

Federal Statistics in the FY 2014 Budget

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ITS HIGHLIGHTS

- Most statistical agencies' program possibilities and plans for FY 2014 are conditional upon the actions they needed to take due to FY 2013 budget sequestration and other rescissions. Some agencies that had to postpone outputs, actions, or investments formerly planned for FY 2013 will now fund them, instead, in FY 2014. Others have made permanent changes to their programs in FY 2013 to fund new initiatives in FY 2014.
- Statistical agencies are making and will continue to make very tough decisions about what surveys they can continue with assurance of statistical reliability, how frequently they will be able to survey, and what surveys or related activities may need to be discontinued.
- The Decennial Census, the Economic Census, and the Agricultural Census, which provide the necessary benchmarks for all other representative sample surveys conducted by the public or private sector, have adequate funding in the near term.

BACKGROUND

While easy to take for granted, federal statistics undergird a wide swath of academic and public research. The products of the U.S. Census Bureau provide the most comprehensive data in the world for demographic, sociological, economic development, and market research. The Bureau of Labor Statistics produces the statistical backbone for research on labor economics and the workforce, where, for example, hypotheses on such topics as unemployment, wages, and gender, age, or ethnic opportunities/biases can be tested. Basic economic research on the metrics of economic growth is conducted by and as a result of measures provided by the Bureau

of Economic Analysis. The Bureau of Transportation Statistics provides basic data for those who conduct national research on transportation. But it is not just economics and business research that are informed. Federal data are critical for national and regional research on disease transmission, epidemiology, aging, and nutrition outcomes on health (from National Institutes of Health statistical collections and the National Center for Health Statistics, among others). Data from agencies including the U.S. Geological Survey, NASA, and USDA's Natural Resources Conservation Service facilitate research on the relationship between human activities and environmental quality at small and large scales. Federal statistics derive from scientifically sound survey techniques and provide the unbiased, representative statistics by which we judge success in such widely varied objectives as trade competitiveness, educational attainment, agricultural productivity, prevention of drug abuse, and justice for all.

Because the costs of surveys and data collection are constantly increasing, even stable funding for a statistical agency means a reduced ability to continue to collect data on which researchers rely.

Generally speaking, cuts to the budget of a statistical agency can have any or all of four effects on the research community: (1) Reductions in funding could mean that certain surveys are no longer conducted, leaving researchers who depend on those surveys' data without current (or future) information; (2) A bad tradeoff is that surveys continue to be conducted but have lower accuracy due to decreased sample size; (3) Staff cuts, through attrition under a hiring freeze or imposition of furloughs, means that researchers will have a harder time contacting the right person for assistance in getting access to microdata or for questions about the data, and data quality may suffer; (4) Finally, for statistical agencies that have had grants programs, cooperative research programs, or other collaborations with the research community, one of the least painful ways to absorb a budget cut is to reduce extramural funding rather than reducing staff, surveys, or data quality. This last consequence reduces the federal funding base for researchers outside of the statistical agency.

Over 100 distinct agencies, offices, divisions and centers in the federal government spend a minimum of \$0.5 million each on the collection of statistics. Table 1 shows budget history for only the 13 federal agencies and offices designated by the U.S. Office of Management and Budget as "principal statistical agencies" by virtue of their exclusive focus on

statistical collection and/or analysis, and their production of important national indicators. In this chapter I overview the top 10 of these, by budget level.

Table 1. Principal Statistical Agencies in the Federal R&D Budget
(budget authority in millions of dollars)

	FY 2012	FY 2013*	FY 2014	Change FY 12-14*	
	Actual	Estimate	Budget	Amount	Percent
Bureau of the Census	972	827	1,013	186	22.5%
<i>Current Programs</i>	283	--	286	--	--
<i>Periodic Programs</i>	689	--	727	--	--
Bureau of Labor Statistics	609	577	610	33	5.7%
Bureau of Economic Analysis	92	89	100	11	12.4%
Statistics of Income, IRS	39	38	37	-1	-2.6%
Natl Agriculture Stats Service	117	109	118	9	8.3%
<i>Census of Agriculture</i>	42	42	42	0	0.0%
Economic Research Service	78	71	79	8	11.3%
Energy Information Admin	105	99	117	18	18.2%
Natl Center for Health Stats	159	159	181	22	13.8%
Natl Center for Education Stats	125	103	140	37	35.9%
Bureau of Justice Stats	52	42	64	22	52.4%
Bureau of Transportation Stats	26	26	26	0	0.0%
Natl Center for Sci and Eng Stats, NSF	43	42	49	7	16.7%

Source: Agency budget justifications and statements.
Figures rounded to the nearest million. Changes calculated from unrounded figures.

The U.S. Bureau of the Census is the leading source of data about the nation’s people, their characteristics, and their communities. Every 10 years the Census Bureau counts every resident in the United States. Known as the Decennial Census, the survey collects basic information to determine where the U.S. population resides and how it is distributed by gender, race and ethnicity and age. The Census Bureau’s American Community Survey (ACS) annually samples a portion of the U.S. population to simultaneously collect data on age; gender; family and relationships; income and benefits; health insurance; education; veteran status; disabilities; where people work and how they get there; where people live; and how much they pay for some essentials. This is the gold standard for researchers exploring relationships among features of the American population, such as among race, income and proximity to services, or between gender and educational attainment under different family relationship patterns. It is also the basis for projecting future demand for various goods and services. Among the

Census Bureau's economic surveys is its Economic Census, which collects basic data on the characteristics of all industries in the U.S. by geographic regions small and large. These data are used, for example, in research on how and why businesses cluster geographically, and for estimating the effects of programs such as minority contracting guidelines, trade policies, and job retraining. Both the demographic and economic data collected by the Census Bureau are also vital for research by material scientists, behavioral scientists, epidemiologists, toxicologists, environmental scientists and others who study how natural or manmade phenomena affect people and places, and vice-versa.

After sequestration and a Department of Commerce rescission, the Census Bureau received an effective appropriation of \$872 million for FY 2013, meaning that there will be product delays in the Economic Census, and a non-critical program has been temporarily suspended. But the sequestration cuts are not sustainable into FY 2014 if critical core programs are to remain unaffected. The FY 2014 budget, which includes a healthy increase for the decennial survey, would provide funding to develop and pilot-test innovative survey technology and efficiency-gaining, cost-cutting survey collection methods for the 2020 Census. These include automation options, optimizing a mix of different modes (electronic, mail, and in-person) of data collection, and possible supplementation of the sample frame using administrative records. The FY 2014 budget would also facilitate the completion of data collection and reporting of 5-year benchmarking for the Economic Census.

The Bureau of Labor Statistics (BLS) collects data from establishments that employ people and from households, to assure timely delivery of statistics on jobs, wages and benefits, employment (and unemployment), characteristics of the labor force, working conditions, productivity, and occupational safety, by occupation and region. Research on employment dynamics, the complex relationship between economic conditions and unemployment, and the sources and effects of productivity and technological change, on the economy relies on the availability of BLS data. BLS also conducts the Consumer Expenditure Survey, and develops and maintains an index of prices for items and services on which consumers spend. These provide comprehensive intertemporal data that enable research on the growth of services in the economy, the influence of prices changes and household characteristics on consumer expenditure patterns, and other consumer behavior and market research. Since 2003,

BLS has conducted the American Time Use Survey, which measures the amount of time people spend on various activities, such as paid work, childcare, volunteering, and socializing, and where they do it. Its data have been used to conduct research on the relationship between eating, sleep patterns, and health, recreational pursuit, social isolation, and measurement of automobile accident risk.

In FY 2013, as a result of budget sequestration, the BLS has stopped measuring green job products; discontinued its Mass Layoff Statistics Program, which has provided data that identify, describe, and track the effects of major job cutbacks in the economy; and eliminated its International Comparisons program, which allowed consistent comparisons of employment and workforce characteristics between the U.S. and other countries. The President's FY 2014 budget, which restores \$27 million of the more than \$30 million lost to sequestration, would allow progress on critical data improvements that were planned for 2013, and for heavier investment in remaining BLS programs. The bureau would add an annual supplement to its survey of households on timely topics, and modify the Consumer Expenditure Survey to support the Census Bureau in its development of a new statistical measure of poverty.

Bureau of Economic Analysis (BEA). Anyone who does research on the state of the U.S. economy, factors affecting economic growth, or trade dynamics depends on BEA. The agency prepares national, regional, industry, and international accounts that measure economic growth, regional economic development, inter-industry relationships, and the nation's position in the world economy. These include Gross Domestic Product, the U.S. balance of payments and the trade balance. In 2012, BEA released new measures of household expenditures on health care classified by disease, a feature that facilitates the study of factors driving growth in health care spending. The agency also has a robust intramural research capacity which it uses to further basic methodology of economic statistics and indicators. The FY 2014 budget proposal for BEA is an increase over the agency's FY 2012 and FY 2013 funding, which would allow it to make an investment in capturing and measuring the implications of foreign direct investment and modernize its information technology system. With this level of funding, BEA would also be able to continue producing GDP figures more frequently, and by industry sector, a boon to researchers studying economic growth patterns.

The National Center for Education Statistics (NCES) is the primary federal entity for collecting and analyzing data related to education in the U.S. and in comparison with other nations. It measures the output of America's educational system and provides vital data to anyone concerned with the supply of trained manpower produced by schools and colleges and with the subjects that are being taught. Its National Assessment of Educational Progress is a nationally representative survey of what America's students know and can do in various subject areas. Of great value to researchers is its Early Childhood Longitudinal program that follows samples of children from birth through eighth grade, providing data to analyze the relationships among a wide range of family, school, community, and individual variables with children's development, early learning, and performance in school. NCES also follows a cohort of beginning teachers over time, collects data on adult literacy, and compares U.S. educational achievement with that of other countries. Of additional interest to researchers, NCES manages a grants program for which Requests for Applications are issued several times a year. The NCES would realize an increase in funding under the proposed 2014 budget. It would use these new funds to more precisely follow international students, collect additional data for assessment of student aid, and pilot a survey of adult training and education with the Census Bureau and BLS.

The National Center for Health Statistics (NCHS) maintains the nation's vital statistics system tracking births, deaths, marriage and divorce. The agency conducts a number of surveys of health care providers and of households' health records and behaviors. NCHS' National Health and Nutrition Examination Survey (NHANES) is designed to assess health and nutritional status, and is particularly unique in that it combines interviews and physical examinations of individuals. Of growing interest is a set of NCHS surveys carried out with the National Institute of Aging in order to obtain a longitudinal perspective on a sample of people 70 years of age and over to measure changes in the health, functional status, living arrangements, and health services utilization of Americans as they age. NCHS data are the basis for research on how routines, habits, circumstances and environment interact to affect health, and are key in evaluating the success of policies and programs directed at health care improvement.

The Centers for Disease Control evaluation program through which NCHS receives funding was not affected by sequestration in FY 2013, so

the agency's funding has been relatively stable from FY 2011 to FY 2013. The President's FY 2014 budget reflects a slight increase, which would be used to expand information from NCHS' suite of provider surveys in order to monitor health care utilization more closely, and to improve automation of electronic reporting on births and deaths. These plans facilitate research and evaluation of health care reforms.

The National Agricultural Statistics Service (NASS) conducts the Census of Agriculture every 5 years. This census collects detailed county level agricultural data on all commodities produced in the U.S. as well as detailed information on farm expenses, income, and operator characteristics. Research on the agricultural sector and its interactions with local economies relies heavily on the availability of these data. On a more frequent but less detailed basis, NASS produces crop and animal commodity production reports. The agency also produces intra-year survey-based periodic information on the progress of crop acreage, growing conditions, and yields. This provides data for examining the effects of weather on production and, since the preannounced releases of these data move commodity futures market prices, researchers studying the reaction of free markets to new information have a long running data series on the stimuli for market dynamics. Farm and ranch irrigation, agricultural chemical use, and land rental surveys provide data that are useful for explorations of agricultural productivity as well as the farming sector's interaction with the natural environment.

While NASS did receive funds in FY 2013 to continue to collect and process data for the 2012 Census of Agriculture, sequestration of FY 2013 funds meant that it had to suspend 10 commodity-specific statistical surveys and reports. The FY 2014 budget proposed for NASS would restore the agency's funding back to pre-sequestration levels, which is only very slightly above its funding for ongoing programs in FY 2012. FY 2014 funding would support ongoing programs at NASS, a new farm and ranch irrigation study, and detailed, accessible reporting of new data from the 2012 Agricultural Census.

The USDA's Economic Research Service (ERS) transforms data from NASS, the Bureau of the Census, and other statistical agencies to develop farm account statistics that become part of BEA's overall measures of national economic growth and performance. ERS funds and helps NASS carry out the Agricultural Resource Management Survey, the single source

of national data that links agricultural practices, the characteristics and finances of farming operations on which practices are applied, and the financial and demographic characteristics of the farm households that operate the farms. This annual survey is a major source of data used by researchers and policy analysts who are testing hypotheses about the farm economy, farm land use, and natural resources in relation to various farm practice, demographic, and financial variables. ERS also itself conducts policy analysis on the economic consequences of possible directions for the food environment, natural resource conservation and rural economic growth and maintains a competitive grants program on economics of nutrition.

ERS FY 2013 funding was effectively cut (from FY 2012 levels) by around 9 percent as a result of sequestration and a USDA rescission. This means ERS has had to reduce the content or frequency of, or suspend, periodic reports on the outlook for prices and consumption of agricultural commodities. It has also discontinued updates for several data series and reduced the level of geographic detail for data on agricultural productivity. The FY 2014 proposed budget for ERS would bring it back to its FY 2012 level, permitting a fuller implementation of ongoing programs. ERS would also implement an initiative to strengthen its use of behavioral economics and statistical use of administrative records for policy analysis.

The Energy Information Administration (EIA) provides a wide range of information and data products covering energy production, stocks, demand, imports, exports, and prices, and prepares analyses and special reports on topics of current interest, including renewable energy use. EIA also compiles data on U.S. greenhouse gas emissions. EIA data are collected and presented in fairly frequent series with great specificity as to source, geography, and industry, features that make it excellent for research on energy or the environment. As a result of sequestration in FY 2013, the agency suspended its Annual Energy Review, but will provide more annual data through its Monthly Energy Review and consolidation of other reports. The proposed FY 2014 EIA budget would allow the agency to complete its 2012 Commercial Buildings Energy Consumption Survey to provide U.S. benchmarks on energy management, and initiate a 2014 household survey of residential energy consumption with demographic and household characteristics. It also plans to modernize its National Energy Modeling System and improve and enhance researcher access to EIA data.

The Bureau of Justice Statistics (BJS) collects, analyzes, publishes, and disseminates data and information on crime, criminal offenders, victims of crime, and the operation of justice systems at all levels of government. It provides the data for research on a wide range of topics including recidivism, civil rights in the justice system, prison populations, and law enforcement. FY 2014 BJS funding would improve criminal victimization statistics, expand the use of administrative data, and expand surveys of inmates to inform the process of re-entry.

The National Center for Science and Engineering Statistics (NCSES) of the National Science Foundation collects, interprets, analyzes, and disseminates objective data on the science and engineering enterprise, providing data for and conducting research on research. It is responsible for statistical data on R&D; the science and engineering workforce; U.S. competitiveness in science, engineering, technology, and R&D; and the condition and progress of advanced science and technology education in the United States. The President's FY 2014 budget would provide funding to conduct a survey of R&D-funding nonprofit institutions; collect state-level R&D data more frequently; and expand the use of administrative records to augment existing survey information on the relationship of federal grants to Science, Technology, Engineering, and Mathematics (STEM) educational outcomes and innovation.

CONCLUSION

At this point in time, the core statistical programs of the principal statistical agencies are intact and can be carried out with the FY 2014 levels of funding proposed by the President. Although the agencies have trimmed costs and phased out low priority activities prior to FY 2013, the experience with budget cuts in FY 2013 and the need to continue to conduct accurate and reliable surveys with little or no budget increases over FY 2012 have led most agencies to consider and experiment with potentially cost-cutting survey techniques and technology and the use of administrative data to supplement survey data. There is also substantial attention being paid to priority-setting and the assignment of relative priorities to each activity in agencies' overall portfolios.