. That would not be right.

Chairman WHITE. Well, the older of the Cubans who migrated to this country were not of a built-up say social security background, and therefore they would be in greater need when they found themselves unable to earn their equal living in an unusual and strange country. I can understand that.

Mr. Bafalis?

Mr. BAFALIS. Thank you, Mr. Chairman.

Mr. Malone, I would like to compliment you on what appears to be an outstanding knowledge of the problem facing us here in south Florida, as it relates to the survey that was taken on Latin Americans.

Obviously a middecade census during the 1970s is not possible. What would you suggest we do to correct what appears to be an undercount of Spanish-speaking people? You talked about working out a formula yourself here in Dade County, but I think something needs to be done on a Federal level to correct that 25,000 or 30,000 or whatever figure it may be today.

Mr. MALONE. That's a tough one. I think that if you're just going to—I don't see why you would concentrate just on the Latins in the first place. I'm not that familiar with the last-name program as used in the Southwest to know whether they consider their undercount to be acceptable or be as large as 25 percent, but if there were a census directed to overcoming that perhaps that would be the fashion to go to use the last name approach. It's a very complicated approach, and I don't know why the distinction was made between the Southwest and the rest of the United States to use different programs, but I just have a prejudice that that would be the best way.

Mr. BAFALIS. I might point out the reason that I singled out the Latin Americans was that a challenge has been made as to the accuracy of the survey as it relates to Latin Americans. You've got problems now because of growth—that's obviously why we're here.

I'd be delighted if you would submit for the record any thoughts you might have on this problem—something for the record that we might consider. You apparently have a good knowledge of the subject.

Mr. MALONE. The problem is that you can pick up certain segments of the population, the Latin population, through your social agencies. You can pick up some reflection of the population through the voter registration. For example, in Dade County we identify a voter as Spanish speaking and as Cuban, but this is only a segment of the population. You can pick up some reflection of the population growth by the schools. Locally here we have bilingual programs. We have special aid to the Spanish-speaking student, but again, that's only a portion of the Spanish population.

At the present time I'd hesitate to say that other than submitting lists of residents to a last name test, I don't know how you would do it except to have a census that is just Spanish census. That's how I react to your question at this present time.

Mr. BAFALIS. All right, sir. Thank you. That's all I have.

Chairman WHITE. Mr. Udall?

Mr. UDALL. Well, I'm always impressed going around the country and attending congressional hearings when I find so many people who know so much more than I do about certain subjects. You've given us a very impressive piece of testimony, Mr. Malone. I read your statement fully and it was of a great deal of interest.

As you undoubtedly know, Mr. White represents the El Paso area, and my home base is Tucson. We share these problems, but in my case they are not quite as complex. I have 25 percent Spanish speaking in my congressional district, almost all of Mexican origin. You have the Puerto Ricans, the Cubans, and several other groups of Spanish-speaking citizens. So this is most helpful and most interesting and I'm sure we can profit from it.

Chairman WHITE. Mr. Lehman?

Mr. LEHMAN. Thank you, Mr. Malone. I think you've highlighted problems that also exist for the many individual communities in this area. In the 13th Congressional District in Aventura alone there will be a city up there by 1980 of around 40,000 or 50,000 people just in a condominium development—one single condominium development in Dade County with all the traffic and health and other kinds of problems that are involved in these kind of situations.

I know we've expanded in Dade County 36 percent in the previous decade. What did you anticipate the annual growth rate of Dade County is at the present time? Do you think it's going about the same rate, that in 1980 we'll have another 36 percent or more?

Mr. MALONE. That's crystal balling. We have the moratorium restrictions. We have rates of growth—we have our age distribution

profile is rather strange, you might say. From 1960 to 1970 our older people have increased at a far greater rate than most other areas of the country.

Mr. LEHMAN. And they're living longer.

Mr. MALONE. Living longer, and enjoying themselves. I don't know the—we could obtain for you the figures of a Dade County planning department on a 5-year segment to the year 2000.

Mr. LEHMAN. Well, as you go out North Kendall Drive there's just one big apartment complex after the other. The same thing applies all over the south end of the county, which doesn't happen to be the 13th Congressional district, but there's a huge growth in this area despite all of these restrictions and despite all these moratoriums.

Mr. MALONE. We're trying to track this, see, that's why I would like to have Mr. Paisley talk. One of the things we have developed is the analysis of the tax assessor role whereby each year we can see the additions to the role by numbers of bedrooms, some single family houses, multifamily houses, and now these are people who are now occupying the units. It's not on the basis of building permits but rather people living in an area, and Mr. Paisley just put out a profile on housing growth 1970-1972, which we are attempting to use as a population surrogate. We're also trying to process the auto tag registration file to see where cars are going, being bought, what kind of cars, and this would indicate something of population. We hope to be able to tell something about income by the type of car bought, but the energy crises knocked that into a loop.

Mr. LEHMAN. Much to my unhappiness.

But to get back to the point, in 1975, depending on your growth rate in the previous 10 years, we're coming up with a 200,000 shortage in head count in Dade County upon which these revenue sharing funds are based. You translate 200,000 into revenue sharing dollars, you're talking about some pretty good sized figures.

Chairman WHITE. Mr. Lehman, may I interrupt at this time.

Mr. LEHMAN. I yield to the gentleman from Texas.

Chairman WHITE. It's been suggested by Mr. Malone that Mr. Paisley has some information. Would Mr. Paisley like to come up here and make a contribution on any of these questions that were asked? I believe you have presented us some figures in printed form.

Mr. PAISLEY. Yes, you do have the statement that I put together, and Joe and I are really in—we're in the same show, but in terms of this testimony we're in considerably different pews; Joe with the Spanish, and I with some idea of what it would cost Dade County if the 1970 population figures were used throughout, and I think—

Chairman WHITE. Well, Mr. Paisley, I interrupted Mr. Lehman. I'm going to let Mr. Lehman proceed with his questions, and then we'll get some contribution from you.

Mr. PAISLEY. Oh, excuse me.

Mr. LEHMAN. Thank you, Mr. Chairman.

Looking at the figures there in regards to the continuity of growth, and if you translated the continuous growth pattern for the next 5 years, off the top of my head it looks like we're going to have about 200,000 short on the 1975 census. If you translate that, if that estimate is not too far off, if you translate that into dollars, how much are we getting ripped off by the lack of adequate census data?

Mr. PAISLEY. I think the figures in my statement showed a loss to the State of Florida of something over forty-seven million, and a loss to Dade County of something over four million for the life of the act, not just for 1 year, but if in fact they used 1970 figures on population for both the state and the lower jurisdictions throughout the length of the act it would result in those figures at a minimum; then these are pretty conservative forecasts.

Mr. LEHMAN. Thank you.

Chairman WHITE. I think it might be propitious at this time if Mr. Malone would retain his seat there, and why don't you hand the microphone over to Mr. Paisley. He can summarize his position, and then we can again allow the members of the Committee to ask questions that would be pertinent.

STATEMENT OF JAMES A. PAISLEY, DIRECTOR, COMMUNITY IMPROVEMENT PROGRAM, METROPOLITAN DADE COUNTY, FLA.

Mr. PAISLEY. The end in sight was to determine how much it would cost the State of Florida and all of Dade County, including the municipalities of the 1970 census were used throughout the life of the Revenue Sharing Act for population figures as opposed to some updated figures.

The formula that I worked out used the Dade County Planning Department estimates of a 20 percent increase in population between 1970 and 1977, and that is certainly as conservative an estimate as we have seen in a long time.

Florida, on the other hand, with a somewhat higher growth rate of 27 percent as opposed to the United States, 8.

So merely working from the entitlements we find that inasmuch as population is only one-third of the formula from the State's standpoint, that the State's entitlement would be effected by about 6 percent in 1977 down to about 2 percent in 1972, but when applied to on the order of 175 million average per year that comes out to a 47.5 million short fall.

Now carrying the two-thirds of the State allocation on down to Dade County and the other counties in the State, we find correspondingly a net effect of, due to the loss in the State revenues, and a slight gain actually in Dade because it's growing somewhat slower or is projected to grow somewhat slower than the State at large, the net effect would be about 4.2 million over the life of the act to Dade County and all other governments in Dade County.

[The prepared statement submitted by Mr. Paisley follows:]

PREPARED STATEMENT OF JAMES A. PAISLEY, DIRECTOR, COMMUNITY IMPROVEMENT PROGRAM, METROPOLITAN DADE COUNTY, FLORIDA

ESTIMATED AND FORECAST POPULATIONS, DADE COUNTY, FLORIDA, AND THE UNITED STATES 1970 AND 1977

[In thousands]

	Dade County	Florida	United States
1970.....	1,267	6,841	203,211
1977.....	1,518	8,669	218,800
Percent increase.....	19.9	27.0	7.8

Source: Dade County Planning Department; Bureau of Economic and Business Research, University of Florida; and U.S. Bureau of the Census.

Assuming that the above population forecasts turn out to be correct, how much less then, would, the State of Florida and Metropolitan Dade County receive in federal general revenues over the life of the Act if 1970 populations were used.

STATE OF FLORIDA

First, while the State was gaining 27% in population the rest of the States were gaining a little less than 7.8%. Simplistically, the State was growing about 19.2% faster than the rest of the United States.

However, population accounts for only one-third of the allocation so the impact on the total would only be about 6.4%.

The full impact, what's more, would only be felt in 1977 and would be progressively on prior year state entitlements.

The effect of not taking into account current population would be an indeterminate amount greater if year-to-year population were not taken into account in determining per capita income. Thus, if total personal incomes increased against a constant population, per capita income would be overstated, again to the detriment of the State entitlement.

The following illustrates the impact of using 1970 Census population figures on Florida's entitlement.

	Extrapolated base entitlement (000)	Adverse population effect (percent)	Amounts (millions)
1972.....	¹ \$156,500	-1.9	\$2.97
1973.....	¹ 164,500	-2.8	4.61
1974.....	173,408	-3.7	6.42
1975.....	191,703	-4.6	8.82
1976.....	¹ 202,000	-5.5	11.11
1977.....	¹ 213,000	-6.4	13.63
Total.....			47.56

¹ Estimated.

Thus, on the basis of these assumptions and by not using current population estimates, the several governments in Florida would, over the life of the act lose the following:

State of Florida.....	\$15,850,000
Counties and cities.....	31,710,000
Total	47,560,000

DADE COUNTY

Following the same logic as was used above, the ultimate impact from not using current population estimates works out as follows:

Initially, Dade County is not projected to grow as fast as the State :

1970-77 project population growth, percent :

State of Florida.....	27.0
Dade County.....	19.9

Therefore, Dade County *benefits* vis-a-vis other Florida governments by using the 1970 Census by about 7.1% over the life of the act.

But not as much as we lose due to the inequitable allocation to the State, two-thirds of which is passed through to the Counties and Cities.

Dade County received 14% of the total State Allocation during Period 4. Applying this percent to the total loss to the State as shown on page one and then subtracting what Dade gains in the internal distribution yields the following :

	Total loss to Florida by not using current population	Dade's share of State's loss at 14 percent of total
1972.....	\$2,973,500	\$416,290
1973.....	4,606,000	644,840
1974.....	6,416,000	898,240
1975.....	8,818,000	1,234,520
1976.....	11,110,000	1,555,400
1977.....	13,632,000	1,908,480
Total.....		6,657,770

Against this may be offset the gain to Dade because she is forecast to grow somewhat slower than the rest of the State.

The 19.9% growth rate for Dade compares to the State's 27.0% projected rate. The 7.1% benefit to Dade must be divided by three because population again only accounts for one third of the formula.

	Actual and estimated entitlements	Dade's share of loss to other counties (percent) in Florida	Amount
1972.....	\$21,000,000	0.6	\$126,000
1973.....	20,000,000	1.0	200,000
1974.....	25,356,500	1.3	329,600
1975.....	27,000,000	1.7	459,000
1976.....	30,000,000	2.0	600,000
1977.....	32,000,000	2.4	768,000
Total.....			2,482,600

By means of combining the analysis of Dade's gain because the State is growing faster than the U.S. with Dade's loss because the County is growing slower than the State yields :

	Gain due to State's faster growth	Loss due to Dade's slower growth	Net gain
1972.....	\$416,290	\$126,000	\$290,290
1973.....	644,840	200,000	444,840
1974.....	898,240	329,600	568,640
1975.....	1,234,520	459,000	775,520
1976.....	1,555,400	600,000	955,400
1977.....	1,908,480	768,000	1,140,480
Total.....			4,175,170

The combined governments in Dade County, therefore, have and will lose about \$4.2 million in federal general revenue funds if 1970 census population figures are used in place of current, and hopefully accurate population counts.

Chairman WHITE. Mr. Paisley, would you like to give us some idea of your background. This is some very startling work done here. Are you a statistician or do you have some kind of training?

Mr. PAISLEY. Well, when I got my Masters in Accounting from the University of Miami, I went with Dr. Reinhold Wolff, University of Miami Bureau of Economic Research, and told him I wanted something a little more interesting. He allowed as how if I felt that way about it I was welcome to jump in, and I've been in ever since, and I think I know what he meant.

Chairman WHITE. Well, that certainly qualifies you for what you've done there. You've certainly done a masterful job.

Mr. Udall?

Mr. UDALL. No questions.

Chairman WHITE. Mr. Bafalis?

Mr. BAFALIS. No questions.

Chairman WHITE. Mr. Lehman?

Mr. LEHMAN. The only thing I think of is that you may be as much as 50 percent off in your 20 percent figures, and if that's the case it would be another two million dollars or so short in Dade County.

Mr. PAISLEY. Mr. Congressman, since I left the planning department I've made it a point to continue to use their estimates, and that's the basis for it. They are recognized as the—

Mr. LEHMAN. Very, very perceptive figures.

Mr. PAISLEY. I think so, yes.

Chairman WHITE. Well, the point is, too, for purposes of this hearing, that something is wrong, we need to correct it, and we need to find some means of making certain we have viable, up-to-date figures for all purposes, mainly Federal purposes.

Mr. PAISLEY. Could I say one thing on that score?

Chairman WHITE. Yes, sir.

Mr. PAISLEY. A great deal of attention has been given to the demise of the 5-year census, and I think there's a good deal of ground for that, but I think one of the alternatives for the 5-year census is to take somewhere around the significant amount of money that the 5-year census would have cost and use it to establish continuous census department regulated metropolitan studies in the major metropolitan areas throughout the country.

Chairman WHITE. Similar to some European systems.

Mr. PAISLEY. I wasn't aware of that, but it's along the lines of what Mr. Caley Smith of the Census Use Study are trying to do. But I do think it very important that metropolitan groups really be extensions of the census so we retain uniformity. I don't see how we can allow everybody's local technique to enter the scramble for revenue sharing dollars when it comes to population estimates regardless of how well-intentioned they are.

Chairman WHITE. I think that was something in the nature of Mayor Reardon's testimony if I'm not mistaken.

Thank you both.

Mr. BAFALIS. Mr. Chairman, may I just ask something?

Do I sense in your comment that you are not particularly interested in a 5-year census?

Mr. PAISLEY. No. I agree that something is needed. I would like considerable thought given to the comparative cost-benefit of the

local organizations versus the 5-year census, but I'm not committed to either one.

Chairman WHITE. Of course, this wouldn't get to the rural areas, but it would help municipalities.

Mr. PAISLEY. We would still have to catch the rural, right.

Chairman WHITE. Thank you very much, and we appreciate your contributions.

The last witness is The Honorable Milton Weinkle, Mayor, City of Hallandale. If you would come forward, please, sir.

Mr. Mayor, as I have mentioned to the other witnesses, you may testify in full or summarize your testimony.

**STATEMENT OF HON. MILTON WEINKLE, MAYOR,
CITY OF HALLANDALE, FLA.**

Mr. WEINKLE. Mr. Chairman and gentlemen on the committee, I would like to summarize it for the sake of saving time.

Mr. LEHMAN. I might indicate, if you will yield to me a minute, that this is another county. This is in Broward County, and it is also growing even faster than Dade County.

Chairman WHITE. Thank you very much, Mr. Lehman.

Mr. WEINKLE. Yes, sir, we're in Broward County, but we're part of the Thirteenth Congressional District.

Sir, I would first like to mention that our city became aware of what we thought was certain inequities because of the 1970 census in our community, and a year and a half ago we asked the Honorable William Lehman, our Congressman, about a resolution to consider the following issues.

First of all, we felt that the formula was unfair to many cities in Florida because of our rapid growth, and that based, for instance, on the April 1970 census this did not provide for the increase in population in our community, and also did not provide for the many people who use Hallandale, who live in Hallandale as a secondary domicile.

Now in our city, which is approximately 4 square miles, we have a population of 45,000 people, which is something like 11,000 per square mile, perhaps one of the highest in the State or in the Nation perhaps, but many of these people, since 60 percent of them are retirees, they are usually here for the winter months, you might say October and November until spring. So many of these people may list a northern city as their domicile, and yet Hallandale has to provide municipal services for these people, and we do not get revenue sharing for them, and when the census was taken in the spring a lot of these people had already gone north, but our big concern is that we feel the census did not provide for the people who live in Hallandale, which is perhaps half of the population, who live here half of the year, and yet are not counted in revenue sharing, but we do have to provide for these people.

That was I'd say basically the situation regarding our resolution. What I would like to mention, sir, about our increase in population—now according to the 1970 census Hallandale had 23,849 people. Our city has grown so much that in this last 4 years our population has

doubled to 45,000. Now according to the 1970 census in Entitlement Period No. 5 our city would receive \$390,000 from Federal revenue sharing, which we figured comes to about \$16 per person.

However, using an accurate figure of 45,000 population, our figures for revenue sharing would be like \$730,000, approximately twice as much, and of course our city was in favor of a middecade census for this reason because of the tremendous vital powerful growth in South Broward, and our city in particular has doubled in 4 years, and we were hoping that some formula could be arrived at that would provide for this rapid growth plus a secondary domicile.

Now, for instance, I'd like to mention these few statistics. The population in the 1970 census showed Hallandale had 23,849 persons. However, the University of Florida has a division of population studies that in July 1972 indicated Hallandale had 30,851, which is an increase of like 17,000. Then in December of 1973 the University of Florida estimated that we had 41,125. As an example, the electric company, Florida Power & Light, had 17,500 meters, electric domestic meters in Hallandale, and estimating 2.3 people per meter, showed a population of like 41,000 people. Then 6 months later in June—well, June of 1974, now, there's 19,000 Florida Power & Light meters in Hallandale. So based on that, plus the University of Florida's proposed study, we would have 44,650.

Now, in addition, at the present time, there are over 4,000 apartments or units under construction in Hallandale, which would provide for another approximately 9,000 or 10,000 people. So we could safely say within a couple of years from now the City of Hallandale will have 54,000 people, and while this is—whether it's desirable or not is debatable. I think it's not desirable, but it's a fact, and so as a result, between the 1970 census and say 1980 our population will probably close to triple.

Now it seems to us, the information I have, that we have no other direct programs in the City of Hallandale in which we participate where the funding is based strictly on population other than State and Federal revenue sharing, and because this is very vital to our community we're concerned with accurate figures rather than the 1970 figures.

We would like to recommend respectfully that Dr. John DeGrove, who is a professor at Florida Atlantic University, he's head of the Joint Center on Environmental and Urban Problems, is a well-known not only environmentalist and educator, but he's very up to date on these statistics and population projections in south Florida, and I think that he would have some very valuable information for the committee if you gentlemen so desire.

So in addition, of course, we do have tourists like south Florida has to provide for. We have to provide services, but we have received no revenue sharing.

I would like to feel that somehow if a more accurate figure could be obtained on a perhaps either a year-to-year or every 5-year basis, based on for instance the Florida Power & Light electric meter connections and the city water meter connections, on the telephone installations by Southern Bell and whatever information is available

to get a more accurate census to provide more equitably for the cities in south Florida that have grown so rapidly, and as I say, one of the big problems is not only the growth of our city, but the tremendous number of people who live here but still, for perhaps tax reasons or sentimental reasons, still consider their northern cities as their home, and we do provide municipal services and all the obligations, and yet we do not get the advantages of revenue sharing for those people.

Gentlemen, I appreciate the opportunity of speaking to you, and I think this briefly concludes my statement.

[The prepared statement submitted by Mr. Weinkle follows:]

PREPARED STATEMENT OF HON. MILTON WEINKLE, MAYOR, CITY OF HALLANDALE, FLA.

Gentlemen, as you know, the South Florida area is one of the most rapidly growing areas of the nation. The tropical climate and environment attracts thousands of new residents every year and each new resident requires his or her portion of governmental services in order to maintain this enjoyable environment.

Yet, beyond the demand for maintaining existing service levels, local governments have been and will continue to be required to raise existing service levels by expanding present services and providing new ones which may have been unrecognized in the past.

Each of these forces has governments to develop new forms of financing the delivery of services to citizens. One of the most dramatic new forms of financing the provision of government services has been Federal Revenue Sharing. Within the City of Hallandale, a large portion of Federal Revenue Sharing funds has been used to finance the construction of a new police and fire headquarters operation complex to provide a more efficient and effective public safety operation. As you can imagine, the opportunities for the use of these funds for the coming entitlement periods are extremely numerous.

For example, the City currently is preparing a new sanitary sewer improvement project which will provide a sanitary sewer system for the middle and lower income areas of the City. This area currently is almost entirely served by individual septic tanks which have been subject to scores of malfunctions and breakdowns, creating a recognized health hazard in the area. Federal Revenue Sharing funds could be used to help finance this system.

The City has a number of attractive, available parcels of open space among which are a multi-acre tract of ocean front property which could be developed into a beachfront park, and a multi-acre tract located close to the downtown area of the City which could be developed into a needed cultural and civic center. Federal Revenue Sharing funds could be used to help finance to purchase of these and other open spaces tracts.

Although there are other state and federal financial assistance programs which specifically address themselves to these particular types of projects, as you know, funding is extremely limited and direct assistance in the substantial and meaningful manner cannot be anticipated by the majority of local governments.

Consequently, the City of Hallandale, like a number of other cities, depends upon Federal Revenue Sharing as a vital source of funds for the continuation of current municipal programs and the development of new ones. Although Federal Revenue Sharing cannot be expected to relieve the pressure of local governments to explore every other possible means of financing vital services and programs, it does provide a needed financial link between local governments and governments at other levels.

Currently, Federal Revenue Sharing entitlements are based on statistics derived from the 1970 decennial census. The figure attributed to the City of Hallandale at that time 23,849. However, in the few short years since that census was taken, the City of Hallandale has a current population of approximately 45,000, and even this figure may be conservative.

Attached is a brief table indicating various population estimates made after the 1970 census and illustrating the dramatic increase in population that Hallandale has experienced. As these brief statistics indicate, the City of Hallandale is required to provide services for a much larger population than was recorded in the 1970 census. The City of Hallandale has been notified that for Entitlement Period 5 the City will receive in excess of \$390,000 in Federal Revenue Sharing funds. Based on the 1970 figure, a per capita figure would be \$16.35. However, if the City of Hallandale received that same per capita figure for each of its residents for which it must provide an ever increasing and improving level of services, the City of Hallandale would receive in excess of \$730,000 in Federal Revenue Sharing funds.

Consequently, it is imperative that census statistics and statistics gathering procedures be examined very closely to provide the necessary flexibility to provide accurate adjustments in population figures, so that an adequate and equitable distribution of Federal Funds and, in particular, Federal Revenue Sharing funds, may be made to the fast growing communities of South Florida.

There are a number of alternative means by which adjustments in census statistics could be made:

1. In a time of increasing growth it may be necessary to provide a complete census at mid decade. This would require a reorganization of current census procedures and the utilization of improved or modified techniques to provide the quick and accurate recording and analysis that would be necessary to provide timely and accurate census data.

2. That at the request of local governments, special census at low cost could be performed to accurately update population and other demographic statistics which would be recognized as providing a basis for a modification in allotments of Federal Revenue funds.

The City of Hallandale has in the past supported modifications and improvements in the census process to provide accurate and timely census data on which to base its program formulation and implementation. On March 20, 1972, the City Commission adopted a resolution (certified copy attached) requesting the Honorable William Lehman initiate and sponsor the enactment of legislation designed to cure the deficiencies and end the discrimination inherent in the formula under which Federal Revenue Sharing funds are distributed. Specifically, it was adopted that new provisions be incorporated into the formula which would allow for accounting of the year-by-year growth in the City's population and allow for the annual enumeration of individuals owning and/or renting dwellings in the City while, at the same time, claiming legal domicile outside the City.

The City of Hallandale urges the House Subcommittee on Census and Statistics to provide a more equitable means of census data gathering for the South Florida area so that the residents of this rapidly expanding region can be recognized to receive the full measure of federal funds to which we are entitled.

POPULATION STATISTICS, CITY OF HALLANDALE, FLORIDA

1. Population established in 1970 Decennial Census as recognized for Entitlement Period 5, Federal Revenue Sharing.....	23, 840
2. Population as of 7/1/72 (source: Division of Population Studies, University of Florida).....	30, 851
3. Estimated total population—12/31/73 (source: Division of Population Studies, University of Florida; Florida Power & Light, 17,500 meters x household figure of 2.35).....	41, 125
4. Estimated total population—6/1/74 (source: Florida Power & Light, est. 19,000 meters x household figure of 2.35).....	44, 650
5. Future growth: 1974-1979 (in excess of 4,000 additional residential units are in the planning or development stages at this time x household figure of 2.35).....	54, 050

(Resolution No. 1165)

Whereas, the formula under which Federal Revenue Sharing Funds are distributed annually to the city of Hallandale, being based on population figures reported by the U.S. Bureau of the Census as of April 1970 is deficient in not

providing for the city's growth in population, year-by-year, and is discriminatory in not making provisions for the annual enumeration of a substantial number of individuals who own and/or rent dwellings in the city while claiming legal residence elsewhere, thereby resulting in the nonreceipt of the additional Federal Revenue Sharing Funds which properly should be distributed annually to the city.

Now, therefore, be it resolved by the city commission of the city of Hallandale, Fla.:

Section 1: That Hon. William Lehman, Representative for Florida's 13th Congressional District be and he is hereby requested to initiate and sponsor the enactment of legislation which would provide for revisions in the formula under which Federal Revenue Sharing Funds are distributed annually to the city of Hallandale by incorporating in such formula (a) provisions for accounting for year-by-year growth in the city's population, and (b) providing for the annual enumeration of individuals owning and/or renting dwellings in the city while, at the same time, claiming legal domicile outside the city of Hallandale, and thereby assuring the use of a formula which would result in the annual receipt by the city of additional Federal Revenue Sharing Funds consistent with the city's annual growth in population and the enumeration of a substantial number of people not now classified as actually residing in the city.

Approved and adopted by the city commission of the city of Hallandale, this 20 day of March A.D., 1972.

MILTON L. WEINKLE,
Mayor-Commissioner.

Mr. WHITE. Mr. Mayor, you brought out some very interesting factors. One is the matter of the part-time resident, and I would like to explore that just briefly if I may.

Of the figure—I think you gave a 44,641 figure and 54,000 as a last estimate—what numbers of that figure were constituted by part-time residents, those who came here in the winter months and had residence elsewhere in summer?

Mr. WEINKLE. Well, sir, first I might say that over 60 percent of our people are retirees, which is the reason for the secondary domicile.

Sir, if I may. Mr. John Kooser, our assistant city manager, perhaps can answer that.

Chairman WHITE. All right.

Mr. KOOSER. I would estimate approximately a quarter of the population of Hallandale that has a secondary domicile within Hallandale.

Chairman WHITE. Well, you raised a very interesting point. Of course, what you may have. Mr. Mayor, is possibly two communities getting the advantage of revenue sharing if you counted the part-time here and also counted the part time in their original domicile.

I wonder if you are not getting an advantage already for those who say come here for the 3 months out of the year. They are not occupying their premises but they are paying taxes and their rent or in their house payments they are making. I presume you have a number of taxes assessed against that property, but so therefore they're not using your city, they're not using your sewage, your city streets, and using your sewage facilities and so on. I wonder if this might be an offsetting factor? In other words, you may in fact not have a deficiency, but you might even have a blessing or at least it might be a standoff in that instance. I don't know. I'm just theorizing and I'm just trying to think.

Mr. WEINKLE. Well, sir, I don't think many of the people came here for 3 months like they used to years ago as tourists. I would think they stay conservatively longer. I think they spend the ma-

jority of their time here, but after Easter time, for instance, there's a tremendous exodus, you might say, from certain areas in south Florida, and the people go north, and as a result around April or May a great number of our population is gone, those who have the secondary domiciles.

Chairman WHITE. Well now, in order to arrive at an accurate count of these people, would you think it would be accurate to count the telephone connections or the utility connections, because they're going to be continuing all through the year and they won't actually be here, or is it your feeling that they ought to be counted regardless whether they've gone or not; in fact if they consider their domicile here a portion of the year they should be considered as part of the population?

Mr. WEINKLE. Sir, we have to provide services for the maximum. For instance, our police department and fire department and water resources and sewage treatment plants have to be based on say 44,000 people. While in the summer there may be half that many, we still have to provide for the maximum time. So our municipal budget and our capital improvements are based, have to be based on a maximum.

Chairman WHITE. Well, do you ever make an estimate of the numbers that you will have at any particular time and make allowances in the numbers that you might hire during that period of time or whatever functions of city administration? Would you take this lower population into account, or do you just maximize for all the efforts of the city throughout the entire year?

Mr. WEINKLE. No, but we have to be prepared for the maximum. Of course, in the summer we can cut back on some facilities. We try and arrange, for instance, for the city personnel to all take their vacations basically during the summer time when we don't need them as much, and we don't need as great services in the summer, but we still have to have them for the winter.

John. do you have any—

Mr. KOOSER. Yes. I would like to comment on that.

As municipalities have to provide services of an ever-increasing technical level to their community, they've got to hire more skilled and more professional employees, such as policemen, city planners, water treatment plant operators, so forth and so on, who require a very high level of training. These people just can't be laid-off or separated during certain months because the population has temporarily decreased during those months. They've got to be retained on the payroll so that in the event that they're needed, they are available.

Chairman WHITE. But you wouldn't be filling vacancies during that time. You would be more likely to fill your vacancies say during the winter months than you would in the summer months.

Mr. KOOSER. Well, we don't have any vacancies right now. We don't have the luxury of letting people off because we have to provide a standard service level during the summer months.

Chairman WHITE. Well, let me ask the Mayor this question. If you were in the role of the Federal Government how would you handle this matter of primary and secondary residence or domicile if you're trying to administer a revenue sharing program? Would you try to divide the residency? Would you try to take a percentage,

an estimate, or would you duplicate and give one to each community as though they were permanently there? In other words, person A is going to be in one town, say New York, 6 months out of the year and in Florida the other 6 months. Should, therefore, the government give A twice, or should they split A's revenue sharing or how would they operate it?

Mr. WEINKLE. I can only give you my opinion, sir. I really haven't gone into that. I think our city could perhaps prepare a recommendation, not only our city, but other cities with the same problem, but for instance, there's a tremendous change in the amount of electricity consumed at certain times of the year, and amount of water used, and amount of sewage, the treatment plant, and I think based on the electricity, water, sewage, they probably could have some accurate figures as to the percentage of people, which are the peak months and which are the slow months, and of course we know the winter is the peak and the summer is the slow, but when your electricity usage drops for instance say 20 percent, then you can assume perhaps—

Chairman WHITE. Then you have different weather factors, too.

Mr. WEINKLE. Yes, but a lot of the phones are disconnected in the summer and some electric meters are turned off and so forth, but I imagine the city could come up with some fairly accurate formula.

Chairman WHITE. Well, this would be a problem that would apply as well to say Phoenix or certain areas in California like Palm Springs and areas like this. I would think this would be very appropriate to try to work out a formula for this.

Mr. WEINKLE. Yes, sir.

Chairman WHITE. I certainly do appreciate your input on this, Mr. Mayor, and I'm going to ask Mr. Udall if he has some questions.

Mr. UDALL. That's very interesting. We share many of these problems in Arizona. This has helped.

Chairman WHITE. All right.

Mr. Bafalis?

Mr. BAFALIS. No questions.

Chairman WHITE. Mr. Lehman?

Mr. LEHMAN. I just wanted to explore that a little bit. You say 60 percent of the people are retired now?

Mr. WEINKLE. Well, we figure 60 percent of our people are—

Mr. LEHMAN. Retirees.

Mr. WEINKLE. Most of our senior citizens are retired.

Mr. LEHMAN. All right, and of that you say about 25 percent of them, of that 60 percent, which amounts to I guess that would be 15 percent of the total, move back and forth?

Mr. KOOSER. I would say it would be closer to 25 percent of the total population.

Mr. LEHMAN. Of the total population of Hallandale—move back and forth, which means then probably almost half of your retirees go back up north in the summertime, but do you find now that they're going back up north in more recent years for a shorter period of time, like north for 2 weeks to a month vacation or so or go back north to really establish a domicile up there? In doing business up there, in that area, in the automobile business, it seems that it's *more or less* a shorter vacation now, and that they're living really

permanently in south Broward County because that's where we get most of our customers, and there's not that much difference in the service, servicing the cars, month after month year round.

Mr. WEINKLE. Yes, sir, Congressman, this is true. The people, years ago, tourists would come to Florida for 3 months, and then when the condominium program developed people now live here permanently, but they go away, as Congressman Lehman says, maybe for 1 or 2 or 3 months, but they don't go away for 6 months like they used to because they do have their apartments, but still a lot of them—I don't know whether it's as I say whether it's sentimental or tax reasons or what, but many of them still list their permanent domicile as up north even though they live here maybe 8 or 9 months a year.

Mr. LEHMAN. I think what they do is they go back in the summertime and come back after the High Holy Days, right?

Mr. WEINKLE. Yes.

Chairman WHITE. You know, Mr. Mayor, this may be a problem in the Washington area because I don't know—but very few people who are from Washington, D.C., they seem to come from somewhere else.

Mr. WEINKLE. Yes.

Chairman WHITE. And even though they lived there all their lives, they're from somewhere else. So it really could be a problem in the District of Columbia area.

Mr. UDALL. I ought to know the Federal revenue sharing formula and I don't. Could either one of you tell me what impact population has on the tax effort and these other factors? Assuming that many of these people are claiming Ohio instead of Broward County as their permanent residence, how will this affect distribution of revenue sharing funds?

Mr. KOOSER. I really don't know. I think the population is about one-third—when it gets down to the local government level, population is one-third of the total formula, so it would have to be a certain percentage of that, less than one-third.

Chairman WHITE. Mr. Mayor, you suggested the possibility of further contributions, and we would be pleased to have anything you would like to provide us for the record. We will hold the record open for a period of 2 weeks for anyone who desires to make further contributions.

Mr. WEINKLE. Thank you, sir.

Chairman WHITE. I don't believe there are any further witnesses.

We will continue hearings commencing at 9 o'clock in the morning.

Thank you very much. The committee is adjourned until tomorrow morning at 9 o'clock.

[Whereupon, at 4:40 p.m., the hearing in the above-entitled matter was adjourned.]

[The letter and its attachment which follow, was received for inclusion in the record:]

CITY OF MIAMI, FLA.

Mr. CHAIRMAN,
Census Statistics Subcommittee,
House Post Office and Civil Service Committee

SIR: On behalf of the Miami City Commission, I wish to call to your attention to the disparity created by basing federal revenue-sharing for cities on the

1970 Census. The State of Florida has seen substantial growth in the period 1970-1974; far in excess of the national average. The population of the City of Miami is estimated to be in excess of 352,000 for July 1, 1973, as compared with the 1970 Census count of 334,859. Growth in the past year has continued to be substantial in the City of Miami.

I would support any procedure that more adequately reflects our current population for federal revenue sharing purposes.

For your reference, I also request that the enclosed article "Census Costs State" by William J. Shelley in Florida Environmental and Urban Issues, November, 1973 be included in the record.

Sincerely,

P. W. ANDREWS,
City Manager.

CENSUS COSTS STATE

(By William J. Shelley)

Both the federal and state's general revenue sharing programs use population as a factor in their respective allocation formulas. At the federal level the most recent population estimates by the U.S. Bureau of the Census are to be used. For the federal revenue sharing entitlement period beginning July 1, 1973 and ending June 30, 1974, as state population estimate as of July 1, 1972, is to be used in conjunction with the other formula factors for the inter-state allocation of funds.

In future entitlement periods the allocation of federal revenue sharing funds will be based partly on updated Bureau of the Census state population estimates. *If this data continues to underestimate Florida's population, seem likely based on past performance, Florida will continue to receive less than its "fair share" of revenue sharing funds.* To remedy this situation, Florida can seek to have the Bureau of the Census modify its estimating technique or investigate the possibility of legal action.

County and municipal population estimates used for federal revenue sharing allocation within a state are those derived from the 1970 Census of Population until a technique is developed by the Census Bureau to estimate the population of municipalities for intercensal years rather than every 10 years.

Florida's state revenue sharing program uses population estimates for the state as a whole and for each general purpose local government. The latest estimates available are for July 1, 1972, the same date used by the U.S. Bureau of the Census for its state population estimate. Population estimates used for the state revenue sharing program are supplied to the Department of Administration under a contract with The Division of Population Studies, Bureau of Economics and Business Research, University of Florida.

Beside the problem of Florida's share of federal revenue sharing funds the use of two different population figures may be magnified, when, and if the Bureau of the Census updates its population estimates for municipalities. If these conflict with the estimates by the University of Florida, which they are likely to, local governments are likely to get confused with the use of one population estimate for federal revenue sharing and another estimate for state revenue sharing each for the same date and locality.

Table I lists the most recent statewide population estimates published by the U.S. Bureau of the Census and the University of Florida. As can be seen in each of the last 3 years the University of Florida's estimate is above the estimate by the Bureau of the Census. For July, 1972, the difference is 183,000 persons.

The difference in population estimates shown in Table I can be explained by the use of slightly different estimating techniques. The Bureau of the Census estimate is arrived at through the use of a national population estimating model based on data from all the states. The estimate supplies by the Univ. of Florida is based upon a state model using a housing unit estimating method. This method supplements other data also used in the national model by the Bureau of the Census. Both estimating methods use the 1970 Census of Population as the benchmark date.

TABLE I.—COMPARATIVE STATE POPULATION ESTIMATES, IN THOUSANDS

Source	July 1968	July 1969	April 1970	July 1970	July 1971	July 1972
(1) University of Florida				6,853	7,120	7,442
(2) Bureau of the Census (AC)	6,433	6,641	6,789	6,843	7,025	7,259
(1) minus (2)				10	95	183
(3) Bureau of the Census (BC)	6,210	6,354	6,511			
(2) minus (3)	223	287	278			
(4) Bureau of the Census U.S. Population (AC)	199,312	201,306	203,166	203,805	206,256	208,232
(1) + (4)				.0336	.0345	.0357
(2) + (4)	.0323	.0330	.0334	.0336	.0341	.0349

AC = Estimated after 1970 Census of Population.

BC = Estimated Before 1970 Census of Population.

Source: Statistical Abstract of United States, Bureau of the Census, U.S. Dept. of Commerce, 1970 and 1971. Division of Population Studies, Bureau of Business and Economic Research, University of Florida.

Additional information contained in Table I suggests that the differences between the estimated populations since April 1, 1970 may be due to underestimating by the Bureau of the Census. In both 1968 and 1969 the estimating technique used by the Bureau of the Census underestimated the revised population estimate (based on the 1970 Census of Population) by 223,000 and 287,000 persons respectively. For the census date of April 1, 1970, the Florida estimate based on their technique deviated by (-4.1) percent from the actual census figure, or by 278,000 persons. This compares with an average deviation of all the states of 1.85 percent, disregarding the numerical sign. The states of South Carolina, Alabama, and Mississippi had higher differences than Florida; however, their populations were overestimated rather than underestimated.

Table II presents Florida's share of federal revenue sharing funds for each of the three entitlement periods through June 30, 1973 and estimates for the fourth entitlement period which extends from July 1, 1973 through June 30, 1974. Estimates are also provided using the state population estimates from the University of Florida instead of those from the Bureau of the Census. There are no comparable estimates for the first two entitlement periods as 1970 Census of Population data was used in the allocation formula. By comparing the actual allocation of funds in the third entitlement period using 1972 Bureau of the Census data, with the estimated allocation using University of Florida data, it can be seen that the difference is approximately \$2.2 million for a six month period of time. The difference between actual allocation and estimated allocation increases to \$4.4 million in the fourth entitlement period.

Florida's governmental units will continue to receive less than their "fair share" of any federal funds distributed on a population basis unless the underestimating of Florida's population stops. *Failure to rectify this problem will cost Florida millions of dollars annually.*

TABLE II.—FEDERAL REVENUE SHARING ALLOCATION FOR FLORIDA, THOUSANDS

Basis and area.....	ENTITLEMENT PERIODS			
	First allocation Jan.-June '72	Second allocation July-Dec. '72	Third allocation June-July '73	Fourth allocation July '73-June '74
BUREAU OF THE CENSUS				
State total.....	72,955	72,955	85,629	173,409
State government.....	24,318	24,318	28,576	57,203
Local government.....	48,637	48,637	57,053	115,660
UNIVERSITY OF FLORIDA DIVISION OF POPULATION STUDIES				
State total.....			87,795	177,781
State government.....			29,265	59,220
Local government.....			58,530	118,521



FEDERAL REPORTING REQUIREMENTS

SATURDAY, JUNE 1, 1974

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON CENSUS AND STATISTICS,
Washington, D.C.

The subcommittee met at 9 a.m., in the North Miami City Hall, 776 Northeast 125th Street, North Miami, Fla., Hon. Richard C. White (chairman of the subcommittee) presiding.

Chairman WHITE. The Census and Statistics Subcommittee will come to order.

Before we begin, I would like to make a few remarks regarding the purpose of our meeting this morning, and then we will call on three witnesses—I don't know whether you have a witness list out there—but anyway we will call them in the order of Paul Reingold, Horace Y. Maguire, and Mr. Fred Augustine.

The prime responsibility of the Subcommittee on Census and Statistics is to make certain that the U.S. Government does not impose an excessive reporting and paperwork burden on its citizens. This responsibility derives from the fact that the subcommittee has jurisdiction over the collection of statistics and the data processing and reporting activities of the Federal Government generally.

Small businesses are hit particularly hard by the Federal reporting requirements for the job of filling out forms in an accurate fashion takes both time and money. These are commodities which are in short supply in many small businesses.

Accordingly, this subcommittee desires to do all within its power to see that the form burdens being placed on small businesses is kept to an appropriate level.

Unfortunately, it is often difficult to perceive the true dimensions of this problem in Washington. Small businessmen often do not have the time nor the funds to come to Washington to make their views and their problems known. That these persons are to have their interests adequately represented, and you're certainly able to through Mr. Lehman, the Congress should come to you. It is precisely for this reason that the subcommittee is here today.

I might also mention that the subcommittee has passed out a bill that's before the full committee by which the subcommittee and the Congress will continue to exercise surveillance over the economic census forms. These are forms that are distributed to many businesses over a certain level of gross income for the purpose of surveying the entire pattern, economic pattern, of the country. They are sent to categorized industries.

Now this, also, has been a great burden to many of these industries, and so, therefore, it's the design of the subcommittee to have Congress oversee these forms to determine whether or not the questions are rational; that is, that they are not excessive and placing an additional burden, instead of being a help to these businessmen as the economic censuses can be, they have been a burden. So we want to be certain that they are a positive factor in the economic scene today in this country through exercising this oversight, and that would be by reason of the Census Bureau submitting to Congress the forms and the questionnaires within time framework so that Congress will have the opportunity to look at them and make recommendations to the Bureau of the Census simultaneously with the Office of Management and Budget surveillance.

We greatly appreciate the time our witnesses have taken from their busy schedules to be with us today. We are most anxious to hear what each has to say concerning Federal forms and paperwork. Any comments the witnesses may wish to make concerning other Federal statistical programs will also be welcomed.

Before providing the other members of the subcommittee an opportunity to make opening remarks, I wish to express the subcommittee's thanks to the city of North Miami and to the staff of Congressman Bill Lehman for helping to make these hearings possible, and particularly to pay a compliment to Congressman Lehman for inducing us to come down by demonstrating to us the suggestion of the need for these hearings. We had a very profitable hearing yesterday, and I feel that these will be today as well, and the experience of the subcommittee yesterday, the facts that we learned, fully augment the description of the rich information we've received from Miami.

At this time I would like to call on Mr. Lehman, the host Congressman.

Mr. LEHMAN. Thank you, Mr. Chairman.

I just want to thank you again for initiating this visit and for bringing these hearings to this area which plays such an important part in the economy of our country.

I also think that we learned a lot that we may be able to convert into constructive legislation. I am particularly interested in this morning's hearing because for many years I have been a small businessman and I know the burden that the collection and the providing of data to the Federal agencies places on the small business person in this community. The small businessman has a very difficult time in ordinary circumstances, and we don't really need this extra and sometimes unnecessary function of serving as a basis for collection of different information and perhaps even information and perhaps even information of no real value.

So I want to listen to these people that are here today to testify as to the problems of the small business people of this community in filling out the various Federal forms in the operation of their businesses.

Chairman WHITE. Thank you, Mr. Lehman.

The first witness is Mr. Paul Reingold, deputy director, South Florida Economic Development Center. If you would like to come forward I suggest this particular table that would be closest to the reporter.

**STATEMENT OF PAUL REINGOLD, DEPUTY DIRECTOR, SOUTH
FLORIDA ECONOMIC DEVELOPMENT CENTER**

Mr. REINGOLD. Thank you, sir.

I have three general areas of discussion for this morning, and they are going to be brief. It's my understanding that any major information desired will be asked during the question and answer period.

Initially I would like to congratulate the Census Bureau and other involved parties, such as the Postal Service, on the reevaluation made in the post-1970 census in Dade County which was particularly directed toward the Spanish speaking community. This reevaluation resulted directly from complaints on behalf of county officials and the reevaluation provided a corrected needed bank of data on a segment of the community which had not been accurately studied in terms of economic impact or population.

Chairman WHITE. Mr. Reingold, if I may interject at this point. This also has been a subject of the interest and the study of the committee, and we did get some testimony yesterday on this. We would be delighted if you want to add some today, and we have already directed hearings in Washington in pursuance of a resolution mandating the Census Bureau to conduct additional or in depth studies and more accurate reporting of the Spanish speaking or Spanish origin persons.

Mr. REINGOLD. Yes, sir; Mr. Chairman.

Well, that comment was really intended as a congratulation and not a matter of testimony per se.

Chairman WHITE. No. We wanted to apprise you of this interest, and we're delighted that you commented on it.

Mr. REINGOLD. Thank you, sir.

Getting into the form requirements, which is the basis for my testimony, I'd like to direct that to two areas, and the first area is the form requirements made of small businessmen in obtaining loans.

The small businessman has three reasonable avenues of obtaining business loans for any legitimate purpose, and by reasonable I mean loans at nonusurious interest rates, and they are direct bank loans, or SBA loans, or Government guaranteed loans operated by various departments such as Housing and Urban Development, the Veterans' Administration, et cetera.

The intelligent businessman will generally first approach a bank for a direct loan, and even if he does not, all federally guaranteed loans require either bank turn downs or bank participation so that in any event the businessman must deal with a commercial bank at some point.

Exhibit 1, attached hereto, lists the requirements of the commercial banks that a person seeking a direct loan must meet. Requirements, in the sense that I use them here, refer mainly to the paperwork involved. The simplicity of these requirements should be kept in mind as we compare these to the complicated requirements of Federal agencies.

The SBA forms attached as exhibit 2 appear to be relatively simple, even though they are somewhat more complex than the private bank forms. These forms can be somewhat deceiving, but

careful examination of the documents will disclose that in many cases pages of additional data have to be submitted to answer some questions.

A particular example is question 5 on SBA form 4, which in addition to requiring additional data is sufficiently complicated as to be beyond the scope of understanding of most small businessmen. Now I've dealt with many businessmen attempting to fill out these particular forms, and I would say that that particular question might deal with 1 in every 500, and yet it's worded in such a way as everybody attempts to deal with it.

A review of the instructions on the rear of SBA form 4 show the additional complicated requirements for answering seemingly innocuous questions. The rear of the form shows a number of requirements that start with the word "attach," and this is where the businessmen start getting into problems. They answer the questions, and in order to answer they have to start attaching an additional bank of data, and this one page turns in to a 20- or 30-page treatise by the time that they're finished.

The remainder of the forms are along the same lines, and a careful study will show that the required information goes far beyond the expressed need to verify the legitimacy of the loan and the ability of the borrower to repay the loan, which as is everyone's understanding, is the main intent of the SBA forms to begin with.

The list of required forms for the HUD-sponsored loan guarantee program, attached as exhibit 3, prove to be extremely complicated, as a matter of fact, much more so even than the SBA forms.

The unfortunate problem in this program is the fact that applicants are required to fully answer all questions, even if the questions have no bearing on the type of business operated by the concerned applicant.

The more logical approach in assisting businessmen in dealing with the Government guaranteed loan structure would be to start with the bank turndowns and work from there. Banks have proved willing, with our organization in particular, to present in writing to Government agencies the reasons for their denial of direct loan requests. The Federal agencies should require the same pertinent paperwork as that required by the banks, which in fact are able to make profits even without these voluminous records, and then require detailed investigation and records only on the areas of deficiency noted in the bank turndowns.

The only way in which the Federal small business assistance programs will serve their purpose is through personal attention by employees to the businessmen requiring aid. By this I'm referring to the particular problems or situation of the businessmen requiring aid. The problems of each businessman are different, and he should not be submitted to a generalized and complicated morass of paperwork in order to obtain service.

I would next like to comment briefly on the general Federal reporting requirements made of small businessmen.

The small businessman, as the chairman had previously commented, is burdened with preparation of various forms required by agencies of the State and Federal governments.

Beside reporting standard withholding, quarterly estimated sales tax, deposits, et cetera, a business must also report to the U.S. Government estimates of sales, hirings, minority employment, and, depending on whether it manufactures, retails, or exports, provide additional special inputs, and in very many cases these special inputs are extremely complicated.

While this information is of vital importance in chartering the economy and providing guidelines for future actions it is not really feasible for a small business to prepare these duplicatory forms. The small businessman has neither the time, the personnel, the expertise, or money to hire or contract to provide what is required.

While this statement makes no estimate of costs in preparing the above information, the hundreds of thousands of small businesses must spend millions of man-hours today preparing it, and this translates, of course, into many millions of dollars.

It is, therefore, recommended that at least a portion of this burden be eliminated and an additional part be transferred perhaps to educational institutions possessing untouched capabilities of assistance in these areas.

Combining the above resources with the excellent capabilities of the Census Bureau could provide a rational solution.

Chairman WHITE. Thank you, Mr. Reingold.

Mr. Lehman?

Mr. LEHMAN. Well, he only confirms what my own experience has been, and the experience of my staff in private enterprise before I was elected to Congress.

Chairman WHITE. Thank you, Mr. Lehman.

Mr. Reingold, you mentioned in the last page of your testimony that some of the burden should be eliminated and an additional part be transferred perhaps to educational institutions possessing untouched capabilities, quoting from your statement.

How can educational institutions participate in assisting the small businessman with his reporting requirements?

Mr. REINGOLD. Mr. Chairman, for approximately 2 years now a large percentage of the institutions in this country have undergone, prior to the Federal income tax reporting time, courses given by Internal Revenue agents to masters and doctoral candidates, very quick review courses, and they set up public service centers. I know this happens here at the University of Miami, and Florida International. It's also going on at Florida State in Tallahassee, and the University of Florida in Gainesville, and these people, these masters candidates or seniors in the school of business, get a certain amount of credit hours for manning these information centers during given parts of the day, and people requiring assistance in filling out their income tax forms can go in these and see a number of students. Now you have a number of majors within the school of business, and an individual who is involved perhaps in a marketing business, a retail business, can make an appointment, go in there to one of these centers which can be opened and manned by people for 2 or 3 hours at a time, different people, in shifts. The students get credit, the businessmen get the assistance they need in properly filling out the forms. The requirement here, of

course, is that the different Federal agencies will have to conduct seminars at the universities to teach these students what it is that they require on the forms.

Generally the forms or those that I have seen are not beyond the capability of the businessman if he had the time to get the training, but he can't go hopping from Federal department to Federal department to find out what it is exactly that's needed on these forms.

Now a thing like the Vita program, which the students get credit for their income tax assistance, could be instituted in terms of the other reporting requirements that the Federal Government makes.

Chairman WHITE. Now this would not be reducing the size or complexity of the forms themselves. This would be merely a crutch or an assistance to the businessman to go to trained educational scholars that would help them, or educated scholars I should say, who are trained—

Mr. REINGOLD. Yes, sir, that I'm hoping for as a first measure, an immediate measure, because even if some elimination is to be made, we're all aware it's a matter of some time before things can be logically broken down before a lot of the duplicatory information can be eliminated. So the businessman still has the present, maybe the next year, maybe the next year and a half, or whatever it is, in which he's going to have to still do exactly what it's costing him a lot of man-hours and money to do right now, and this is something that can be done almost immediately.

As a matter of fact, the Internal Revenue Service seminars are conducted on a Saturday morning. They get maybe 40 or 50 of the MBA candidates in there and it takes them 3 hours, and they distribute copies of the forms. These people can take them home, look over them, they know what's required, and when someone comes in for assistance they're familiar with them. This might be an interim step.

Chairman WHITE. Let's test this by looking at a hypothetical, which is entirely hypothetical. Let's take the trade territory of Miami, which perhaps goes out maybe 40 miles—I'm just taking a figure as to convenience for the businessman because when you get beyond that, considering the traffic problems you have, I doubt if the businessman would come from much greater distance in order to get that assistance. I may be wrong on this.

But let's say in a trade territory of 40 miles, how many small businessmen would you judge there are? Do you have any idea at all?

Mr. REINGOLD. I know there is one small area in North Miami which is better than 1,200. If I were to try and balance the county out on that kind of basis, we're probably dealing with better than 20,000. That's a minimal figure.

Chairman WHITE. Would you judge that one-fourth of these businesses would use this service or maybe one-tenth?

Mr. REINGOLD. I would say that approximately one-fourth would need to use the services.

Chairman WHITE. Well now, could the college handle 5,000?

Mr. REINGOLD. Yes, sir. During this, prior to April 15, within a period of I think about 3 or 4 weeks, FIU handled a little bit better than 7,800 individuals that were counseled on income tax.

Chairman WHITE. Mr. Reingold, I'm about to promote you in the Federal Government to the role of revising, revamping the small business forms and data process collecting department. You're in charge.

Mr. REINGOLD. All right. OK.

Chairman WHITE. Now what are you going to do?

Mr. REINGOLD. What I will do is go to every single Federal department except Internal Revenue, because I believe, since they have the lifeblood, I give them a little bit of leeway to play with their own forms. I will get a nice committee together, and I will put every form together, and I will eliminate—I will make a listing of all of the questions, eliminating any that overlap. I'll set it up in categories, retailers, manufacturers, wholesalers, every category of business that is presently listed, and I will categorize them by business doing less than and more than \$5 million annual gross sales, and I would start off with a checklist. Let's say, I would for this purpose use a supermarket, a grocery operation; contrast the corner market to the supermarket. Is your business doing less than or more than \$5 million a year in gross sales? In the case of the small market, less than. What items do you sell, not, of course, by brand—I don't believe this is even asked now. Do you sell chicken, canned food, a checklist all the way down, go through just checking off, because the man is able to determine what he sells and this is relatively simple. Actually really what it would amount to is a separate book for each type of industry, taking into account every possible legal type of maneuvering in which this particular business would be going through, and then do it on a checklist basis. So that an individual who owns a small grocery store does not get a form that he has to wade through, asking him if he is involved in interstate commerce or if he exports material or whatever it is.

The forms that are sent out now are so varied that the man in fact has to go through everything. There may only be a few questions applicable for his particular business, but he has to wade through the entire amount.

Chairman WHITE. All right. Now how does your plan differ, from what is done now?

Mr. REINGOLD. The main difference is now that the mailings are made by individual agencies or requirements are placed by individual Government agencies, and I believe the Government has the capability of setting up a central data bank, using the listings of the Internal Revenue Service, for all businesses, and requiring a once-a-year-type situation. It's just like coming around to filling out your income tax.

You get the appropriate booklet for your business covering all of the questions that any Government department would need to know about the particular business that you're in, and you require it at a certain time of the year to have this filled out and submitted.

So even if it's a little bit complicated you have a little bit of additional time. You don't deal with one coming in today and one coming in in 10 days and another one in 40 days, and mailing off to all kinds of different departments, and I believe through the—in the current state of the data collection and dissemination system, the central data bank can then distribute this collected data to the government agencies which need it.

Chairman WHITE. This is interesting that you make that suggestion, because this suggestion has been touched on earlier, and you may have really found one of the keys to this problem in this idea.

Now do you contemplate any particular existing agency that would be the appropriate central data collection agency such as the Census Bureau or would you create a new one?

Mr. REINGOLD. No, sir. I would expand the Census Bureau as necessary or reallocate their resources.

Chairman WHITE. Because they have the facilities?

Mr. REINGOLD. Yes, sir, I believe they do have them.

Chairman WHITE. Well now, you know presently under the law the Office of Management and Budget is suppose d to check every form that is to be disseminated by any agency to ferret out repetitions—I'm sure you're aware of this.

Mr. REINGOLD. Yes, sir.

Chairman WHITE. But you feel that even this is not an orderly fashion because we would get forms coming from all different directions instead of funneled into one expert agency, you could still get duplications and proliferation of kinds of questions, even if they're not precisely duplicated.

Mr. REINGOLD. Yes, sir.

One of the problems that I've seen in that particular area is that the question may differ in a word or two or a nuance, but in essence it comes down to reporting the same basic information, requiring the businessman then to go back and dig up the same thing again.

Chairman WHITE. Do you feel this would be a savings of money to the Federal Government, too?

Mr. REINGOLD. Yes, sir, most definitely.

Chairman WHITE. What percentage of the overhead of the business do you think could be saved by the average small business by some system like this?

Mr. REINGOLD. In the experience I've personally dealt with counseling, within the last 6 months, I'd say better than 300 small businesses, and I'm judging by the amount of time that they spend in my office asking me to help them fill out forms, and I would say a good 10 percent of their time.

Chairman WHITE. And that means money, of course.

Mr. REINGOLD. Yes, sir.

Chairman WHITE. Would you, for the record, give us a description of your background and training, because this will certainly be important for the record.

Mr. REINGOLD. Yes, sir. I hold a bachelor of business administration degree with a major in finance and an MBA.

Chairman WHITE. MBA means?

Mr. REINGOLD. Master of business administration.

Chairman WHITE. OK.

Mr. REINGOLD. And I've served as the vice-president of AFA Financial for Latin American operations, which is an investment banking and lending organization.

Chairman WHITE. Is this a private, nonprofit or a profit?

Mr. REINGOLD. That was a previous job, and I'm now on a leave of absence. I'm lecturing at Florida International University, attempting to write a book, and serving as a deputy director of the South Florida Economic Development Center.

Chairman WHITE. I'm not familiar with the international college, the university. What is this?

Mr. REINGOLD. This is Florida International University. It's a new State university which was opened in Miami approximately a year and a half ago.

Chairman WHITE. I see. Very interesting. And where does it draw from?

Mr. REINGOLD. It is a junior and senior and graduate school level only, and it draws from the metropolitan Miami area, but we do have in fact some students coming from Broward County, Monroe, some people even coming in from Palm Beach. We're extremely over-enrolled. An anticipated enrollment of about 5,600 by this time is now better than 9,800.

Chairman WHITE. Having the same trouble with the rest of the county as having population growth then.

Mr. REINGOLD. Yes, sir.

Chairman WHITE. I see. Thank you very much. You've been most helpful.

Mr. Udall, the gentleman from Arizona, is a very astute member of this committee, who also serves on the Interior Committee in a responsible position, and he's been with us yesterday, and he was delayed somewhat this morning, but we're delighted to have him now.

Mr. UDALL. Thank you, Mr. Chairman. I'm sorry to be late, but I'm catching up here with the testimony, and I have no questions at this time. It's a very interesting presentation.

Chairman WHITE. Thank you, Mr. Reingold.

Mr. REINGOLD. Thank you.

[The form exhibits which were submitted by Mr. Reingold are retained in the subcommittee files.]

Chairman WHITE. The next witness is Mr. Horace Y. Maguire, office manager, Miami Beach, Publix Supermarkets, Inc. Please come forward.

Mr. Maguire, you may summarize your statement or read it in full.

Mr. MAGUIRE. I'll summarize it, Mr. Chairman.

Chairman WHITE. Fine.

STATEMENT OF HORACE Y. MAGUIRE, OFFICE MANAGER, MIAMI BRANCH, PUBLIX SUPERMARKETS, INC.

Mr. MAGUIRE. First of all, I would like to congratulate the committee for coming to this area and giving the businessman an opportunity to express themselves on these problems. As you indicated at the beginning, we don't have the time or the means to go to Washington and present our views. So this is a good opportunity for us to do this.

I mention that our company, Publix, operates supermarkets in the State of Florida only. This is considered a large corporation, but basically we're a family company, and we operate as a small company. We don't do a lot of unnecessary paperwork in our business, and we try to keep it to the bare essentials.

We're mainly interested in how much volume we do and how much profit we make. Other than that why everything else is more or less immaterial with us.

In my testimony I list the numerous reports that are required by our company to be submitted to various agencies of the Federal, and in some cases State agencies.

I do not personally prepare these reports because of the size of our company. This is delegated to many different persons in various departments, but I was able to contact most of the people concerned in order to furnish this information, and I'm sure there are some that have been overlooked due to the lack of time I had in gathering this information.

The primary concern that we have in this area is two-fold. One is the duplication of information required in many cases. As an example, and I'll just give you a couple of examples, the Bureau of Census requires us to report on a weekly basis our dollar sales per week. The Bureau of Census also requires us to report on a monthly basis our dollar sales and also the number of locations we operate. The Bureau of Census also requires a monthly report of dollar sales and the number of locations again, but this goes to a different party than the second one I mentioned. So it's the identical information going to another person.

Mr. LEHMAN. On a different form.

Mr. MAGUIRE. Right.

Now why, we don't know, but this is the way it's done, and this is one example. There are other areas where a lot of information is duplicated on the various reports required.

The other questions which comes to mind is the—how essential and how necessary is some of this information. They ask questions that really we don't understand the meaning or the purpose of what they're asking for or what purpose does it serve, and a good example of this is the report that we prepare once a year for the Equal Employment Opportunity Agency, which is about 400 pages in our case, and we must prepare, by location, of which we have about 263 locations at the present time, an analysis of all employees, by location, by job classification, by sex, and by race.

Now I can't begin to tell you the time involved in preparing this information. Now we've been doing this since 1967, and we have never had an inquiry about this information. So what are they doing with it, you see. This is what we don't understand.

This, I believe, will summarize basically what I put into the testimony.

[The prepared statement submitted by Mr. Maguire follows:]

PREPARED STATEMENT OF HORACE Y. MAGUIRE, OFFICE MANAGER, MIAMI BRANCH
PUBLIC SUPERMARKETS, INC.

Mr. Chairman, I was asked to testify before this Committee as a businessman involved in the preparation of various reports required by numerous governmental agencies—both Federal and State.

Our company is a large corporation operating in the State of Florida only. Due to our size, no one person is responsible for the preparation of these reports. They are generally assigned to someone in the department directly related to the information required.

This necessitated my contacting the various departments in our company to find out what reports each one was filing with the various agencies. I, personally, do not prepare any of the reports, but am somewhat familiar with them and have listed below those reports which I found are being submitted regularly. I'm sure there are some others which have been over-looked due to the shortage of time available to gather this information.

Not knowing specifically what kind of reports your Committee was concerned with, I have not included some obviously essential reports; i.e., Federal & State Income Tax Returns and State Sales Tax Reports.

The following is a list of the various reports:

To whom filed	Description of report	Frequency of filing
1. IRS.....	940 Federal Unemployment tax.....	Annually.
2. IRS.....	941 FICA tax.....	Quarterly.
3. IRS.....	#4848 pension plan—supports corporate deduction for employer contribution to pension fund.	Annually.
4. IRS.....	990 P pension plans.....	Do.
5. IRS.....	#2290 Highway use tax on motor vehicles.....	Monthly and annually
6. Florida State.....	State unemployment tax.....	Quarterly.
7. Office of EEO.....	Analysis of all employees by location and by job class, sex, and race.	Annually.
8. Bureau of Labor Statistics.....	Job classifications and rates.....	Do.
9. Department of Labor.....	D-2 Pension Plan—operating statement and balance sheet for each Plan—BC-BS, pension fund, Life Insurance, & Ext. Med.	Do.
10. SEC.....	Stock transfers of officers and directors.....	Monthly.
11. SEC.....	R-4t private pension plan—statistical questionnaire.....	Annually.
12. SEC.....	R-2 working capital and long term debt.....	Quarterly.
13. Bureau of Census.....	Dollar sales.....	Weekly.
14. Bureau of Census.....	Dollar sales—plus number of locations.....	Monthly.
15. Bureau of Census.....	Bus 206 dollar sales and number of locations.....	Do.
16. Bureau of Census.....	Inventory for wholesale, stores, and markets.....	Do.
17. Bureau of Census.....	Dollar sales for certain locations based on random selection.....	Do.
18. Bureau of Census.....	Precanvass report—updated listing of all locations.....	Annually.
19. Bureau of Census.....	CB-54 census of business sales, salaries, number employed by location, size of each location, department sales by location.	3 to 5 years.
20. Department of Commerce.....	Capital expenditures—structure, machinery and equipment for current quarter & estimate for next 3 qtrs. Sales, depreciable assets, total assets.	Quarterly.
21. Department of Commerce.....	TC 200—Census of Transportation and truck survey.....	Decasionally.
22. State Department of Commerce No. 103.	DSHA.....	Annual.
23. State Department of Commerce.	Job and labor turn-over.....	Monthly.
24. FTC.....	NB-2—Nature of business—Total assets, total sales, percent by department.	Annually.
25. FTC.....	TR-1 Quarterly financial report—Profit and loss statement and balance sheet.	Quarterly.

It would be impossible to determine the man hours required to assemble and prepare all this information, but it is staggering and results in additional operating expense for the company. Some of the information is initiated at store level of which there are 263 locations. The initial report is forwarded to headquarters—who prepare the filed reports. We are able to generate some of these reports from our computer if the data has been stored in our system, but much of the information is prepared manually.

There appears to be some duplication of information requested from the many agencies involved. BUT, the question which concerns me most is the value of much of this statistical data. What purpose do they serve? For instance, we prepare a voluminous report (over 400 pages) for the Joint Reporting Committee of the Office of E.E.O. each year. This has been done since 1967 and we have never had an inquiry about the information submitted. What is done with this report?

Another question is the frequency of reporting. Why can't some of these monthly reports be done quarterly and the quarterly reports be done semi-annually or annually? An example would be the 941A's—quarterly statement of Employee Earnings for FICA. It seems an annual report of this information would suffice.

I thank you for permitting me to submit this testimony and trust the eventual result of these hearings will be some relief for the burdened businessman.

Chairman WHITE. Mr. Maguire, I'm going to ask you to do one short thing for me for purposes of our further study, because I think you have certainly graphically presented the problem to us. You've shown us on your testimony a listing of 25 different reports to various governmental agencies. I've noticed one or two are State.

Could you quickly run down the list there and tell me by number which ones you feel would be—if you were in charge of the Government, which should be continued, which ones should be consolidated, and which ones should be eliminated.

Mr. MAGUIRE. That's a big job.

Chairman WHITE. I know it is. If it's going to take too much time we can put it in the record later if you prefer.

Mr. MAGUIRE. Well, I could go over this briefly and possibly pick out some of these that—

Chairman WHITE. All right.

Why don't you do this—why don't you just, for the purposes of our hearing this morning, flip through these and give us some idea so that we'll know, get a better picture of what you're saying, and then present for the record, which will remain open for 2 weeks thereafter, a listing of which ones should be eliminated, which ones should be consolidated, and which ones should be continued in their individual identity.

Mr. MAGUIRE. All right.

Well, for instance, No. 2, the FICA 941 forms, and I did make this comment in the statement, this is done on a quarterly basis. The question is, is it essential that it be done quarterly. Why can't this be done annually? Employees' earnings are only required really on an annual basis, so the quarterly reporting I don't know what purpose it serves.

Mr. UDALL. Under the law don't you have to work a certain number of quarters before you qualify for old age survivor's insurance? Could that be—

Mr. MAGUIRE. Yes, I believe it's 10 quarters.

Mr. UDALL. And I suppose, if you made an annual report, you could indicate the number of quarters a person has worked?

Mr. MAGUIRE. Well, I'm not saying we wouldn't have the information, because we have—

Mr. UDALL [interposing]. It's the filing of it.

Mr. MAGUIRE. Right, and it is a tedious voluminous report. Of course, it's done on a computer, but still you're talking about time.

Let me look down here quickly. Well, this EEO report, I really can't say what purpose it serves. I don't feel that it serves any purpose, because it is not detailed by employee, it's really a statistical report of numbers, and I can't possibly see what value it is. It just tells you the sex and the race and the jobs of all employees.

Chairman WHITE. Is that set up by law?

Mr. MAGUIRE. I believe it is, yes. We're required to report this.

Chairman WHITE. No. I mean is the agency required by law to take this survey or is this an administrative ruling?

Mr. MAGUIRE. That I don't know.

Chairman WHITE. Well, that all right. I was just curious. Please proceed.

Mr. MAGUIRE. I see.

Mr. LEHMAN. The businessman doesn't question that. When he gets it he just fills it out.

Mr. MAGUIRE. We have a Bureau of Labor Statistics asking for job classifications and rates. This again is statistical information. If we knew really what benefit these reports were, possibly we would know how essential they are, but we don't really know.

Chairman WHITE. Well, what we may do, rather than to put you to going through these item by item, Mr. Maguire, we'll have our counsel write the various agencies and get the rationale as a basis for each of these, and I'm sure there are others that by the nature of your business you don't otherwise answer, so there may be others that we should know about.

Mr. MAGUIRE. Right.

Chairman WHITE. But I think you've made your point very well, and I call on Mr. Lehman.

Mr. Lehman?

Mr. LEHMAN. Thank you.

This is quite interesting, and I assume that if you had more time you could even get a few more forms.

Mr. MAGUIRE. I'm sure we could, yes.

Mr. LEHMAN. And even the so-called State forms are really semi-Federal forms, like for the unemployment tax which is basically a Federal-supervised situation.

Mr. MAGUIRE. Right, and the OSHA is the same way, right.

Mr. LEHMAN. Right. So these are all part of the whole operation.

Mr. MAGUIRE. Yes.

Mr. LEHMAN. And you know if you were a public company in a sense you would even have even more forms.

Mr. MAGUIRE. I know it.

Mr. LEHMAN. But it just happens that you're one of the larger family owned and controlled corporations in this State. If you were a listed corporation I assume that this would be even more so.

Mr. MAGUIRE. Right.

Mr. LEHMAN. I think it's really interesting to see just spread out on paper here the amount of time it takes just to deal with collecting of data and the storing of data, and I assume it takes an awful lot of computer capacity just to put all this in the memory bank someplace that may or may not ever be used. It really is interesting, and I think that it's a fact that you're the only supermarket I think that doesn't operate on Sundays. It looks like that you're going to soon have to operate on Sunday just to keep your records straight. So may be you could set aside Sunday for filling out Federal forms.

Mr. MAGUIRE. Right.

Mr. LEHMAN. Thank you very much for coming.

Chairman WHITE. Thank you very much, Mr. Lehman.

Mr. Udall?

Mr. UDALL. Well, I think for a businessman there's nothing more important than what we're doing here this morning. This is an

absurd situation and we're trying to find some answers. I think if the chairman of this subcommittee did nothing else in his Congressional service, he's done a heck of a lot.

Mr. MAGUIRE. Right.

Mr. UDALL. To get to the bottom of this and simplify it would be worthy of a small statue in Washington, D.C. somewhere, if not a large one. It's incredible to hear you list all those forms. I think Congress is partly at fault. We all have great social things we want to do for the welfare of the country, so we pass some bold new law to provide for equal opportunity in employment. That's certainly a noble goal, but we never stop to think how many reports businessmen must fill out because of these new laws. Certainly there ought to be a way to consolidate these reports.

I like the theme you expressed of not minding extra work if the information collected was important. It's the feeling that it's simply being filed somewhere that frustrates businessmen.

Getting ready to come down here my staff went through my correspondence from Arizona. I'd like to share with my colleagues one letter which is indicative of the way most businessmen feel. This is a letter a businessman wrote to the Director of the Bureau of Census, who threatened to penalize him because he hadn't sent in one of these reports.

He said—

Once a year I compile all of the data required for my income tax report. I give it to a CPA and mail it off with my check. Every three months I compile my payroll records, give them to the CPA and mail them off with a check. The agencies to whom I mail the report and the records keep them on file. You are in direct communication with them as evidenced by the employer identification number which you have mailed me. So after I send the information to them in April, then they can send it to you, and then you can complete your stupid form. I find myself spending more and more of my time filling out government forms with less and less time to work at my profession so that I can pay the ever-increasing taxes that leave me with a bare existence, and now your Bureau wants to fill up thousands of files in large buildings with information which is already filling up other files in other buildings, requiring more and more employees and thereby increasing my taxes that much more. Go ahead and penalize me you * * *.

Chairman WHITE. I suspect they'll never hear from him again.

Mr. UDALL. But I think he expresses the frustration that so many businessmen feel. I really hope that as a result of these hearings we can do something about it.

Mr. MAGUIRE. I might add one thing, if I may. This may be an oversimplification of a solution, but it would seem to me in the natural course of our business we have to prepare for the Internal Reveue primarily certain financial reports which have to be audited, approved by a CPA firm, and submitted with our tax dollars.

Why couldn't these reports be utilized by the various agencies to gather the information they want, rather than put the burden on the businessman to try and dig it out of these reports when they really don't know what the agency is after? We could submit these reports, our financial statements, to the agency, and let him take what he wants out of it.

Chairman WHITE. Are you through, Mr. Udall?

Mr. UDALL. Yes. Certainly in this day of the computer we should be able to get the information down once and then let the computer sort it out for the different Government agencies. Many members of Congress fear that the computer is going to lead to large invasions of privacy if we get everything about everybody on file somewhere. But I do think that we can find a way to simplify this process. The reporting burden has gotten entirely out of hand.

Chairman WHITE. Thank you, Mr. Udall.

The fact is I believe that might be one of the problems by using the IRS forms. They're supposed to be confidential as is the Census Bureau information, that is they cannot individually identify, and Congress, in order to do that, to utilize the IRS information, would probably have to make some adjustment regarding this. People still want to understand that their individual identity could be preserved, but the composite of all this information would be strictly utilized by the government, if we can work that out, and this would follow somewhat along the lines of Mr. Reingold's testimony.

What do you think of his idea about having a central data collection agency, such as the Bureau of Census, to administer this, to funnel all forms through the Census Bureau and let them collect the data and then disperse it to the various agencies?

Mr. MAGUIRE. I had the very same idea in mind. This, I think, would be a tremendous asset, but I would like to add that in this connection that the agency assigned to assemble the information be the one who is going to be digging it out, you see. The burden on the businessman is such that we don't really understand what information is required as the purpose of it, and you have to know the reason to know what information they want.

Chairman WHITE. Well, if you have the Census Bureau as the directing agency, perhaps they could send you one form and then utilize that form in its various aspects, to prevent the duplication.

Mr. MAGUIRE. Right, yes.

Chairman WHITE. You know the European governments, many of them, have local census bureaus; that is they disseminate their agencies, their local offices throughout their respective countries. Of course they have a much more sophisticated, in the sense of keeping tabs on the individuals, a system than we have. I'm not sure Americans want to be that closely tabulated, but do you feel that this might be a step in the right direction and in fact be a savings to this country if we had regional offices of the Census Bureau, if we also at the same time made the Census Bureau the central data collection agency, or do you feel that it would be just as well to have them in Washington, far enough away, and collecting it through mail?

Mr. MAGUIRE. In order to be beneficial you would have to have so many of them to be accessible to the major portion of the business community, and I don't know whether you could handle that many agencies, that is regional offices.

Chairman WHITE. That would be like VA or any number of agencies that have field service offices.

Mr. MAGUIRE. Yes. Well, that would be a step in the right direction, because we deal in well, some cases we deal through Washington, some through Atlanta, and this is a long-range communication.

Chairman WHITE. You feel that you would or could use the services of a local agency to help you in filling out forms where there were questions?

Mr. MAQUIRE. Yes.

Chairman WHITE. All right.

Thank you very much for your testimony today.

Pardon me, Mr. Lehman has something.

Mr. LEHMAN. I just want to mention one other thing. I just visualize all these paper shredding machines up in Washington that have to be kept busy. After the reports are put into the computers they have to be gotten rid of. So whoever runs these paper shredding machines up there must be pretty busy these days.

I would like for the record to recognize that Miss Florine Jones also is here. When I was on the Urban League she was chairman of the Urban League, and is now here as a representative of the South Florida Economic Development Center. Welcome aboard, Miss Jones.

Chairman WHITE. Pleased to have you here.

Mr. Fred Augustine, Comptroller, Merrill Yarbrough, Inc., is the next witness.

**STATEMENT OF FRED AUGUSTINE, COMPTROLLER,
MERRILL YARBROUGH, INC.**

Mr. AUGUSTINE. Thank you, Mr. Chairman. I'm glad I was invited here today, I appreciate it very much.

My testimony is very brief, and it's just my thoughts concerning the frustration and despair that I have personally encountered with the forms that we're discussing this morning.

I have chosen the U.S. Department of Commerce, Bureau of Census form CB-75B as an example of what I consider to be a form that will not produce its intended results. This form measured 19 inches long, 9 inches wide, it was printed on both sides with approximately 40 blanks to either check a yes or no box or fill in statistical or financial data.

I have always worked in what was basically a one-man office, and at first sight this form appears to require a lot more time than I have to spare. So the tendency is to lay it aside with the hope that I will soon find the time to complete it, or the Census Bureau will forget that they mailed it to me. I will fail to find the time, and the Census Bureau will mail several reminders that they must have the report and that the law provides a penalty for failure to report. Finally I will pick up the report and I'll hurry through it, checking boxes and filling in blanks with anything that will get this monstrosity out of my sight and stop the threatening notes from the Census Bureau. Being in this frame of mind and under this pressure, the reliability of this report, in my opinion, now becomes suspect.

I would like to suggest that this type form be sent to larger organizations that would have the time and the personnel to give it proper attention. If it is vital that the Bureau of Census have this data from both small and large concerns, then design a form more suitable for the small concern.

A large portion of the form CB-75B is devoted to determining if the firm is a multilocation firm and providing space for listing up to five locations. Now without reading the entire form I have no way of knowing that I will finally answer only a small percentage of the questions on the form. A smaller, more compact form would eliminate that feeling of despair when first viewing what appears to be a monumental task.

I would also like to suggest that all forms be reviewed to determine if the data requested can be taken from a report that may already be on file with another agency. Some of the data requested concerns gross annual payroll, gross payroll for the first quarter of a year, and the number of employees paid for a specific pay period. These items are in an employer's quarterly payroll reports, and with today's sophisticated data processing equipment it should not be too difficult to recall this information.

I am aware of the importance of statistics to our various governmental agencies, to Congressmen, and also that a lot of this data is made available to private business. But it should be gathered in a manner that will ensure its reliability, and I believe that my views expressed here would have the support of a majority of the people charged with the responsibility of completing forms of this type.

Chairman WHITE. Thank you very much, Mr. Augustine.

Mr. Udall?

Mr. UDALL. In your experience, how much of the information filled out by businessmen on all these forms is useful to you? I think that line of inquiry—

Mr. AUGUSTINE. Personally I can recall none, but I am certain that other organizations must use them, but I never have personally.

Mr. UDALL. I'm sure that some of this information is of legitimate use in business, but I was trying to think of an example where the information collected by the Government is returned to the businessman in a form that's helpful to him.

Well, thank you for your testimony. It's very helpful.

Chairman WHITE. Mr. Lehman?

Mr. LEHMAN. When you were the owner and the operator of Fred Augustine Appliance Co., were the same problems coming at you, and you were just running almost a single man retail operation at that time, weren't you?

Mr. AUGUSTINE. More so than when I'm employed for someone. I had less time then to devote to it.

Mr. LEHMAN. And more obligations.

Mr. AUGUSTINE. Yes.

Mr. LEHMAN. And the single man, the single family, maw and paw store, has all the problems that the big companies have, don't they?

Mr. AUGUSTINE. That's right.

Chairman WHITE. Thank you very much.

Mr. Augustine, when you had your appliance store, or even now, did you ever use compilations of this data, did you ever subscribe or obtain from the Government any of these printouts for publications that show the total profile of the economic conditions in say this area or the United States in your interested field?

Mr. AUGUSTINE. No, I never requested it.

Chairman WHITE. Do you know of anybody who has ever used these forms in a small business category?

Mr. AUGUSTINE. I don't personally know of anyone.

Chairman WHITE. Well, I think these hearings have certainly brought out an unexpected tributary idea that we didn't expect and anticipate; that is, the need for more centralization, a central collecting data agency, and I think this may be in the direction this committee may be moving very shortly, and I think this needs to be studied even further.

We certainly appreciate yours and the other witnesses time coming down here on a Saturday, it's so shiny outside, and good golf weather; you chose to come and help your Government, and we do appreciate it. We appreciate the various subdivisions in Miami for the hospitality. Is there any further statement, Mr. Lehman?

Mr. LEHMAN. What you're saying is that it looks like this is a one-way street as far as the information that's been given. The Government keeps pulling information out of these people at much expense to the people, but there's no input back, no information flow to them that would really be of any real assistance. So what's the whole object of the thing anyhow?

Mr. UDALL. I just wanted to add, Mr. Chairman, if I could, the debt of gratitude we all owe to Congressman Lehman for urging us to hold these hearings. Unless you get out in the field and talk to people on the scene you miss a lot of things. Each of the 435 Members in the House of Representatives brings certain strengths to the House because of their varied backgrounds. We are the guest today of a Member of Congress who, as a self-made small businessman, has insights into the problems of the small businessman that are very, very useful. I think with his help and Chairman White's initiative we can come out of these hearings with something that would have nationwide implications and would be helpful to small businessmen all over this country. At least I'm sure that's what we all want to do.

Chairman WHITE. Well, I certainly second appreciation to Mr. Lehman for focusing our interest on this as he has a vital interest in this and a knowledge.

Do counsel, Mr. Raymond, or Mr. Bullock, have any questions?

Mr. RAYMOND. No.

Mr. BULLOCK. No.

Chairman WHITE. Fine.

Without further testimony or statements this committee is now adjourned.

[Whereupon, at 10:10 a.m., the hearing in the above-entitled matter was closed.]