

## **Briefing Notes: April 2014**

### **The BLS Funding Situation**

The real value of appropriations to the Bureau of Labor Statistics (BLS) fell between 2004 and 2008, and has been falling again since 2009 (Figure 1). Its current purchasing power is less than it was in 2001. The agency has increasingly become unable to fulfill its basic responsibilities, despite its having made a series of cost-saving program changes since 2011, eliminated in 2013 its Mass Layoffs Statistics, Measuring Green Jobs, and International Labor Comparisons programs, and curtailed, in 2014, some collection under its Quarterly Census of Employment and Wages. The \$592 million appropriation it received for FY 2014 was \$ 21.6 million below what the President's budget requested. Had it not been for additional waist-cinching on travel, employee development and hiring, and a one-time transfer of \$--- from the Department of Commerce, BLS would have had to discontinue its production of export price indexes, a critical component of the International Prices Principal Economic Indicator. Given frozen (at Fy 2014 levels) appropriations through 2015, BLS will be operating at \$18-20 million less than is necessary to run all of its current programs, including the International Price Program. Because the agency has trimmed its costs and curtailed investments in hiring and developmental programs, the freeze in funding will have to result in program cuts. Rather than jeopardize data quality across the board, BLS would most wisely choose to eliminate an entire survey or program so that the quality of data collected and statistics produced in remaining programs is maintained or enhanced. Yet every existing BLS programs has a large, varied, and vocal army of government agencies, businesses, community interests and others who rely on its output. Indeed, there are legislated limits on the programs that could be subject to elimination. The potential and continued cost-squeeze suggests some of the millions of BLS customers will no longer have timely, objective, high quality data on which to make important decisions.

### **How did this happen?**

We hypothesize three main reasons for this unsustainable pattern of funding for the BLS.

1. BLS appropriations are considered by Congressional subcommittees that have a lot on their plates – health and human services, education, labor, and related agencies – and more often than not face highly contentious hot-button issues as they consider the allocation of a set amount of funds among multiple agencies. It may be easy for BLS to “fall through the cracks” of these subcommittees unless the agency has strong Congressional champions keeping an eye out for it.
2. The BLS does not seem, currently to have Congressional champions of its programs and those programs beneficiaries.
3. Information on the critical nature of BLS statistical products, who uses them, and what their elimination would mean to those in government, business, and communities that rely on them, may not be getting to the right people.

Figure 1: Direct Appropriations to the Bureau of Labor Statistics, 1996-2014

