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# FY2016 Appropriations for the Census Bureau and Bureau of Economic Analysis

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## Summary

This report discusses FY2016 appropriations (discretionary budget authority) for the Bureau of Economic Analysis (BEA) and Bureau of the Census (Census Bureau), which make up the Economics and Statistics Administration (ESA) in the U.S. Department of Commerce. The report will be updated as congressional actions warrant.

The FY2016 budget request for ESA (except the Census Bureau) is \$113.8 million, \$13.8 million (13.8%) over the FY2015-enacted funding level. Of the \$113.8 million, the \$110.0 million for BEA is \$13.7 million (14.2%) above the FY2015-enacted amount; the \$3.9 million for ESA's policy support and management oversight is \$138,000 (3.7%) more than enacted for FY2015.

The FY2016 request for the Census Bureau is \$1,500.0 million, \$412.0 million (37.9%) above the FY2015-enacted amount. The FY2016 request is divided between the bureau's two major accounts, which have been restructured for FY2016: Current Surveys and Programs (formerly Salaries and Expenses) would receive \$277.9 million; Periodic Censuses and Programs would receive \$1,222.1 million. Key programs under this account are the 2020 Decennial Census, for which the FY2016 request of \$662.6 million is \$318.0 million (92.3%) more than enacted for FY2015; the American Community Survey (ACS), with a request of \$256.8 million, \$25.9 million (11.2%) above the FY2015-enacted level; the 2017 Economic Census, with a request of \$134.9 million, \$15.7 million (13.1%) more than enacted for FY2015; and the 2017 Census of Governments, for which the requested \$8.9 million is \$103,000 (1.1%) below the FY2015-enacted amount. The Periodic Censuses and Programs request includes, too, \$47.3 million for the bureau to continue developing its overarching information technology initiative, the Census Enterprise Data Collection and Processing System, in FY2016.

H.R. 2578, the FY2016 appropriations bill for the Commerce and Justice Departments, and science and related agencies, passed the House on June 3, 2015. The bill would fund ESA at \$100.0 million (with no separate level shown for BEA), which would equal the FY2015-enacted amount and be \$13.8 million (12.2%) below the FY2016 request. H.R. 2578, as amended during House consideration, would provide the Census Bureau with \$991.7 million in FY2016—\$261.0 million for Current Surveys and Programs and \$730.7 million for Periodic Censuses and Programs. The total for the bureau would be \$96.3 million (8.9%) below the FY2015-enacted amount and \$508.3 million (33.9%) less than the FY2016 request. Current Surveys and Programs would receive \$16.9 million (6.1%) less than requested, while Periodic Censuses and Programs would receive \$491.4 million (40.2%) less. Also, the amended bill, in effect, would make ACS responses voluntary instead of mandatory, as they now are.

On June 16, 2015, the Senate Committee on Appropriations reported its version of H.R. 2578 with \$100.0 million in recommended FY2016 funding for ESA (and no separate breakout for BEA). The recommendation is identical to the House-passed amount. The committee's \$1,128.0 million recommendation for the Census Bureau is \$40.0 million (3.7%) above the FY2015 funding level, \$372.0 million (24.8%) below the FY2016 request, and \$136.3 million (13.7%) more than the House approved. Current Surveys and Programs would receive \$266.0 million, \$11.9 million (4.3%) below the request, and \$5.0 million (1.9%) more than the House-passed amount. Periodic Censuses and Programs would be funded at \$862.0 million, \$360.1 million (29.5%) less than requested and \$131.3 million (18.0%) more than the House approved.

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## Introduction

This report discusses the FY2016 budget request, related congressional actions, and appropriations (discretionary budget authority) for the Bureau of Economic Analysis (BEA) and Bureau of the Census (Census Bureau). These entities make up the Economics and Statistics Administration (ESA) in the U.S. Department of Commerce, which is funded under annual appropriations for the Departments of Commerce and Justice, and science and related agencies (CJS). The report focuses primarily on the Census Bureau, whose budget justification is published separately from ESA's and whose budget is far larger. **Table 1**, below, shows the FY2015-enacted, FY2016-requested, House-passed, and Senate Committee on Appropriations-reported amounts, as available, for ESA, BEA, and the Census Bureau, with its two major accounts.

**Table 1. ESA, BEA, and Census Bureau Appropriations, FY2015 and FY2016**

Budget authority in millions of dollars

Administration and Agencies	FY2015 Enacted	FY2016 Request	FY2016 House Passed	FY2016 Senate Committee Reported	FY2016 Enacted
Economics and Statistics Administration (Except Census Bureau)	\$100.0	\$113.8	\$100.0	\$100.0	
Policy Support and Management Oversight	(3.7)	(3.9)	—	—	
BEA	(96.3)	(110.0)	—	—	
Census Bureau <sup>a</sup>	1,088.0	1,500.0	991.7	1,128.0	
Salaries and Expenses	(248.0)	—	—	—	
Current Surveys and Programs	—	(277.9)	(261.0)	(266.0)	
Periodic Censuses and Programs (old)	(840.0)	—	—	—	
Periodic Censuses and Programs (new)	—	(1,222.1)	(730.7)	(862.0)	

**Sources:** The FY2015-enacted amounts are from the joint explanatory statement to accompany the Consolidated and Further Continuing Appropriations Act, 2015, H.R. 83, P.L. 113-235, *Congressional Record*, daily edition, vol. 160 (December 11, 2014), pp. H9342-H9363. The FY2016-requested amounts are from U.S. Congress, House Committee on Appropriations, *Commerce, Justice, Science, and Related Agencies Appropriations Bill, 2016*, report to accompany H.R. 2578, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 114-130 (Washington, DC: GPO). The House-passed amounts are from the text of H.R. 2578 and H.Rept. 114-130. The Senate committee-reported

amounts are from U.S. Congress, Senate Committee on Appropriations, *Departments of Commerce and Justice, and Science, and Related Agencies Appropriations Bill, 2016*, report to accompany H.R. 2578, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., S.Rept. 114-66 (Washington, DC: GPO).

**Notes:** Because of rounding, the amounts shown in parentheses under ESA and the Census Bureau may not add to the totals for these two entities.

- a. The FY2016 budget justification for the Census Bureau reflects a restructured budget, in which the Salaries and Expenses account is renamed “Current Surveys and Programs”; the name of the other major account, “Periodic Censuses and Programs,” is unchanged. The budget justification shows that intercensal demographic estimates and demographic surveys sample redesign (both formerly under the Periodic Censuses and Programs account) are now part of Current Demographic Statistics (under the Current Surveys and Programs account). The document also shows the termination of survey development and data services and a split of its funding evenly among Current Economic Statistics, Current Demographic Statistics (both under Current Surveys and Programs) and the American Community Survey (under Periodic Censuses and Programs). The restructuring makes the FY2016-requested amounts for Current Surveys and Programs and Periodic Censuses and Programs not entirely comparable with the amounts in past fiscal years for Salaries and Expenses and Periodic Censuses and Programs. U.S. Department of Commerce, Bureau of the Census, *FY2016 Congressional Budget Justification*, pp. CEN-15 and CEN-16.

## Economics and Statistics Administration

The Economics and Statistics Administration provides policy support and, through the Commerce Department’s Under Secretary for Economic Affairs, management oversight for the Bureau of Economic Analysis and Census Bureau. ESA’s policy support staff conducts economic research and analyses “in direct support of the Secretary of Commerce and the Administration.” ESA “monitors and interprets economic developments,” as well as “domestic fiscal and monetary policies,” and “analyzes economic conditions and policy initiatives of major trading partners.”<sup>1</sup>

## Bureau of Economic Analysis

The Bureau of Economic Analysis,<sup>2</sup> like the Census Bureau, is one of 13 principal federal statistical agencies, each of whose primary mission is statistical work.<sup>3</sup> According to the Administration’s budget justification for ESA, “BEA’s national, industry, regional, and international economic accounts present valuable information on key issues such as U.S. economic growth, regional economic development, inter-industry relationships, and the Nation’s position in the world economy.”<sup>4</sup> The statistical measures produced by BEA include gross domestic product (GDP),<sup>5</sup> “personal income and outlays, corporate profits, GDP by state and by metropolitan area, balance of payments, and GDP by industry.”<sup>6</sup>

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<sup>1</sup> U.S. Department of Commerce, Economics and Statistics Administration, *FY2016 Budget Estimates*, p. ESA-2. The Census Bureau’s FY2016 budget justification is a separate document.

<sup>2</sup> For BEA’s statement of organization, see 45 *Federal Register* 85496, December 29, 1980.

<sup>3</sup> Executive Office of the President, Office of Management and Budget, *Statistical Programs of the United States Government, Fiscal Year 2015*, September 25, 2014, p. 4.

<sup>4</sup> U.S. Department of Commerce, Economics and Statistics Administration, *FY2016 Budget Estimates*, p. ESA-2.

<sup>5</sup> The Census Bureau provides 66% of the data used by BEA to generate GDP. *Ibid.*, p. ESA-48.

<sup>6</sup> *Ibid.*, p. ESA-2.

## Census Bureau

The Census Bureau, established as a permanent office on March 6, 1902,<sup>7</sup> conducts the decennial census under Title 13 of the *United States Code*, which also authorizes the bureau to collect and compile a wide variety of other demographic, economic, housing, and governmental data.

## The FY2016 Budget Request

### Economics and Statistics Administration (Except the Census Bureau)

The Administration's FY2016 budget request for the Economics and Statistics Administration (including BEA but not the Census Bureau) is \$113.8 million, \$13.8 million (13.8%) above the \$100.0 million enacted for FY2015.<sup>8</sup>

Of the \$113.8 million, \$3.9 million would fund ESA's policy support and management oversight. The request exceeds the \$3.7 million FY2015 appropriation by \$138,000 (3.7%). The rest of the FY2016 funds, \$110.0 million, would go to BEA and would be \$13.7 million (14.2%) more than the agency's \$96.3 million FY2015-enacted funding level.<sup>9</sup>

Examples of how BEA's FY2016 funding increase would be used include three initiatives proposed in the budget justification for ESA. The first is "big data for small business," with a request of \$1.9 million.<sup>10</sup> Under this proposal, BEA would track "the overall growth and health" of U.S. small business and give it "a new suite" of data products.<sup>11</sup> BEA would use \$2.0 million for the second initiative, to develop "an energy satellite account" that would "provide insight into the changing structure of energy supply and consumption in the United States, as well as the impacts of economic growth and inflation."<sup>12</sup> Third, \$3.2 million would fund a "services trade initiative," to provide more detail about data that BEA already publishes on "key traded services," such as research and development, "the distribution and use of intellectual property products, financial services, medical services, environmental services, computer and information services, travel-related services, personal, cultural, and recreational services, and transport services."<sup>13</sup>

## Census Bureau

The Administration's FY2016 budget request for the Census Bureau is \$1,500.0 million, \$412.0 million (37.9%) more than the FY2015-enacted amount of \$1,088.0 million. As discussed later in this report, the increase is largely due to heightened preparations for the 2020 Decennial Census.

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<sup>7</sup> 32 Stat. 51.

<sup>8</sup> U.S. Department of Commerce, Economics and Statistics Administration, *FY2016 Budget Estimates*, p. ESA-9.

<sup>9</sup> *Ibid.*

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*, p. ESA-26.

<sup>12</sup> *Ibid.*, pp. ESA-9 and ESA-32.

<sup>13</sup> *Ibid.*, pp. ESA-9 and ESA-40.

Requested funding for the decennial census, by far the bureau's most costly and visible endeavor, increases steadily throughout each decade, peaks in the census year, and decreases steeply thereafter.<sup>14</sup>

The FY2016 request is divided between the bureau's two major accounts and incorporates a restructuring of certain activities in these accounts.<sup>15</sup> The long-standing Salaries and Expenses account is renamed "Current Surveys and Programs"; the name of the other major account, "Periodic Censuses and Programs," is unchanged. The new arrangement,<sup>16</sup> according to the budget justification for the bureau, "more closely aligns the appropriations accounts with the Census Bureau's programmatic structure."<sup>17</sup> In particular, the change places "programs that are now conducted on an annual (as opposed to a cyclical) basis into the Current Surveys account."<sup>18</sup> The "restructuring is budget neutral in terms of aggregate discretionary funding," for the bureau as a whole, "but the totals for the two accounts ... change."<sup>19</sup> The change makes the requested amounts of \$277.9 million for Current Surveys and Programs and \$1,222.1 million for Periodic Censuses and Programs not entirely comparable with the amounts in past fiscal years for Salaries and Expenses and Periodic Censuses and Programs.

## **Current Surveys and Programs**

The Current Surveys and Programs account consists of Current Economic Statistics and Current Demographic Statistics.

### ***Current Economic Statistics***

The FY2016 request for Current Economic Statistics is \$191.6 million.<sup>20</sup>

These statistics, from the major sources noted below, provide wide-ranging, detailed data about the U.S. economy.

- Business statistics come from sources including current retail, wholesale, and service trade reports and "are important inputs" to BEA's estimates of gross

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<sup>14</sup> For an illustration of how fluctuating funding levels for the decennial census affected total Census Bureau funding in FY2006 through FY2015 (building to a 2010 census peak in FY2010, dropping off sharply in FY2011, then starting to increase again in FY2014 and FY2015, with increased preparations for the 2020 census), see CRS Report R43918, *Overview of FY2016 Appropriations for Commerce, Justice, Science, and Related Agencies (CJS)*, by Nathan James, p. 16.

<sup>15</sup> Although the budget justification calls the restructuring "proposed," the document presents the accounts as already restructured. U.S. Department of Commerce, Bureau of the Census, *FY2016 Congressional Budget Justification*, p. CEN-12.

<sup>16</sup> The budget justification shows that intercensal demographic estimates and demographic surveys sample redesign (both formerly under the Periodic Censuses and Programs account) are now part of Current Demographic Statistics (under the Current Surveys and Programs account). In addition, the document shows the termination of survey development and data services and a split of its funding evenly among Current Economic Statistics, Current Demographic Statistics (both under Current Surveys and Programs) and the American Community Survey (under Periodic Censuses and Programs). *Ibid.*, pp. CEN-15 and CEN-16.

<sup>17</sup> *Ibid.*, p. CEN-11.

<sup>18</sup> *Ibid.*

<sup>19</sup> *Ibid.*, p. CEN-12.

<sup>20</sup> *Ibid.*, p. CEN-17.

domestic output and to “the Federal Reserve Board and Council of Economic Advisers for the formulation of monetary and fiscal policies and analysis of economic policies.”<sup>21</sup>

The budget request for business statistics in FY2016 is \$43.9 million, \$1.3 million (3.0%) more than the \$42.6 million enacted for FY2015.<sup>22</sup>

- Construction statistics “provide national performance indicators for the construction sector of the economy.” They are derived from data on building permits, housing starts, and “construction put in place” (“estimates of the total dollar value of all construction work done in the nation each month”).<sup>23</sup>

The FY2016 request for construction statistics is \$13.1 million, \$383,000 (3.0%) above the \$12.7 million enacted for FY2015.<sup>24</sup>

- Manufacturing statistics come from sources such as the Annual Survey of Manufactures and the Annual Capital Expenditures Survey of capital investments by private nonfarm businesses. They supplement data from the economic census and are a component of GDP.<sup>25</sup>

The \$21.5 million requested for manufacturing statistics in FY2016 is \$2.3 million (12.0%) more than the FY2015-enacted amount of \$19.2 million.<sup>26</sup>

- General economic statistics originate with certain administrative records of, as examples, the Internal Revenue Service, Social Security Administration, and Bureau of Labor Statistics (BLS). These statistics, according to the budget justification, are “essential to understanding the changing economic structure” of the nation.<sup>27</sup>

The FY2016 request for general economic statistics is \$65.1 million, \$2.2 million (3.5%) above the \$62.9 million enacted for FY2015.<sup>28</sup>

- Foreign trade statistics, from sources such as U.S. Customs and Border Protection and Statistics Canada, “provide official monthly statistics on imports, exports, and balance of trade for all types of merchandise moving between the United States and its international trading partners.”<sup>29</sup>

The amount requested for foreign trade statistics in FY2016 is \$35.7 million, \$898,000 (2.6%) more than the \$34.8 million enacted for FY2015.<sup>30</sup>

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<sup>21</sup> Ibid., p. CEN-27.

<sup>22</sup> Ibid., p. CEN-24.

<sup>23</sup> Ibid., pp. CEN-28 and CEN-29.

<sup>24</sup> Ibid., p. CEN-24.

<sup>25</sup> Ibid., p. CEN-29.

<sup>26</sup> Ibid., p. CEN-24.

<sup>27</sup> Ibid., p. CEN-29.

<sup>28</sup> Ibid., p. CEN-24.

<sup>29</sup> Ibid., pp. CEN-31 and CEN-32.

<sup>30</sup> Ibid., p. CEN-24.

- Government statistics are compiled from surveys of state and local governments. They cover the “revenues, expenditures, debt, and financial assets” of these governments, as well as government employment.<sup>31</sup>

The \$12.4 million FY2016 request for government statistics is \$345,000 (2.9%) above the FY2015-enacted amount of \$12.0 million.<sup>32</sup>

### *Current Demographic Statistics*

For Current Demographic Statistics in FY2016, the budget request is \$86.2 million.<sup>33</sup>

These statistics include the following collections and analyses of demographic data.

- Foremost among the household surveys under Current Demographic Statistics is the monthly Current Population Survey (CPS) of about 58,000 U.S. households that the Census Bureau has conducted for BLS “for more than 50 years,” with about two-thirds of the funding supplied by BLS. Although the CPS’s primary purpose is “to provide detailed labor force characteristics of the civilian non-institutional population and the monthly unemployment rate, a leading economic indicator,” the survey also includes regular supplements that gather additional data. As examples, the CPS conducts “oversampling of Hispanic households for the Annual Social and Economic Supplement” every March, a Fertility Supplement every other June, a School Enrollment Supplement every October, and a Voting and Registration Supplement every other November. Further, “other agencies sponsor supplements to the CPS in other months.” These supplements cover topics such as “child support and alimony, tobacco use, volunteers, and food security.” In addition, housing units “that are found to be vacant in the CPS are ... eligible for the Housing Vacancy Survey, which produces the quarterly housing vacancy rates, another leading economic indicator.”<sup>34</sup>

The FY2016 request for household surveys is \$56.6 million, \$982,000 (1.8%) more than the FY2015-enacted amount of \$55.6 million.<sup>35</sup>

- The bureau’s population and housing analyses include the *Current Population Reports* on various characteristics of the U.S. population; research concerning income, poverty, and wealth in the United States; projections of the future size of the population by age, sex, race, and Hispanic ethnicity; and housing statistics compiled from the Housing Vacancy Survey.<sup>36</sup>

To fund population and housing analyses in FY2016, the request is \$9.6 million, \$267,000 (2.9%) more than the \$9.3 million enacted for FY2015.<sup>37</sup>

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<sup>31</sup> Ibid., p. CEN-33.

<sup>32</sup> Ibid., p. CEN-24.

<sup>33</sup> Ibid., p. CEN-17.

<sup>34</sup> Ibid., pp. CEN-36 and CEN-37.

<sup>35</sup> Ibid., p. CEN-25.

<sup>36</sup> Ibid., pp. CEN-38 and CEN-39.

<sup>37</sup> Ibid., p. CEN-25.

- The bureau’s intercensal demographic estimates provide annual population estimates by age, sex, race, and Hispanic ethnicity for the total United States, states, and counties; estimated population totals for sub-county areas and metropolitan areas; estimates by age and sex for Puerto Rico and the municipios;<sup>38</sup> and national-, state-, and county-level estimates of housing units.<sup>39</sup>

For intercensal demographic estimates in FY2016, the request is \$10.2 million, \$287,000 (2.9%) above the \$9.9 million FY2015-enacted amount.<sup>40</sup>

## Periodic Censuses and Programs

Under this account, the Census Bureau has identified certain “mission-critical, high-priority programs,” including the 2020 Decennial Census, American Community Survey (ACS), 2017 Economic Census, and 2017 Census of Governments.<sup>41</sup> Below is a discussion of each program, followed by information about the bureau’s new IT initiative, the Census Enterprise Data Collection and Processing System (CEDCaP), which will affect multiple data collections.

### *The 2020 Decennial Census*

The U.S. Constitution requires a population census every 10 years, to serve as the basis for apportioning seats in the House of Representatives.<sup>42</sup> Decennial census data also are used for within-state redistricting and in certain formulas that determine the annual distribution of more than \$450 billion in federal funds to states and localities.<sup>43</sup> In addition, census numbers are the foundation for constructing intercensal demographic estimates and population projections.<sup>44</sup>

The Administration requests \$662.6 million for the 2020 Decennial Census in FY2016, a \$318.0 million (92.3%) increase from the \$344.6 million enacted for FY2015.<sup>45</sup> The 2020 census request amounts to 54.2% of the total for periodic censuses and programs and 44.2% of the total for the Census Bureau, reflecting the cyclical “ramp-up” of preparations for the next census and its designation by the bureau as a major initiative for FY2016.<sup>46</sup>

**Mandate to Control the Cost of the Census.** As directed by Congress,<sup>47</sup> the Census Bureau is attempting to design and conduct the 2020 census at a lower inflation-adjusted cost per housing

<sup>38</sup> As explained in U.S. Bureau of the Census, “Geographic Terms and Concepts,” at [http://www.census.gov/geo/reference/gtc/gtc\\_pr.html#municipio](http://www.census.gov/geo/reference/gtc/gtc_pr.html#municipio), “The primary legal divisions of Puerto Rico are termed ‘municipios.’ For data presentation purposes, the Census Bureau treats a municipio as the equivalent of a county in the United States.”

<sup>39</sup> U.S. Department of Commerce, Bureau of the Census, *FY2016 Congressional Budget Justification*, p. CEN-41.

<sup>40</sup> *Ibid.*, p. CEN-25.

<sup>41</sup> *Ibid.*, p. CEN-184.

<sup>42</sup> U.S. Constitution, Article I, Section 2, clause 3, as modified by Section 2 of the 14<sup>th</sup> Amendment.

<sup>43</sup> CRS Report R40551, *The 2010 Decennial Census: Background and Issues*, by Jennifer D. Williams, p. 1.

<sup>44</sup> *Ibid.*

<sup>45</sup> U.S. Department of Commerce, Bureau of the Census, *FY2016 Congressional Budget Justification*, pp. CEN-83 and CEN-84.

<sup>46</sup> *Ibid.*, p. CEN-3.

<sup>47</sup> Testimony of Census Bureau Director John H. Thompson, in U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, *2020 Census: Challenges Facing the Bureau for a Modern, Cost-Effective Survey*, hearing, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., April 20, 2015, p. 1, at <http://www.hsgac.senate.gov/hearings/2020-census-challenges-facing-the-bureau-for-a-modern-cost-effective-survey>.

unit than in 2010. In April 2015 congressional testimony, the Government Accountability Office (GAO) stated that “the cost of enumerating each housing unit has escalated from around \$16 in 1970 to around \$94 in 2010, in constant 2010 dollars (an increase of over 500 percent).”<sup>48</sup> At a total life-cycle cost approaching \$13 billion, the 2010 census was the most expensive in U.S. history. Its cost was about 56% greater than the 2000 census total of \$8.1 billion, in constant 2010 dollars.<sup>49</sup>

The bureau is focusing on 2020 census cost-control innovations in the four major areas discussed below.

- Before past censuses, the bureau conducted address canvassing to try to ensure that it had the correct addresses and map locations of all U.S. residences. For the 2020 census, the bureau proposes updating its “address frame using geographic information systems and aerial imagery instead of sending Census employees to walk and physically check 11 million census blocks.”<sup>50</sup>
- The 1970 through 2010 censuses were primarily mail-out, mail-back operations. The bureau proposes replacing as much of the mail phase of the 2020 census as possible by offering the public an online response option.
- In past censuses, the bureau generally followed up with nonrespondents by telephoning them or visiting their homes. The bureau proposes using administrative records, “data the public has already provided to the government,” to reduce the extent of nonresponse follow-up in 2020.<sup>51</sup>
- For whatever nonresponse follow-up remains necessary, the bureau proposes “using sophisticated operational control systems” to send employees into the field and “track daily progress.”<sup>52</sup>

The bureau estimates that these innovations could “save more than \$5 billion compared to repeating the 2010 design in the 2020 Census.”<sup>53</sup> Its current estimate of the cost to repeat the 2010 design is \$17.7 billion, compared with \$12.6 billion for a reengineered census.<sup>54</sup>

**FY2015 and FY2016 Activities in Preparation for the 2020 Census.** During FY2015, the bureau is continuing to do research and testing related to its 2020 census innovations. The test results “will inform design decisions” that the bureau expects to incorporate into the 2020 Census Operational Plan, which is scheduled for completion by the end of FY2015.<sup>55</sup>

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<sup>48</sup> U.S. Government Accountability Office, *2020 Census: Recommended Actions Need to Be Implemented before Potential Cost Savings Can Be Realized*, GAO-15-546T, April 20, 2015, p. 2.

<sup>49</sup> *Ibid.*, p. 1.

<sup>50</sup> U.S. Department of Commerce, Bureau of the Census, *FY2016 Congressional Budget Justification*, p. CEN-3.

<sup>51</sup> *Ibid.*

<sup>52</sup> *Ibid.*

<sup>53</sup> *Ibid.*

<sup>54</sup> *Ibid.*, p. CEN-99.

<sup>55</sup> *Ibid.*, p. CEN-5.

According to the budget justification, if the bureau receives the requested FY2016 funding for the 2020 census, it can implement, on schedule, the design decisions made in FY2015.<sup>56</sup> Critical activities planned for FY2016 include

- an early operations test focused on address canvassing that will include in the “in-field” workload only the “geographic areas identified as undergoing change” and will involve the use of handheld devices to validate and update the bureau’s address and spatial database;<sup>57</sup>
- a test to determine how people respond to the census via electronic devices versus using telephone assistance or paper questionnaires,<sup>58</sup> to develop methods for using administrative records in lieu of some nonresponse follow-up,<sup>59</sup> and to study a nonresponse follow-up management structure that uses fewer supervisors and depends on “instant communication through handheld devices”;<sup>60</sup>
- preliminary work for the 2020 Communications and Partnership Program, which, among other objectives, is to develop the 2020 census advertising campaign, arrange for maintenance of the census website, and engage census stakeholders in communicating the importance of the enumeration to the public; and
- development of “a preliminary strategy for quality control of 2020 Census field operations.”<sup>61</sup>

The budget justification cautions that without adequate funding for operational design and systems testing in FY2016, the bureau will be unable to “implement a properly planned 2018 Operational Readiness Test,” and “mitigate the risk associated with the significant design changes planned for the 2020 Census, especially those related to using technology to reengineer field operations.”<sup>62</sup> This eventuality, according to the budget justification, would redirect the bureau toward “a more conservative approach to the Census that would erode forecasted savings.”<sup>63</sup>

### *The American Community Survey*

The American Community Survey, which the Census Bureau implemented nationwide in 2005 and 2006, is the replacement for the decennial census long form. From 1940 to 2000, the bureau used the long form to collect detailed socioeconomic and housing data from a representative sample of U.S. residents in conjunction with the once-a-decade count of the whole resident population.<sup>64</sup> The ACS is sent monthly to small samples of the population, and the results are aggregated to produce data at regular intervals, ranging from yearly for areas with at least 65,000

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<sup>56</sup> Ibid., p. CEN-6.

<sup>57</sup> Ibid., pp. CEN-87 and CEN-88.

<sup>58</sup> Ibid., p. CEN-88.

<sup>59</sup> Ibid., p. CEN-90.

<sup>60</sup> Ibid., p. CEN-91.

<sup>61</sup> Ibid., p. CEN-92.

<sup>62</sup> Ibid., p. CEN-6. For a discussion of the bureau’s innovative, but partially failed, technology initiative in the 2010 census, see CRS Report R40551, *The 2010 Decennial Census: Background and Issues*, by Jennifer D. Williams.

<sup>63</sup> U.S. Department of Commerce, Bureau of the Census, *FY2016 Congressional Budget Justification*, p. CEN-6.

<sup>64</sup> For more information about the ACS and the long form, see CRS Report R41532, *The American Community Survey: Development, Implementation, and Issues for Congress*, by Jennifer D. Williams.

people to every five years for areas with fewer than 20,000 people. The survey is conducted in every county of the 50 states, the District of Columbia, and all Puerto Rican municipios. It is the bureau's only "population-based" survey in many U.S. counties and the sole source of detailed data for small geographic areas and small groups within the population.<sup>65</sup> The bureau releases more than 11 billion ACS estimates every year.<sup>66</sup>

The Administration's FY2016 request for the ACS is \$256.8 million, \$25.9 million (11.2%) above the FY2015-enacted amount of \$230.9 million.<sup>67</sup>

As stated in the budget justification, the Census Bureau would use part of the FY2016 ACS funding to restore several operations designed to enhance data quality and secure cooperation from those selected to fill out the survey.

- The failed edit follow-up operation collects data "left incomplete by respondents." The bureau estimates, from "an analysis of 15 key questions," that eliminating this operation in FY2013 through FY2015 increased the missing data rates for these questions from an average of 5.5% before the cut to 8.5% afterward and thus reduced data quality.<sup>68</sup>
- Field representative refresher training gives ACS field workers additional classroom instruction in interacting respectfully with respondents, clarifies difficult survey concepts, and explains field procedures. The budget justification states that the absence of this annual training since FY2012 has heightened the risk of reduced ACS data quality, schedule delays, cost increases, and respondent complaints.<sup>69</sup>
- General performance reviews of field workers by regional office supervisors reinforce correct ACS interviewing techniques, field procedures, and conduct with respondents. The budget justification states that "continued failure to conduct these reviews, which have been deferred due to resource constraints," risks the same negative consequences as noted above concerning the suspension of field representative refresher training.<sup>70</sup>

In addition, according to the budget justification, the bureau proposes to

- end permanently the three-year ACS data products—those for areas with at least 20,000 residents—which were issued annually from 2008 through 2014 but have been suspended because of "resource constraints";<sup>71</sup>
- conduct new research aimed at "reducing respondent burden and increasing program efficiency";<sup>72</sup>

<sup>65</sup> U.S. Department of Commerce, Bureau of the Census, *FY2016 Congressional Budget Justification*, p. CEN-104.

<sup>66</sup> *Ibid.*, p. CEN-105.

<sup>67</sup> *Ibid.*, p. CEN-83.

<sup>68</sup> *Ibid.*, p. CEN-105.

<sup>69</sup> *Ibid.*

<sup>70</sup> *Ibid.*

<sup>71</sup> *Ibid.*, p. CEN-106. The termination would mean that estimates for areas with 20,000 to 65,000 residents would be based on data collected over five-year, not three-year, periods.

<sup>72</sup> *Ibid.*

- continue an ongoing “comprehensive review” of all ACS questions, which could result in the elimination or rewording of some questions,<sup>73</sup> and
- explore whether national- and state-level ACS estimates might be produced every month instead of every year.<sup>74</sup>

### *The 2017 Economic Census*

The economic census originated in the early 19<sup>th</sup> century, when “Congress responded to a rapid increase in industrial activity” by instructing 1810 census enumerators to “take an account of the several manufactures within their several districts, territories and divisions.”<sup>75</sup> As stated in the budget justification, the modern economic census, conducted every five years, is “the primary source of facts” about the structure and functioning of the U.S. economy.<sup>76</sup> This census “furnishes an important part of the framework for composite measures,” including GDP and the Bureau of Economic Analysis’s input-output analyses and national income and product accounts, which “provide important information about market sectors, such as manufacturing.”<sup>77</sup> The national accounts “and practically all major government economic statistical series are directly or indirectly dependent on the economic census.”<sup>78</sup>

The Administration requests \$134.9 million for economic census activities in FY2016, a \$15.7 million (13.1%) increase over the \$119.2 million enacted for FY2015.<sup>79</sup>

The 2017 and 2012 Economic Census cycles overlap. Accordingly, the budget justification notes the bureau’s intention for FY2016 to finish releasing data from the 2012 Survey of Business Owners, a part of the 2012 Economic Census.<sup>80</sup> The document also states that FY2016 will be the second year of the six-year funding cycle for the 2017 Economic Census but “the first year of major activity” for this census.” Continued 2017 census planning will include finalization of the census contents, reporting methods, data processing and dissemination methods, and data products. As a cost-control measure, the bureau is planning a 2017 census that uses 100% “electronic response methods.”<sup>81</sup>

### *The 2017 Census of Governments*

The census of governments is the Census Bureau’s other major quinquennial census. It has been conducted since 1957 in conjunction with the economic census.<sup>82</sup> These two censuses “cover nearly all” of GDP.<sup>83</sup> The census of governments is, according to the bureau, the principal source

<sup>73</sup> Ibid.

<sup>74</sup> Ibid.

<sup>75</sup> U.S. Bureau of the Census, “History of the Economic Census: In Business Since 1810,” at <http://www.census.gov/econ/census/about/history.html>.

<sup>76</sup> U.S. Department of Commerce, Bureau of the Census, *FY2016 Congressional Budget Justification*, p. CEN-64.

<sup>77</sup> Ibid.

<sup>78</sup> Ibid.

<sup>79</sup> Ibid., p. CEN-62.

<sup>80</sup> Ibid., p. CEN-64.

<sup>81</sup> Ibid., p. CEN-10.

<sup>82</sup> Ibid., p. CEN-75.

<sup>83</sup> Ibid., p. CEN-63.

of information about the structure and functioning of the “public sector of the U.S. economy.”<sup>84</sup> It provides information about government organization and intergovernmental relationships; the number of full-time and part-time government employees; and finances, including revenues, expenditures, and assets of public pension systems.<sup>85</sup> In non-census years, the bureau compiles government statistics from a sample of state and local governments. The National Academy of Sciences’ Committee on National Statistics has “identified Census Bureau data on state and local governments as the only comprehensive source on the fiscal welfare” of these governments, which the bureau describes as “a major economic force,” accounting for about 12% of GDP and 15% of the civilian labor force.<sup>86</sup>

The Administration’s FY2016 request for the census of governments is \$8.9 million, \$103,000 (1.1%) less than the FY2015-enacted amount of \$9.0 million. The proposed decrease reflects the current phase of this program, “when activities are focused less on completing data processing, developing data products, and disseminating information” from the 2012 Census of Governments, and more on relatively less expensive planning and preparation for the 2017 Census of Governments.<sup>87</sup>

Past government censuses have focused on field enumeration to collect data. The budget justification states that the 2017 census will replace, to the extent possible, field data collection with “the best mix of survey methods and administrative record practices” to lessen the reporting burden on governments and reduce expenses.<sup>88</sup> A specific cost-control measure is the bureau’s plan for “expanded use of state level electronic data collection” in the 2017 census.<sup>89</sup> FY2016 activities for this census “will focus on overall coordination of activities through a project management plan” and will include “outreach to state and local government officials and data users regarding program content, initial work and research into survey design options, and initial design of collection instruments.”<sup>90</sup>

### ***Census Enterprise Data Collection and Processing System***

FY2016 will be the second year for development of the Census Enterprise Data Collection and Processing System, funded under the Periodic Censuses and Programs account. CEDCaP is an overarching IT initiative, the scope of which will include the decennial census, ACS, economic census, and census of governments. According to the budget justification, the CEDCaP initiative

will create an integrated and standardized system of systems that will offer shared data collection and processing across all operations. This initiative will consolidate costs by retiring unique, survey-specific systems and redundant capabilities and bring a much greater portion of the Census Bureau’s total IT expenditures under a single, integrated and centrally

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<sup>84</sup> Ibid., p. CEN-75.

<sup>85</sup> Ibid., p. CEN-78.

<sup>86</sup> Ibid., p. CEN-75. The National Academy of Sciences’ report to which the budget justification refers is National Academy of Sciences, Committee on National Statistics, *State and Local Government Statistics at a Crossroads* (Washington, DC: National Academies Press, 2007).

<sup>87</sup> U.S. Department of Commerce, Bureau of the Census, *FY2016 Congressional Budget Justification*, p. CEN-75.

<sup>88</sup> Ibid.

<sup>89</sup> Ibid., p. CEN-77.

<sup>90</sup> Ibid., p. CEN-76.

managed program. We will also halt the creation of program-specific systems and put in place a solution that will be mature and proven for the 2020 Census.<sup>91</sup>

In contrast to CEDCaP, the bureau currently has “six unique systems” to manage “survey samples during data collection operations; twenty unique systems to manage the different modes of data collection, data capture, and field control; and five major unique survey and census data processing systems.”<sup>92</sup>

The Administration requests \$47.3 million for CEDCaP in FY2016.<sup>93</sup> The budget justification does not give the FY2015 funding level for this initiative.

The bureau’s FY2016 plans for CEDCaP include putting several systems into production to support the 2020 Decennial Census. Another major release will pertain to the 2017 Economic Census. The CEDCaP initiative also “will continue development and testing efforts for all other systems within its scope.”<sup>94</sup>

In April 2015 congressional testimony, the Government Accountability Office identified CEDCaP as “an IT investment in need of attention” and “projected to cost about \$548 million through 2020.”<sup>95</sup> A February 2015 update by GAO of what it considers to be the federal government’s “high-risk” areas added CEDCaP to the list. GAO reported that CEDCaP

consists of 14 projects, 4 of which are related to the 2020 Decennial Census Internet response option. Particular attention to this area is warranted in order to avoid repeating the mistakes of the 2010 Decennial Census, in which the bureau had to abandon its plans for the use of handheld data collection devices, due in part to fundamental weaknesses in its implementation of key IT management practices.<sup>96</sup>

## House Action

### Economics and Statistics Administration (Except the Census Bureau)

The House Committee on Appropriations reported H.R. 2578, the Commerce, Justice, Science, and Related Agencies Appropriations Act, 2016, on May 27, 2015, recommending \$100.0 million for the Economics and Statistics Administration (with no separate breakout shown for BEA). The recommended amount is the same as the FY2015 funding level for ESA and is \$13.8 million (12.2%) below the FY2016 request of \$113.8 million.<sup>97</sup>

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<sup>91</sup> Ibid., p. CEN-127.

<sup>92</sup> Ibid., p. CEN-129.

<sup>93</sup> Ibid., p. CEN-9.

<sup>94</sup> Ibid.

<sup>95</sup> U.S. Government Accountability Office, *2020 Census; Recommended Actions Need to Be Implemented before Potential Cost Savings Can Be Realized*, GAO-15-546T, April 20, 2015, pp. 12 and 14.

<sup>96</sup> U.S. Government Accountability Office, *High-Risk Series: An Update*, GAO-15-290, February 2015, p. 41. See also CRS Report R40551, *The 2010 Decennial Census: Background and Issues*, by Jennifer D. Williams.

<sup>97</sup> U.S. Congress, House Committee on Appropriations, *Commerce, Justice, Science, and Related Agencies* (continued...)

On June 3, 2015, the House passed H.R. 2578, retaining the committee-approved FY2016 funding level for ESA.

## Census Bureau

The House Appropriations Committee reported H.R. 2578 with a recommendation of \$1,113.0 million in FY2016 funding for the Census Bureau, \$25.0 million (2.3%) more than the \$1,088.0 million FY2015 appropriation and \$387.0 million (25.8%) below the \$1,500.0 million FY2016 request.<sup>98</sup>

The committee approved the Census Bureau's proposal to restructure its two major accounts.

Current Surveys and Programs would have received \$265.0 million, \$12.9 million (4.6%) less than the \$277.9 million requested for FY2016.<sup>99</sup>

Periodic Censuses and Programs would have received \$848.0 million, \$374.1 million (30.6%) below the \$1,222.1 million request. The committee recommended that \$1.6 million of the FY2016 funding for this account be transferred to the Commerce Department's Office of Inspector General (OIG) "for oversight of the Census Bureau."<sup>100</sup> The committee further stated that it "is very concerned about the burdensome nature of the ACS and directs Census to focus on its core, constitutionally mandated decennial Census activities."<sup>101</sup> The committee's recommendation also included "new bill language withholding 50 percent of the funds for information technology related to 2020 census delivery, including the CEDCaP program, until the Secretary submits to the Committees on Appropriations and the GAO an expenditure plan for CEDCaP."<sup>102</sup>

Expressing minority views, the ranking Members of the Appropriations Committee and the Subcommittee on Commerce, Justice, Science, and Related Agencies stated that the committee-approved FY2016 funding level for the bureau "would force huge reductions in 2020 Census systems research, development, and testing efforts, which are essential to ensuring that the 2020 Census operates in a more cost-effective manner than previous decennial censuses."<sup>103</sup>

Similarly, in a June 1, 2015, policy statement, the Administration expressed strong opposition to House passage of H.R. 2578, as reported by the Appropriations Committee.<sup>104</sup> Among other points about the bill, the Administration cited the Census Bureau's Periodic Censuses and

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(...continued)

*Appropriations Bill, 2016*, report to accompany H.R. 2578, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 114-130 (Washington, DC: GPO), p. 8.

<sup>98</sup> Ibid.

<sup>99</sup> Ibid.

<sup>100</sup> Ibid., p. 9.

<sup>101</sup> Ibid.

<sup>102</sup> Ibid., p. 10.

<sup>103</sup> U.S. Congress, House Committee on Appropriations, "Minority Views of Rep. Nita Lowey and Rep. Chaka Fattah," in *Commerce, Justice, Science, and Related Agencies Appropriations Bill, 2016*, report to accompany H.R. 2578, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 114-130 (Washington, DC: GPO), p. 118.

<sup>104</sup> Executive Office of the President, Office of Management and Budget, "Statement of Administration Policy, H.R. 2578—Commerce, Justice, Science, and Related Agencies Appropriations Act, 2016," June 1, 2015, p. 1.

Programs account, calling proposed FY2016 funding for the 2020 census “inadequate,” and observing that reduced funding for the ACS could threaten “data availability and coverage” for areas with small populations.<sup>105</sup> According to the statement, “If the President were presented with H.R. 2578, his senior advisors would recommend that he veto the bill.”<sup>106</sup>

H.R. 2578 passed the House with the Appropriation Committee’s recommendations for the Census Bureau and its two major accounts, but with three amendments that would transfer a total of \$121.3 million from the Census Bureau to the Department of Justice.<sup>107</sup> A fourth amendment, in effect, would make ACS responses voluntary instead of mandatory, as they now are.<sup>108</sup> The transfers—of \$4.0 million from Current Surveys and Programs and \$117.3 million from Periodic Censuses and Programs—would leave the bureau with \$991.7 million in total funding—\$261.0 million for Current Surveys and Programs and \$730.7 million for Periodic Censuses and Programs. The House-passed amount for the bureau is \$96.3 million (8.9%) below the FY2015-enacted amount of \$1,088.0 million and \$508.3 million (33.9%) less than the \$1,500.0 million FY2016 request. Current Surveys and Programs would receive \$16.9 million (6.1%) less than the requested \$277.9 million. Periodic Censuses and Programs would receive \$491.4 million (40.2%) less than the \$1,222.1 million requested.

## Senate Action

### Economics and Statistics Administration (Except the Census Bureau)

On June 16, 2015, the Senate Appropriations Committee reported its version of H.R. 2578, the Departments of Commerce and Justice, and Science, and Related Agencies Appropriations Bill, 2016, with recommended funding of \$100.0 million for the Economics and Statistics Administration (showing no separate breakout for BEA). The recommendation is identical to the FY2015 funding level for ESA and the House-passed amount, and is \$13.8 million (12.2%) below the \$113.8 million FY2016 request.<sup>109</sup>

<sup>105</sup> Ibid., p. 2.

<sup>106</sup> Ibid., p. 1.

<sup>107</sup> H.Amdt. 271 (Reichert) would reduce funding for the Periodic Censuses and Programs account by \$100.0 million and increase funding for the Edward Byrne Memorial Justice Assistance Grant program by the same amount. H.Amdt. 274 (Nugent) would reduce funding for the Current Surveys and Programs account by \$4.0 million and increase funding for the Office of Justice Programs, State and Local Law Enforcement Assistance, by the same amount. H.Amdt. 275 (Poe) would reduce funding for Periodic Censuses and Programs by \$17.3 million and increase funding for services programs for victims of trafficking by the same amount. *Congressional Record*, daily edition, vol. 161 (June 2, 2015), pp. D628 and D629, H3675-H3677, and H3679-H3682.

<sup>108</sup> H.Amdt. 316 (Poe) would prohibit the use of funds to enforce Title 13, Section 221, of the *United States Code* with respect to the American Community Survey.<sup>108</sup> Ibid., pp. H3730-H3732. (This section, as amended by Title 18, Sections 3559 and 3571, provides for a possible penalty for refusal or neglect to answer many of the Census Bureau’s censuses or surveys, including the ACS.)

<sup>109</sup> U.S. Congress, Senate Committee on Appropriations, *Departments of Commerce and Justice, and Science, and Related Agencies Appropriations Bill, 2016*, report to accompany H.R. 2578, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., S.Rept. 114-66 (Washington, DC: GPO), p. 15.

## Census Bureau

As reported by the Senate Appropriations Committee, H.R. 2578 recommends \$1,128.0 million for the Census Bureau in FY2016, \$40.0 million (3.7%) above the \$1,088.0 million FY2015 funding level, \$372.0 million (24.8%) below the \$1,500.0 million requested for FY2016, and \$136.3 million (13.7%) more than the House-passed amount of \$991.7 million.<sup>110</sup>

The committee approved the bureau's proposed restructuring of its two major accounts.

Current Surveys and Programs would receive \$266.0 million, \$11.9 million (4.3%) below the requested \$277.9 million for FY2016 and \$5.0 million (1.9%) more than the House-approved \$261.0 million.<sup>111</sup>

Periodic Censuses and Programs would be funded at \$862.0 million, \$360.1 million (29.5%) less than the \$1,222.1 million request and \$131.3 million (18.0%) more than the \$730.7 million the House approved.<sup>112</sup> Like the House, the Senate Appropriations Committee provided that \$1.6 million of the FY2016 appropriation for this account would be transferred to the Commerce Department's OIG for Census Bureau oversight.<sup>113</sup>

In addition, the Senate committee directed that the bureau "shall continue to bring down the cost of the 2020 Decennial Census to a level less than the 2010 Census with the goal of spending less than the 2000 Census, not adjusting for inflation."<sup>114</sup> The committee further directed the bureau to obtain the administrative records necessary for conducting a less expensive, "more efficient" nonresponse follow-up in 2020; maintain "cost estimates and implementation timelines" for the new CEDCaP initiative; and ensure that CEDCaP is "fully secured against cyber attacks and intrusions before it becomes operational."<sup>115</sup>

Expressing support for the ACS, the committee noted that it "is often the primary or only source of data available to States, localities, and Federal agencies that need adequate information on a wide range of topics," but directed the bureau to provide the committee with "an updated report" about efforts to reduce, if possible, the number of ACS questions and ensure that the survey "is conducted as efficiently and unobtrusively as possible."<sup>116</sup>

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<sup>110</sup> Ibid., p. 16.

<sup>111</sup> Ibid.

<sup>112</sup> Ibid.

<sup>113</sup> Ibid.

<sup>114</sup> Ibid., p. 17.

<sup>115</sup> Ibid.

<sup>116</sup> Ibid., pp. 17 and 18.