

Committee on Natural Resources
Subcommittee on Indian and Insular Affairs
Oversight Hearing
1324 Longworth House Office Building
June 13, 2024
11:00 AM

- *"Examining GAO's Findings to Address Data Gaps and Improve Data Collection in the Territories."*

Questions from Rep. Westerman for Mr. Jacobo Orenstein-Cardona, Executive Assistant –
Puerto Rico Institute of Statistics, Government of Puerto Rico

1. Does the Government of Puerto Rico currently have the capacity to fill gaps in data on Puerto Rico by collecting its own data?
 - a. Please elaborate why or why not?

In theory, the Government of Puerto Rico does have the capacity to fill some of the gaps in data on Puerto Rico by collecting its own data. However, in practice, there are serious limitations. In Puerto Rico, most available data is collected by specific government agencies. However, currently, government agencies have severe human and economic resource constraints. The Puerto Rico Institute of Statistics (PRIS) has observed that some agencies struggle to produce timely, comprehensive and publicly accessible data and statistics. Many government agencies have had to reduce staff specialized in areas related to the collection, analysis and dissemination of data and statistics. In many instances, this has resulted in a government agency having a single statistician amongst their staff, independent of the size of the agency. Thus, agencies are hard-pressed to generate the data they produce, and much less embark on updating methodologies or generating new statistical products. Some government agencies are also susceptible to political upheavals and accompanying fluctuations in public policy.

The inclusion of Puerto Rico in a greater number of federal statistical products would help ensure that data is collected independently, consistently, rigorously and enabling comparability with other U.S. jurisdictions.

2. In your written statement, you mention that increasing automation and technology usage for Puerto Rico's data collection can help overcome geographical challenges.
 - a. Has your office used automation for data collection? Please elaborate how, and what have been the results?

PRIS, to a limited extent, collects data and generates statistics in subject matters not addressed by government agencies. PRIS has succeeded in collecting data involving new technologies and automation. For example, PRIS conducted a study titled "Identifying the needs of women in the workforce in Puerto Rico"¹ by disseminating an online, Internet-based, questionnaire. PRIS received over 13,000 responses and monitored the collection of the data in an automated fashion.

3. Puerto Rico is particularly prone to severe weather incidents.
 - a. How do gaps in federal data collection for Puerto Rico affect disaster recovery efforts?

Gaps in federal data collection for Puerto Rico affect disaster recovery efforts because the lack of comprehensive, timely, and reliable information hinders both federally based and local governmental initiatives, including the evaluation of ongoing recovery efforts.

Gaps in federal data collection for Puerto Rico can significantly impact disaster recovery efforts in several specific ways:

- **Resource Allocation:** *Accurate and comprehensive data are essential for determining the scope of a disaster's impact.*
- **Needs Assessment:** *Understanding the specific needs of affected populations is crucial for effective recovery efforts.*
- **Monitoring and Evaluation:** *Post-disaster, it is important to monitor the effectiveness of recovery efforts and evaluate what worked and what didn't. Data gaps*

¹ Please refer to: <https://estadisticas.pr/Necesidades-Mujer>.

make it difficult to assess the impact of recovery programs, leading to a lack of accountability and missed opportunities for improvement.

- **Funding and Support:** *Federal funding and support are often contingent on data-driven assessments. Incomplete or inaccurate data can result in reduced federal assistance, as it may not fully capture the extent of the damage and needs.*
- **Long-term Recovery:** *Recovery from disasters is not just about immediate response but also about long-term rebuilding. Gaps in data can impede efforts to rebuild infrastructure, homes, and livelihoods in a way that is sustainable and resilient against future disasters.*

4. Why is important for the federal government to address the gaps in data collection for Puerto Rico sooner rather than later?

PRIS has encountered specific and significant gaps of statistical information regarding Puerto Rico in federal statistical products in diverse topics such as: employment, unemployment and labor force characteristics, local government expenditures, timely and quarterly GDP calculations, statistics about the educational system, infrastructure, such as motor vehicle registration and building permits, child abuse, the economic impact of the high rate of homicides, and statistics regarding the penal system. This is by no means an exhaustive list of topics for which Puerto Rico lacks complete, standardized, reliable, timely and accessible statistics due to not being included in federal statistical products. These topics are critical for formulating effective public policy and for promoting Puerto Rico's socioeconomic development.

Addressing data gaps sooner rather than later leads to better outcomes for Puerto Rico and its residents for several reasons:

- **Timely Interventions:** *Early identification of issues through comprehensive data allows for prompt interventions. This can prevent problems from escalating and reduce long-term negative impacts on the population.*
- **Improved Public Services:** *Enhanced data collection can lead to better planning*

and delivery of public services such as healthcare, education, and infrastructure. Early action ensures these services are aligned with the actual needs of the population.

- ***Economic Stability and Growth:*** *Early data collection helps in understanding economic trends and challenges, enabling the implementation of policies that foster economic stability and growth. This can attract investments and create job opportunities, improving the overall economic situation.*
- ***Disaster Preparedness and Resilience:*** *Addressing data gaps early improves the ability to prepare for and respond to natural disasters. This can save lives, reduce property damage, and enhance the resilience of communities.*
- ***Federal Support and Funding:*** *Timely data ensures that Puerto Rico meets the criteria for federal programs and funding opportunities. This can lead to increased financial support from the federal government, benefiting various sectors and improving overall quality of life.*

5. As a witness from a U.S. territory, you see and feel firsthand the impacts that stem from the gaps in federal data collection for the U.S. territories.
 - a. How has the lack of or outdated data affected Puerto Rico's government and local communities?

The lack of comprehensive, timely, and reliable information about critical areas of Puerto Rico's socioeconomic reality due to not being included in federal statistical products hinders the local governmental from formulating effective and evidence-based public policy. This directly impacts the socioeconomic development of local communities. Also, both Puerto Rico's government and local communities are hindered in their ability to apply for federal funding due to the absence of data and statistical information in key topics.

6. During the hearing, an idea for a pilot program or demonstration program for federal data collection in the territories being run by the territories themselves was brought up. You mentioned that you would support that idea if there was the federal

resources and territorial outreach to do so.

- a. Please clarify, would you support Puerto Rico managing federal data collection via a pilot program or demonstration?

PRIS supports the idea of a pilot or demonstration program for federal data collection managed by Puerto Rico's government. However, federal resources and territorial outreach will be necessary for its success.

- b. Why or why not?

A federal data collection pilot program or demonstration in Puerto Rico offers the opportunity to test and refine methods, tailor solutions to local conditions, build local capacity, ensure cost-effectiveness, generate early results, demonstrate feasibility, engage stakeholders, mitigate risks, create a model for expansion, and build trust and credibility. These advantages can lead to more successful and sustainable data collection efforts, ultimately benefiting Puerto Rico and its residents.

- c. What specific federal resources and territorial outreach do you think is needed for this idea to be successful?

The specific federal resource needed for this idea to be successful would be principally adequate funding. The outreach needed is close collaboration with pertinent local government agencies since these entities are aware of the fiscal, administrative and technical hurdles involved as well as Puerto Rico's particular cultural context.

- d. Are there any other factors you see as being needed for this idea to be successful?

The technical challenges include the appropriate training of local agencies and their human capital and the availability of technical consultation with the federal statistical agencies involved.

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Questions from Rep. Jenniffer González-Colón of Puerto Rico for Mr. Jacobo Orenstein-Cardona, Executive Assistant, Puerto Rico Institute of Statistics

1. You mention in your testimony that the Puerto Rico Institute of Statistics "has encountered specific and significant gaps of statistical information regarding Puerto Rico in federal statistical products in diverse topics...". How did the Puerto Rico Institute of Statistics encounter these gaps?

PRIS has statistical project managers specialized in specific topics, such as demography, economics, health, education, gender violence and violent deaths. These employees are knowledgeable about available data, statistics and their gaps, from different sources: the federal, local, and international level. Additionally, PRIS has responded to thousands of petitions for statistical information over the years which involves conducting research using different data sources.

2. One of the federal statistical products Puerto Rico is currently excluded from is the Current Population Survey, which is jointly sponsored by the Census Bureau and the Bureau of Labor Statistics. Can you discuss what is the Current Population Survey, the data it collects, and why the inclusion of Puerto Rico in that survey is so important? And what kind of benefits will policymakers have if Puerto Rico is included?

The Current Population Survey (or, CPS) is a monthly survey that provides comparable and reliable information regarding labor force statistics, such as the size of the employed population and that of those out of the labor force (unemployed people not actively seeking employment), the unemployment rate, and key socio-demographic characteristics. Needless to say, this type of information is crucial on an ongoing basis and becomes particularly salient following natural disasters and adverse events, such as hurricane María in 2017 and the COVID-19 pandemic in 2020.

Additionally, the CPS has annual or biannual Supplemental Surveys on a wide diversity of important topics such as Child Support, key Social and Economic characteristics, Displaced Workers, the Covid-19 scenario back in 2020, Fertility, School Enrollment, and Food Security, among others detailed themes. In Puerto Rico we have a lack of statistical sources regarding most of the topics covered by the Supplemental Surveys.

The importance of Puerto Rico being included in the CPS is because of its comprehensiveness, comparability and reliability (due to it being conducted independently, at the federal level). All this information benefits policymakers because it provides empirical, evidence-based data and statistics for planning and evaluating programs.

3. You also mention in your testimony the Supplemental Surveys of the Current Population Survey. Can you offer some examples of these supplemental surveys? Has the Puerto Rico Institute of Statistics explored collecting data locally for some of these specific topics?

The CPS has annual or biannual Supplemental Surveys on a wide diversity of important topics such as Child Support, key Social and Economic characteristics, Displaced Workers, Fertility, School Enrollment, Food Security, and the Covid-19 scenario back in 2020, among others detailed themes. In Puerto Rico we have a lack of statistical sources regarding most of the topics covered by the Supplemental Surveys.

4. As GAO's report mentions, territories have taken steps to mitigate data gaps through local data collection efforts. In Puerto Rico, for example, the Puerto Rico Department of Labor conducts the local Labor Force Survey, or *Encuesta de Grupo Trabajador*, in Spanish. Some may see this and argue that expanding the Current Population Survey to include Puerto Rico would therefore be unnecessary or duplicative.

How would you respond to such a statement? What are the differences between the Current Population Survey and the Puerto Rico Department of Labor's Labor Force Survey? Are they duplicative?

The Current Population Survey (CPS) contains all the information provided by Puerto Rico's Labor Force Survey but provides much more data and statistics that is rich and abundant in detail. For example, the CPS provides information – that the Labor Force Survey does not – regarding veteran and disability status (or, functional diversity) and its impact on employment, unemployment, or not being in the labor force. In terms of disability status, the CPS explores the specific type of disability (deafness or difficult hearing, difficulty in seeing, concentrating, remembering, or making decisions, walking or climbing stairs, dressing, bathing, doing errands and other disabilities). In terms of employment, the CPS permits specifying earnings of each employed member of a household at an hourly, weekly, monthly or yearly rate and of the entire household in a year. The Labor Force Survey only asks the earnings of the entire household in a year.

Additionally, the level of demographic breakdown (data are available by various demographic factors such as age, gender, race, ethnicity, and education level) and the historical continuity are a strong advantage of the CPS versus other local surveys.

The importance of Puerto Rico being included in the CPS is because of its comprehensiveness, comparability and reliability (due to it being conducted independently, at the federal level). All this information benefits policymakers because it provides empirical, evidence-based data and statistics for planning and evaluating programs.

Of note, the Puerto Rico Community Survey does not directly ask if a person is a veteran, only asks, in terms of disability, about related health insurance or health coverage plans and Veteran Administration (VA) service-connected disability, and the economic information it collects is very general (does not include unemployment, for example).

5. Another federal statistical program Puerto Rico is currently excluded from is the Census of Governments. In fact, I understand Puerto Rico was included in this product until the early 1980s. Can you discuss why including Puerto Rico again in the Census of Governments would be important? And how would it help improve transparency?

The Census of Governments provides information regarding expenditures at all levels of government and the information is broken down by type of expenditures, such as: police protection, highways, health, housing and community development, and education at different levels, among many others. The information is provided on a national basis and at the state level. Including Puerto Rico again in the Census of Governments is crucial for generating comprehensive data on government expenditures that are comparable by different states. This improves transparency because it sheds light on the distribution of government expenditures in key areas, which is essential for policymakers.

6. Are there any examples of the recent inclusion of Puerto Rico in a survey or statistical data product?

There are two federal statistical products that recently have incorporated Puerto Rico: the Community Resilience Estimates (CRE) and the Quarterly Workforce Indicators (QWI) both conducted by the USCB. The data is practical for analysis and decision making regarding the jurisdiction. The CRE provides information on how socially vulnerable neighborhoods in the United States are with respect to large-scale disasters, such as COVID-19. The QWI provides detailed local labor market statistics by industry, worker demographics, employer age and establishment size.

7. In addition to the Current Population Survey and the Census of Governments, are there other federal statistical products that exclude Puerto Rico that you would like to briefly mention or discuss?

PRIS has encountered specific and significant gaps of statistical information regarding Puerto Rico in federal statistical products in diverse topics such as: timely and quarterly GDP calculations², statistics about the educational system³, infrastructure, such as motor vehicle registration⁴ and building permits⁵, child abuse⁶, the economic impact of the high rate of homicides⁷, and statistics regarding the penal system⁸. This is by no means an exhaustive list of topics for which Puerto Rico lacks complete, standardized, reliable, timely and accessible statistics due to not being included in federal statistical products.

² The Bureau of Economic Analysis reports GDP data annually for Puerto Rico, but quarterly for States. BEA, Technical Report: Gross Domestic Product for Puerto Rico, 2021 (Washington, D.C.: July 31, 2023): <https://www.bea.gov/sites/default/files/2023-07/prgdp0723-tech.pdf>.

³ Puerto Rico is not fully included in the National Center for Education Statistics' National Assessment of Educational Progress, also known as The Nation's Report Card: <https://www.nationsreportcard.gov/ndecore/xplore/nde>.

⁴ Federal Highway Administration State motor vehicle registration: <https://www.fhwa.dot.gov/policyinformation/statistics/2021/mv1.cfm>.

⁵ Building Permits Survey, conducted by the U.S. Census Bureau: <https://www.census.gov/construction/bps/index.html>.

⁶ Centers for Disease Control and Prevention's child abuse statistics: <https://www.cdc.gov/child-abuse-neglect/programs/index.html>.

⁷ Centers for Disease Control and Prevention's Web-based Injury Statistics Query and Reporting System (WISQARS): <https://wisqars.cdc.gov>.

⁸ National Prisoner Statistics, conducted by the Bureau of Justice Statistics: <https://bjs.ojp.gov/data-collection/national-prisoner-statistics-nps-program#publications-0>.

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Questions from Rep. Velázquez for Mr. Jacobo Orenstein-Cardona, Special Assistant, Puerto Rico Institute of Statistics (PRIS)

1. According to your statement, the PRIS has authority over the statistical policies of Puerto Rico agencies. In recent years, Puerto Rico has received significant funds for emergency response, as well as disaster recovery and reconstruction efforts, in addition to recurrent allocations. Federal funds represented 43% of Puerto Rico's budget for FY 2023-2024. Who is responsible for tracking the use of federal funds? How do you evaluate their effectiveness in collecting all necessary data and developing metrics to assess the community-level impact of these federal allocations and investments? What is PRIS' evaluation of the data-sharing platforms of the CDBG and COR3 transparency portals, especially when it comes to collecting and reporting data about the use and impact of these funds?

In Puerto Rico, there is currently no single government entity responsible for tracking the use of all federal funds. Instead, each individual government agency that receives federal funding is responsible for monitoring its own funds, assessing their effectiveness, and developing metrics to evaluate their impact at the community level. While PRIS has authority over the statistical policies and statistical reports of Puerto Rican government agencies, it does not necessarily have authority over fiscal aspects or the management and impact of these funds.

2. The Puerto Rico-based organization Sembrando Sentido has identified more than 60 federal data sources with information related to federal funds in Puerto Rico. Your statement mentions that 81 out of 449 federal statistical products include information about Puerto Rico. What are PRIS' defining elements for a dataset to be considered a data or statistical product and what technologies or methodologies does PRIS have to track Puerto Rico's inclusion in federal data?

PRIS calculated that there are a total of 449 federal statistical products and that Puerto Rico is only included in 81 of these products based exclusively on the data provided by appendix I of the General Accountability Office's (GAO) report "U.S. Territories: Coordinated Federal Approach Needed to Better Address Data Gaps" (GAO-24-106574).⁹ PRIS does not currently have specific technologies or methodologies to track Puerto Rico's inclusion in federal data. The defining elements for a dataset to be considered a statistical product by PRIS is that it consists of a set of quantitative results obtained through a systematical process of qualifying, gathering or compiling, analysis and disclosure of primary data obtained from diverse natural and juridical persons regarding relevant facts for the study of economic, social, demographic, environmental and other types of phenomena.¹⁰

3. In your statement, you emphasize the importance of identifying issues causing federal data gaps that affect the availability of critical information for Puerto Rico. Does PRIS share GAO's view that the reasons for federal data gaps in Puerto Rico are associated with economic, geographic, and technical issues? If so, can you provide specific examples illustrating how these issues affect the inclusion of Puerto Rico in federal-level data?

PRIS comprehends that there exist, in effect, economic, geographic, and technical issues associated with gaps in the inclusion of Puerto Rico in certain federal statistical products.

⁹ GAO, *U.S. Territories: Coordinated Federal Approach Needed to Better Address Data Gaps*, GAO-24-106574 (Washington, D.C.: May 9, 2024): <https://www.gao.gov/assets/gao-24-106574.pdf>.

¹⁰ Act No. 209 of August 28, 2003, as amended, PRIS' enabling act: https://estadisticas.pr/files/Ley209de2003_segun_enmendada_rev2018.pdf.

However, PRIS believes that these issues must be accurately specified and characterized to be able to address them and thereby strive to increase Puerto Rico's inclusion in federal statistical products. For example, some federal statistical products are collected in household surveys using personnel that conduct in-person interviews. The inclusion of Puerto Rico in such products could entail the cost of hiring such personnel locally. But just how much would it cost? Could alternatives to in-person data collection, such as conducting interviews by phone calls, be implemented to reduce or eliminate these costs? PRIS understands that the inclusion of Puerto Rico in federal statistical products could require conducting surveys in Spanish. How much would this cost? Could this not also be advantageous for reaching out to the Hispanic, Spanish-speaking population residing in the United States? If the U.S. Census Bureau has succeeded in conducting the decennial censuses and the American Community Survey via the Puerto Rico Community Survey in Spanish, why couldn't other federal statistical agencies do the same with their surveys or data collection methodologies?

4. Multiple public services have recently been privatized in Puerto Rico, through public-private partnerships. For example, a private enterprise now operates maritime transportation to Vieques and Culebra. Additionally, Puerto Rico's power distribution and generation were privatized, a move that remains under public debate due to frequent power outages and rising costs of said service. These private enterprises often have access to federal funds and yet, their contractual agreements lack requirements around data collection and disclosure mechanisms to assess use and impact of public funds. How are these privatizations impacting Puerto Rico's capacity and prerogatives to track the use of these funds?

PRIS believes it is crucial for government agencies, and the government as a whole, to include clear data collection and disclosure provisions in contracts with private enterprises, especially for federal funds. These provisions should ensure that agencies can access the data comprehensively and promptly, and that the government retains full ownership of the data. This is absolutely fundamental for the appropriate assessment of the use and impact of public funds.