

**2010 CENSUS: A STATUS UPDATE OF KEY
DECENNIAL OPERATIONS**

HEARING

BEFORE THE

FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT
INFORMATION, FEDERAL SERVICES, AND
INTERNATIONAL SECURITY SUBCOMMITTEE

OF THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

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2010 CENSUS: A STATUS UPDATE OF KEY DECENNIAL OPERATIONS

WEDNESDAY, OCTOBER 7, 2009

U.S. SENATE,
SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION, FEDERAL SERVICES,
AND INTERNATIONAL SECURITY,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 3:04 p.m., in the Dirksen Senate Office Building, room SD-342, Hon. Thomas R. Carper, Chairman of the Subcommittee, presiding.

Present: Senators Carper, Burris, McCain, and Coburn.

OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. The Subcommittee will come to order. Welcome one and all. Today's hearing is, as you may know, a continuation of our oversight of the Census Bureau's preparation for the 2010 Census.

The 2010 Census is rapidly approaching us with Census Day less than 6 months away. On April 1, April Fool's Day, 2010, the Census Bureau will embark upon what many have described as the largest peacetime mobilization in American history. With nearly a \$15 billion budget and an army of some 1.3 million census takers, the Census Bureau is responsible for ensuring that nearly 300 million residents here in this country are correctly counted.

As my colleagues can probably guess, finding and accurately counting nearly 300 million individuals in the correct location is, of course, an extremely daunting challenge. Census taking has become even more challenging in recent years as our Nation's population has steadily grown larger, grown more diverse, and grown increasingly difficult to find. For a number of reasons, people may also be more reluctant to participate in the census.

Last year, for instance, the Census Bureau encountered serious technological challenges that threatened to jeopardize the success of the 2010 Census. Since then, the Bureau has put forth great effort in putting the census back on track. I am told that the Bureau recently completed its address canvassing well ahead of schedule, thanks in part to a highly proficient staff.

The handheld computers that have received so much negative attention in recent months performed as expected, and the Bureau has begun already to open local census offices throughout our country.

(1)

Despite these successes, much more work needs to be done by the Bureau to put its operational plans in place and to execute them effectively. Connecting with young, mobile, and wired populations, establishing trust with skeptical populations, and integrating the major components of a complex operation are just a few of the challenges that lie ahead.

Investigations conducted both by GAO and the Inspector General have revealed serious challenges with the contracting and implementation of key information technology systems at the Census Bureau. These reports have also noted the unreliability of the Census Bureau's cost estimate for the total 2010 project. In the absence of adequate testing, the processes that will be used to follow up with non-responders is a serious concern as well.

Given the sheer magnitude of an undertaking such as the decennial Census, a shortcoming in any one area can quickly have a domino effect on other operations. For example, a low mail response would increase the non-response follow-up workload, which in turn would increase the Bureau's staffing needs and drive up costs.

We look forward today to the expert testimony of our distinguished panel of witnesses before us. It is my hope that today's proceedings will provide us with a clear assessment of the complications facing the Census Bureau and how Congress can best partner with the Bureau as it works toward achieving its goal of an accurate and cost-effective census in 2010.

In closing, I would like to express my condolences to the family of William Sparkman. Mr. Sparkman, you will recall, was a census taker who was found in Kentucky a few weeks ago dead. Our thoughts and prayers are with him today and with his family today.

I would like to thank all of our hardworking census employees who assist us in fulfilling our constitutional obligation of conducting this decennial Census and just to say to all of them through this panel that we value and appreciate their service.

We have been joined by the Senator from Illinois, Senator Burris. I am going to recognize him at this time for any comments he might like to make. Welcome. Thank you for joining us.

Senator BURRIS. Thank you, Mr. Chairman. I want to acknowledge our distinguished panel. But, Mr. Chairman, I beat my staff over here, so I am going to reserve my remarks because I have some deep concern about a package that my daughter received in the mail just last week, and my staff is bringing that material here.

I am a former attorney general. If I am suspicious of this material, I can imagine what the public would be suspicious of. It is a 20-page document. It is a survey, and it says it is from the U.S. Census Bureau. And it says it is mailed to an address, but it says that you are required by Federal law to fill out this survey and to send it back.

So I am going to have that in a moment when my staff gets here with it, and I would love to double-check with our census people to see, number one, if they mailed this out. If I am suspicious of this document survey, trying to find information about individuals, I am just wondering what the general public who may receive these

in a mass mailing would be curious about as to whether or not this is really being put out by the U.S. Census Bureau in terms of a survey seeking information this early.

Senator CARPER. I am tempted to just go out and ask Mr. Groves to respond to this right now, but why don't we wait till we see the information, ask you to take a look at it, and then I think that would be perfectly appropriate to ask some related questions.

Let me take a moment or two to introduce our first and only panel of witnesses. We welcome each of you today before us and thank you for joining us.

Mr. Groves was nominated by President Barack Obama about 8 months ago. It seemed like long ago, not that long, but he was nominated by President Barack Obama to be Director of the Census, in April and was confirmed by the U.S. Senate in July. Mr. Groves is an expert in survey methodology and has spent decades working to strengthen the Federal statistical system, improve its staffing through training programs and keep it committed to the highest scientific principles of accuracy and efficiency. Having once served as the Associate Director of the Census Bureau, Mr. Groves knows how the agency operates and what its employees need to successfully implement the decennial Census and other programs.

Mr. Groves and I are today mourning the loss of the Detroit Tigers in yesterday's one-game playoff in the American League Central Division. We are both big Detroit Tigers fans, so we will mourn here together.

Todd Zinser serves as the Inspector General for the U.S. Department of Commerce. As Inspector General, Mr. Zinser leads a team of auditors, investigators, attorneys and administrative staff responsible for detecting and preventing fraud, waste, and abuse in a vast array of business, scientific, economic and environmental programs administered by the Department of Commerce and its 13 bureaus.

Mr. Zinser holds a bachelor's degree in political science from Northern Kentucky University. Where is that located?

Mr. ZINSER. It is right across from Cincinnati.

Senator CARPER. OK. Near Fort Mitchell?

Mr. ZINSER. Yes.

Senator CARPER. Yes. OK. A master's degree in political science from Miami University. Would that be Miami University in Oxford, Ohio?

Mr. ZINSER. Yes, sir.

Senator CARPER. Not many people guess that, do they?

Mr. ZINSER. No, sir.

Senator CARPER. All right.

Robert Goldenkoff is the Director of Strategic Issues at the Government Accountability Office where he is responsible for reviewing the 2010 Census and government-wide human capital reforms. Mr. Goldenkoff has also performed research on issues involving transportation security, human trafficking and Federal statistical programs. He received his bachelor of arts in political science and master's of public administration degree from George Washington University.

I am going to introduce first for his testimony Mr. Groves, and we have, at your request, allocated a bit more time, and you have

10 minutes to share your testimony with us. Try to stick within that time frame, and we will allow your entire testimony, and that of our other witnesses to be made part of the record and ask you to summarize as you see fit. Thank you. Please proceed.

TESTIMONY OF THE HON. ROBERT GROVES,¹ DIRECTOR, U.S. CENSUS BUREAU

Mr. GROVES. Thank you, Chairman Carper, Ranking Member McCain, and other Members of the Subcommittee. I am really happy to be here, and thank you for your interest in the census.

I want to begin the way you ended, Senator Carper. The census family was diminished recently by a death of one of our census interviewers. These are people who knock on doors. They are the engine of the data that we produce. And we are saddened by this event, and we send our condolences to his family.

Upon my confirmation, I promised you and I promised Secretary Locke that I would spend the first month of my service examining the status of the 2010 Census. I did that with the help of former Census Bureau Director Kenneth Prewitt, and John Thompson, a former principal associate director.

I consulted folks at the National Academy of Sciences who have been on our panels and its technical staff. I then called in some academics from around the country with relevant technical skills. I talked to my colleagues here several times and their staff, and then I reached out to our principal contractors and got input from them. And then finally, I had tons of briefings with the leadership of the census, and it is on that basis that I want to report my findings.

Let me begin by talking as a survey methodologist and imagine that we wrote down the specifications of the 2000 Census, and then the 2010 Census, and we compared the design features. I can tell you that I am firm in my judgment if you did that as an exercise that you would prefer the 2010 design. I have no doubt in my mind about this. I am sure my colleagues around the world would agree, and let me go through the reasons.

The short form only census is a good idea that respects the burdensome job of filling out questionnaires and fits with the American public's busy life. The bilingual form that is going to 13 million households is a good idea. We learned that in 2000 that it should increase cooperation among Spanish-only speakers. A replacement form will go out if you do not return your completed questionnaire. We know from years of research that this is going to improve cooperation.

We have two questions on the questionnaire this decade that is going to be important because of the doubled-up housing problem related to foreclosures, and that is going to help us make sure that we have counted everyone in complicated housing situations.

We have kept the address file up-to-date throughout the decade. That should make us a stronger file. And we are right now in the middle of a new operation to validate the group quarters list. This, too, should help us.

¹The prepared statement of Mr. Groves appears in the Appendix on page 37.

Finally, the stimulus funding allowed us to increase the level of partnership in advertising activities. This is a key component in the success of a census design that does not have an adjustment feature. We have to reach out to the public that is difficult to enumerate.

So on the basis of this, I am very settled in my judgment that we have a better design, but the design is not the implementation. And I want to speak to two kinds of challenges we have, one, an internal challenge and the other external.

The internal challenges, first, we have a bright, well organized senior team, but they do not have the number of censuses under their belt that prior decades might have had. And to counter that, they have utilized a much more formal and structured risk management process, and that is helpful, in my judgment. I am going to keep on some of the external advisers we have had during this evaluation process to help me and help the team in ways that can fill in, and I think that will be useful to us.

The second internal challenge is, as I mentioned in my confirmation hearing, the Census Bureau has experienced significant retirements in the senior ranks, especially mathematical statisticians. We need that kind of talent at some point during the census, and I will bring on some outside statisticians to help on this.

Third, the movement from the handheld computer use to non-response follow-up had an effect on the need to develop software for the paper-based operations during non-response follow-up. GAO, my colleague down the panel, has recognized that the testing of that system is a critical path on the census. We agree. I have reviewed the testing procedures. I have brought in outside folks to ask the question, Are we testing the right core subsystems of that? And I have been pleased with the judgment on that score. We have a big test coming up around Thanksgiving time, which will be a load test on that, which will be an important milestone that we are all watching on.

We also established an internal review team that has already paid off. It contains our chief technology officer (CIO) from the Department of Commerce and other experts. They have already proposed three changes. We implemented them immediately. We have brought in IT security specialists as part of the software development. We have built a bridge between the internal Census Bureau developments and the outside contractors for integrative purposes, and we are adding other testing into the process. So we are on this problem. It is a tight schedule. We have to come through on this, and it is an internal challenge.

The fourth risk we will soon know about, and that is how good is our master address file. Senator Carper mentioned that we just finished walking every street of this country building the master address file. We are right now in the middle of evaluating that. In a few weeks, we will know how that looks, and it is an important step for us.

Then finally, and something I am really quite personally concerned about, it concerns cost estimation and control. We need better cost estimation and better cost control at the Census Bureau. As you may know, the address canvassing operation had an overrun attached to it. The overrun, I believe, is related to weaknesses

in the cost modeling process. We are completely redoing the cost modeling for the non-response follow-up stage, which is the biggest next thing we do, and I am happy to talk about that, if you wish, during this hearing.

We also have some external challenges that I am concerned about. The biggest is the uncertainty about the mail return rate. The behavior of the American public in March and April of this year is a big uncertainty with regard to that. Scores of millions of dollars will be spent following up for houses that did not return the mail questionnaire. It is important to hit that target, to estimate that target well.

There are problems in doing this. One, the vacancy rate of American households is greater now than in prior decades. This is a concern for us because this has cost implications. Two, more and more families are doubled up in single-family houses. This is a concern to us because the burden of filling out a questionnaire for more people is larger and may affect return rates. Three, the rate of homelessness is greater, and there is a new class of homelessness in this country that we are new to as a data collection organization. And then finally, the public debate and the tension over immigration issues is ongoing, and this may affect the mail return rate among new immigrants.

We are examining all the data we have in house to try to estimate this. As you may know, we continue to see declining participation rates in our sample surveys. This is a danger signal to us with regard to how people will behave come March and April.

The second external challenge is the new media environment. The blogosphere causes us problems in getting our facts out. And third, we are worried about computer phishing that may affect people's understanding of what is going on.

I made a variety of changes to the design that I am happy to talk about. We have altered the design of the coverage measurement survey. We have added a master trace project. We will have an Internet test in this census, and we will do a post hoc administrative record census.

We have some things upcoming. I want to warn the Subcommittee—and you can see this in my full testimony—that we have a variety of operations in the fall that are tightly scheduled. Some of these may have bumps. We will be transparent about those bumps. We will tell you when things are not going well. We are hopeful that things will go well. As Senator Carper mentioned, this is a sequential process, and each successive stage needs to go well for the overall census to go well.

Thank you.

Senator CARPER. Right on the money. Thank you.

Mr. Zinser, you are recognized. Please proceed.

**TESTIMONY OF THE HON. TODD ZINSER,¹ INSPECTOR
GENERAL, U.S. DEPARTMENT OF COMMERCE**

Mr. ZINSER. Thank you, Mr. Chairman, Senator Coburn, and Senator Burris. I appreciate the opportunity to testify today on the Census Bureau's readiness for next year's decennial Census. Over-

¹The prepared statement of Mr. Zinser appears in the Appendix on page 50.

sight of the 2010 Census has been a top priority of my office since 2002. Today I would like to summarize my testimony by making three points.

First, the dye is cast on the decennial. No real opportunity remains to affect the 2010 decennial planning or make major course corrections. My office is focusing our oversight on the status of high-risk areas to see whether the implementation of existing planning, system development, and operations are on track. Key areas include the automated paper-based operations control system, validation of the address list for group quarters, the communications contract and partnership program, and various enumeration activities.

My second point, Mr. Chairman, is that the decennial Census is the ultimate schedule-driven program with all of the inherent risks and consequences that you get with large, complex, schedule-driven projects. At issue is the continuing potential for rushed and incomplete requirements; time pressure to cut corners in program design, development and testing; uncontrolled cost growth and increased operational risks and quality risks.

For example, while handheld computers were able to support address canvassing, the Census Bureau discovered that the handhelds could not support canvassing of large blocks. This caused the Bureau to implement a quickly developed contingency operation. And in an upcoming report, we will discuss limitations that prevented using the handheld computers to correct addresses filed late in the quality control process to add missed housing units or delete duplicates. These problems can reduce the accuracy of the address file.

Moreover, the switch to paper for non-response follow-up, while a necessary decision, introduced schedule challenges of its own. Most problematic is the development of the paper-based operation control system which must now be developed, tested and deployed in one-third of the desired time frame.

My third point, Mr. Chairman, is that there is one thing we can have confidence in, and that is the dedication of the rank and file census workforce. If you visit the census staff or a local census office, the dedication of the staff is clearly evident. In our view, a key factor in overcoming the setbacks and management lapses experienced is the focus and commitment of the census workforce, and this perhaps more than anything else increases our confidence in the success of the decennial Census.

I would also like to commend the Subcommittee for its prompt action in confirming the director. The presence of a permanent director during the final period leading up to census day has immeasurable benefits. But no matter how successful the outcome, the many continuing risks associated with getting to the finish line for 2010, the unacceptable cost growth, and the unknown toll on census staff working to cobble together a massive operation this late in the decade make it imperative that the experience of the 2010 Census not be repeated.

To this end and given where we are with the 2010 decennial, many of the recommendations that we have made represent lessons learned and look ahead to the 2020 decennial, which the Census Bureau has already started working on.

For example, the budget process for 2012, which begins next year, already is critical for laying the foundation for better cost controls and fundamental improvements, including a more robust research program.

In summary, the Census Bureau is well on its way to completing the count next year, yet with major operations still to come and an immovable deadline, ongoing oversight remains critical. We commend the Subcommittee for its oversight, and we commend the efforts of all those in the Bureau, the Department of Commerce, and Congress who are working to make the decennial Census a success.

Mr. Chairman, that is my summary of my testimony. I would be happy to answer any questions.

Senator CARPER. Thanks, Mr. Zinser. Mr. Goldenkoff, please proceed.

TESTIMONY OF ROBERT GOLDENKOFF,¹ DIRECTOR, CENSUS ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

Mr. GOLDENKOFF. Mr. Chairman, Members of the Subcommittee, I am pleased to be here today to provide a progress report on the U.S. Census Bureau's implementation of the 2010 Census.

As in March 2008, we designated the 2010 Census a high-risk area, citing a number of longstanding and emerging challenges, including weaknesses in the Bureau's IT management, problems with the performance of handheld computers that are used to collect data, and uncertainty over the final cost of the census, which is now estimated at around \$14.7 billion.

Overarching all of these concerns was the lack of a full-dress rehearsal which limited the Bureau's ability to demonstrate critical enumeration activities under near census-like conditions as well as the lack of time to complete remaining work. Collectively, these issues raised questions about the Bureau's readiness for the 2010 Census.

As requested, my remarks today will focus on the Bureau's preparedness for the head count, paying particular attention to, first, the rollout of key IT systems; second, our preliminary findings on the results of address canvassing; and, third, the Bureau's progress in improving its cost estimation abilities.

My main point today is that the Bureau continues to make noteworthy progress in mitigating risks and in keeping the decennial on track. Further, we are encouraged by the seating of a presidentially-appointed Census director this past July as well as by the experienced advisers he has put in place to assist him.

That said, a number of challenges and uncertainties still need to be addressed. The bottom line is that while there have been a number of positive developments over the last few months, the 2010 Census remains a high-risk area because of the amount of work that still needs to be completed under a very tight time frame, as well as for the inherent uncertainties in managing such a complex enterprise.

With respect to IT, the Bureau has made important strides in improving its oversight of this critical function. For example, the

¹The prepared statement of Mr. Goldenkoff appears in the Appendix on page 60.

Bureau named an official to monitor the testing of various IT systems and has strengthened other aspects of its IT management.

Still, we found that in some cases, requirements, and testing plans have not been finalized, and it is difficult to gauge progress because of vague metrics.

Senator CARPER. I am sorry. Because of what?

Mr. GOLDENKOFF. Vague metrics. Further, several areas such as the control system that will be used to manage complex field operations face aggressive testing and implementation time frames. If any significant problems are identified during upcoming tests, there generally will be little time to resolve them before the system needs to be deployed.

Address canvassing, an operation where temporary workers known as listers go door-to-door to verify and update address data, finished ahead of schedule, but, as was already mentioned, was over budget. The Bureau estimated that address canvassing would cost around \$356 million, but estimates of the actual cost are \$444 million, an overrun of \$88 million or 25 percent.

A key reason for the overrun is that the Bureau did not update its cost estimates to reflect the changes to the address canvassing workload. Further, the Bureau did not follow its staffing strategy and hired too many listers.

The Bureau's efforts to fingerprint employees, which is required as part of a criminal background check, did not proceed smoothly, in part because of training issues. As a result, over 35,000 temporary census workers, over a fifth of the address canvassing workforce, were hired despite the fact that their fingerprints could not be processed and they were not fully screened for employment eligibility. The Bureau is refining its instruction manuals and taking other steps to improve the fingerprinting process for future operations.

With respect to costs, we are unable to verify the accuracy of the \$14.7 billion cost of the 2010 Census because key details and assumptions are unavailable. The Bureau is taking steps to improve its cost estimation process for 2020, including training its staff in cost estimation skills.

In summary, while the Bureau has taken a number of actions to mitigate risks and its overall readiness for 2010 has improved, considerable work remains to be completed under very tight time frames. Although the Bureau is to be commended for its efforts to get the census back on track, a successful census is a daunting challenge and even a small setback or a misstep could potentially derail the census.

In light of this challenging operational environment, high levels of public participation and continued Bureau and congressional attention to stewardship, performance and accountability will be key to success.

Chairman Carper, Members of the Subcommittee, this concludes my remarks, and I will be happy to answer any questions that you might have.

Senator CARPER. Thank you, Mr. Goldenkoff.

We have been joined by Senator Coburn. Senator Coburn, both Senator Burris and I made brief remarks to open. Would you like to do that before we go to questions?

Senator COBURN. I will wait.

Senator CARPER. OK. Fair enough. Thank you.

Let's just start off by asking a question of Mr. Groves. This turns out a pretty timely question.

But there is an amendment on the floor today, on the Appropriations Bill which involves the Commerce Department, that would prohibit the use of census funds for programs that do not include questions regarding U.S. citizenship and immigration status. And while I have some concerns about how this amendment might impact public participation in the decennial Census, I just want to ask Mr. Groves what thoughts you may have about the amendment. I think a copy of it has been provided to you today to consider; is that correct?

Mr. GROVES. I have not seen the amendment.

Senator CARPER. OK.

Mr. GROVES. I have not seen the amendment, but let me comment—

Senator CARPER. No, it is short. Let me just read it to you, all right?

Mr. GROVES. OK.

Senator CARPER. On page 110, line 7, "Strike the word activities and insert activities provided further that none of the funds provided in this Act, or in any other act, for any fiscal year, may be used for collection of census data that does not include questions regarding U.S. citizenship and immigration status."

That is the thrust of the amendment.

Mr. GROVES. I would open with several observations. In March 1790, the Census Act was passed that specified that all residents, citizens or not, would be counted in decennial censuses at the place where they usually reside. And every decade since then, we have done this.

Senator CARPER. I am sorry. Every year since when have we done this?

Mr. GROVES. Since 1790.

Senator CARPER. OK.

Mr. GROVES. So it is indeed the case that if you read the history of this, of proposals to change that arise from time to time; this is not the first such proposal.

There are logistical issues. It is now October 7, 2009. We have printed over 100 million forms; that is, the questionnaires approved by Capitol Hill. It does not have this question in it, and we are implementing that both because of this philosophy to minimize the burden on the American public and in concert with the tradition in the law of counting residents whether they are citizens or not.

Senator CARPER. All right. A more general question.

You have been in your position now for, what, about 2 months?

Mr. GROVES. Something like that.

Senator CARPER. About 2 months.

Mr. GROVES. It seems longer.

Senator CARPER. Yes, I am sure. I know you have been busy. And would you say, given what you have seen, are you encouraged about the ability of the Census Bureau to do the job that is presented to you by next year?

Mr. GROVES. Yes. One way to say this in a crisp way that is more memorable, I think if we knew right now two things that we do not know, but we will know soon, then I would have full confidence. I could even say something like it is sort of up to the American public now. That, we cannot control. And the two things are this software development that is going on that we are looking at very carefully. It must work, where it is very tightly scheduled.

Senator CARPER. What kind of software development, for what purpose?

Mr. GROVES. As a result of not using the handhelds for the non-response follow-up stage, we are going to use paper. We are writing software to keep track of all these pieces of paper and make sure we go only to the houses that have not completed the questionnaire. That is a set of software systems.

Since that was a late change, the software development is late. The work is going on night and day, I can tell you. So far, so good, but it is very tightly scheduled. We will know more around Thanksgiving time because we have a big load test that we are doing that has been carefully laid out to answer the question is it up to snuff? And then we will have some other releases.

Will that paper-based operation control system software work as desired?

Senator CARPER. And roughly, when do you expect we will know the answer to that question?

Mr. GROVES. Thanksgiving is a big date for us.

Senator CARPER. OK.

Mr. GROVES. We will know more there. Then the first release will be in early January. One good thing is we will have some early tests of it on a small level to find some bugs.

The second thing is the quality of the master address file. This is the list of addresses that will produce the mail-out questionnaires. A lot of the quality of the 2010 Census will depend on the quality of that file. We have the file. So far, so good. It looks pretty good in terms of its overall size, but we are doing all sorts of other diagnostics on it. And in a matter of weeks, I think by the end of this month, we will have those diagnostics in hand and I will feel better, or worse, about how that looks.

Those two things in place, those are the key uncertainties internally. And the biggest uncertainty is something that we all worry about, and that is how will our fellow residents of the country respond when we send this questionnaire out. That determines a lot of subsequent operations.

Senator CARPER. OK. Another follow-up question, if I can. This is with respect to IT systems testing. And you certainly have spoken to this, but I want to pursue this line of questioning just a little bit further, if I could.

I believe since 2005, the GAO has reported on weaknesses in the Bureau's management of its IT acquisitions and management in the tasking of key decennial systems. Given the numerous IT management weaknesses that GAO and the Inspector General have found in the Bureau's IT acquisitions, what steps are you taking agencywide, Dr. Groves, to improve oversight and control of the Bureau's IT management?

Mr. GROVES. So I take it this question goes beyond just the decennial Census. It is really an organizational thing.

Senator CARPER. Yes.

Mr. GROVES. We have a new CIO, Brian McGrath, and we are meeting often about the structure of IT within the Census Bureau. We have also brought him in—he is the chair of this group, this internal oversight group of this software development. It is a wonderful integrative tool for a new leader of IT because he has seen these operations as they go on.

There are various things that I think need to be put in place. One has to do with the moving picture of IT security during software development. The IT security regulatory environment is changing almost daily as the threats to IT security are changing. And we need to get better at this. We need to build in IT security as part of the software development, and indeed, that was one of the first changes we did to this paper-based operation software development.

The other has to do with uniformity in IT operations, and those are the kinds of things we are discussing; can we structure IT operations and software development more carefully, more efficiently? Can we save money? Can we do the same things for less money?

Then I think the third area has to do with the use of outside contractors for software development; how do we do that better than we have. When we have software development that is going to be done outside of the Census Bureau, what is the talent pool that we need inside the Census Bureau to do that well? It is not merely sending money to an outside contractor. You need talent inside to produce good software done by people outside.

So those are the kinds of things we are focusing on.

Senator CARPER. All right, thanks. My time has expired. Dr. Coburn, please.

Senator COBURN. I will yield to Senator Burris.

Senator CARPER. OK. Fair enough. Senator Burris.

OPENING STATEMENT OF SENATOR BURRIS

Senator BURRIS. Thank you, Mr. Chairman.

I have since received my material, and, Dr. Groves, I also learned that this is something, evidently, that is sent out by the U.S. Department of Commerce; that it arrived at my daughter's address in Evanston, Illinois just as a no-name. But it is a form saying that this information comes from the American Community Survey. And naturally, being a former attorney general, I have dealt with a lot of mail fraud and identify theft, and I was not so sure that this—

Senator CARPER. You have done it or you have investigated it?

Senator BURRIS. I have investigated it. [Laughter.]

Senator CARPER. For the record, I wanted to make that clear.

Senator BURRIS. Thank you, Mr. Chairman.

This is a survey of about 20 pages. I heard all this information about single-page census form. And so my daughter brought this over the weekend, and actually, when I was reading my briefing last night, I called her and said, "Would you fax me a copy of that thing that you supposedly received from the Census Bureau?" And she sent us that, and then I had my staff to try to run this down.

But this thing is a survey. It says you have to fill it out by law. It is not census information. It is a survey that is done randomly, and it is mailed out randomly.

Are you familiar with this, Mr. Groves?

Mr. GROVES. Yes, I could—

Senator BURRIS. And I call myself being halfway knowledgeable. My daughter who is a Ph.D. did not know what this was, and you are mailing this out randomly without any knowledge to the public.

How do they know what they are supposed to do with this thing? And they tell you that if you do not fill it out and send it back, you are violating the Federal law.

You have to do a better job, wouldn't you, in getting information out to the public that this thing is coming randomly to your home and your address and that—you should really have a better explanation for it. I thought it really was a fraudulent document until my staff did the research and talked to somebody at the Census Bureau, because it just was not adding up. In all my knowledge dealing with the census, I have never seen one of these things, and no one else that I know of have seen one of these. And so do you—all expect people to send these back?

Mr. GROVES. Yes. I could give you the background on this particular survey. Maybe the first thing to say is that our little organization, in addition to doing a census every year, every decade, does thousands of sample surveys. We do the unemployment, the current population survey, which produces the monthly unemployment rate that the Bureau of Labor Statistics releases. We do retail trade surveys. We do all sorts of surveys. So we are actively engaged in measurement in all sorts of ways.

On this particular survey, actually, this Subcommittee played a role in this survey in a real way in prior years. This is related to the decennial Census in its origin. In 2000, in addition to what we call the short form, which is now this 10-question questionnaire, about a sixth of the households got a questionnaire that sort of looks like that one. And in Census Bureau jargon, that was called the long form.

Senator BURRIS. This is long. It is about 20 pages.

Mr. GROVES. That is right. And one thing we discovered over the decades is that the rate of people responding to that long form during the decennial Census was much lower than the rate responding to the short form, but every one of those questions in that long questionnaire has a statute underlying it that requires the Census Bureau to collect those data in order that Federal programs be administered.

So instead of doing this once a decade, this American Community Survey was invented on a sample basis rolling throughout the decade. And hopefully, your daughter received a letter in the mail that said you have been selected as part of this survey, this is the purpose of the survey, and look forward to getting this questionnaire. It is going to come in a few days. And then she would have gotten the questionnaire. And hopefully, the questionnaire and the letter has, 800 numbers if she was worried about the legitimacy of it to get more information.

Senator BURRIS. My reaction to the 800 number was—I did not call it, but maybe I should have. You would call it and you would

get somebody saying yes, this is a survey and it would all be part of the scam.

Mr. GROVES. So the other thing, the letter that she would have gotten has the Census Bureau letterhead on it, and she could call for the information number.

Senator BURRIS. And you are putting that burden on a taxpayer to go through all of this without some type of promotional advertisement information—

Mr. GROVES. Yes, let me speak to that. The promotion side is something that we have as a challenge throughout all of this. In fact, every one of our surveys faces this issue, how do we alert samples of people. About 2 million households get that a year out of the 134 million households. It is a small sample that gets it; how do we effectively advertise when a small sample gets the questionnaire, and that is a constant challenge for us. I accept that, criticism that we need to do better there.

Senator BURRIS. How about it is just an address? I mean, how can you hold somebody legally liable if you just send something to the address, not directed to any party? So who is going to be violating the statute if it is not addressed to a party?

Mr. GROVES. Let me tell you how this works. We actually do not know the names of people in the country. We do have a list of the addresses. So we mail this to the address. If a household did not return that questionnaire, we will attempt to contact them by telephone in order to take the data. A lot of people mistaken or misplace the questionnaire and we follow up by phone. And if we cannot reach them by phone, a sample of them, we will actually knock on the doors of those households and seek to collect the information from them that way.

At the end of this process, about 98 percent of the households are measured that fall in this sample. So if you ask the question do people do this, about 98 percent of them do this.

Senator BURRIS. Has anyone ever been prosecuted for failure to do this?

Mr. GROVES. Not on the American Community Survey, no, not to my knowledge.

Senator BURRIS. So would you take a look at this in terms of how we better can inform the public of this? I mean, if you have to go through those steps, the people knowing what this is or knowing that it is valid, it would appear to me there would be a better effort on the part of the Census Bureau to send out or either to—

Mr. GROVES. We can always—

Senator BURRIS [continuing]. Come up with some system that would alert people. I mean, I do not consider ourselves as the brightest people in the world, but I do not think my daughter and I are the dumbest people in the world. And I was taken aback because I was looking for a Census Bureau short form. It is coming so close to the census. And I said, well, the short form should not be coming out yet. I mean, it is too early. So it was coming at the time that the census is coming out, and this form is coming out. I said, well, somebody must be playing some games, so let me look into this. And I did not know I was going to be at this hearing today. But, Mr. Chairman, it surely worked out to give me the

proper information in reference to—I guarantee you now she is going to fill it out and send it back because—

Mr. GROVES. I would appreciate that.

Senator BURRIS. Now that you know that she received one, she might be the one to get prosecuted for failure to return it.

Mr. GROVES. I hear what you are saying, and I appreciate it. Thank you.

Senator BURRIS. Thank you, Mr. Chairman.

Senator CARPER. Thank you, Senator Burris.

We have been joined by Ranking Republican Member, Senator McCain. Welcome. We are delighted that you could come, and I am not sure whether I should yield to you or Dr. Coburn who is—

Senator MCCAIN. Well, the doctor is in, so why don't we yield to him, Mr. Chairman.

Senator CARPER. All right.

Senator MCCAIN. Thank you.

Senator CARPER. Let's do that. Thanks.

Senator COBURN. Mr. Groves, what did it cost to print 100 million copies of the short form?

Mr. GROVES. I do not know the full printing—

Senator COBURN. Does anybody in your staff know that answer?

Mr. GROVES. We can get this answer. How much?

Mr. MESENBOURG. All I know is \$22 million under the original estimate.

Mr. GROVES. The original estimate was \$22 million. The current printing contracts are coming below estimated costs right now.

OPENING STATEMENT OF SENATOR COBURN

Senator COBURN. Well, first of all, I am very glad you are where you are. Thank you for serving. We had a great conversation in my office prior to your confirmation.

We are now at \$48 per person and growing to count people in this country. Just so my colleague from Illinois knows, I got one of those forms last year and I refused to fill out half of it, because I found it offensive and I found no basis in law for them to force me to answer those questions. I did return it, and I returned the pertinent information that the government should have an interest in, but I did not answer all of the questions.

It is called the long form, and there is nothing in the Constitution, in the first article, that gives the power of the census the ability to do that. It does give the ability of the Federal Government to do enumeration but not to go into the detail of which the long form goes. So therefore, I stand guilty of not filling out completely the long form and will defend anybody that does not want to do that. It is a totally different matter when it comes to the short form, however, because we do have a responsibility to have a count.

I want that number, and the reason I want that number is I am a co-sponsor of that amendment, Senator Carper. When the census was started, it is for resident citizens. It is not residents. The count is to be for citizens. The amendment that is going to be offered, which I am sure will be defeated, has a great impact and what the goal of everything you do is about, which is how do we apportion representative government in this country.

I want to enter into the record, actually based on what we know statistically, in California, if we do not just count citizens, California will have five extra seats that they, in fact, do not deserve on resident citizens. Illinois will have an extra seat. Indiana will lose a seat. Iowa will lose a seat. Louisiana will lose a seat. Michigan will lose a seat. Mississippi will lose a seat. New York will gain a seat. North Carolina will lose a seat. Oregon will lose a seat. Pennsylvania will lose a seat. South Carolina will lose a seat, and Texas will gain two seats.

So there are two parts to this hearing. One is how are you doing, and I sleep a whole lot better at night knowing you are there. The second part is to do the intended aspect. I want to make one point. In your long form that I fill out, it asks the very question that Senator Vitter wants to have asked on the census, are you a citizen of the United States. I mean, you ask that in the long form. Every one that gets mailed out gets asked that question.

I believe you would answer that affirmatively, correct?

Mr. GROVES. That is in the American Community Survey.

Senator COBURN. Yes, that is in the long form. So we do not have any problem asking it a million times a year in the country, but when it comes to the very purpose for which we do a count, which is to apportion the States, we have conveniently decided we are not going to ask that question. It is not about partisan issues, and it is really not about State. It is about doing what our Constitution says.

I understand the concerns on the other side of the aisle, and I understand how that is. But States are going to apportion their representation based on what this gentleman and his department does. It ought to accurately reflect the true intent of the founders as is reflected in the long form. We are so far over budget on this census. We are \$8 billion. We are 120 percent greater than what the last census is now, and what do you think it is going to end up costing? Do you think the \$14.6 billion is right?

Mr. GROVES. I can tell you what my aspiration is.

Senator COBURN. What is your aspiration?

Mr. GROVES. My aspiration is that the American public returns this questionnaire at higher rates than we have ever seen before and I give back and my associates give back hundreds of millions of dollars to the Treasury that we have in contingency funds, not knowing that number. That would be wonderful.

Senator COBURN. OK. Well, I think there is a great way for us to help you do that. I think one is to get this amendment in so that we reestablish confidence in the government. And then two is to enroll us as Members of Congress to tell people how important it is to fill out this form because not only is it their duty as a citizen so we get an accurate count, but it is their duty to help us save money by returning the form.

You were not present when Senator Carper and I had most of the discussions years ago on this issue. You and I had conversations about how we should plan for 2020 and the fact that we have it online. If you think about it, we are at \$48 a person right now and counting. You can give everybody in the country a \$25 stipend if they will just fill it out online for you, and we would still be less money than what we are going to spend right now.

So what I want us to do is to think forward as we learn from the mistakes that the GAO and the IG have done a great job in terms of trying to direct this.

The software development programs you have ongoing now, which are critical to you carrying out a successful—I believe everybody agrees with that. That is a critical piece right now. Is that a cost-plus contract?

Mr. GROVES. These are Census Bureau employees who are doing this work and—

Senator COBURN. None of that is outside?

Mr. GROVES. Yes, the big change in the re-plan because of the handheld problem was to bring this inside, and so these are people who are literally about 30 feet from me. I see them every day.

Senator COBURN. OK. So we do not have any outside vendors now doing any of this integration?

Mr. GROVES. Well, we still are relying on outside contractors for pieces of software that were part of the original agreement.

Senator COBURN. And were those cost-plus contracts?

Mr. GROVES. These were—these have incentive schemes in some of them and that—

Senator COBURN. But they are not true cost-plus contracts? They are a fixed-price contract with an incentive?

Mr. GROVES. The key ones are like that, yes.

Senator COBURN. OK. All right.

So do you agree with the IG and the GAO, the real problem in the \$88 million overage, do you agree with their assessment in that the reason we came in 25 percent over budget was the two critical factors, one, planning, and two is employing people that you did not need?

Mr. GROVES. I would say it is—

Senator COBURN. And I may have heard that wrong.

Did I hear that wrong?

Mr. GOLDENKOFF. No, I think that covers it.

Mr. GROVES. I think we agree, but I would say it slightly differently because there is another component that I find interesting and more diagnostic about what we should do to clean things up.

The amount of work was larger than anticipated. You could say that should have been anticipated. You could debate that. The composition of the workload was different. In what way? Well, there were more deletes. We went out to a place, and there was not a house there. OK? More than anticipated. And when you diagnose that, so why didn't we hit that right, that is about \$30 million of the—

Senator COBURN. \$38 million.

Mr. GROVES. I put the blame on cost modeling strategies, and I think of this as sort of a top-down cost model versus a bottom-up cost model. That scared me because I am worried that non-response follow-up may be subject to similar logical errors.

We have a new team in there. We have a new top-down cost modeling for non-response follow-up, and we are building a bottom-up cost model. And we are going to look at how they agree or disagree. I do not anticipate that they will agree. But what usually happens is when you see the nature of the disagreement, you learn something about the assumptions of one or another of the proce-

dures. We are doing that now because we have to hit that right, and I am worried about that.

Senator COBURN. Well, I am well over my time. Thank you. Are we going to have another round?

Senator CARPER. Yes, we are.

Senator COBURN. All right. Thank you.

Senator CARPER. Senator McCain.

OPENING STATEMENT OF SENATOR MCCAIN

Senator MCCAIN. Thank you, Mr. Chairman, and thank you for holding this hearing.

Dr. Groves, I thank you for the good work you do, and I enjoyed our meeting that we had in my office, and I am especially appreciative of your candor.

I think you made a step in the right direction by terminating the Bureau's partnership with ACORN. I cannot tell you how many of my constituents contacted me about that issue. And as you noted in your termination letter to ACORN, the Bureau's partnership with ACORN had "indeed become a distraction from our mission and may even become a discouragement to public cooperation, negatively impacting the 2010 Census efforts."

Doctor, is the partnership terminated permanently or just for the census?

Mr. GROVES. I am not sure. We do not have partnership—

Senator MCCAIN. That last over the—

Mr. GROVES. Yes, facilities in other ways.

Senator MCCAIN. When an organization is terminated, is there a review process they have to go through if they want to become eligible to partner with the Census Bureau again?

Mr. GROVES. Every partnership proposal is reviewed internally by our staff on all of the dimensions that you just mentioned.

Senator MCCAIN. I was somewhat surprised that you have close to 80,000 partnership agreements with national and local groups.

Mr. GROVES. Our aspiration is to get that way over 100,000.

Senator MCCAIN. And that is wonderful, but how do you monitor that many partnerships?

Mr. GROVES. We have over 3,000 partnership specialists in local census areas. Their job actually is to identify areas where we need to get the word out in ways that could be effectively done with local neighborhood, city level organizations that are trusted voices. So they do that outreach and working with them, collaborating with them.

Senator MCCAIN. So you are confident that there is sufficient oversight of the partnerships that you have, that money is not misspent and there is not abuses?

Mr. GROVES. The partners do not receive money from us. The partners agree to get the word out about the census for their particular group.

Senator MCCAIN. Let me say this. So you are confident that they do not misuse their partnership with you?

Mr. GROVES. This is part of our oversight of those activities.

Senator MCCAIN. I am told by the doctor that you do pay for response follow-up?

Mr. GROVES. Sure. Do you mean when you do not return the form?

Senator MCCAIN. Yes.

Mr. GROVES. We then hire—these are different than partnership people. Partners do not do this work. These are census Federal employees who go through all the screening of all Federal employees.

Senator MCCAIN. Mr. Zinser, you made in your opening statement that the initial life cycle cost was 11.5 years but it is now 14.7 years.

What is your degree of confidence that 14.7 years is the final number?

Mr. ZINSER. Thank you, Mr. McCain. I think a lot of the cost factors are still unknown, exactly how high that is going to go. Based on the variables that Dr. Groves talked about, we do not know what the response rate is going to be. We do not know if there are problems with this paper-based operation control system that require contingencies. That could increase the cost of the census. So I think at this point it is just unknown, sir.

Senator MCCAIN. Mr. Goldenkoff.

Mr. GOLDENKOFF. We would agree with that, and there are two issues there, an internal one and an external one. Internal is the quality of the Bureau's cost estimate itself and the Bureau's ability to do adequate cost modeling. What we found is that with the cost estimates, they lacked a sensitivity analysis. There was very little in the way of documentation that we could look at, so it was very difficult for us to verify how good that number was because there was not a whole lot to look at.

Senator MCCAIN. So your confidence level about there not being further cost overruns is not strong?

Mr. GOLDENKOFF. No, not at all. And then externally, of course, as was said, the key is the response rate. If they get a higher than expected response rate, obviously, that will bring costs down.

But another key unknown, part of the way the Bureau hopes to save some money on non-response follow-up is by removing late mail returns. If you send your questionnaire in late after the Bureau makes that initial cut of non-response follow-up, rather than send an enumerator out and then find out that you have already mailed it in, they will actually cross your name off the list. Well, that approach has never been tested before, and so that is an unknown. If that does not work, then there could be a lot of unnecessary visits to housing units.

Senator MCCAIN. And you are obviously aware of this somewhat bleak assessment, Dr. Groves?

Mr. GROVES. Yes, I am aware of that bleak assessment.

Senator MCCAIN. But perhaps, Doctor, you could—

Senator CARPER. Just repeat your response.

Mr. GROVES. I am aware of that bleak assessment.

Senator MCCAIN. Perhaps you could for the record maybe submit to the Subcommittee some of the actions that you are going to take since it is clear that these issues are before us, that we need to at least salvage what we can. I mean, these are tough times in America and to already have at least a \$3 billion cost overrun and more to come, I think we deserve tighter controls or better estimates, one of the two.

Senator COBURN. Would the gentleman yield for a second?

Senator McCAIN. Sure.

Senator COBURN. I want to make sure that Dr. Groves is not held accountable because most of the consequences of the cost overruns we are seeing today, his hands are not on. And matter of fact, I would just tell my colleague that because he is there, it is probably going to cost less than what it would have had he not been there.

So I think he should try to respond to us, but he still needs to be recognized that his fingerprints are not on the problems that he inherited.

Senator McCAIN. Well, as I mentioned before, I appreciate Dr. Groves not only for his willingness to serve but his candor about the difficulties he faces. But it still does not relieve us of the requirement to ask you to give us a plan as to how you can minimize the damage, a lot of which was inflicted before you came.

Mr. GROVES. I would be happy to do that and can do that orally or in writing, whatever way you want.

Senator McCAIN. I think perhaps in writing, if it is agreeable to you. I know you are incredibly busy, or if you would rather do it orally, whichever. I would rather make it easier for you.

The other thing I do not understand—help me out here, Doctor. We now have means of communications that were unheard of as short a time ago as the last census, OK? I mean, we have these devices with us everywhere. Everyone has them. We can e-mail instantaneously at no cost, literally, certainly not the cost of a long distance phone call or even when we only had access to wired telephones. Every business, every industry in America that has adopted these new technologies have experienced dramatic cost savings. That is why they are so popular.

Why in the world wouldn't we have adopted some of these technologies, which give us the ability to not only communicate initially. If I e-mail somebody, they are going to e-mail me directly back. If I send them a letter and ask them to fill out a form, it is going to be a week, 2 weeks, a month, whatever, not to mention all the associated costs with it.

Why couldn't we and why can't we employ technologies which allow us to communicate in breathtaking fashion with our citizenry in the conduct of this census?

Mr. GROVES. There were decisions made before I arrived in this town that are relevant to our challenge that are too late to undo, in my belief. We are adding a test of Internet use as an experimental component because I agree with your premise.

I can say that looking forward to 2020, and I have said this, that I cannot imagine—it is not—I do not have the capacity to imagine a 2020 Census without utilizing this technology. In the same breath, though, we all have to acknowledge that none of us know what the Internet of 2020 is going to look like. And therein lies a request for all of us. We need a 2020 developmental process that has faster cycle time. We cannot lock in to technology so early in the decade that it is old by the time—

Senator McCAIN. Is it really too late, since we are conducting a census in 2010, to not employ some of these technologies?

Mr. GROVES. In my judgment, the answer unfortunately is yes, it is too late for some of these things, depending on how they are used.

Senator MCCAIN. Would you set up some test programs?

Mr. GROVES. We do have a test implanted, I am happy to say, that will be mounted in August 2010 to examine how people respond on a Web survey version of the short form versus a paper version. It is a critical component on this. But to get in place an Internet option, which I know several of you are interested in, in my judgment would be so risky now that it could hurt other things.

Senator MCCAIN. You cannot make it up, that we have this technology and have had it for a number of years that incredible communicating capabilities, and we are still mailing people letters. I notice you are nodding your head, Mr. Goldenkoff.

Mr. GOLDENKOFF. Well, the census that we are taking today is essentially the same census that we took back in 1970 in terms of we mail out a bunch of forms and the population mails the forms back.

But I would agree with Dr. Groves that it really is too late to employ an Internet option now mainly because it is a lot more complicated than just putting a version of the questionnaire up on the Internet, a digital version of a paper-based questionnaire.

Senator MCCAIN. Despite the fact that people pay their bills, conduct all their lives over the Internet—

Mr. GOLDENKOFF. No, that is correct. I think a key question for the Census Bureau, is why can't the Census Bureau do what IRS already does, what Amazon already does and thousands of other organizations—

Senator MCCAIN. Or even voting in some places.

Mr. GOLDENKOFF. And people send very sensitive information across the Internet. But to do it at this late date because, for example, as the information needs to be kept confidential, so how do you protect the data? How do you archive it for over 70 years? How do you authenticate the people who are responding? How do you know that if I am responding to a questionnaire, that I am an actual household member?

So those are things that really need to be worked out and probably not something we want to do in just the few months remaining. I think the Bureau has enough on its plate at this point, but it is certainly something for continued testing for 2020—

Senator MCCAIN. Did you want to add something?

Mr. ZINSER. Senator, I would. We recommended in 2006 that they take college dormitories and test responses over the Internet with college dormitories. That remains an unimplemented, open recommendation, and you might have to put it in the law, sir. You might have to pass a law to get them to do it.

Senator MCCAIN. Well, maybe we ought to consider that, Mr. Chairman, seriously.

And, Dr. Groves, if you would like to make a contribution to posterity, and I mean this in all sincerity, look forward and give us an outline and some plans for how we can utilize existing technologies in 2020, much less the technologies that we think will be available in the future.

So it is just kind of a shame that we are not going to have as reliable a census as we could have had if we had used existing technology to carry out, really, one of the fundamental requirements of democracy. And so, Doctor, I am sure you have a lot to do, but I hope that you will start thinking about that as well. I may not be around. I am afraid Dr. Coburn will be, but anyway, I hope—

Senator COBURN. It is a race at the end.

Senator MCCAIN [continuing]. We can work it out. There you go. Do you have any comment?

Mr. GROVES. Well, I can promise you, Senator, that this is foremost on my mind because, as was stated earlier, the use of these technologies is not just quality related, it is cost related. And the inflation of the costs of the decennial Census is of paramount concern to me. So I can give you a solemn promise that we are on this one. But for 2010, unfortunately, it is too late, in my judgment, to do something.

Senator MCCAIN. Thank you very much.

Senator CARPER. The line of questioning that you have just pursued, Senator, reminds me of a line of questioning that Dr. Coburn and I pursued over a span of several years with Dr. Groves' predecessor. And it is a source of real frustration. And we just heard literally the line of questioning all over again. I am encouraged that the—

Senator MCCAIN. Mr. Chairman, maybe Dr. Groves' recommendation, maybe we should write it in law in some way if we can figure out a way to frame it so that it does not restrict the use of future technologies. That might be the challenge.

Senator CARPER. One of the questions I had to ask, Dr. Groves, during your confirmation process was really a question just along the line that you are asking, to gauge for myself his interest in making sure that we do the next decennial in 2020; we get the number as accurate as we can, but we do it in a cost effective way. And I think we will all agree that the technology that we are using for the 2010 is not the most cost effective way.

I am encouraged that we have at least an embedded test, a demonstration that we can build on. The important thing is that we build on it and you let us know what help you need from our end in order to make sure that we do use the technology that is available the next time out.

I think it would be great if we could not only have a census in 2020 that we could rely on in terms of the numbers of people we are counting but also actually be coming in not at \$3 or \$4 billion more than the last census but actually a couple billion dollars less. And speaking of aspirations, that would be a good one for all of us.

In terms of cost drivers, Dr. Groves, my sense is one of the cost drivers—I almost said Dr. McCain but Senator McCain was asking about, certainty or assurance that we feel about, is it really going to be the number—what is it, \$14.7 billion? How confident do you feel about it?

One of the real cost drivers here is the—correct me if I am wrong—but it is the number of households who actually respond to the mail-out. That is the key. And can you give us some idea, for every percentage point, extra percentage point, that we have to go

out and go door-to-door with enumerators and question the people who have not responded to the written survey—there is a cost associated. And I have heard the cost before. But can you tell us what that might be?

Mr. GROVES. Well, the current number—this is a number I am scrubbing, too. But the current number is between \$80 and \$90 million for every percentage point decline. So why does it cost that much? Well, you have to hire more people to knock on more doors, to travel more miles, and it is human costs on that.

Senator CARPER. All right. Thank you.

A question, if I could, for Mr. Zinser and Mr. Goldenkoff, please. And it is similar to one we have already asked Dr. Groves.

But, gentlemen, given that there is very little time remaining to rest and develop the paper-based operation control system, what kind of problems are we talking about having if the system development and testings run late?

Mr. ZINSER. If they run late, the first problem, I think, is that it shortens the time necessary to actually train the people that are going to be using the system. So the first problem you have is if they run late, they may get the system in place, but people have trouble using it. If it is later than that, then you have half a million or more enumerators out trying to conduct non-response follow-up operations, and the Census Bureau does not have a contingency plan right now in place on how they are going to manage that work force without this automated system.

Senator CARPER. All right. Mr. Goldenkoff.

Mr. GOLDENKOFF. Right. I would echo that 100 percent. If the software development runs late, it will affect the time that managers would have to familiarize themselves with the operation and using the software. If any changes need to take place in terms of the system or how to operate the system, that means more cost in terms of sending out errata sheets and the training manuals. So there is this sort of ripple effect for the downstream operations.

Also, it could affect the need for employees to do work-arounds if those instruction manuals are not updated in time. The census employees start doing their own thing. So it could have both operational impact and cost impact.

Senator CARPER. All right. Another question, if I could, for you, Dr. Groves. We talked already a little bit about non-response follow-up. But let's talk about for a minute or two about contingency planning, and what are the Census Bureau's contingency plans for addressing, we will say, a much lower than anticipated mail response rate next spring?

Will the Census Bureau be prepared to increase the number of census takers substantially if that is needed? Would you modify your basic media campaign in order to get to target areas of the country where the response was especially low?

Mr. GROVES. There are, I think, a couple of things to know about this. We have the return rates from 2000 day by day that we can track. So even though the mail return rate in 2000 was about 67 percent, on April 1 of 2000, it was 57 percent. So it is an interesting fact that people tend to turn in their forms early.

We are going to have this day by day. We will know if we are falling behind at that point. And we have held back some money

in the paid media campaign as kind of contingency money to target it. We will actually know where, what areas are coming up shorter than other areas. We can re-target money pretty quickly. Now, it will be late. People will have forms in their house that they are not filling out, but that would be one thing.

The second thing to note is that this is a very different labor market in 2010 or 2009 than it was in 2000. The unemployment rate, although creating great suffering for our country, has a benefit to the Census Bureau. The quantity and quality of applicants that we have seen both in address canvassing and in this operation going on now is unprecedented. These are people that are highly educated, highly skilled, highly motivated. They are putting in more hours than we got in 2000.

So I think various things would happen if we had a lower mail return rate, and the input of new advertising did not help it. We would first utilize the existing staff and get more hours out of them. Second, we would hire more. The hiring would probably have some of our experienced people become supervisors rather than enumerators. We would kind of develop a more hierarchical structure to take the supervision in place. And the important thing, I think, we will know this early. We will know this by April 1 certainly, if we are in trouble.

We start interviewing May 1, the non-response follow-up, and we will have a month, right, as the work-around month. April will be a big month for us if that happens.

Senator CARPER. All right. Let me yield to Senator Burris.

Senator BURRIS. Thank you, Mr. Chairman.

Dr. Groves, I need to follow up on what Senator McCain just asked you. What was the Census Bureau's relation with ACORN?

Mr. GROVES. ACORN was one of these 80,000 partners.

Senator BURRIS. And what do you mean by partners? What did that consist of?

Mr. GROVES. Yes. You could go to our website, and everyone who is interested in becoming a partner fills out a form. The form—the whole purpose of the partnership is to find trusted voices in diverse communities around the country to get the word out. There are various things that partners can do. This is not a contractual relationship. This is a voluntary relationship on the part of the partnership organization.

Senator BURRIS. So who made the decision to sever the relationship with ACORN and on what basis did you make that relationship?

Mr. GROVES. I made that decision.

Senator BURRIS. Based on what?

Mr. GROVES. I made the decision because we are kind of in constant contact with our regional offices, and we were learning that the recruitment of other partners was inhibited by our partnership with ACORN. We were having trouble getting other trusted voices in communities because of this. The distraction that ACORN was causing in our own operations was sufficient to say that it was hurting the—

Senator BURRIS. Because of the erroneous news report that there were a couple of ACORN people who may have violated the law?

Mr. GROVES. Those news reports were part of that—

Senator BURRIS. Based on that so-called Fox sting that was perpetrated, which ACORN now is suing some of those people about.

Mr. GROVES. That was part of it. There were other—

Senator BURRIS. Did you give ACORN a hearing? Did you call anybody in and question that relationship at all?

Mr. GROVES. We talked to ACORN about this matter on the day we made the decision. We informed them before going public.

Senator BURRIS. You informed them, but did you question them about their relationship or you just informed them that you had severed the relationship based on news reports?

Mr. GROVES. Now, I want to say again that we are in contact with our regional offices whose job it is to reach out to other partners, recruit other partners to help us in this endeavor—

Senator BURRIS. Dr. Groves, you said you canceled the relationship. I am not talking about your other partners.

Mr. GROVES. That is correct.

Senator BURRIS. You advised me that you canceled the relationship.

Mr. GROVES. That is correct.

Senator BURRIS. So did you have any type of conference with them before you canceled it?

Mr. GROVES. We had a conversation with them before we canceled it.

Senator BURRIS. But you had made up your mind that you would cancel it based on news reports. That is what I assume. That is what I hear you say.

Mr. GROVES. No, that is incorrect, Senator. Let me restate it.

We get information from Census Bureau regional offices throughout the country who are now seeking and recruiting other partner organizations. We are in contact with them, and we are asking them how things are going. We had reports that recruiting other partners because of the distraction that ACORN was causing was causing them—

Senator BURRIS. Describe the distraction for me, sir.

Mr. GROVES. These are reports when they are reaching out to form other partnerships that people said, gee, I am not sure I want to partner with Census because of the—

Senator BURRIS. Do you have any documentation on that?

Mr. GROVES. What, documentation on what?

Senator BURRIS. These other partners notifying you that they do not want to partner with the Census because the Census was partnering with ACORN.

Mr. GROVES. These were telephone conversations among Census Bureau staff. I doubt if we have documentation, written documentation on that.

Senator BURRIS. So what you are telling me is you get a couple people calling in—so I can take an organization—I can get 20 people to call into your organization and say that the XYZ group that you are partnering with, I do not want to partner with them. And, therefore, you would then turn around and cancel some other contract based on that?

Is that what you are telling me, Doctor?

Mr. GROVES. If a partner organization inhibits us from continuing to get the word out about census nationally, yes.

Senator BURRIS. OK. I am not one of those that support your canceling the arrangement with ACORN because I think ACORN is getting a very unfair assessment based on some agendas that have nothing to do with service to the community and probably the very best grassroots organization you could have helping you in these difficult communities. Especially in the minority and undercounted communities would be an organization with the reach of an ACORN. And I hope that you would look at that again, and I will be following up with you and probably would like to sit down with you individually and with some ACORN members to find out why this action has been taken based on a television news report that had another agenda. I am concerned about that, Mr. Groves, and I do not think that is a fair indication of any type of action for the Census Bureau to cut out an organization that has its roots in the—because I am concerned about the undercount in the African American and the Hispanic communities or even the poor communities. And the best group that you can get in those communities is someone who has their action or their feet on the ground or their ear to the ground in those communities is an organization such as ACORN.

Mr. GROVES. The people that ACORN reaches out to and serves are very important for the quality of the census. We need the participation of all of those constituents, and we are striving to form partnerships in every locale that are trusted voices for those communities. And I would be happy to sit down with you.

Senator BURRIS. Yes, I think we should. And I will have my staff to follow up with you because I am deeply concerned about this one-sided attack on an organization that really is at the heart of trying to deal with the problem that we are dealing with. And I am very familiar with ACORN in Illinois.

I know any organization has some rotten apples in the barrel. I do not want to give my whole speech here about some of these government contracts and some of these other organizations, that cause somebody in the military personnel to be killed over in the war zone because of shoddy contracts. But they were paid billions of dollars of taxpayers' money. We get an organization that in 15 years gets \$53 million, \$2 million a year, from the Federal Government, and because of one TV report, they end up being just ostracized and criticized and turned out by government agencies. And I do not agree with my colleagues on the Senate vote to cut off the funds because I voted in opposition to that amendment to cut off the funds, and I do not agree with that.

I have got to sit down with you and just find out what basis we are putting out an organization that can be very helpful in those communities in dealing with an undercount in getting into those households and reaching out for those communities that can give us what we need to make sure we get our population counted. Thank you, sir.

Mr. GROVES. [Nods affirmatively.]

Senator BURRIS. Thank you, sir.

Senator CARPER. Thank you, Senator Burris. And I appreciate your willingness to sit down with Senator Burris and have some further discussion. That would be, I think, a good idea. Thank you.

I think this is going to be the first census in which the Bureau will fingerprint our temporary Census employees. Previously, they were only subject to, I think, a name background check.

Can you provide an overview for us of the screening process that the Bureau uses to examine the employment suitability of temporary fieldworkers?

Mr. GROVES. I would be happy to, Senator. It starts with a so-called name check, where every applicant's name is submitted to FBI data resources, and we check whether there are any problems connected with that name. After that point, those who pass that name check and are in the applicant pool, and let's say all of the other aspects of their application, gets them to training.

On the first day of training, they are fingerprinted. And as you noted, this is a new step. We did not do this in 2000, and it has upped the scrutiny of the applicant pool for criminal background.

There are two fingerprints that are done by two different fingerprinters. So they put these on cards, and so each applicant has two cards independently done by two different folks. Those are then scanned in our national processing center in Jeffersonville, Indiana and forwarded electronically to the FBI for checks.

We did this in address canvassing, and there are various key quality issues that arise in this. One is how many of those fingerprints or what proportion of the fingerprints that we take can be read electronically at the backend by the FBI. We went into this thinking that would be about 70 percent or you could say 30 percent failed reads. The address canvassing experience was that that was about 22 percent of those that could not be read.

The FBI processed those fingerprints on average in about 22 hours, and for those that had a negative report, it took about 8 days to get that. So that is a process that gives us on average kind of an 8-day time between taking the fingerprints and seeing whether there are any problems. And we are now doing this in operation and group quarters validation.

We found various things that we did not like about that. We do not like the 22 percent rate. We would like that to be lower. There are procedures, several procedures, that are going on. The FBI—there are various things that are just logistical. Some people have drier fingers than other people. If you have real dry hands, fingerprints do not take as well. So we are using right now some lotion that the FBI suggested to pick up the prints better to try to reduce that rate. We have changed the training procedures for people taking the fingerprints. All of these things are driven towards trying to get that rate lower and trying to be more efficient in this.

Senator CARPER. Let me just follow up, if I can. I think a little more than one out of five for address canvassing employees had, as we say, unclassified fingerprints and were only subject to name background check. The largest operation is non-response follow-up.

In looking forward, let me maybe ask Mr. Goldenkoff. In looking forward, does GAO have any concern about solely relying on name check for people with unclassifiable prints?

Mr. GOLDENKOFF. Yes, because as was observed during address canvassing, name check alone failed to identify people who are unsuitable for Census employment because of a criminal record. There were 1,800 people actually who passed the name check but

were caught using the fingerprinting approach. And of those 1,800 people, about 785, roughly, were disqualified for Census employment because their criminal background made them unsuitable. It was serious enough.

Senator CARPER. Give us some examples of why someone might have been deemed unsuitable.

Mr. GOLDENKOFF. Manslaughter, rape. So certain crimes if they happened a long time ago, if they were minor, that is OK, but, some of these were very serious crimes. And so if you take the percentage of those people who were unsuitable for Census employment out of those who were not caught by name check alone, it is possible that—we estimate that around 200 people—of those individuals whose fingerprints could not be classified, it is possible that 200 of those had a criminal background that would have otherwise made them unsuitable for Census employment.

Of course, because non-response follow-up is a much larger operation, until the Bureau figures out how best to deal with people with unclassified fingerprints, then you are going to have that many more people who would be unsuitable for Census employment working non-response follow-up.

Senator CARPER. OK. I want to shift the focus just a little bit before we conclude by coming back to the issue of the undercount. In May, our Subcommittee held a field hearing up in Philadelphia on how the Census Bureau plans to address the challenges of obtaining a complete and an accurate counting, particularly in urban communities in the 2010 decennial. At that hearing, I learned that in my very own home state of Delaware, nearly 12,000 residents were missed in the 2000 Census.

What makes these areas particularly concerning is their differential impacts on various subgroups. Minorities, renters and children, for example, are more likely to be undercounted by the census while more affluent groups such as people with vacation homes, families with kids in college out of State are more likely to be enumerated more than once.

Dr. Groves, let me just ask specifically what strategies does the Bureau plan to implement or is trying to implement in the months ahead to maximize participation within historically hard to count populations living in urban communities?

Mr. GROVES. Well, as you know already, this is one of our central concerns, and one of the things I have been doing over the last few weeks after I did this risk assessment is to visit the regional offices. And there are interesting things happening there under the direction of this new design, and they are very small area targeting operations. So we have these things called census tracts that you can think of as about 4,000 units in a tracts. And every tract in this country is being scrutinized by partnership specialists and operations specialists, and there is a special plan for every tract.

Now, this is relatively new because we have targeting data now. We have this wonderful database at the tract level. We did not have this in the past. So for every tract in the country, there is a plan. The plan in the best of worlds is tailored, customized to that neighborhood. Sometimes it involves reaching out to certain neighborhood community groups. Sometimes it is an observation that

there is a newspaper, a local newspaper, that hits a language group that populates that tract.

So every plan is slightly different. The difference on this is that we are trying to tailor our methods to the problems at hand and doing different things in different places. I am hopeful about this. It is something new for us. It sounds right. It fits the notion of what we have learned over past decades, and that is a big effort that we are engaged in.

Senator CARPER. The downturn in our economy has resulted, as in an increase in foreclosures and vacant housing units as well as persons that are doubling in households—I think you might have said that earlier today—and living in group quarters.

What steps are being taken by the Census Bureau to try to better ensure that it fully counts individuals and families who have been maybe uprooted during the course of the recession and because of the foreclosure crises?

Mr. GROVES. I think there are two components of that population that we are concerned about. One are the doubled-up houses that you mentioned and the newly homeless because of this problem. So let me talk about those separately.

On the doubled-up thing, part of the communications, I think, effort that we are targeting tries to remind people that we count them where they usually reside, and we want people to know in a double-up house that we want the original residents and the new residents there when they do not have a usual residence somewhere else. So that message needs to be reinforced given what has happened as a society.

On the newly homeless, especially on the West Coast, we are worried about folks who were actually quite well off a couple of years ago who are now homeless, and we are very interested in learning how to approach them. Many of them are living in cars, the only possession that they have retained. And we want to make sure that we are sensitive to their needs and sensitive to their concerns when we approach them, and that is a new population we have to worry about. So we are talking to people about how to deal with it.

Senator CARPER. OK. Thanks. Maybe one or two more and then I am done.

What are the Bureau's plan for counting Hurricane Katrina evacuees, those that are living involuntarily outside of the Gulf Coast because their neighborhoods still, after all these years, have not been rebuilt?

Mr. GROVES. I visited New Orleans a few weeks ago to meet with local officials there who are very concerned about this. I had been there a year earlier, and New Orleans, I can say, has a sense of optimism that was not there a year earlier.

Senator CARPER. Well, that is encouraging.

Mr. GROVES. And building is happening, and they look forward to a bigger city. We, as Senator, count people where they usually reside. Some of the people who aspire to be back in New Orleans in the coming months are not there now. We are doing something extraordinary. We have changed our methods in several areas in the Gulf Coast. This affects Saint Bernard, Plaquemines, and Orleans Parish around New Orleans where we will hand deliver forms.

We want to hand deliver those forms because we want to make sure that addresses that were unoccupied in summer or unoccupied in fall but occupied in April will get a form and can report their residency there.

For those who are not in those areas on April, we must say by law the census is a snapshot of where people are usually living around April of the census year. We must rely on this.

I have talked to officials there about the need in the Gulf Coast and other areas to make sure we update our population estimates throughout the decade to reflect their success in rebuilding these cities, and I think that is an important obligation as a statistician. And the country needs to follow the progress of those rebuilding efforts, and we have, as something called a special census. We can redo the census in an area. We have done over 300 special censuses in this decade, and we can do that if funds are forthcoming. We also have a population estimates program that updates population size.

Senator CARPER. Thank you. I am going to call on each of our witnesses. I will probably start with Mr. Goldenkoff. I will make you a doctor yet.

Mr. GOLDENKOFF. I have an honorary degree. Thank you.

Senator CARPER. I will ask you if you have any closing thoughts given what we have talked about here, sort of the interaction, the responses that the questions we have asked and the responses you have given; if there is anything else you want to add before we conclude.

Before I do that, Dr. Groves, I mentioned that in the State of Delaware, my own State, we believe that about 12,000 residents were missed in the 2000 Census. It is sort of ironic, I think, maybe a cruel irony, that it turns out there is an overcount in a census and there is an undercount in a census. And the overcount tends to fall amongst—and I used our own family as an example. We have two sons that are in college out of State. They may get counted in our own home in Delaware, and they may be counted in their respective colleges sort of where they attend.

There are a number of people in Delaware who—a number of folks who come to our beaches to spend part of the year, maybe the summer or come out throughout the year. They own homes at Bethany Beach and Rehoboth and Dewey and Fenwick Island and Lewes, Delaware, and they live in Maryland or Pennsylvania or New Jersey or Virginia. But they are counted as residents in their own States, and then they are counted as residents in some cases in Delaware where they have a second home.

So the irony of it is we have an overcount that occurs, but a lot of times it is among more affluent in our society. And the undercount that occurs—and I think it is probably in several million in number. But the undercount occurs among, if you will, the least of these and the people that are usually the lowest income and minorities, folks that are renters and in some cases, children.

Are you able to help us with the national numbers? I know the number for Delaware is 12,000. But if you go back maybe to the 2000 Census, the undercount and the overcount, and maybe the net. Can you help us with that?

Mr. GROVES. One of the methods we use to judge the quality of the census, as you know better than most, is a large sample survey. This decade it is called the Census Coverage Measurement Operation. And for the first time at State levels, we will estimate components, the overcount and the undercount separately and some other components. We will not have enough sample to do that at lower levels, but I think at the State level, you will get your wish this decade to decompose those.

This is new for us. It depends on the quality of the sample survey. One of the interventions I have taken here is to try to beef up the measurement quality of that, but we should have these figures. I cannot wait to see them, actually.

Senator CARPER. Good. Going back to 2000, the 2000 decennial, do we have any idea what the undercount and the overcount were and maybe the net difference?

Mr. GROVES. We do not. That sample survey called ACS was not designed for these components. Now, one could go if you had the data and compute these, but this was not part of the official process.

Senator CARPER. All right. Thank you.

Mr. Goldenkoff, any closing thoughts you would like to share with us?

Mr. GOLDENKOFF. Well, I think I would like to commend the Bureau for the progress that it has made since 2008 when we first put the decennial Census on our high-risk list. Certainly, it is still a high-risk area, but we are encouraged by a lot of the signs that we are seeing. We are much more optimistic now than we were in previous months. I think a lot of that credit goes to Dr. Groves.

Senator CARPER. Mr. Groves.

Mr. GOLDENKOFF. Dr. Robert Groves, yes. The tone starts at the top, and I have been involved with the census since 1997. And I will say this, there is a culture of transparency and openness that was not there before. Dr. Groves and I get together about once a month to talk about census issues, what is working, what is not. He has been very responsive to us.

One of the things that is so important if you want to address problems, the first step is acknowledging that you have one. And as you heard today, there is a litany of things. I mean, some of the challenges that Dr. Groves mentioned, and that attitude was not always there in past years. We had a lot of pushback on our recommendations. We have been making these same recommendations about the IT, the acquisition management, some of the other operational issues, for years now, going back as far as 2004, and we have often experienced pushback. But now there is, I think, a willingness to listen to us, to embrace oversight from us, from Commerce IG, and I think that is very refreshing.

Senator CARPER. Dr. Groves, are you going to sit there and take that?

Mr. GROVES. This brutal criticism is really—

Senator CARPER. Thank you for those comments. Mr. Zinser.

Mr. ZINSER. Yes, sir. I think I would agree with that, but I also would caution that type of transparency does not come natural to a bureaucracy to begin with. And I do not think it comes natural to the Census Bureau. I will give you one example.

This paper-based operation control system that they are working on, the approach they are taking, they call it a “just in time approach.” Now, for a businessman, that might be a good way to run your business with your inventory, but for software development, just in time is not very comforting. But they use these labels, or they tend to use these labels, and I would just encourage the Census Bureau as we go into these final months to be transparent about their problems. And I think with Dr. Groves at the helm, I think there is a good chance of that.

Senator CARPER. All right. Thanks.

Any closing comments, Mr. Groves.

Mr. GROVES. I mourn the Detroit Tigers today.

Senator CARPER. So do I. We have a long time to opening game of next spring.

We appreciate very much your being here today. We appreciate really the stewardship that each of you have brought to this challenge, counting the people in this country, trying to do it accurately, trying to do it in a cost-effective way, and your own responsibilities, whether it is with GAO or Inspector General or previously with the Census Bureau, now as its leader. I am encouraged, and I think my colleagues are as well, with what we are hearing here today.

Not any time to just kind of sit back and rest on our laurels; there is plenty of work to do, obviously. But we are mindful of the progress that being made, mindful that a lot of good people are working very hard to help us achieve our goals, and confident that if we give it our very best efforts, we will succeed in doing so but also mindful that everything we do, we can do better. And I do not want to be sitting here 10 years from now and with Senator McCain, Senator Coburn, Senator Burris, and others and have to say why aren't we using technology that others have been using for not only 15, but 20 years; why aren't we using that technology to better count the people in this country? We have got to figure that out and do that right.

Thank you so much. And with that, this hearing is—before we adjourn—you may receive some questions for the record from those who were here or were not here. And if you get those questions, just please respond promptly, if you would. And with that, this hearing is adjourned. Thanks so much.

[Whereupon, at 4:51 p.m., the Subcommittee was adjourned.]

APPENDIX

FOR IMMEDIATE RELEASE



TOM CARPER

UNITED STATES SENATOR - DELAWARE



FOR RELEASE: Oct. 7, 2009
CONTACT: Bette Phelan (202) 224-2441

**SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT
INFORMATION, FEDERAL SERVICES, AND INTERNATIONAL SECURITY**

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

**HEARING: "From Strategy to Implementation: Strengthening U.S.-Pakistan
Relations"**

Opening Statement of Senator Thomas R. Carper, Chairman

Today's hearing is a continuation of our oversight of the Census Bureau's preparation for the 2010 Census. The 2010 Census is approaching rapidly with Census Day less than six months away. On April 1, 2010, the Census Bureau will embark upon what many have described as the largest peacetime mobilization in American history. With nearly a \$15 billion budget and an army of 1.3 million census-takers, the Census Bureau is responsible for ensuring that nearly 300 million residents are correctly counted.

As my colleagues can probably guess, finding and accurately counting nearly 300 million individuals in the correct location is, of course, an extremely daunting task. Census-taking has become even more challenging in recent years as the nation's population has grown steadily larger, more diverse, and increasingly difficult to find. For a number of reasons, people may also be more reluctant to participate in the census.

Last year, the Census Bureau encountered serious technological challenges that threatened to jeopardize the success of the 2010 Census. Since then, the Bureau has put forth great effort in putting the Census back on track. I am told that the Bureau recently completed its address canvassing well ahead of schedule thanks to a high quality staff. The handheld computers that have received so much negative attention in recent months performed as expected, and the Bureau has already begun to open local census offices throughout the country.

Despite these successes, much work needs to be done by the Bureau to put its operational plans in place and to execute them effectively. Connecting with young mobile and wired populations, establishing trust with skeptical populations, and integrating the major components of a complex operation are just a few of the challenges that lie ahead.

Investigations conducted by both GAO and the Inspector General have revealed serious challenges with the contracting and implementation of key information technology systems at the Census Bureau. These reports have also noted the unreliability of the Census Bureau's

cost estimate for the total 2010 project. And the absence of adequate testing of the processes that will be used to follow up with non-responders is a serious concern as well.

Given the sheer magnitude of an undertaking such as the decennial census, a shortcoming in any one area can quickly have a domino effect on other operations. For example, a low mail response rate would increase the nonresponse follow-up workload, which in turn would increase the Bureau's staffing needs and drive up costs.

I look forward to the expert testimony our distinguished panel of witnesses will provide today. It is my hope that today's proceedings will provide us with a clear assessment of the complications facing the Census Bureau, and how Congress can best partner with the Bureau as it works towards achieving its goal of an accurate and cost-effective Census in 2010.

In closing, I would like to express my condolences to the family of Mr. William Sparkman, the Census taker who was found in Kentucky a few weeks ago. Our thoughts and prayers are with you today. I would like to thank all of the hardworking Census employees who assist us in fulfilling in our constitutional obligation of conducting a decennial census. We truly value your service.

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STATEMENT OF SENATOR JOHN MCCAIN, RANKING MEMBER

SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT
INFORMATION, FEDERAL SERVICES AND INTERNATIONAL SECURITY

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

“2010 Census: A Status Update of Key Decennial Census Operations”

October 7, 2009

Senator Carper, thank you for holding this hearing today and for your continued oversight of the Census Bureau’s preparations for the 2010 census. I also want to welcome our panel of witnesses this afternoon.

A fair and accurate counting of all people here in the United States is critical. House apportionment, legislative redistricting, and federal funding to the states all depend on accurate census results. My home state of Arizona has suffered from undercounting, losing out on gaining an additional congressional seat and millions of dollars in federal revenue for schools, housing, roads, and other public services.

Fairness and accuracy depend, too, on the process the Bureau employs to gather the information. Director Groves, when we met before your confirmation hearing, we discussed protecting the integrity of the information gathering process, because if people doubt the process, they will doubt the results. I urged you at that time to do what was necessary to keep the census objective and free from politics.

I think you made a step in the right direction by terminating the Bureau’s partnership with the Association of Community Organizations for Reform Now, commonly known as ACORN. I cannot tell you how many of my constituents were upset about ACORN’s participation in the census. Having stated the need for a thorough investigation of ACORN’s activities almost one year ago, I was concerned. Of course, everyone was shocked by the recent undercover videos showing ACORN employees offering advice on how to operate an illegal enterprise. As you noted in your termination letter to ACORN, the Bureau’s partnership with ACORN had “indeed become a distraction from our mission, and may even become a discouragement to public cooperation, negatively impacting the 2010 Census efforts.”

The Census Bureau may have close to 80,000 partnership agreements with national and local groups, but it takes only one gone wrong to jeopardize the public's trust in the census. I hope the Bureau is paying close attention to the work of its other partners and will continue to act quickly, if future problems arise.

Every ten years it should be the goal of the Census Bureau to conduct the most accurate and trustworthy census in history and I challenge the Bureau and its leadership to meet that standard in 2010. I look forward to hearing the testimony from our witnesses today.



**PREPARED STATEMENT OF
ROBERT M. GROVES
DIRECTOR
US CENSUS BUREAU**

2010 Census: A Status Update of Key Decennial Operations

**Before the Subcommittee on Federal Financial Management, Government
Information, Federal Services and International Security
Committee on Homeland Security and Governmental Affairs
United States Senate**

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Chairman Carper, Ranking Member McCain, members of the Subcommittee, I appreciate this opportunity to testify before you and provide my assessment of the current status of preparations for the 2010 Census.

I want to take this opportunity to express my condolences once again to the family of Mr. William Sparkman, the Census employee who was found deceased in Kentucky last month. The Census Bureau family is deeply saddened by this loss. Mr. Sparkman was a shining example of the hard-working men and women the Census Bureau has in the field. Our thoughts and prayers are with his family and friends.

Status Update

Upon my confirmation I promised Congress and Secretary Locke that I would spend the first month of my directorship evaluating key components of the 2010 Census. As you know, the difficulties with the handheld computer development

caused a major re-planning of the 2010 Census and led to the appointment of a new management team. Many things have happened since those events in 2008, but as the new director I needed to make my own professional assessment regarding the current state of preparation and key risks facing the 2010 Decennial Census.

To begin, prior to my arrival, plans were in development to bring on two consultants, former Census Bureau Director Kenneth Prewitt and former Principal Associate Director John Thompson, to assist in a risk assessment. I have consulted with members of National Academy of Sciences panels on the census and with its technical staff. I have reached out to half a dozen key academic scientists with relevant technical skills. I have met multiple times with staff from the Government Accountability Office, the Office of Management and Budget, and the Department of Commerce Office of the Inspector General. In addition, I have interacted with the project leaders of the major census contracts (Lockheed Martin, Harris, and IBM), and I currently have twice weekly meetings with Mitre Corporation contractors who offer independent evaluations of the major census contracting activities. Finally, I have met with my administrative and technical leadership teams for the decennial programs.

In my testimony today I will discuss my assessment of 2010 Census preparations and outline the key challenges we face as we approach Census Day, which is now less than six months away. My comments are in two sections: a comparison of the designs of the 2000 and the 2010 censuses from a technical perspective, and an identification of recent challenges in key components of the Census, both internal and external.

The 2010 Census Design

The 2010 Census design is fundamentally better than the Census 2000 design:

- For the first time every household will receive the short form, which is simple, straightforward and easy to understand; in past censuses short forms have had higher participation rates than long forms.
- 13 million households in census tracts with high concentrations of Spanish speakers will receive a bilingual questionnaire; this should lead to higher participation among the Spanish-only speakers who receive it.

- Most non-responding households will receive a second questionnaire; for decades, survey methodology has found that replacement questionnaires raise participation rates.
- The questionnaire contains two new questions that will help us understand if we are counting people twice or missing people who may be residing elsewhere, and we now have a Coverage Follow-up operation that will take advantage of those questions to improve the accuracy of census count. This should reduce differential coverage of subgroups with tenuous attachments to households.
- Because the Master Address File has been maintained throughout the decade, it should provide a better frame for mailing out questionnaires.
- A new operation called Group Quarters Validation is designed to better identify places like group homes, residence halls, and unusual living situations such as campgrounds and marinas. This addresses problems experienced in past censuses.
- The additional funding provided by the American Reinvestment and Recovery Act for the paid advertising campaign and the partnership program will enhance and expand our outreach efforts.

Because I know there is specific interest in some areas of the census design, let me offer a bit more detail on two points – the Group Quarters Validation operation and the use of American Recovery and Reinvestment Act funds for the integrated communications campaign. For the first time, the Local Update of Census Addresses (LUCA) includes an integrated review of both housing units *and* group quarters, which were included in the Address Canvassing Operation. We have also added a new operation called Group Quarters Validation, for which fieldwork has begun. The overall operation should last about four weeks and will involve visits to approximately 300,000 group quarters. During Group Quarters Validation, specially trained enumerators will visit all “other living quarters” identified during Address Canvassing and administer a detailed questionnaire to determine if they are, in fact, housing units or group quarters and to classify the types of group quarters. For those determined to be group quarters, the field staff also will determine the type to facilitate the subsequent Group Quarter Enumeration operation next spring.

Although for most residents of the U.S. the concept of usual residence is an easy one. The public needs to be reminded that their usual is not necessarily the same as a person's voting residence or legal residence. For the purpose of the census, individuals are counted at their usual residence-- customarily defined as the place where the person lives and sleeps most of the time. For some individuals, group quarters are the place where they live and sleep most of the time, and can include college dormitories, prisons, group care facilities and nursing homes.

Because of natural disasters and economic dislocation, the places where people reside can change quickly. Through targeted advertising, the Census Bureau will get the message out that people are to be counted on Census Day at their usual residence- the place they usually live and sleep.

As part of the improved 2010 Census design, \$1 billion appropriated for the Census Bureau in the American Recovery and Reinvestment Act is being used as follows: \$100 million to increase the communications campaign, \$120 million for increased partnership efforts, \$30 million for an increased Coverage Follow-up program and the balance, \$750 million for early 2010 census operations, including Group Quarters Validation.

With the additional funding from the Recovery Act for the communications campaign, the Bureau will be able to increase its paid media efforts - including \$43 million directed specifically to local advertising buys focused on hard-to-count populations. The balance of the Recovery Act funds for communications will be directed to these areas:

- \$37 million to paid media,
- \$2 million towards partnership support materials,
- \$15 million towards public relations and events, and
- \$3 million towards Census in Schools.

As required by law, we have provided updates on areas of ARRA spending and these may be found on the Census Bureau website at: www.census.gov/recovery. We are currently reviewing and finalizing the promotion ads developed using ARRA funds, and negotiations are now underway for national and local media buys. In short, with this additional funding, the Census Bureau will now exceed the scope of the Census 2000 communications campaign in terms of its reach.

Our efforts to reach hard to count communities will also be enhanced by the use of Recovery Act funds to expand our partnership efforts. \$120 million of ARRA funds have been used to expand the local partnership program through the hiring of more than 2,000 additional partnership staff. This will improve outreach to hard-to-count communities and expand our efforts to reduce historical undercounts of minority populations.

After reviewing these elements, and having examined its design as a survey methodologist, it is my judgment that the 2010 Census has a better design than Census 2000 to attain the goal to count every person. However, a superior design alone does not ensure a superior product. The Census Bureau faces both internal and external challenges, some unprecedented, that must be directly addressed in the months ahead.

Internal Challenges

There are several internal challenges, or risks, that occupy my attention.

First, although we have a bright, well-organized senior team leading the decennial effort, the Census Bureau team has less senior experience in managing censuses than was true in some past censuses. Further, they entered their leadership positions after the handheld contract problems and the re-plan of the census. This weakness, however, is countered by a much more formal and open risk management process that was adopted during the re-planning. As a result, I have decided to continue vigorous use of external advisors, including former Principal Associate Director John Thompson, and former Census Bureau Director Kenneth Prewitt. Further, I am extremely fortunate to serve with Dr. Rebecca Blank the Undersecretary for Economic Affairs, as well as the ability to consult with the Deputy Undersecretary for Economic Affairs, Nancy Potok, a former Principal Associate Director at the Census Bureau.

Second, like many Federal agencies, the Census Bureau has experienced significant retirements in its senior ranks--in particular, senior statisticians. While we aggressively begin to recruit new talent, I will further engage outside statisticians during key phases of the census process.

Third, because of the movement from handheld computer use for the Non-response Follow-up (NRFU) stage of the census to a paper-based design, administrative software for this phase is still being developed. This is the so-called Paper-based Operations Control System (PBOCS).

While a recent GAO report called for complete end-to-end testing of PBOCS, I have learned, because of the late change to a paper-based census, there is no time to mount a full operations test using all software. Instead, the current plan for testing includes an integrated test of core subsystems. I asked for a review of the definition of what "core subsystems" means, and that review satisfied me that the definition does indeed represent what should be tested. There will be a large load test of the operational control system in late November, 2009, which will attempt to simulate the full operation load on the software. I have asked that this test include real users at the skill levels of the users of the system during production. I have also asked that the testing design include sequential testing of each of the planned three releases of the software, and testing to ensure accurate transmittals of information between all system interfaces. Robust user acceptance testing will be conducted in a Local Census Office (LCO) environment established at Census Headquarters and in a test LCO in Seattle, Washington.

Many of the other software systems were tested in earlier steps of the 2010 planning cycle. All the professionals with whom I have interacted believe that risks attached to those systems are low. Thus, the critical risk focuses on the software for the Paper-based Operations Control System. We created an internal review team, led by the Census Bureau's Chief Information Officer, with the Chief Technology Officer of the Department of Commerce, and other experts. They regularly meet with me to provide their recommendations and assessments. To date the Bureau has incorporated three changes based on their input: a) embedding IT security specialists into the software development process to identify and mitigate emerging security vulnerabilities, b) building a bridge from the internal Census Bureau software development to the Harris software development to promote integration, and c) replicating testing on secondary releases of the software.

The fourth internal risk concerns the Master Address File (MAF), the list that is the basis for the delivery of over 134 million questionnaires. The accuracy of the census depends on a complete address list. If we do not know a household's address, it is much harder for us to know whether we have received its census questionnaire. We successfully completed the Address Canvassing operation over the summer, whereby census staff checked 145 million addresses, making additions or deletions where necessary. This included 8 million addresses added by tribal, state and municipal governments in the Local Update of Census Addresses program. At this time, we are analyzing the characteristics of the

MAF. In a matter of weeks we will know whether it appears to present any difficulties.

Preliminary evaluation of the Address Canvassing Operation indicates it was successful in that it was produced on time and within the required quality assurance parameters. Listers also updated and verified existing addresses, added addresses not currently on the address list and deleted addresses from the list that were not found or existed in another form. Listers updated maps by deleting and adding features, and updating feature names.

Review of the entire Address Canvassing Operation is now underway. When this process has concluded and the summaries of how many changes were made to the Master Address File are available, I will be happy to provide them to the Subcommittee.

The fifth internal risk concerns cost estimation and control. We need better cost-estimation and control at the Census Bureau. One finding in our review of the address canvassing operation was that the cost models used to guide the work did not forecast correctly total costs, and we experienced a cost overrun in components of that operation. We need to strengthen our cost information and management structures within the Census Bureau. I am directly intervening with my associate directors to address these issues, and I will continue to use the external groups mentioned above to develop better management systems and procedures.

Our challenge now is to continue with efforts to improve the MAF through subsequent operations, and to address areas where we may have duplicate or missed addresses and ensure that our addresses are correctly located in TIGER (Topographically Integrated Geographic Encoding Referencing). Our staff are examining data at the county level to identify areas where additional work may be needed. Their efforts are complemented by state and local demographers from the Federal State Cooperative for Population Estimates (FSCPE) who are also examining the MAF. Officials from FSCPE help us in our Count Review program as decennial data are tabulated, but this is the first time we have folded their expertise into the Address List Development operation. Local governments also have an opportunity to add addresses in the New Construction program, and I urge all Members of Congress to encourage government officials in their districts to participate in this program where applicable. Data from all three of these efforts will be folded into subsequent operations to ensure the accuracy and coverage of the census. This underscores an important point: While a high

quality address list is essential to a good census, every subsequent operation builds on the MAF to help ensure we reach everyone.

External Challenges

External challenges are also a concern at the Census Bureau. Uncertainties surrounding the expected mail return rate are more daunting than in past censuses. Interviewing households that do not return their questionnaires is the most expensive component of the census. Scores of millions of dollars will be spent for each additional percentage point of the public that we have to visit during Non Response Follow Up, or NRFU. In addition to the costs, an inaccurate response estimate also impacts our ability to structure and implement the NRFU operations.

First, there are a number of factors that will make it difficult to know with a degree of certainty how accurate our estimate of the mail response rate is; 1) the vacancy rate is higher than in previous censuses, and it is fluctuating rapidly due to foreclosures and economic dislocations; 2) more people and more families are doubling up in single-family dwellings; 3) the rate of people experiencing homelessness is higher; and 4) the public debate and tension over immigration issues is ongoing. In addition, we continue to see declining response rates in censuses and surveys.

To respond to these challenges we are analyzing the American Community Survey data to simulate the mail response rates at low levels of geography. I am also asking census experts to review the impact of the replacement questionnaire, as well as our operations to enumerate people in transient living situations or without conventional housing.

The new media environment represents a second external challenge for us, and it is unprecedented. More and more people get the news from non-traditional social media sources like blogs, YouTube®, Facebook® and Twitter® rather than from the networks and newspapers of decades past. The sheer volume of these media sources makes it far more difficult for us to get out the facts about the 2010 Census. We are doing all we can, including the establishment of a media response team at the highest levels of the Census Bureau, and the upcoming launch of a 2010 Census Blog, to which I will be contributing, to help strengthen census messaging.

Finally, the digital environment we now live in also raises the threat of Internet scams and cybercrimes like “phishing” and the widespread misuse of the Census Bureau’s logo and brand. To combat this, I have directed the Census Bureau’s Chief Information Officer to establish a team that unites our IT security officials with experts from the private sector. I will be reporting to Congress and the Government Accountability Office (GAO) on our plans in the near future.

There is an external challenge on which we need your help. I am asking all Members of Congress and all census stakeholders to work with us to ensure that the census is not tainted by the intense political debates driving the news media. I cannot stress this point strongly enough. If the public believes that census data are slanted by partisan influence, the credibility of the statistics is destroyed. And once destroyed, public trust cannot be easily or quickly restored.

New Experimental Initiatives and Modifications

In my assessment I determined there are areas in the Census design that need specific attention. The first concerns the large sample survey, called Census Coverage Measurement (CCM), which is used to measure the differential undercount of the census. Some time ago, the interviewing of the households in this sample survey was placed late in the schedule of the census. This decision, which regrettably cannot be changed at this point, can lead to more difficulty of respondents recalling where they were on April 1, 2010. In addition, I am concerned about the quality of the matching process following this late interviewing. I have consulted with some of our finest academic statisticians on this point. I will make changes in the design to give us more insight into the over and under-count processes of the census.

In addition, we will develop and implement a Master Trace Project to follow cases throughout the decennial census cycle from address listing through tabulation so that we have a better research base for planning the 2020 Census. We also will be conducting an Internet measurement re-interview study, focused on how differently people answer questions on a web instrument from a paper questionnaire. Finally, we will mount a post-hoc administrative records census, using administrative records available to the Census Bureau. All of this will better position us for the developmental work we must conduct to improve future decennial census operations.

In addition to the assessment I have been discussing, I also directed Associate Director Steve Jost to conduct a complete review of the Communications

Program. As a result of his review we have made modifications to the communications plan design with two principal goals in mind; first, targeting traditionally hard to count or linguistically isolated populations to achieve an increase in their mail back response rate; and second, to help increase the overall mail back response rate and mitigate the cost implications of the Field Data Collection Automation (FDCA) re-plan by doing all we can to reduce the workload in the Non-Response Follow Up (NRFU) operation. As part of our ongoing assessment efforts, we established an Academic Assessment Panel to provide us with an objective evaluation of the work done to date on the communications campaign.

As part of our comprehensive review, we have recently made the following enhancements to the communications strategy:

- We expanded the number of languages for the paid advertising from 14 to 28, a substantial increase over the 17 languages in the 2000 Census design.
- We revamped and enhanced the 2010 Census web site to make it more interactive and user friendly and to take advantage of social media and to expand the promotion of the census through local, individual support of the decennial.
- We upgraded the Census in Schools program and expanded it from K-8 to K-12 (stateside, Puerto Rico and the Island Areas), added additional teaching materials in both printed and electronic form and translated the take-home materials into 28 languages, and made them available on our web site for production and distribution by local school districts.
- We expanded the plans and scope of the Census Road Tour from 12 to 13 vehicles, assigning one vehicle to each of our 12 Regional Offices and for the first time designating a National Vehicle with enhanced audiovisual capabilities to expand Census public relations and news media outreach.
- We doubled the staffing of the national partnership office and co-located staff from other offices in the Bureau to upgrade our outreach to national organizations and leverage their full support to promote the 2010 Decennial.
- We expanded our language assistance program by including information in the Advance Letter on language assistance. This four-pronged targeted

outreach in local neighborhoods with high concentrations of households that speak Chinese, Vietnamese, Korean and Russian also includes the mailing of a postcard with language assistance information, expanded partnership efforts, and targeted delivery of language assistance guides through paid in-language media vehicles.

It is important to remember, however, that Census Bureau communications efforts alone will not allow us to reach those populations that are most reticent and therefore hard to count. The 2010 Census Partnership Program is critical because partners are trusted sources of information in the community. Our partners – representing community-based organizations, faith-based institutions, local businesses, educators, tribal organizations and governments, disability groups, local and state governments, media outlets, race and ethnic organizations, social service providers, advisory committees, and Members of Congress – are already communicating a compelling message of census participation to inspire and motivate their constituents to be counted. With the additional \$120 million in Recovery Act funding, the partnership staff in the field has almost quadrupled, allowing us to improve outreach to hard-to-count communities and thus expand our efforts to reduce historical undercounts of minority populations.

This campaign is multi-targeted, multimedia, multilingual and research-based. One part of the plan already in place that will allow us to assess and respond to any potential issues stemming from the FDCA re-plan is the continuous monitoring and tracking research system. This system will allow us to rapidly respond to areas with low mail return rates and adjust and refocus our communications efforts in these areas to increase response.

Future Activities and Risks

Over the next two months, hundreds of important tasks must be completed across all components of the decennial census program.

There are a number of external events that could lead to delays or operational problems, such as a major hurricane, a widespread outbreak of H1N1 flu, or a major, last-minute design change imposed upon the program.

Internally, some of the major activities and risks over the next 60 days include:

- We must complete the Group Quarters Validation operation in October so that we can update our control files for the enumeration of these places next spring. The field operation is going well, and we believe our systems are ready to capture and process the results, but at this stage of the census we are on a tight schedule that must be adhered to.
- We must open 344 additional Local Census Offices (LCOs) by the end of December in order to be ready to implement the major operations of the census next spring. Although this effort is going well at the moment, at any location, we risk running into space build-out issues, equipment deployment issues, telecom issues, or even bankruptcy issues with the lessor.
- We must begin recruiting for our major field operations next year, including deployment of toll-free jobs lines to the LCOs. Although it appears that current economic conditions will make recruiting of qualified applicants easier than in past censuses, between now and next spring we must recruit over 3 million applicants to fill over 1 million temporary positions. This is a massive challenge which can be affected by things outside our control, such as a change in the economy. We also know there are some places in the country with high employment rates where we may have more difficulty in attracting enough applicants.
- The Paper-Based Operations Control System (PBOCS) has an aggressive system development lifecycle due to the applications de-scoped from FDCA and a fixed schedule prior to 2010 Census operations. We believe this is being managed well, and that we are on schedule for the deployment and use of these systems, but the schedule is very tight, with little room for any slippage.
- We must finish preparation for and begin production of the address label files for 2010 Census questionnaires and Advance Letters. Again, we believe this is on schedule for timely completion, but any significant problems with these efforts could jeopardize many aspects of the program.
- We must complete a number of activities related to enhancements to our language outreach efforts. We believe these activities can be completed and integrated on schedule, but these efforts are on a tight schedule as well.

- We also must complete the first Operations Test and Dry Run for our Data Capture Centers and Call Centers. Developmental work and testing is going well, but we must stay on track to ensure these centers are ready next spring to capture and process census forms, and respond to public questions and assistance requests.

Conclusion

These are my judgments on the operational status of the census. Two internal uncertainties now form the critical risks – the software development on the Paper-based Operations Control System and not-yet-known quality of the Master Address File. But those uncertainties, Mr. Chairman, are swamped by the uncertainties about the likely participation of the American public in the 2010 Census. While our attention must be on these internal risks, I cannot overemphasize the need for every political, corporate, and religious leader to get the message out that the cost and quality of the 2010 Census is in our hands. We all have a part to play in achieving a successful 2010 Census. I look forward to working with you in the months ahead to make this happen.

I thank the subcommittee for this opportunity and would be happy to answer your questions.

Testimony of

**THE HONORABLE TODD J. ZINSER
INSPECTOR GENERAL**

U.S. DEPARTMENT OF COMMERCE

before the

**Subcommittee on Federal Financial Management, Government
Information, Federal Services, and International Security,
Committee on Homeland Security and Governmental Affairs,
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***The 2010 Census:
Update of Key Decennial Operations***

Mr. Chairman, Ranking Member McCain, and Members of the Subcommittee:

Thank you for inviting us to testify today on the Census Bureau's readiness for the 2010 decennial census. My testimony will describe (1) the challenges that our work has identified over the past decade, (2) the problems highlighted in our first Quarterly Report to the Congress issued in August, and (3) the status of the integrated communications campaign. I will also address our specific oversight activities, and will focus on one area at particularly high risk—development of the paper-based operations control system, or PBOCS.

The 2010 Census is proceeding against a backdrop of more than \$3 billion in estimated cost growth, with the initial life-cycle cost estimate of \$11.5 billion now projected to total \$14.7 billion. This cost growth has resulted from the inability of Census and its contractor to work together to produce a handheld computer and related systems for field data collection as originally envisioned, combined with major flaws in the bureau's cost-estimating methods and other issues.



In 2009 the American Recovery and Reinvestment Act provided \$1 billion for the 2010 Census. Recovery Act funds are being used as follows:

- \$750 million to reduce risk to early decennial operations;
- \$120 to enhance the partnership program, designed to encourage the hardest- to-count populations to participate in the 2010 Census;
- \$100 million to expand the communications contract, with a major focus on increasing advertising in minority communities and other areas that have historically lower-than-average initial-response rates; and
- \$30 million to expand the coverage follow-up operation in which telephone interviewers re-contact households in which the bureau believes persons may have been erroneously omitted or included in error on the census form.

At the outset, I would like to emphasize that with address canvassing finished and enumeration activities soon to begin, little opportunity remains to affect 2010 decennial planning or make major course corrections. Having said that, however, our oversight will be ongoing, focusing on the status of high-risk areas of the decennial and assessing whether planning and operations are on track with bureau plans.

The appendix to my statement contains a list of our reports and testimony to date on the 2010 Census.

OFFICE OF INSPECTOR GENERAL (OIG) REVIEWS THROUGHOUT THE PAST DECADE HAVE IDENTIFIED SIGNIFICANT CHALLENGES IN KEY OPERATIONS

Oversight of the 2010 census has been an ongoing OIG priority. We began our work in 2002 with a report on lessons learned, *Improving Our Measure of America: What Census 2000 Can Teach Us in Planning for 2010*. Since that time we have highlighted continuing weaknesses in key decennial areas, including contracting, maps and address lists, systems development, and enumerating hard-to-count populations. Our recent and ongoing work, listed below, represents those areas that in our view provide lessons learned or indicate where oversight is most needed.

- **FDCA Contract.** In April 2006, the Census Bureau awarded the Field Data Collection Automation (FDCA) contract to the Harris Corporation. FDCA was a cost-reimbursement contract intended to automate and integrate major field operations for the 2010 decennial, including use of handheld computers to conduct address canvassing and non-response follow-up. The mounting FDCA problems prompted the decision, in April 2008, to abandon use of the handhelds for non-response follow-up while focusing resources on ensuring that the handhelds could support address canvassing. This change set in motion contract renegotiations between the bureau and Harris, with each party redefining its respective role to minimize cost and schedule risks. The renegotiations also gave the bureau the opportunity to modify the original contract type and fee structure, as appropriate.

With this in mind, we conducted an audit to determine whether (1) award fees paid to Harris were appropriate, (2) the incentive fee structure used was the most effective for motivating top performance, and (3) cost-plus-award fee was the best contract arrangement for acquiring the system. Our audit resulted in recommendations for improving the contract by, among other items, establishing measurable criteria for assessing performance and determining fees; modifying the fee structure to promote performance excellence and limit the practice of rolling over fees; and incorporating fixed pricing for deliverables, whenever possible.

- **Paper-based Operations Control System.** We are monitoring the bureau's progress in developing the paper-based operations control system—a risky, yet essential capability needed for remaining decennial field operations.
- **DRIS Contract.** We are auditing the contract for the Decennial Response Integration System, which will capture census response data from paper forms and provide for telephone enumeration and follow-up.
- **Communications Contract.** We are also auditing the communications contract, which is being used to raise awareness and to educate citizens about the 2010 Census and the importance of their response, with a major focus on minority communities and other areas that have historically lower-than-average response rates.
- **Partnership Program.** We recently began an evaluation of the partnership program, which brings national, regional, tribal, and local government, business, and nonprofit organizations together to promote participation in the 2010 Census. I will address our work on the communications contract and partnership program later in my testimony. Both of these programs have received additional funding under the American Recovery and Reinvestment Act.
- **Address Canvassing Operations.** With the beginning of address canvassing last spring, we have given considerable attention to assessing the management issues and risks involved in planning and conducting field operations. Because the Census Bureau describes “an accurate, comprehensive, and timely [address] list” as “one of the best predictors of a successful census,” we observed the address canvassing operation firsthand across the country. As we reported, important procedures were not being followed. Census responded quickly to this finding by communicating to field staff and regional directors about the issue. However, by that point, many areas had completed production.
- **Address Canvassing Quality Control.** Census depends on its address-canvassing quality-control operation to identify and correct errors resulting from listers' not following procedures. We therefore expanded the number and breadth of our field observations to focus on this quality-control element, particularly in rural areas, and will present our results in a subsequent report. However, we did find one notable issue: quality control listers were unable to make changes to the address list using the

handheld computer, after the initial quality check passed and they were confirming housing unit deletions. This problem increases the bureau's risk of housing units' being omitted from the master address file and therefore of not receiving census questionnaires. In some cases, quality control listers recorded units on paper that they could not enter into their handheld computers. Census is in the process of reviewing procedures to incorporate these units, but the actions of individual listers were not standard and the procedures were not consistently used.

- **Contingency Plans.** As a result of limitations in the number of addresses that its handheld computers could hold, Census deployed a contingency plan to canvass blocks containing more than 1,000 addresses. Our assessment of this operation found a number of problems that demonstrated the need for improved contingency planning.
- **Non-response Follow-up Operations.** We are identifying lessons learned from address canvassing to help make non-response follow-up more effective and less costly. Non-response follow-up is a massive operation in which census workers collect data from households that have not mailed back their census questionnaires. We are reviewing the causes of the budget variation in address listers' time, mileage, and expenses incurred during address canvassing to help identify actions the bureau can take to better control costs during non-response follow-up. We are also auditing the accuracy and integrity of the payroll system used for the hundreds of thousands of temporary Census employees.
- **Group Quarters Validation.** Finally, we are evaluating the results of the operation that validates the location of group residences (military bases, college dormitories, prisons, and nursing homes) for later enumeration.

OIG'S FIRST QUARTERLY REPORT TO CONGRESS FOUND PROBLEMS WITH PROGRAM MANAGEMENT SYSTEMS, RISK MANAGEMENT, AND REPORTING TRANSPARENCY

The Supplemental Appropriations Act of 2008 gave the Census Bureau an additional \$210 million to help cover spiraling 2010 decennial costs. The act's explanatory statement required the bureau to submit to the Senate and House Committees on Appropriations a detailed plan and time line of decennial census milestones and expenditures, and a quantitative assessment of associated program risks.

OIG was also required to provide quarterly reports on the bureau's progress against this plan. The objective of our first report was to determine the bureau's ability to oversee the systems and information for tracking schedule activities, cost, and risk management activities that depended on a baseline provided by Census in May of this year.

Our review discovered that the bureau's ability to effectively oversee decennial census progress has long been hampered by inherent weaknesses in its systems and information for tracking schedules, cost, and risk management activities. The overarching problem is that these systems and information are not integrated in a manner that allows

progress to be objectively measured against the project plan—in other words, the bureau does not have metrics that directly link the schedule of specific activities, the cost of those activities, and the work actually accomplished. This makes it difficult to assess progress and forecast cost and schedule overruns.

To its credit, the bureau's management of risk represents a significant improvement over the 2000 decennial, which lacked a formal risk management process, but important issues remain. Specific limitations that affect the bureau's management of the decennial census include

- not using critical-path management to identify the activities that must be completed on time so that the entire project is not delayed,
- lack of thorough up-front review of project start and end dates,
- limited integration of major contractor activities,
- lack of integration of schedule activities and budget plan/expenditure information,
- an unreliable cost estimate,
- lack of transparency in the use of contingency funds,
- lack of systematically documented program and funding decisions,
- risk management activities that are behind schedule, and
- varying quality and content of mitigation plans.

Further, the bureau did not clearly and accurately report on the status of the information technology security risk associated with the FDCA system, which includes the handheld computers, and ceased reporting it as a key issue in the Monthly Status Report—which is provided to the Department, OMB, and the Congress—even though the issue had not been adequately resolved.

We have forwarded recommendations to the Census Bureau based on our First Quarterly Report. However, given how close we are to the 2010 decennial, many of our recommendations represent lessons learned and look ahead to the 2020 decennial. They include

- integrating schedule and cost activities associated with a small-scale 2010 decennial operation having both headquarters and field components, as a prototype for integrating all schedule and cost activities for the 2020 census;
- completing the schedule development process earlier in the 2020 decennial life cycle and integrating cost and schedule activities of bureau and contractor operations to allow Census managers to better track the status of available funds, forecast impending overruns, and improve the transparency of decennial census decisions to census stakeholders;

- developing a transparent decision documentation strategy to account for 2020 census program and spending decisions; and
- strengthening and implementing a risk management strategy and related contingency plans prior to the start of 2020 decennial census operations.

The bureau has concurred with our recommendations and is formulating approaches to address them.

PAPER-BASED OPERATIONS CONTROL SYSTEM: SCHEDULE-DRIVEN, RISKY, YET ESSENTIAL

In April 2008, the Department announced the decision to abandon the use of handheld computers to electronically capture information from households that did not return their census forms and thus requiring the substantial redesign of census field operations.

Later that year, as a result of this decision, the bureau began development of a control system to cover all field operations subsequent to address canvassing and validation of the address list for group residences. The system had originally been part of the FDCA contract; however, in redesigning the program, the bureau decided to take responsibility for developing the system, which was expanded to support a paper-based non-response follow-up operation.

Along with non-response follow-up actions, the paper-based operations control system (PBOCS) is also needed to support operations such as those in rural areas where Census leaves a form for households to mail back (known as update/leave), interviews to enumerate group residences, and enumeration activities at transient locations such as parks or campgrounds. The bureau describes the paper-based operations control system as the “nerve center” of its 494 field offices; it is used to define enumerator assignments and to provide current information on enumerator productivity.

The decision to conduct paper-based non-response follow-up made PBOCS development a highly schedule-driven and risky undertaking. The team must develop, test, and deploy a system that is capable of managing the work of hundreds of thousands of temporary Census employees working on enumeration. According to an independent assessment, the project must be completed in one-third the time that it would need under normal circumstances. Further, the system must work compatibly with other 2010 Census systems and run within the infrastructure provided by the FDCA contractor, adding significant integration and deployment challenges. As a result of the highly compressed schedule, the system will undergo less testing than desirable.

To address the compressed schedule, capabilities are being delivered in three releases—at best just in time for certain census operations to begin. With enumeration of remote Alaska beginning in January, the first release will provide functionality for this operation, as well as for other early operations, including the group quarters advance visit, update/leave, and enumeration at transient locations. This just-in-time approach is particularly risky for a

system that must be able to support decennial operations immediately once it is deployed, since the 2010 schedule has no margin for delay.

For example, without an effectively functioning PBOCS, hundreds of thousands of non-response follow-up enumerators may not be able to receive their assignments, and bureau management may not be able to monitor the operation's progress. Such problems, for which no documented contingency plans currently exist, would seriously jeopardize the decennial schedule and further drive up decennial costs.

Census is taking steps to mitigate the risks inherent in PBOCS development, integration, and deployment; it chartered an independent assessment team to provide bureau executives with the information needed to understand potential problems and how they might be mitigated. This team focused on seven areas, and considers all but one to be medium- if not high-risk. The assessment team made a number of recommendations, including that Census develop a risk-mitigation action plan, as well as add resources to the integration and test areas. As a core activity presenting a high level of uncertainty so late in the decennial life cycle, this is an area we will closely monitor—and recommend that Congress and the Secretary do the same.

THE CENSUS BUREAU HAS BEEN DILIGENT IN MONITORING THE INTEGRATED COMMUNICATIONS CAMPAIGN, BUT DELAYS HAVE OCCURRED IN THE DELIVERY OF THE INITIAL PLAN AND PROMOTIONAL ITEMS

The integrated communications campaign is part of the Census Bureau's attempt to increase the response rate to the questionnaire mailing, thereby decreasing the resources needed for the bureau's follow-up. The campaign also emphasizes increased participation of traditionally hard-to-count populations. The communications campaign includes promotional materials, media advertising, and outreach to parents and guardians through their school-age children.

We have been monitoring the bureau's progress in soliciting and awarding a contract to implement the campaign, including an assessment of how well the bureau has improved upon the structure and effectiveness of the advertising contract used for the 2000 census. In September 2007, the bureau awarded a contract to DraftFCB. The contract now contains 23 task orders valued at about \$300 million, with one-third of those funds already being obligated. Of the total, \$100 million in funding came from the American Recovery and Reinvestment Act.

This past February we began reviewing the overall integrated communications campaign, including the contract with DraftFCB. We are assessing the challenges associated with distributing promotional materials through regional census centers. Our preliminary observations indicate that the bureau has been diligent in its management and monitoring of DraftFCB's execution of the contract. However, we have noted delays in the delivery of the contractor's initial communications plan and delivery of promotional items to regional field offices to distribute to their partners. Other areas of focus include contract requirements, plans, deliverables, time lines, and funding requirements.

The Census Bureau's partnership program is a key component of its efforts to improve mail response, decrease the comparative undercount of certain populations, and improve respondent cooperation. Census used the \$120 million in Recovery Act funds to hire an additional 2,027 positions to focus on increasing partnerships in hard-to-count communities. In monitoring the program during this time, we saw that Census determined where to put these additional positions using data about where hard-to-count populations were located, and successfully met its hiring goals by its July 1, 2009, deadline. Further, we recently initiated a review to evaluate the specialist and new Recovery Act "assistant" roles and activities, determine whether partners are receiving and using Census-funded promotional materials, and—on a limited basis—assess partner satisfaction.

Finally, I want to commend the dedicated efforts of the rank-and-file Census workers. They have been—and continue to be—a key element in overcoming the setbacks and management lapses that the bureau has experienced. The resolve and commitment of regional Census directors, field staff, and subject-matter experts increases our confidence in the success of the 2010 decennial census. In addition, I want to commend the Committee for its prompt action in confirming the Director; the presence of a permanent Director during this period has been immeasurably beneficial.

In summary, this is where we are: the bureau is taking positive steps to increase the mail response rate and the participation of hard-to-count populations. With the limitations in its project management systems, it faces significant challenges in assessing progress and forecasting cost and schedule overruns for the duration of the decennial. Major areas we intend to watch going forward include

- the bureau's evaluation of the quality of the master address file and its plans for any subsequent improvement actions;
- the bureau's progress in developing the automated paper-based operations control system—needed to manage enumerator assignments and track their progress—on a highly compressed schedule;
- the communications campaign's effectiveness in providing promotional materials and advertising that are timely, on message, and within budget;
- the effectiveness of the vastly increased partnership staff to promote outreach efforts to hard-to-count populations; and
- a number of enumeration operations, including non-response follow-up.

Mr. Chairman, this concludes my prepared statement. I would be pleased to respond to any questions that you or any other Members of the Subcommittee may have at this time.

APPENDIX

**Office of Inspector General Reports/Testimony on the
2010 Decennial Census**

(Reports/testimony are available in the OIG Census Reading Room at
http://www.oig.doc.gov/oig/reports/census_reading_room/index.html)

2009

- *The 2010 Census and Integrated Communications Campaign*, testimony before the House Committee on Oversight and Government Reform, Subcommittee on Information Policy, Census, and National Archives, September 22, 2009.
- *2010 Census: First Quarterly Report to Congress*, August 7, 2009 (OIG-19791-1).
- Memorandum to Director, Bureau of the Census, with Recommendations from *2010 Census: First Quarterly Report to Congress*, August 7, 2009 (OIG-19791-1).
- *Problems Encountered in the Large Block Operation Underscore the Need for Better Contingency Plans*, August 7, 2009 (OIG-19171-02).
- *Observations and Address Listers' Reports Provide Serious Indications That Important Address Canvassing Procedures Are Not Being Followed*, May 4, 2009 (OIG-19636-01).
- *Census 2010: Revised Field Data Collection Automation Contract Incorporated OIG Recommendations, But Concerns Remain Over Fee Awarded During Negotiations*, March 3, 2009 (CAR 18702).
- *Census 2010: Delays in Address Canvassing Software Development and Testing, Help Desk Planning, and Field Office Deployment Have Increased Operational Risk*, February 12, 2009 (OIG-19171).

2008

- *Census 2010: Dress Rehearsal of Address Canvassing Revealed Persistent Deficiencies in Approach to Updating the Master Address File*, October 17, 2008 (OSE-18599).
- *FY 2008 FISMA Assessment of the Field Data Collection Automation System*, September 29, 2008 (OSE-19164).
- *Census 2010 Decennial: Census Should Further Refine Its Cost Estimate for Fingerprinting Temporary Staff*, August 8, 2008 (OIG-19058-1).



APPENDIX

- *Census 2010 Decennial: OIG Reviews Through the Decade Identify Significant Problems in Key Operations*, June 4, 2008 (OIG-19217).

2007

- *Follow-up Review of the Workers' Compensation Program at the Census Bureau Reveals Limited Efforts to Address Previous OIG Recommendations*, September 28, 2007 (IPE-18592)
- *Census 2010: Key Challenges to Enumerating American Indian Reservations Unresolved by 2006 Census Test*, September 19, 2007 (OSE-18027).

2006

- *Enumerating Group Quarters Continues to Pose Challenges*, September 29, 2006 (OIPE-18046-09-06).
- *Valuable Learning Opportunities Were Missed in the 2006 Test of Address Canvassing*, March 31, 2006 (OIG-17524-03-06).

2005

- *FDCA Program for 2010 Census Is Progressing, but Key Management and Acquisition Activities Need to be Completed*, August 4, 2005 (OSE-17368)

2004

- *Improving Our Measure of America: What the 2004 Census Test Can Teach Us in Planning for the 2010 Decennial Census*, September 30, 2004 (OIG-16949-1).

2003

- *MAF/TIGER Redesign Project Needs Management Improvements to Meet Its Decennial Goals and Cost Objective*, September 30, 2003 (OSE-15725).

2002

- *Selected Aspects of Census 2000 Accuracy and Coverage Evaluation Need Improvements Before 2010*, March 2002 (IG-14226).
- *Improving Our Measure of America: What Census 2000 Can Teach Us in Planning for 2010*, March 31, 2002 (OIG-14431).

United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Federal Financial Management, Government Information, Federal Services and International Security, Committee on Homeland Security and Government Affairs, U.S. Senate

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2010 CENSUS

Census Bureau Continues to Make Progress in Mitigating Risks to a Successful Enumeration, but Still Faces Various Challenges

Statement of Robert Goldenkoff
Director, Strategic Issues



GAO-10-132T

October 7, 2009



Highlights of GAO-10-132T, a testimony before the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The decennial census is a constitutionally-mandated activity that produces data used to apportion congressional seats, redraw congressional districts, and help allocate billions of dollars in federal assistance. In March 2008, GAO designated the 2010 Census a high-risk area in part because of information technology (IT) shortcomings. The U.S. Census Bureau (Bureau) has since strengthened its risk management efforts and made other improvements; however, in March 2009, GAO noted that a number of challenges and uncertainties remained. This testimony discusses the Bureau's readiness for 2010 and covers: (1) the delivery of key IT systems, (2) preliminary findings on the results of address canvassing and the lessons learned from that operation that can be applied to subsequent field operations, and (3) the Bureau's progress in improving its cost estimation abilities. The testimony is based on previously issued and ongoing GAO work.

What GAO Recommends

GAO is not making new recommendations, but past reports recommended the Bureau improve its cost estimation procedures, ensure the accuracy of its address list, and conduct end-to-end testing of IT systems. The Bureau generally agreed with the recommendations.

View GAO-10-132T or key components. For more information, contact Robert Goldenkoff at (202) 512-2757 or goldenkoffr@gao.gov.

2010 CENSUS

Census Bureau Continues to Make Progress in Mitigating Risks to a Successful Enumeration, but Still Faces Various Challenges

What GAO Found

The Bureau continues to make noteworthy gains in mitigating risks and in keeping the headcount on-track, but a number of challenges remain. Specifically, over the last few months, the Bureau has made important strides in improving oversight of testing key IT systems. For example, the Bureau named a testing officer to monitor the testing of census-taking activities. The Bureau has also made progress in system testing, but faces tight timeframes in finalizing the paper-based operations control system (PBOCS), which will be used to manage field operations. If any significant problems are identified during the testing phases of PBOCS, there will be little time, in most cases, to resolve the problems before the system needs to be deployed.

Address canvassing, an operation where temporary workers known as listers go door-to-door to verify and update address data, finished ahead of schedule, but was over budget. Based on initial Bureau data, the preliminary figure on the actual cost of address canvassing is \$88 million higher than the original estimate of \$356 million, an overrun of 25 percent. A key reason for the overrun is that the Bureau did not update its cost estimates to reflect the changes to the address canvassing workload. Further, the Bureau did not follow its staffing strategy and hired too many listers. The Bureau's efforts to fingerprint employees, which was required as part of a criminal background check, did not proceed smoothly, in part because of training issues. As a result, over 35,000 temporary census workers—over a fifth of the address canvassing workforce—were hired despite the fact that their fingerprints could not be processed and they were not fully screened for employment eligibility. The Bureau is refining instruction manuals and taking other steps to improve the fingerprinting process for future operations.

GAO is unable to verify the accuracy of the \$14.7 billion estimated cost of the 2010 Census because key details and assumptions are unavailable. However, the Bureau is taking steps to improve its cost estimation process for 2020, including training its staff in cost estimation skills.

While the Bureau has taken a number of actions to mitigate risk and its overall readiness for 2010 has improved, much work remains to be done. Many things can happen over the next few months, and keeping the entire enterprise on-plan will continue to be a daunting challenge fraught with risks. High levels of public participation, and continued Bureau and congressional attention to stewardship, performance, and accountability, will be key to a successful census.

United States Government Accountability Office

Mr. Chairman, Senator McCain, and Members of the Subcommittee:

I am pleased to be here today to provide a progress report on the U.S. Census Bureau's (Bureau) implementation of the 2010 Census. As you know, in March 2008, we designated the 2010 Census a high-risk area, citing a number of long-standing and emerging challenges including (1) weaknesses in the Bureau's information technology (IT) acquisition and contract management function; (2) problems with the performance of handheld computers (HHC) that were designed in part for address canvassing, a massive field operation where temporary census employees go door-to-door to update the Bureau's address list of around 140 million housing units; and (3) uncertainty over the ultimate cost of the census—now estimated at around \$14.7 billion.¹

Overarching all of these concerns was the lack of a full dress rehearsal, which limited the Bureau's ability to demonstrate critical enumeration activities under near-census-like conditions, and the lack of time to complete remaining work. By law, Census Day is April 1, 2010. As a result, the design and execution of the decennial census proceed under a rigid schedule; there are no timeouts, no do-overs, and no reset buttons. Collectively, these issues raised questions about the Bureau's readiness for the 2010 Census.

This past March, exactly a year after we identified the decennial census as a high-risk area, we appeared before this Subcommittee and testified that the Bureau had made commendable progress in rolling out key components of the census, making improvements to the HHCs, certain risk management efforts, and various other activities. Nevertheless, a number of operations and support systems still needed to be designed, planned, and tested.²

As requested, my remarks today will focus on the extent to which the Bureau has improved its overall preparedness for the headcount, paying particular attention to the steps the Bureau has taken since March 2009, to mitigate risks and implement critical enumeration activities. The focus of my discussion will be (1) the rollout of key IT systems, (2) our preliminary

¹GAO, *Information Technology: Significant Problems of Critical Automation Program Contribute to Risks Facing 2010 Census*, GAO-08-550T (Washington, D.C.: Mar. 5, 2008).

²GAO, *2010 Census: Fundamental Building Blocks of a Successful Enumeration Face Challenges*, GAO-09-430T (Washington, D.C.: Mar. 5, 2009).

findings on the results of address canvassing and the lessons learned from that operation that can be applied to subsequent field operations, and (3) the Bureau's progress in improving its cost estimation abilities.

Lessons learned from 2010 will also be useful for informing the design of the next decennial census. Rigorous planning and perhaps even a fundamental re-examination of the census might be required because the current approach to the national enumeration may no longer be financially sustainable. Indeed, the cost of conducting the census has, on average, doubled each decade since 1970 in constant 2010 dollars. If that rate of cost escalation continues into 2020, the nation could be looking at a \$30 billion census.

My testimony today is based on our ongoing and completed reviews of the development, testing, and implementation of selected IT systems; our on-site observations of address canvassing this past spring; and our examination of the Bureau's efforts to improve its cost estimates. Specifically, we analyzed key documents including plans, procedures, and guidance for the selected activities, and interviewed cognizant Bureau officials at headquarters and local census offices. In addition, during address canvassing, we conducted 38 observations of address listers and crew leaders as they went door-to-door and interviewed local census office managers in 20 urban, suburban, and rural early local census offices across the country. We anticipate issuing more comprehensive reports on the results of this work in the near future.

On September 29, 2009, we provided the Bureau with a statement of facts for ongoing audit work, and on October 1, 2009, the Bureau forwarded written comments. The Bureau made some suggestions where additional context or clarification was needed and, where appropriate, we made those changes. We conducted our work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In summary, the Bureau continues to make noteworthy progress in mitigating risks and keeping the decennial on track. Still, as the Bureau is well aware, much work remains to be done, and a successful census requires the near perfect alignment of a myriad of activities as well as a high level of public cooperation, and even a small setback or misstep

could mushroom and potentially derail the Bureau's efforts. More specifically, over the last few months, the Bureau has made important strides in improving oversight of testing key IT systems, strengthened certain risk management activities, and generally completed address canvassing ahead of schedule. Further, we are encouraged by the seating of a new census director this past July (this position had been vacant for several months), as well as by the experienced advisors he has put in place to assist him, several of whom have experience from the 2000 Census.

That said, a number of challenges and uncertainties still need to be addressed. For example, while the Bureau has made progress in testing key decennial systems, critical testing activities need to be completed before the systems will be ready to support the 2010 Census. Further, the Bureau's ability to develop accurate and reliable cost estimates for the census remains a concern. For example, based on initial Bureau data, the preliminary figure on the actual cost of address canvassing is \$88 million (25 percent) higher than the original estimate of \$356 million. Moreover, the Bureau's efforts to fingerprint employees, which was required as part of a criminal background check, did not proceed smoothly, and over 35,000 temporary census workers—over a fifth of the address canvassing workforce—were hired despite the fact that their fingerprints could not be processed, in part because many were illegible.

Overall, while there have been many positive developments in the last few months, the 2010 Census remains a high risk area because of the amount of work that still needs to be completed under a very tight time frame, as well as for the inherent uncertainties in managing such a complex enterprise, including the ultimate level of public participation. Public engagement along with continued congressional and Bureau attention to stewardship, performance, and accountability are key to a successful census.

Background

As you know, Mr. Chairman, the decennial census is a constitutionally mandated enterprise critical to our nation. Census data are used to apportion seats and redraw Congressional districts, and to help allocate over \$400 billion in federal aid to state and local governments each year.

We added the 2010 Census to our list of high-risk areas in March 2008 because improvements were needed in the Bureau's management of IT systems, the reliability of the HHCs, and the quality of the Bureau's cost estimates. Compounding the risk was that the Bureau canceled a full dress rehearsal of the census that was scheduled in 2008, in part, because of the

HHC's performance problem, which included freeze-ups and unreliable data transmissions. Although the Bureau had planned to use the HHCs to collect data for both address canvassing and in going door to door following up with nonrespondents, the Bureau ultimately decided to use the HHCs for address canvassing and revert to collecting nonresponse follow-up data using paper.³ As a result of this decision, the Bureau had to redesign components of its field data collection system to accommodate the new approach, thus introducing new risks.

Among other actions, in response to our findings and recommendations, the Bureau strengthened its risk management efforts, including the development of a high-risk improvement plan that described the Bureau's strategy for managing risk and key actions to address our concerns.

Still, in March 2009, in testimony before this Subcommittee, we continued to question the Bureau's readiness. Specifically, we noted that with little more than a year remaining until Census Day, uncertainties surrounded critical operations and support systems, and the Bureau lacked sufficient policies, procedures, and trained staff to develop high-quality cost estimates. Moving forward, we said that it will be essential for the Bureau to develop plans for testing systems and procedures not included in the dress rehearsal, and for Congress to monitor the Bureau's progress.

³Nonresponse follow-up is the largest field operation which entails enumerators following up with nonrespondents through personal interviews to complete paper questionnaires.

The Bureau Has Made Progress on the Management and Testing of Key IT Systems, but Little Time Remains to Address Outstanding Issues

Since 2005, we have reported on weaknesses in the Bureau's management of its IT acquisitions, and issues continue concerning the Bureau's IT management and testing of key 2010 Census systems. In March 2009, we reported and testified that while the Bureau took initial steps to enhance its program-wide oversight of testing activities, those steps had not been sufficient.⁴ Furthermore, while the Bureau had made progress in testing key decennial systems, critical testing activities remained to be performed before they would be ready to support the 2010 Census. At that time we recommended that the Bureau improve its oversight of the completion of testing activities for key systems.

In response to our findings and recommendations, the Bureau has taken several steps to improve its management of IT for the 2010 Census. For example, the Bureau named a Decennial Census Testing Officer whose primary responsibilities include monitoring testing for decennial census activities. In order to help improve the rigor and quality of test planning and documentation, this official leads a bimonthly process to consolidate and evaluate test planning and status across all key decennial census operations, resulting in a decennial census testing overview document.

With respect to system testing, progress is being made, but much testing remains to be completed as shown in the following table.

Table 1: Status of key testing activities

Census system	Status of testing activities
Headquarters Processing – Universe Control and Management	System development is divided into three phases. According to the Bureau, testing for the first of three phases has completed and the second phase is being tested.
Headquarters Processing – Response Processing System	Testing is not anticipated to start until November 2009.
Master Address File/Topologically Integrated Geographic Encoding and Referencing (MAF/TIGER) System	Five of eight test plans for 2010 Operations have been baselined. Testing activities for one baselined test plan (address canvassing) have been completed; three are under way; and one has not yet started. The approach to test metrics for MAF/TIGER has recently been revised; however, only two of five baselined test plans include detailed metrics.
Field Data Collection Automation (FDCA)	Address canvassing operation completed, and map printing software deployed to field offices. The FDCA contractor is supporting the group-quarters validation operation ⁴ and map printing activities.

⁴GAO, *Information Technology: Census Bureau Testing of 2010 Decennial Systems Can Be Strengthened*, GAO-09-262 (Washington, D.C.: Mar. 5, 2009) and GAO, *Information Technology: Census Bureau Needs to Strengthen Testing of 2010 Decennial Systems*, GAO-08-413T (Washington, D.C.: Mar. 5, 2009).

Census system	Status of testing activities
Decennial Response Integration System	Four of five increments have been tested. A sixth increment was added to account for late changes. Two of four rounds of additional operational testing are under way. The program has completed testing for 7 of 16 interfaces, but has experienced delays in testing the remaining interfaces.
Paper-Based Operations Control System (PBOCS)	System development has been divided into three major releases, following a preliminary release in preparation for a limited end-to-end test in June 2009. Defects identified during this test are being reworked. Testing of the first major release, as well as an additional limited end-to-end test, are under way. In addition, the Bureau is planning and developing software for the remaining releases. Program officials state the limited time to complete development and testing remains a challenge.
Data Access and Dissemination System II	The system consists of two subsystems, each with three iterations of development and testing. For one subsystem, the program is testing the second of the three iterations. For the other subsystem, the program is developing the second of three iterations and plans to begin testing this iteration in early 2010. Development and testing is proceeding according to schedule.

Source: GAO analysis of U.S. Census Bureau data.

³Group-quarters validation entails validating addresses identified as potential group quarters, such as college residence halls and group homes.

The Bureau has also made progress in end-to-end testing, but substantial work remains to be completed. For example, the Bureau has completed limited end-to-end tests for nonresponse follow-up and group-quarters enumeration⁴ on the Paper-Based Operations Control System⁵ (PBOCS), a work flow management system the Bureau developed late in the census cycle when it moved from the HHCs to a paper-based approach to nonresponse follow-up and other field operations. However, Bureau officials stated that, although they were satisfied with the results of the tests, significant additional testing will be needed. For example, several critical issues were identified during these tests that will need to be resolved and retested. In addition, the test was not designed to evaluate the level of system performance needed while processing the estimated 48 million housing units that will be in the nonresponse-follow-up workload. According to the Bureau, a performance test is being designed for the first major release; however, detailed plans for this test have not yet been

⁴Group-quarters enumeration entails enumerators collecting information from people living in places such as college residence halls, prisons and group homes.

⁵The PBOCS includes IT systems and infrastructure needed to support the use of paper forms for operations such as group quarters enumeration and nonresponse follow-up.

completed. Finally, the test was performed with experienced census employees, while the system will be used by newer, temporary employees.⁷

Given the importance of IT systems to the decennial census, it is critical that the Bureau ensure these systems are thoroughly tested. Bureau officials have repeatedly stated that the limited amount of time remaining will make completing all testing activities challenging.

The Bureau Needs to Prioritize Remaining Needs for Systems Used to Manage Field Data Collection

The Bureau faces significant challenges finalizing PBOCS. Most notably, the Bureau needs to determine the remaining detailed requirements for the system to be developed. As of early September 2009, the Bureau had established high-level requirements for its PBOCS but had not yet finalized the detailed requirements. High-level requirements describe in general terms what functions the system will accomplish, such as producing specific management reports on the progress of specific paper-based operations or checking-out and checking-in groups of census forms for shipping or processing. Detailed requirements describe more specifically what needs to be done in order to accomplish such functions. For PBOCS, such detailed requirements might include, for example, which data from which data source should be printed where on a specific management report. According to Bureau officials, in the absence of such specificity in the requirements for the 2008 dress rehearsal, contract programmers with little decennial census experience made erroneous assumptions about which data to use when preparing some quality control reports. As a result, quality assurance managers were unable to rely on the reports for tracking progress.

In recognition of the serious implications that shortcomings in PBOCS would have for the conduct of the 2010 Census and to see whether there were additional steps that could be taken to mitigate the outstanding risks to successful PBOCS development and testing, in June 2009, the Bureau chartered an assessment of PBOCS, chaired by the Bureau's chief information officer (CIO). The assessment team reported initially in late July 2009 and provided an update the following month. The review stated that the PBOCS developers had made a strong effort to involve the system stakeholders in the development process. However, the review also identified several concerns with PBOCS development. For example, the

⁷According to the Bureau, an additional limited end-to-end test that is under way is utilizing clerical staff from local census offices.

review found and we confirmed that the Bureau could improve its requirements management for PBOCS. According to the CIO, the Bureau has taken steps to address some of these findings, such as providing additional resources for testing and development; however, resolving problems found during testing before the systems need to be deployed will be a challenge.

At the end of our review, the Bureau presented evidence of the steps it had taken to document and prioritize requirements. We did not assess the effectiveness of these steps. Until the Bureau completes the detailed requirements for PBOCS, it will not have reasonable assurance that PBOCS will meet the program's needs. The Bureau is continuing to examine how improvements will be made.

The Bureau Generally Completed Address Canvassing Ahead of Schedule But Went Over Budget

A successful census relies on an accurate list of all addresses where people live in the country, because it identifies all households that are to receive a census questionnaire and serves as a control mechanism for following up with households that fail to respond. If the address list is inaccurate, people can be missed, counted more than once, or included in the wrong location.

Address canvassing is one of several procedures the Bureau uses to help ensure an accurate address list and, because it is based on on-site verification, it is particularly important for identifying the locations of nontraditional or "hidden" housing units such as converted attics and basements. Although these types of dwellings have always existed, the large number of foreclosures the nation has recently experienced, as well as the natural disasters that have hit the Gulf Coast and other regions, have likely increased the number of people doubling-up, living in motels, cars, tent cities, and other less conventional living arrangements. Such individuals are at greater risk of being missed in the census.

The Bureau conducted address canvassing from March to July 2009. During that time, about 135,000 address listers went door to door across the country, comparing the housing units they saw on the ground to what was listed in the database of their HHCs. Depending on what they observed, listers could add, delete, or update the location of housing units.

Although the projected length of the field operation ranged from nine to fourteen weeks, most early local census offices completed the effort in less than 10 weeks. Moreover, the few areas that did not finish early were delayed by unusual circumstances such as access issues created by

flooding. The completion rate is a remarkable accomplishment given the HHC's troubled history. The testing and improvements the Bureau made to the reliability of the HHCs prior to the start of address canvassing, including a final field test that was added to the Bureau's preparations in December 2008, played a key role in the pace of the operation, but other factors, once address canvassing was launched, were important as well, including the (1) prompt resolution of problems with the HHCs as they occurred and (2) lower than expected employee turnover.

With respect to the prompt resolution of problems, although the December 2008 field test indicated that the more significant problems affecting the HHCs had been resolved, various glitches continued to affect the HHCs in the first month of the operation. For example, we were informed by listers or crew leaders in 14 early local census offices that they had encountered problems with transmissions, freeze-ups, and other problems. Moreover, in 10 early local census offices we visited, listers said they had problems using the Global Positioning System function on their HHCs to precisely locate housing units. When such problems occurred, listers called their crew leaders and the Bureau's help desk troubleshooted the problems. When the issues were more systemic in nature, such as a software issue, the Bureau was able to quickly fix them using software patches.

Moreover, to obtain an early warning of trouble, the Bureau monitored key indicators of the performance of the HHCs such as the number of successful and failed HHC transmissions. This approach proved useful as Bureau quality control staff were alerted to the existence of a software problem when they noticed that the devices were taking a long time to close out completed assignment areas.

The Bureau also took steps to address procedural issues. For example, in the course of our field observations, we noticed that in several locations listers were not always adhering to training for identifying hidden housing units. Specifically, listers were instructed to knock on every door and ask, "Are there any additional places in this building where people live or could live?" However, we found that listers did not always ask this question. On April 28, 2009, we discussed this issue with senior Bureau officials. The Bureau, in turn, transmitted a message to listers' HHCs emphasizing the importance of following training and querying residents if possible.

Lower than expected attrition rates and listers' availability to work more hours than expected also contributed to the Bureau's ability to complete the address canvassing operation ahead of schedule. For example, the Bureau had planned for 25 percent of new hires to quit before, during, or

soon after training; however, the national average was 16 percent. Bureau officials said that not having to replace listers with inexperienced staff accelerated the pace of the operation. Additionally, the Bureau assumed that employees would be available 18.5 hours a week. Instead, they averaged 22.3 hours a week.

The Bureau's address list at the start of address canvassing consisted of 141.8 million housing units. Listers added around 17 million addresses and marked about 21 million for deletion because, for example, the address did not have a structure. All told, listers identified about 4.5 million duplicate addresses, 1.2 million nonresidential addresses, and about 690,000 addresses that were uninhabitable structures. Importantly, these preliminary results represent actions taken during the production phase of address canvassing and do not reflect actual changes made to the Bureau's master address list as the actions are first subject to a quality control check and then processed by the Bureau's Geography Division.

The preliminary analysis of addresses flagged for add and delete shows that the results of the operation (prior to quality control) were generally consistent with the results of address canvassing for the 2008 dress rehearsal. Table 2 compares the add and delete actions for the two operations.

Table 2: Percentage of Add and Delete Lister Actions (Prior to Quality Control or Bureau Processing) for 2010 Address Canvassing and 2008 Dress Rehearsal Address Canvassing

	2010 Address Canvassing	2008 Dress Rehearsal Address Canvassing
Adds	10.8%	7.3%
Deletes	13.2%	15.1%

Source: GAO analysis of U.S. Census Bureau data.

Address Canvassing Costs Exceeded Budget Because of Unanticipated Workload and Hiring

According to the Bureau's preliminary analysis, the estimated cost for address canvassing field operations was \$444 million, or \$88 million (25 percent) more than its initial budget of \$356 million.⁹ As shown in table 3,

⁹Address canvassing costs for field operations include training, work hours, and mileage for temporary field staff. These costs do not include recruiting, large block canvassing, office infrastructure, management or technical support staff, IT contracts, and partnership program or communication campaign activities.

according to the Bureau, the cost overruns were because of several factors.

Table 3: Bureau's Preliminary Analysis of Address Canvassing Costs Exceeding Budget

Reasons for exceeding budget	Estimated costs (in millions)
Increased Initial Workload	\$41
Underestimated Quality Control Workload	34
Training Additional Staff	7
Fingerprinting (funded separately)	6
Total	\$88

Source: U.S. Census Bureau.

One such factor was that the address canvassing cost estimate was not comprehensive, which resulted in a cost increase of \$41 million. The Bureau inadvertently excluded 11 million addresses identified in address file updates from the initial address canvassing workload and fiscal year 2009 budget. Further, the additional 11 million addresses increased the Bureau's quality control workload, where the Bureau verifies certain actions taken to correct the address list. Specifically, the Bureau failed to anticipate the impact these addresses would have on the quality control workload and therefore did not revise its cost estimate accordingly. Moreover, under the Bureau's procedures, addresses that failed quality control would need to be recanvassed, but the Bureau's cost model did not account for the extra cost of recanvassing of any addresses. As a result, the Bureau underestimated its quality control workload by 26 million addresses which resulted in \$34 million in additional costs, according to the Bureau.

Bringing aboard more staff than was needed also contributed to the cost overruns. For example, according to the Bureau's preliminary analysis, training additional staff accounted for about \$7 million in additional costs.⁹ Bureau officials attributed the additional training cost to inviting additional candidates to initial training because of concerns that recruiting and hiring staff would be problematic, even though (1) the Bureau's staffing goals already accounted for the possibility of high turnover and

⁹Officials clarified that training costs should exclude training hours spent for fingerprinting and conducting 4 hours of actual production work as part of training.

(2) the additional employees were not included in the cost estimate or budget.

The largest field operation will be nonresponse follow-up, when the Bureau is to go door to door in an effort to collect data from households that did not mail back their census questionnaire. Over 570,000 enumerators will need to be hired for that operation. To better manage the risk of staffing difficulties while simultaneously controlling costs, several potential lessons learned can be drawn from the Bureau's experience during address canvassing. For example, we found that the staffing authorization and guidance provided to some local census managers were unclear and did not specify that there was already a cushion in the hiring goals for local census offices to account for potential turnover. Also, basing the number of people invited to initial training on factors likely to affect worker hiring and retention, such as the local employment rate, could help the Bureau better manage costs.

According to Bureau officials, they are reviewing the results from address canvassing to determine whether they need to revisit the staffing strategy for nonresponse follow-up and have already made some changes. For example, in recruiting candidates, when a local census office reaches 90 percent of its qualified applicant goal, it is to stop blanket recruiting and instead focus its efforts on areas that need more help, such as tribal lands. However, in hiring candidates, the officials pointed out that they are cautious not to underestimate resource needs for nonresponse follow-up based on address canvassing results because they face different operational challenges in that operation than for address canvassing. For example, for nonresponse follow-up, the Bureau needs to hire enumerators who can work in the evenings when people are more likely to be at home and who can effectively deal with reluctant respondents, whereas with address canvassing, there was less interaction with households and the operation could be completed during the day.

Address Canvassing Cost Overruns Are Symptomatic of Weaknesses with Cost Estimation Efforts

Problems with accurately estimating the cost of address canvassing are indicative of long-standing weaknesses in the Bureau's ability to develop credible and accurate cost estimates for the 2010 Census. Accurate cost estimates are essential to a successful census because they help ensure that the Bureau has adequate funds and that Congress, the administration, and the Bureau itself can have reliable information on which to base decisions. However, in our past work, we noted that the Bureau's estimate lacked detailed documentation on data sources and significant assumptions, and was not comprehensive because it did not include all

costs.¹⁰ Following best practices from our *Cost Estimating and Assessment Guide*, such as defining necessary resources and tasks, could have helped the Bureau recognize the need to update address canvassing workload and other operational assumptions, resulting in a more reliable cost estimate.¹¹

Given the Bureau's past difficulties in developing credible and accurate cost estimates, we are concerned about the reliability of the figures that were used to support the 2010 budget, especially the costs of nonresponse follow-up, which is estimated to cost \$2.7 billion. We have discussed the cost estimate for nonresponse follow-up with Bureau officials, and they have said they are looking to see how foreclosures and vacant housing units might affect the nonresponse follow-up workload. In addition, Bureau officials said they will analyze address canvassing data and determine if there are any implications for future operations.

Nevertheless, there still remains a great deal of uncertainty around the final cost of the 2010 Census. In part, this is because of changes made to the census design after April 2008, when the Bureau reverted to a paper-based data collection method for nonresponse follow-up in response to the performance problems with the HHCs. The uncertainty also stems from the fact that the assumptions used to develop the revised cost estimate were not tested during the 2008 dress rehearsal. According to budget documents, after the decision to return to a paper-based nonresponse follow-up, the life cycle cost estimate increased by over \$3 billion dollars.

Moving forward, it will be important for the Bureau to ensure the reliability of the 2020 cost estimate, and the Bureau has already taken several actions in that regard. For example, based on recommendations from our June 2008 report, the Bureau plans to train its staff on cost estimation skills, including conducting uncertainty analysis. In addition, the Bureau is developing the Decennial Budget Integration Tool (DBIT), which according to the Bureau, should consolidate budget information and enable the Bureau to better document its cost estimates. Officials said

¹⁰GAO, *2010 Census: Census Bureau Should Take Action to Improve the Credibility and Accuracy of Its Cost Estimate for the Decennial Census*, GAO-08-554 (Washington, D.C.: June 16, 2008).

¹¹GAO, *GAO Cost Estimating And Assessment Guide: Best Practices for Developing and Managing Capital Program Costs*, GAO-09-35P (Washington, D.C.: March 2009).

that DBIT is capturing actual fiscal year 2009 costs, which will be used to estimate the life cycle cost for the 2020 census. However, officials also said that DBIT needs further testing, and may not be fully used until the 2012 budget.

**Bureau Needs to Improve
Its Policies and Procedures
for Fingerprinting
Temporary Employees**

To better screen its workforce of hundreds of thousands of temporary census workers, the Bureau plans to fingerprint its temporary workforce for the first time in the 2010 Census.¹⁴ In past censuses, temporary workers were only subject to a name background check that was completed at the time of recruitment. The Federal Bureau of Investigation (FBI) is to provide the results of a name background check when temporary workers are first recruited. At the end of the workers' first day of training, Bureau employees who have received around 2 hours of fingerprinting instruction are to capture two sets of ink fingerprint cards. The cards are then sent to the Bureau's National Processing Center in Jeffersonville, Indiana, to be scanned and electronically submitted to the FBI. If the results show a criminal record that makes an employee unsuitable for employment, the Bureau is to either terminate the person immediately or place the individual in nonworking status until the matter is resolved. If the first set of prints are unclassifiable, the National Processing Center is to send the FBI the second set of prints.

However, fingerprinting during address canvassing was problematic. Of the over 162,000 employees hired for the operation, 22 percent—or approximately 35,700 workers—had unclassifiable prints that the FBI could not process. The FBI determined that the unclassifiable prints were generally the result of errors that occurred when the prints were first made. Factors affecting the quality of the prints included difficulty in first learning how to effectively capture the prints and the adequacy of the Bureau's training. Further, the workspace and environment for taking fingerprints was unpredictable, and factors such as the height of the workspace on which the prints were taken could affect the legibility of the prints.

¹⁴The National Crime Prevention and Privacy Compact, enacted in 1998, generally requires that fingerprints be submitted with all requests for criminal history record checks for noncriminal justice purposes; 42 U.S.C. § 14616. For the 2000 Census, the FBI did not have the capacity to timely process the fingerprints of Census's temporary workforce, so they were subject to only a name background check.

Consistent with FBI guidance, the Bureau relied solely on the results of the name background check for the nearly 36,000 employees with unclassifiable prints.¹³ However, it is possible that more than 200 people with unclassifiable prints had disqualifying criminal records but still worked, and had contact with the public during address canvassing.¹⁴ Indeed, of the prints that could be processed, fingerprint results identified approximately 1,800 temporary workers (1.1 percent of total hires) with criminal records that name check alone failed to identify. Of the 1,800 workers with criminal records, approximately 750 (42 percent) were terminated or were further reviewed because the Bureau determined their criminal records—which included crimes such as rape, manslaughter, and child abuse—disqualified them from census employment.

Projecting these percentages to the 35,700 temporary employees with unclassifiable prints, it is possible that more than 200 temporary census employees might have had criminal records that would have made them ineligible for census employment. Applying these same percentages to the approximately 600,000 people the Bureau plans to fingerprint for nonresponse follow-up, unless the problems with fingerprinting are addressed, we estimate that approximately 785 employees with unclassifiable prints could have disqualifying criminal records but still end up working for the Bureau.¹⁵

Aside from public safety concerns, there are cost issues as well. The FBI charged the Bureau \$17.25 per person for each background check, whether or not the fingerprints were classifiable.

The Bureau stated that it has taken steps to improve image quality for fingerprints captured in future operations by refining instruction manuals and providing remediation training on proper procedures. In addition, the Bureau is considering activating a feature on the National Processing Center's scanners that can check the legibility of the image and thus prevent poor quality prints from reaching the FBI. These are steps in the

¹³The Bureau will refingerprint employees with unclassifiable prints if they are rehired for another operation.

¹⁴The Bureau uses its adjudication criteria to determine if applicants' criminal history background present an unacceptable risk to the Census.

¹⁵The approximately 600,000 workers to be fingerprinted for nonresponse follow-up include over 570,000 enumerators and other field staff, such as crew leaders and field operation supervisors.

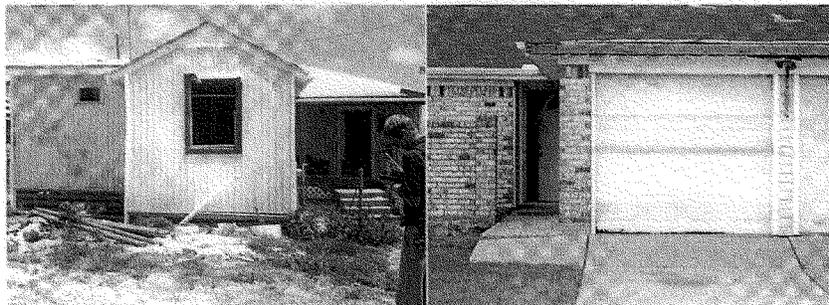
right direction. As a further contingency, it might also be important for the Bureau to develop a policy for re-fingerprinting employees to the extent that both cards cannot be read.

**The Bureau Used
Enhanced Training and
Guidance for Canvassing
Hurricane Affected Areas**

The scale of the destruction in those areas affected Hurricanes Katrina, Rita, and Ike made address canvassing in parts of Mississippi, Louisiana, and Texas, especially challenging (see fig. 1). Hurricane Katrina alone destroyed or made uninhabitable an estimated 300,000 homes. Recognizing the difficulties associated with address canvassing in these areas because of shifting and hidden populations and changes to the housing stock, the Bureau, partly in response to recommendations made in our June 2007 report,¹⁶ developed supplemental training materials for natural disaster areas to help listers identify addresses where people are, or may be, living when census questionnaires are distributed. For example, the materials noted the various situations listers might encounter, such as people living in trailers, homes marked for demolition, converted buses and recreational vehicles, and nonresidential space such as storage areas above restaurants. The training material also described the clues that could alert listers to the presence of non-traditional places where people are living and provided a script they should follow when interviewing residents on the possible presence of hidden housing units.

¹⁶GAO, *2010 Census: Census Bureau Has Improved the Local Update of Census Addresses Program, but Challenges Remain*, GAO-07-736 (Washington, D.C.: June 14, 2007).

Figure 1: Locating and Counting People Displaced By Storms Presents A Challenge



Source: GAO

Additional steps taken by the city of New Orleans also helped the Bureau overcome the challenge of canvassing neighborhoods devastated by Hurricane Katrina. As depicted in fig. 2 below, city officials replaced the street signs even in abandoned neighborhoods. This assisted listers in locating the blocks they were assigned to canvass and expedited the canvassing process in these deserted blocks.

Figure 2: Replacement Street Signs Facilitated Address Canvassing in New Orleans



Source: GAO.

To further ensure a quality count in the hurricane affected areas, the Bureau plans to hand-deliver an estimated 1.2 million questionnaires (and simultaneously update the address list) to housing units in much of southeast Louisiana and south Mississippi that appear inhabitable, even if they do not appear on the address list updated by listers during address canvassing. Finally, the Bureau stated that it must count people where they are living on Census Day and emphasized that if a housing unit gets rebuilt and people move back, then that is where those people will be counted. However, if they are living someplace else, then they will be counted where they are living on Census Day.

Concluding Observations

The Bureau has made remarkable progress in improving its overall readiness for 2010, with substantial strides being made in the management of its IT systems and other areas. That said, as I noted throughout this statement, considerable challenges and uncertainties lie ahead. While the decennial is clearly back on track, many things can happen over the next few months, and keeping the entire enterprise on plan continues to be a daunting challenge fraught with risks.

Mr. Chairman and members of this Subcommittee, this concludes my statement. I would be happy to respond to any questions that you might have at this time.

GAO Contacts

If you have any questions on matters discussed in this statement, please contact Robert N. Goldenkoff at (202) 512-2757 or by e-mail at goldenkoffr@gao.gov. Other key contributors to this testimony include Steven Berke, Virginia Chanley, Benjamin Crawford, Jeffrey DeMarco, Dewi Djunaidy, Vijay D'Souza, Elizabeth Fan, Ronald Fecso, Amy Higgins, Richard Hung, Kirsten Lauber, Jason Lee, Andrea Levine, Signora May, Ty Mitchell, Naomi Mosser, Catherine Myrick, Lisa Pearson, David Powner, David Reed, Jessica Thomsen, Jonathan Ticehurst, Shaunyce Wallace, Timothy Wexler, and Katherine Wulff.

Dr. Robert M. Groves
Director, U.S. Census Bureau
Senator Carl Levin
Additional Questions for the Record
Subcommittee on Federal Financial Management, Government Information, Federal
Services, and International Security
“2010 Census: A Status Update of Key Decennial Operations”
October 7, 2009

Question 1:

A recently released study by the Pew Charitable Trusts of 11 major cities found that most of these cities have fewer resources for the 2010 Census than they did for the 2000 census. According to the study, these urban areas traditionally have below average participation in the decennial count and a high proportion of hard-to-count groups. I am concerned that when these factors are considered, in conjunction with our nation's current economic crises and high foreclosure rates, particularly in disproportionately affected states like Michigan, that the Census Bureau will be unable to conduct an accurate count in our nation's urban areas. Please provide your comments on what steps the Census Bureau is taking to work with cities that may not have the resources to properly assist in the decennial census.

Answer:

As you know, the complete and accurate count of all residents of the United States for the 2010 Census is a top priority of mine and the Census Bureau. We have partnered with over 120,000 national and local organizations that have trusted voices in local communities, who will urge participation in the 2010 Census.

Although foreclosures may affect where people are on Census Day, it will not affect whether they will be counted. The Census Bureau has existing procedures to count those temporarily staying with friends and relatives, who are experiencing homelessness, staying in shelters and other transient locations or even on the street. Through the “Be Counted” program, census questionnaires will be available at public locations such as libraries, convenience stores, community centers and churches so that those who think they may not have been counted at their current location can participate. The Service Base Enumeration (SBE) program is designed specifically to enumerate those who are in shelters, using soup kitchens or living on the streets. In addition, the Census Bureau has created special ads for radio, television, print, and outdoor billboards that will focus on displaced persons, and are targeted to local areas like the Detroit metro area, which has disproportionately felt the impact of the economic downturn. These ads will remind individuals to be sure they include *everyone* living in their household regardless of whether someone is there temporarily, and let those in unconventional housing situations know that they can use a “Be Counted” form.

The Census Bureau regional offices have been directing resources to areas of the country with a high proportion of hard-to-count groups. Moreover, they have devised an additional tool called a “tract action plan” which looks at hard-to-count areas at the census tract level,

and designs an action plan around that tract to further encourage participation in the census. Given the uniqueness of each hard to count population, a score is developed to determine what intensity of effort and/or combination of resources will be needed in order to increase participation.

With additional funding through the American Recovery and Reinvestment Act, the Census Bureau has expanded its partnership program and advertising and promotion campaign. The advertising campaign was infused with an additional \$100 million, which will be used to focus on the hard-to-count communities. The Census Bureau has hired additional partnership staff to conduct outreach to hard-to-count communities. The additional partnership staff will also assist local elected officials, community organizations, faith-based groups, and businesses to develop strategic outreach plans specific to their communities, and provide ongoing technical support.

The Census Bureau also has a support program that assists partner organizations in hard-to-count areas with additional materials or services. The program goal is to help provide resources to our partners to help promote the 2010 Census. For example, the Bureau authorizes and pays for specifically tailored outreach materials such as T-shirts and buttons, as we did for the Grand Traverse Band of Ottawa and Chippewa Indians – Pow Wow Committee in Peshawbetown, and T-shirts, pens, caps and key chains for the Coalition on Temporary Shelter in Detroit, MI. We also secured participation patches for the Girl Scouts of Southeastern Michigan, for the purpose of encouraging youth to participate and get the word out about the 2010 Census.

The partner organization can make a request through a simplified 2-page proposal for materials or services to serve the aforementioned purposes. The value of these cannot exceed \$2,499 for materials or \$2,999 for services. These proposals are submitted to the regional directors for approval and vendors are paid directly by the Bureau; we do not provide the funding to the partner organization directly.

In addition to increasing partnership staff and providing support for materials or services, the Census Bureau is engaged in numerous other activities funded by ARRA to reduce the undercount:

- Increasing targeted advertising in local markets, particularly in markets that reach hard-to-count communities;
- Expanding the number of languages for the 2010 paid advertising campaign from 14 to 28, a substantial increase over the 17 languages in the 2000 Census design;
- Revamped and enhanced the 2010 Census website to make it more interactive and user-friendly, and to take advantage of social media and expand the promotion of the census through local, individual support of the decennial;
- Upgraded the Census in Schools program and expanded it from K-8 to K-12, added additional teaching materials in both printed and electronic form and translated the take-home materials into 28 languages, and made them available on our web site for production and distribution by local school districts;
- Expanded the plans and scope of the Census Road Tour from 12 to 13 vehicles assigning

one vehicle to each of our 12 Regional Offices and for the first time designating a national vehicle with enhanced audiovisual capabilities to expand Census public relations and news media outreach;

- And finally, during the period of nonresponse follow-up in which enumerators will be interviewing nonrespondents, the Census Bureau will be continuously monitoring response rates at the local level and working with partners and local officials to increase the rate in low responding areas.

Question 2:

I am concerned about the accelerated timeline which is occurring in preparation for the census. According to testimony given to this committee, the Census Bureau encountered a technical problem with hand held computers during the address canvassing stage. This resulted in large numbers of addresses not being stored for some areas, yet, in many other parts of the nation, this phase was completed early. Please explain this disparity and elaborate on the steps the Census Bureau has taken to ensure that the lead up to the 2010 census is completed both accurately and expeditiously.

Answer:

The Census Bureau has been actively working on developing an accurate list of addresses in order to conduct a complete count for the 2010 Census. Regarding the timing of the 2010 Census Address Canvassing, the operation began on March 30, 2009 - one week earlier than originally scheduled. The operation concluded on July 10, 2009 - one week earlier than originally scheduled. The successful completion of the operation was due, in part, to a high caliber field staff who, once on the job, remained on the job and worked more hours than expected.

Over the course of the Address Canvassing operation, we experienced only a few technical difficulties with the handheld computers. However, the difficulties were quickly resolved, and none resulted in addresses being excluded from our address list for the 2010 Census.

We learned during our dress rehearsal that the handhelds could not accommodate blocks that contained more than 1,000 addresses. We implemented a contingency plan for the listing of large blocks. These blocks were listed on laptop computers using familiar software and systems developed to support Census Bureau current demographic surveys and the American Community Survey. During the actual Address Canvassing operation, if field staff came across additional large blocks that were not previously identified, there was a mechanism in place to shift that listing from the regular hand held computer operation to the large block operation.

In addition, we encountered a situation during the quality control phase of the operation (where a sample of the production work is re-checked) that may have led field staff to believe that addresses were missed. During this phase, some field staff, upon completion of their work, reported what they believed to be addresses missing from the address list that were in fact addresses outside of the quality control sample of addresses that they were asked to check. The quality control was never designed to check 100% of the canvassing. Rather, the quality control was designed to manage the trade-off between the Census Bureau's high quality standards and

the high cost of field work. One limitation of that design is that field staff were unable to make corrections to addresses outside of the quality control sample.

To safeguard against the possibility that these addresses were actually missing from our address list, field staff submitted address information for these potentially missed addresses. We are conducting research based on the information collected and will add any legitimately missed addresses to our 2010 Census address list. The total number of addresses impacted is less than one percent of the addresses nationwide.

We do not believe there to be any disparity related to the coverage of our 2010 Census address list and the completion of the Address Canvassing operation. We have taken seriously all reports of deficiencies in our address frame and continue to investigate these situations. Where warranted, we will take steps to include any missed addresses in our address frame to ensure an accurate and complete count for the 2010 Census.

