

## 11. STRENGTHENING FEDERAL STATISTICS

Our democracy and economy demand that public and private leaders have unbiased, relevant, accurate, and timely 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, are critical inputs to monetary, fiscal, trade, and regulatory policy. They also have a major impact on government spending, budget projections, and the allocation of Federal funds. 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. 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.

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 half of the funding for the statistical system provides resources for ten agencies that have statistical activities as their principal mission (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.

Under the aegis of the congressionally-mandated Interagency Council on Statistical Policy (ICSP), the principal statistical agencies are extending their collaborative endeavors in order to improve the overall performance and efficiency of the Federal statistical system. In May 1997, the ICSP unveiled FedStats ([www.fedstats.gov](http://www.fedstats.gov)), a "one-stop shopping" Internet site for Federal statistics that permits easy access via an initial point of entry to the wide array of information available to the public from the 70 agencies. FedStats has been enthusiastically received both by Web watchers and by more than half a million users of Federal statistical information.

In July 1997, the Federal Interagency Forum on Child and Family Statistics issued *America's Children: Key National Indicators of Well-Being*, presenting in a single document 25 critical indicators concerning children's behavior, social environment, economic security, education, and health. The report represents a successful collaboration among the various Federal agencies that report regularly on aspects of children's lives. Additional new collaborative initiatives are addressing needs to improve integration of employer-provided health benefits and other nonwage compensation data and to identify statistical data requirements stemming from recent changes in welfare and health policy.

A singularly important initiative to improve the quality and efficiency of Federal statistical programs is a legislative proposal that would allow the sharing of confidential data among statistical agencies under strict safeguards. Passage of this legislation continues to be a top priority 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, increasingly threaten the relevance and accuracy of our Nation's key statistics. The growing inability of our statistical system to mirror accurately our economy and society will, in turn, undermine core government activities, such as the accurate allocation of scarce Federal funds. Fortunately, the most serious shortcomings of our statistical infrastructure could be substantially mitigated by four proposals set forth in the Administration's budget. In particular, these initiatives would:

- provide a comprehensive, integrated, and internationally comparable statistical base for analysis as well as reliable and timely information on the impact on the U.S. economy of increasingly integrated world markets (see highlights for the Bureau of Economic Analysis and the Bureau of the Census);
- modernize our basic industrial classification to reflect the structural and technological make-up of our economy and facilitate economic analyses that cover the entire North American Free Trade Agreement area (see the NAICS discussions in the highlights for the Bureau of Labor Statistics and the Bureau of the Census);
- improve the timeliness and accuracy of the CPI to permit more rapid revision in future years, to produce alternative measures of the change in the cost of living, to reflect more accurately changes in the quality of goods and services, and to allow more timely introduction of new goods into the CPI (see the CPI discussion in the highlights for the Bureau of Labor Statistics); and
- provide new statutory authority for the limited sharing of confidential statistical information among specific Federal statistical 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.

The following highlights elaborate on the Administration's proposals to strengthen the programs of the principal Federal statistical agencies.

## HIGHLIGHTS OF 1999 PROGRAM CHANGES FOR PRINCIPAL STATISTICAL AGENCIES

*Bureau of Economic Analysis:* Funding is requested to update and improve the data used in estimating GDP and national income and to continue moving forward on other key initiatives from BEA's Mid-Decade Strategic Plan for improving its economic accounts. Initiatives would produce: (1) new and improved measures of output and prices, by extending BEA's work on quality adjustments; (2) better measures of investment, savings, and wealth, by developing a comprehensive accounting for software; and (3) improved measures of international transactions, by expanding the coverage of rapidly growing international services and financial instruments.

*Bureau of Justice Statistics:* Funding is requested to: (1) support local law enforcement agencies' increased participation in the collection and reporting of hate crime statistics; (2) restore funding for the annual collection and reporting of detailed data from State and local governments on employment and expenditures for criminal justice purposes; and (3) provide for continued collection of police use-of-force statistics from local law enforcement agencies.

*Bureau of Labor Statistics:* Funding is requested to: (1) continue revision of the Consumer Price Index (CPI) by releasing the revised housing sample with data for January 1999, and completing the revision in 2000; (2) initiate improvements in the CPI revision process that would make it possible to revise the CPI more rapidly, allow BLS to produce alternative measures of change in the cost of living, improve the measurement of changes in the quality of goods and services, and provide a basis to bring new goods into the CPI on a more timely basis; (3) replace the Standard Industrial Classification (SIC) with the new North American Industry Classification System (NAICS) by continuing the recoding of each workplace in BLS' establishment list using the new classification; and (4) develop monthly national data on the number of job vacancies and labor turnover.

*Bureau of the Census:* Funding is requested to: (1) undertake final preparatory activities for the conduct of the 2000 Census including developing a comprehensive address list, establishing the required field infrastructure, printing questionnaires, and developing and manufacturing hardware and software to produce a more accurate and less costly decennial count; (2) review, edit, and disseminate the data collected for the 1997 Economic Censuses and the Census of Governments; (3) further the development and testing of the Continuous Measurement program, which would provide nationally comparable and consistent community-based data on an annual basis and permit elimination of the decennial census long form in 2010; (4) implement NAICS in current economic surveys to complement the work already undertaken for the 1997 quinquennial economic censuses; (5) improve the qual-

ity of construction, government, and service sector data used in Gross Domestic Product estimates; (6) perform research and support activities related to improving the measurement of income and poverty; (7) standardize the reporting of international trade data; and (8) begin transition to decentralized funding of the decennial revision of all monthly, quarterly, and annual household survey samples to conform to the anticipated redistribution of population that will be measured in the 2000 Census.

*Bureau of Transportation Statistics:* Funding is requested to: (1) maintain the core statistical programs of BTS, including the American Travel Survey, the Commodity Flow Survey, and the Transborder Surface Freight program; (2) produce and enhance data compilations and analyses concerning patterns of passenger travel and goods movements that are reported in the congressionally mandated Transportation Statistics Annual Report and companion publications; (3) extend efforts to provide technical assistance to State and local authorities; (4) initiate data collections and analyses related to international transportation; and (5) lead the Department of Transportation's development of more relevant and timely transportation system performance indicators.

*Economic Research Service:* Funding is requested to: (1) prepare estimates of the benefits of food safety, (2) support the analytical needs of small farmers, niche marketers, and others adversely affected by an industrializing agricultural sector; and (3) assess the effects of electric utility deregulation on rural communities. The decrease in ERS total funding reflects the proposal to reverse the 1998 transfer of funds (\$18.5 million) for the evaluation of domestic food assistance programs from the Food and Nutrition Service.

*Energy Information Administration:* Funding is requested to: (1) collect and analyze energy efficiency and renewable energy data; (2) perform energy end-use consumption surveys; (3) compile integrated energy end-use data; (4) model mid-term energy demand; (5) analyze greenhouse gas data; and (6) analyze carbon management policies and industry voluntary activities in support of the Climate Change Technology Initiative.

*National Agricultural Statistics Service:* Funding is requested to: (1) develop the statistical infrastructure needed to expand the agricultural pesticide use surveys to the horticulture/greenhouse industries; (2) lay the groundwork for the year 2000 decennial Agricultural Economics and Land Ownership Survey, which provides the only comprehensive data on agricultural land ownership, financing, and inputs by farm operators and landlords for each State; and (3) perform the first extensive census of aquaculture to provide consistent national and State level detailed data about aquacultural production. The decrease in NASS total funding reflects

a reduction in funding for the Census of Agriculture due to the cyclical nature of the program.

*National Center for Education Statistics:* Funding is requested to: (1) follow up on the 1992 National Adult Literacy Survey and enhance fast response post-secondary and vocational education surveys to collect performance indicator data; (2) support periodic data collections for the National Postsecondary Student Aid Survey, the Schools and Staffing Survey, and the National Household Education Survey; (3) enhance the coverage and quality for the kindergarten cohort and the coverage of the year 2000 birth cohort in the Early Childhood Longitudinal Survey; (4) institute the State and school district option for the 1999 Third International Mathematics and Science Study Replication at grade 8; (5) produce a crosscutting special report and analysis of education in the year 2000; (6) develop a special financial accounting handbook for school system use; (7) perform special fast response statistical surveys on critical

educational issues; and (8) fund initiatives in the National Assessment of Educational Progress (NAEP) that will enrich coverage of private schools and minority students, field test new items for the NAEP assessments, support implementation of the new NAEP Annual Assessment Schedule, increase support to selected schools to foster NAEP participation, develop the new NAEP market basket 2000 prototype, and implement the NAEP redesign including new technical requirements.

*National Center for Health Statistics:* Funding is requested to maintain at 1998 levels support for NCHS' core data systems, including the Vital Statistics System, Personal Interview Surveys, Health Care Surveys, and the National Health and Nutrition Examination Survey. NCHS is currently reexamining the content, sample size, and periodicity of a number of its data systems.

Table 11-1. 1997-1999 BUDGET AUTHORITY FOR PRINCIPAL STATISTICAL AGENCIES

(In millions of dollars)

	1997 actual	1998 enacted	1999 request
Bureau of Economic Analysis .....	40.6	42.3	48.4
Bureau of Justice Statistics .....	21.4	21.5	27.0
Bureau of Labor Statistics .....	360.8	380.5	398.9
Bureau of the Census .....	351.2	693.1	1,187.9
Periodic Censuses and Programs .....	216.2	555.8	1,027.8
Salaries and Expenses .....	135.0	137.3	160.1
Bureau of Transportation Statistics .....	24.7	<sup>1</sup> 25.0	31.0
Economic Research Service .....	53.1	<sup>2</sup> 71.6	55.8
Energy Information Administration .....	66.1	66.8	70.5
National Agricultural Statistics Service <sup>3</sup> .....	100.2	118.0	107.2
National Center for Education Statistics .....	79.8	91.0	104.0
Statistics .....	50.0	59.0	68.0
Assessment .....	29.8	32.0	36.0
National Center for Health Statistics .....	86.0	86.0	86.0
PHS Evaluation Funds .....	48.4	59.2	86.0
Budget Authority .....	37.6	26.8	.....

<sup>1</sup> Annualization of congressionally authorized \$12.5 million for first six months of 1998, pending reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA).

<sup>2</sup> Increase reflects the transfer of \$18.5 million for the evaluation of domestic food assistance programs from the Food and Nutrition Service.

<sup>3</sup> Includes funds for the periodic Census of Agriculture of \$17.5, \$36.3, and \$23.7 (millions) in 1997, 1998, and 1999, respectively.

