

## 11. STRENGTHENING FEDERAL STATISTICS

Our economy's complexity, growth, and rapid structural changes demand that public and private leaders have unbiased, relevant information on which to base their decisions. Data on real Gross Domestic Product (GDP), the Consumer Price Index (CPI), and the trade deficit, for example, have a major impact on government spending, budget projections, and the allocation of Federal funds. They also are critical inputs to monetary, fiscal, trade, and regulatory policy. Economic data, such as measures of price change, have as well a significant influence on interest rates and cost-of-living adjustments that affect every American who runs a business, saves for retirement, or mortgages a home.

Similarly, timely, comparable data on the characteristics of the U.S. population are essential to monitor societal changes. Of great import in 2001 will be the delivery of Census 2000 data used to apportion congressional seats among the States, redistrict at State and local levels, and allocate locally each year nearly \$200 billion in Federal funds. In 1999 and 2000, our Nation invested the resources necessary to plan and implement the most extensive effort ever to count every American. Greater understanding of the value and importance of accurate and complete Census 2000 data has been realized through local partnerships established nationwide and through an ambitious advertising and promotion program.

The American Community Survey (ACS) is a revolutionary initiative of the statistical system that will provide community profiles similar to those from the decennial census on a far more current basis. For geographic areas with populations greater than 65,000, these profiles will be produced every year. For smaller areas, the ACS will accumulate or average data over several years to obtain annual estimates similar in quality and reliability to those currently available only once each decade. Thus, every jurisdiction ultimately will have annual information that illuminates change over time. (The official counts of the population will continue to come from the decennial census and the intercensal estimates program.) Because the American Community Survey will provide essentially the same information as the current decennial census long form, the Census Bureau plans to eliminate the long form in the 2010 Census, thereby focusing that effort on counting the population. In 2001, continued development of the Master Address File will be a key component of this longer-term strategy.

Under the aegis of the congressionally-mandated Interagency Council on Statistical Policy (ICSP), the principal statistical agencies continue to extend their collaborative endeavors to improve the overall performance and efficiency of the Federal statistical system. For example, the ICSP is supporting FedStats

(www.fedstats.gov), the "one-stop shopping" Internet site for Federal statistics that permits easy access via an initial point of entry to the wide array of statistical information available to the public from 70 Federal agencies. In 1999, FedStats increased from 28 to 40 the number of agencies whose data series are indexed there, developed a Kid's Page to foster improvements in statistical literacy by linking to agency Web pages especially designed for children in elementary through high school, and launched an interactive map-based application to access State and county data.

The statistical system is also working effectively to enhance the quality of the data agencies produce. For example, last year the Administration actively supported House passage of the Statistical Efficiency Act of 1999 (H.R. 2885) that will permit limited sharing of confidential data among selected agencies solely for statistical purposes. Enactment of this legislation will create the framework for statistical agencies to compare and improve the quality of their data. Senate passage of this legislation, and congressional action on a companion Treasury Department proposal that would make complementary changes to provisions set forth in the "Statistical Use" section of the Internal Revenue Code, continue to be top priorities of the Administration.

Despite these accomplishments, rapid changes in our economy and society, and funding levels that do not enable statistical agencies to keep pace with them, can threaten the relevance and accuracy of our Nation's key statistics. Any growing inability of our statistical system to mirror accurately our economy and society, including the unprecedented growth of electronic commerce, could undermine core government activities, such as the accurate allocation of scarce Federal funds. Fortunately, the most serious shortcomings of our statistical infrastructure would be substantially mitigated by five proposals set forth in the Administration's budget. In particular, these initiatives would:

- develop an integrated statistical base for analysis of the effects of E-business across our Nation's products and industries, including changes in the structure of investment, pricing, and distribution practices (Bureau of Economic Analysis and the Bureau of the Census);
- support the tabulation, analysis, and dissemination of Census 2000 data and related evaluations of their accuracy and coverage in order to reap the benefits of Census 2000 investments (Bureau of the Census);
- improve coverage of the construction and service sectors in the Producer Price Index (which may also produce methodological techniques that further improve the Consumer Price Index) and en-

hance coverage of the service sector in BLS productivity estimates (Bureau of Labor Statistics);

- continue the phased implementation of the American Community Survey program to produce far more timely data for States and local areas that will be used for various purposes, including the distribution of nearly \$200 billion in Federal funds annually (Bureau of the Census); and
- provide new statutory authority for the limited sharing of data among designated Federal agencies solely for statistical purposes. The proposed changes would permit these statistical agencies to manage information in many important respects as if they were part of a single agency, thereby increasing the accuracy of statistical estimates and the efficiency of Federal data collection.

### HIGHLIGHTS OF 2001 PROGRAM CHANGES FOR PRINCIPAL STATISTICAL AGENCIES

*Bureau of Economic Analysis:* Funding is requested to develop new data sources and methods to measure rapidly growing E-business activity and to incorporate that information into BEA's economic accounts. In order to account for the impact of E-business on the economy, BEA will work with other statistical agencies to: (1) ensure that E-business, including related investment, is captured in our estimates of Gross Domestic Product and other economic accounts data, and (2) develop estimates of the impact of E-business across products and industries, including investment, prices, and distribution.

*Bureau of Justice Statistics:* Funding is requested to: (1) develop an ongoing statistical program that provides systematic and recurring information on criminal victimization of persons with disabilities; (2) develop and monitor statistical measures designed to examine concerns about racial discrimination in the administration of justice; (3) gather administrative data from law enforcement agencies on the content and consequences of police-initiated stops of motorists for routine traffic violations; (4) begin converting existing paper-based collections of administrative data from State and local units of government to Internet-based, paperless collection programs; (5) gather information on changes over time in the incidence and prevalence, costs and consequences, and prosecutions, convictions, and sentencing of computer crime offenses; (6) produce consistent annual measures of the incidence of hate crimes; and (7) develop a tribal data collection program to collect data on the types and characteristics of criminal justice agencies operating in these jurisdictions.

*Bureau of Labor Statistics:* Funding is requested to: (1) extend Producer Price Index (PPI) coverage for the first time to the construction sector of the U.S. economy, and enhance coverage of the service sector in the PPI and in BLS productivity data; (2) begin a new survey to measure how Americans spend their time in order to improve assessments of national well-being and production, and produce diary estimates of time

Taken together, statistics produced by the Federal Government on demographic, economic, and social conditions and trends are essential to inform decisions that are made by virtually every organization and household in our Nation. The U.S. Federal statistical system comprises some 70 agencies that collect, analyze, and disseminate information for use by governments, businesses, researchers, and the public. Approximately one third of the funding for the statistical system provides resources for ten agencies that have statistical activities as their principal mission. (Please see Table 11-1.) The remaining funding is spread among some sixty agencies that carry out statistical activities in conjunction with other missions such as providing services or enforcing regulations. The following highlights elaborate on the Administration's proposals to strengthen the programs of the principal Federal statistical agencies.

spent in market work to evaluate existing estimates of hours of work; (3) provide technical guidance for a new Federal-State cooperative employment projections program to enhance the comparability of data among the States, and between State and national projections; (4) increase the scope of labor market information for States and local areas, and improve the statistical quality of local area unemployment statistics used to allocate Federal funds; (5) deploy and operate a comprehensive and sound information technology security environment (through a central Department of Labor appropriation); and (6) contract with the National Research Council (NRC) to develop improved methods to measure discrimination in labor markets and employment relationships.

*Bureau of the Census:* Funding is requested for Census 2000, for Census Bureau economic and demographic programs, and for renovation of the Bureau's headquarters at the Suitland Federal Center. For Census 2000, funding is requested to: (1) tabulate and disseminate data; (2) complete field work associated with the Accuracy and Coverage Evaluation (ACE) follow-up operations; (3) close out data capture centers and field offices that remained open longer as a result of increased work loads; (4) deliver to the President, by December 31, 2000, the data that will be used to apportion congressional seats among the States; (5) deliver local population counts to the States for redistricting by March 31, 2001; (6) compare data from the American Community Survey (ACS) with Census 2000 results; and (7) begin to evaluate census operations. For Census Bureau economic and demographic programs, funding is requested to: (1) measure E-business; (2) conduct an annual Survey of Minority-Owned Business Enterprises (SMOBE); (3) increase the coverage of export data; (4) continue planning for the 2002 Economic Censuses and Census of Governments; (5) improve measurement of economic well-being; and (6) redesign samples for household surveys. Funding is also requested to under-

take planning to renovate the aging, inadequate, and failing building systems at the Suitland Federal Center.

*Bureau of Transportation Statistics:* Funding is requested to: (1) establish a statistical consulting service to assist department-wide statistical activities and provide support for improving data quality and timeliness for departmental GPRA-related data; (2) develop measures of risk versus measures of exposure to improve the quality of transportation safety data; (3) continue work with the Federal Highway Administration to combine and coordinate the Nationwide Personal Transportation Survey with the American Travel Survey; (4) manage development of the congressionally mandated Intermodal Transportation Data Base, an Internet-based data access and dissemination tool that enables quick response to data-related questions; (5) improve data analyses on patterns of passenger travel and goods movements; (6) initiate development of a comprehensive National Spatial Data Infrastructure by integrating road network data developed at State and local levels; (7) improve statistical tools for geo-spatial data analyses and promote their use in transportation applications; and (8) undertake analyses as directed by Congress in the Transportation Equity Act for the 21st Century (TEA-21), including the International Trade Impact Study and other studies related to international transportation.

*Economic Research Service:* Funding is requested to: (1) analyze the effects of changes in the structure of the food and agriculture sectors on the competitiveness and efficiency of food and agricultural markets; (2) undertake research and outreach programs on international issues affecting the U.S. food and agriculture sectors and on alleviation of causes of global food insecurity; and (3) support an initiative on economic incentives for carbon sequestration and trace gas emissions control in agriculture. The decrease in ERS total funding reflects the proposal to return funds (\$12 million) for the evaluation of domestic food assistance programs to the Food and Nutrition Service.

*Energy Information Administration:* Funding is requested to: (1) overhaul the natural gas and electricity surveys and data systems to recognize and accommodate the changes in the natural gas and electricity industries brought on by deregulation and restructuring; (2) update EIA's 20-year-old energy consumption surveys; (3) enhance EIA's international analysis capabilities in order to assess carbon mitigation, permit trading, and other global climate change issues; (4) reverse the deterioration in data quality and accuracy in crude oil, diesel, gasoline, and natural gas production surveys;

and (5) continue development and integration of energy survey data collection and processing to reduce the costs and improve the timeliness of energy data.

*National Agricultural Statistics Service:* Funding is requested to: (1) establish a computer security architecture to strengthen NASS's cybersecurity in light of the market sensitivity of the reports released; (2) conduct a monthly hog survey to provide information covering the 17 largest hog-producing States, which account for 92 percent of the U.S. inventory; and (3) collect additional pesticide use information for an expanded list of field crops to address gaps in data needed for accurate chemical risk assessments under the Food Quality Protection Act. The net decrease in the Census of Agriculture program reflects the completion of the Agricultural Economics and Land Ownership Survey that is conducted once each decade.

*National Center for Education Statistics:* Funding is requested to: (1) continue redesign of the Integrated Postsecondary Education Data System (IPEDS) for a new web-based system; (2) improve dissemination of consumer information on college costs and prices; (3) support the Longitudinal Surveys Program, including the new Educational Longitudinal Study of 2002; (4) continue work on the Birth Cohort of the Early Childhood Longitudinal Study; (5) support Institutional Census Surveys for the Common Core of Data and Libraries programs; (6) improve the Statistics Research and Development Program; and (7) enhance the National Assessment of Educational Progress' research capabilities in Longitudinal Research and Exceptional Children Exclusion Research.

*National Center for Health Statistics:* Funding is requested to: (1) continue work with States to improve the vital statistics system, including movement toward implementing new model birth and death certificates, and helping to develop electronic birth and death registration systems; (2) proceed with the sample redesign for the National Health Interview Survey, part of a government-wide redesign of household surveys following the decennial census; (3) continue the field operations for the National Health and Nutrition Examination Survey; (4) make further improvements to surveys for monitoring the health care delivery system, including organizational and financial arrangements of providers, as part of a public/private effort to address major data gaps in this area; and (5) make data more readily available to users by improving timeliness and access through use of automated systems and the Internet.

**Table 11-1. 1999-2001 BUDGET AUTHORITY FOR PRINCIPAL STATISTICAL AGENCIES**  
(In millions of dollars)

	1999 actual	2000 estimate	2001 estimate
Bureau of Economic Analysis .....	43.1	43.8	48.9
Bureau of Justice Statistics .....	25.0	25.5	33.2
Bureau of Labor Statistics .....	398.9	413.4	453.6 <sup>1</sup>
Bureau of the Census .....	1,384.8	4,753.3	719.2
Periodic Censuses and Programs .....	1,238.7	4,613.3	545.4
Salaries and Expenses .....	146.1	140.0	173.8
Bureau of Transportation Statistics .....	31.0	31.0	31.0
Economic Research Service .....	65.0	65.4	55.4 <sup>2</sup>
Energy Information Administration .....	70.2	72.4	75.0
National Agricultural Statistics Service <sup>3</sup> .....	104.0	99.4	100.6
National Center for Education Statistics .....	108.0	108.0	126.5
Statistics .....	68.0	68.0	84.0
Assessment .....	36.0	36.0	38.0
National Assessment Governing Board .....	4.0	4.0	4.5
National Center for Health Statistics .....	94.5	105.0	110.0
PHS Evaluation Funds .....	67.8	71.7	76.7
Budget Authority .....	26.7	33.3	33.3

<sup>1</sup>Increase includes a new transfer of \$20.7 million from elsewhere in the Department of Labor to centralize the preparation of labor market information.

<sup>2</sup>Decrease reflects the proposal to return the 2000 transfer of \$12 million for the evaluation of domestic food assistance programs to the Food and Nutrition Service.

<sup>3</sup>Includes funds for the periodic Census of Agriculture and Special Studies of \$23.6, \$16.5, and \$15.0 (million) in 1999, 2000, and 2001, respectively.