

February 6, 2006

CENSUS NEWS BRIEF

PRESIDENT SENDS FY07 BUDGET TO CONGRESS

**PLUS: *ACS Spared From Budget Cuts in 2006;
Census Dress Rehearsal Sites Set; and more***

President Bush sent his detailed Fiscal Year 2007 (FY07) budget proposal to Congress on February 6, setting in motion the process for funding federal programs starting October 1, 2006. The budget seeks **\$878.2 million for the Census Bureau**, nearly a ten percent increase over this year's funding level of \$801.9 million but less than one percent more than the President requested for Fiscal Year 2006 (FY06). A year ago, the President requested an 18 percent increase for the Census Bureau from 2005 to 2006.

In a statement on the President's budget, Commerce Secretary Carlos Gutierrez said the increase requested by the Administration will help "reengineer the collection of basic census data to meet constitutional and legal mandates in preparation for the 2010 Decennial Census, implement the American Community Survey to obtain detailed annual data, and modernize the Bureau's geographic database." The overall request of \$6.1 billion for the Commerce Department, the Secretary said, "maintains the Department's priorities of promoting job growth and U.S. competitiveness while also restraining discretionary Federal spending."

The Administration requested **\$511.8 million to continue planning the 2010 census**, an increase of \$64 million (about 14 percent) over the FY06 appropriation of \$447.8 million. The three components of a reengineered decennial census "focus on reducing operational risk, improving accuracy, providing more relevant data, and containing cost," the budget documents said. The Census Bureau will continue planning and testing a census that collects only basic demographic data "needed to fulfill constitutional and legal mandates;" implementing the American Community Survey (ACS) to replace the traditional census long form; and updating its geographic database (Master Address File and TIGER digital mapping system) and aligning map features with Global Positioning System coordinates.

In FY07, the Census Bureau will prepare for the 2008 Census Dress Rehearsal, developing software, hardware, and telecommunications infrastructure for Local Census Offices, technology to assist with address canvassing before the dress rehearsal starts, and data processing systems. The Census Bureau is also required by law (Title 13, U.S.C.) to submit proposed topics for 2010 census questions to Congress by April 1, 2007, three years before Census Day. Because there will not be a long form in 2010, the Census Bureau will likely submit topics for the short form and finalize questions for the American Community Survey.

The President's FY07 budget does not specify the amount of 2010 census funds to be used for the **ACS**; however, other Census Bureau documents indicate a proposed appropriation of roughly **\$180 million** for the survey. The first American Community Survey estimates for places of 65,000 or greater population will be released this summer. Congressional district level data will be available in August 2007. The Census Bureau added group quarters to the survey for the first time this year.

The Administration is seeking **\$73.7 million for the MAF/TIGER Enhancements Program**, less than the program received in 2006 due to anticipated completion of MAF and TIGER database modernization and consolidation this year. The budget calls for correcting geographic locations in an additional 690 counties in 2007 as part of the multi-year effort to improve TIGER accuracy.

Funding for the decennial census is part of the Periodic Censuses and Programs ("Periodics") account, one of two main funding categories for the Census Bureau. The President's budget seeks \$694.1 million for Periodics in FY07, an increase of \$87.7 million over FY06. The Periodics account covers activities related to the census, intercensal population estimates, and other cyclical programs.

Economic statistics: In 2007, the Census Bureau prepares for the quinquennial Economic Census and Census of Governments, taken in the years ending in "2" and "7." The data is collected in early 2008, reflecting 2007 activities and information. The President requested **\$82.4 million for the Economic Census**, an increase of \$15.0 million over FY06, to print questionnaires, develop processing systems, begin outreach to the top 500 companies, and create a mailing list. The Economic Census, funded through the Periodics account, covers the manufacturing, mining, retail and wholesale trade service, construction, and transportation industries.

The second main funding category for the Census Bureau is Salaries and Expenses (S & E). The budget proposes **\$184.1 million for S & E**, \$11.5 million less than this year's appropriation of \$195.5 million. The S & E account covers ongoing surveys to collect important demographic, economic, and social data. The President did not request funds for the Survey of Income and Program Participation (SIPP), signaling the Census Bureau's intention to significantly restructure its data on income and poverty. No further details are available at this time, but the Census Bureau will continue to measure income and poverty through the Current Population Survey and the American Community Survey.

The Census Bureau is one of two statistical agencies under the purview of the Commerce Department's Economic and Statistics Administration (ESA). The second agency, the Bureau of Economic Analysis (BEA), produces key economic statistics, including Gross Domestic Product, that support U.S. monetary and fiscal policies, trade negotiations, business planning, and personal savings and investment decisions. The President proposed a budget of **\$76.5 million for BEA** in FY07, an increase of \$1.2 million over the FY06 funding level of \$75.3 million. The request will allow BEA "to continue to produce some of the Nation's most important economic statistics and to preserve the significant advances made by BEA over the past 5 years," according to a statement from the agency, but does not include money for any new initiatives in 2007.

2006 Funding Recap:

"We also have funded the Census Bureau at \$812 million, which allows the census to move forward with the 2010 census. The census is America's database, and we need to keep it contemporary." **U.S. Senator Barbara Mikulski, 11/16/05**

"I am especially pleased that we were able to fund the Census Bureau at the higher House level. This will allow for the continuation of the important American Community Survey which provides accurate, up-to-date information on housing, demographic and socioeconomic conditions in our country." **U.S. Representative Jose Serrano, 11/9/05**

Congress gave final approval in November to the Census Bureau's funding bill for Fiscal Year 2006, sparing the agency from deep budget cuts proposed earlier in the year by the Senate. President Bush signed the Science, State, Justice, Commerce, and Related Agencies Appropriations Act into law on November 22 (Public Law 109-108).

The spending bill allocated \$812.237 million for Census Bureau programs, \$65 million less than President Bush requested for the fiscal year that began October 1. The Census Bureau received enough money to continue fielding the American Community Survey (ACS) for a second year and to add group quarters to the survey for the first time.

However, an across-the-board rescission that applied to all discretionary programs in the bill reduced that amount by 0.28 percent. Congress further reduced funding for all discretionary programs by one percent when it passed the Defense Appropriations measure in December (see chart below).

During debate on the final conference bill (H.R. 2862), House appropriations subcommittee Chairman Frank Wolf (R-VA) said the funding increase for the Census Bureau would result in "more accurate and timely census data." Many lawmakers in both chambers highlighted their concerns about funding levels for law enforcement and anti-drug programs, perhaps foreshadowing continued competition for scarce resources in the Science/Justice/Commerce account in future years. Last June, the House approved an amendment that shifted \$20 million from the Census Bureau to local law enforcement and international interdiction programs to fight the growing use of methamphetamines.

(Numbers in thousands of dollars)	FY05 Funding	President's Request (FY06)	Conference Report	Final FY06 Funding	President's Request (FY07)	Requested Increase/Decrease
Salaries & Expenses	\$196,110	\$220,029	\$198,029	\$195,500	\$184,067	(\$11,433)
Periodic Censuses & Programs	\$548,688	\$657,356	\$614,208	\$606,363	\$694,092	\$87,729
2010 Census Redesign	\$163,073	\$214,479	\$203,849	\$201,200*	\$258,300*	\$57,100*
American Community Survey	\$144,122	\$169,948	\$169,948	\$167,800*	\$179,800*	\$12,000*
MAF/TIGER Enhancements	\$81,449	\$79,799	\$79,799	\$78,800*	\$73,700*	(\$5,100)*
TOTAL	\$744,798	\$877,385	\$812,237	\$801,863	\$878,159	\$76,296

Note: Periodic Censuses & Programs includes several other activities in addition to the three components of the 2010 decennial census function listed.

***Rounded to the nearest hundred thousand dollars.**

2008 Dress Rehearsal set for CA and NC: The Census Bureau will conduct a dress rehearsal for the 2010 decennial census in San Joaquin County, CA, and a nine-county region including and surrounding Fayetteville, NC, in 2008. The California site, just south of Sacramento, site of the 1998 dress rehearsal, was chosen as representative of "an urban location with a multilingual population and an assortment of group quarters housing," the bureau said. The North Carolina site represents "a mix of both [*sic*] urban, suburban and rural areas and has two military bases." The counties of Chatham, Cumberland, Harnett, Hoke, Lee, Montgomery, Moore, Richmond and Scotland are part of the NC site.

Census Director C. Louis Kincannon called the traditional dress rehearsal "an opportunity for the Census Bureau to conduct an operational test of the overall design for the 2010 Census. While we have tested certain parts of the plan, the dress rehearsal is our first opportunity to see how well all of the pieces fit together."

House panel plans more oversight in '06: The House Subcommittee on Federalism and the Census will conduct a series of hearings this year, including some in the field, to monitor planning for the 2010 census, according to a top congressional staffer. Speaking at the quarterly meeting of the Council of Professional Associations on Federal Statistics in December, John Cuaderes, the panel's staff director, said the hearings would especially focus on the use of new technologies in 2010 and the role of contractors in developing infrastructure for census operations. Other possible hearing topics include the Local Update of Census Addresses (LUCA) and Post Census Local Review programs; modernizing and updating census address lists and digital maps; and enhancing the American Community Survey to track Hurricane Katrina evacuees, a particular interest of subcommittee Chairman Michael Turner (R-OH).

Mr. Cuaderes also told meeting participants that congressional overseers are discussing the establishment of an independent board to monitor the 2010 census, a proposal reminiscent of the Census Monitoring Board created in the late 1990s. An independent panel "could be a useful tool," Mr. Cuaderes said, but the composition would be "fairer" than its 2000 census predecessor. The eight members of the previous monitoring board were appointed in equal numbers by President Clinton and Republican leaders in Congress, with co-chairs from each political party.

Commenting on the uphill battle to secure adequate funding for the Census Bureau in 2006, Mr. Cuaderes predicted that the American Community Survey would be vulnerable to budget cuts in Congress for another six years. He urged stakeholders to develop a "comprehensive, coherent strategy" for educating lawmakers about the survey's importance.

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