

**U.S. DEPARTMENT OF COMMERCE
ECONOMICS AND STATISTICS
ADMINISTRATION
Economic and Statistical Analysis Budget**

Budget Estimates

Fiscal Year 2015

As Presented to CONGRESS

March 2014



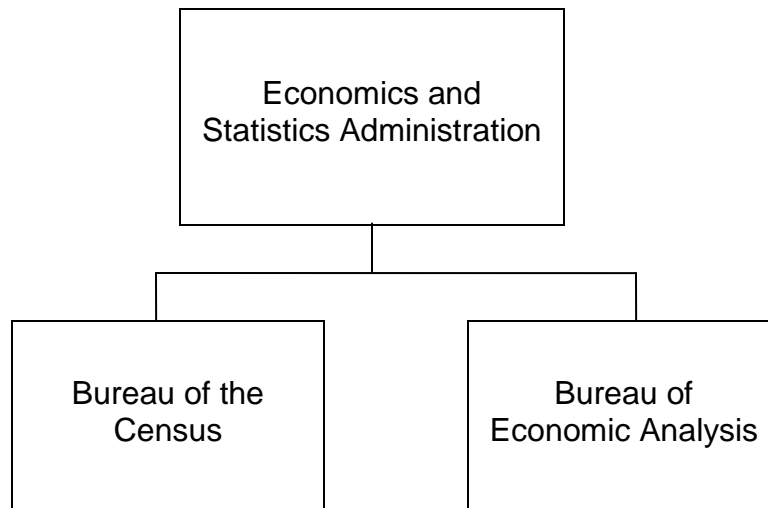
**Economic and Statistical Analysis Budget
Economics and Statistics Administration / Bureau of Economic Analysis
Budget Estimates, Fiscal Year 2015
Congressional Submission**

Table of Contents

Exhibit Number	Exhibit	Page Number
1	Table of Contents	ESA-
2	Organization Chart	ESA-
3	Executive Summary	ESA-
3A	FY 2013 Annual Performance Plan	ESA-
5	Summary of Resource Requirements	ESA-
7	Summary of Financing	ESA-
9	Justification of Adjustments to Base	ESA-
10	Program and Performance: Direct Obligations	ESA-
12-15	Justification of Program and Performance (by subactivity)	ESA-
	Policy Support	
	Bureau of Economic Analysis	
	Big Data for Small Business	
	GSA Required Relocation / Renovation Funding	
16	Summary of Requirements by Object Class	ESA-
32	Justification of Proposed Language Changes	ESA-
34	Advisory and Assistance Services	ESA-
35	Periodicals and Pamphlets	ESA-
36	Average Grade and Salary	ESA-

This page intentionally left blank.

U.S. Department of Commerce Economic and Statistical Analysis Budget

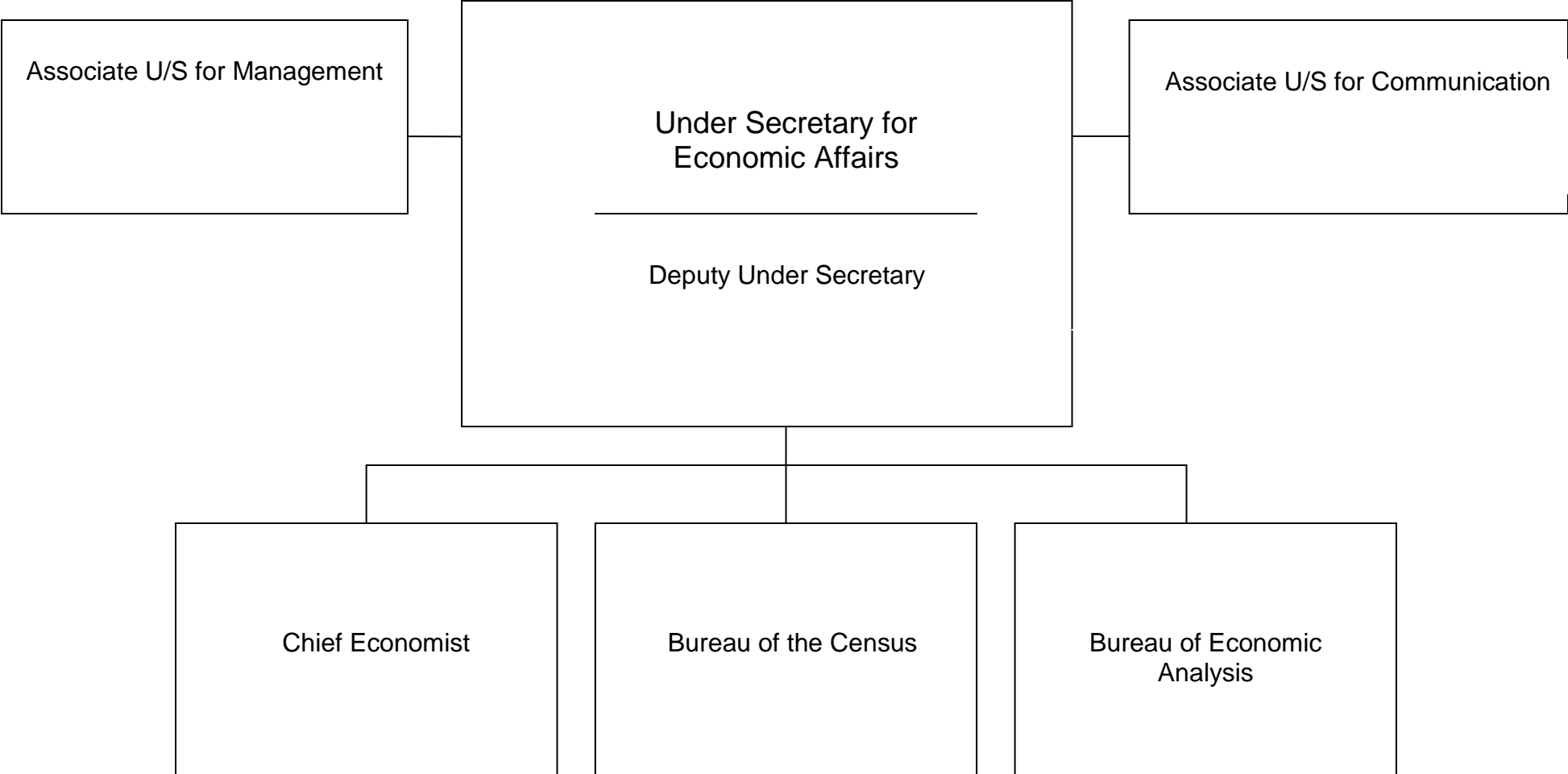


The Economics and Statistics Administration (ESA) includes ESA, the Bureau of Economic Analysis (BEA) and the Bureau of the Census. The Bureau of the Census budget is submitted separately.

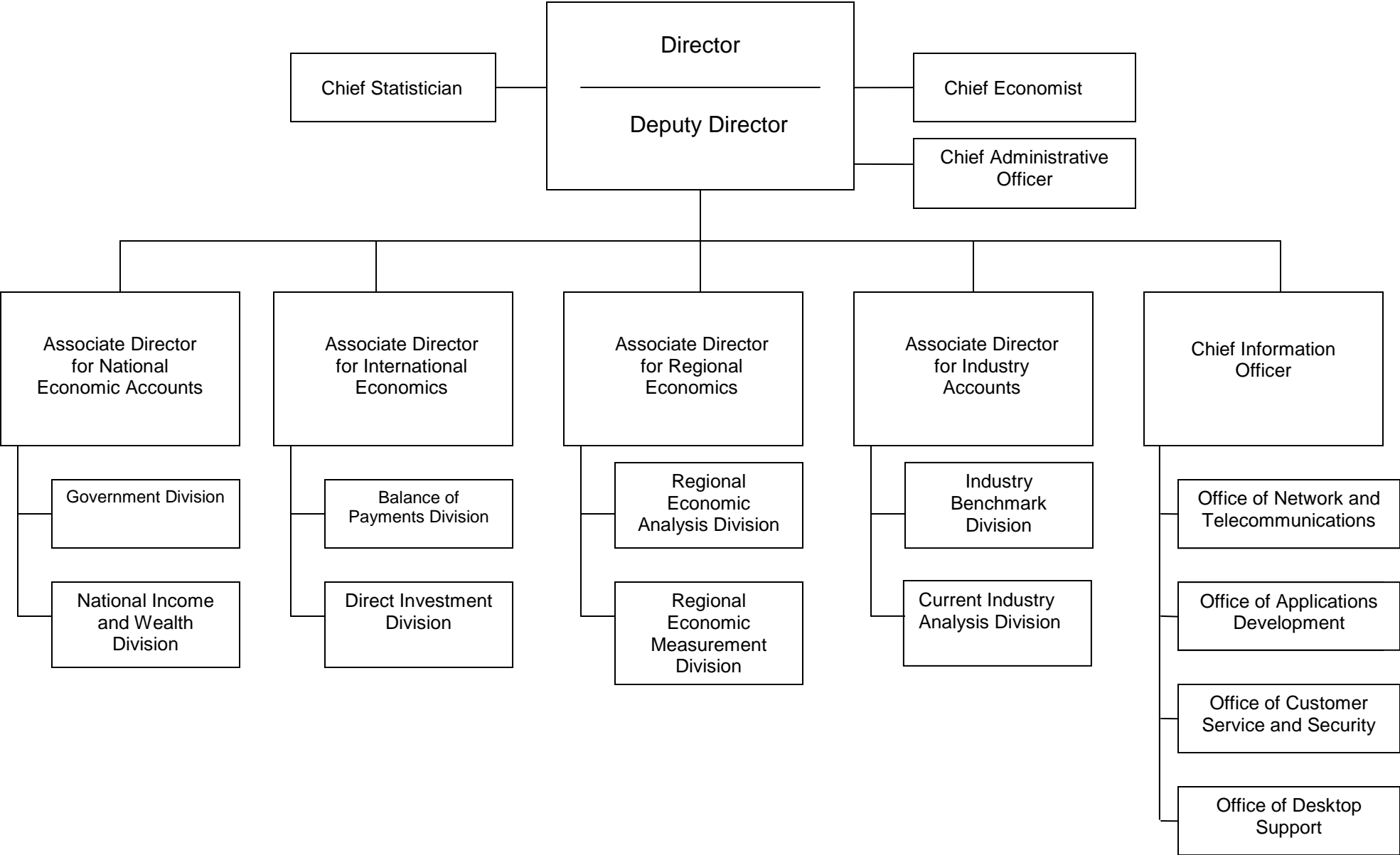
ESA (Policy Support and Management Oversight) consists of the Under Secretary for Economic Affairs and the Office of the Chief Economist. The Under Secretary for Economic Affairs provides leadership and critical oversight of the Census Bureau and Bureau of Economic Analysis. The policy support staff, located within the office of the Chief Economist, conducts economic research and policy analysis in direct support of the Secretary of Commerce and the Administration. ESA monitors and interprets economic developments, domestic fiscal and monetary policies, and analyzes economic conditions and policy initiatives of major trading partners.

The Bureau of Economic Analysis (BEA), a principal Federal statistical agency, promotes a better understanding of the U.S. economy by providing timely, relevant, and accurate economic accounts data in an objective and cost-effective manner. BEA's national, industry, regional, and international economic accounts present valuable information on key issues such as U.S. economic growth, regional economic development, inter-industry relationships, and the Nation's position in the world economy. Some of the widely used statistical measures produced by BEA include gross domestic product (GDP), personal income and outlays, corporate profits, GDP by state and by metropolitan area, balance of payments, and GDP by industry. These statistics are used by Federal, state, and local governments for budget development and projections; by the Federal Reserve for monetary policy; by the business sector for planning and investment; and by the American public to follow and understand the performance of the Nation's economy. BEA's strategic vision is to remain the world's most respected producer of economic accounts.

Economics and Statistics Administration



Bureau of Economic Analysis



This page intentionally left blank.

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis

Executive Summary

The United States is widely recognized as being the world's economic information leader. This is due, in large part, to the timely and accurate data provided by ESA through the Bureau of Economic Analysis (BEA) and the Census Bureau. BEA provides vital economic information, including the gross domestic product (GDP) and international balance of payments, which are essential to decision making by the President, Congress, American business leaders, and participants in the world's financial markets.

FY 2014 Enacted	99,000
Adjustments to base	2,473
FY 2015 Base Request	101,473
Inflationary Adjustments	-334
Big Data for Small Business	1,894
GSA Required Renovation / Relocation Funding	8,000
FY 2015 President's Budget	111,033

The Bureau of Economic Analysis, although a relatively small agency, produces some of the most closely watched national economic statistics that directly affect decisions made by policy makers, business leaders, and the American public.

For FY 2015, BEA is submitting a budget at a level that is sufficient to preserve the timeliness, relevance, and accuracy of the nation's economic accounts. Base funds will be used for work outlined in the BEA Strategic Plan, which provides a detailed plan for maintaining and improving those accounts.

Additionally, BEA is requesting funds for:

Big Data for Small Business: Small businesses are a critical element of the overall economy, and are often at the leading edge of risk-taking, entrepreneurship, and economic growth. Yet, unlike large corporations who have staffs of economists, advisors, and consultants to assist in interpreting and understanding the economy and guiding investments, small businesses largely depend on limited publically available data. Recognizing this, and the Department's role in supporting small business growth and decision-making, as well as the need for more insight into the health of the small business sector, for \$1.9M, BEA proposes a new suite of small business data products. BEA will expand data on small business by developing a Small Business Satellite Account including a new Small Business GDP to track the overall growth and health of America's small business sector. Beyond the public policy arena, expanding the Department's data offerings to this essential constituency will only further enhance the ability of America's entrepreneurs to innovate, grow, and lead successful businesses.

GSA Required Relocation and/or Renovation: BEA is currently under a short-term lease

extension at 1441 L Street, NW, Washington, D.C. that expires in June, 2016. As part of establishing a new long-term lease, the General Services Administration (GSA) requires that BEA have funds available to either (1) build out and relocate to a new facility or (2) reconfigure its current facility to a smaller footprint. GSA has estimated these costs at approximately \$16 million. BEA is requesting \$8 million in FY 2015 to partially pay for this one-time required build out/reconfiguration costs. OMB has instructed BEA to request the remaining \$8 million in FY 2016.

Economic Policy Support is provided by the ESA headquarters staff which consists of the Office of the Under Secretary for Economic Affairs and the Office of the Chief Economist. In FY 2015, ESA policy support is requesting a total of \$3.8 million to advance U.S. goals related to growing the economy, supporting trade, and fostering innovation as well as providing leadership and critical oversight of the Census Bureau and Bureau of Economic Analysis,

ESA's economic team provides valuable economic analysis and advice to the Secretary of Commerce and the Administration and plans to continue this level of support in areas such as intellectual property, the competitiveness of the U.S. economy, manufacturing, data, innovation and trade. ESA will also measure the economic impacts of policy proposals, natural and man-made disasters, and prices on the Nation's economy like the work completed for the Gulf Coast region estimating the economic impact of the Deepwater Horizon oil spill and the drilling moratorium. The Under Secretary will continue work on pension reform through the Pension Benefit Guaranty Corporation as well as work to improve bilateral trade with China through the U.S.-China Joint Commission on Commerce and Trade. ESA will continue to quantify and add value to the most critical policy debates by briefing the Secretary and other leaders in the Administration on the issues that affect the economy.

The continuing growth, increasing complexity, and changing structure of the American economy make it increasingly important for policy makers and business leaders to have the timeliest, relevant, and accurate economic information possible. The work performed by ESA and BEA helps maintain a sound Federal statistical system to provide such information. The data produced, including the GDP, personal income, and balance-of-payments accounts, have a major effect on government spending and taxing decisions, the allocation of Federal funds to states, and private sector business planning of all types. The GDP and related accounts data are critical inputs to monetary, fiscal, trade, and regulatory policies, and because they influence interest rates and financial markets, they affect every American who runs a business, saves for retirement, or borrows to buy a home.

Bureau of Economic Analysis: Economic Accounts

□ 10,000 time series produced each month □ Nearly 2 million other data produced quarterly and annually □

<p style="text-align: center;"><u>National Income and Product Accounts</u></p> <p>Gross Domestic Product (GDP) – The broadest measure of the U.S. economy. Components of GDP show how specific sectors of the economy are performing. GDP and the other components of the National Income and Product Accounts are key ingredients into Federal budget planning, monetary policy, and business planning.</p> <p>Personal Income and Outlays – Comprehensive and timely monthly statistics on all income received by persons in the United States, the money they spend on goods and services, and the income they save.</p> <p>Corporate Profits – The only comprehensive, timely, and consistent statistics on corporate earnings. These statistics are an important baseline for businesses and individuals in judging corporate earnings.</p> <p>Fixed Assets – Comprehensive statistics on U.S. wealth including capital stocks, consumer durable goods, and depreciation. These statistics are crucial in the analysis of the effect of wealth on consumer spending, investment, and economic growth.</p>	<p style="text-align: center;"><u>International Accounts</u></p> <p>Balance of Payments – The international transactions accounts are a statistical summary of transactions between U.S. and foreign residents, including, for example, transactions in goods and services, debt forgiveness, and transactions in U.S.-owned assets abroad and foreign-owned assets in the United States.</p> <p>U.S. International Trade in Goods and Services – Monthly estimates of U.S. imports and exports of goods and services.</p> <p>International Investment Position – The only comprehensive comparison of the value of U.S.-owned assets abroad and the value of foreign-owned assets in the United States. These statistics facilitate analysis of the economic effects of international lending and investment on the U.S. economy.</p> <p>MNC Financial and Operating Data – These data sets cover the financial structure and operations of U.S. multinational companies (MNCs) and of U.S. affiliates of foreign MNCs. The data are used to analyze the characteristics and performance of MNCs and to assess their impact on the U.S. and foreign host economies.</p>
<p style="text-align: center;"><u>Industry Accounts</u></p> <p>Annual Industry Accounts – These accounts are a set of integrated statistics that include the GDP-by-industry and the annual input-output accounts. These accounts provide detailed information on the changing structure of the U.S. economy, including the annual contributions of private industries and government to the Nation's GDP and the annual flows of goods and services used in the production processes of industries.</p> <p>Benchmark Input-Output Accounts – These accounts show how industries interact at detailed levels; specifically, how approximately 500 industries provide input to, and use output from, each other to produce gross domestic product. These accounts provide detailed information on the flows of goods and services that make up the production processes of industries.</p> <p>U.S. Travel and Tourism Accounts – This satellite account is the most comprehensive and timely picture of direct and indirect sales made in tourism-related industries and their role in the U.S. economy.</p>	<p style="text-align: center;"><u>Regional Accounts</u></p> <p>State and Local Personal Income – This measure reports income for state, county, metropolitan and micropolitan areas, and BEA economic areas, and is used along with GDP by State to allocate over \$226 billion in Medicaid and other grants to states. States use state personal income to project tax receipts and set spending caps.</p> <p>Gross Domestic Product (GDP) by State and by Metropolitan Area – GDP by State shows the portion of the Nation's output produced in each state and the portion of each industry's output by state; it is used to distribute Federal grants to states. GDP by Metropolitan Area statistics are useful for determining the overall size and growth of metropolitan economies.</p> <p>Regional Input-Output Multipliers – These statistics provide a measure of the local economic impacts of changes in government regulations, policies, or programs or in private-sector economic development plans. Multipliers have been used to study the effects of military base closings, firm relocation, sports facility construction, natural disasters, and terrorist attacks.</p>

APP / Exhibit 3A

FY 2013 Annual Performance Report / FY 2015 Annual Performance Plan

Economics and Statistics Administration / Bureau of Economic Analysis

Part 1 Summary Information

Section 1 Overview

Introduction

Headed by the Under Secretary for Economic Affairs, the Economics and Statistics Administration's three principal components are the Office of the Chief Economist, the Census Bureau and the Bureau of Economic Analysis (BEA). ESA develops policy options, analyzes economic developments, manages economic data distribution systems, and produces a major share of U.S. economic and demographic statistics, including the national economic indicators. Representative economic indicators produced by ESA are gross domestic product (GDP), retail sales, and international trade. Additional economic and demographic statistics available from ESA include regional information on population (benchmarked by the decennial census), poverty, income, race and ethnicity, businesses, and a variety of other information useful to government, business, and the American public.

The expert economists and analysts in ESA's Office of the Chief Economist analyze domestic and international economic developments and produce in-depth reports, fact sheets, and briefings on policy issues, current economic events, and economic and demographic trends. DOC and White House policymakers rely on these tools, as do American businesses, state and local governments, and news organizations around the world.

In overseeing the Census Bureau and BEA, ESA works closely with the leadership of those two statistical agencies on high priority management, budget, employment, and risk management issues, integrating the work of these agencies with the priorities and requirements of the Department of Commerce and other government entities.

ESA's Mission Statement

"To provide high-quality economic analysis and foster the missions of the Census Bureau and the Bureau of Economic Analysis."

BEA's Mission Statement

"Improve understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions."

Organizational Structure

Please see exhibit 2

Description

The Bureau of Economic Analysis (BEA) produces some of the Nation's most important economic statistics, including GDP and the balance of payments. BEA promotes a better understanding of the U.S. economy by providing timely, relevant, and accurate economic accounts data in an objective and cost-effective manner. Although a relatively small agency, BEA's economic statistics are among the Nation's most closely watched. BEA's statistics influence critical decisions made by policymakers, business leaders, households, and individuals affecting interest rates, tax and budget projections, business investment plans, and the allocation of over \$300 billion in federal funds. BEA employs 470 staff, all of whom are located in Washington D.C.

Part 2 Performance Results and Plans

Section 1: FY 2013 Summary Description of Performance by Objective

FY 14-18 Strategic Goal: Data

Benefits: BEA data touches every American and informs business and government decisions every day. BEA data enables start-ups, moves markets, and fuels the century economy.

Section 2: Corresponding DoC Strategic Themes, Goals, and Objectives

Goal	Objective Number	Objective Name	Leader:
Data	4.1	Transform the Department's data capacity to enhance the value, accessibility and usability of Commerce data for government, business and the public.	Dr. Mark Doms Under Secretary for Economic Affairs
Data	4.2	Improve data-based service, decision making, and data sharing within the Department and with other parts for the federal government.	Dr. Mark Doms Under Secretary for Economic Affairs
Data	4.3	Foster the private sector's development of new data based businesses, products and services.	Dr. Mark Doms Under Secretary for Economic Affairs

The Bureau of Economic Analysis (BEA) is a principal federal statistical agency and is a part of the Economics and Statistics Administration within the U.S. Department of Commerce (DoC). BEA produces some of the nation's most trusted, closely watched national, international, regional, and industry economic statistics, including the gross domestic product (GDP). BEA's economic statistics provide a comprehensive picture of the U.S. economy and are key ingredients to critical decisions affecting fiscal and monetary policy, tax and budget projections, and household and business investment plans.

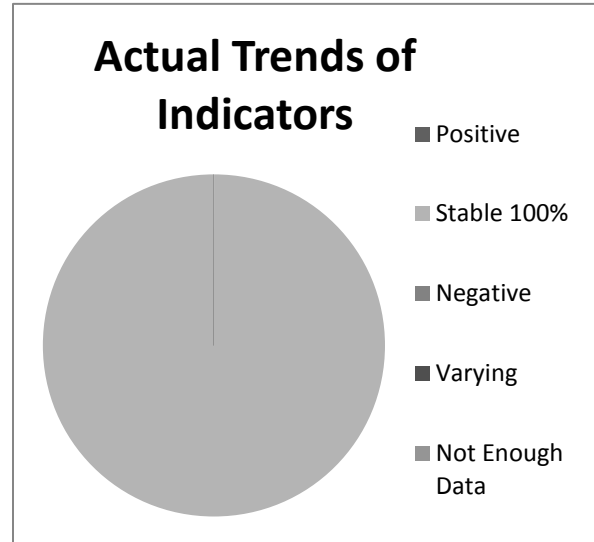
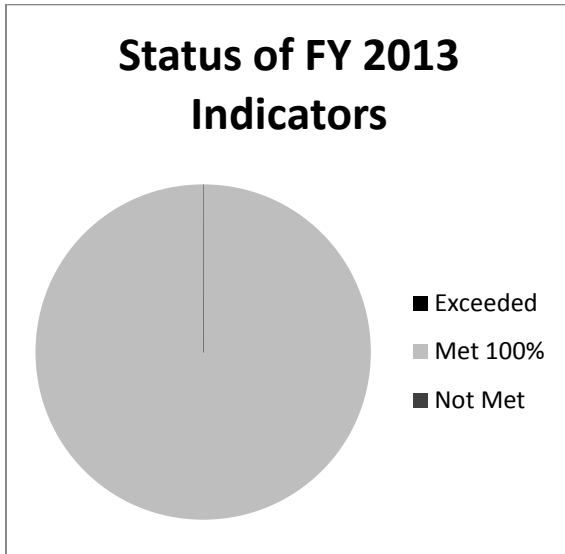
Section 3: Benefits and Accomplishments

BEA's national, industry, regional, and international economic accounts present valuable information on key issues such as U.S. economic growth, regional economic development, inter-industry relationships, and the Nation's position in the world economy. Some of the widely used statistical measures produced by BEA include gross domestic product (GDP), personal income and outlays, corporate profits, GDP by state and by metropolitan area, balance of payments, and GDP by industry. These statistics are used by Federal, state, and local governments for budget development and projections; by the Federal Reserve for monetary policy; by the business sector for planning and investment; and by the American public to follow and understand the performance of the Nation's economy. Recent accomplishments include:

- Released quarterly U.S. international investment position for the first time; these data address a gap revealed by the financial crisis and address IMF and G-20 post financial crisis recommendations
- Expanded measurement of intangibles and innovation through the incorporation of investments in R&D and investments in artistic intangibles (movie rights, music, TV serials, books, and plays) in GDP
- Created online tutorials for accessing and using regional economic data
- Rated a "Best Place to Work" (ranked 48th out of 292 agency sub-components)

Part 2 Performance Results and Plans

Section 1: FY 2013 Summary of Performance by Objective



Section 2: FY 2013 Description of Performance by Objective

Strategic Objective: Data

Summary of FY 2013 Indicator Performance

Indicator	Target	Actual	Status	Trend
Timeliness	62	62	Met	Stable
Relevance	4.0	4.1	Met	Stable
Accuracy	>83%	84%	Met	Stable
Strategic Milestones Completed	Completed	Completed	Met	Stable

Indicator	Timeliness- Reliability of delivery of economic data statistics (scheduled releases issued on time)							
Description	The importance of data as an ingredient for sound economic decision-making requires BEA to deliver data to decision-makers and other data users not only quickly but also reliably—that is, on schedule. Each fall, BEA publishes a schedule for the release of its economic data the following year; this measure is evaluated as the number of scheduled releases issued on time. BEA has an outstanding record of releasing its economic data on schedule and on time. In FY 2013, BEA met the target of planned releases and has no indication that this target will not be met in 2014.							
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	58	57	55	62	62	62	TBD	TBD
Actual	57 of 58	56 of 57	61 of 55	62 of 62	62 of 62	62 of 62	TBD	TBD
Status	Met	Met	Met	Met	Met	Met		
Trend	The trend for this indicator is stable.							
Explanation (if not met in FY 2013)	N/A							
Actions to be taken / Future	BEA has no plans to change this indicator.							

Plans								
Adjustments to targets	Adjustments to targets have not been made.							
Information Gaps	There are no information gaps for this indicator.							
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken			
A schedule of release dates for the calendar year is published each fall in the <i>Survey of Current Business</i> and is posted on the BEA website. BEA maintains a record of subsequent actual release dates.	Quarterly	BEA maintains the schedule of future release dates and the record of actual release dates. Both sets of information are available on the BEA website.	Scheduled and actual release dates are a matter of public record and can be verified via the Internet at www.bea.gov .	Not all releases may be included in the published annual schedule because their release dates cannot be established that far in advance.	FY 2013 target will be added when the schedule is made available to OMB and published in the <i>Survey of Current Business</i> in the fall of the preceding year.			

Indicator	Relevance- Customer satisfaction (on a 5 point scale)							
Description	Customer satisfaction is a critical measure of BEA's ability to provide the types of data that are relevant, accurate, and							

	needed by users. BEA measures the level of customer satisfaction through an on-going online survey of users. FY 2013 scores will be available early in FY 2014, however, BEA has received indication that users continue to very satisfied with the overall quality of BEA's products and services.							
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Actual	4.2	4.2	4.2	4.4	4.3	4.1	TBD	TBD
Status	Met	Met	Met	Met	Met	Met		
Trend	The trend for this indicator is stable.							
Explanation (if not met in FY 2013)	N/A							
Actions to be taken / Future Plans	BEA has no plans to change this indicator.							
Adjustments to targets	Adjustments to targets have not been made.							
Information Gaps	There are no information gaps for this indicator.							
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations		Actions to be Taken		
BEA customer satisfaction survey conducted online at BEA's website, www.bea.gov.	Continually	BEA conducts the survey, compiles results, and retains records of raw data and computations	BEA provides a copy of the survey results to OMB, the DOC Budget Office, and the Economics and Statistics Administration. The report is made available on the BEA website.	The customer satisfaction survey is an ongoing, voluntary survey conducted via the website. As a voluntary survey, responses are representative of those who choose to respond.		Survey is continually conducted with results monitored quarterly and reported after the end of the fiscal year.		

		that lead to final results. A report is written and available to the public on the BEA website.				
--	--	---	--	--	--	--

Indicator	Accuracy- Percent of GDP estimates correct							
Description	This performance measure tracks BEA's ability to accurately estimate its most important statistic, the gross domestic product (GDP). This measure is a composite index of six indicators of accuracy, applied using three-year rolling averages to develop a single measure of the correctness of the GDP statistics. FY 2013 results will become available early in FY 2014, but BEA expects to exceed this target.							
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	85%	85%	85%	85%	85%	83%	83%	83%
Actual	94%	94%	88%	87%	87%	84%	TBD	TBD
Status	Met	Met	Met	Met	Met	Met		
Trend	The trend for this indicator is stable.							
Explanation (if not met in FY 2013)	N/A							
Actions to be taken / Future Plans	BEA has no plans to change this indicator.							
Adjustments to targets	Adjustments to targets have not been made.							
Information Gaps	There are no information gaps for this indicator.							

Validation and Verification

Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Data used for this measure are produced by BEA and made available in press releases, in our monthly publication, the <i>Survey of Current Business</i> (SCB), and on the Website: www.bea.gov . Background research studies are published in the SCB.	Annually	The <i>Survey of Current Business</i> is published monthly and available online.	DOC has evaluated this measure and BEA has submitted a <i>Validation and Verification</i> report. The <i>Survey of Current Business</i> is a matter of public record and can be verified via the Internet or hardcopy.	The measure is the best single point estimation of the accuracy of GDP. Economic conditions, rather than statistical practices, could dramatically change the measure.	Research to calculate the new measure will be conducted, following the completion of the annual revisions, in August 2013.

Indicator	Complete all major strategic milestones related to improving economic accounts							
Description	BEA must continually update its economic accounts to keep pace with the ever-changing U.S. and global economies. The BEA Five-Year Strategic Plan tracks BEA's progress toward achieving the milestones related to this measure. In FY 2013, BEA completed all of its major milestones related to improving GDP and the economic accounts and expects to meet this target in current and future years.							
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Target	Complete Milestone	Complete Milestone	Complete Milestone	Complete Milestone	Complete Milestone	Complete Milestone	Complete Milestone	Complete Milestone

Actual	Complete Successfully	Complete Successfully	Complete Successfully	Complete Successfully	Complete Successfully	Complete Successfully	TBD	TBD
Status	Met	Met	Met	Met	Met	Met		
Trend	The trend for this indicator is stable.							
Explanation (if not met in FY 2013)	N/A							
Actions to be taken / Future Plans	BEA has no plans to change this indicator.							
Adjustments to targets	Adjustments to targets have not been made.							
Information Gaps	There are no information gaps for this indicator.							
Validation and Verification								
Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken			
The BEA five-year Strategic Plan provides annual milestones for this measure. At the end of each fiscal year, BEA evaluates	Annually	BEA compiles and maintains data annually via BEA Scorecard, available on BEA website.	Internal review and analysis by BEA.	BEA's annual review and update of its Strategic Plan could result in changes to the milestones.	Milestones will be adjusted as necessary to match the BEA five-year Strategic Plan.			

and reports its progress in achieving scheduled milestones.						
---	--	--	--	--	--	--

Part 3 - Resource Requirements Table (obligations in millions)

	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2015 Base	Increase / Decrease	FY 2015 Request
Bureau of Economic Analysis										
Total Obs	79.6	90.0	96.7	96.3	94.7	93.2	99.3	101.1	9.6	110.7
Direct	77.8	87.4	94.1	93.7	92.5	89.4	95.8	97.6	9.6	107.2
Reimbursable	1.8	2.6	2.6	2.6	2.2	3.8	3.5	3.5	0.0	3.5
Total FTE	485	496	503	497	497	461	470	470	9	479
ESA										
Total Obs	7.5	7.4	8.5	9.0	8.3	7.9	8.3	8.3	0.0	8.3
Direct	3.8	3.7	4.0	3.8	3.9	3.4	3.8	3.8	0.0	3.8
Reimbursable	3.7	3.7	4.5	5.2	4.4	4.5	4.5	4.5	0.0	4.5
Total FTE	35	35	34	37	36	33	36	36	0	36
Total Obligations										
Total Obs	87.1	97.4	105.2	105.3	103.0	101.1	107.6	109.4	9.6	118.0
Direct	81.6	91.1	98.1	97.5	96.4	92.8	99.6	101.4	9.6	111.0
Reimbursable	5.5	6.3	7.1	7.8	6.6	8.3	8.0	8.0	0.0	8.0
Total FTE	520	531	537	534	533	494	506	506	9	515

Part 4 Agency Priority Goals

N/A. ESA /BEA does not have any Agency Priority Goals.

Part 5 Other Information

The BEA Five-Year Strategic Plan is a comprehensive plan of action that tracks BEA's progress toward accomplishing its mission. BEA's progress is tied to its contributions to the Department's initiatives of making key investments in each of the core areas of: trade and investment, innovation, data and the environment. The Plan has nearly 200 detailed milestones, which ensure that BEA statistics are as timely, relevant, and accurate as possible. These milestones allow managers and senior staff to plan resources and staff allocations and encourage personal accountability by connecting the achievement of milestones to individuals' annual performance plans. This direct progression from DOC themes to the BEA mission and, finally, to the objectives, goals, and milestones of the BEA Five-Year Strategic Plan reinforces the link between the DOC mission and the employees at BEA.

This FY 2015 budget request enables BEA to maintain "core" statistical programs in three categories: statistics that feed into the estimation of GDP and related products, statistics that are required by law, and statistics that are required for the administration of federal programs.

BEA faces long-term challenges to its mission:

1. **Stay relevant:** Given our constantly changing economy, keeping our accounts relevant has always been one of our top challenges. To tell the "right story," BEA must be quick to recognize and understand the changes occurring in the economy. The most pressing public policy issues today call for new and expanded statistics that extend the GDP and related accounts beyond their long-established boundaries to address national priorities such as health care, innovation and energy. At the same time, data users have long demanded greater consistency among the federal economic accounts provided by the decentralized U.S. statistical system, and that demand has only grown stronger as the economy has become more complex. As a leading statistical agency, BEA must contribute to the effort to integrate the federal economic accounts.

2. **Manage for flexibility:** The rapidity of the recent changes in the economy poses considerable methodological and computational challenges. In response, BEA must be flexible enough to quickly adapt its measures to changing economic conditions. As technological capabilities increase, customers expect easier access, quicker turnaround, and accessible interface mechanisms. In addition, BEA must make information readily available to all types of data uses. Information should be available to everyone, from the least to the most experienced data user, which requires cost-effective strategies for the continued delivery of useful information to a very diverse customer base.

3. Build future leaders: As much of BEA's senior staff nears retirement, BEA is experiencing firsthand the importance of institutional knowledge and experience. BEA is devoting itself to the preparation of a new generation of cutting-edge experts and leaders.

These challenges threaten BEA's ability to fulfill its highest priority, its mission to promote a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic accounts data possible. BEA's FY 2014 budget submission is designed to address these challenges and enable BEA to not only maintain but also improve its high-priority statistics.

Section 2 Cross-Agency Priority Goals / Collaborations:

N/A. ESA / BEA does not have any Cross-Agency Priority Goals

Section 3 Program evaluations:

N/A. ESA / BEA does not have any formal, DOC led program evaluations proposed in the coming year.

Section 4 BEA's Vision and Mission is found at:

[://www.bea.gov/about/mission.](http://www.bea.gov/about/mission)

ESA's Vision and Mission is found at:

[://www.esa.doc.gov/](http://www.esa.doc.gov/)

Section 5 "The FY 2013 Summary of Performance includes in the Secretary's Statement, an assessment of the reliability and completeness of the Department's performance data."

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses

SUMMARY OF RESOURCE REQUIREMENTS
 (Dollar amounts in thousands)

		Positions	FTE	Budget Authority	Direct Obligations
FY 2014 Enacted		481	470	99,000	99,572
less: Unobligated Balance, start of year					(572)
plus: Adjustments to Base		0	0	2,473	2,473
FY 2015 Base		481	470	101,473	101,473
less: Inflationary Adjustments		0	0	(334)	(334)
plus: Big Data for Small Business		12	9	1,894	1,894
plus: GSA Required Build-out / Relocation Funding		0	0	8,000	8,000
FY 2015 Estimate		493	479	111,033	111,033

Comparison by activity/subactivity		2013 Actuals		2014 Enacted		2015 Base		2015 Estimate		2015 Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Bureau of Economic Analysis	Pos/BA	452	89,771	467	95,378	467	97,631	479	107,245	12	9,614
	FTE/Obl.	440	89,353	457	95,797	457		466		9	
Policy support	Pos/BA	12	3,549	14	3,622	14	3,842	14	3,788	0	(54)
	FTE/Obl.	10	3,396	13	3,775	13		13			
TOTALS	Pos/BA	464	93,321	481	99,000	481	101,473	493	111,033	12	9,560
	FTE/Obl.	450	92,749	470	99,572	470		479		9	
Adjustments to Obligations											
Recoveries and Refunds											
Unobligated Balance, start of year			-		(572)						
Unobligated Balance, end of year			572								
Appropriation		450	93,321	470	99,000	470	101,473	479	111,033	9	9,560

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses

Exhibit 6

SUMMARY OF REIMBURSABLE OBLIGATIONS
 (Dollar amounts in thousands)

Comparison by activity			2013 Actuals		2014 Enacted		2015 Base		2015 Estimate		2015 Increase/ (Decrease)	
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
<u>Reimbursable projects</u>												
Bureau of Economic Analysis	Pos/BA	19	3,340	10	2,151	10	2,101	10	2,101	0	0	
	FTE/Obl.	19		10		10		10		0		
Policy support	Pos/BA	23	4,537	23	4,460	23	4,460	23	4,460	0	0	
	FTE/Obl.	23		23		23		23		0		
Total, Reimbursable projects.....	Pos/BA	42	7,877	33	6,611	33	6,561	33	6,561	0	0	
	FTE/Obl.	42		33		33		33		0		
<u>Subscription and fee sales</u>												
Bureau of Economic Analysis	Pos/BA	2	508	3	1,361	3	1,361	3	1,361	0	0	
	FTE/Obl.	2		3		3		3		0		
Policy support	Pos/BA	0	0	0	0	0	0	0	0	0	0	
	FTE/Obl.	0		0		0		0		0		
Total, Subscription and fee sales.....	Pos/BA	2	508	3	1,361	3	1,361	3	1,361	0	0	
	FTE/Obl.	2		3		3		3		0		
Total, Reimbursable Obligations.....	Pos/BA	44	8,385	36	7,972	36	7,922	36	7,922	0	0	
	FTE/Obl.	44		36		36		36		0		

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
SUMMARY OF FINANCING
 (Dollar amounts in thousands)

Exhibit 7

Comparison by activity	2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	2015 Increase/ (Decrease)
Total Obligations	101,134	107,544	109,395	118,955	9,560
Offsetting collections from:					
Federal Funds	(7,877)	(6,611)	(6,561)	(6,561)	0
Trust funds	0	0	0	0	0
Non-Federal sources	(508)	(1,361)	(1,361)	(1,361)	0
Recoveries and Refunds	0	0	0	0	0
Unobligated balance direct, start of year	0	(572)	0	0	0
Unobligated balance reimbursable, start of year	0	0	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance direct, end of year	572	0	0	0	0
Unobligated balance reimbursable, end of year	0	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
Budget Authority	93,321	99,000	101,473	111,033	9,560
Financing:					
Unobligated balance rescission	0	0	0	0	0
Transferred from other accounts (-)	0	0	0	0	0
Transferred to other accounts (+)	0	0	0	0	0
Appropriation	93,321	99,000	101,473	111,033	9,560

Department of Commerce
Economic and Statistical Analysis Budget
Economics and Statistics Administration / Bureau of Economic Analysis
Salaries and Expenses
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

Adjustments to Base	Amount
Personal Identity Verification (PIV) Non-recur the FY 2014 one-time costs	(389)
<u>ESTIMATED COST CHANGES:</u>	
Annualization of FY 2014 pay raise	199
FY 2015 pay raise	506
Full year cost in FY 2015 of positions financed for part-year in FY 2014	0
Change in compensable days	0
Civil Service Retirement System (CSRS)	(184)
Federal Employees Retirement System (FERS)	955
Thrift Savings Plan	121
Federal Insurance Contribution Act (FICA) - OASDI	132
Health Insurance	210
Employees Compensation Fund	23
Rental payments to GSA	130
Printing and reproduction	1
Postage	4
NARA	9
Working Capital Fund	478
General Pricing Level Adjustments:	
Communications, Utilities and Miscellaneous	(3)
Other Services / Rental to Others / Transportation of Things	259
Supplies and materials	19
Equipment	3
Subtotal Estimated Cost Changes	<u>2,473</u>
Total, Adjustments to Base	<u>2,473</u>

Department of Commerce
Economic and Statistical Analysis Budget
Economics and Statistics Administration / Bureau of Economic Analysis
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE

ADJUSTMENTS TO BASE	FTE	Amount
<u>Personal Identity Verification (PIV)</u>		(389)
Non-recur the FY 2014 one-time costs associated with DOC efforts to meet PIV compliance.		
<u>Annualization of FY 2014 pay raise</u>		199
Full-year cost of the 2014 pay increase and related costs. A pay raise of 1.0% is effective for FY 2014 January 1, 2014.		
Total cost of FY 2014 pay increase	796,000	
Less amount requested in FY 2014	597,000	
Amount requested in FY 2015 for FY 2014 pay increase	199,000	
<u>FY 2015 pay raise and related costs</u>		506
A general pay raise of 1.049% is assumed to be effective January 1, 2015.		
Total cost in FY 2015 of pay increase	674,504	
Amount requested in FY 2015 for 2015 pay increase (3/4 of year)	505,878	
<u>Civil Service Retirement System (CSRS)</u>		(184)
The number of employees covered by CSRS continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees' Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 9.4% in FY 2014 to 4.3% in FY 2015. The contribution rate will remain 7.0%.		
FY 2015 (\$51,618,000 x 0.043 x .07)	155,370	
FY 2014 (\$51,618,000 x 0.094 x .07)	339,646	
Total adjustment to base	(184,276)	
<u>Federal Employees Retirement System (FERS)</u>		955
The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 90.6% in FY 2014 to 95.7% in FY 2015. The contribution rate remains 11.9%.		
FY 2015 (\$51,618,000 x .957 x .132)	6,520,592	
FY 2014 (\$51,618,000 x .906 x .119)	5,565,143	
Total adjustment to base	955,449	
<u>Thrift Savings Plan (TSP)</u>		121
The cost of agency contributions to the Thrift Savings Plan will rise as FERS participation increases. The contribution rate based on actual performance is 4.60%.		
FY 2015 (\$51,618,000 x .957 x .046)	2,272,328	
FY 2014 (\$51,618,000 x .906 x .046)	2,151,232	
Total adjustment to base	121,096	

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE

ADJUSTMENTS TO BASE	FTE	Amount
<u>Federal Insurance Contribution Act (FICA)</u>		132
As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will remain \$119,100 in FY 2015. The OASDI tax rate will remain 6.2% in FY 2015.		
<u>Full-time and part-time salaries</u>		
FY 2015 (\$51,618,000 x .957 x .922 x .062)	2,823,812	
FY 2014 (\$51,618,000 x .906 x .929 x .062)	2,693,623	
	130,189	
<u>Other salaries</u>		
FY 2015 (\$633,000 x .957 x .922 x .062)	34,629	
FY 2014 (\$633,000 x .906 x .929 x .062)	33,032	
	1,597	
<u>Health Insurance</u>		210
Effective January 2013 the cost of the ESA's contribution to the Federal employees' health insurance premium increased by 6.4%. Applied against the FY 2014 estimate of \$3,202,000, the additional amount requested is \$210,000.		
<u>Employee's Compensation Fund</u>		23
The Employee's Compensation Fund is based on the actual billing from the Department of Labor.		
<u>Rental payments to GSA</u>		130
GSA rates are projected to increase 1.6% over the FY 2014 estimate of \$8,109,000 for currently occupied space. This results in an increase of \$130,000.		
<u>GPO Printing</u>		1
GPO has provided an estimated rate increase of 1.4%. This percentage was applied to the 2014 estimate of \$51,000 for an increase of \$714.		
<u>National Archives & Records Administration</u>		9
The National Archives and Records Administration (NARA) projects storage costs will increase in price by \$8,511 for ESA.		
<u>Working Capital Fund</u>		478
An increase of \$478,000 toward increases in the Departmental Management's Working Capital Fund.		
<u>Postage</u>		4
Effective January 22, 2012, the Governors of the Postal Service implemented a rate increase for first-class mail of 4.6%. This was applied to the FY 2014 estimate of \$95,000 to arrive at an increase of \$4,370.		
<u>General Pricing Level Adjustment</u>		
This request applies a 1.4% general pricing adjustment based on OMB economic assumptions for FY 2015 to object classes where the prices that the Government pays are established through the market system. Factors are applied to the following:		
Communications, utilities and miscellaneous charges (Including HCHB utility adjustments)		(3)
Other Services / Rental Payments to Others / Transportation of things		259
Supplies and materials		19
Equipment		3
Total, Adjustments to Base	0	2,473

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Exhibit 10

Activity: Bureau of Economic Analysis
 Subactivity: National Economic Accounts

Comparison by line item	2013 Actuals		2014 Enacted		Base		2015 Estimate		2015 Increase/ (Decrease)	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
National Economic Accounts..... Pos/BA	154	30,522	159	32,428	159	33,194	171	37,713	12	4,519
FTE/Obl.	150	30,380	156	32,571	156		165		9	
Direct Obligations..... Pos/BA	154	30,522	159	32,428	159	33,194	171	37,713	12	4,519
FTE/Obl.	150	30,380	156	32,571	156		165		9	

Activity: Bureau of Economic Analysis
 Subactivity: International Economic Accounts

Comparison by line item	2013 Actuals		2014 Enacted		Base		2015 Estimate		2015 Increase/ (Decrease)	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
International Economic Accounts. Pos/BA	154	30,522	158	32,429	158	33,195	158	35,820	-	2,625
FTE/Obl.	150	30,380	155	32,571	155		155		-	
Direct Obligations..... Pos/BA	154	30,522	158	32,429	158	33,195	158	35,820	-	2,625
FTE/Obl.	150	30,380	155	32,571	155		155		-	

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Exhibit 10

Activity: Bureau of Economic Analysis
 Subactivity: Regional Economic Accounts

Comparison by line item	2013 Actuals		2014 Enacted		Base		2015 Estimate		2015 Increase/ (Decrease)		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Regional Economic Accounts.....	Pos/BA	86	17,057	89	18,122	89	18,550	89	20,016	-	1,466
	FTE/Obl.	84	16,977	87	18,201	87		87		-	
Direct Obligations.....	Pos/BA	86	17,057	89	18,122	89	18,550	89	20,016	-	1,466
	FTE/Obl.	84	16,977	87	18,201	87		87		-	

Activity: Bureau of Economic Analysis
 Subactivity: Industry Economic Accounts

Comparison by line item	2013 Actuals		2014 Enacted		Base		2015 Estimate		2015 Increase/ (Decrease)		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Industry Economic Accounts	Pos/BA	59	11,670	61	12,399	61	12,692	61	13,696	-	1,004
	FTE/Obl.	57	11,616	59	12,453	59		59		-	
Direct Obligations.....	Pos/BA	59	11,670	61	12,399	61	12,692	61	13,696	-	1,004
	FTE/Obl.	57	11,616	59	12,453	59		59		-	

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
 (Dollar amounts in thousands)

Activity: Policy Support
 Subactivity: Policy Support

Comparison by line item	2013 Actuals		2014 Enacted		Base		2015 Estimate		2015 Increase/ (Decrease)		
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	
Policy support.....	Pos/BA	12	3,549	14	3,622	14	3,842	14	3,788	-	(54)
	FTE/Obl.	10	3,396	13	3,775	13		13		-	
Direct Obligations.....	Pos/BA	12	3,549	14	3,622	14	3,842	14	3,788	-	(54)
	FTE/Obl.	10	3,396	13	3,775	13		13		-	

This page intentionally left blank.

APPROPRIATION ACCOUNT: Economics and Statistics Administration

BUDGET PROGRAM: Economic Policy Support

For FY 2015, ESA requests \$3,788,000 for Economic Policy Support. ESA requests no program increases for Policy Support in FY 2015.

	PROGRAM BUDGET PROFILE						
	(Dollars in thousands)						
Funding Requirements by Sub-Program:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Economic Policy Support	3,396	3,622	3,788	3,860	3,933	4,008	4,084
Total Dollars:	3,396	3,622	3,788	3,860	3,933	4,008	4,084
Total FTEs:	13	13	13	13	13	13	13

PROGRAM JUSTIFICATION: Economic Policy Support

The Economics and Statistics Administration (ESA) provides broad and targeted economic data, analyses and forecasts for use by Government agencies, businesses and others, as well as develops domestic and international economic policy. ESA’s mission is three-fold; the Economic Policy Support program is directly associated with two parts of this mission:

- Support the information and analytical needs of the Department of Commerce, the Executive Branch, the President, and Congress;
- Maintain the highest possible quality Federal statistical system and make improvements where warranted and feasible; and,
- Communicate a vision of the key forces at work in the economy and of the opportunities, they create for improving the well-being of all Americans.

The economic policy staff advises the Secretary, Deputy Secretary, Under Secretary, and other Government officials on matters related to economic developments and forecasts and the development of options and positions relating to economic policy. The staff supports the Secretary's and Under Secretary's participation in White House policy councils, in similar Administration economic policy forums, and on the Board of the Pension Benefit Guaranty Corporation. The economic policy staff analyzes domestic and international economic developments; conducts studies contributing to economic policy development; provides weekly analyses on the near-term prospects and composition of economic activity in the U.S.; produces periodic analyses of international macroeconomic issues and their implications for the U.S. economy; and maintains a tabulation of diverse economic indicators. The staff provides research on contemporary industrial performance and analyses of cross-industry effects of economic trends, proposed and current policies, and unique events such as supply interruptions, strikes, natural disasters, and threats to homeland security.

Exhibit 12-15

ESA's policy staff prepares in-depth economic analysis including briefings and reports to support the Secretary of Commerce on the prevailing topics of the day. Recent report titles include The Competitiveness and Innovative Capacity of the United States, Intellectual Property and the U.S. Economy, and The Benefits of Manufacturing Jobs. ESA economists have also produced reports on the saturation of broadband connectivity and internet and home computer use and the science, technology, engineering and mathematical (STEM) workforce. ESA analysts have also provided policy makers with current analysis on oil heat price, foreign direct investment in the United States, and pension reform. Recent briefing topics have included: The National Export Initiative: Doubling Exports, Health Care Reforms and the Economy, Assessing the Economic Costs of the Gulf Oil Spill, Financial Reform Legislation, China's Current Accounts, Exchange Rates and Reserve Currency Choices: Policies and Implications for Trade with China.

ESA's policy staff provides the Secretary's Office and other units within the Department of Commerce with ongoing expert analysis of the data available and describes trends and changing conditions in the U.S. and world economy, and advises on the evaluation of policies. ESA's economists are the only group in Commerce that provides this type of economic analysis and data-based economic reporting. ESA's economists specialize in policy analysis using the vast amount of statistical data from the Census Bureau and BEA.

ESA's policy support cuts across all of the goals under the Economic Growth theme. ESA's economists and policy analysts under the leadership of the Under Secretary and the Chief Economist will provide the Secretary's office and other units within DoC with expert analysis of the data available that describe innovation in the economy, and advise on the evaluation of policies regarding the promotion of innovation and entrepreneurship. ESA's policy staff will describe changing conditions in the business and job market environment, especially as they affect underserved communities, and advise on the evaluation of policies regarding market development and commercialization and describe trade patterns and U.S. competitiveness as well as advise on the evaluation of policies regarding trade promotion.

Similarly, ESA's economist and policy analysts support the objective to "Improve understanding of the US economy...", under the Science and Information Goal by producing reports that provide economic and policy analysis on topical issues of major importance to the Department of Commerce and to other agencies within the Administration. The focus of these reports and analysis includes the use of federal contract set-asides for minority and women-owned businesses, credit availability to women-owned businesses, in-depth analysis on the manufacturing and export sectors of the U.S. economy, family and household wellbeing during the current recession, and factors that underlie foreclosure rates.

Under the Environmental Stewardship theme, ESA's work will support the goals by providing the Secretary's office and other units within DoC with ongoing expert analysis of the data available that describe trends relating to environmental questions and the economic issues that they raise and advise on the evaluation of policies regarding environmental stewardship.

SIGNIFICANT ADJUSTMENTS-TO-BASE (ATBs):

The ESA Policy Support activity's share of the adjustments to base in FY 2015 is \$220,000. The increases are attributed to the estimated pay raise of 1.0 percent as well as increases from inflationary increases for non-labor activities, service contracts, utilities, rent, and the Department's Working Capital Fund that will be funded internally. ESA requests funding of

\$166,000 to partially cover adjustments to base. The remaining \$54,000 will be offset through an inflationary adjustment by surrendering under-utilized office space, attriting high-grade/high-step staff that will continue to be replaced by more junior staff, and through efficiencies within external contracts and service agreements.

BUDGET PROGRAM: Bureau of Economic Analysis (BEA)

For FY 2015, BEA requests an increase of \$11.9 million over the FY 2014 enacted level for a total of \$107.2 million. This level will ensure BEA is able to preserve the timeliness, relevance, and accuracy of the nation's economic accounts. This will also provide funding for two important efforts: Big Data for Small Business will enhance the ability of America's small businesses to innovate, grow, and be successful by expanding access to data that assists in interpreting the economy and making investment decisions; and the GSA Renovation/Relocation that is required as a result of BEA's expiring lease and mandated space reductions.

	PROGRAM BUDGET PROFILE						
	(Dollars in thousands)						
Funding Requirements by Sub-Program:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
National Economic Accounts	30,522	32,428	37,713	38,430	36,371	37,098	37,840
International Economic Accounts	30,522	32,429	35,820	36,501	34,404	35,092	35,794
Regional Economic Accounts	17,057	18,122	20,017	20,397	19,224	19,608	20,000
Industry Economic Accounts	11,670	12,399	13,695	13,955	13,154	13,417	13,685
Total Dollars:	89,771	95,378	107,245	109,283	103,153	105,215	107,319
Total FTEs:	440	457	466	469	469	469	469

PROGRAM JUSTIFICATION: Bureau of Economic Analysis (BEA)

The Bureau of Economic Analysis is a principal Federal statistical agency promoting better understanding of the U.S. economy by providing timely, relevant, and accurate economic accounts data in an objective and cost-effective manner. BEA's national, industry, regional, and international economic accounts present valuable information on key issues such as U.S. economic growth, regional economic development, inter-industry relationships, and the Nation's position in the world economy. Some of the widely used statistical measures produced by BEA include gross domestic

Exhibit 12-15

product (GDP), personal income and outlays, corporate profits, GDP by state and by metropolitan area, balance of payments, and GDP by industry. These statistics are used by Federal, state, and local governments for budget development and projections; by the Federal Reserve for monetary policy; by the business sector for planning and investment; and by the American public to follow and understand the performance of the Nation's economy. BEA's strategic vision is to remain the world's most respected producer of economic accounts.

The objective of BEA is to promote a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic accounts data in an objective and cost-effective manner.

The following list describes BEA's four economic accounts and their products. BEA conducted a thorough review of all of its programs in FY 2010, and will continue to conduct these reviews in the future to ensure relevance and efficiency. The review determined that BEA's products support the core mission of the Agency and either feed into the development of GDP and other core accounts, are required by law, or are used to implement Federal programs.

- **National Economic Accounts:** GDP and related accounts are the basis for Federal budget projections and are the foundation of macroeconomic analysis;
- **International Economic Accounts:** Balance-of-payments data are required by the Bretton Woods Agreement and are critical to monetary, trade, investment, exchange rate, and financial policies. BEA's direct investment programs are also required by law and are critical to understanding the impact of U.S. and foreign multinational companies on the U.S. and world economies;
- **Regional Economic Accounts:** Regional data are used to allocate over \$300 billion in Federal funds and are the basis for virtually all states' spending and revenue forecasts; and,
- **Industry Economic Accounts:** Industry data are the basis for the infrastructure for the National Income and Product Accounts and many other key government statistics, such as the Bureau of Labor Statistics' Producer Price Index. They are also critical to industry and macroeconomic analyses.

SIGNIFICANT ADJUSTMENTS-TO-BASE (ATBs):

BEA's share of the adjustments to base in FY 2015 is \$2,253,000. The increase will fund the estimated 2015 Federal pay raise of 1.049 percent. The increase will also provide inflationary increases for non-labor activities, including service contracts, utilities, and rent. BEA requests funding of \$1,973,000 to partially cover adjustments to base. The remaining \$280,000 will be offset through an inflationary adjustment by managing vacancies, travel, training, and through efficiencies within external contracts and service agreements.

Sub-Program Descriptions:

National Economic Accounts

This work consists of the preparation, analysis, and publication of the National Income and Product Accounts (NIPAs), the wealth accounts, and the associated government accounts. Additionally, this

Exhibit 12-15

program works jointly with the Industry Economic Accounts program to provide satellite accounts for innovation and intangibles.

The NIPAs, summarized by GDP, provide a comprehensive, up-to-date picture of U.S. domestic production, consumption, investment, and exports and imports as well as national and personal income and savings. The wealth accounts provide statistics on physical structures, capital equipment and software, and consumer durable goods held by businesses, governments, and others. The government accounts provide statistics on Federal, state, and local government transactions in a national accounts framework. Finally, the satellite accounts for innovation and intangibles provide detail on research and development and health-care-related innovation and their impact on economic growth. BEA continuously modernizes and expands all of these accounts to improve their reliability, relevance, and their alignment with international guidelines.

The data produced by BEA include some of the Nation's most important and closely-watched economic statistics, such as the GDP, the broadest measure of economic activity. GDP is used by the White House and Congress to prepare the Federal budget, by the Federal Reserve to formulate monetary policy, by Wall Street as an indicator of economic activity, and by the business community to prepare forecasts of economic performance that provide the basis for production, investment, and employment planning.

GDP is only one among many measures found in the NIPAs; measures such as personal consumption expenditures, business investment, government spending, personal income, and corporate profits help to answer questions about the sources of economic growth and the levels and composition of the incomes resulting from that growth. These data are used to inform key policy decisions made by Congress and the Administration and by businesses to help determine the right mix of investment to grow businesses and create jobs.

The National Economic Accounts program supports the Department's objective of improving the understanding of the US economy, society and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions under the theme of **Science and Information**. Specifically, the objective is supported by the comprehensive view of the United States economy and the detail on U.S. production, income, consumption, investment, saving, and international trade that is provided by the NIPAs.

The satellite accounts for innovation and intangibles, produced jointly with the Industry Economic Accounts program, support the Department's theme of **Economic Growth** and objective of promoting competitiveness of disadvantaged and distressed communities and businesses through their detailed statistics, by facilitating research into the effects of R&D and other intangibles on the economy. Analysts have long recognized the significant role played by innovation in fostering economic growth, but the detailed data to test and expand this understanding has been lacking. By providing theoretically meaningful and accurate data on intangible assets, these satellite accounts provide a key to understanding the impact of innovation—and to using this understanding to support policies that foster economic growth and the development of new businesses.

Finally, this program supports the Departmental theme of Customer Service and objective of promoting information access and transparency through technology, understanding customer requirements, and creating new data products and services, by providing economic statistics that are relevant to the needs of policymakers, business decision-makers, and academics in the most

Exhibit 12-15

timely manner; by continuously improving those data or supplementing them with new measures as economic conditions require; and by delivering those data through various accessible media.

Additional information and products can be found at <://bea.gov/national/index>.

International Economic Accounts

This work consists of the preparation, analysis, and publication of the International Transactions Accounts (ITAs), also referred to as balance of payments accounts and International Investment Position accounts (IIPs). The ITAs provide a comprehensive and detailed view of economic transactions between the United States and other countries. Major types of transactions covered are trade in goods; trade in travel, transportation, and other private services; income from international investment; U.S. Government military and other services; private remittances; foreign aid programs; private financial flows; and changes in foreign official assets in the United States and U.S. official reserve assets. The IIPs provide statistics on the accumulated stocks of U.S.-owned assets abroad and of foreign-owned assets in the United States, as well as statistics on the value of the net international investment position of the United States. BEA continuously modernizes and expands these accounts to improve their reliability and relevance and their alignment with international guidelines.

Economic globalization has profoundly affected patterns of cross-border trade in goods and services, the size, and location of direct investment by U.S. and foreign multinational companies (MNCs), international financial flows and asset holdings, and the sources of U.S. aid to developing countries. Policymakers and other decision makers need complete, timely, and reliable data to properly assess the impact of these trends and to develop effective policies related to trade, direct investment, financial regulation, and foreign aid. The ITAs and the IIPs provide those data. The accounts shed light on, among other things, the level of the trade balance and its rate of change; on factors that influence the trade balance; on the influence the trade balance itself has on GDP and on incomes in the United States; on the impacts of recessions abroad on U.S. exports and imports; and on the composition of international investments in the United States by foreigners and in other countries by the United States.

Under the Department's theme of **Science and Information** and the objective of improving understanding of the U.S. economy, society and environment by providing timely, relevant, trusted and accurate data enabling entities to make informed decisions, the International Economic Accounts support a comprehensive view of the position and performance of the United States within the global trade community. This program also contributes to the BEA objective to prepare and continuously improve timely and accurate international statistics to track the performance of the U.S. economy. These accounts provide detail on the relative strength of the United States with respect to trade and international investment, as well as on the value of U.S. international assets and liabilities and direct investment by multinational companies. Additionally, the data on direct investment are the most detailed data set on the operations of multinational companies available.

The theme of **Economic Growth** and the objective of promoting competitiveness of disadvantaged and distressed communities and businesses is also served by these accounts, as the international statistics provide the foundation for businesses and policymakers to make

Exhibit 12-15

decisions that will improve the global competitiveness of the United States. BEA's objective of preparing and continuously improving timely and accurate international statistics to foster U.S. trade is also served by this program.

Finally, this program supports the Department's **Customer Service** theme and objective of promoting information access and transparency through technology, understanding customer requirements, and creating new data products and services that deliver added value by providing economic statistics that are relevant to the needs of policymakers, business decision-makers, and academics. These data are provided in the timeliest manner, continuously improved and supplemented with new measures as economic conditions require. The International Economic Accounts deliver data through various accessible media.

Additional information and products can be found at <://bea.gov/international/index>.

Regional Economic Accounts

This work consists of the preparation, analysis, and publication of economic accounts that show detail on economic activity by region, state, metropolitan area, and county. The accounts include estimates of gross domestic product (GDP) by state and of personal income by state and local area. These regional statistics are consistent with those statistics in the Bureau's national economic accounts. BEA also prepares regional economic multipliers for other geographies defined by our users. BEA continuously modernizes and expands these accounts to improve their reliability and relevance. The statistics on gross domestic product by state, on state and local area personal income, and their accompanying detail provide a consistent framework for analyzing and comparing state and local area economies and meeting these objectives.

The regional statistics on gross domestic product by state and metropolitan area and on state and local area personal income are critical in federal government spending decisions: They are used to distribute over \$300 billion in federal funds to states. Twenty states have set constitutional or statutory limits on state government revenues or spending that are tied to BEA's state personal income statistics and related components. Additionally, the data are used by academics and businesses, trade organizations, and labor organizations for area-specific market research.

Under the Department's **Science and Information** theme, the Regional Economic Accounts support the objective of improving the understanding of the U.S. economy, society, and environment by providing timely, relevant, trusted and accurate data, standards and services. The Regional Economic Accounts also support the BEA provision of timely and accurate detail on the state, regional, and metropolitan geographic distribution of U.S. economic activity and growth.

These economic statistics also support the **Economic Growth** objectives of promoting competitiveness of disadvantaged and distressed communities and businesses and providing service to improve the competitiveness of small and medium sized firms. The Regional Economic Accounts provide the details to business and communities that allow them to make informed business decisions and to identify issues and opportunities associated with their efforts to develop markets.

This program also supports the Department's **Customer Service** theme and objective of promoting information access and transparency through technology, understanding customer requirements, and creating new data products and services. The Regional Economic Accounts

Exhibit 12-15

engage in research to continuously improve its statistics or supplement its statistics with new measures as economic conditions require. It provides statistics in a timely manner, and uses cutting edge technology to provide its statistics in a variety of user-friendly formats, including interactive maps, charts, and graphs as well as interactive tables and input-output multipliers customized to individual customer needs that can be ordered online.

Additional information and products can be found at <://bea.gov/regional/index>.

Industry Economic Accounts

The Industry Economic Accounts, presented both in an input-output accounting framework and as a time series, provide a detailed view of the interrelationships between U.S. producers and users of goods and services, and the contribution to production across industries. Specifically, the benchmark input-output (I-O) accounts show the flow of goods and services from each industry to other industries and to final users in the economy and the income originating in them, and the annual input-output (I-O) accounts provide a time series of detailed, consistent information on these flows. The GDP-by-industry accounts include estimates of value added by industry-- a measure of the contribution of each private industry and of government to the Nation's GDP. These accounts can be used to examine changes in the structure of the U.S. economy and the importance of an industry and its contribution to GDP. The Travel and Tourism Satellite Accounts present a detailed picture of travel and tourism activity and its role in the U.S. economy. These accounts present estimates of expenditures by tourists, or visitors, on 24 types of goods and services. The capital flow table shows the destination of the new capital investment in equipment, software, and structures by the industries that purchase or lease these capital goods and services. BEA continuously modernizes and expands these accounts to improve their reliability, relevance, and their alignment with international guidelines.

The Industry Accounts data are used extensively by policymakers, businesses, and academics to understand industry interactions and the sources and trends of productivity in the United States, as well as the changing structure of the U.S. economy. The Input-Output (I-O) tables allow researchers to analyze the economic effects of specific events. For example, they can be used in emergency planning and in estimating the economic effects of natural disasters and strikes. Businesses use I-O data to develop forecasting models, which estimate future earnings, among other things, and help guide critical investment decisions. The accounts are also used by other statistical agencies as a framework for preparing further economic statistics: the I-O accounts provide the detail that is essential in determining quantity weights for price indexes, such as the producer price indexes produced by the Bureau of Labor Statistics.

BEA also uses the benchmark I-O accounts as a source of data. In fact, the I-O accounts, which are released at approximately 5-year intervals and are based on the most comprehensive source data available, are the most important statistical source for the comprehensive revision of the NIPAs. They are used to establish the benchmark levels for consumer spending and private equipment and for software investment, and to provide information on the composition of final demand, providing the basis for the estimates of GDP for the non-benchmark years.

The Industry Economic Accounts program supports the Department's objective of improving the understanding of the US economy, society and environment by providing timely, relevant, trusted and accurate data, standards and services enabling entities to make informed decisions under the theme of Science and Information. This program contributes to this objective, as well as to the BEA objective to prepare and continuously improve timely and accurate industry statistics to track

Exhibit 12-15

the performance of the U.S. economy. The Industry Economic Accounts provide the most in-depth statistics available on the production processes underlying detailed goods and services as well as the detailed relationships between industries in the United States.

The satellite accounts for innovation and intangibles, produced jointly with the National Economic Accounts program, support the Department's theme of **Economic Growth** and objective of promoting competitiveness of disadvantaged and distressed communities and businesses through their detailed statistics, designed to facilitate research into the effects of R&D and other intangibles on the economy. Analysts have long recognized the significant role played by innovation in fostering economic growth, but the detailed data to test and expand this understanding has been lacking. By providing theoretically meaningful and accurate data on intangible assets, these satellite accounts provide a key to understanding the impact of innovation—and to using this understanding to support policies that foster economic growth and the development of new businesses.

This program also supports the Departmental theme of **Customer Service** and objective of promoting information access and transparency through technology, understanding customer requirements, and creating new data products and services, by providing these economic statistics in a timely manner by continuously improving those data or supplementing them with new measures as economic conditions require; and by delivering those data through various accessible media.

Additional information and products can be found at <://bea.gov/industry/index>.

PROGRAM CHANGE:

BIG DATA FOR SMALL BUSINESS (\$1.9M / 9 FTE)

Small businesses are a critical element of the overall economy and are often at the leading edge of risk-taking, entrepreneurship, and economic growth. Yet, unlike large corporations who have staffs of economists, advisors, and consultants to assist in interpreting and understanding the economy and guiding investments, small businesses largely depend on limited publicly-available data.

Recognizing this, and the Department's role in supporting small business growth and decision-making, as well as the need for more insight into the health of the small business sector, BEA proposes a new suite of small business data products. To inform policy, as well as Main Street decision-making, BEA proposes to expand data on small business by developing a Small Business Satellite Account including a new Small Business GDP to track the overall growth and health of America's small business sector. This will be a key new measure, offering insight into the leading edge of the economy, as small businesses are often the first to react to growth or contraction in their sectors or regions, often reacting to changes in policy before larger corporations. Gaining such insight will also fulfill a key lesson learned from the 2008 financial crisis in terms of expanding the granularity of data on business activity.

In addition to the new Small Business GDP measure, the small business satellite account will present new data on the distribution of small businesses by size of employment and sales; legal form of business, taxes, and net income; by industry; and by region of the country. This data will provide meaningful descriptions and the ability to understand trends over time regarding the changes in

Exhibit 12-15

composition, industry, and geography of the small business sector. In addition to supporting good public policy at the national level, these data will also be of substantial value to state and local government as well as business development officials in understanding their regional economic dynamics.

Coupled with BEA's other products, such as GDP by State and Real State Personal Income, these new statistics will represent a wealth of new information to guide small business growth and policy. Beyond the public policy arena, expanding the Department's data offerings to this essential constituency will only further enhance the ability of America's entrepreneurs to innovate, grow, and lead successful businesses.

There are no risks to the development and production of new data, and particularly not as it relates to a new satellite account focusing on small businesses. In this case, particularly given that no new data collection is proposed (the new account will be built from existing, primarily administrative, data), and thus no additional burden will be placed on businesses to develop the necessary data.

The opportunities presented by this proposal are considerable given the well-defined record of accomplishment of accurate, reliable, official statistical data providing the knowledge basis for economic growth as well as smart decisions in the public policy sector.

Further, the benefit of this initiative to the Department goes to the heart of the Department's role in economic policy – the Department is the primary source of actionable statistics on the state of the economy. Along with the daily provision of weather information, the weekly issuance of economic indicators is one of the Department's most important and visible functions. Expanding the Department's data offerings to such an important constituency is a highly valuable proposition for both the Department as well as policy and business sectors.

The risk of not pursuing this proposal is perpetuating the continued lack of direct knowledge of the economic health of the small business sector and what that sector can tell us about the health of the overall economy. There is a clear need and desire for this information, as demonstrated by multiple efforts over the years by SBA and various trade associations to develop similar data sets. BEA is uniquely suited to develop this data set given its role as the custodian of the nation's economic accounts. Further, data on small businesses published by BEA will have the official imprimatur of BEA as well as the full, symmetric, and broad access to the data that is true for all BEA data products.

Also of importance is that, as a BEA data set, the Small Business Satellite Account will provide data in a consistent times series, as well as in a format and methodology consistent with all of BEA's accounts thus allowing expanded analysis in full context.

Given the role and importance of small businesses in economic growth and recovery, the addition of new and better information to assist small business decision-making and investment will only serve to support small business success. This is an outstanding opportunity for the Department to expand its service offering to this critical constituency.

Costs are largely personnel in nature, with a \$500k expected expenditure on data purchase.

Exhibit 12-15

Targets without increase	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Score on Customer Satisfaction Survey	Greater than 4.0	Greater than 4.0	Greater than 4.0	Greater than 4.0	Greater than 4.0

Complete all Major Strategic Plan milestones related to improving the economic accounts	Successfully complete related milestones
---	--

Targets with increase	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Score on Customer Satisfaction Survey	Greater than 4.0	Greater than 4.1	Greater than 4.1	Greater than 4.1	Greater than 4.1

Complete all Major Strategic Plan milestones related to improving the economic accounts	Successfully complete additional milestones specifically tied to initiative goals
---	---

Statement of Need and Economic Benefits

The additional economic statistics resulting from the implementation of this proposal will provide policy makers, the Administration, and the Department of Commerce with key information to assess the economic health and capacity of the small business sector to engage in economic activity. Small businesses comprise a large portion of the business sector in the U.S. and are often the leading edge of economic growth and contraction; yet no current Federal statistical programs exist to provide a complete picture of the small business sector. While some features of the sector are measured in varying ways, this proposal will pull them together into a concise picture, allowing policy makers and business leaders to assess and anticipate small business economic capacity and respond accordingly.

Specific economic benefits of this investment:

- As has been demonstrated repeatedly since the introduction of regular, consistent, public-sector economic data in the 1930s, detailed and quality economic statistics contribute significantly to the overall stability of the economy, which itself contributes to economic growth.

Specific cost savings:

- While this proposal will not result in cost savings to BEA, it will result in significantly improved economic statistics. These improved and expanded statistics will provide the right information to develop policies and affect business investments that will improve U.S. competitiveness and create new jobs.

Possible return on investment:

- The return on investment to the Bureau, and the nation, is significant, as this initiative will serve to fill notable existing gaps in official government statistics and will provide highly valuable new detail on the small business sector, its composition, employment, and growth by region and industry. Of great value to economic policy makers, this new data will also be of high value to the business community, in particular small businesses. Major corporations have staffs of economists, advisors, and consultants assisting in interpreting and understanding the economy and guiding investments – small businesses do not.
- Better statistics allow policies to be more accurately calibrated and optimized by permitting a more accurate assessment of their costs and benefits. The potential gains from this initiative will certainly far exceed the relatively small cost.

Schedule and Milestones:

FY15: Research and develop methodology; conduct outreach to stakeholders to gain additional information; and expand collaboration with other Federal agency stakeholders.

FY16: Publish methodology papers and develop initial estimates; present and secure endorsement of methodology and initial estimates from BEA Advisory Committee

FY17: Publish prototype satellite account

FY18: Publish official data series

Deliverables:

Papers, prototype data series and final official data series published on an annual basis.

PROGRAM CHANGE PERSONNEL DETAIL

(actual dollars)

Budget Program: Bureau of Economic Analysis
Sub-program: National Economic Accounts
Program Change: Big Data for Small Business

Title	Band	Interval	Number	Annual Salary	Total Salary
Senior Economist	V	1	1	152,087	152,087
Senior Economist	IV	1	2	128,575	257,150
Economist	III	1	3	87,411	262,233
Economist	II	1	4	64,633	258,532
IT Specialist	III	1	2	92,802	185,604
Total			12		1,115,606
Less Lapse			(3)		(278,902)
Total Full-time permanent (FTE)			9		836,704
2015 Pay Adjustment (1.0%)					8,777
Total					845,481

Personnel Data

Full-time Equivalent Employment:

Full-time permanent	9
Other than full-time permanent	0
Total	9

Authorized Positions:

Full-time permanent	12
Other than full-time permanent	0
Total	12

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Budget Program: Bureau of Economic Analysis
Sub-program: National Economic Accounts
Program Change: Big Data for Small Business

Object Class		FY 2015 Increase	FY 2015 Total Program
11.0	Personnel compensation		
11.1	Full-time permanent	845	845
11.3	Other than full-time permanent	0	0
11.5	Other personnel compensation	0	0
11.8	Special personnel services payments	0	0
11.9	Total personnel compensation	845	845
12.0	Civilian personnel benefits	242	242
13.0	Benefits for former personnel	0	0
21.0	Travel and transportation of persons	9	9
22.0	Transportation of things	0	0
23.1	Rental payments to GSA	0	0
23.2	Rental Payments to others	0	0
23.3	Communications, utilities and miscellaneous charges	7	7
24.0	Printing and reproduction	0	0
25.1	Advisory and assistance services	0	0
25.2	Other services	57	57
25.3	Purchases of goods & services from Gov't accounts	573	573
25.4	Operation and maintenance of facilities	0	0
25.5	Research and development contracts	0	0
25.6	Medical care	0	0
25.7	Operation and maintenance of equipment	0	0
25.8	Subsistence and support of persons	0	0
26.0	Supplies and materials	38	38
31.0	Equipment	123	123
99.0	Total obligations	1,894	1,894

PROGRAM CHANGE:

GSA REQUIRED FUNDING FOR RELOCATION / RECONFIGURATION OF BEA (\$8.0M)

BEA requests an increase of \$8 million to partially pay for the relocation and/or reconfiguration mandated by the General Services Administration (GSA). This requirement is a result of BEA's expiring lease as well as a mandated space reduction. GSA has directed BEA to set aside a total of \$16 million to fund this effort. \$8 million is requested in the FY 2015 Presidents Budget and the remaining \$8 million will be requested in FY 2016. This imposed space reduction has its roots in the following Administration directives:

- Presidential Memorandum—Disposing of Unneeded Real Estate, June 2010
- OMB Memorandum—Realignment of Federal Real Estate, May 2011
- OMB Memorandum—Promoting Efficient Spending to Support Agency Operations, May 2012
- OMB Memorandum—Implementation of OMB Memorandum M-12-12 Section 3: Freeze the Footprint, March 2013

Background and Proposed Actions:

BEA has leased its current facility at 1441 L St. NW since 1993. Since 2010, BEA has been engaged in planning with GSA, OMB, and the Department of Commerce's Office of Real Property regarding its expiring lease. In June 2013, as BEA came to the end of a 20-year lease, an interim 3-year extension was executed, expiring June 2016.

Prior to the expiration of this extension, a new lease, either at BEA's current facility or a new location, will need to be executed under GSA's open competition process. This process will result in steep and unavoidable cost increases based on GSA's requirement for federal agencies to commit in writing the ability to fund either a move or a reconfiguration prior to awarding a new competitive lease. As directed by GSA, this one-time funding is required in FY 2015 and FY 2016.

In addition, GSA is requiring BEA to reduce its footprint. To achieve this reduction while maintaining the mission-essential functions of the agency, BEA will have to reconfigure or build out whatever space it occupies when the new, more expensive, 15-year lease commences in 2016.

The "Prospectus" Housing Plan, which depicts the required reduced space BEA should occupy, was approved by the **House Committee on Transportation and Infrastructure** in February 2013 and the **Senate Committee on Environment and Public Works** in April 2013. This approval allows GSA to move forward with the competitive procurement process in FY 2014.

In February 2013, GSA provided preliminary renovation/relocation estimates to BEA and DOC, further refined those estimates in June 2013, and continues to support them. These figures are based on detailed analysis of BEA's footprint, the mandatory reduction in space, and a future planned office utilization rate. GSA has notified BEA that competing a lease and implementing this plan will be contingent upon BEA securing the necessary funding. BEA does not and will not have the ability to cover the costs associated with the GSA-required space reduction/relocation.

BEA's budget is 70 percent compensation and benefits, 7 percent rent/security, and the remaining 23 percent provides for all other operating and administrative costs, including mandatory data purchases, mission-required expenditures, information technology, telecommunications, and standard infrastructure maintenance. For BEA to provide GSA approximately \$8 million (or \$16 million over two years) would require aggressive bureau-wide employment actions and drastic cuts to core programs and mission-critical operations.

Space and Infrastructure Requirements associated with reconfiguring or relocating:

BEA's mission requires its entire staff to be housed within a single facility. While telework has increased, the sensitivity and size of the data sets with which BEA works often preclude staff from working remotely with many of the data sets and thus limits the ability to maximize telework. Therefore, BEA's relocated or reconfigured space must accommodate all of its employees in a manner that complies with GSA's updated standards and requirements on sustainability; create future space flexibilities; and offer modular construction techniques and furnishings.

BEA's current facility faces a number of issues that make it unsustainable over the long-term for continued operations. A GSA study identified numerous deficiencies and found that major systems, such as HVAC in the Computer Server Room, have reached the end of their lifecycle. The IT cabling infrastructure is the basis of the BEA-Estimation IT System. It was first installed 20 years ago. It is outdated and in need of upgrade. The cabling infrastructure supports over 130 servers, 600 workstations and 90TB of data. The LAN cabling also supports the bureau's Voice over IP (VoIP) phone system, teleconferencing and data backup operations. The IT cabling infrastructure is the foundation for the bureau's operational success, supporting millions of transactions per year. BEA requires redundancy in connectivity, cooling, and service provider (single point of failure) as well as an emergency power solution to ensure continuity of operations, especially during scheduled releases of economic data that occur more than sixty times per year on specific pre-set dates. Loss of any of these functions will adversely impact mission-critical products. Markets react to the economic statistics produced by BEA, and any compromise of market-sensitive data or delay in dissemination could have negative effects on the US economy and investment markets world-wide. GSA required infrastructure upgrades, changes, and modifications include:

- Relocation and reduction in size of entire Computer Server Room
- Additional heating, ventilating, and air conditioning (HVAC) for Computer Server Room (current equipment is over 20 years old and has exceeded its useful life by over 33%)
- Upgraded security equipment/access control (HSPD-12) to protect mission-critical data
- Uninterruptible power supply (UPS)/emergency generator (current equipment can only last two hours in a power outage)
- Upgraded power distribution units (current power equipment is more than 25 years old and is at the end of its lifecycle)
- Installation of dedicated remote communications
- Relocation and/or upgrading of all communication circuitry
- Parallel operation of old and new equipment during transition period to ensure no interruption to scheduled economic data releases
- Labor to reconfigure/relocate server, equipment storage, and fixtures

Furniture upgrades:

GSA has determined that BEA's existing furniture, purchased in 1997, is too old to be functional in the smaller office spaces and reduced footprint called for by GSA and OMB requirements and guidelines. In addition, GSA has determined that the furniture would not survive a move. The original manufacturer no longer produces the line, and parts cannot be obtained. GSA recommends that BEA replace its furniture with smaller, interchangeable, modular furnishings, which will provide flexible arrangements throughout the life of the new lease.

Economic Benefit:

BEA currently occupies 147,960 rentable square feet. In February 2013, GSA estimates submitted to Congress showed that a space reduction would save BEA millions of dollars over the life of a future fifteen-year lease.

There will also be intangible benefits of new and/or reconfigured space, such as a more collaborative working environment, improved employee morale, and greater reliance on technology overall and to support increased mobility. In addition, and in compliance with above-referenced OMB and GSA directives for space reduction, BEA eliminated 18,000 cubic feet of warehouse space used to store bulk purchases of furniture and paper, economic survey forms, survey instruction booklets, publications, and equipment, both incoming and excess, and restructured its method of excessing furniture and equipment. This achieved saving of \$79,000 in the first year and will achieve even greater saving as the cost for this space was expected to escalate.

Schedule:

FY 2014: GSA to begin open competition for long-term lease

FY 2015: BEA to provide partial funding to GSA for potential reconfiguration and/or relocation

FY 2016: BEA to provide balance of funding to GSA for potential reconfiguration and/or relocation

June 2016: New long-term lease commences

Department of Commerce
Economic and Statistical Analysis Budget
Economics and Statistics Administration / Bureau of Economic Analysis
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	2015 Increase
11 Personnel compensation					
11.1 Full-time permanent	47,018	50,852	51,457	52,302	845
11.3 Other than full-time permanent	689	766	766	766	0
<i>Subtotal 11-01 and 11-03</i>	47,707	51,618	52,223	53,068	845
11.5 Other personnel compensation	662	633	633	633	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	48,369	52,251	52,856	53,701	845
12.1 Civilian personnel benefits	14,623	15,269	16,625	16,867	242
13.0 Benefits for former personnel	375	25	25	25	0
21.0 Travel and transportation of persons	289	310	310	319	9
22.0 Transportation of things	14	19	19	19	0
23.1 Rental payments to GSA	6,423	8,109	8,239	8,239	0
23.2 Rental payments to others	0	350	355	355	0
23.3 Communications, utilities and miscellaneous	462	662	663	670	7
24.0 Printing and reproduction	171	51	52	52	0
25.1 Advisory and assistance services	162	196	276	196	0
25.2 Other services from non-federal sources	10,688	9,352	9,406	9,409	57
25.3 Purchases of goods and services from Gov't	7,463	8,859	8,015	16,423	8,573
25.4 Operation and maintenance of facilities	49	100	100	100	0
25.7 Operation and maintenance of equipment	64	184	188	184	0
26.0 Supplies and materials	1,549	1,346	1,365	1,384	38
31.0 Equipment	283	221	224	344	123
99.0 Total Obligations	92,748	99,572	101,473	111,033	9,894
Unobligated Balance SOY		(572)			
Unobligated Balance EOY	572				
Total Budget Authority	93,320	99,000	101,473	111,033	9,894

Personnel Data	2013 Actuals	2014 Enacted	2015 Base	2015 Estimate	2015 Increase
Full-Time Equivalent Employment:	450	470	470	479	9
Positions:	464	481	481	493	12

JUSTIFICATION OF PROPOSED LANGUAGE CHANGES

1. Hereafter, amounts provided by this Act or by any future appropriations Act, or amounts provided by any prior appropriations Act that remain available for obligation, for necessary expenses of the programs of the Economics and Statistics Administration of the Department of Commerce, including amounts provided for programs of the Bureau of Economic Analysis and the U.S. Census Bureau, shall be available for expenses of cooperative agreements with appropriate entities, including any federal, state, or local governmental unit, international organization, institution of higher education, or commercial or nonprofit organization, to aid and promote statistical, research and methodology activities which further the purposes for which such amounts have been made available.

The Bureau of Economic Analysis requests the authority to use cooperative agreements in support of its program activities. Cooperative Agreements provide flexibility that traditional contracts and interagency agreements are unable to provide, by promoting collaboration and partnerships across governmental and non-governmental organizations. Cooperative agreement authority will enable our subject matter experts in survey methodology, survey measurement, geography, etc. to engage with leading experts in technical areas (e.g., advanced computational programming, data analytics, satellite imagery) or social science or econometrics. The ability to improve current processes through innovation, led by research and development, would not only enhance overall efficiency of operations but also save significant taxpayer dollars and preserve the Bureaus' ability to remain on the cutting edge of statistical science. This expertise that we cannot currently access through our current authorities will further our ability to achieve mission goals, spur innovation in lasting ways and promote more cost efficient ways of doing business.

At the core of a cooperative agreement is a collaborative partnership between the Federal Government and a state, private, or non-governmental entity. Through similar partnerships, achieved by cooperative agreements, sister agencies within the Department of Commerce have realized significant, substantial and lasting benefits not only to their individual missions but to their agencies as a whole.

Regardless of the specific type of FAR procurement vehicle used, the Bureaus suffer from the same recurring and fundamental issues where they would be better served by using cooperative agreements.

First, the terms and conditions of a FAR-type procurement contract are strict and inflexible. This inflexibility is purposefully designed and beneficial when in an acquisition context, but it undermines the purpose and implementation of other agency activity when universally applied. It also creates an undue hardship for participants who may lack the capability of private, for-profit commercial entities who regularly conduct business with the Federal Government. Second, there are types of collaborative relationships not envisioned or supported by contracts derived from the FAR. Not every activity that the Bureaus conduct centers on exchanging appropriated money for specific goods and services. These other activities still serve an important and continuing need to fulfill the duties of the agencies and serve the public at large.

For example, ensuring the continuity of effective operations, engendering the skills necessary for the next generation of the workforce, and developing new, better ways to achieve the missions provide value that is often difficult to quantify as specific deliverables. The lack of cooperative agreement authority means that there is a potential wellspring of untapped and underutilized benefits that may be derived by spurring innovation through research and development. Essentially, we are not leveraging this potential to the full extent.

Third, and not least, there are significant potential savings to the taxpayer and programmatic improvements in current operations. Naturally, these improvements would focus on increasing efficiency and improving existing programs to minimize the unforeseen costs associated with burdensome frameworks.

In sum, there are numerous ways to capitalize on cooperative agreements to achieve higher levels of performance and undertake fruitful research endeavors similar to sister agencies within the Commerce Department. Such efforts would further the ability to achieve mission goals while reducing costs and spurring innovation in lasting ways.

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
ADVISORY AND ASSISTANCE SERVICES
 (dollars in thousands)

Object Class 25.1	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
Management and Professional Services	162	196	196
Special Studies and Analyses	0	0	0
Engineering and Technical Services	0	0	0
TOTALS	162	196	196

Management and professional services, and special studies are utilized to the extent that they provide a cost-effective source for services.

Further, it is not practical for ESA to work in an insulated environment. Consulting and related services contribute to the overall stability of ESA's work by: (1) providing cross-checks to ESA's work; and (2) supplementing staff to investigate important issues or problems.

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
PERIODICALS, PAMPHLETS, AND AUDIOVISUAL SERVICES
 (dollars in thousands)

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
Periodicals	\$169	\$48	\$48
Pamphlets	\$3	\$3	\$3
Audiovisual Services	\$0	\$0	\$0
TOTALS	\$172	\$51	\$52

A central component of BEA's mission is to gather and disseminate information about U.S. economic accounts in a timely and cost effective manner. BEA accomplishes this dissemination through its public Web site, www.bea.gov. The site provides a comprehensive set of data tables, economic indicator releases, methodology papers, the BEA Strategic Plan, and other key information developed by the Bureau. Another important means of disseminating BEA information is through creation and public distribution of periodicals, reports, pamphlets, and related printed or audiovisual materials. BEA has developed an effective portfolio of these communications tools, maximizing public access to economic account information. follows:

Periodicals – On a monthly basis, BEA publishes the Survey of Current Business (SCB). The SCB is BEA's flagship journal containing numerous articles written by BEA staff interpreting economic data being disseminated by BEA. In addition, the SCB includes extensive tables and charts of economic data gathered and tracked by BEA. The data collectively serve as a resource for government officials, economists, the media, financial professionals, academicians, and the general public. The SCB also serves to fulfill BEA's legal requirement to make public the data it collects across the national, international, regional, and industry economic accounts both in print and online versions.

Pamphlets and other publications – Each year BEA produces and distributes a variety of publications to support its mission of providing available data and services to thousands of external customers. These products are often distributed to the public through trade shows and regional conferences where BEA staff are present, or at meetings with other government agencies or congressional officials. Products include the BEA brochure, the BEA Strategic Plan, the BEA Customer Service Guide, economic account fact sheets, release schedules, regional data wheels, instructional literature on using BEA data, and the BEA Customer Satisfaction Report.

Department of Commerce
 Economic and Statistical Analysis Budget
 Economics and Statistics Administration / Bureau of Economic Analysis
 Salaries and Expenses
AVERAGE GRADE AND SALARIES

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
Average ES Salary	\$169,761	\$169,761	\$169,761
Average GS/GM Grade	13	13	13
Average GS/GM Salary	\$103,162	\$104,194	\$105,746

Last Page