



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-7000

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

Dear Chief Executive:

The purpose of this letter is to advise entitlement grantees of the transition policy for implementing new data collection requirements, as required by the Office of Management and Budget (OMB). The enclosed memorandum from Deputy Secretary Alphonso Jackson more thoroughly describes the new requirements.

In October 1997, OMB significantly revised standards for Federal agencies that collect, maintain or report Federal data on race and ethnicity for statistical purposes, program administrative reporting or civil rights compliance reporting. Under the revised policy, HUD must offer respondents the option of selecting one or more of five racial categories. As previously, HUD must also treat ethnicity as a category separate from race. Finally, terminology for certain racial groups and ethnic groups has been changed.

The changes will have two significant impacts on grantee data collection and reporting: (1) Hispanic will now be considered an ethnicity category rather than a race category; and (2) Asian/Pacific Islander will be split into the two categories of Asian and Native Hawaiian/Other Pacific Islander.

Due to what was learned from conducting the 2000 Census, OMB recommends that when collecting this data, grantees ask respondents to identify their ethnicity prior to asking them to identify their race. The five single-race categories will be White, Black/African American, Asian, American Indian/Alaskan Native, and Native Hawaiian/Other Pacific Islander. When reporting to HUD, grantees will also be asked to classify responses using five new multi-race categories: American Indian/Alaskan Native & White; Asian & White; Black/African American & White; American Indian/Alaskan Native & Black/African American; and Other Multi-racial.

OMB has required implementation by December 31, 2002. This requirement has been a topic of informal discussions and information sharing among HUD and grantee staff responsible for computerized reporting in the Integrated Disbursement and Information System (IDIS). The most significant impact on entitlement communities will be the need to revise contract documents with subrecipients and any forms that include data collection such as applications for direct assistance. HUD staff stand ready to help local staff in this effort.

The new screens will be available on IDIS in December 2002. Inputting this data will be mandatory for all grantees. Our transition policy will be as follows:

For activities entered into IDIS following the addition of the new race/ethnicity categories, the requirement will start immediately. Grantees will only see the new race/ethnicity categories when they come to those screens in IDIS.

*Grantees should transition to collecting race/ethnicity using the new categories as soon as possible. For activities **already entered into IDIS at the time of the IDIS release**, grantees will be given until April 1, 2004, to transition to the new categories. This transition policy takes into account that grantees often have agreements with non-profits on how to collect this data, and that grantees may not be able to change that process for a few months. The last grantees that would be allowed to enter data into the current "Asian/Pacific Islander" or "Hispanic" race categories, which are not included in the new classification, will be March 31, 2004. Beginning April 1, 2004, these two race fields will be locked.*

Grantees will not be required to convert any racial data they have already saved to IDIS for the existing five race categories. That data will continue to display in IDIS and appear on IDIS reports for the current race categories.

Thank you for your ongoing efforts and achievements to make our nation's cities viable communities. I look forward to continuing to serve with you in this endeavor.

Sincerely,

Roy A. Bernardi
Assistant Secretary

Enclosure