MODERNIZING THE FEDERAL STATISTICAL SYSTEM

ISSUES AND OPTIONS FOR CONSIDERATION

Draft to Promote Discourse - Version 1.1

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EXECUTIVE SUMMARY

Our nation's federal statistics are facing a major crisis.The statistical data infrastructure desperately needs modernizing, yet funds and staffing are being cut back and public willingness to respond to government surveys continues to drop precipitously. A bold new approach is needed to restore and revitalize this essential information bedrock for our democracy.The time to act boldly is now.

The current efforts of the Administration to improve government efficiency and effectiveness through streamlining organizational structures and breaking down silos of inefficiency makes this the right time to examine how best to modernize federal statistics and provide better value to the American public. A 21st century federal statistical system (FSS) must rely less on surveys and more on other data sources. In the US, this evolution has been thwarted by the structure of our statistical system. Several prior Administrations have put forth proposals for modifying the system, but those have largely stalled, due to territoriality, lack of champions, and fears that it would not be done well. As statistical agency staffs and budgets dwindle, the urgency to address these issues has never been greater, nor has there been more willingness to accept bold change for the greater good.

To that end, the American Statistical Association (ASA) will convene a series of meetings to assess options to modernize the FSS. A modern FSS must reflect long-held values: (1) to supply policymakers and the public with relevant, timely, accurate, and objective measures of the state of the U.S. economy and its people; (2) to operate with efficiency and cost-effectiveness; (3) to provide secure, confidential access to statistical data as a public good; and (4) to protect the privacy of data subjects.

This draft document lays out five options for a modern FSS–from strengthening existing laws to enable the decentralized FSS to operate in a more integrated way to full consolidation into a National Statistical Office–with their advantages and disadvantages. It then poses a series of questions to promote discussion among thought leaders who hold varied perspectives and expertise. The ASA intends these conversations to inform a final document that can ground a broad discourse about the best structure for a 21st century federal statistical system.

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THE VALUE OF FEDERAL STATISTICS

Our democracy, economy, and society could not function without objective, accurate, timely, relevant, and credible statistics from the federal government.Indeed, no country that aspires to attract foreign investment, engage in overseas trade, and otherwise relate to other nations, let alone inform its own people and govern well, can do so effectively over the long run without credible, high-quality official statistics. Federal statistics are also a core democratic institution, supporting free and fair elections, fair and impartial courts, informed civil discourse, effective monetary policy, and other vital functions that are not easily replicated by the private sector.

In short, the federal statistical agencies are essential national infrastructure, responsible for meeting the data needs of our policymakers, businesses, and public while following scientific and ethical standards for collecting and protecting data.[1]

[1]Federal Register: Statistical Policy Directive No. 1: Fundamental Responsibilities of Federal Statistical Agencies and Recognized Statistical Units; Auerbach, J., et al. (2024), *The Nation's Data at Risk -*

A CALL FOR ACTION

LONG-STANDING CHALLENGES AND OPPORTUNITIES

The most alarming external challenge to the FSS is the impending collapse of the probability survey paradigm that statistical agencies have relied on heavily for decades. Although the fall in response rates can possibly be halted, response rates are unlikely to return to levels seen even a decade ago, and costs to maintain them are escalating. Accompanying the public's unwillingness to respond to surveys is the growing general distrust in government and a proliferation of private sector data sources of varying accuracy and completeness that some may view as substitutes for federal statistics. These new sources also increasingly threaten the ability of statistical agencies to protect publicly available data products against reidentification and possible disclosure. Consequently, statistical agencies have reduced publicly-available information.

At the same time, burgeoning non-survey data and advanced technology provide a critical opportunity for the FSS to reduce reliance on surveys. Yet, tapping these sources for modernization requires overcoming many barriers imposed by the FSS's current decentralized structure.

The long list of long-standing structural and procedural constraints on modernization includes: (1) barriers to acquisition and sharing of alternative data sources to blend with survey data for improved quality, as well as uneven quality of these alternative data; (2) declining real budgets (and staffing constraints for some agencies); (3) weaknesses due to lack of strong legislation supporting agencies' ability to maintain the integrity of their operations in the face of political or other external influence; and (4) barriers to achieving economies of scale and scope across agencies for specialized technical skills, training, IT resources, etc., and challenges in contracting that are exacerbated by the decentralized structure of the FSS.

COMPOUNDED URGENCY

In addition to the longstanding issues noted above, the FSS faces a bevy of immediate new challenges–some already in place and others pending. Here we highlight a few of particular concern for federal statistics:

- Recognized statistical agencies have been eliminated (totally or partially), with the potential for further reductions that jeopardize essential federal statistical products.

Meeting American's Information Needs for the 21st Century; UN Fundamental Principles of Federal Statistics, Microsoft Word - N1345511.doc; National Academies of Sciences, Engineering, and Medicine, *Principles and Practices for a Federal Statistical Agency, 8th edition* (2025), https://doi.org/10.17226/27934; Potok, N., & Groshen, E. (2025), Fixing the U.S. statistical infrastructure, *Science*, https://www.science.org/doi/10.1126/science.ady6728.

- Statistical agency staff have been incentivized or forced to retire or resign (especially those with disproportionate amounts of institutional knowledge) and substantial budget cuts are likely in FY 2026, jeopardizing agencies' ability to deliver their current or even a reduced portfolio, let alone modernize and innovate.
- Protection from partisan political influence on statistical production and dissemination is likely to be weakened by: (1) application of new performance evaluation procedures for SES staff; (2) reclassification of higher ranks of civil servants into Schedule Policy/Career; and (3) indications that fixed-term appointees who head statistical agencies may be easily fired by the President.
- Outside expert advisory committees have been disbanded, leaving statistical agencies without important user feedback and advice, and informal vehicles for user input are used inconsistently across the system and may also be eliminated or pared back due to resource constraints.
- The Executive Order calling for elimination of "information silos" may reduce public trust in federal statistics if the public perceives that their personal data are being shared across agencies, not distinguishing between statistical and non-statistical purposes.

TOWARD A MODERN FSS

Given the urgency of modernizing the FSS and the importance of doing it well, the various stakeholders of the FSS must be ready to weigh alternative options for a modern FSS, assessing pros and cons against a vision for how the FSS could operate and what it could accomplish. To ground that process and promote discourse among the stakeholders, we summarize a vision for a modern FSS, an overview of past efforts to modernize, and five options for modernization, with pros and cons.

VISION

A modern FSS must be configured to support widely shared prosperity in our nation. To achieve this, a modern FSS would:

- Produce useful, high quality, well-documented, accessible official statistics on a broad array of important topics for Congress, the administration, and data users of all sorts.
- Be authorized in statute with explicit statistical integrity and confidentiality safeguards.
- Form good working relationships of mutual benefit with data providers, including federal agencies, state, local, and tribal governments and the private sector,

ensuring efficient access, low reporting burden, and confidentiality protection for data subjects.

- Establish a distinctive and trusted "brand" as the "gold standard" for public statistics, an efficient user of resources, and an agile innovator.
- Have budget authority for multi-year "capital" projects to improve long-running series, develop new measures, and conduct R&D in every aspect of the statistics cycle.
- Attract experts from many disciplines to jobs where they can develop skills and expertise, adhere to high ethical and statistical standards, and serve the public well.

PRIOR EFFORTS

The challenges of a decentralized federal statistical system have been recognized since 1903, when the first of at least nine successive federal commissions weighed in.[2] The nine commissions were charged with assessing paperwork burden, privacy risk, the adequacy of information creation and access, or a combination of these. In addition, several non-government groups have considered similar issues. Despite the number of groups and passage of time, all concluded that decentralization created problems that must be addressed. Several explicitly concluded that while potentially desirable, full or even partial centralization was unlikely to be achievable immediately. Thus, they focused on mitigating the major challenges posed by decentralization and recommended some combination of the following:

- Ensure budget adequacy,
- Create capacity to evaluate statistical programs (the impetus behind creation of the Committee on National Statistics in 1972),
- Enact a common legal framework including data protections (impetus for the Confidential Information Protection and Statistical Efficiency [CIPSEA] Acts of 2002 and 2018),
- Create a national data center (most recently seen in the National Secure Data Service demonstration),
- Consolidate two or three economic statistical agencies, and

[2]See Commission on Evidence-Based Policymaking (2017), App. H, which describes relevant recommendations of nine prior federal commissions; American Statistical AssociationGeorge Mason University, *The Nation's Data at Risk* (2024), Supplementary Materials: C, which lists 17 efforts inside and outside of government to rethink some or all aspects of the FSS; and Norwood, J.(1995), *Organizing to Count,* Washington, DC, Urban Institute Press.

- Create a greater coordination capacity by strengthening the role of the Chief Statistician of the U.S. (CSOTUS).

Of these, strengthening the CSOTUS's role was recommended the most frequently.

In addition, four of the past six U.S. Presidents have proposed consolidating statistical agencies. Typically, the proposals involved co-locating the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the Census Bureau. Congress has introduced similar legislation, and the Government Accountability Office has issued reports assessing this three-agency consolidation idea (see, e.g., GAO, 1996). However, even this limited consolidation has not occurred.

Some of the greatest promise in recent years comes from passage of approximately half of the recommendations of the Commission on Evidence-Based Policymaking through the Foundations for Evidence-Based Policy Making Act, including several new authorities enacted as CIPSEA 2018. To date, the government has issued one regulation designed to strengthen the relevance, timeliness, credibility, objectivity, confidentiality and trust of the statistical system. Among the many regulatory requirements set to go into effect in 2025 is the independent auditing of statistical and parent agency compliance with the law by the Council of Inspectors General on Integrity and Efficiency. The government has not yet issued two other regulations designed to address data access and confidentiality.

FIVE OPTIONS

As a starting point for discussion, the section below lays out five options for a modern federal statistical system. These are summarized in Table 1. After the table, for each option, we provide a description of major features of the option, a simple figure as an example, and a list of advantages and disadvantages, noting if the option has been proposed previously.

Table 1. Options for a Modern Federal Statistical System

Options	Major elements modified	Number of recognized statistical agencies (RSAs)*
1: Harmonize the existing federal statistical system	Retains current decentralized structure plus: • CSOTUS strengthened • Barriers to sharing data and services reduced • Integrity protections reinforced and harmonized	13 RSAs

2: Harmonize with limited consolidation	Option 1 plus: ● BLS moves to Commerce ● BEA, Census, and BLS are integrated and rebranded (here, as "BCB") to take best advantage of strengths	Consolidated Commerce RSA ("BCB") + 10 separate RSAs
3: Harmonize with limited consolidation and Deputy Chief Statisticians	Option 2 plus: ● Dual-hatted Deputy Chief Statisticians (residing in home statistical agencies and also reporting to CSOTUS) are appointed to aid coordination	Consolidated Commerce RSA ("BCB") + 10 separate RSAs
4: Harmonize with partially consolidated National Statistical Office and Deputy Chief Statisticians	Option 3 plus: ● New national statistical office integrating BCB and 3-5 other statistical agencies (in Figure 4, for illustration, SOI, NCSES, and NCES) and existing shared services (SAP, NSDS, and FSRDCs) ● New office provides services to all statistical agencies	Consolidated (partial) national statistical office + 5-7 separate RSAs
5: Harmonize with fully consolidated National Statistical Office led by empowered CSOTUS and Deputy Chief Statisticians	Option 4 plus: ● Integrates all statistical agencies into the national statistical office ● Headed by CSOTUS (external to OMB) with Deputy Chief Statisticians ● Single appropriator ● Advised by National Statistical Board and Partnership Council ● Takes on key OMB PRA authorities (e.g., statistical classifications) ● Provides services to statistical programs throughout the government	1 RSA

*Three recognized statistical units are not considered in these options. Two (in SAMHSA and the USDA Animal & Plant Health Inspection Service) are effectively defunct. The third unit is in the Federal Reserve.

Option 1: Harmonize the Existing Federal Statistical System

***Description**:* This option modernizes the statistical system by harmonizing the current legal and administrative frameworks for statistical agencies, and partially centralizing the IT infrastructure patchwork. Otherwise, it leaves the decentralized structure of the FSS unchanged. See Figure 1.

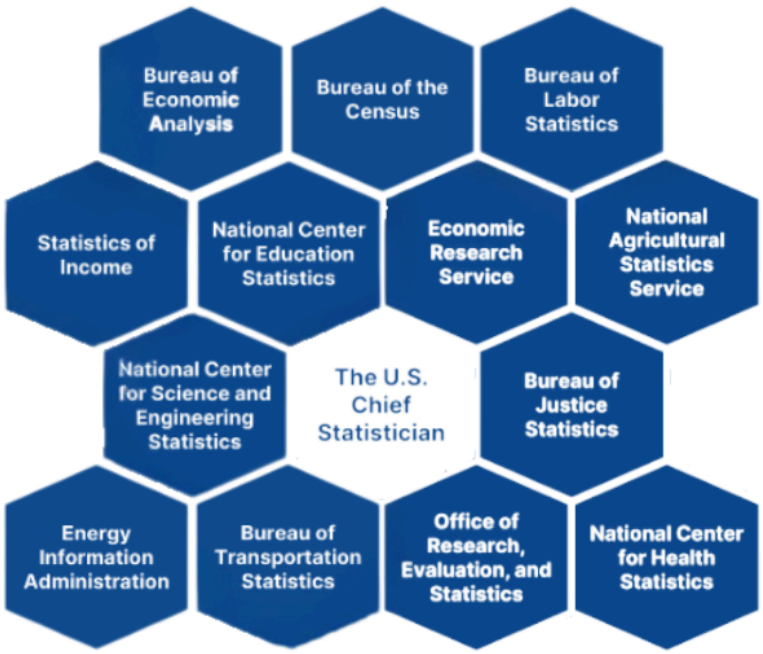

Figure 1

a) **Legal:** Fully implements the Confidential Information Protection and Statistical Efficiency Act of 2018 (Title III of the Foundations for Evidence-Based Policymaking Act) including two to-be-issued data sharing regulations; enacts legislation to address remaining barriers to statistical access to unemployment insurance, tax, education, and possibly other key data sets, and includes all recognized statistical agencies in the Privacy Act exemption currently afforded only to the Census Bureau (all recommended by the Commission on Evidence-Based Policymaking or CEP). These changes are essential to shift the federal statistics paradigm from survey-centric to multiple/secondary data source centric. Legislation and/or regulations would also expand coverage of CIPSEA penalties for willful disclosure of confidential data to harm specific individuals or organizations (including reidentification from public statistical products). This change is essential to facilitate the ability of statistical agencies to serve data users in an era of increasing threats of disclosure.

b) **Technology**: Addresses uneven and often inadequate statistical agency access to and legally-required control over IT assets. This would be accomplished by establishing a statistical system CIO with full authority under key federal IT laws

(FISMA and FITARA), and creating a shared IT service that smaller agencies can use as their primary IT capacity and that larger agencies can use for surges, special projects, or collaborations. This effort will enable legally-required equitable access to statistical products (particularly market moving ones), conformance with legal requirements to fully control access to confidential data, interagency collaboration, and more nimble R&D.

c) **Functional/administrative:** Creates additional shared capacity for priority functions and streamlines processes central to statistical agency-specific functions, and possibly others. Specifically, creates next generation shared capacity for data acquisition, linkage, access, and protection, building on early experiences such as those with the National Secure Data Service pilot, hosted within the statistical system, and implementing new legal authorities. Also, creates procurement rules and budgeting flexibility that facilitate multi-year studies and cross-agency collaborations that are onerous or not feasible today.

d) **Organizational:** Retains and strengthens the role of the CSOTUS in OMB and the Interagency Council on Statistical Policy (ICSP) as two primary leadership and coordination entities across the 13 statistical agencies and more than 100 other statistical programs. Establishes collaboration with data providers in setting data transmission standards and other key aspects of stakeholder engagement.

Pros: Addresses longstanding and carefully studied barriers to efficiency and effectiveness, especially around data access (see, e.g., Commission on Evidence-Based Policymaking, 2017; Advisory Committee on Data for Evidence Building, 2022). Increases conformance with legal requirements designed to maintain trust in federal statistics. Since most of the proposal elements are well studied, it may be easier to implement than other options and have fewer unknown implementation risks.

Cons*:* Achieving these legal and administrative changes may be difficult and may be insufficient given the strong role of parent agency culture in enabling data access. Parent agency support, while already required in law, is likely to remain uneven, with efficiency and flexibility impeded by multiple overlapping layers of authority. Interagency work likely remains challenging especially given limited successful models to date. Explicit prioritization from the Administration or Congress in implementing the new authorities could help overcome these obstacles. This arrangement does little to ease funding shortfalls or coordinate priorities. As the least bold option, it may not go far enough in “meeting the moment.”

Option 2: Harmonize with Limited Consolidation

Description*:* This option includes the improvements in option 1 and also moves the Bureau of Labor Statistics into the Commerce Department. The three Commerce statistical agencies then would be integrated and rebranded into a new agency that we call “BCB” (for BEA-Census-BLS) in this document. BCB will likely have two main

divisions: Economic and Labor Statistics and Decennial Census and Demographic Statistics. The integration would be designed to make best use of the strengths of the three agencies to create a well-organized bureau. This option removes data sharing barriers and inefficiencies among the three agencies, which is significant given the high level of collaboration required to produce economic statistics. See Figure 2.

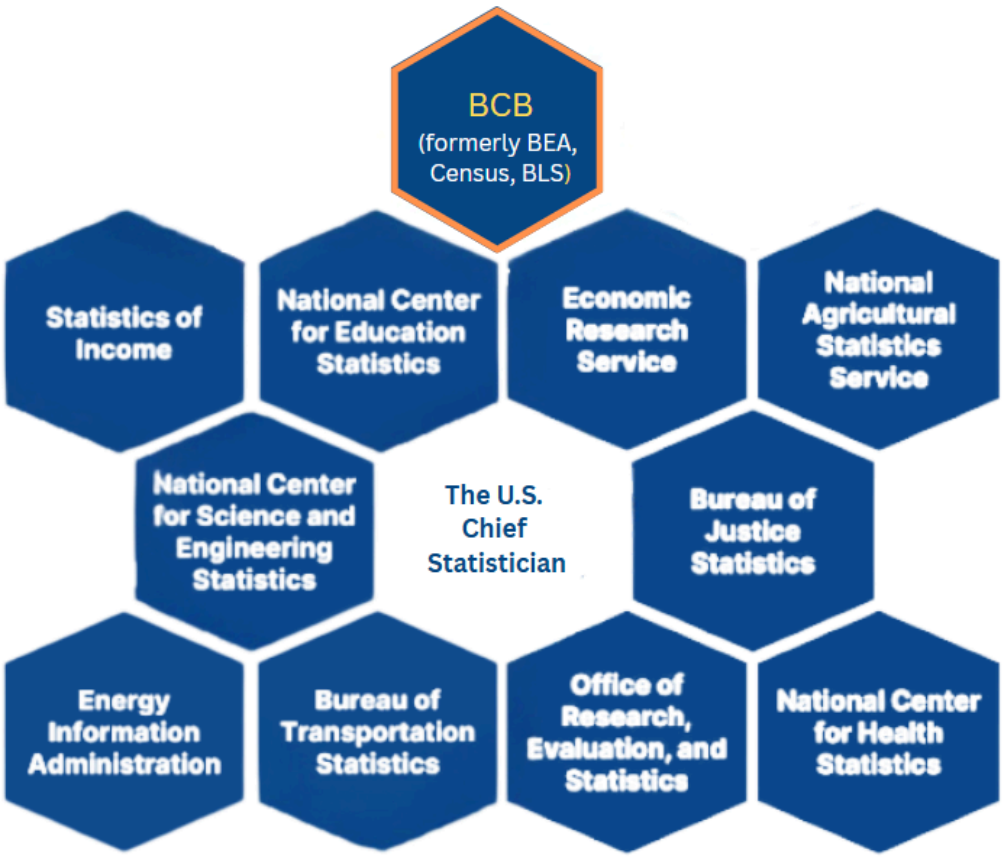

Figure 2

Pros: Prior administrations have proposed the three agency consolidation so it has been fairly well studied and thought through.[3] There are indications that the current Administration may plan to pursue creating the BCB (the President's detailed FY 2026 budget, released May 30, proposes a BCB in Commerce). Careful integration should enable improvements in relevance, coherence, and other desirable attributes of federal statistics, and enable the combined agencies to modernize and operate more cost-effectively.

[3] For example, President Obama's Reorganization Project made such a proposal in 2012 as did President Trump's OMB in 2018; Norwood (1985) recommended consolidation of BEA, Census, BLS, and the Chief Statistician's Office in a Central Statistical Board, which would coordinate and review the work of the other statistical agencies.

Cons: In addition to the challenges of passing the data access legislation, integration is not easy to achieve, the Department of Labor may resist, and there are few successful models to follow within the government. Also, each agency loses its branding, which could be harmful to stakeholder trust, especially in the short run. Beyond the benefits from option 1, the CSOTUS and the non-merged statistical agencies are not organizationally affected. Therefore, this option could be a missed opportunity to address inefficiencies throughout the remaining FSS.

Option 3: Harmonize with Limited Consolidation and Deputy Chief Statisticians

Description: This option builds upon the improvements in harmonization and limited consolidation described in options 1 and 2 by creating Deputy Chief Statistician roles to coordinate workflows among statistical agencies within given subject matter domains, such as economic, society and health, and environmental. These individuals would, like the Statistical Official role under the Evidence Act, sometimes be dual hatted, as head of a major statistical agency and Deputy Chief Statistician. The role would cross current departmental boundaries where applicable. See Figure 3.

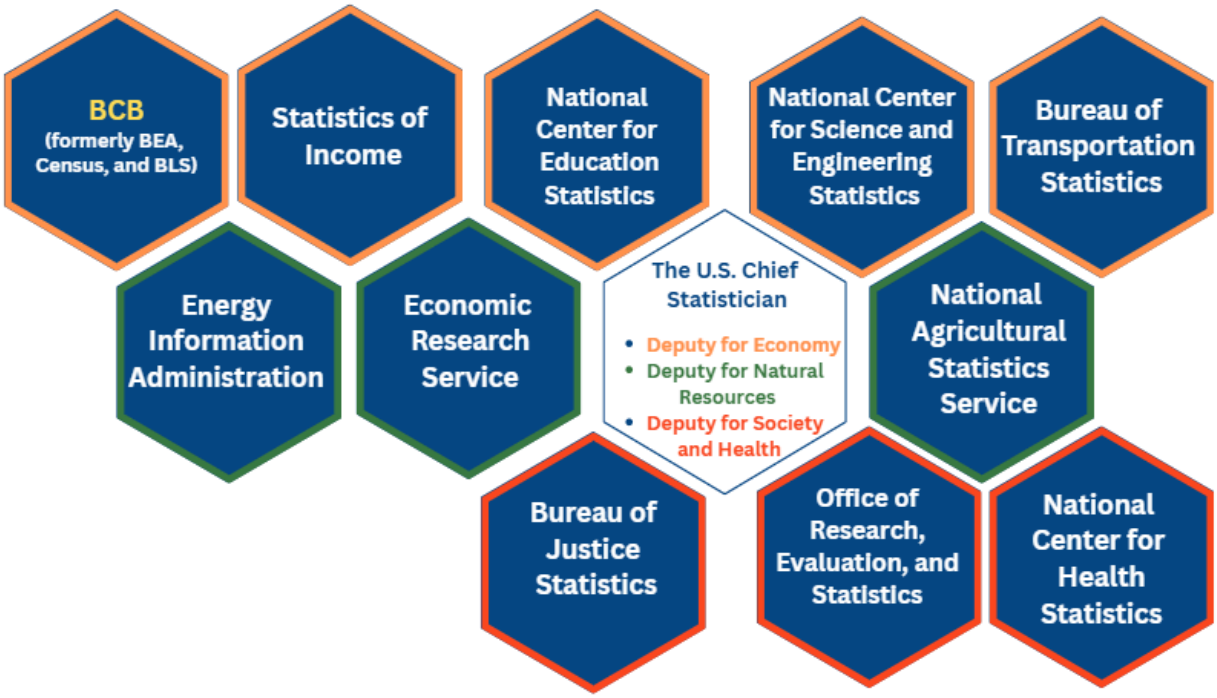

Figure 3

Pros: This new role could help elevate user needs for integrated, coherent statistics in broad subject areas. It would also create a smaller (and therefore likely more agile) executive leadership team than the full Interagency Council on Statistical Policy (ICSP) for decision-making and coordination.

Cons: This new role could be difficult to fill successfully given the likely need for each Deputy Chief Statistician to oversee agencies in more than one department with little authority over them. Beyond the benefits from option 1, the CSOTUS and the non-merged statistical agencies may be little affected.

Option 4: Harmonize with Partially Consolidated National Statistical Office and Deputy Chief Statisticians

Description: This option extends the harmonization, limited consolidation, and role of Deputy Chief Statisticians described in option 3 by creating a separate cabinet-level National Statistical Office (NSO) that integrates BCB (formerly, BEA, Census, and BLS) with SOI, NCSES, and NCES and partially centralizes management of existing shared statistical services (SAP, NSDS and FSRDCs).[4] See Figure 4.[5]

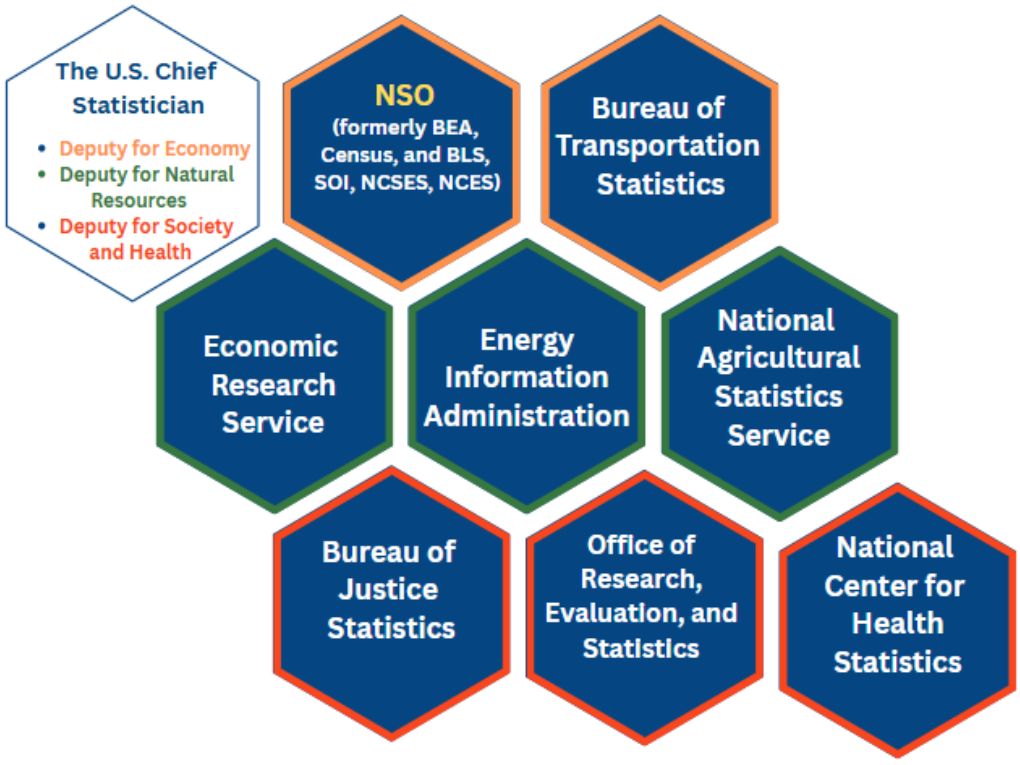

Figure 4

[4]"Cabinet-level" refers to a Chief Financial Officers (CFO) Act agency that is not one of the 15 cabinet departments but is like the 9 other CFO Act agencies, which sit on the President's Management Council and include EPA, NASA, NSF, SSA, and others.

[5]Proposals to consolidate BCB plus other statistical agencies have been made in the past; e.g., the President's Departmental Reorganizational Plan of 1971 envisioned four cabinet departments, with the Department of Economic Affairs housing BCB, ERS, and NASS; Bruce Chapman, deputy assistant to the president and former Census Bureau director, in 1985 proposed a new U.S. statistics agency to include BCB, NASS, EIA, NCHS, NCES, BJS and a Statistical Advisory Board of government officials.

Pros: The benefits of this option will depend to a degree on whether the individual agencies are blended or kept distinct. It should help with collaboration, data sharing, and efficiency, as well as visibility of statistics.

Cons: Creating a new separate agency in an era of downsizing will be a heavy lift; the current administration, authorizing committees, appropriators, or parent departments may resist. Preserving distinct agencies within the new entity retains identities but removes fewer barriers to sharing and cost-effectiveness until agencies are blended. Deputy Chief Statisticians' roles may be difficult when they span different departments. Beyond the benefits from option 1, the CSOTUS and the non-merged statistical agencies may be little affected.

Option 5: Harmonize with Fully Consolidated National Statistical Office Led by Empowered CSOTUS and Deputy Chief Statisticians

Description: This option extends the separate, cabinet-level NSO described in option 4 by adding the remaining statistical agencies and improving clarity and accountability.[6] The NSO is headed by an empowered Chief Statistician of the United States (no longer at OMB). Initially, all agencies beyond the new BCB retain their identities and missions. However, authorizing legislation charges the CSOTUS to implement a truly integrated agency within three (or so) years to maximize benefits from combining the strengths of the existing agencies and to ensure that subject matter experts under the relevant Deputy Chief Statisticians (all in the NSO) play a prominent role in decision making that is responsive to user needs. The NSO's budget is set by a single appropriations subcommittee. Some authorities move with the CSOTUS from OMB to the NSO, including the responsibility to create and implement government-wide statistical classification standards. The CSOTUS retains responsibilities delegated through the Paperwork Reduction Act, with the possible exception of statistical information collection approval, which may remain at OMB. Under this option, the CSOTUS is advised on statistical policy issues by (1) a National Statistical Board, representing key users of federal statistics;[7] (2) a Partnership Council, representing data subjects and data providers, including states; and (3) a new ICSP, convening OMB, NSO, and non-NSO federal statistical units. Other activities of the current ICSP are handled internally within the NSO. The oversight required by Inspectors Generals continues through an IG for the NSO. See Figure 5.

[6]A fully consolidated central statistical agency was proposed by the Bureau of Efficiency in 1922, when there were approximately five statistical agencies.

[7]The Wallis Commission recommended an "Independent Statistics Advisory Board" in 1971, "to review and report on activities of Federal statistical agencies."

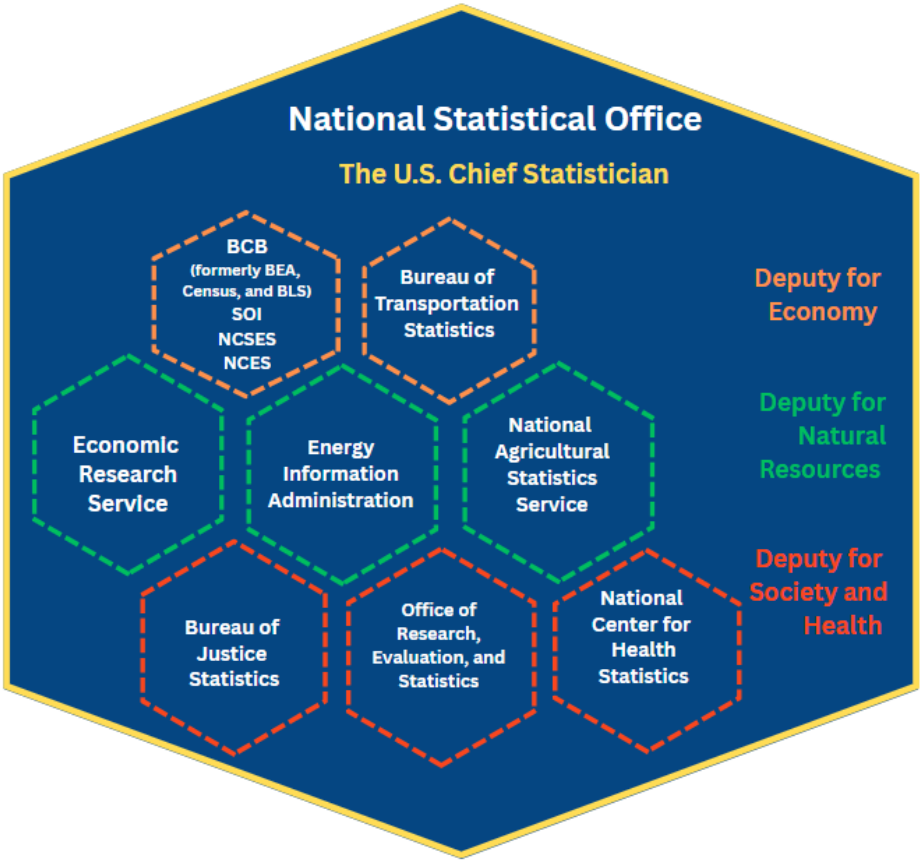

Figure 5

Pros: This option maximizes the benefits of collaboration, data sharing, accountability, and efficiency, as well as visibility of statistics, particularly when individual agencies are blended as needed. The CSOTUS has the ongoing authority and time to determine the best structure for the NSO, rather than having legislation impose a permanent structure immediately. Lines of authority and appropriations are clear, facilitating blending agencies, setting priorities, achieving economies of scale and scope, coordinating operations and products, promoting trust, and ensuring uniform protections. Many fewer parties are involved in interagency agreements, and statistical policies and priorities are more evenly applied. It is most similar to how most developed countries' statistical apparatuses are arranged. In an era of staffing and budget cut proposals, this option best allows smaller agencies to continue to be viable.

Cons: Creating a new separate agency in an era of downsizing will be a heavy lift; the Administration, including parent departments, and Congress, including appropriators and oversight committees, may resist a new agency or the loss of oversight and connection to a topically-oriented statistical agency. Having a Statistical Official in each of the 24 large (i.e., Chief Financial Officers Act) agencies, as mandated by the Evidence Act, could help in this regard. Initially preserving some distinct agencies within the new entity retains identities but removes fewer barriers to sharing and cost-effectiveness until agencies are blended.

CONCLUSION AND QUESTIONS FOR PARTICIPANTS

The FSS must modernize. The Administration is changing the FSS and will continue to do so. Thus, this moment calls for offering the Administration one or more viable modernization paths that could be widely supported. The alternative is to watch the federal statistical system (and its products) deteriorate as individual units share the disconnected fates of their parent agencies, in some cases disproportionately.

ASA seeks your help in the form of feedback on the utility, feasibility, acceptability, and transition costs of these options.

To promote discussion during our first meeting, we ask you to consider the following questions:

1. **What element(s) should be added or omitted from one or more options to fulfill the promise of modernization?**
2. **What is missing from the pros and cons for each option?**
3. **Should a formal role be spelled out for implementing and overseeing AI, particularly to address long-standing challenges to the FSS, such as standardization, quality control, and facilitating linkages across data sets?**
4. **Which option is most likely to engender innovation and appropriate risk taking by agency staff?**
5. **Which option is most likely to provide users with improved data and statistics in terms of accuracy, relevance, timeliness, comparability, granularity, accessibility, and credibility?**
6. **What leading statistical issues need to be considered as background in our restructuring discussions?**
7. **Who are the leading stakeholders who should be consulted in developing a final document?**

For more information, see https://www.amstat.org/policy-and-advocacy/modernizing-the-federal-statistical-system/.