

Congress of the United States

Washington, DC 20515

March 27, 2007

The Honorable Charles Louis Kincannon
Director
U.S. Census Bureau
4700 Silver Hill Rd.
Washington, DC 20233

Dear Mr. Kincannon:

As you may be aware, House Joint Resolution 20 provides substantial additional funding to the Census Bureau for fiscal year 2007 relative to the Administration's request. We are writing to inquire how these funds will be allocated, and how the Census Bureau intends to proceed with its plan to ensure high-quality longitudinal data as it transitions from the Survey of Income and Program Participation (SIPP) to the Dynamics of Economic Well-Being System (DEWS), and to express our real concerns about how the Census Bureau is proceeding on this issue.

On March 1, 2006 at a hearing before the House Subcommittee on Federalism and the Census, you testified that the SIPP was being discontinued because "in the formulation of the budget for 2007, we did not have room within our allowance for all the things that we had done and wanted to do." In light of these remarks, we expect the Census Bureau will use the additional funds contained in the continuing resolution to continue fielding the SIPP and testing the DEWS, its proposed replacement. This would be in keeping with Congress' intent as indicated in the House Science, State, Justice, Commerce, and Related Agencies Appropriations Bill, Fiscal Year 2007 committee report which states:

The Committee directs the Bureau to work with stakeholders to re-engineer the SIPP to develop a more accurate and timely survey to capture the economic dynamics of the country. The Committee understands the importance of having high-quality policy-relevant data on the economic well-being of the U.S. population, such as is provided by SIPP. The data gathered by SIPP is important to statistical researchers. The Committee concurs with the Census Bureau's prioritization of funding for the 2010 decennial and the American Community Survey in fiscal year 2007, but concerns remain that a data gap may result from the re-engineering of the SIPP. Therefore, the Committee recommendation includes an additional \$10,000,000 above the request to continue SIPP data collection while a new survey is designed. The Committee expects the Bureau to work expeditiously to re-engineer this survey to minimize any gaps in data.

The SIPP provides unique and invaluable data on households' economic and material well-being, program participation, program eligibility, and income dynamics. It is the only reliable government data source that tells us how individual families' living arrangements, income, and needs fluctuate over a period of months and years. In 1995, the National Academy of Sciences recommended that the "SIPP...become the nation's primary source of income statistics...[Other national surveys] can never be designed to provide the same extent of detail or achieve the same quality of reporting as in SIPP." The SIPP is a critical resource for researchers across the nation as well as for government budget planning, and for federal agencies that track low-income families' needs, and the strengths and shortfalls of the federal programs that serve them.

We understand that the Census Bureau plans to replace the SIPP with a less costly survey, the Dynamics of Economic Well-Being System (DEWS). While we applaud their ongoing efforts to improve survey quality and make better use of taxpayer dollars, we do not want to see this transition rushed in a way that would yield unreliable or unusable data. In particular, the Bureau's current plan does not provide evidence that moving to an "event history calendar" methodology will be an improvement, or at least not lead to deterioration, in the quality of the sub-annual survey responses. Event history calendars may provide more accurate sub-annual data, but they may not, and we are concerned about the Bureau's investment of millions of taxpayer dollars in a survey methodology that has not been sufficiently evaluated. Further, given the paucity of analysis of this methodology, it is not clear whether the Bureau should use a six- or twelve-month window for the retrospective survey questions. Given the importance of having sub-annual data for understanding program eligibility and income dynamics, the Bureau should test the appropriate event history calendar window before full implementation in the DEWS.

Further, because of the transition to a new survey methodology, we are concerned that data under the new DEWS system may not be comparable with the data previously gathered by SIPP, rendering it impossible to track a variety of changes over time. While we appreciate the speed with which the Census Bureau has worked to adopt DEWS, it is our view that a speedy transition to DEWS and the avoidance of data gaps between SIPP panels are less important than a careful and successful transition, if such a transition is indeed warranted. If and when the Bureau determines from such a test that a transition to DEWS is warranted, the Census Bureau should provide a "bridge" period of overlap between SIPP and DEWS so that the two data systems may be compared with one another and so that trends may be reliably tracked over time, before and after the transition.

While we applaud the Census Bureau's recent commission of an expert panel of the National Academy of Sciences to evaluate plans for the DEWS, we are very concerned that you will not have a full and complete review of the new DEWS before the SIPP is discontinued. Making use of administrative data within the DEWS is an important goal and enlisting the research community to help evaluate how to move forward was an important first step. We encourage the Census Bureau to take the time to incorporate the findings from this panel into their plans for the DEWS. Even under the most optimistic of circumstances, the Academy's report will be not be completed until late 2007 and then the Bureau will need time to incorporate these recommendations into their planning for DEWS.

In addition to saving federal agencies the cost of extensive reprogramming for micro-simulation models, comparable data would allow researchers to accurately compare the effectiveness of policies and policy changes over time. Data from the SIPP are used to inform many contemporary debates in Congress. Researchers at the UCLA School of Public Health have found that the "asset test" in the Medicare Prescription Drug benefit is keeping 2.4 million near-poor Medicare beneficiaries from getting subsidized prescription drug coverage—and that this test is especially hard on widows. Regarding the Farm Bill, analysis of SIPP data has found that food insecurity is sensitive to shorter-term income flows and therefore solving food insecurity requires a program that families can access relatively quickly, such as the Food Stamps program. On SCHIP, researchers from across the political spectrum have found the longitudinal data from the SIPP to be a more accurate measure of health insurance coverage. Surveys that track the health insurance of individuals over time reveal a much larger share of the population at risk for being uninsured than surveys taken at a single point in time.

If data from the new survey is unusable, we will lose the only source of high-quality data on the effectiveness of the Americans with Disabilities Act. We will lose the ability to track how people transition into and out of poverty and health insurance coverage. We will lose data on the hardships families face when they do not have sufficient income, and on how families balance work and care for children and sick relatives. As James T. Christy, director of the Census Bureau's Los Angeles Regional Office, stated in a May 2006 press release from the Bureau, "SIPP findings are invaluable because they help policymakers reach informed decisions that may affect many of us"

Over the past year, the Census Bureau released two major reports that generated significant media coverage using data from the SIPP. In *65+ in the United States: 2005*, data from the SIPP were used to analyze the aging population's net worth, housing burden, disability status, insurance coverage and probability and length of time in poverty. Data from the SIPP were used exclusively in the report *A Child's Day*, to report on children's living arrangements and their family's characteristics, early child care experiences, daily interaction with parents, extracurricular activities, academic experience, and parents' educational expectations.



In summary, we believe that the SIPP should not be discontinued and should proceed for the foreseeable future until the Census Bureau can provide peer-reviewed endorsements of the DEWS, and until we can be assured that prior SIPP data will be comparable to the new data provided by DEWS. We intend to work to ensure that the Census Bureau has the necessary resources to continue the SIPP at its funding level prior to FY2007 until it is proven that the DEWS provides an acceptable quality of data.

To that end, before the House and Senate begin work on the FY 2008 appropriations bill for the Census Bureau, we have several questions whose answers we believe will help with our deliberations on this proposal:

1. How much is the Census Bureau spending to collect and disseminate SIPP data in FY 2007?
2. How much is the Census Bureau spending to develop and test the DEWS in FY 2007?
3. How much will it cost to field test the DEWS? How large will the sample size be? For how long will it be fielded? Will the test compare six- and twelve-month recall windows?
4. What is a full cost estimate for the completion of the 2004 SIPP Panel with 12 Waves, including topical modules?
5. What is a full cost estimate for the completion of the 2004 SIPP Panel with 12 Waves and no topical modules?
6. What is a full cost estimate for conducting a 2008 SIPP Panel with 12 Waves, topical modules and a full sample?
7. What is a full cost estimate for conducting a 2008 SIPP Panel with 12 Waves, topical modules and a reduced, but significant sample? How large would this sample need to be?
8. How much time will be needed to evaluate the results from the DEWS?
9. How much time will be needed to incorporate the recommendations of the National Academy of Sciences panel into the DEWS?
10. How much time would be needed to compare the DEWS findings to the 2008 SIPP findings, and create a "bridge" for researchers?
11. How much funding would be required for both SIPP and DEWS in FY 2008 and each subsequent fiscal year until 2011, which is a reasonable estimate of when the DEWS might be ready?

We respectfully ask that you provide us with the answers to these questions within three weeks from the date of this letter.

Sincerely,



STENY H. HOYER
Majority Leader

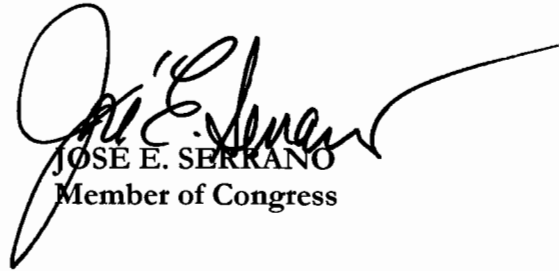
WM LACY CLAY
Chairman, Subcommittee on
Information Policy, Census,
and the National Archives
Committee on Oversight and
Government Reform




HENRY A. WAXMAN
Chairman, Committee
on Oversight and
Government Reform



CAROLYN B. MALONEY
Member of Congress



JOSE E. SERRANO
Member of Congress



CHARLES A. GONZALEZ
Chair, Task Force on Civil Rights
Congressional Hispanic Caucus



C.A. DUTCH RUPPERSBERGER
Member of Congress