

GAO Highlights

Highlights of [GAO-16-628](#), a report to congressional requesters

Why GAO Did This Study

In October 2015, the Bureau estimated that with its new approach it can conduct the 2020 Census for \$12.5 billion, \$5 billion less than the \$17.8 billion it estimated it would cost to repeat the design and methods of the 2010 Census. Reliable cost estimates can help an agency manage large complex activities like the 2020 Census, as well as help Congress make funding decisions and provide oversight.

GAO was asked to evaluate the reliability of the Bureau's life-cycle cost estimate. Among other objectives, this report assesses the extent to which (1) the Bureau's life-cycle cost estimate met GAO's best practices for cost estimation and (2) the Bureau identified and accounted for key risks facing the 2020 Census. To meet these objectives, GAO reviewed documentary and testimonial evidence from Bureau officials responsible for developing the 2020 Census cost estimate. GAO used its cost assessment guide ([GAO-09-3SP](#)) and Standards for Internal Control in the Federal Government ([GAO-14-704G](#)) as criteria.

What GAO Recommends

GAO is making three recommendations including that the Secretary of Commerce direct the Bureau to take specific steps to ensure its cost estimate meets the characteristics of a high-quality estimate and improve control over how risk and uncertainty are accounted for in cost estimation. The Department of Commerce agreed with GAO's recommendations and provided additional context that was incorporated, as appropriate.

View [GAO-16-628](#). For more information, contact Robert Goldenkoff at (202) 512-2757 or goldenkoffr@gao.gov.

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2020 CENSUS

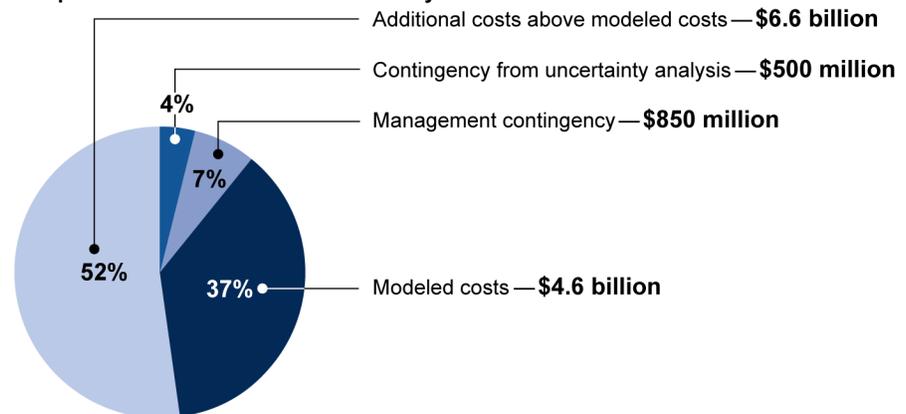
Census Bureau Needs to Improve Its Life-Cycle Cost Estimating Process

What GAO Found

Since 2012, the U.S. Census Bureau (Bureau) has taken significant steps to improve its capacity to carry out an effective cost estimate; however, its October 2015 cost estimate for the 2020 Census does not fully reflect characteristics of a high-quality estimate and cannot be considered reliable. To reflect these characteristics, an organization must meet or substantially meet four best practices. Overall, GAO found the cost estimate partially met the characteristics of two best practices (comprehensive and accurate) and minimally met the other two (well-documented and credible). One reason why GAO's overall assessment is low is because the estimate is not well-documented. Improving cost estimation practices will increase the reliability of the Bureau's cost estimate, which will in turn help improve decision making, budget formulation, progress measurement, course correction when warranted, and accountability for results.

Best practices state a risk and uncertainty analysis should be performed to determine the level of risk associated with the cost estimate. The Bureau carried out such an analysis only for a portion of estimated costs for fiscal years 2018 to 2020. According to Bureau officials, they scoped the analysis narrowly to those 3 years when most of the census costs occur. GAO found that, as a result, the Bureau's risk and uncertainty analysis (modeled costs) covered \$4.6 billion, only about 37 percent of the \$12.5 billion total estimated life-cycle cost, and less than one-half of the total estimated cost of the census during future fiscal years.

Components of Total 2020 Census Life-Cycle Cost Estimate



Source: GAO analysis of Census Bureau information. | [GAO-16-628](#)
Note: All figures are in constant 2020 dollars.

The Bureau has risk identification processes, which identify a broad range of risks that could affect the cost of the 2020 Census. Yet this awareness of risk is not leveraged in the Bureau's cost estimation. The cost estimation team did not consult risk registers or examine specific risks directly for inclusion in the cost model or risk and uncertainty analysis. It was not known what risks, if any, had been accounted for in other data in the cost model. As a result, neither the Bureau nor GAO are able to determine with confidence what risks the Bureau is prepared to mitigate or address within its \$12.5 billion cost estimate. Improving control over how risk is accounted for will improve confidence that the Bureau's budgeted contingencies are at appropriate levels.