



**PREPARED STATEMENT OF
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Critical Budget Issues Affecting the 2010 Census

**Before the Committee on Oversight and Government Reform
Subcommittee on Government Management, Organization, and Procurement
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Mr. Chairman, thank you for the opportunity to be here this morning to discuss the critical budget issues affecting the 2010 Census. In particular, I will be addressing our current situation, which has us functioning under a Continuing Resolution (CR) at Fiscal Year 2007 funding levels through November 16th. This is dramatically less than the President's Budget request, and it is about half of what we need to continue preparations needed for the 2010 Census program.

The U.S. Census Bureau has been on record for quite some time as stressing that the impact of an appropriation below the President's request, for any extended period of time, would have serious consequences. Earlier this year – in March, April, May, and July – we made it clear in testimony and questions for the record that we could not continue developing all our systems for the Dress Rehearsal and the 2010 Census in the event of funding below the President's request, either in the final appropriation or under a continuing resolution.

We are preparing for the Dress Rehearsal in 2008. We simultaneously are developing the major systems we need to conduct the census, including the hand-held computers that will be used in the 2010 Census for the first time. By law, the decennial census must occur on April 1, 2010, and the results must be submitted to the President in December 2010. These dates cannot be altered when preparations are delayed. In other words, we cannot buy back the time we are losing. When the appropriation requested in the President's budget is delayed, we lose that time and we cannot always make it up.

Because of the delay in funding under the current CR, we must now plan to delay and downscale the Dress Rehearsal in order to manage through the CR. Our top priority is maintaining our ability to test the hand-held computers, and the attendant data capture operations, because they are central to the redesigned census. This new system will enhance efficiency and accuracy, reduce paper, and save money. But we cannot use the new devices in the decennial without conducting a full systems test. Therefore, our plan now is to conduct a reduced-scope Dress Rehearsal in late spring or early summer of next year, that focuses on testing the hand-held computers, including the critical interfaces with the data capture system.

Under a reduced-scope Dress Rehearsal, other smaller important census operations will not be tested prior to the 2010 Census. The operations we are removing from the Dress Rehearsal are operations that we have done successfully before. We will not test our procedures for counting people who live in college dormitories, military barracks, prisons, or nursing homes – what we call “group quarters”. We also will not test the “Be Counted” program, which provides an opportunity for people who believe they were missed to make sure they’re included in the census counts. These are just two of the operations that will not be in the Dress Rehearsal. I will provide a complete list for the record. We will still conduct these operations in 2010, and we are confident that we will implement them effectively. However, because these operations are currently planned using new systems and some improved procedures, reduced testing, and delayed testing, means more risk to the 2010 Census. If we have problems with untested operations in 2010, the result could be an increase in overall costs and a reduction in the accuracy of census data. However, because we have done these operations before, we are willing to operate with this level of potential new risk.

If funding is delayed beyond November 16 the situation becomes more dire for us. It will call into question our ability to conduct the systems test at all. We cannot fly blind into the 2010 Census with a new system that is untested. We are looking at our options if we have to function under a longer CR at FY 2007 levels and I can assure you that we are committed to conducting the best census possible whatever the situation, but we need the funding levels in the President’s budget as soon as possible.

Let me close by noting that this may well be my last appearance before a congressional committee as Director of the Census Bureau. I wish the circumstances were happier, but perhaps some good may still come from our present difficulties if it can create a mutual resolve to avoid a situation like this in the future. For years ending in 8, 9, and 0, and often 7, budgets for the decennial census typically increase significantly over the prior year. History teaches that we cannot count on the appropriation process to meet long planned program needs in the first quarter of the fiscal year. I do not believe anyone wants to repeat this predicament year after year. I would like to work with the committee to help us address this problem.

Mr. Chairman and Members of the committee, I appreciate your attention to this, and I am happy to take your questions.