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FY2017 Appropriations for the Census Bureau and Bureau of Economic Analysis

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Summary

This report discusses FY2017 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 not be updated.

The Administration's FY2017 budget request for ESA (except the Census Bureau, whose budget justification is published separately from ESA's) was $114.6 million, $5.6 million (5.2%) above the $109.0 million FY2016-enacted funding level. Of the $114.6 million, the $110.7 million requested for BEA exceeded the $105.1 million FY2016-enacted amount by $5.6 million (5.3%); the $4.0 million requested to fund ESA's policy support and management oversight was $83,000 (2.1%) more than the $3.9 million approved for FY2016.

The FY2017 request for the Census Bureau was $1,633.6 million, $263.6 million (19.2%) above the $1,370.0 million FY2016-enacted amount. The FY2017 request was divided between the bureau's two major accounts: $285.3 million for Current Surveys and Programs and $1,348.3 million for Periodic Censuses and Programs. Two key programs under this account are the 2020 Decennial Census, with an FY2017 request of $778.3 million, $179.4 million (30.0%) above the $598.9 million enacted for FY2016; and the American Community Survey (ACS), with a request of $251.1 million, $20.2 million (8.7%) above the $230.9 million FY2016-enacted amount.

On April 21, 2016, the Senate Committee on Appropriations reported S. 2837, the Departments of Commerce and Justice, Science, and Related Agencies Appropriations Bill, 2017 (CJS), with recommended funding of $109.0 million for ESA (showing no separate breakout for BEA). The amount was identical to ESA's FY2016 appropriation and $5.6 million (4.9%) below the FY2017 request. S. 2837, as reported, recommended $1,518.3 million for the Census Bureau, $148.3 million (10.8%) above the FY2016 appropriation and $115.3 million (7.1%) below the FY2017 request. Current Surveys and Programs was to receive $270.0 million, the same as in FY2016 and $15.3 million (5.4%) below the FY2017 request. The $1,248.3 million for Periodic Censuses and Programs would have exceeded FY2016 funding by $148.3 million (13.5%) and been $100.0 million (7.4%) less than requested for FY2017.

The House Committee on Appropriations approved the House FY2017 CJS appropriations bill, H.R. 5393, on June 7, 2016. Recommended funding for ESA was $107.0 million (with no separate breakout for BEA), $2.0 million (1.8%) less than enacted for FY2016 and approved by the Senate committee, and $7.6 million (6.7%) below the FY2017 request. The Census Bureau was to receive $1,470.0 million, $100.0 million (7.3%) more than in FY2016, $163.6 million (10.0%) less than requested for FY2017, and $48.3 million (3.2%) below the Senate committee's recommendation. The $270.0 million recommended for Current Surveys and Programs equaled the FY2016-enacted and FY2017 Senate-committee-recommended amounts and was $15.3 million (5.4%) less than requested. The $1,200.0 million for Periodic Censuses and Programs was $100.0 million (9.1%) above the FY2016-enacted level, $148.3 million (11.0%) less than the FY2017 request, and $48.3 million (3.9%) below what the Senate committee approved.

The Consolidated Appropriations Act, 2017, H.R. 244, P.L. 115-31, became law on May 5, 2017. It provided ESA with $107.3 million (showing no separate amount for BEA), $1.7 million (1.6%) less than enacted for FY2016 and recommended by the Senate committee, $7.3 million (6.4%) below the FY2017 request, and $300,000 (0.3%) more than the House committee approved. The $1,470.0 million for the Census Bureau in FY2017, including $270.0 million for Current Surveys and Programs and $1,200.0 million for Periodic Censuses and Programs, matched the House committee's recommendations.

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Introduction

This report discusses the FY2017 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 FY2016-enacted and FY2017-requested amounts for ESA, BEA, and the Census Bureau, with its two major accounts. Also shown are the amounts recommended by the House and Senate Committees on Appropriations for ESA (with no separate breakouts provided for BEA) and the Census Bureau, as well as the FY2017-enacted amounts.

Table 1. ESA, BEA, and Census Bureau Appropriations, FY2016 and FY2017

Budget authority in millions of dollars

Administration and Agencies	FY2016 Enacted	FY2017 Request	FY2017 House Committee Reported	FY2017 Senate Committee Reported	FY2017 Enacted
Economics and Statistics Administration (Except Census Bureau)	$109.0	$114.6	$107.0	$109.0	$107.3
Policy Support and Management Oversight	(3.9)	(4.0)	—	—	—
BEA	(105.1)	(110.7)	—	—	—
Census Bureau	1,370.0	1,633.6	1,470.0	1,518.3	1,470.0
Current Surveys and Programs	(270.0)	(285.3)	(270.0)	(270.0)	(270.0)
Periodic Censuses and Programs	(1,100.0)	(1,348.3)	(1,200.0)	(1,248.3)	(1,200.0)

Sources: The FY2016-enacted amounts are from the joint explanatory statement to accompany the Consolidated Appropriations Act, 2016, H.R. 2029, P.L. 114-113, *Congressional Record*, daily edition, vol. 161 (December 17, 2015), p. H9732. The FY2017-requested amounts are from U.S. Department of Commerce, Economics and Statistics Administration, *Budget Estimates, Fiscal Year 2017*, p. ESA-9; and U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, pp. CEN-15 and CEN-63. The FY2017 committee-reported amounts are from U.S. Congress, Senate Committee on Appropriations, *Departments of Commerce and Justice, Science, and Related Agencies Appropriations Bill, 2017*, report to accompany S. 2837, 114th Cong., 2nd sess., S.Rept. 114-239 (Washington, DC: GPO), pp. 13-14; and U.S. Congress, House Committee on Appropriations, *Commerce, Justice, Science, and Related Agencies Appropriations Bill, 2017*, report to accompany H.R. 5393, 114th Cong., 2nd sess., H.Rept. 114-605 (Washington, DC: GPO, 2016), p. 7. The FY2017-enacted amounts are from the joint explanatory statement to accompany the Consolidated Appropriations Act, 2017, H.R. 244, P.L. 115-31, *Congressional Record*, daily edition, vol. 163 (May 3, 2017), p. H3379.

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

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," together with "domestic fiscal and monetary policies," and "analyzes economic conditions and policy initiatives of major trading partners."[1]

Bureau of Economic Analysis

The Bureau of Economic Analysis,[2] like the Census Bureau, is one of 13 principal federal statistical agencies, each of whose primary mission is statistical work.[3] 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."[4] The statistical measures produced by BEA include "gross domestic product (GDP), personal income and outlays, corporate profits, GDP by state and by metropolitan area, balance of payments, and GDP by industry."[5]

Census Bureau

The Census Bureau[6] conducts the decennial census under Title 13 of the *United States Code*, which also authorizes the bureau to collect and compile a great variety of other demographic, economic, housing, and governmental data. The bureau's activities include the production of Current Economic Statistics that provide wide-ranging, detailed data about the U.S. economy; Current Demographic Statistics—among which are intercensal demographic estimates, population projections, and *Current Population Reports*; and, in addition to the decennial census, the American Community Survey and two quinquennial censuses, the economic census and the census of governments.

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[1] U.S. Department of Commerce, Economics and Statistics Administration, *Budget Estimates, Fiscal Year 2017*, p. ESA-2. The FY2017 budget justification for the Census Bureau was presented as a separate document.

[2] For BEA's statement of organization, see 45 *Federal Register* 85496, December 29, 1980.

[3] Executive Office of the President, Office of Management and Budget, *Statistical Programs of the United States Government, Fiscal Year 2016*, September 30, 2015, pp. 4-5.

[4] U.S. Department of Commerce, Economics and Statistics Administration, *Budget Estimates, Fiscal Year 2017*, p. ESA-2.

[5] Ibid.

[6] The Census Bureau was established as a permanent office on March 6, 1902. See 32 Stat. 51.

The FY2017 Budget Request

Economics and Statistics Administration (Except the Census Bureau)

The Administration's FY2017 budget request for the Economics and Statistics Administration (including BEA but not the Census Bureau) was $114.6 million, $5.6 million (5.2%) above the $109.0 million enacted for FY2016.[7]

Of the $114.6 million, $4.0 million was to fund ESA's policy support and management oversight. The request exceeded the $3.9 million FY2016 appropriation by $83,000 (2.1%). The rest of the FY2017 request, $110.7 million, was to go to BEA and would have been $5.6 million (5.3%) more than the agency's $105.1 million FY2016-enacted funding level.[8]

The FY2017 budget justification for BEA noted that the Census Bureau's "economic indicators program provides the essential data building blocks" for measures like GDP, gross domestic income, corporate profits, and GDP by industry.[9] The two agencies proposed working together to improve the timeliness and accuracy of the key economic indicators and expand their coverage, such as by including the real estate, health care, accommodations and food services, and administrative and waste management sectors in the Census Bureau's Quarterly Financial Report.[10]

Another new initiative for FY2017 would have involved BEA's development of a "regional economic dashboard" featuring county-level GDP measures.[11]

Census Bureau

The Administration's FY2017 budget request for the Census Bureau was $1,633.6 million, $263.6 million (19.2%) more than the FY2016-enacted amount of $1,370.0 million.[12] As discussed later in this report, the increase was largely due to heightened preparations for the 2020 Decennial Census. Requested funding for the decennial census, by far the bureau's most costly and visible endeavor, rises steadily throughout each decade, peaks in the census year, and decreases steeply thereafter.[13]

The FY2017 request was divided between the bureau's two major accounts:

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[7] U.S. Department of Commerce, Economics and Statistics Administration, *Budget Estimates, Fiscal Year 2017*, p. ESA-9.

[8] Ibid.

[9] Ibid., p. ESA-34.

[10] Ibid., pp. ESA-34 and ESA-35.

[11] Ibid., p. ESA-6.

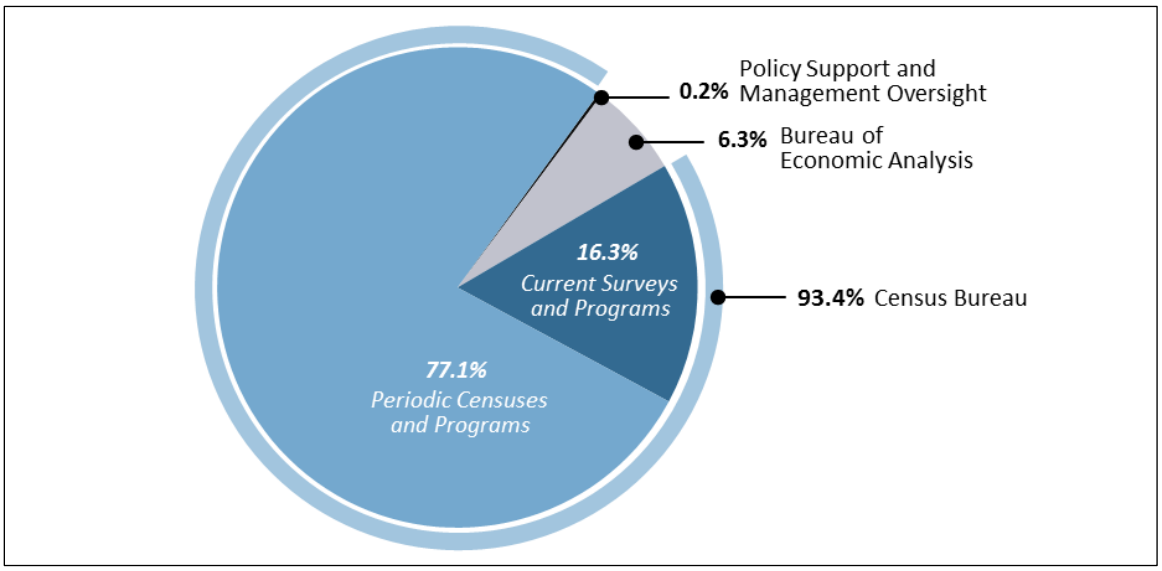
[12] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, pp. CEN-15 and CEN-63.

[13] For an illustration of how fluctuating funding levels for the decennial census affected total Census Bureau funding in FY2007 through FY2016 (building to a 2010 census peak in FY2010, dropping off sharply in FY2011, then starting to increase again in FY2014 through FY2016, with increased preparations for the 2020 census), see CRS Report R44409, *Overview of FY2017 Appropriations for Commerce, Justice, Science, and Related Agencies (CJS)*, by Nathan James, pp. 16-17.

- Current Surveys and Programs would have received $285.3 million, a $15.3 million (5.7%) increase over the $270.0 million enacted for FY2016, and 17.5% of the total requested for the bureau;
- Periodic Censuses and Programs—the account that funds the decennial census—would have received $1,348.3 million, $248.3 million (22.6%) more than the $1,100.0 million approved for FY2016, and 82.5% of the bureau's total request.[14]

Of the entire budget request for ESA—$1,748.2 million if the Census Bureau is included—fully 77.1% was for Periodic Censuses and Programs; another 16.3% was for Current Surveys and Programs. The amounts for BEA and ESA's policy support and management oversight constituted relatively small proportions of the whole request, 6.3% and 0.2%, respectively. **Figure 1**, below, shows the percentage allocations for all these components of ESA.

Figure 1. Percentage Allocations of Total FY2017 ESA Budget Request



Source: Created by CRS, based on U.S. Department of Commerce, Economics and Statistics Administration, *Budget Estimates, Fiscal Year 2017*, p. ESA-9; and U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, pp. CEN-15 and CEN-63.

Current Surveys and Programs

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

Current Economic Statistics

The FY2017 request for Current Economic Statistics was $194.7 million, $10.5 million (5.7%) more than the $184.2 million approved for FY2016.[15]

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

[14] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, pp. CEN-15 and CEN-63.

[15] Ibid., p. CEN-15.

- **Business statistics** come from sources including current retail, wholesale, and service trade reports and "are important inputs" to BEA's estimates of gross 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."[16]
  The budget request for business statistics in FY2017 was $44.0 million, $1.4 million (3.4%) more than the $42.6 million enacted for FY2016.[17]
- **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,"[18] which refers to the estimated total dollar value of construction work done in the nation each month.[19]
  The FY2017 request for construction statistics was $16.8 million, $4.0 million (31.6%) above the $12.7 million enacted for FY2016.[20]
- **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, by measuring "the overall performance of the U.S. manufacturing sector," provide a "critical economic benchmark."[21]
  The $21.3 million requested for manufacturing statistics in FY2017 was $2.1 million (10.9%) more than the FY2016-enacted amount of $19.2 million.[22]
- **General economic statistics** originate with certain administrative records of, for example, the Internal Revenue Service, as well as surveys conducted by the Census Bureau, including the Quarterly Financial Report survey on the finances of U.S. corporations. General economic statistics, according to the Administration's budget justification for the Census Bureau, "are essential to understanding the changing economic structure of the United States."[23]
  The FY2017 request for general economic statistics was $64.0 million, $1.1 million (1.7%) above the $62.9 million enacted for FY2016.[24]
- **Foreign trade statistics**, from sources such as U.S. Customs and Border Protection and Canadian agencies, "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."[25]
  The amount requested for foreign trade statistics in FY2017 was $34.9 million, $110,000 (0.3%) more than the $34.8 million enacted for FY2016.[26]

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[16] Ibid., p. CEN-26.

[17] Ibid., p. CEN-23.

[18] Ibid., p. CEN-26.

[19] U.S. Census Bureau, "Value of Construction Put in Place," at https://www.census.gov/econ/overview/co0300.html.

[20] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-23.

[21] Ibid., p. CEN-26.

[22] Ibid., p. CEN-23.

[23] Ibid., p. CEN-27.

[24] Ibid., p. CEN-23.

[25] Ibid., p. CEN-28.

[26] Ibid., p. CEN-23.

- **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.[27]
  The $13.8 million FY2017 request for government statistics was $1.8 million (14.6%) above the FY2016-enacted amount of $12.0 million.[28]

Current Demographic Statistics

For Current Demographic Statistics in FY2017, the budget request was $90.6 million, $4.8 million (5.6%) above the $85.8 million FY2016 funding level.[29]

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 the Bureau of Labor Statistics (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 produces housing vacancy data and includes regular supplements that gather additional data.[30] As examples, the CPS conducts 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.[31] 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."[32]
  The FY2017 request for household surveys was $57.8 million, $1.2 million (2.1%) more than the FY2016-enacted amount of $56.6 million.[33]
- 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; and housing statistics compiled from the Housing Vacancy Survey.[34]
  To fund population and housing analyses in FY2017, the request was $10.4 million, $991,000 (10.6%) more than the $9.4 million enacted for FY2016.[35]
- The bureau's intercensal demographic estimates provide, between the decennial censuses, a series of population estimates by age, sex, race, and Hispanic ethnicity for the total United States, states, and counties; estimated population

[27] Ibid., p. CEN-28.

[28] Ibid., p. CEN-23.

[29] Ibid., p. CEN-15.

[30] Ibid., p. CEN-45.

[31] U.S. Census Bureau, "About the Current Population Survey," at http://www.census.gov/programs-surveys/cps/about.html.

[32] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-45.

[33] Ibid., p. CEN-24.

[34] Ibid., p. CEN-46.

[35] Ibid., p. CEN-24.

totals for sub-county areas and metropolitan areas; estimates by age and sex for Puerto Rico and the municipios;[36] and national-, state-, and county-level estimates of housing units.[37] The FY2017 budget request proposed combining under intercensal estimates the production of population projections as well as estimates.[38] Projections analyze administrative data and population trends to indicate the future sizes of the U.S. and state populations.[39]
The FY2017 request for intercensal demographic estimates, perhaps reflecting their proposed broader scope, was $11.9 million, $1.8 million (18.0%) above the $10.1 million FY2016-enacted amount.[40]

- The bureau's demographic surveys sample redesign provides improved sampling methods, sample designs, and data processing systems "essential to maintain the relevance, accuracy, and quality" of "the major household surveys" that the bureau conducts under the sponsorship of other federal agencies.[41]
The FY2017 request for demographic surveys sample redesign was $10.5 million, $796,000 (8.2%) above the $9.7 million enacted for FY2016.[42]

Periodic Censuses and Programs

Under this account—with an FY2017 budget request that, as previously mentioned, constituted 82.5% of the total for the Census Bureau and 77.1% of the entire amount for ESA—the bureau identified certain programs considered critical for creating "a data-driven government." They included the 2020 Decennial Census, American Community Survey (ACS), 2017 Economic Census, and 2017 Census of Governments.[43] 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.[44] Decennial census data also are used for within-state redistricting and in certain formulas that determine the annual distribution of more

[36] As explained in U.S. Census Bureau, "Geographic Terms and Concepts," at 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."

[37] U.S. Census Bureau, "About Population Estimates," at http://www.census.gov/popest/about/index.html.

[38] The FY2016 budget justification for the Census Bureau, at http://osec.doc.gov/bmi/budget/FY16CJ/Census_2016_CJ.pdf, p. CEN-39, showed population projections under population and housing analyses in Current Demographic Statistics. Intercensal demographic estimates were designated as such in Current Demographic Statistics, under the Current Surveys and Programs account.

[39] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-47.

[40] Ibid., p. CEN-24.

[41] Ibid., pp. CEN-47 and CEN-48.

[42] Ibid., p. CEN-24.

[43] Ibid., pp. CEN-70 and CEN-88.

[44] U.S. Constitution, Article I, Section 2, clause 3, as modified by Section 2 of the 14th Amendment.

than $450 billion in federal funds to states and localities.[45] In addition, census numbers are the foundation for constructing intercensal demographic estimates and population projections.[46]

The Administration requested $778.3 million for the 2020 Decennial Census in FY2017, a $179.4 million (30.0%) increase from the $598.9 million enacted for FY2016.[47] The 2020 census request, which was 57.7% of the total for the Periodic Censuses and Programs account and 47.6% of the total for the Census Bureau, reflected the cyclical "ramp-up" of preparations for the next census and its designation by the bureau as a major initiative for FY2017.[48]

In presenting this request, the budget justification also proposed amending the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended,[49] to "allow an adjustment to the discretionary spending limits for the cyclical increase in decennial census operations."[50] The document noted that "without adequate funding in the decade's middle years," the bureau "is less able to test and implement cost-saving innovations; the result is an increase in any potential costs that might occur in later years from operational failures due to lack of sufficient testing."[51] With respect to the next census, a "cap adjustment" could avoid "either a large emergency appropriation for a predictable funding need in 2020" or "trade-offs in other discretionary programs as Census needs squeeze out other spending."[52] Such an adjustment "would begin no later than 2018."[53] It was "not included as an adjustment to the proposed 2017 Budget caps at this time in order to present its merits first."[54]

Mandate to Control the Cost of the Census. As directed by Congress,[55] the Census Bureau is attempting to design and conduct the 2020 census at a lower inflation-adjusted cost per housing unit than in 2010. In April 2015 congressional testimony, the Government Accountability Office (GAO) stated that the cost to enumerate each housing unit "escalated from around $16 in 1970 to around $94 in 2010, in constant 2010 dollars (an increase of over 500 percent)."[56] 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.[57]

The bureau is focusing on 2020 census cost-control innovations in four major areas:

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[45] CRS Report R40551, *The 2010 Decennial Census: Background and Issues*, by Jennifer D. Williams, p. 1.

[46] Ibid.

[47] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-87.

[48] Ibid., p. CEN-3.

[49] Title 2, Sections 900-922, of the *United States Code*. BBEDCA establishes limits on discretionary spending and adjustments to these limits for certain purposes. The act was amended by the Budget Control Act of 2011, P.L. 112-25, to establish the current spending limits through FY2021. For more information on the Budget Control Act, see CRS Report R41965, *The Budget Control Act of 2011*, by Bill Heniff Jr., Elizabeth Rybicki, and Shannon M. Mahan.

[50] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-9.

[51] Ibid., p. CEN-10.

[52] Ibid., p. CEN-9.

[53] Ibid., p. CEN-10.

[54] Ibid., p. CEN-11.

[55] Testimony of then-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, 114th Cong., 1st 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.

[56] 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.

[57] Ibid., p. 1.

- 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 canvassing the whole nation, as in previous censuses, but, insofar as possible, adding new addresses to the "address frame using geographic information systems and aerial imagery instead of sending Census employees to walk and physically check 11 million census blocks."[58]
- 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.[59]
- 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,"[60] as well as "information from commercial sources,"[61] to reduce the extent of nonresponse follow-up in 2020.
- 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."[62]

The bureau estimates that these innovations could save more than $5 billion.[63] Its current estimate of the cost to repeat the 2010 design in the 2020 census is $17.8 billion, compared with $12.5 billion for a reengineered census.[64]

FY2017 Activities in Preparation for the 2020 Census. Summarized below are activities the bureau intended to undertake in FY2017. The budget justification cautioned that insufficient funding for these activities will prevent the bureau from conducting the 2018 census end-to-end test "with planned systems and operations integration."[65] The 2018 test will be the final one before "2020 production" begins.[66] If—according to what the budget justification maintained—the bureau cannot prepare adequately for this test and thus cannot reduce the risk inherent in redesigning 2020 census operations,[67] especially the technology supporting field work,[68] it will have to opt for a less innovative, more expensive census.[69]

[58] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-3.

[59] Ibid.

[60] Ibid.

[61] Ibid., p. CEN-95.

[62] Ibid., p. CEN-3.

[63] Testimony of then-Census Bureau Director John H. Thompson, in U.S. Congress, House Committee on Government Reform and Oversight, Subcommittee on Government Operations and Subcommittee on Information Technology, *Preparing for the 2020 Census: Will the Technology Be Ready?*", hearing, 114th Cong., 1st sess., November 3, 2015, p. 2, at https://oversight.house.gov/hearing/preparing-for-the-2020-census-will-the-technology-be-ready/.

[64] Ibid.

[65] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-109.

[66] Ibid., p. CEN-112.

[67] Ibid., p. CEN-91.

[68] 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.

[69] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-91.

- The bureau planned to conduct a nationwide 2016 address canvassing test early in FY2017. It was to involve procedures for both in-office and in-field canvassing and "ensure the address quality and housing unit coverage" required for a successful census. It also was to "demonstrate the feasibility of collecting address and spatial data on devices that range from laptops to smartphones," running on "multiple operating systems."[70]
- The 2017 test of the decennial census was to "mirror key dates and milestones" for the 2020 census.[71] One 2020 operation that was to undergo its first field test in FY2017 was "update enumerate," in which the bureau was to update certain addresses in the Master Address File/Topologically Integrated Geographic Encoding and Referencing System and enumerate the corresponding housing units simultaneously, and was to use the nonresponse follow-up strategy planned for 2020.[72] Part of the 2017 test was to occur "in an urban site with representative groups" whose English-language proficiency is limited and who historically have been difficult to enumerate.[73] The bureau was to examine as well "comprehensive data capture solutions for paper-based data collection operations"[74] and test responses via the Internet and real-time data processing "using cloud services."[75] The 2017 test was to focus, too, on developing systems to make field operations more efficient, including "automated enumeration instruments" on handheld computers and "dynamic case management" for streamlining field operations.[76] More broadly, the test was to focus on integrating operations and systems, particularly with the bureau's new information technology (IT) system, CEDCaP.[77] Because of funding uncertainties, the bureau announced on October 18, 2016, that it would scale back the 2017 test, retaining the test of census compliance with a national sample, but ceasing plans to test field operations in three Puerto Rican municipios, the Standing Rock Indian Reservation in North and South Dakota, and the Colville Indian Reservation and Off-Reservation Trust Land in Washington State. At the time, the bureau stated that it would consider including these areas in the 2018 census test.[78]
- In FY2017, the bureau was to continue researching and testing various administrative records to determine their suitability for the 2020 census. This work was to include "testing the coverage and quality of the records for obtaining information from non-responding housing units."[79]

[70] Ibid.

[71] Ibid.

[72] Ibid.

[73] Ibid., p. CEN-93.

[74] Ibid., p. CEN-96.

[75] Ibid., p. CEN-93.

[76] Ibid., p. CEN-107.

[77] Ibid., p. CEN-96.

[78] U.S. Census Bureau, "2020 Census Program Memorandum Series 2016.21," October 18, 2016.

[79] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-95.

Taking another "significant" step in FY2017, as the budget justification stated, the bureau was to begin the "very long and arduous" process of leasing space for six regional centers to support 2020 census operations.[80]

In addition, the bureau was to start "planning the 2020 Census Communications and Partnership Programs" in FY2017.[81] The 2020 paid advertising campaign will be a major part of the communications strategy, and the partnership program will seek to engage census stakeholders in communicating the importance of the enumeration to the public.[82]

Also, as required under Title 13, Section 141 (f)(1), of the *United States Code*, the bureau delivered the 2020 census topics to Congress on March 28, 2017.[83] The topics include gender, age, race, Hispanic or Latino ethnicity, relationship of each household member to the person filling out the census form, and whether the housing unit is owned or rented.[84]

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.[85] The ACS covers about 3.5 million households a year.[86] It 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 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. The bureau releases more than 11 billion ACS estimates every year on more than 40 topics.[87] For rural areas and small groups within the population, the ACS is the sole source of data on many of these topics.[88]

The Administration's FY2017 request for the ACS was $251.1 million, $20.2 million (8.7%) above the FY2016-enacted amount of $230.9 million.[89]

According to the budget justification, the Census Bureau's planned use for part of the FY2017 ACS funding was to develop or restore several operations designed to enhance data quality and secure cooperation from those selected to fill out the survey.

- 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 stated that the absence of this annual training since FY2012 had heightened the

[80] Ibid., p. CEN-96.

[81] Ibid., p. CEN-94.

[82] Ibid.

[83] Ibid. See also U.S. Census Bureau, "Census Bureau Submits Subjects for 2020 Census to Congress," press release CB17-47.

[84] U.S. Census Bureau, "Census Bureau Submits Subjects for 2020 Census to Congress," press release CB17-47.

[85] 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.

[86] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-114.

[87] Ibid.

[88] Ibid.

[89] Ibid., p. CEN-87.

risk of reduced ACS data quality, schedule delays, cost increases, and respondent complaints.[90]

- The bureau proposed to develop and conduct the same annual refresher training for its ACS contact center staff as it sought to reinstate for its field representatives.[91]
- General performance reviews of field workers by regional office supervisors reinforce correct ACS interviewing techniques, field procedures, and conduct with respondents. The budget justification stated that "continued failure to conduct these reviews," which had been "deferred due to resource constraints," risked the same negative consequences as noted above concerning the suspension of field representative refresher training.[92]

In addition, at congressional direction,[93] the bureau proposed to

- conduct new research, such as on data collection procedures, intended to reduce ACS "respondent burden" and increase "program efficiency";[94] and
- continue an ongoing "comprehensive review," of all ACS questions, which could result in alternative data sources being used for certain information or some questions being reworded.[95]

The 2017 Economic Census

The economic census originated in the early 19th 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.'"[96] As the budget justification stated, the modern economic census, conducted every five years, is "the primary source of facts about the structure and functioning of the U.S. economy."[97] Data from this census "provide the foundation for other key measures of economic performance," including GDP and the Bureau of Economic Analysis's national income and product accounts.[98] Indeed, "practically all major federal government economic statistical series are directly or indirectly dependent on the economic census."[99]

The Administration requested $127.3 million for economic census activities in FY2017, a $2.0 million (1.6%) increase over the $125.2 million enacted for FY2016.[100]

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[90] Ibid., pp. CEN-117 and CEN-118.

[91] Ibid., p. CEN-118.

[92] Ibid.

[93] Ibid.

[94] Ibid.

[95] Ibid.

[96] 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.

[97] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-4.

[98] Ibid., p. CEN-71.

[99] Ibid.

[100] Ibid., p. CEN-69.

FY2017 was the third year of the six-year funding cycle for the 2017 Economic Census,[101] which was to "collect data on over 29 million establishments."[102] FY2017 activities, building toward the 2017 census, were to center on a test of the CEDCaP system for collecting and processing data from all sectors of the economy, together with a test of response tracking.[103] As a cost-control measure, the bureau planned a 2017 census with "100% Internet" reporting.[104] The bureau's plans called for using administrative records to supply information for establishments that did not respond electronically and to reduce the reporting burden on businesses.[105]

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.[106] The budget justification stated that these two censuses "cover nearly all" of GDP.[107] The census of governments is the principal source of information about the structure and functioning of state and local governments.[108] 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.[109] In non-census years, the bureau compiles government statistics from a sample of state and local governments. The Committee on National Statistics at the National Academies of Sciences, Engineering, and Medicine has "identified Census Bureau data on state and local governments as the *only* comprehensive source on the fiscal welfare" of these governments, which, the budget justification noted, account for about 12% of GDP and 15% of the civilian labor force.[110]

The Administration's FY2017 request for the census of governments was $12.3 million, $3.4 million (38.1%) more than the FY2016-enacted amount of $8.9 million.[111] The request reflected the collection and initial processing of 2017 census data. To control expenses and reduce the reporting burden on governments, the bureau proposed substituting administrative records and "central collection methods among the states" for field work, insofar as possible, and expanding the use of electronic state-level data collection.[112]

Census Enterprise Data Collection and Processing System

FY2017 was the third year for the Census Enterprise Data Collection and Processing initiative,[113] funded under the Periodic Censuses and Programs account. CEDCaP is an overarching IT system,

[101] Ibid., p. CEN-72.

[102] Ibid., p. CEN-74.

[103] Ibid., p. CEN-72.

[104] Ibid., p. CEN-73.

[105] Ibid., p. CEN-74.

[106] Ibid., p. CEN-79.

[107] Ibid., p. CEN-70.

[108] Ibid., p. CEN-79.

[109] Ibid.

[110] Ibid. Italics in original. The report of the National Academies of Sciences, Engineering, and Medicine cited in the budget justification is National Academies of Sciences, Engineering, and Medicine, Committee on National Statistics, *State and Local Government Statistics at a Crossroads* (Washington, DC: National Academies Press, 2007).

[111] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-69.

[112] Ibid., p. CEN-81.

[113] Ibid., p. CEN-7.

encompassing such major data collections as the decennial census, ACS, economic census, and census of governments.

According to the budget justification, CEDCaP "will create an integrated and standardized system of systems that will offer shared data collection and processing across all censuses and surveys." This initiative is expected to "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 managed program." The bureau also will "halt the creation of program-specific systems and put in place a solution that will be mature and proven for the 2020 Census."[114]

In contrast to CEDCaP, the bureau currently has "six unique systems" to manage survey samples; "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."[115]

The Administration requested $104.0 million for CEDCaP in FY2017.[116] The budget justification did not give the FY2016 funding level for this initiative.[117]

The bureau's FY2017 plans for CEDCaP included the delivery of several systems to support the 2017 Economic Census and the Company Organizational Survey/Annual Survey of Manufactures, as well as the 2017 test of the decennial census.[118]

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."[119] Two months earlier, GAO had 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.[120]

Senate Action

Economics and Statistics Administration (Except the Census Bureau)

On April 21, 2016, the Senate Appropriations Committee reported S. 2837, the Departments of Commerce and Justice, Science, and Related Agencies Appropriations Bill, 2017, with recommended funding of $109.0 million for the Economics and Statistics Administration

[114] Ibid.

[115] Ibid., p. CEN-136.

[116] Ibid., p. CEN-108.

[117] According to information transmitted by the Census Bureau's budget office to the author, the FY2016 appropriation for CEDCaP was $77.6 million as of April 25, 2016, the transmittal date.

[118] U.S. Census Bureau, *U.S. Census Bureau's Budget, Fiscal Year 2017*, p. CEN-137.

[119] 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.

[120] 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.

(showing no separate breakout for BEA). The recommendation was identical to the FY2016 funding level for ESA and $5.6 million (4.9%) below the FY2017 request of $114.6 million.[121]

Census Bureau

As reported by the Senate Appropriations Committee, S. 2837 recommended $1,518.3 million for the Census Bureau in FY2017, $148.3 million (10.8%) above the FY2016 funding level of $1,370.0 million and $115.3 million (7.1%) below the $1,633.6 million requested for FY2017.[122]

Current Surveys and Programs would have received $270.0 million, the same as the FY2016-enacted amount and $15.3 million (5.4%) below the FY2017 request of $285.3 million.[123]

Periodic Censuses and Programs would have been funded at $1,248.3 million, $148.3 million (13.5%) more than the $1,100.0 million enacted for FY2016 and $100.0 million (7.4%) less than the $1,348.3 million FY2017 request.[124] The bill provided that $2.6 million of the amount for Periodic Censuses and Programs was to be transferred to the Commerce Department's Office of Inspector General (OIG) for continued "oversight and audits of periodic censuses" and "independent recommendations" to improve 2020 census operations.[125]

The Senate committee directed that the bureau should "continue to work to bring down the cost of the 2020 Decennial Census to a level less than the 2010 Census, not adjusting for inflation."[126] The committee further directed the bureau to "work with Federal, State, tribal, local, and other partners" to obtain the administrative records necessary for conducting a less expensive, "more efficient" nonresponse follow-up in 2020;[127] maintain "cost estimates and implementation timelines" for the CEDCaP initiative; and make CEDCaP "fully secured against cyber attacks and intrusions" before putting any of it into operation.[128]

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 update" about efforts to reduce, if possible, the number of ACS questions and ensure that the survey "is conducted as efficiently and unobtrusively as possible."[129]

[121] U.S. Congress, Senate Committee on Appropriations, *Departments of Commerce and Justice, Science, and Related Agencies Appropriations Bill, 2017*, report to accompany S. 2837, 114th Cong., 2nd sess., S.Rept. 114-239 (Washington, DC: GPO, 2016), p. 13.

[122] Ibid., p. 14.

[123] Ibid.

[124] Ibid.

[125] Ibid.

[126] Ibid., pp. 14-15.

[127] Ibid., p. 15.

[128] Ibid.

[129] Ibid.

House Action

Economics and Statistics Administration (Except the Census Bureau)

The House Committee on Appropriations approved the House version of the FY2017 CJS appropriations bill, H.R. 5393, on June 7, 2016. The bill recommended $107.0 million in funding for ESA (with no separate breakout for BEA), $2.0 million (1.8%) less than the $109.0 million enacted for FY2016 and approved by the Senate Appropriations Committee for FY2017, and $7.6 million (6.7%) below the $114.6 million FY2017 request.[130]

Census Bureau

H.R. 5393, as reported by the House Appropriations Committee, was to fund the Census Bureau at $1,470.0 million in FY2017, $100.0 million (7.3%) above the $1,370.0 million FY2016 funding level, $163.6 million (10.0%) less than the $1,633.6 million requested for FY2017,[131] and $48.3 million (3.2%) below the Senate committee's recommended $1,518.3 million.

The $270.0 million approved for Current Surveys and Programs, which equaled the FY2016-enacted and FY2017 Senate committee-recommended amounts, was $15.3 million (5.4%) under the $285.3 million FY2017 request.[132]

Funding for Periodic Censuses and Programs was to be $1,200.0 million, $100.0 million (9.1%) above the $1,100.0 million FY2016-enacted level, $148.3 million (11.0%) less than the FY2017 request of $1,348.3 million,[133] and $48.3 million (3.9%) below the $1,248.3 million approved by the Senate committee. The House bill, like its Senate counterpart, provided that $2.6 million of the appropriation for this account was to be transferred to the Commerce Department's OIG for Census Bureau oversight.[134] In addition, H.R. 5393 would have withheld 50% of the funds for 2020 census IT work, including CEDCaP, until the Secretary of Commerce gave the House and Senate Appropriations Committees and GAO an expenditure plan for CEDCaP. The House committee directed the bureau to improve its estimate of the 2020 census life-cycle cost and, within 60 days of the bill's enactment, provide the committee and GAO with a report on the steps the bureau would take to meet this directive. The House committee also expressed concern about the "burdensome nature of the ACS" and directed the bureau "to focus on its core, constitutionally mandated decennial Census activities."[135]

Continuing Appropriations Acts, 2017

FY2017 CJS appropriations legislation was not enacted by the end of FY2016.

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[130] U.S. Congress, House Committee on Appropriations, *Commerce, Justice, Science, and Related Agencies Appropriations Bill, 2017*, report to accompany H.R. 5393, 114th Cong., 2nd sess., H.Rept. 114-605 (Washington, DC: GPO, 2016), p. 7.

[131] Ibid.

[132] Ibid.

[133] Ibid.

[134] Ibid.

[135] Ibid., p. 8.

The Census Bureau, BEA, and rest of ESA were funded through December 9, 2016, at the FY2016 level, with a 0.496% reduction, under the Continuing Appropriations Act, 2017. The act was Division C of the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act, H.R. 5325, P.L. 114-223, which was signed into law on September 29, 2016.

Division A of the Further Continuing and Security Assistance Appropriations Act, 2017, H.R. 2028, P.L. 114-254, enacted on December 10, 2016, provided funding at the FY2016 level, minus a 0.1901% reduction, through April 28, 2017. Under Section 152 of the legislation, however, the Census Bureau could draw on money from Periodic Censuses and Programs—an account that includes the decennial census and other major programs discussed in this report, such as the economic census, the census of governments, and intercensal demographic estimates, together with geographic and data-processing support—at the rate necessary for conducting operations to maintain the 2020 census schedule.

Final Action

Economics and Statistics Administration (Except the Census Bureau)

The Consolidated Appropriations Act, 2017, H.R. 244, P.L. 115-31, became law on May 5, 2017. Division B of the legislation funded ESA at $107.3 million (with no separate amount shown for BEA), $1.7 million (1.6%) less than enacted for FY2016 and recommended by the Senate Appropriations Committee, $7.3 million (6.4%) below the FY2017 request, and $300,000 (0.3%) more than the House Appropriations Committee approved.

Census Bureau

The $1,470.0 million provided for the Census Bureau in the Consolidated Appropriations Act, 2017, included $270.0 million for Current Surveys and Programs and $1,200.0 million for Periodic Censuses and Programs. These amounts matched the House committee's recommendations. The act, like S. 2837 and H.R. 5393, stipulated that $2.6 million of the appropriation for Periodic Censuses and Programs would be transferred to the Commerce Department's OIG for Census Bureau oversight.

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