

# Fiscal Year 2024 Funding Recommendation: U.S. Census Bureau

<u>The Census Project</u> recognizes President Biden for proposing a slight increase in funding for the U.S. Census Bureau in his Fiscal Year (FY) 2024 budget (\$1.6 billion), over the agency's FY 2023 funding level (\$1.5 billion). Congress will now consider the President's request as it finalizes the Census Bureau's FY 2024 budget.

Our network of diverse census stakeholders urges Congress to provide the agency with \$2 billion (\$394 million more than the President's request, and a \$521 million increase from FY 2023) in FY 2024.

The <u>Administration's request</u> supports a number of important initiatives, but it does **not** include sufficient additional funding to support other priorities identified by the census stakeholder community, including:

- Enhancing the American Community Survey (ACS) (see The Census Project report).
- Strengthening the Population Estimates and Federal-State Cooperative for Population Estimates programs.
- Investing early and fully in 2030 Census preparations.
- Accelerating initiatives to make Census data timelier and more accessible and to reduce survey respondent burden.

Additional funding, above the Administration's request, is necessary for the agency to not only realize the full potential of several initiatives outlined in the Census Bureau's proposed FY 2024 budget request, but also to support other priorities identified by census stakeholders.

### **Highlights: President Biden's FY 2024 Budget**

The President's FY 2024 budget proposes important initiatives that are priorities for census stakeholders.

#### **Transform Data Infrastructure**

The President's budget request outlines several initiatives designed to transform the way in which the Census Bureau proposes to collect and disseminate data. One of the largest is the Enterprise Data Collection & Dissemination Systems initiative (\$280 million in FY 2024, which is an increase of \$54 million over FY 2023). The proposal supports "major data collection, processing, and dissemination systems and associated research for the Census Bureau's programs," including:

- Integrating the "Enterprise Data Lake (EDL) with the Data Collection and Ingest for the Enterprise (DICE) programs. The DICE program will deploy functionality in support of several demographic and economic surveys and provide operational support for use of the DICE systems. It will also begin developing functionality to support onboarding additional surveys in subsequent years. Finally, the program will expand the use of ingest capabilities for third-party and administrative data."
- Implementing the Evidence Act "to increase research at the Census Bureau, support more complex, multi-agency, large dataset projects, and bring new types of researchers to the Census Bureau, including those new to research and in need of mentoring, and an initiative to improve the Census Bureau's ability to measure the impact of the environment and natural disasters on people and economy."
- Supporting the ongoing Frames Initiative which would integrate four major enterprisewide frames (Geospatial, Business, Job, and Demographic) to increase "ease and usability of Federal statistical data while decreasing duplicative efforts;" enhance the "quality of Federal statistical products about the nation's people and economy;" and facilitate "more precise analyses of the nation's population, geography, and economy."
- Advancing "software engineering and data science applications at the Census Bureau" and continuing "research on improving data collection methods."

The Bureau also proposes increased funding for the Current Demographic Statistics program (\$127 million, which is an increase of \$8 million over FY 2023) to:

- Establish and maintain "an infrastructure that supports improvements to intercensal population estimates, including improvements to the estimates base used to develop the annual population estimates."
- Formalize "a pilot program to re-use administrative records to improve measurement of health care characteristics and advance the nation's understanding of population health."
- Research "innovative approaches to generating estimates about smaller population groups for the Current Population Survey" and "formalizing the Community Resilience Estimates program," to move beyond its original pandemic focus and provide granular population data regarding areas affected by natural disasters.

#### **Investments in Decennial Census Programs**

Although the 2020 Census was just recently completed, the Census Bureau is already a third of the way into the 2030 Census planning cycle. Funding for the 2030 Census must begin "ramping up" early in the decade to support critical testing and operations geared toward achieving an inclusive, accurate, and cost-effective decennial census. To this end, the Bureau has proposed an increased funding level of \$408.9 million, which is \$160.1 million over the function's FY 2023 funding level, to support 2030 Census preparations. This funding would be used to support the Bureau's selection of an operational design in 2024 as well as pursue design innovations in five key areas:

- "Enhancing data collection to more effectively reach and enumerate the nation, including historically undercounted and other populations of special focus;
- Modernizing group quarters enumeration to address complex and evolving living situations;

- Integrating data processing with data collection to address issues and improve quality in real-time;
- Streamlining the operational support infrastructure to improve effectiveness; and,
- Developing an approach to optimize end-of-decade enumeration by building on alternative data and methods throughout the decade."

The American Community Survey (ACS), as part of the decennial census account, is slated to receive a minor funding increase in FY 2024 (\$259.8 million, which is a \$9 million increase over the program's FY 2023 level). With this funding, the ACS program will:

- Continue to "evaluate the use of administrative data to fill in missing demographic data as well as comparing the differences between administrative and survey response data for multiple items, such as acreage, citizenship, veteran status, property value, and income."
- Research "ways to update systems and programs to implement selected demographic administrative records into some of the post data collection processing operations based on lessons learned from the 2020 Census."
- "Research and test question wording on SOGI [sexual orientation and gender identity] topics, specifically for proxy response, response in self-response modes, and translation."
- "Provide a testbed for innovative survey and data processing techniques that can be used across the Bureau," including the 2030 Census.

## **Completion of Economic Census and Economic Data Innovations**

As the Census Bureau winds down work on the 2022 Economic Census, funding for the Periodic Economic Programs is slated to receive \$166 million in FY 2024—\$24 million below the program's FY 2023 funding level. With respect to the Economic Census, this funding would be used to conduct "follow-up activities to increase response, complete data collection, complete the process that captures company changes to update the master list of businesses, perform micro and macro analytical data review, and release 'first look' national industry data."

Funding for the Current Economic Statistics program, on the other hand, would receive \$249 million in the FY 2024 budget, an increase of \$28 million over the account's FY 2023 funding level. According to the Bureau's budget justification, these additional resources would be devoted to:

- "A new program designed to measure the production of advanced and emerging technologies by U.S. businesses."
- Expansion of "the Post-Secondary Employment Outcomes Program, which provides data on earnings and employment outcomes for college and university graduates by degree level, degree major, and post-secondary institution."
- A new "annual Puerto Rico Economic Survey and a monthly/quarterly economic indicator collection for Puerto Rico."

### **Additional Investments**

Enhancing the American Community Survey: In 2021, local communities, entrepreneurs, urban planners, major corporations, and thousands of others that depend on annual data from the Census Bureau's ACS were stunned when both major annual data releases were delayed or replaced with experimental data due to quality issues. Years of underinvestment (and the pandemic) have degraded ACS data, precluded necessary increases in the survey's sample size and shortchanged the Bureau's ability to address steadily declining response rates, revise content, and make other methodological and operational improvements.

In response, in 2022, The Census Project commissioned a report outlining recommendations for how to enhance the survey's content and operations. The report, which is in process of being updated in 2023, urges an infusion of \$100 to \$300 million to protect the ACS from further data quality deficiencies, enhance non-response follow up operations, increase the survey's sample size, reduce respondent burden, and develop new data products, as well as considering adding new questions and survey content that are needed to ensure the ACS is accurately capturing data about the nation's increasingly complex population and households. Strengthening the ACS is also essential given its role as a test bed for the next decennial—especially as the ramp up to the 2030 Census commences.

**Improving the Population Estimates:** The annual series of Population Estimates produced by the Census Bureau set the denominators for the Bureau's key demographic surveys, especially the ACS and the Current Population Survey, affecting federal funds distribution and key economic and health indicators. However, the Census Bureau's Population Estimates Program, which produces the estimates, has 33% fewer staff and 20% less funding in constant dollars than in 2004. This is untenable given the significant operational disruption in the 2020 Census and resulting differential undercounts of racial and ethnic population subgroups, renters, rural areas, and young children. The Population Estimates are a major opportunity to mitigate the consequences of those differential undercounts. A more robust Estimates improvement program at the Census Bureau would make consistent changes across all states, with greater outreach to states and localities that have high-quality data to share but lack the capacity and resources to engage in the Bureau's adversarial Population Estimates Challenge Program. Greater accuracy also requires a more flexible and collaborative approach to the previous Population Estimates appeals process, allowing local and tribal governments to submit a wider range of high-quality data to improve local counts than was allowed after the 2010 Census. State, city, county and tribal officials, as well as demographers, statisticians, and researchers support an expanded (and renamed) Population Estimates Improvement Program.

Although the President's FY 2024 budget request recommends increasing funding for the Population Estimates Program (\$6.2 million above the FY 2023 level), the level falls short of what stakeholders have identified as the necessary level of support. The Bureau needs \$6.3 million in additional funding in FY 2024 for additional staff to modernize the Population Estimates Program, building on the new "blended base" approach that retains accurate census counts augmented by high-quality official data from states, cities, counties, towns, tribal governments, and other localities to help improve the accuracy of their annual estimates, and

translate the Base Evaluation Review Team's research findings into more accurate Population Estimates. This long-overdue increase in Population Estimates Program funding represents a modest investment to ensure trillions of taxpayer dollars over the decade are spent fairly.

Stakeholders are also calling for Congress to provide \$23.7 million to support a grant program to strengthen the Federal-State Cooperative for Population Estimates program that would ensure each state has a dedicated demographer, GIS analyst and support staff. The Census Bureau lacks authority to administer such a program, but funding this program through the Department of Commerce **Office of the Under Secretary for Economic Affairs** would enable the states to better contribute to the Population Estimates and also assist all localities—especially smaller ones—within each state to participate as needed in an expanded appeals program, without creating an unfunded mandate on local communities that need to remedy 2020 undercounts.

Maximizing Investment in 2030 Census Preparations: As we are already a third of the way into the 2030 Census cycle, stakeholders are unified in their support for ensuring the Census Bureau has robust funding early in the decade to support preparations for the next decennial. Funding shortfalls during the last decade forced the Bureau to scale back strategic field tests—a decision that may have contributed to the less accurate counts of racial and ethnic populations, rural areas, and young children in the 2020 Census. Investing in the 2030 Census now will allow the Bureau to sustain essential capabilities and schedules and reduce the risk of requiring unplanned, additional funding in the peak planning years later in the decade. While the President's request proposes an increase to support 2030 preparations, census stakeholders urge Congress to scrutinize the Bureau's recommendation to determine if the funding level is sufficient to fully support activities that the agency must invest in now to ensure the future success and cost-efficiency of the 2030 Census.

**Prioritizing the Survey of Income and Program Participation (SIPP):** Policymakers, particularly in this volatile, post-pandemic economy, need high quality, accurate data to assess the impact of government assistance programs on families and communities. SIPP is designed to achieve that goal, yet its funding has fluctuated routinely. The FY 2024 budget does not explicitly outline the program's proposed funding level. Stakeholders urge Congress to press the Census Bureau for additional details regarding SIPP and to ensure that the program receives increased funding in FY 2024 to modernize the survey and operations.