



THE CENSUS PROJECT

Supporting quality measures of America's economy and places

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The Census Project Fiscal Year 2025 Funding Recommendation

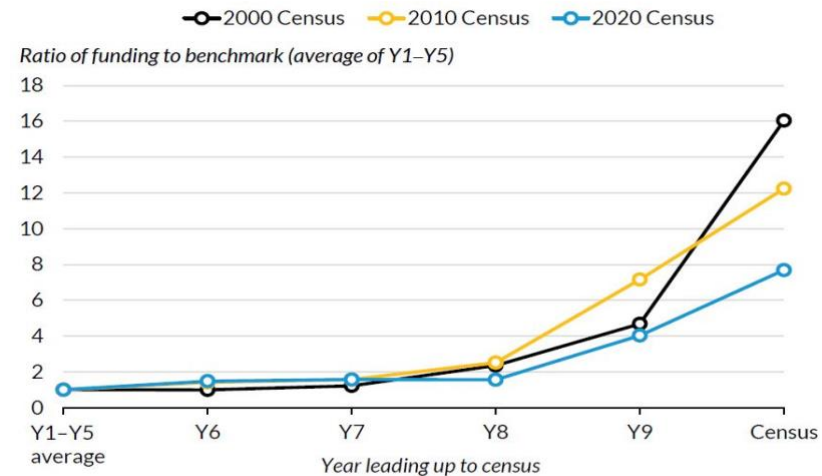
To fulfill its mission and pursue other essential operational innovations, The Census Project recommends Congress provide the U.S. Census Bureau with \$2 billion in Fiscal Year 2025.

Introduction

Fiscal Year 2025 (FY 2025) marks the midpoint in the ramp up to the 2030 Census. The Census Bureau will start enumeration operations for the 2030 Decennial in remote Alaska, just 4 and a half years after the end of FY 2025. It is a massive undertaking, requiring hundreds of operations that need to be planned, tested, and made ready for the U.S. government's largest peacetime civilian operation. As the below graph from the Urban Institute illustrates, historical trends affirm that increased funding in year 5 of the decennial census' decade-long planning trajectory is essential for the U.S. Census Bureau to conduct necessary research and preparations aimed at designing and implementing an inclusive, accurate, and cost-effective decennial census.

Census 2020 Funding Lags over the Decade

Authorized Presidential budget for Census Bureau, 1991-2020



Sources: See the "Budget Authority" Excel file available at "Supporting Materials," US Office of Management and Budget, accessed March 18, 2019, <https://www.whitehouse.gov/omb/supplemental-materials/>.
Note: Authorized budget reflects the amount of funding Congress allows a federal agency to commit to spend.

URBAN INSTITUTE

In addition to accelerating its 2030 Census preparations, in FY 2025, the Bureau needs robust funding to enhance and improve the over 130 ongoing survey and program operations, particularly sustaining the American Community Survey (ACS) which provides continuous data about the nation’s ever changing demographic and socioeconomic characteristics and informs the distribution of over \$2.8 trillion annually in Federal funding. The Bureau also needs funding to, among other things, modernize, consolidate, and integrate legacy survey frames; test and implement revisions to Federal race and ethnicity data collection standards; pursue enhanced uses of administrative records; and better tackle the historic undercount of hard-to-reach populations, especially young children, across all of its surveys. The Census Project funding recommendation highlights several of these areas as well as other priority initiatives identified by census stakeholders, underscoring the need for \$2 billion in FY 2025.

Investments Proposed by the U.S. Census Bureau

In FY 2025, census stakeholders anticipate that the Census Bureau will prioritize investments in the 2030 Census and agency-wide transformation initiatives intended to deliver more comprehensive, more timely and more relevant data for the common good. Census stakeholders support such a focus.

2030 Census

Sadly, we learned one important lesson in the ramp up to the 2020 Census. Budget shortfalls and frequent continuing resolutions compelled the Census Bureau to curtail or cancel key mid-decade tests that would have evaluated innovative enumeration strategies targeting historically hard-to-count populations and allowed the Bureau to fully launch its traditional end-to-end test or “dress rehearsal.” Census stakeholders attribute, in part, the historically high undercount of Latinos, American Indians, and young children in the 2020 Census to the Bureau’s truncated mid-decade planning schedule. Census stakeholders urge Congress to avoid the same mistake by investing in the 2030 Census starting in FY 2025.

In FY 2024, in preparation for the 2030 Census, [the Bureau requested](#) \$408.9 million (\$160.1 million over the function’s FY 2023 funding level) to select an operational design and pursue 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.”

Census stakeholders support increases over the agency’s FY 2024 request to sustain the 2030 Census planning schedule in FY 2025. These investments are much needed to improve coverage of smaller population subgroups that have been historically undercounted, enhance coverage of small geographies especially rural areas, tribal governments, and remote areas, and to improve operations to accelerate the pace of delivery of data products vital to the nation.

Data Infrastructure Transformation

In its [FY 2024 Congressional Budget Justification](#), the Bureau outlined several initiatives designed to transform the way in which it collects and disseminates data. The goal is to create a new data-centric ecosystem that enables the Census Bureau to “deliver the right statistical information at the right time in actionable formats to address diverse data user needs. One of the largest is the Enterprise Data Collection & Dissemination Systems initiative. 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 enterprise-wide 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.”

Combined, these efforts put the Census Bureau on a course to transform and enhance its business processes at a scale never before considered. Continued investment in these expansive, ambitious innovations in FY 2025 is imperative if the agency is going to improve and modernize the way in which it collects and disseminates data and designs future data products.

Additional Investments

Census stakeholders have identified several areas requiring additional support in FY 2025.

Enhancing the American Community Survey (ACS): 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 was updated in 2023, urged 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 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—and to make the ACS relevant to the agency's broader data infrastructure transformation initiative.

The ACS benefits from the Bureau's enterprise-wide reforms, especially linked data assets, modernized data processing tools, and enhanced analytical capabilities. However, it is essential for the Census Bureau to receive additional specific investment for the ACS itself, in order to fully exploit the enterprise modernization while at the same time enhancing the reliability, timeliness and quality of ACS data products. Since it is the largest survey the Bureau conducts, the ACS sits at the center of the Bureau's planned data infrastructure transformation. The ACS is a prime beneficiary as well as contributor to the success of the enterprise effort, and therefore needs additional support to ensure it is providing the entire agency and the public with the highest quality infrastructure and data products. In a sense, ACS is the heart of the agency's broader transformation initiative and therefore critical in determining how well the Bureau achieves its modernization goals.

Improving the Population Estimates: The annual updated series of Population Estimates produced by the Census Bureau set the denominators for the Bureau's key demographic surveys, such as the ACS and the Current Population Survey, as well as economic and health indicators like unemployment and infection rates and determine the flow of more than \$2 trillion a year in population-based federal funding. Following operational disruptions in the 2020 Census that resulted in significant undercounts of racial and ethnic population subgroups, rural areas, young children and renters, the Census Bureau plans to modernize and improve the accuracy of the Population Estimates, which would help mitigate the geographic and demographic undercounts and right size federal funding to states, counties, tribes, and municipalities.

Population Estimates improvement will require an additional \$12.8 million in FY 25 above the FY 23 baseline, to build 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. This will build capacity in the Population Estimates Program and allow staff to translate the Base Evaluation Review Team’s (BERT) research findings into more accurate annual 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.

The Administration laudably requested \$6.2 million of the \$6.3 million needed in FY 2024 for new staff and equipment for the Population Estimates Program. Senate report language directed the Census Bureau to commit the funding, which Director Santos has said will be difficult without any growth in overall Census funding.

FY 2025 funding would expand the work of the BERT from a project focused on improving the base of the population estimates, to an overall improvement program. This improvement program would also garner insights from research and expand and refine the data assets and methodologies used to develop the population estimates. It would also expand community and stakeholder engagement by soliciting, acquiring, and using new and local data sources, local knowledge, and developing a partnership with federal, state, and local entities to enhance the understanding and use of the estimates and ensure that state and local governments receive their fair share of federal spending.

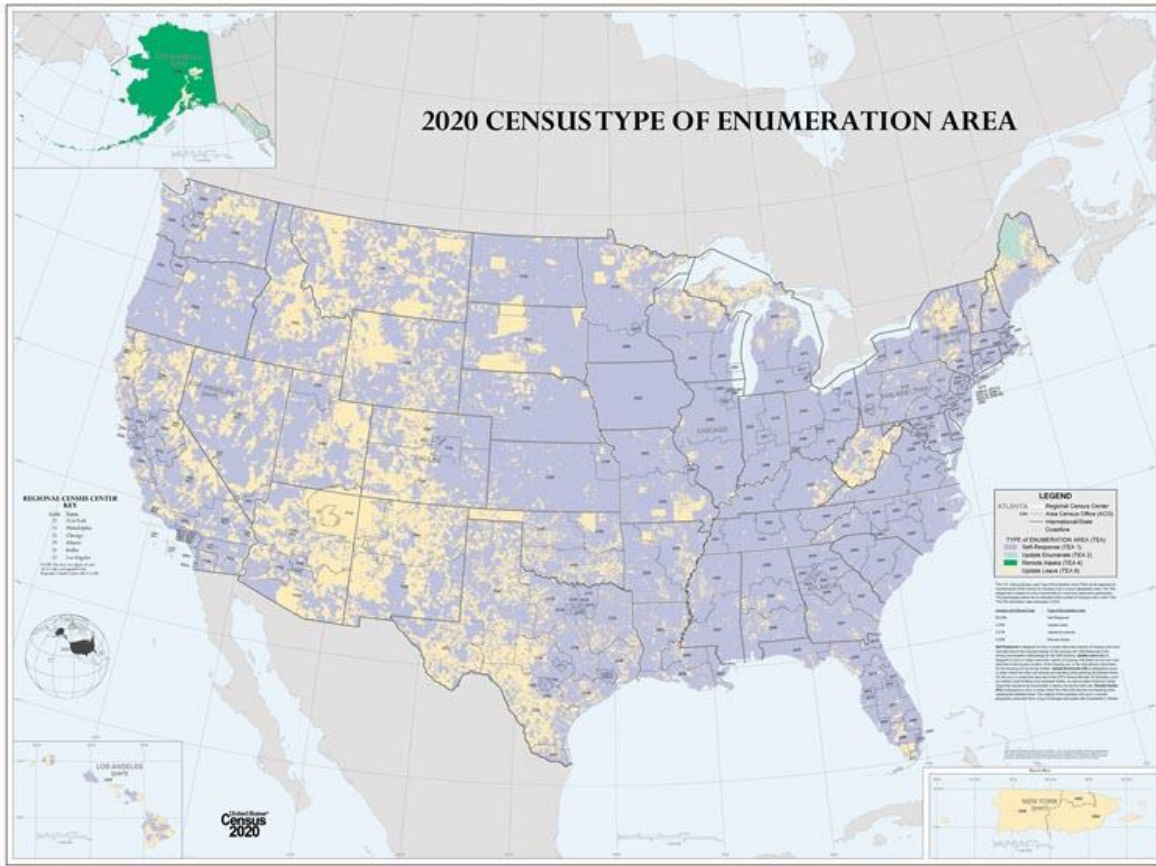
Failure to fund estimates improvement would delay undercount mitigation for at least a year.

Improving the Master Address File: Complete, current local address information is essential to census and survey accuracy and coverage. The overall transformation agenda at the Census Bureau continues to be broadly successful, and GAO cited the new continuous Master Address File updates before the 2020 Census updates using satellite and machine-readable data as an innovation that avoided higher costs and limited the need for field surveys. The Master Address File is likely the most accurate and up to date ever; the next step needed is continuous uptake and update of addresses based on local data, and harmonizing the formats used by localities and even Census Bureau units.

The once-a-decade Local Update of Census Addresses (LUCA) program was established as a visionary decennial partnership program in 1994, and remains the principal avenue for municipalities, counties, and tribes to submit updated address information, such as in the case of New York City’s extensive LUCA efforts in past decades. The benefits of this updated data have historically only been available for the decennial census or in years ending in 0. More broadly, local, county, and tribal governments have varying levels of resources, staffing, expertise, and ability to plan for a major data effort every 10 years. The result is disparate participation, quality, timeliness, and usability, limiting the completeness of the Master Address File and therefore the fairness and accuracy of Census Bureau data products. Continuous effort with localities would benefit other Census surveys, especially the American Community Survey,

Survey of Income and Program Participation (SIPP), the Current Population Survey (CPS), the Economic Census and the more than 100 other surveys the Census Bureau conducts. Appeals of census counts are adversarial, expensive, and generally have a low return on investment.

Using modern satellite imagery and technology, the Census Bureau improved its address file and expanded the number of households that could self-respond to over 87% of the housing units, reducing the need for expensive in-person follow up operations.



A more customer-friendly path could ensure local data and knowledge are included on the *front* end, and to serve all the Bureau’s missions. To that end: the Geographic Support Program will require an additional \$20 million in FY 25 for an improved, more comprehensive, and continuous MAF update using local data. New Census Bureau Geographic Data Support Specialists (GDSS) in every state will work with municipalities, counties, tribes, and the states. The GDSS will support local provision of more frequent address updates. This will increase accuracy, improve efficiency, and avoid significant field costs to update the Master Address File, LUCA, the Boundary and Annexation Survey, the Building Permit Survey, and decennial address canvassing for the Census Bureau. A pilot LUCA for 10-15 jurisdictions in 2026 will test usability and applicability in different areas. Continuous effort would also reduce the unfunded mandate

on local governments to participate in ensuring the Bureau has the most updated local address records.

While these staff will be supported and paid by the Census Bureau, and managed by existing regional geographers, they will be based in the states, in office space within the existing State Data Centers or Federal-State Cooperative for Population Estimates. The Census Bureau will develop and share best practices and open-source software adapted for use by governments of any size, utilizing lessons learned from state and tribal pilot programs. Additional funding and updated practices across the Census Bureau and support for localities are crucial, but not sufficient; U.S. Postal Service policies need to change to provide more comprehensive address data to the Census Bureau.

Prioritizing the Survey of Income and Program Participation (SIPP): Policymakers, particularly in this volatile 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. In 2023, the Census Bureau announced its intent to cut the SIPP sample size permanently by 34 percent, alarming data users and stakeholders alike who believed this action would degrade the reliability and utility of SIPP data and impede their ability to make meaningful comparisons between demographic or geographic subpopulations. Data users and stakeholders argued that the Bureau should reverse course by restoring the survey's sample size and tackling the other big challenge facing the survey: declining response rates. The Census Project's FY 2025 funding recommendation includes \$11.4 million endorsed by SIPP users to restore the SIPP sample size and enable the Bureau to pursue other necessary innovations, such as improving the accuracy of month-by-month data and creating an Internet response option.