

## President's FY 2020 Budget Request for the Department of Commerce—Additional Details | March 29, 2019

While the majority of the details of the President's fiscal year (FY) 2020 budget request were made public the week of March 18 (read COSSAs analysis), full details for some agencies and departments—including the Department of Commerce—were delayed. The Department of Commerce has broad jurisdiction, serving not only as the home for the Census Bureau and the Bureau of Economic Analysis (BEA), but also for the National Oceanic and Atmospheric Administration (NOAA), National Institute of Standards and Technology (NIST), U.S. Patent and Trademark Office (USPTO), Economic Development Administration (EDA), and the National Telecommunications and Information Administration (NTIA). The Administration has since released more details for the Department of Commerce's budget request, including their full request for the Census Bureau and the BEA.

## At a glance...

- The FY 2020 request for the Census Bureau is \$6.2 billion in appropriated funds, an increase of \$2.3 billion over the FY 2019 level.
  - o A total of \$5.3 billion in FY 2020 appropriated funds would go towards the **2020 Census**, in addition to an additional \$1 billion in unspent prior years' funds, for a total of \$6.3 billion; this amount is over \$1 billion less than the amount the Bureau projected it would need for FY 2020 in its most recent Life-Cycle Cost Estimate.
  - o Given recent court decisions to remove the **citizenship question** from the 2020 Census, and the Supreme Court's agreement to render a final verdict by June, the Census Bureau is preparing for a decennial census that does not include the citizenship question, knowing that it could very well need to re-add it just months before Census Day.
- The request includes \$108 million in funding for the Bureau of Economic Analysis (BEA), a \$7 million increase over FY 2019.
- The budget request proposes that the Under Secretary for Economic Affairs oversee a \$7 million initiative (\$5 million from the Census Bureau and \$2 million from BEA) to support the implementation of the *Foundations for Evidence-Based Policymaking Act of 2018*.
- The budget includes consistent language across the requests for Census, BEA, and the Bureau of Labor Statistics (BLS) affirming that the Administration intends to move forward with its plans to move BLS to the Department of Commerce.

Read on for COSSA's full analysis of the FY 2020 budget requests for the Census Bureau and BEA.

The Department of Commerce's FY 2020 budget request can be found at: https://www.commerce.gov/about/budget-and-performance/FY-2020-congressional-bureau-justification.

## Census Bureau

The 2020 Census will take place during FY 2020, and the Administration's request for the Census Bureau consequently reflects a substantial increase to account for the massive scale of the decennial operation. The FY 2020 request for the Census Bureau is \$6.2 billion in appropriated funds, an increase of \$2.3 billion from the FY 2019 level. This amount does not include an additional \$1.02 billion in funds for the 2020 Census that were appropriated but not spent in previous fiscal years and will be used to supplement funds appropriated in FY 2020.

The request would provide the Census' Current Surveys and Programs with \$264.0 million, a cut of \$6 million from the FY 2019 enacted level (this total does not include \$20 million in mandatory funding). The Periodic Censuses and Programs account, which includes the 2020 Census, the American Community Survey, the Economic Census, and the Census of Governments, among other programs, would receive a total of \$5.9 billion in FY 2020 appropriated funds, a \$2.3 billion increase compared to FY 2019. This amount does not include the additional \$1 billion in unobligated prior years funds.

A total of \$5.3 billion in FY 2020 appropriated funds would go towards the 2020 Census, in addition to the \$1 billion in previous years' funds, for a total of \$6.3 billion. Curiously, this amount is over \$1 billion less than the \$7.4 billion the Bureau projected it would need for FY 2020 in its most recent <u>Life-Cycle Cost Estimate</u> published in December 2017. No explanation is given for the difference between the amount requested and the estimate.

Hanging over the Bureau's decennial preparations is the <u>citizenship question</u> (not mentioned in the Administration's budget request), which was a last-minute addition to the questionnaire from Secretary of Commerce Wilbur Ross in March 2018. After outcry from Census stakeholders and several lawsuits, two district courts ruled that the addition of the question violated the *Administrative Procedures Act* and must be removed. The Supreme Court later <u>agreed to take up the case</u>, promising to render a final verdict by June. This leaves the Census Bureau in the strange position of preparing for a decennial census that does not include the citizenship question, knowing that it very well could be directed by the Supreme Court to re-add it just months before Census Day. It is unclear how this legal uncertainty will affect the costs of the Census Bureau's preparations.

Activities planned for FY 2020 include a final push of preparation ahead of Census Day, including opening field offices nationwide, forming partnerships with local organizations, finalizing the advertising campaign, and printing and packaging the mailings. Once the decennial census has begun, efforts will continue to encourage self-response by internet, telephone, and paper; hundreds of thousands of field staff will be trained and deployed to collect responses; and the Bureau will work to coordinate the operations, data collection, and data processing systems. As the count wraps up, the Census Bureau will begin to process, analyze and prepare the results for publication and close out the massive operation.

The American Community (ACS) would receive a total of \$218 million, a 3.3 percent increase compared to FY 2019. Despite the increase in funding (which would be used for inflationary adjustments), the budget request proposes to curtail field staff hours for non-response follow-up visits, which could "impact the quality of ACS data for lower levels of geography."

## Bureau of Economic Analysis

The request includes \$108 million in funding for the Bureau of Economic Analysis (BEA), a \$7 million increase from FY 2019. This total includes \$3.1 million for the Under Secretary of Economic Affairs. The request also proposes to combine BEA's National and Industry Economic Accounts to "promote improvements to existing statistics and faster development of new data products, including satellite accounts for key sectors of the economy." The request also includes \$2.1 million in additional funding to allow BEA to produce annual gross domestic product (GDP) statistics for Puerto Rico in order to enhance decision-making and investment.

The budget includes consistent language across the requests for Census, BEA, and the Bureau of Labor Statistics (BLS) affirming that the Administration intends to move forward with its plans to move BLS to the Department of Commerce alongside Census and BEA to enhance efficiency, reduce respondent burden, improve data quality, and protect privacy (and which has largely been supported by the statistical community). The three agencies plan to work together in "identifying next steps in fulfilling this proposal in FY 2020 and FY 2021, after the major field operations of the 2020 Census have been substantially completed."

The budget request proposes that the Under Secretary for Economic Affairs oversee a \$7 million initiative (\$5 million from the Census Bureau and \$2 million from BEA) to support the implementation of the *Foundations for Evidence-Based Policymaking Act of 2018*. The funds would be used to begin to develop a U.S. Federal Data Service (similar to the one proposed by the <u>Commission on Evidence-Based Policymaking</u>) to "promote government-wide data access and sharing, improve cross-agency data discovery and utilization, and enhance privacy and confidentiality practices." The initiative would support the newly-created Advisory Committee on Data for Evidence Building by implementing pilot projects designed to "1) improve access and use of data; 2) inform the acquisition of non-survey-based source data; 3) integrate those data with survey and administrative data, and; 4) pilot applications of new technologies and methods for the protection of privacy and confidentiality."

	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	FY 2020 vs. FY 2018	FY 2020 vs. FY 2019
Bureau of the Census	2814.0	3821.4	6149.4	118.5%	60.9%
Current Surveys and Programs	270.0	270.0	264.0	-2.2%	-2.2%
Periodic Censuses and Programs	2544.0	3551.4	5885.4	131.3%	65.7%
American Community Survey	213.6	211.4	218.0	2.1%	3.1%
2020 Decennial Census	2094.9	3015.1	5297.0	152.9%	75.7%
Periodic Economic Statistics (Economic Census & Census of Governments)	113.6	108.3	139.6	22.9%	28.9%
Bureau of Economic Analysis	99.0	101.0	108.0	9.1%	6.9%
National Economic Accounts	32.3	32.3	49.1	51.8%	51.8%
International Economic Accounts	34.7	34.3	36.0	3.8%	4.8%
Industry Economic Accounts	12.9	12.7	0.0	-100.0%	-100.0%
Regional Economic Accounts	18.8	18.6	19.8	5.5%	6.5%
Under Secretary for Economic Affairs	0.0	3.0	3.1	+\$3.0m	2.8%