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July 1996

# FEDERAL STATISTICS

## Principal Statistical Agencies' Missions and Funding







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General Government Division

B-261871

July 1, 1996

The Honorable John Kasich  
Chairman, Committee on the Budget  
House of Representatives

The Honorable Stephen Horn  
Chairman, Subcommittee on Government Management,  
Information and Technology  
Committee on Government Reform and Oversight  
House of Representatives

In response to your request, this report identifies (1) the missions of the principal federal statistical agencies and (2) these agencies' funding and sources of funding for fiscal years 1994 and 1995.<sup>1</sup> We are separately reporting our findings on the related matters in your request, consisting of a description of the Canadian statistical system and identification of the statutory mandates of and authorities for U.S. statistical agencies.

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## Background

Many federal agencies collect and disseminate statistical information. Agencies that have funding of at least \$500,000 in a fiscal year for statistical activities are considered by the Office of Management and Budget (OMB) to be part of the federal statistical system. In fiscal year 1995, OMB listed 72 agencies that met this threshold. Of these agencies, 11 collect, analyze, and produce statistics as their primary mission.<sup>2</sup>

The Paperwork Reduction Act of 1980, as amended in 1986 and 1995, created the Office of Information and Regulatory Affairs (OIRA) in OMB and assigned the Director of OMB and the Administrator of OIRA the responsibility for coordinating federal statistical policy.<sup>3</sup> OIRA's Statistical Policy Branch is responsible for coordinating, among other things, (1) the functions of the federal government that concern gathering, interpreting, and disseminating statistical information and (2) the budgets of agencies in the federal statistical system, as well as for issuing an annual report summarizing the statistical activities of these agencies.

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<sup>1</sup>Throughout this report we use the generic term "agency" to refer to the organizational entities charged with the responsibility for the collection, production, and dissemination of statistical information.

<sup>2</sup>In 1995, OMB identified 10 agencies as the principal statistical agencies. We added the Department of the Treasury's Statistics of Income Division (SOI) because its mission is also primarily statistical. OMB's Chief Statistician and principal statistical agency officials agreed with this classification. All 11 agencies and their missions are listed in table 1.

<sup>3</sup>44 U.S.C. 3501.

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## Results in Brief

The 11 principal statistical agencies discussed in this report have a wide range of missions. The Bureau of the Census has a broad mandate to produce statistical information, such as the decennial, state and local government, and agricultural censuses. Other agencies collect, analyze, and disseminate data within a more narrow scope. For example, the Energy Information Administration (EIA) collects data and develops analyses on energy trends and the economic effects of these trends on regional and industrial sectors. The Bureau of Economic Analysis (BEA) collects little data of its own; rather, it uses data collected by other agencies to prepare and publish the U.S. economic accounts.

All 11 principal statistical agencies receive current-year appropriations from Congress, either as specific line item amounts or as allocations within other appropriations. Some agencies also receive reimbursement revenue for products or services provided to the public or to other government accounts.<sup>4</sup> In fiscal year 1995, 10 of the 11 principal statistical agencies together received about \$240 million in reimbursements from other federal agencies, state or local governments, or the private sector. Most of these reimbursements were for statistical services. Census, for instance, conducts the Consumer Expenditure Survey for the Bureau of Labor Statistics (BLS), which then uses data from this survey to update the market basket of goods that it prices to calculate the Consumer Price Index. Census receives more in reimbursements than any other agency in the federal statistical system. Census received nearly \$165 million in reimbursements in fiscal year 1995.

According to data obtained from officials of the 11 principal statistical agencies, the agencies received current-year appropriations of \$1.08 billion and \$1.13 billion in fiscal years 1994 and 1995, respectively. These amounts equal about 40 percent of the estimated total funding for those years for the statistical activities of all agencies in the federal statistical system.<sup>5</sup>

Statistical agencies often avoid duplication and reduce costs by sharing data or relying on one another for data collection. For example, through the decennial census, Census collects large quantities of data that are then provided to other agencies. Census does not charge other agencies for the

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<sup>4</sup>Reimbursements, authorized by law, are reported as offsetting collections and are subtracted from gross budget authority and outlays.

<sup>5</sup>This percentage can vary over time due to the cyclical nature of some statistical agency efforts, which cause these agencies to receive additional funding in some years. For example, Census receives no-year appropriations that are available for obligation until expended for the decennial census and other programs.

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collection of these data, although it does charge for providing special compilations of the data.

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## Objectives, Scope, and Methodology

Our objectives were to identify (1) the missions of the principal federal statistical agencies and (2) these agencies' funding and sources of funding for fiscal years 1994, 1995, and 1996. However, we did not include funding data for fiscal year 1996 in this report because, as of March 31, 1996, no final action had been taken on the appropriations bills for several of these agencies. We relied on OIRA's Statistical Policy Branch to identify the agencies in the federal statistical system. Among these agencies, we defined the 11 principal U.S. statistical agencies as those whose primary missions are to collect, analyze, and produce statistics.<sup>6</sup>

To address the first objective, we obtained and reviewed basic legislation and program descriptions of the 11 principal statistical agencies. In addition, we discussed the missions of these agencies with agency officials. To address the second objective, we obtained funding information from OIRA. This information is obtained annually through OIRA's inquiries to federal agencies, which OIRA uses to identify and report on agencies in the federal statistical system. We also asked program and budget officials of the 11 principal statistical agencies to verify and update funding information. We did not independently verify this funding information. Our review focused on the 11 principal agencies; therefore, we did not obtain actual funding data for the remaining agencies in the federal statistical system. Instead, we used recent OMB data for the estimated total funding of the federal statistical system.

We conducted our work between July 1995 and March 1996 in accordance with generally accepted government auditing standards. We requested comments on a draft of this report from the Director of OMB or her designee. On May 22, 1996, the Chief Statistician of the United States provided us with comments on the draft. Those comments appear at the end of this letter.

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<sup>6</sup>OIRA's Statistical Policy Branch functions include reviewing statistical agencies' budget proposals and developing long-range plans for the coordination of the federal statistical system. See Statistical Agencies: Adherence to Guidelines and Coordination of Budgets (GAO/GGD-95-65, Aug. 9, 1995).

## Missions of the Principal Federal Statistical Agencies

The 11 principal statistical agencies have a wide range of missions. In some cases, the focus of their missions is to collect, analyze, and produce statistical information that is closely tied to the work of their respective departments. For example, EIA is charged with meeting the Department of Energy's needs for "high quality, policy independent energy information." Similarly, SOI, which is located within the Internal Revenue Service, an agency of the Department of the Treasury, provides the statistical data needed for tax revenue estimation and analysis; SOI also supplies data to BEA that are included in the national economic accounts.

In some cases, the principal statistical agencies have broader missions involving the production and dissemination of information. Census, for instance, is charged with contributing to one of the Department of Commerce's missions—providing data to external users. To achieve this mission, Census produces a wide array of economic and demographic data. Table 1 lists the parent departments and the missions of the 11 principal statistical agencies.

**Table 1: Parent Departments and Missions of the Principal Statistical Agencies**

Department	Agency	Mission
Agriculture	National Agricultural Statistics Service (NASS)	NASS is responsible for undertaking surveys via mail, telephone, personal interviews, and field observations to obtain data on the production, price, and supply of crops and livestock; farm wages and employment; and general farm and crop growing conditions. NASS products include reports on estimates for livestock inventories, farm numbers and acreage, and farm labor. <sup>a</sup>
	Economic Research Service (ERS)	ERS is a research-oriented agency responsible for providing economic and other social science information and analysis related to the supply, demand, and performance of domestic and international food and agricultural markets; indicators of food and consumer issues; economic and environmental indicators of agriculture production and resource use; and socioeconomic indicators of the status and performance of the farm sector and the rural economy.
Commerce	Bureau of Economic Analysis (BEA)	BEA is responsible for preparing, developing, and interpreting sets of economic accounts that include national income and wealth accounts, state and regional income and product accounts, and international trade and balance of payments accounts. To prepare these accounts, BEA assembles monthly, quarterly, and annual economic data series—ranging from construction spending to retail sales—produced largely by other government agencies and trade sources. BEA then combines them into consistent and comprehensive sets of information on the national economy and its international and regional dimensions.

(continued)

Department	Agency	Mission
Commerce	Bureau of the Census	Census is a general purpose statistical agency responsible for collecting, tabulating, and publishing a variety of statistical data about the people and the economy of the nation. These data are utilized by Congress, the executive branch, and the general public. Census's responsibilities include the decennial census of population and housing; quinquennial censuses of agriculture, state and local governments, and domestic industries; special censuses done at the request and expense of states and localities; and statistical compilations on U.S. foreign trade. <sup>a</sup> In addition, many statistical agencies make use of Census's extensive field structure and data-gathering operations on a reimbursable basis.
Education	National Center for Education Statistics (NCES)	NCES is responsible for producing reports on institutions, staff, students, and schools at all levels of education and for disseminating information on a wide range of topics, such as social and economic status of children residing in local school districts, high school completions and dropouts, student progress and achievement, school safety, education finance, postsecondary student aid, and the characteristics of the education workplace.
Energy	Energy Information Administration (EIA)	EIA is responsible for collecting, processing, and publishing data in the areas of energy resource reserves and energy production demand, consumption, distribution, and technology, to assist government and nongovernment users in understanding energy trends. EIA is to develop analyses on energy trends and on micro- and macroeconomic effects of energy trends on regional and industrial sectors.
Health and Human Services	National Center for Health Statistics (NCHS)	NCHS is responsible for data on health and the use of health services, and explores the relationships between risk factors and disease. Its data sources include the nation's vital statistics system (on which NCHS works closely with the states) and surveys involving personal interviews, physical examinations and laboratory testing, and information from health care providers.
Justice	Bureau of Justice Statistics (BJS)	BJS is responsible for collecting, analyzing, and publishing statistical information on crime, its perpetrators and victims, and the operation of justice systems at all levels of government. BJS also assists states in developing and improving statistical capabilities and record systems. Examples of BJS data collection programs include the National Crime Victimization Survey and various statistical series covering populations under correctional supervision, federal and state court case processing, and administration of law enforcement agencies and correctional facilities.
Labor	Bureau of Labor Statistics (BLS)	BLS, the principal U.S. data-gathering agency in the field of general labor economics, is responsible for collecting, analyzing, and disseminating data on employment, prices and consumer expenditures, compensation and working conditions, productivity, and employment projections.
Transportation	Bureau of Transportation Statistics (BTS)	BTS is responsible for compiling, analyzing, and making accessible information on the nation's transportation systems, including intermodal transportation, and for enhancing the Department of Transportation's statistical programs through research, development of guidelines, and the promotion of improvements in data acquisition and use.

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Department	Agency	Mission
Treasury	Statistics of Income Division (SOI)	SOI is responsible for compiling and publishing statistical information based on samples of yearly tax returns. It provides data to the Department of the Treasury and Congress on income, financial, and tax issues.

<sup>a</sup>The President's budget for fiscal year 1997 proposes that NASS also assume responsibility for conducting censuses of agriculture, an effort currently undertaken by the Department of Commerce's Bureau of the Census.

Source: United States Government Manual and agency data.

In general, statistical agencies are required to ensure that the information they produce and disseminate to government and private users meets professional standards for data quality and independence from political interference.<sup>7</sup>

## Funding and Sources of Funding for the Principal Federal Statistical Agencies

All 11 agencies receive current-year appropriations from Congress, either as specific line item amounts or as allocations within other appropriations. Appropriations for some statistical agencies vary greatly over time because of the cyclical nature of some of their efforts, such as the decennial census. In addition, many agencies do statistical work on a reimbursable basis for other agencies, state or local governments, or the private sector. The funding of the 11 principal statistical agencies accounts for approximately 40 percent of the total funding for statistical activities in the federal government. Statistical agencies often avoid duplication and reduce costs by using statistics that Census produces as a result of conducting the decennial census. This census is funded by appropriations to Census, which does not charge agencies for basic statistics that are produced as part of the decennial census. However, it does charge agencies for special compilations of these statistics and for data that agencies request when those data are collected by means other than the decennial census.

## All 11 Agencies Receive Current-Year Appropriations

All 11 agencies receive some funding from appropriations. Appropriations for some statistical agencies vary greatly over time because of the cyclical nature of some of their efforts, such as the decennial census that requires several years to complete. To pay for such efforts, Census receives no-year appropriations, which are available for obligation until expended. The Census Bureau's level of no-year appropriations increases significantly

<sup>7</sup>See Statistical Agencies: Adherence to Guidelines and Coordination of Budgets (GAO/GGD-95-65, Aug. 9, 1995).



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during the periods when it is conducting the decennial census and other cyclical activities.

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## Reimbursements Are Another Source of Funding

Another source of funding for some statistical agencies is payment or reimbursement received for work performed for customers outside of these agencies. Under the terms of reimbursable programs, agencies can receive and spend payment for performing statistical work for customers on a contractual, or reimbursable, basis. These customers can include other agencies within the performing agencies' parent departments or other federal agencies, state or local governments, or the private sector. Five principal statistical agencies reimburse Census for collecting data on their behalf. For example, BLS reimburses Census for conducting the Current Population Survey, and NCES pays Census for work it performs on the Schools and Staffing Survey.

Through their reimbursable programs, agencies avoid the necessity for and expense of duplicative field staff for data collection. Ten of the principal statistical agencies did reimbursable work in fiscal years 1994 and 1995. For example, BLS received \$22.1 million and NCHS received \$28 million for reimbursable work performed during fiscal year 1995. SOI, in addition to the work it does for other agencies in the Department of the Treasury, does reimbursable work for BEA. Much of the reimbursable-program work is done for agencies within the respective departments of the statistical agency performing the work. Census has the largest reimbursable program. In fiscal year 1995, Census received nearly \$165 million for doing reimbursable work for other federal agencies, state or local governments, and the private sector. Officials from the principal statistical agencies said that Census's extensive field structure enables it to do large-scale household surveys faster and at a lower cost than private survey firms could.

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## Funding for Statistical Agencies for Fiscal Years 1994 and 1995

According to our analysis, during fiscal years 1994 and 1995, the 11 principal statistical agencies received 40 and 43 percent, respectively, of estimated direct federal funding for statistical activities. According to OMB, for fiscal year 1994, the more than 70 agencies then in the federal statistical system received \$2.7 billion in direct funding; of this amount, the 11 principal statistical agencies received \$1.08 billion. Similarly, during fiscal year 1995, the 11 statistical agencies received \$1.13 billion out of a total \$2.6 billion in direct funding for all statistical activities. Table 2 lists the funding of the principal agencies for fiscal years 1994 and 1995.

**Table 2: Funding for the Principal Statistical Agencies, Fiscal Years 1994 and 1995**

Dollars in millions						
Department/ agency	Appropriations		Reimbursements		Total funding <sup>a</sup>	
	1994	1995	1994	1995	1994	1995
Agriculture						
ERS	\$55.2	\$53.9	\$9.0 <sup>b</sup>	\$9.0 <sup>b</sup>	\$64.2	\$62.9
NASS	81.9	81.3	9.0	8.5	90.9	89.8
Commerce						
BEA	39.8	42.1	0.6	0.8	40.4	42.9
Census	238.3	277.9	164.8	164.9	403.1	442.8
Education						
NCES	87.0	90.0	1.3	3.0	88.3	93.0
Energy						
EIA	86.6	84.5	1.7 <sup>c</sup>	1.3 <sup>c</sup>	88.3	85.8
Health and Human Services						
NCHS	83.4	81.4	29.7	28.0	113.1	109.4
Justice						
BJS	20.9	21.4	0.7	1.2	21.6	22.6
Labor						
BLS	343.0 <sup>d</sup>	351.3 <sup>d</sup>	10.9	22.1	353.9	373.4
Treasury						
SOI	24.8	27.3	1.5	1.4	26.3	28.7
Transportation						
BTS	15.0	15.0	0	0	15.0	15.0
<b>Total</b>	<b>\$1,075.9</b>	<b>\$1,126.1</b>	<b>\$229.2</b>	<b>\$240.2</b>	<b><sup>e</sup></b>	<b><sup>e</sup></b>

<sup>a</sup>Total funding is appropriations plus reimbursements and is generally synonymous with gross budget authority.

<sup>b</sup>According to agency officials, ERS' reimbursements for fiscal years 1994 and 1995 as presented in the President's budget included services that were not statistical in nature. According to OMB, the reimbursements for statistical services were \$6.9 million and \$5 million in fiscal years 1994 and 1995, respectively.

<sup>c</sup>According to an EIA official, EIA performed reimbursable work in fiscal years 1994 and 1995 for an agency within the Department of Energy. This work was arranged for after budget submissions were finalized, and thus is not reflected in the President's budget information for those years.

<sup>d</sup>Amount includes transfers from the Unemployment Trust Fund.

<sup>e</sup>Total is subject to double counting (e.g., BLS receives direct funding, some of which it pays Census, where it is recorded as reimbursable program funding).

Source: Agency data and fiscal year 1996 and 1997 Appendixes to the Budget of the U.S. Government.

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## Reliance on Census Reduces Duplication and Costs

The Constitution requires that the nation's population be enumerated every 10 years.<sup>8</sup> In using survey questionnaires to carry out this task, Census collects large quantities of data. These data include information, such as social and economic status, education, gender, and age, that is relevant to the missions of other statistical agencies. For example, NCES is required to prepare a report on education by school district. According to an NCES official, the decennial census is the only current source of data that can be drawn on to accomplish this task. BJS also uses decennial census data to design the ongoing National Crime Victimization Survey, which asks members of the American public about their exposure to crime and its consequences for them. Census does not charge other agencies for collecting decennial census data or for providing the basic results obtained. However, Census does charge agencies for providing special compilations of the data they request.

By collecting data for other agencies at the time of the decennial census, Census helps avoid the need for agencies to arrange for or conduct their own surveys, thus avoiding the duplication and additional costs that would be associated with each agency's collecting these data separately. Census uses short- and long-form questionnaires to carry out the decennial census. Most residents are required to complete a short form. However, in the past, one in six residents has been required to complete a long-form questionnaire. According to a National Academy of Sciences report entitled Modernizing the U.S. Census,<sup>9</sup> the cost of including a long-form questionnaire in the 2000 census is estimated to be \$300 million to \$500 million, in 1990 dollars. Ten of the 11 principal statistical agencies and many other federal agencies use information collected through the decennial census long-form questionnaire as a source of data for their own statistical activities. If the agencies had to collect or arrange for the collection of these data on their own, it appears that the total cost would exceed the cost of having Census collect these data. For example, one agency, BTS—which uses data from 4 of the 54 questions on the census long form—has estimated that it would cost about \$127 million over a 7-year period for it to design and implement its own survey. Furthermore, a BTS official noted that any data collected by BTS would be of lesser quality than the data Census collects, because BTS would have to rely on a much smaller sample than Census does.

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<sup>8</sup>This requirement is codified at 13 U.S.C. 141.

<sup>9</sup>Washington, D.C.: National Academy Press, 1995.

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## Agency Comments

On May 22, 1996, we discussed this report with the Chief Statistician of the United States and staff of OMB's Statistical Policy Branch in OIRA. They generally agreed with the contents of the report and suggested various technical changes, which we have incorporated in the report where appropriate.

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We are sending copies of this report to the Secretaries of Agriculture, Commerce, Education, Energy, Labor, Health and Human Services, the Treasury, and Transportation; the Attorney General; the Director of OMB; the heads of the 11 principal statistical agencies; and other interested parties. Copies will also be made available to others on request.

If you have any questions concerning this report, please call me on (202) 512-4232. Major contributors are listed in the appendix.



Bernard L. Ungar,  
Associate Director, Federal Management  
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# Major Contributors to This Report

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# Related GAO Products

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Statistical Agencies: Adherence to Guidelines and Coordination of Budgets  
(GAO/GGD-95-65, Aug. 9, 1995).

Economic Statistics: Status Report on the Initiative to Improve Economic Statistics (GAO/GGD-95-98, July 7, 1995).

Economic Statistics: Measurement Problems Can Affect the Budget and Economic Policymaking (GAO/GGD-95-99, May 2, 1995).

Implementation of the National Performance Review's Recommendations  
(GAO/OCG-95-1, Dec. 5, 1994).

Measuring U.S.-Canada Trade: Shifting Trade Winds May Threaten Recent Progress (GAO/GGD-94-4, Jan. 19, 1994).

Management Reform: GAO's Comments on the National Performance Review's Recommendations (GAO/OCG-94-1, Dec. 3, 1993).

Decennial Census: Focused Action Needed Soon to Achieve Fundamental Breakthroughs (GAO/T-GGD-93-32, May 27, 1993).

Gross Domestic Product: No Evidence of Manipulation in First Quarter 1991 Estimates (GAO/GGD-93-58, Mar. 10, 1993).

Decennial Census: Opportunities for Fundamental Reform (GAO/T-GGD-92-51, June 10, 1992).

Decennial Census: 1990 Results Show Need for Fundamental Reform  
(GAO/GGD-92-94, June 9, 1992).

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