

Testimony of

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before the

**Subcommittee on Information Policy, Census, and National Archives
Committee on Oversight and Government Reform
House of Representatives**

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***The 2010 Census and
Integrated Communications Campaign***

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

Thank you for inviting us to testify today on the Census Bureau's management of the 2010 decennial census and Integrated Communications Campaign. My testimony will address our oversight of the decennial, findings from our first quarterly report to Congress on the 2010 census, and our work on the communications campaign contract and the partnership program. Please see the appendix to this testimony for a list of our reports 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 2004 with our report on lessons learned, *Improving Our Measure of America: What the 2004 Census Test Can Teach Us in Planning for the 2010 Decennial Census*. 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.

- 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 nonresponse follow-up. The mounting FDCA problems prompted the decision, in April 2008, to abandon use of the handhelds for nonresponse 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 revisit the contract type and fee structure it originally negotiated, and modify it 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 in those periods was the most effective for motivating excellent 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.

- 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.
- We are also auditing the communications contract, which is being used to raise awareness and to educate residents 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.
- 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.
- 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. We reported that important procedures were not being followed. Census responded quickly to this finding by communicating to field staff and regional directors about the issue. However, at that point, many areas had completed production.

- 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 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 not consistently used.
- 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.
- We are identifying lessons learned from address canvassing to help make nonresponse follow-up more effective and less costly. Nonresponse follow-up is a massive operation in which census workers collect data from households that have not mailed back their census questionnaires. We are looking at the causes of budget variances for address listers' time, mileage, and expenses incurred during address canvassing to help identify actions the bureau can take to better control costs during nonresponse follow-up. We are also auditing the accuracy and integrity of the payroll system used for the hundreds of thousands of temporary Census employees.
- Finally, we are evaluating the results of the operation that validates the location of group residences (e.g., 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 limitations in 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,
- unreliable cost estimate,
- lack of transparency in 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 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. Given where we are with 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.

THE CENSUS BUREAU HAS BEEN DILIGENT IN MONITORING THE INTEGRATED COMMUNICATIONS CAMPAIGN, BUT THERE HAVE BEEN DELAYS IN DELIVERY OF 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 allocated positions using hard-to-count data and successfully met its hiring goals by the 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.

In summary, 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 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;
- 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; and
- components of the enumeration process, including nonresponse 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 on the 2010 Decennial Census

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

2009

- Memorandum to Director, Bureau of the Census, with Recommendations from *2010 Census: First Quarterly Report to Congress*, August 2009 (OIG-19791-1).
- *Problems Encountered in the Large Block Operation Underscore the Need for Better Contingency Plans*, August 2009 (OIG-19171-02).
- *2010 Census: First Quarterly Report to Congress*, August 2009 (OIG-19791-1).
- *Observations and Address Listers' Reports Provide Serious Indications That Important Address Canvassing Procedures Are Not Being Followed*, May 2009 (OIG-19636-01).
- *Census 2010: Revised Field Data Collection Automation Contract Incorporated OIG Recommendations, But Concerns Remain Over Fee Awarded During Negotiations*, March 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 2009 (OIG-19171).

2008

- *Census 2010: Dress Rehearsal of Address Canvassing Revealed Persistent Deficiencies in Approach to Updating the Master Address File*, October 2008 (OSE-18599).
- *FY 2008 FISMA Assessment of the Field Data Collection Automation System*, September 2008 (OSE-19164).
- *Census 2010 Decennial: Census Should Further Refine Its Cost Estimate for Fingerprinting Temporary Staff*, August 2008 (OIG-19058-1).
- *Census 2010 Decennial: OIG Reviews Through the Decade Identify Significant Problems in Key Operations*, June 2008 (OIG-19217).

APPENDIX

2007

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

2006

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

2005

- *FDCA Program for 2010 Census Is Progressing, but Key Management and Acquisition Activities Need to be Completed*, August 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 2004 (OIG-16949-1).

2003

- *MAF/TIGER Redesign Project Needs Management Improvements to Meet Its Decennial Goals and Cost Objective*, September 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 2002 (OIG-14431).