

Chairman's Statement
Sen. Tom Coburn, M.D. (R-OK)
2010 Census, Off-Line and Off Budget: The High Cost of Low-Tech Counting
June 6, 2006

Usually, when we think about the Census, we think statistics. The Census Bureau has become the largest statistical agency in the country, if not the world. But, behind its data collection is a steadily increasing price tag for the decennial census, which until recently has managed to stay under the radar of Congress. As we approach the 2010 Census, though, it is becoming increasingly apparent that costs are spiraling upward at a startling rate.

The 2010 Census is projected to cost nearly \$12 billion – that's \$5 billion more – a startling 80% increase – over the 2000 Census. The 2000 Census in turn cost \$4 billion more than the 1990 Census – at the time, a more than 100% increase. This is all part of a disturbing trend in recent decades, which witnessed dramatic cost increases from one census to the next.

Adding to our cost problem is a culture problem. The Census seems to be operating under an early 20th Century mentality, when pen and paper were the only tools available. The internet is now available. For the next census in 2010, the Bureau has decided *not* to offer an online option, choosing rather to stick with a paper system. In an age when people do everything online from shopping to banking to filing their taxes, the Census Bureau is lagging behind, needlessly adding to its already high costs.

This is also a mission problem. Census is tasked with counting the population and it needs the help of all citizens to pull it off. Participation in the census would be easier to obtain from more people with fewer Census personnel if an online option were available.

The purpose of this hearing today is to examine what is behind the skyrocketing costs at the census, and what can be done about it. I hope to get answers to questions such as: How well has the Census been planning for the 2010 count? What assurances can we have that cost overruns in the billions won't take place next time like they have so many times before? Why was an online option suddenly rejected and what will it take to get it back into the plans for 2010?

The best cost estimate being provided by the Census Bureau for the 2010 Census is \$11.3 billion. Unfortunately, though, if history is any guide, that estimate will bear little resemblance to the reality in 2010. As you can see from this chart, between 1970-2000 costs for the census increased sharply. Costs jumped most significantly between 1970 and 1980, going from \$250 million to well over \$1 billion in 1980. Since 1980, the cost of census has doubled every decade. In 2010, it is shaping up to be the same story once again with a cost increase over the 2000 Census of at least \$5 billion, and possibly more. No one seems willing or able to apply the brakes.

Some, including the Census Bureau itself, have blamed inflation or population growth, but let's take a look at the facts. As you can see from this poster, even after inflation is accounted for, costs still climb from one census to the next. In the decade between 1990 and 2000, when inflation was an amazingly low 27%, the cost of the census increased by 154%. Between 2000 and 2010, with ten-year inflation numbers again expected to be low, the cost of the census is expected to increase by between 70-90%.

The situation is the same when population growth numbers are compared with census costs. In 1990, the census cost \$10 a person, and in 2000 the Census cost \$23 per person; but in 2010, the census will cost a staggering \$36 for every man, woman and child living in this country. That's much more than it costs to file your taxes electronically with the IRS and yet all the Constitution

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requires us to do is count heads here. The bottom line is that census costs are shooting upward at an unacceptable rate, and the excuses given are without merit.

What, then, are the real causes of the large cost increase between 2000 and 2010? The Census Bureau attributes it to factors such as the increased difficulty of finding non-English speakers and people living in non-traditional housing. The Bureau also claims that as the population grows, counters will have to knock on more doors to make up for people that don't mail back their forms – and that costs money. But, when all of these factors are accounted for, it still remains unclear how we get to a number approaching \$12 billion.

GAO – Congress' watchdog agency – has analyzed the Bureau's cost projections and was equally mystified. As a result, they recommended – more than two years ago – that the Bureau compile its planning information into one master document to help Congress understand its long-term budget. Census agreed to do so, but two appropriations cycles have now come and gone and there still is no document. How are we supposed to fulfill our oversight duty effectively without understanding this basic information? Or is that the point? I assure you, we will not let this drop. There will be a planning document that itemizes cost projections down to the dollar.

Knowing projected costs is only the first step – you'll see on this chart – transparency is only the first step to accountability. Then we have to figure out how to contain those costs. Frankly, all these issues should have been worked out after the 2000 budget-busting debacle. As late as 1998, the Bureau projected costs of \$4-5 billion. When all was said and done, the final cost was more than \$6.5 billion – a cost overrun of more than 30%. If the 2010 Census faces a cost overrun similar to that in 2000, it will put the final price tag at \$15 billion. This is not simply a matter of possibility, it is an *inevitability* unless something is done right now to curb the skyrocketing costs.

One of the most obvious solutions to long-term cost containment is for the agency to join the rest of the world in cyberspace and offer the census online. An online census would allow the Census Bureau to virtually eliminate its paper-intensive systems, to cut back dramatically on the need for house calls and to allow faster data integration. In just the last five years, the federal government has made extraordinary strides with its e-Gov initiatives to the point that every citizen can now file their taxes online – certainly if citizens can file their taxes online, they can be counted online. And so it is puzzling to me why Census has taken the online option off the table for 2010.

I am deeply concerned that the Census is mired in a bureaucratic, “pen and paper” mentality that refuses to change the way things have always been done. To say an online option is not practical or cannot be done simply defies the plain fact that 73% of all American adults are online *already*. Canada just last month showed us that it can be done and conducted its national census and offered it online to all of its citizens. This is not just something that we can do, it something that must be done. I assure you that this subcommittee will not drop this issue. The 2010 Census will be online.

In the medical world, we have a word for when the number of cells in the body increases at a rate faster than the underlying conditions that usually govern cell division would predict – *cancer*. The underlying factors governing the cost of counting Americans do not justify the staggering cost increases at the Census. Americans get this. They get that it's easy to do things online. They get that it's not that complicated for a Federal agency to know who they are, and some basic information about them. The government for the most part, already knows practically everything

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there is to know about us – from what's in our bank accounts to our health status in retirement. I simply can't sell these cost increases to my constituents back in Oklahoma. Americans aren't buying it.

There's still time to make mid-course adjustments for 2010. Our children and grandchildren can't afford for us to punt these problems to the 2020 or 2030 count. I hope that this hearing will help us get back on track right away. I want to thank our witnesses for being here today and for their time and preparation.