



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 25, 1999

### **H.R. 1010**

#### **A bill to improve participation in the 2000 decennial census by increasing the amounts available to the Bureau of the Census for marketing, promotion, and outreach**

*As ordered reported by the House Committee on Government Reform on March 17, 1999*

#### **SUMMARY**

H.R. 1010 would authorize the appropriation of \$300 million in fiscal year 2000 for promotional, outreach, and marketing activities in connection with the 2000 census. The bill also would require the Bureau of the Census to contract with entities that have successfully reached those communities that have been undercounted by past censuses.

Assuming appropriation of the authorized amount, CBO estimates that implementing H.R. 1010 would cost \$300 million over the 2000-2001 period. H.R. 1010 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 1010 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs, on state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

For purposes of this estimate, CBO assumes that H.R. 1010 will be enacted by the end of fiscal year 1999. The estimated budgetary impact of H.R. 1010 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law						
Budget Authority <sup>a</sup>	101	0	0	0	0	0
Estimated Outlays	85	24	0	0	0	0
Proposed Changes						
Authorization Level	0	300	0	0	0	0
Estimated Outlays	0	276	24	0	0	0
Spending Under H.R. 1010						
Authorization Level <sup>a</sup>	101	300	0	0	0	0
Estimated Outlays	85	300	24	0	0	0

a. The 1999 level is the amount that the Bureau of the Census dedicated to marketing, communications, and partnerships out of the \$1.2 billion appropriated for periodic censuses and programs for that year.

## **BASIS OF ESTIMATE**

Based on historical spending patterns and information from the Bureau of the Census, CBO estimates that implementing H.R. 1010 would cost \$276 million in 2000 and \$24 million in 2001, assuming appropriation of the authorized amount.

In addition to the costs cited above, H.R. 1010 could affect spending by the bureau in two other ways, but CBO cannot estimate their effects. The bureau plans to mail every household a questionnaire on April 1, 2000. H.R. 1010 could raise public awareness of the census, thereby increasing the rate of response by mail. Thus, the bill could reduce the costs of having temporary employees telephone or visit households that did not respond to the questionnaire. According to the bureau, a 1 percent increase in the response rate would save \$25 million in costs for obtaining responses. However, with a higher response rate, the bureau would also incur additional costs to process more questionnaires. On balance, CBO expects that these two additional effects would result in some net savings because processing questionnaires is less expensive than calling or visiting households.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 1010 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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