



Highlights of [GAO-06-822T](#), a testimony before the Subcommittee on Federal Financial Management, Government Information 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, with immutable deadlines. It produces data used to allocate about \$200 billion yearly in federal financial assistance, reapportion the seats of the House of Representatives, and provide a profile of the nation's people to help guide policy decisions. The U.S. Census Bureau (Bureau) estimates the 2010 Census will cost \$11.3 billion, making it the most expensive census in the nation's history, even after adjusting for inflation. Based primarily on GAO's issued reports, this testimony addresses the extent to which the Bureau has (1) developed detailed and timely cost data for effective oversight and cost control, (2) reduced nonresponse mail follow up costs, and (3) produced risk mitigation plans to address identified challenges.

What GAO Recommends

The Bureau is taking action on several of GAO's recommendations to reduce nonresponse time and mitigate contract-related risks. A January 2004 report contained recommendations to the Bureau for improving the transparency of the 2010 Census' life-cycle costs. While the Bureau did not agree with this recommendation, the Bureau stated that in response it would develop a comprehensive project plan that would include milestones, itemized estimated costs, and measurable goals.

www.gao.gov/cgi-bin/getrpt?GAO-06-822T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Brenda S. Farrell at (202) 512-6806 or farrellb@gao.gov.

2010 CENSUS

Costs and Risks Must Be Closely Monitored and Evaluated, With Mitigation Plans in Place

What GAO Found

The Bureau's most recent life-cycle cost estimate for the 2010 Census does not reflect the most current information from testing and evaluation nor provide complete information on how changing assumptions may affect cost. As GAO reported in January 2004, the Bureau derived its initial cost estimate by considering the cost of the 2000 Census along with certain assumptions that drive costs, such as staffing needs, the nonresponse rate for mailing back the census questionnaire, census worker productivity and pay rates, and inflation; however, GAO's ongoing work has found that the most recent (September 2005) estimate does not incorporate current information on certain 2001 assumptions. For example, the 2004 Census Test suggests some assumptions about staffing and space associated with new technology have changed. Specifically, Bureau evaluations indicate that more staff at the local census office was needed to support the use of the new hand-held mobile computing device (MCD) and additional storage space was needed for the MCDs.

Since 2000, the Bureau has reengineered the decennial census and has begun new initiatives to reduce nonresponse follow up costs. Key to the Bureau's steps to reduce the costs of nonresponse follow up is successfully using the MCDs to eliminate millions of paper questionnaires and maps. Importantly, the Bureau must first resolve the MCD's technological challenges. During 2004 and 2006 tests, the MCDs had significant reliability problems. For example, in the 2004 test the MCDs experienced transmission problems, memory overloads, and difficulties with the mapping feature. Bureau officials have contracted the design and implementation for a new MCD that will not be ready until the 2008 Dress Rehearsal. If after the Dress Rehearsal the MCD is found not to be reliable, the Bureau could be faced with the remote but daunting possibility of having to revert to the costly paper-based Census used in 2000.

The Bureau does not have risk mitigation plans to address certain identified challenges to a cost-effective census. Most notably, the Bureau does not have a plan to assess additional resources that may be needed to update the address and map file for areas affected by hurricanes Katrina and Rita. Moreover, the Bureau has not yet assessed whether new procedures will be necessary nor whether local partners will be available to assist in updating address and map data. Updating address files to reflect the changes caused by the hurricanes will be formidable, in part because, according to Red Cross estimates, nearly 525,000 people were displaced in a 90,000 square mile area. Another risk to be mitigated stems from the need to closely monitor the performance of about \$1.9 billion in contracts. The Bureau has agreed to take steps to mitigate some of those risks. For example, the Bureau has said it will enhance the ability of key contract project offices to better manage contracts through such actions as developing mitigation plans with milestones for key activities and regularly briefing senior managers.