

U.S. DEPARTMENT OF COMMERCE
Office of Inspector General



CENSUS BUREAU

***The Census Bureau's Administration
of Joint Statistical Projects***

Final Inspection Report No. SED-5049-3-001/February 1993

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Office of Systems Evaluation





UNITED STATES DEPARTMENT OF COMMERCE
The Inspector General
Washington, D.C. 20230

FEB 12 1993

MEMORANDUM FOR Dr. Harry A. Scarr
Acting Director
Bureau of the Census

FROM: Frank DeGeorge

SUBJECT: Final Report on Inspection of the Census Bureau's
Administration of Joint Statistical Projects (SED-5049-3-0001)

This memorandum transmits our final report on the inspection of the Census Bureau's administration of the authority to participate in joint statistical projects with nonprofit institutions. The report includes comments from your written response to our draft report as well as excerpts from the Office of General Counsel's legal opinion on the applicability of the Federal Grant and Cooperative Agreement Act of 1977 to the Secretary's joint statistical project authority. A copy of your written response is included as an attachment to the report.

Our inspection concluded that Census had misused the authority to engage in joint statistical projects in order to avoid complying with federal financial assistance and procurement laws and regulations. The inspection further concluded that Census had not demonstrated a need for a special funding instrument. In our draft report, we recommended that Census take appropriate steps to ensure that future participation in joint statistical projects is administered in accordance with federal financial assistance and procurement laws and regulations.

Although you agreed to all of our inspection recommendations, we are concerned about your plan to assess the need for additional legislative authority under Title 13 to meet your "legitimate JSA requirements." We would oppose any legislative proposal to authorize the use of a special funding instrument or to exempt the Census Bureau from the responsibility for complying with federal financial assistance and procurement laws and regulations.

We appreciate the cooperation and courtesies extended by your staff during the inspection.

Attachments

cc: James K. White
Hugh Brennan
Sonya Stewart
Clyde McShan

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**OFFICE OF INSPECTOR GENERAL
FINAL INSPECTION REPORT ON
THE CENSUS BUREAU'S ADMINISTRATION
OF JOINT STATISTICAL PROJECTS**

EXECUTIVE SUMMARY

We conducted an inspection of the Census Bureau's administration of its statutory authority to participate in joint statistical projects with nonprofit organizations as provided by section 8 of Title 13, U.S.C. Our inspection had three objectives:

- (1) to determine whether the bureau's policies and procedures for administering its authority are adequate and comply with the Department's policies and procedures,
- (2) to evaluate the bureau's implementation of these policies and procedures, and
- (3) to determine whether changes or improvements are needed to ensure that this authority is properly administered and that the Department's interests are protected.

We became concerned about the Census Bureau's use of joint statistical agreements (JSA) during our recent inspection of its information resources planning for the mid-decade. We found that the bureau was using JSAs rather than conventional funding instruments such as contracts, grants, and cooperative agreements, to define responsibilities and cost-sharing arrangements under joint statistical projects. We questioned

- whether the statutory authority delegated to the Director of the Census Bureau included authorization for a special funding instrument,
- whether this authority exempted the Census Bureau from responsibility for complying with the federal laws and regulations that govern relationships and the transfer of federal dollars between federal agencies and nonprofit organizations, and
- whether the JSAs were used exclusively for **joint** projects, as the law requires.

The Census Bureau agreed to seek a written legal opinion from the Department's Office of General Counsel clarifying the scope of its authority under section 8 of Title 13, U.S.C. In addition, Census agreed to refrain from executing any additional joint statistical agreements until the legal opinion has been rendered. We informed the bureau that we would conduct an inspection of its participation in joint statistical projects. The results of the inspection are the subject of this report.

The major findings of our inspection are as follows:

- **Census has not justified the use of a special funding instrument for joint statistical projects.** The Census Bureau has taken the position that the authority to engage in joint statistical projects includes authorization for a special funding instrument as well as an exception from the responsibility for complying with the Federal Grant and Cooperative Agreement Act of 1977 and related federal procurement and assistance laws and regulations. We found no basis for the Census Bureau's position. In addition, we found that the Census Bureau had never obtained a written legal opinion clarifying the scope of the authority delegated to the Director of the Bureau of the Census under section 8 of Title 13, U.S.C. In the absence of a written legal opinion, we concluded that the bureau could not justify the continued use of a special funding instrument in lieu of a legal instrument such as a contract, grant, or cooperative agreement. At our request, the Census Bureau agreed to seek a written legal opinion from the Department's Office of General Counsel clarifying the scope of the authority to engage in joint statistical projects. The bureau also agreed to refrain from executing any additional joint statistical agreements until the legal opinion has been rendered. (See page 5.)
- **Census' policies and procedures on joint statistical projects are inadequate.** We found that the policies and procedures contained in CAM Chapter K-21 do not provide adequate guidance or management controls. The chapter does not provide guidance on the appropriate use of joint statistical agreements, the special funding instrument used by the bureau to define relationships between participating parties under joint statistical projects. Nor does it reference the federal laws and regulations and Department of Commerce policies and procedures that should be followed in administering joint statistical projects. In addition, we found that Census had not delegated to a specific administrative management official the authority and responsibility for ensuring that the bureau's participation in joint statistical projects is administered properly, in accordance with relevant laws, regulations, policies and procedures. In the absence of adequate policies and procedures and formal delegations of authority and responsibility, we concluded that the Census Bureau cannot guard against the improper use of JSAs or assure compliance with federal financial assistance and procurement regulations. (See page 6.)
- **Joint statistical agreements have been misused.** We examined a selected sample of JSAs to determine whether these agreements were being used for joint projects, as the law requires. In the absence of a formal definition for the term "joint statistical project," we examined these JSAs to determine whether any of them appeared to have been jointly defined, jointly performed, focused on a mutual objective, or culminated

in a joint product. We found only one JSA that possessed any of these characteristics. Rather, the primary purpose of most of the JSAs we examined appeared to be the acquisition of services for the bureau's direct benefit and use. The Federal Grant and Cooperative Agreement Act of 1977 directs executive agencies to use a form of service contract for this purpose. We concluded that the Census Bureau should have used contracts to acquire these services. (See page 7.)

- **Noncompetitive agreements with nonprofit organizations were not justified.** Department of Commerce policy allows operating units to undertake joint projects only when both of the following conditions exist: (1) the project is essential to the furtherance of the Department's program, and (2) the project cannot be done at all or done as effectively without the participation of the particular nonprofit, research, or public organization. This policy has been incorporated in Chapter K-21 of the Census Administrative Manual. However, we found that the Census Bureau does not require program offices to certify that proposed joint projects with particular nonprofit organizations comply with this policy. The types of services performed under most of the JSAs we examined could have been performed by any number of qualified nonprofit or for-profit research institutions, universities, or firms. In the absence of written certification that the projects proposed for noncompetitive funding require the participation of the particular nonprofit organizations, Census cannot demonstrate that its noncompetitive agreements with nonprofit organizations were justified. (See page 10.)
- **Census does not enforce the required cost-sharing provisions of joint statistical projects.** Section 8 of Title 13, U.S.C., and Department of Commerce policy contained in Department Administrative Order 203-5, "User Charges" require that operating units equitably apportion the full costs of joint statistical projects between the participating parties. However, we found that Census administers its JSAs with nonprofit organizations like fixed-price contracts rather than cost-sharing agreements. We found no evidence that the bureau examines documentation on actual costs to ascertain whether the costs claimed are reasonable and necessary before authorizing payments to nonprofit organizations. The Census Bureau has awarded approximately 143 JSAs to nonprofit organizations since fiscal year 1989 at a total estimated cost of \$6.5 million. We found that the bureau's payments to nonprofit organizations are made in accordance with fixed schedules set forth in the JSAs, not based on actual costs. Without exception, we found that the bureau's total payments to nonprofit organizations equaled the cost estimates stated in the original JSAs and amendments. (See page 10.)

We recommended that the Census Bureau implement the following actions to address the findings of our inspection:

1. Refrain from executing any new JSAs or amending any existing ones pending the receipt of a written legal opinion from the Department's Office of General Counsel on the scope of the bureau's authority under section 8 of Title 13, U.S.C., and the application of the FGCA Act to the type of funding instrument to be used.
2. Delegate to a specific management official the authority and responsibility for ensuring that the Census Bureau's participation in joint statistical projects is administered properly, in accordance with relevant federal laws and regulations and Department of Commerce policies and procedures.
3. Amend or revise the policies and procedures contained in Chapter K-21 of the Census Administrative Manual to address the findings of our inspection and to ensure that they comply with federal financial assistance and procurement laws and regulations and related Department of Commerce policies and procedures.

Our detailed recommendations begin on page 12.

On November 6, 1992, the Census Bureau received a written legal opinion from the Department's Office of General Counsel on the applicability of the Federal Grant and Cooperative Agreement Act of 1977 to Census' authority to engage in joint statistical projects. OGC concluded that joint arrangements are included within the scope of the FGCA, and, thus, must be executed as procurement contracts when they involve the acquisition of property or services for the direct benefit of the government or as cooperative agreements when they involve the transfer of funds or a thing of value to a non-Federal recipient. OGC further concluded that the authority to engage in joint arrangements constitutes neither special procurement authority nor grant authority.

In its response to our draft report, the Census Bureau agreed to all of our inspection recommendations. The Census Bureau plans to work with the Office of the Secretary to ensure that joint statistical projects are administered in accordance with federal financial assistance and procurement laws and regulations and related Department of Commerce policies and procedures. The Census Bureau also plans to revise the policies and procedures contained in Chapter K-21 of the Census Administrative Manual to conform with these laws, regulations, and policies, and to delegate to a specific management official the authority and responsibility for ensuring that the Census Bureau's participation in joint statistical projects is administered properly.

INTRODUCTION

Pursuant to the Inspector General Act of 1978, as amended, we conducted an inspection of the Census Bureau's administration of its delegated authority to participate in joint statistical projects with nonprofit institutions. Inspections are special reviews that the Office of Inspector General undertakes to provide agency managers with timely information about operations, including current and foreseeable problems. Inspections also are conducted to detect fraud, waste, and abuse of budgetary resources and to encourage effective, efficient, and economical operations. By highlighting problems, the OIG intends to help managers move quickly to address them and to avoid them in the future. Since inspections are designed for quick corrective action by agency managers, they generally do not include the detailed analysis associated with a management audit. Our work was conducted in accordance with the *Interim Standards for Inspections* issued by the President's Council for Integrity and Efficiency.

BACKGROUND

The Secretary of Commerce has been granted authority under sections 1525 through 1527 of Title 15, U.S.C., to participate in joint projects with nonprofit institutions on a cost-sharing basis. This authority was delegated to the heads of all Commerce operating units in accordance with policies and procedures set forth in Department Administrative Order 203-5, "User Charges." In addition, the Secretary of Commerce has been granted separate authority under section 8 of Title 13, U.S.C., to participate in joint statistical projects with nonprofit institutions on a cost-sharing basis. This authority was delegated to the Director of the Census Bureau in accordance with Department Organization Order 35-2A, "Bureau of the Census."

The Census Bureau's policies and procedures for participating in joint statistical projects with nonprofit organizations are contained in Chapter K-21 of the Census Administrative Manual dated December 18, 1980. This CAM chapter includes policies and procedures revised in response to a 1978 audit conducted by the Office of the Secretary. The Census Bureau recently drafted new policies and procedures for awarding joint statistical agreements for inclusion in CAM Chapter K-21. A draft copy of the revised policies and procedures was provided to us during the inspection.

The Census Bureau developed and uses a special funding instrument called a "joint statistical agreement" instead of a conventional funding instrument such as a contract, grant, or cooperative agreement, to define responsibilities and cost-sharing arrangements and to authorize the exchange of funds between the bureau and nonprofit organizations under joint statistical projects. The bureau has used JSAs to acquire services from state and local

government agencies and nonprofit organizations for the past 30 years. Policies and procedures for formulating and administering JSAs are contained in CAM Chapter K-21.

However, the Census Bureau's use of JSAs has evolved over the past 14 years. A 1978 audit conducted by the Office of the Secretary of the Census Bureau's administration of these agreements reported that 95 percent of the 198 JSAs awarded by the Census Bureau in 1977 and 1978 were with state and local government agencies. The report stated that these JSAs were used to acquire services from the agencies in support of the bureau's Geographic Base File/Dual Independent Map Encoding Program. In exchange for their assistance, the bureau reimbursed them for their costs and provided them with copies of the maps produced from the base file. The audit report stated that Census spent approximately \$6 million on JSAs in fiscal year 1977 and during the first four months of fiscal year 1978, and that it planned to spend an additional \$2 million on JSAs during the remainder of fiscal year 1978.

Today, the Census Bureau uses JSAs to acquire a broad range of services from nonprofit organizations. Information on JSAs awarded between 1979 and 1988 was not available at the time of our inspection. However, information provided to us indicates that Census has awarded approximately 143 JSAs since fiscal year 1989 at a total estimated cost of \$6.5 million. Most of the JSAs executed during the past four years were with nonprofit research institutions or universities for amounts less than \$50,000. Total expenditures for work performed under JSAs may actually be higher since our estimate does not include information on the costs of extensions to these awards or of JSAs awarded before fiscal year 1989 but funded in later years.

A detailed listing of JSAs awarded since fiscal year 1989 is included as Appendix 1. The following chart depicts the number of JSAs awarded since fiscal year 1989:

Census Bureau Joint Statistical Agreements (JSA)		
Fiscal Years 1989 - 1992		
FUNDING RANGE	NUMBER OF JSAs	TOTAL BUREAU FUNDING
Less than \$20,000	63	\$ 831,253
\$ 20,000 - \$ 49,000	50	1,602,603
\$ 50,000 - \$ 99,000	19	1,386,007
\$100,000 - \$199,000	7	914,787
\$200,000 - \$299,000	2	480,000

Census Bureau Joint Statistical Agreements (JSA)		
Fiscal Years 1989 - 1992		
FUNDING RANGE	NUMBER OF JSAs	TOTAL BUREAU FUNDING
Greater than \$400,000	1	960,000
TOTAL:	143	\$ 6,468,033

We became concerned about the Census Bureau's use of JSAs when we examined a number of agreements between the bureau and universities during our recent inspection of Census' ADP planning for the mid-decade. We communicated our concerns to the Census Bureau Deputy Director and members of his senior executive staff at a meeting on July 28, 1992. We informed the Deputy Director that we planned to inspect the bureau's administration of its delegated authority to participate in joint statistical projects with nonprofit institutions.

PURPOSE AND SCOPE

The purpose of our inspection was to evaluate the Census Bureau's administration of its authority to participate in joint statistical projects under section 8 of Title 13, U.S.C. Our inspection had three primary objectives:

- (1) to determine whether the Census Bureau's policies and procedures for administering its authority are adequate and comply with the Department's policies and procedures for participating in joint projects,
- (2) to evaluate the bureau's implementation of these policies and procedures, and
- (3) to determine what changes or improvements are needed to ensure that the bureau's authority is administered in accordance with section 8 of Title 13, U.S.C. and Department of Commerce policies and procedures.

The scope of our review included all aspects of the bureau's administration of this authority. We examined the policies and procedures contained in Chapter K-21 of the Census Administrative Manual dated December 18, 1980, as well as a recent draft revision to the chapter. We conducted interviews with selected bureau management officials and examined documentation maintained in bureau files to obtain information on the implementation of

these policies and procedures. Our inspection also included a follow-up review of the bureau's implementation of recommendations from the 1978 Office of the Secretary audit of the Bureau's policies and procedures for administering joint statistical agreements.

We selected a sample of JSAs for more detailed review. Our sample was composed of 45 JSAs awarded to nine nonprofit organizations between fiscal years 1989 and 1992 at a total estimated cost of \$4.2 million. This represented two-thirds of the funds awarded by the bureau for JSAs during this period. The following chart depicts the amount of funding and the number of JSAs awarded to these organizations. A detailed listing of the JSAs included in our sample is provided as Appendix 2.

Sample of Selected Census Bureau Joint Statistical Agreements		
Fiscal Years 1989 - 1992		
NAME OF NONPROFIT INSTITUTION	NUMBER OF JSAs	CENSUS BUREAU FUNDING
1. University of Chicago, National Opinion Research Center	2	\$ 1,041,649
2. University of Michigan	7	\$ 667,105
3. University of Maryland	12	\$ 488,160
4. Iowa State University	6	\$ 477,705
5. Harvard University	5	\$ 454,902
6. The Urban Institute	8	\$ 324,388
7. University of Puerto Rico	1	\$ 315,790
8. Carnegie Mellon University	1	\$ 230,000
9. University of Illinois	3	\$ 197,500
TOTAL	45	\$ 4,197,199

OBSERVATIONS AND CONCLUSIONS

I. Census has not justified the use of a special funding instrument for joint statistical projects.

The Census Bureau has taken the position that the authority to engage in joint statistical projects includes authorization for a special funding instrument as well as an exception from the responsibility for complying with the Federal Grant and Cooperative Agreement Act of 1977 and related federal procurement and assistance laws and regulations. The Secretary of Commerce is authorized by sections 1525 through 1527 of Title 15, U.S.C., to participate in joint projects with nonprofit organizations. This authority was delegated to the heads of all Commerce operating units in accordance with Department Administrative Order 203-5, "User Charges." In addition, the Secretary of Commerce is authorized by section 8 of Title 13, U.S.C., to engage in joint statistical projects with nonprofit organizations. This authority was delegated to the Director of the Bureau of the Census in accordance with Department Organization Order 35-2A, "Bureau of the Census." The FGCA Act distinguishes between federal procurement relationships and federal assistance relationships and establishes government-wide criteria for the selection and appropriate use of legal instruments.

We found that neither Title 13, U.S.C., nor Title 15, U.S.C., contain specific language authorizing the use of a special funding instrument. Nor do these laws imply such authority. Section 8 of Title 13, U.S.C., states, as follows: "In the case of nonprofit agencies or organizations, the Secretary may engage in joint statistical projects, the purpose of which are otherwise authorized by law, but only if the cost of such projects are shared equitably, as determined by the Secretary." Title 15, U.S.C., which is similarly worded, states as follows: "In the case of nonprofit organizations, research organizations, or public organizations or agencies, the Secretary may engage in joint projects, or perform services, on matters of mutual interest, the cost of which shall be apportioned equitably, as determined by the Secretary, who may, however, waive payment of a portion of such costs by others, when authorized to do so under regulations approved by the Office of Management and Budget."

In addition, we found no evidence to indicate that joint statistical projects would not be subject to the Federal Grant and Cooperative Agreement Act of 1977. The FGCA Act states, in part: "Notwithstanding any other provision of law, each executive agency authorized by law to enter into contracts, grants or cooperative agreements, or similar arrangements is authorized and directed to enter into and use types of contracts, grant agreements, or cooperative agreements as required by this Act." OMB's guidance on the implementation of the FGCA Act requires all executive agencies to comply with this Act in selecting and using appropriate legal instruments. The FGCA Act authorized OMB to grant temporary exceptions to the responsibility for complying with this law for a period of up to three years following its enactment. We found no evidence that the Census Bureau had ever

requested or received a temporary OMB exception from the FGCA Act for joint statistical projects. However, any temporary exceptions to the FGCA Act granted by OMB would have expired no later than January 1981.

We also found that the Census Bureau had never obtained a written legal opinion clarifying whether the statutory authority delegated to the Director of the Bureau of the Census included authorization for a special funding instrument or an exception from the responsibility for complying with the FGCA Act and related laws and regulations. Based on our review, and in the absence of a written legal opinion, we conclude that the Census Bureau cannot justify the continued use of a special funding instrument in lieu of a legal instrument such as a contract, grant, or cooperative agreement. At our request, the Census Bureau agreed to seek a written legal opinion from the Office of General Counsel clarifying the scope of the authority to engage in joint statistical projects and to refrain from executing or amending any joint statistical agreements until the written legal opinion has been rendered.

II. Census' policies and procedures on joint statistical projects are inadequate.

The Census Bureau's policies and procedures contained in CAM Chapter K-21 do not provide adequate guidance or management controls. This chapter does not provide adequate guidance on the appropriate use of joint statistical agreements, the special instrument used to define relationships and cost-sharing arrangements between the Census Bureau and nonprofit organizations under joint statistical projects. CAM Chapter K-21 does not include a definition for the term "joint statistical project." Nor does it describe or provide examples of the unique qualities and characteristics that define relationships under joint statistical projects. The chapter also lacks guidance to help program managers distinguish joint relationships from procurement or assistance relationships as defined in the FGCA Act of 1977. In the absence of guidance on the proper use of this special instrument, we conclude that the Census Bureau cannot guard against the misuse of JSAs or assure compliance with federal financial assistance and procurement regulations.

In addition, CAM Chapter K-21 does not provide guidance to help program offices accurately estimate and apportion the costs of joint statistical projects. Section 8 of Title 13, U.S.C., requires that the full costs of joint statistical projects be apportioned equitably between the participating organizations. Department Administrative Order 203-5, "User Charges," requires that the full costs of joint projects be determined in accordance with DAO-203-4, "Accounting Principles and Standards," and the accompanying *Handbook of Accounting Principles and Standards* authorized by this DAO. However, CAM Chapter K-21 does not reference these DAOs. Although the chapter states that the value of the data, services, or materials contributed by the other organization must be considered "approximately equal" to the value of the bureau's contribution to the project, it does not provide guidance to help program managers accurately estimate the costs of joint projects or

apportion those costs between the participating parties on an equitable basis. In the absence of adequate policies and procedures, we concluded that Census cannot ensure that accurate and consistent methods are used in developing cost estimates, that the methods used to estimate costs comply with the Department's accounting principles and standards, or that the full costs of joint projects are apportioned between the participating parties on an equitable basis, as required by law.

We also found that the bureau's proposed revisions to its policies and procedures on joint statistical projects would eliminate the requirement that payments to nonprofit organizations be based on actual costs. Section 8 of Title 13, U.S.C., requires that the costs of joint statistical projects be equitably shared between the participating parties. The bureau's plans to eliminate the requirement that payments be based on actual costs would be a violation of the statutory authority to participate in joint projects.

Furthermore, we found that the Census Bureau had not delegated to a specific administrative management official the authority and responsibility for ensuring that the bureau's participation in joint statistical projects is administered in accordance with established laws, regulations, policies and procedures. Planned revisions to CAM Chapter K-21 would establish a "Joint Statistical Agreement Committee" to be chaired by the Associate Director for Statistical Design, Methodology and Standards. The purpose of this committee would be to coordinate the development of an annual bureau plan for joint statistical projects. However, neither the existing CAM Chapter nor the planned revisions to this chapter delegate to a specific administrative management official the authority and responsibility for ensuring that joint statistical projects are administered in accordance with established laws, regulations and policies. In the absence of clear delegations of authority and responsibility, Census cannot guard against potential misuse of the authority to engage in joint statistical projects or assure compliance with federal financial assistance and procurement laws, regulations, and policies.

III. Joint statistical agreements have been misused.

The inspection determined that most of the bureau's JSAs with nonprofit organizations were not for joint projects. In the absence of a Census Bureau definition for "joint statistical project" or other bureau guidance on the appropriate use of joint statistical agreements, we referred to the government-wide criteria for the selection of legal instruments contained in the Federal Grant and Cooperative Agreement Act of 1977. The FGCA Act distinguishes between federal procurement relationships and federal assistance relationships. In addition, the law establishes the primary purpose of a relationship between an executive agency and a non-federal recipient as the principal criterion to be used in selecting an appropriate legal instrument. We applied this criterion to the JSAs included in our sample to determine whether the primary purpose of the relationships defined in the bureau's JSAs with nonprofit

organizations differed from the relationships typically defined in contracts, cooperative agreements, and grants.

We examined the JSAs to determine whether they appeared to be jointly defined, jointly conducted, focused on a mutual objective, or culminated in a joint product. We found only one JSA that possessed any of these characteristics. Under this JSA, the Census Bureau and the Urban Institute co-authored two papers on methods of counting homeless persons. We find it conceivable that the Census Bureau could have used a cooperative agreement as the legal instrument defining its relationship with the Urban Institute under this joint project.

None of the relationships defined in the JSAs we examined appeared to be assistance relationships as defined in the FGCA Act. The FGCA Act directs executive agencies to use a grant or a cooperative agreement as the legal instrument whenever the primary purpose of the relationship is "the transfer of money, property, services, or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute...." The Census Bureau would need to obtain separate legal authority to enter into purely assistance relationships. However, the accomplishment of a "a public purpose of support or stimulation" did not appear to be the primary purpose of any of the JSAs we examined.

The relationships defined in most of the JSAs we examined were virtually indistinguishable from those defined in conventional service contracts between executive agencies and non-federal contractors in which the contractor performs specific services for an agency in exchange for a fee. Although Census claimed the recipients of JSAs also got some benefit, we concluded that the primary purpose of most of these agreements was the acquisition of services for the direct benefit and use of the Census Bureau. The FGCA Act directs executive agencies to use a form of contract whenever the primary purpose of the relationship is "the acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal Government."

In addition, we found that Census has used JSAs interchangeably with contracts in acquiring a broad range of similar services for its direct benefit and use. These services include technology services, technology assessment, statistical analysis, methodological research, and minority-focused and special populations research. Detailed descriptions of the JSAs examined during our inspection are contained in Appendix 2. Examples of the services acquired by the Census Bureau using JSAs include:

- \$960,000 to the National Opinion Research Center, University of Chicago, to design, conduct, and analyze the results of a Census Bureau survey of attitudes and characteristics affecting the decision to participate in the Decennial Census (JSA-90-22). Deliverables provided by the university under this JSA included periodic

progress reports, a draft and final report, and a data tape, a code book, and copies of the survey questionnaire,

- \$245,000 to the University of Maryland to plan and conduct advanced computer studies on Census Bureau computing applications with an emphasis on parallel computing, and to educate and train Census Bureau staff in advanced computing techniques (JSA-89-20, 91-10, and 91-33),
- \$110,000 to the University of Maryland for the development and implementation of algorithms for performing complementary suppression in three-dimensional statistical tables using FORTRAN (JSAs 89-14, 90-31, and 91-19). Deliverables provided by the university under these JSAs included FORTRAN software designed to run on Census Bureau IBM PC/AT microcomputers and a draft and final report of the work performed under the JSA, and
- \$82,000 to the NORC, University of Chicago, for a statistical analysis of the total error in the bureau's 1990 Post-Enumeration Survey (JSA-90-60). Deliverables provided by the university under this JSA included a draft and final report.

The Census Bureau recently awarded eight contracts for the acquisition of these categories of advisory and assistance services in support of planning for the 2000 Decennial Census. At least two of these contracts were awarded to nonprofit research organizations that have performed these types of services for the bureau in the past under JSAs. The Department's Advisory and Assistance Services Review Panel has given the Census Bureau approval to expend up to \$1 million under these contracts. However, the bureau anticipates that the services to be acquired using these contracts may eventually exceed \$5 million. Should it become necessary to do so, the bureau plans to request the Panel's approval to raise the current approved spending limit for these contracts.

Census management officials interviewed during our inspection acknowledged that they preferred to use JSAs rather than contracts in acquiring statistical analysis services. Most of the managers interviewed indicated that JSAs enabled them to acquire services more quickly and with less "red tape" than was possible with contracts. The long lead times, the difficulties associated with developing detailed work specifications for statistical projects, and the cumbersome competitive selection procedures were the reasons most often cited against the use of contracts. Despite these explanations, we conclude that the Census Bureau cannot justify the continued characterization of procurement relationships as joint statistical projects. In view of our finding that the primary purpose of most of the bureau's JSAs was the acquisition of services for its direct benefit and use, we conclude that the Census Bureau should have used contracts to acquire these services.

IV. Noncompetitive joint statistical agreements with nonprofit organizations were not justified.

The Department allows operating units to undertake joint projects when both of the following conditions exist:¹

- (1) The project is essential to the furtherance of the Department's program, and
- (2) The project cannot be done at all or done as effectively without the participation of the particular nonprofit, research, or public organization.

The Department's policy on participation in joint projects has been incorporated in CAM Chapter K-21. However, we found that the Census Bureau's review procedures do not ensure compliance with the Department's policy. Census program offices are not required to provide written certification that the effectiveness of a proposed joint statistical project requires the participation of a particular nonprofit organization. Nor does the bureau's internal review process provide for an independent review of proposed projects to ensure that they comply with this policy. The bureau has awarded approximately 143 JSAs to nonprofit organizations noncompetitively since fiscal year 1989 at a total estimated cost of \$6.5 million. The services performed under most of these JSAs could have been performed by any number of qualified nonprofit or for-profit research institutions, universities, or firms. In the absence of written certification that these projects were determined to comply with the Department's policy on noncompetitive participation in joint projects, we conclude that the Census Bureau cannot demonstrate that these noncompetitive awards were justified. In addition, we conclude that the bureau would be ill-prepared to defend its JSAs with particular nonprofit organizations in the event of a protest filed by an organization or firm that had not been given an opportunity to compete for an award.

V. Census does not enforce the required cost-sharing provisions of joint statistical projects.

CAM Chapter K-21 sets forth the following policies that apply to the bureau's administration of the required cost-sharing provisions of joint statistical projects:

- Program offices must maintain a detailed "record of negotiation" for each JSA that describes all of the steps of the bureau's negotiations with nonprofit organizations, including how the respective costs and shares of effort were agreed upon.

¹Department Administrative Order 203-5, "User Charges," as amended.

- Census Bureau payments to nonprofit organizations for work performed under a JSA will be based on actual costs incurred by the participating organization.
- Final payment for work performed under a JSA will be made when documentation of the actual costs of the entire project have been reviewed by the Census Bureau and determined to be complete and acceptable.

However, we found that Census administers its joint statistical agreements with nonprofit organizations like fixed-price contracts, not cost-sharing agreements. The bureau does not review documentation on actual costs to determine whether the costs claimed are reasonable and necessary or whether refunds or reimbursements are due. The bureau's payments to nonprofit organizations are not based on actual costs. Rather, Census Bureau payments to nonprofit organizations are made in accordance with fixed payment schedules set forth in the JSAs. None of the JSA files we examined included the required "record of negotiation" or other written documentation to indicate how the costs of joint projects were determined and apportioned. However, we found that, without exception, the bureau's total payments to nonprofit organizations equaled the total estimated costs identified in the original JSAs and amendments.

In addition, we found that the Census Bureau had never implemented the financial management recommendations from the Office of the Secretary's 1978 audit of the bureau's use of joint statistical agreements. The audit identified the need for greater financial and administrative controls over the award of funds to nonprofit organizations for work performed under joint statistical agreements. The audit report recommended that the bureau amend the language used in its JSAs to clearly state that payments would be based on actual costs. The audit found that the JSAs included conflicting language that indicated that nonprofit organizations would be paid a fixed sum. The report cited two reasons why it was important to clarify JSA payment provisions: (1) the Census Bureau's evaluations of the estimated costs contained in the proposals were not sufficiently precise to allow for fixed-price agreements, and (2) fixed-price agreements would preclude post award audits to recover unused funds and costs improperly charged to the project. However, Census never amended these conflicting payment clauses.

The audit report also stated that the bureau could not provide assurance in the absence of audits that it had paid its fair share of the costs of joint projects. The bureau's revised CAM Chapter K-21 dated December 18, 1980 incorporated the requirement that audits be arranged for all JSAs awarded for amounts greater than \$100,000. However, the bureau has never arranged for the conduct of audits. By failing to arrange for these audits, the Census Bureau has foregone the opportunity to recover unused funds and to identify and disallow costs improperly charged to JSAs. In addition, by failing to clarify the payment provisions of JSAs and to amend its practices accordingly, we conclude that the bureau has not properly

administered its authority under section 8 of Title 13, U.S.C., which provides that the cost of joint projects be shared equitably between the participating parties.

Since most of the JSAs we examined were not for joint projects, cost-sharing probably would not have been appropriate. Subpart 16.303.(b) of the Federal Acquisition Regulation states that cost-sharing contracts may be used when the contractor agrees to absorb a portion of the costs, in the expectation of "substantial compensating benefits." The FAR further states that cost-sharing may not be appropriate when "the particular objective or scope of effort for the project is specified by the Government rather than proposed by the performing organization," or if "the effort has only minor relevance to the non-Federal activities of the performing organization, and the organization is proposing to undertake the effort primarily as a service to the Government." All but one of the JSAs we examined complied with the latter two criteria, although they were not awarded as contracts.

RECOMMENDATIONS

The Director of the Bureau of the Census should implement the following recommendations:

Recommendation #1

Refrain from executing any new joint statistical agreements or amending any existing ones pending the receipt of a written legal opinion from the Department's Office of General Counsel clarifying whether the authority delegated to the Census Bureau by the Secretary of Commerce under Department Organization Order 35-2A, "Bureau of the Census," includes authorization for a special funding instrument.

Recommendation #2

Delegate to a specific management official the authority and responsibility for ensuring that the Census Bureau's participation in joint statistical projects is administered in accordance with section 8 of Title 13, U.S.C., sections 1525 - 1527 of Title 15, U.S.C., relevant federal financial assistance and procurement regulations, and Department of Commerce policies and procedures.

Recommendation #3

Revise the policies and procedures contained in Chapter K-21 of the Census Administrative Manual as necessary to ensure that they comply with relevant federal financial assistance and procurement regulations and Department of Commerce policies and procedures. At a minimum, the chapter should be revised to include the following:

- (a) a policy statement that the Census Bureau's authority to participate in joint statistical projects will be administered consistent with federal financial assistance and procurement laws and regulations and Department of Commerce policies and procedures; and
- (b) policy guidance on Census Bureau participation in joint statistical projects that includes
 - (1) a definition for the term "joint statistical project,"
 - (2) uniform criteria and examples to help program offices equitably apportion the full costs of joint statistical projects between participating organizations, and
 - (3) criteria and examples to help program offices distinguish among and select appropriate funding instruments.

On November 6, 1992, the Census Bureau received a written legal opinion from the Department's Office of General Counsel on the applicability of the Federal Grant and Cooperative Agreement Act of 1977 to Census' authority to engage in joint statistical projects. OGC concluded that joint arrangements are included within the scope of the FGCA, and, thus, must be executed as procurement contracts when they involve the acquisition of property or services for the direct benefit of the government or as cooperative agreements when they involve the transfer of funds or a thing of value to a non-Federal recipient. OGC further concluded that the authority to engage in joint arrangements constitutes neither special procurement authority nor grant authority.

In its response to our draft report, the Census Bureau agreed to all of our inspection recommendations. The Census Bureau plans to work with the Office of the Secretary to ensure that joint statistical projects are administered in accordance with federal financial assistance and procurement laws and regulations and related Department of Commerce policies and procedures. The Census Bureau also plans to revise the policies and procedures contained in Chapter K-21 of the Census Administrative Manual to conform with these laws, regulations, and policies, and to delegate to a specific management official the authority and responsibility for ensuring that the Census Bureau's participation in joint statistical projects is administered properly. (See Attachment 1.)

APPENDIX 1

Census Bureau Joint Statistical Agreements (JSA)		
Fiscal Years 1989 - 1992		
NAME OF NONPROFIT INSTITUTION	CENSUS BUREAU FUNDING	NUMBER OF JSAs
1. University of Chicago, National Opinion Research Center	\$ 1,041,649	2
2. University of Michigan	667,105	7
3. University of Maryland	488,160	12
4. Iowa State University	477,705	6
5. Harvard University	454,902	5
6. The Urban Institute	324,388	8
7. University of Puerto Rico	315,790	1
8. Carnegie Mellon University	230,000	1
9. University of Illinois	197,500	3
10. Northwestern University	146,276	3
11. University of Toledo	125,478	4
12. Research Triangle Institute	112,906	3
13. Ohio State University	110,000	1
14. University of California. L.A.	103,723	3
15. University of Texas	96,856	4
16. Penn State University	69,650	1
17. University of Wisconsin	68,614	1
18. University of So. California	57,274	1
19. Arizona State University	55,107	1
20. Coppin State College	50,239	3
21. University of Houston	50,153	2
22. Social and Econ. Science Center	48,913	1

Census Bureau Joint Statistical Agreements (JSA)		
Fiscal Years 1989 - 1992		
NAME OF NONPROFIT INSTITUTION	CENSUS BUREAU FUNDING	NUMBER OF JSAs
23. University of Iowa	47,917	2
24. Duke University	46,846	1
25. University of Oregon	45,955	1
26. Brown University	45,000	1
27. Kansas State University	44,487	1
28. Nathan Kline Institute	43,055	2
29. University of New York	38,000	2
30. University of NC, Wilmington	35,346	2
31. American Statistical Assn.	35,323	1
32. University of Massachusetts	34,545	1
33. Broward Co. Comm. Serv. Council	33,323	2
34. Zentrumfor Umfragen Methoden & Analysen	32,774	1
35. City University, NY, Rsch. Found.	30,052	2
36. North Dakota State University	30,000	1
37. Columbia University	29,993	1
38. Fla. International University	29,956	2
39. Southern Illinois University	29,869	2
40. Tulane University	27,321	2
41. Centro De Estud. Microeconomics	25,000	1
42. University of Florida	25,000	2
43. Hampton University	25,000	1
44. National Governors' Assn.	22,500	3

Census Bureau Joint Statistical Agreements (JSA)		
Fiscal Years 1989 - 1992		
NAME OF NONPROFIT INSTITUTION	CENSUS BUREAU FUNDING	NUMBER OF JSAs
45. SUNY at Albany	22,000	1
46. Intertribal Friendship House	20,000	1
47. Chinese for Affirmative Action	20,000	1
48. University of Maine	18,646	1
49. New Mexico State University	18,071	2
50. University of Minnesota	18,000	1
51. University of Washington	17,960	1
52. University of Sacred Heart	16,727	1
53. Center of Studies at Argentina	15,600	1
54. University of New Mexico	15,161	1
55. Michigan State University	15,023	1
56. Chicano Federation of San Diego	15,000	1
57. Institute of St. Louis	15,000	1
58. San Francisco State Univ.	15,000	1
59. Johns Hopkins University	14,998	1
60. Korean Youth Center	14,998	1
61. Louisiana State University	14,930	1
62. Los Angeles Health Care	14,910	1
63. Inst. for Community Research	14,880	1
64. Oklahoma State University	14,843	1
65. Telegraph Hill	14,164	1
66. Hispanidad	13,750	1
67. Community Housing Partnership	13,448	1
68. University of Oklahoma	13,081	1

Census Bureau Joint Statistical Agreements (JSA)		
Fiscal Years 1989 - 1992		
NAME OF NONPROFIT INSTITUTION	CENSUS BUREAU FUNDING	NUMBER OF JSAs
69. University of Mississippi	11,094	1
70. Native American Educational	11,036	1
71. Alaska Native Foundation	10,000	1
72. North Park College	9,527	1
73. Minnesota Indian Womens' Center	9,457	1
74. University of Wellington	9,200	1
75. United Cambodian Commission	8,212	1
76. Guadamee Community Health Center	7,516	1
77. University of DC	2,815	1
TOTAL	\$ 6,468,374	143

APPENDIX 2

Bureau of the Census
 Selected Joint Statistical Agreements
 with
 Nonprofit Institutions
 Fiscal Years 1989 to 1992¹

Name of Nonprofit Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ³	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
University of Michigan	JSA-90-28: "Attrition and Time-in-Panel Effects in the Survey of Income and Program Participation (SIPP): Model Development"	Census Bureau \$ 48,634 University 13,556 Total \$ 62,190*	08/01/90 - 04/30/92*	[Redacted]	Not specified.
	JSA-90-32: "Longitudinal Migration of Young Adults: Cohort Comparisons" The University will provide the Census Bureau with eighteen SAS workfiles and a manuscript reporting the findings of the analyses conducted under the JSA.	Census Bureau \$ 40,000 University 10,357 Total \$ 50,357	09/04/90 - 06/28/91*	[Redacted]	[Redacted]
	JSA-90-36: "Some Nonsampling Error Considerations in Analyzing Program Participation in the SIPP"	Census Bureau \$ 97,295 University 30,822 Total \$ 128,117	09/01/90 - 02/28/92*	[Redacted]	[Redacted]
University of Michigan	JSA-90-54: "Designing Quick Response Surveys for Economic Programs"	Census Bureau \$ 32,073 University 10,470 Total \$ 42,543	09/30/90 - 09/30/92*	[Redacted]	[Redacted]
	JSA-91-11: "Metropolitan Concepts and Statistics" The University will provide two update/progress reports, present the draft report at a conference to be held in the fall of 1991, and revise the draft report to take into account changes suggested at the conference.	Census Bureau \$ 18,000 University 10,620 Total \$ 28,620	04/01/91 - 12/31/91	[Redacted]	[Redacted]
University of Michigan	JSA-91-18: "Longitudinal Imputation in the SIPP"	Census Bureau \$ 181,103 University 50,437 Total \$ 231,540	09/01/91 - 03/31/93	(Need to locate copy of JSA)	

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Name of Nonprofit Institution	JSA Number, Title, Deliverables?	Total Estimated Cost ¹	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
University of Michigan, (ICPSR)	JSA-91-22: "A Cooperative Effort to Provide the Academic Community with Access to 1990 Census Computer-Tape Data Products" The University, through the ICPSR, will provide the academic community with effective and efficient access to the computer-tape data products from the 1990 decennial census.	Census Bureau \$ 250,000 University \$ 267,000 External \$ 427,500 Total \$ 944,500* The source of external funding is not specified in the JSA.	09/19/91 - 09/30/93	[Redacted] Data User Services Division	[Redacted]
University of Chicago, National Opinion Research Center (NORC)	JSA-90-22: "Analyzing Attitudes and Characteristics that Affect the Decision to Participate in the Decennial Census" NORC will collect and analyze data that will produce an understanding and comparison of the characteristics and attitudes of the population based on their participation or nonparticipation in the mail component of the Census. The University will provide a data tape, an order book, and copies of the questionnaire with its final report.	Census Bureau \$ 960,000 University 85,513 Total \$1,045,513	05/01/90 - 12/31/90*	[Redacted]	[Redacted]
University of Chicago, (NORC)	JSA-90-60: "Assessing the Total Error in the 1990 Post-Enumeration Survey."	Census Bureau \$ 81,649 University 21,228 Total \$ 102,877	09/24/90 - 09/30/91	[Redacted]	[Redacted]
University of Maryland	JSA-89-10: "Evaluation of the 1989 Pilot Test of Alternate Methods to Count the Homeless" The University will provide an interim report on the progress of the work, the master list and record data compiled, and a final report.	Census Bureau \$ 30,168 University 22,101 Total \$ 52,269	04/01/89 - 08/31/89	[Redacted]	[Redacted]

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Name of Nonprofit Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ³	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
University of Maryland	JSA-89-14: "Applying Mathematical Programming Algorithms to Statistical Problems" The University will develop and implement algorithms for complementary suppression in statistical tables using FORTRAN.	Census Bureau \$ 31,478 University <u>32,550</u> Total \$ 64,028	07/01/90 - 06/30/90 CLOSED (08/10/90)	[REDACTED]	[REDACTED]
University of Maryland	JSA 89-20: "Parallel Processing for Geographic Applications" The University will evaluate one or more computerized systems for loading and processing existing databases (TIGER, QUILT), and some relational database on the Connection Machine.	Census Bureau \$ 45,000 University <u>20,285</u> Total \$ 65,285	08/01/89 - 09/30/91 CLOSED (12/12/91)	[REDACTED]	[REDACTED]
University of Maryland	JSA-89-32: "Efficient Joint Triangulation for Mapping" The University will develop and implement algorithms to streamline joint triangulation operations used by the Census Bureau.	Census Bureau \$ 24,995 University <u>8,412</u> Total \$ 33,408	09/30/89 - 09/30/90 CLOSED (12/17/91)	[REDACTED]	[REDACTED]
University of Maryland	JSA-90-14: "Investigations of Gross Employment Change Measures for Development as Census Bureau Economic Data Products" *This JSA does not involve a transfer of funds.	Census Bureau \$ 20,015* University <u>19,750</u> Total \$ 39,765	04/01/90 - 03/31/91	[REDACTED]	[REDACTED] University of Chicago.

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Name of Nonprofit Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ³	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
University of Maryland	<p>JSA-90-31: "Using Operations Research to Find Complementary Suppress Cells in Three Dimensional Tabular Data" **</p> <p>The University will develop and implement algorithms for complementary suppression in three-dimensional statistical tables using FORTRAN.</p> <p>*The project description and deliverables of this JSA are similar to those of JSA-89-14.</p>	<p>Census Bureau \$ 37,504</p> <p>University <u>56,138</u></p> <p>Total \$ 93,642</p>	<p>07/01/90 - 06/30/91</p> <p>CLOSED (11/06/91)</p>	[REDACTED]	[REDACTED]
University of Maryland	<p>JSA-91-05: "Interviewer Assignment and Routing"</p> <p>The University will acquire programmable geographic information system and transportation planning software packages for IBM/AT compatible microcomputers and evaluate them in terms of their capabilities for integrating Census Bureau geographic, cartographic, and statistical data. The University also will design and implement algorithms for routing Census Bureau interviewers. The algorithms will be designed to interface with one of the transportation planning software packages tested.</p>	<p>Census Bureau \$ 21,000</p> <p>University <u>9,198</u></p> <p>Total \$ 30,198</p>	<p>02/01/91 - 08/01/92*</p>	[REDACTED]	[REDACTED]

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Name of Nonprofit Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ¹	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
University of Maryland	<p>JSA 91-09: "Spatial Orders for Census and Sampling Applications"</p> <p>The University will evaluate alternative strategies for ordering spatial data that are used by the Census Bureau and implement various sample point selection routines. The results of the evaluation will be used to enhance, streamline, or supplement TIGER-based applications developed at the Census Bureau.</p>	<p>Census Bureau \$ 15,000</p> <p>University <u>6,143</u></p> <p>Total \$ 21,143</p>	02/01/91 - 07/31/92*	[REDACTED]	[REDACTED]
University of Maryland	<p>JSA-91-10: "Parallel Computing for Census Applications"</p> <p>The University will plan advanced computer studies on census applications, with an emphasis on parallel computing and will educate and train Census Bureau staff in advanced computing techniques.</p>	<p>Census Bureau \$ 25,000</p> <p>University <u>12,293</u></p> <p>Total \$ 37,293</p>	02/01/91 - 02/01/92 CLOSED (12/04/91)	[REDACTED]	[REDACTED]

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Name of Nonprofit Institution	JSA Number, Title, Deliverables?	Total Estimated Cost ³	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
University of Maryland	<p>JSA-91-19: "Advanced Strategies for Finding Complementary Suppressions in Complex Tables"*</p> <p>The University will evaluate alternative strategies such as mathematical programming for determining complementary suppressions in tables similar to those that are used by the Census Bureau and implement various cell-suppression routines. Research will provide the Census Bureau with justification for enhancing cell-suppression strategies currently in use at the Census Bureau.</p> <p>*The project description and deliverables of this JSA are similar to those of JSAs 89-14 and 90-31.</p>	<p>Census Bureau \$ 42,000 University <u>50,148</u> Total \$ 92,148</p>	07/01/91 - 07/01/92	[REDACTED]	[REDACTED]
University of Maryland	<p>JSA-91-33: "Parallel Computing for Census Applications"*</p> <p>The University will plan advanced computer studies on census applications with an emphasis on parallel computing, and will educate and train Census Bureau staff in advanced computing techniques.</p> <p>*The title and purpose of this JSA are identical to those of JSA-91-10.</p>	<p>Census Bureau \$ 175,000 University <u>41,446</u> Total \$ 216,446</p>	10/01/91 - 09/30/93	[REDACTED]	[REDACTED]

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Name of Nonprofit Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ³	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
The Urban Institute	<p>JSA-89-04: "Analysis and Verification of Income Data from the 1984 Panel of the Survey of Income and Program Participation (SIPP)**"</p> <p>The Urban Institute will prepare two research papers, one of which will be submitted for presentation at the American Statistical Association meetings in August 1989. The second report, which will serve as the final deliverable, will be due on 12/31/89.</p>	<p>Census Bureau \$ 49,994</p> <p>University <u>50,003</u></p> <p>Total \$ 99,997</p>	<p>02/25/89 - 12/31/89</p> <p>CLOSED (04/18/90)</p>	[REDACTED]	[REDACTED]
The Urban Institute	<p>JSA-90-27: "The Dynamic Relationship Between Household Events and Monthly Income and Program Participation: The Survey of Income and Program Participation (SIPP) and the Panel Study of Income Dynamics**"</p> <p>The Urban Institute will submit quarterly progress reports and prepare two research papers, the first of which is to be submitted for presentation at the 1991 meetings of the American Statistical Association. The draft of the first paper was due on March 31, 1990. The draft of the second paper was due on July 31, 1991.</p>	<p>Census Bureau \$ 48,405</p> <p>University <u>50,006</u></p> <p>Total \$ 98,411</p>	<p>08/01/90 - 10/01/92*</p>	[REDACTED]	[REDACTED]
The Urban Institute	<p>JSA-90-37: "Demographic Analysis Estimates of Census Undercount and Undocumented Immigration"</p>	<p>Census Bureau \$ 75,000*</p> <p>*Project fully funded by the Census Bureau.</p>	<p>07/01/90 - 12/31/90</p>	[REDACTED]	[REDACTED]

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Name of Nonprofit Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ³	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
The Urban Institute	<p>JSA-90-40: "Methods of Counting Homeless Persons"</p> <p>[redacted] of the Urban Institute and [redacted] of the Census Bureau will count two papers. The first paper will address the methods and assumptions used to arrive at a national estimate of the size of the homeless population in the Burt-Cohen study done for the Food and Nutrition Service of the U.S. Department of Agriculture. The second paper will cover the subject, "Introduction to Methods Used for Counting Homeless Persons and Implications of Methods for Counts."</p>	<p>Census Bureau \$ 13,181 University 4,135</p> <p>Total \$ 17,316</p>	08/01/90 - 11/31/90*	[redacted]	[redacted]
The Urban Institute	<p>JSA-91-30: "Developing Survey Methodologies for Counting Homeless Persons."</p> <p>The Census Bureau plans to design a federal survey on homeless persons that will estimate the total national homeless population. The Bureau will consult with participating Federal agencies and relevant outside researchers in developing the survey design.</p> <p>The Urban Institute will provide summary papers and draft documentation on recommended procedures which will address the various issues in the design and development of the Federal survey.</p>	<p>Census Bureau \$ 20,000 University 4,702</p> <p>Total \$ 24,702</p>	10/03/91 - 12/31/91	[redacted]	[redacted]

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Name of Nonprofit Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ³	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
The Urban Institute	<p>JSA-92-01: "Designing a Federal Survey to Estimate the Total National Homeless Population"</p> <p>*The objectives and deliverables of this JSA are identical to those of JSA-91-30, above.</p>	<p>Census Bureau \$ 40,003 Institute <u>10,038</u></p> <p>Total \$ 50,041</p>	12/01/91 - 04/30/92*	[REDACTED]	[REDACTED]
The Urban Institute	<p>JSA-92-04: "Designing a Federal Survey to Count the Number of Homeless Persons Who Use Service Facilities"</p> <p>The Census Bureau plans to design a federal survey that will provide national estimates of the literally homeless population who use services. The survey will be designed to provide data comparable to the 1987 Urban Institute survey on homeless persons in cities of 100,000 or more. If funding is available, a pretest will be conducted in 1993 and the survey in 1994.</p> <p>The Urban Institute will finalize the survey questionnaire and the procedures for obtaining the list of service providers, develop detailed written descriptions of the survey procedures, and provide the Census Bureau with a research paper that recommends ways to evaluate coverage in rural areas.</p>	<p>Census Bureau \$ 27,805 Institute <u>6,990</u></p> <p>Total \$ 34,795</p>	04/13/92 - 08/14/92	[REDACTED]	[REDACTED]

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Name of Nonprofit Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ³	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
The Urban Institute	JSA-92-06: "Improving the Statistical Infrastructure" The Urban Institute will write a series of documents on the organizational and substantive problems of the U.S. statistical system and on proposals for administrative and legislative arrangements to improve its operation. In addition, the Institute will begin development of a plan for a Presidential Commission to review public policy needs for statistical data and to establish priorities for reform.	Census Bureau \$ 50,000 Institute <u>25,000</u> Total \$ 75,000	06/01/92 - 06/01/93		
Harvard University	JSA-89-08: "Evaluation of the Post-Enumeration Survey for Sensitivity to Measurement and Matching Error due to Nonresponse"	Census Bureau \$ 59,860 University <u>69,286</u> Total \$ 129,146	06/01/89 - 05/31/90		
Harvard University	JSA-90-23: "Evaluation of Imputation Strategies and Computer Matching Errors for the Post-Enumeration Survey."	Census Bureau \$ 125,355 University <u>125,323</u> Total \$ 250,748	06/01/90 - 01/31/92 CLOSED (06/05/92)		
Harvard University	JSA-91-20: "Statistical Analysis of Computer Linked Files" The University will develop methods for analyzing files that have been linked using various computer matching algorithms.	Census Bureau \$ 101,316 University <u>104,662</u> Total \$ 205,978*	08/15/91 - 02/14/93*		
Harvard University	JSA-91-31: "Research on Missing Data and Post Enumeration Survey Evaluation Methods"	Census Bureau \$ 68,391 University <u>69,493</u> Total \$ 137,884	09/23/91 - 01/31/93*		

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Name of Nonprofit Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ³	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
Harvard University	JSA-92-09: Award pending.	Census Bureau \$ 100,000			
University of Puerto Rico	JSA-91-04: "Institute for Hemispheric Studies Continuing Support" The JSA is based on a Memorandum of Understanding between the Census Bureau, the University of Puerto Rico, and the Center for Advanced Studies on Public Management, on the establishment of an Institute for Hemispheric Studies, an independent public corporation, under the laws of the Commonwealth of Puerto Rico. [redacted] a Census Bureau management official, was designated to serve as the Institute's Director. The end product of the JSA is an operational hemispheric studies program.	Census Bureau \$ 315,790 University <u>285,822</u> Total \$ 601,612*	02/17/90 - 09/30/91*	[redacted] [redacted]	[redacted] Center for Advanced Studies on Government Management
Iowa State University	JSA-89-02: "Estimation for Survey Data"	Census Bureau \$ 93,600 University <u>49,331</u> Total \$ 142,931*	01/01/91 - 12/31/91	[redacted]	[redacted]
Iowa State University	JSA-90-07: "Topics in Survey Estimation"	Census Bureau \$ 70,000 University <u>44,748</u> Total \$ 114,748	01/01/90 - 12/31/90	[redacted]	[redacted]
Iowa State University	JSA-90-41: "Estimation of Model Variance in Empirical Bayes Smoothing"	Census Bureau \$ 19,505 University <u>11,959</u> Total \$ 31,464	08/31/90 - 06/30/91 CLOSED (09/18/91)	[redacted]	[redacted]

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Name of Nonprofit Institution	JSA Number, Title, Deliverables ²	Total Estimated Cost ³	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
Iowa State University	JSA-91-01: "Estimation for Survey Data"	Census Bureau \$ 93,600 University <u>49,331</u> Total \$ 142,931*	01/01/91 - 12/31/91	[REDACTED]	[REDACTED]
Iowa State University	JSA-91-21: "Statistical Analysis of Surveys"	Census Bureau \$ 111,000 University <u>56,545</u> Total \$ 167,545*	10/01/91 - 12/31/92	[REDACTED]	[REDACTED]
Iowa State University	JSA-92-07: Award pending	Census Bureau \$ 90,000			
Carnegie Mellon University	JSA-91-25: "A Comparative Evaluation of Parallel Computing Environments for Statistics" The University will evaluate the effectiveness of three computer systems for statistics. The JSA states that the results of the evaluation could influence the choice of future Census Bureau computer systems.	Census Bureau \$ 230,000 University <u>101,106</u> Total \$ 331,106	10/01/91 - 09/30/93	[REDACTED]	[REDACTED]
University of Illinois	JSA-90-49: "Stochastic Propagation of Error in Population Forecasts"	Census Bureau \$ 15,700 University <u>15,522</u> Total \$ 31,222	10/01/90 - 11/15/91 CLOSED (05/08/92)	[REDACTED]	[REDACTED]

Bureau of the Census
Selected Joint-Statistical Agreements
with

Nonprofit Institutions
Fiscal Years 1989 to 1992

Name of Nonprofit Institution	JSA Number, Title, Deliverables?	Total Estimated Cost ¹	Period of Performance ⁴	Census Bureau Representative	Nonprofit Institution Representative
University of Illinois	JSA-91-06: "Developing and Evaluating Reinterview Methods and Questionnaires" The university will develop reinterview procedures that provide estimates of response bias and variance, study the cognitive aspects of reinterview questionnaires, study the cognitive aspects of reinterview procedures, and provide alternative methods for systematically evaluating the quality of survey data through reinterview procedures.	Census Bureau \$ 84,500 University <u>34,600</u> Total \$ 119,100	02/01/91 - 06/30/92		
University of Illinois	JSA-91-29: "Developing and Evaluating Reinterview Methods and Questionnaires" *The title and purpose of this JSA are identical to those of JSA-91-06.	Census Bureau \$ 97,300 University <u>34,600</u> Total \$ 131,900	08/01/91 - 12/31/92		
TOTAL	45 Joint Statistical Agreements	Census Bureau \$4,197,199 University <u>\$1,981,770</u> Total \$6,178,969			

1. Sample included JSAs with nine nonprofit organizations that received more than two-thirds of the total amount of funds awarded by the Census Bureau for work performed under joint statistical agreements since fiscal year 1989.

2. JSA deliverables include periodic (monthly, quarterly, or mid-term) progress reports and a final report unless otherwise specified.

3. Asterisk denotes an increase in estimated costs due to an approved expansion in the scope of work to be performed under the JSA.

4. Asterisk denotes an approved extension of the project completion date.



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of the Census
Washington, DC 20233-0001

OFFICE OF THE DIRECTOR

ATTACHMENT 1

JAN 14 1993

MEMORANDUM FOR Frank DeGeorge
Inspector General
Office of Inspector General

From: Barbara Everitt Bryant
Director
Bureau of the Census

Subject: Draft Report on Inspection of the Census Bureau's
Administration of Joint Statistical Projects
(SED-5049-XXX)

We appreciate the opportunity to comment on the subject report, and agree with the report's recommendations. The Census Bureau has in good faith used Joint Statistical Agreements (JSAs) for the past 30 years to achieve important research and program objectives.

We concede there have been cases where the use of a JSA has been ambiguous; we believe, however, the JSA mechanism is effective and should be continued. In order to do so, we obtained a General Counsel decision on their use as you suggested. That decision recognizes the basic authority to enter into JSAs, but will require us to apply the procedures extant for either (a) contracts, or (b) cooperative agreements. We are hopeful that the additional procedural requirements will not unduly impinge on our continued use of JSAs to achieve our mission.

We intend to proceed along two basic paths. First, we will work with the Department of Commerce (DOC) to put in place the necessary process, procedures, and controls to assure we comply with the basic findings of your report with respect to the use of cooperative agreements. Second, we will assess the feasibility of meeting our legitimate JSA requirements through the application of either contract instruments or cooperative agreements. As suggested, should we find the need for additional legislative authority in Title 13, or otherwise, we will pursue that objective in concert with the DOC.

SPECIFIC COMMENTS:

Below, we show specific comments on statements included in the draft report, referenced by their location in the report.

Page 2, line 1 - "... for the past 20 years." This should be changed to "30 years." The Census Bureau instituted the first agreement in the time frame of 1959-1962.

Page 9, line 1 - "... a draft and final report, and a data tape, an order book ..." should read "... a data tape, a code book ..."

In response to the recommendations, we agree we will:

- o Administer our joint statistical projects under the established federal financial assistance and procurement laws and regulations and Department of Commerce policies and procedures, in light of the Office of the General Counsel opinion.
- o Designate a management official with the authority and responsibility for ensuring that the Census Bureau's participation in joint statistical projects is administered correctly.
- o Revise the policies and procedures contained in Chapter K 21 of the Census Administrative Manual as necessary to ensure that they comply with relevant federal financial assistance and procurement regulations and Department of Commerce policies and procedures.