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SOCIAL SECURITY DOWNSIZING

Significant Savings but Some Service Quality and Operational Problems



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The Honorable Tom Harkin
Chairman, Subcommittee on Labor, Health
and Human Services, and Education
Committee on Appropriations
United States Senate

The Honorable William H. Natcher
Chairman, Subcommittee on Labor, Health
and Human Services, and Education
Committee on Appropriations
House of Representatives

This capping report represents the culmination of our work on the Social Security Administration's (SSA) downsizing efforts. It discusses the agency's performance in reducing its staff by 21 percent and its ability to maintain service quality throughout the downsizing period.

As requested, we summarized our work in this report as part of our series of reviews in monitoring SSA's service quality and staff reductions.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to appropriate congressional committees.

If you have any questions about this report, please call Joseph F. Delfico, Director, Income Security Issues, on (202) 275-6193. Other major contributors are listed in appendix II.

Lawrence H. Thompson
Assistant Comptroller General

Executive Summary

Purpose

Staff reductions at the Social Security Administration (SSA) during fiscal years 1985 to 1990 raised considerable congressional and public concern about the agency's ability to deliver quality services. The Senate and House Appropriations Committees and other committees asked GAO to monitor SSA's downsizing actions and assess the quality of service during that time.

This report, the final of over 20 reports and testimonies issued between April 1985 and July 1990, responds to the request of the Appropriation Committees to summarize GAO's overall assessment of these matters.

Background

In 1985, in response to an Office of Management and Budget directive, SSA announced plans to reduce its staff by 17,000 positions—from about 80,000 at the end of fiscal year 1984 (the base year) to about 63,000 at the end of fiscal year 1990. SSA's goal was to accomplish the reductions without adversely affecting the agency's service to the public and without reductions-in-force.

SSA planned to achieve the staff reductions primarily through attrition accompanied by computer modernization, field office restructuring, and other productivity enhancements and procedural improvements.

Because the terms "service" and "quality" are broad and have different meanings to different people, GAO reviewed SSA's downsizing activities and their effect on service quality from several perspectives. GAO surveyed SSA clients, managers, and employees; determined where the reductions were taking place and the positions affected; examined data SSA gathered to measure performance; and periodically tested telephone access to SSA.

Results in Brief

SSA completed its staff reduction on schedule and achieved cost savings for the 6-year period of \$1.9 billion with recurring savings expected of \$600 million annually.

Various systems and procedural changes, such as increased use of appointments, encouraging the public to file claims by telephone, and upgrading field office computer capability, enabled SSA to achieve staff reductions while maintaining overall service at or near previous levels. At the same time, SSA indicators for overall payment accuracy remained stable and clients' satisfaction with the quality of SSA service remained high.

However, these accomplishments did not come without cost to the agency. During the downsizing period, employee morale plummeted, implementation of a new 800 telephone number system was problematic, and some processing times and pending work loads increased. In addition, staffing imbalances in certain areas caused some service delivery deterioration.

Several emerging issues raise questions concerning the adequacy of SSA's current staffing. As GAO previously reported, however, SSA does not have work load time standards on which to base its total staffing needs. This hampers SSA from determining whether it needs additional staff resources or whether it can redistribute its current staff. This lack of work force planning detracts from the credibility of SSA's request in its 1992 budget for increased staffing. GAO has recommended that SSA develop national performance standards.

GAO Analysis

Staff Reductions

SSA reduced its work force by 21 percent, or 17,000 full-time equivalent positions between fiscal years 1985 and 1990. The agency saved about \$1.9 billion in personnel expenses during that time and will continue to save about \$600 million annually.

Public Access to Face-to-Face Service

The total number of SSA district and branch offices changed very little throughout the downsizing period. In fiscal year 1985, SSA operated 1,312 district and branch offices. At the end of fiscal year 1990, 1,299 offices were still in operation. However, the number of smaller temporary facilities serving mainly rural or less populated areas declined by 30 percent during the downsizing period. Although SSA closed very few district and branch offices, 64 percent of these offices lost over one-fifth of their staff. Reducing staff through attrition led to staffing imbalances in the field offices which, in turn, impaired service. However, the use of attrition allowed the agency to avoid reductions-in-force which SSA believes would have been much more traumatic to its work force.

Public Access to 800 Phone Service

In October 1988, SSA adopted 800 phone service, in part to correct the significant variation in SSA phone access identified in earlier tests by GAO. Since implementation, the volume of 800 service phone calls has

more than doubled. This seems to indicate that SSA has added a valuable service for the public—free access to SSA from all parts of the country. However, the new 800 system has experienced intermittent but significant access problems, due in part to insufficient staffing during peak volume months. In addition, the recent legislation to publish phone numbers of local offices may further affect the 800 phone system and the need for staff in the field offices.

Performance Indicators

SSA's key performance indicators showed mixed results during the downsizing period. Payment and process accuracy rates remained stable, and most pending work loads declined. However, pending work loads for requests for hearings on SSA's program eligibility and payment decisions and for Supplemental Security Income blind and disabled claims significantly increased during the period. In addition, processing times, especially for disability claims, increased substantially.

Client Surveys

SSA clients rated the overall quality of service high throughout the period of staff reductions. GAO and the Department of Health and Human Services' Office of the Inspector General conducted six separate surveys between September 1984 and November 1989. They showed that from 78 percent of clients in September 1984 to 87 percent of clients in April 1988 rated SSA service as good to very good. The most recent survey—November 1989—showed that 83 percent still rated the service as good to very good. Clients also expressed satisfaction with the courtesy of SSA employees and said that they did a good to very good job handling the client's business during visits or phone calls to the agency.

Employee and Manager Surveys

SSA employees and managers painted a more negative picture of the downsizing. In three separate surveys conducted by GAO and SSA between 1986 and 1988, the percent of SSA managers and employees who rated their units' morale as high declined from 44 to 23 percent and from 20 to 12 percent, respectively. There was an increase from 11 to 47 in the percentage of managers that said their units' performance declined. Ninety percent of managers and 80 percent of employees surveyed cited staff reductions as the single most important factor for the decline in morale and performance.

System and Procedural Enhancements

SSA's computer modernization effort, conducted since 1982, has yielded many improvements that have saved time and labor and contributed to better service to the public. For example, SSA developed software to improve the processes for taking initial retirement claims, issuing social security numbers, and adjusting the benefit amounts for retirees who continue to work.

Although SSA has spent over \$1 billion to modernize its systems, many major work loads continue to be manually operated, software improvements for SSI claims and some post-entitlement work loads have not met expectations, and time frames for future automation and the accompanying staff savings have been stretched out, some to the late 1990s.

To improve public service and enhance production, SSA changed the way it conducted business at the local level. SSA field offices extended office hours, encouraged more clients to file claims over the telephone, and increased the use of appointments for office visits as opposed to processing claims from unscheduled walk-in clients. For example, between 1987 and 1988, claims filed over the telephone increased from 20 to 40 percent.

Adequacy of SSA's Existing Staff

Emerging issues raise questions regarding the adequacy of SSA's current staffing level. For example, recent legislation restoring telephone access to local field offices and the increasing backlog of blind and disabled claims indicate a possible need for additional staff. However, without needed work load standards, SSA cannot determine whether current staff resources can be redistributed or if additional resources are needed to fill its needs in these areas.

Recommendations

GAO is making no recommendations in this report.

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Abbreviations

| | |
|-----|------------------------------------|
| DI | Disability Insurance |
| FTE | full-time equivalent |
| GAO | General Accounting Office |
| OIG | Office of the Inspector General |
| RSI | Retirement and Survivors Insurance |
| SSA | Social Security Administration |
| SSI | Supplemental Security Income |

Introduction

In January 1985, in response to an Office of Management and Budget directive, the Social Security Administration (SSA) announced plans to reduce its staff by 17,000 full-time equivalent (FTE) positions by the end of fiscal year 1990—about a 21-percent reduction. This announcement generated widespread concern in the Congress that the reduction would be accompanied by field office closures and would generally impair SSA's ability to provide quality service to its clients. SSA maintained that planned system and procedural enhancements would allow the agency to operate with fewer staff and still provide quality service.

Despite the assurances of then Acting Commissioner Martha McSteen that SSA could make the staff cuts without wholesale office closings or a deterioration in public service, the House Committee on Appropriations directed her to report periodically on the quality of SSA service.

SSA delivered four reports covering the quarters ending December 1985 through September 1986. The reports contained data on SSA's traditional performance indicators, including payment accuracy, processing times for initial claims, and the nature and extent of work backlogs. In March 1986, we reported to the Congress on the status of office closings up to that time and planned for the future.¹

In July 1986, the House Appropriations Committee requested the Comptroller General to take over the responsibility for preparing the reports on SSA performance. In its report (99-711), the Committee stated:

"The issues of staffing levels and field office closings continue to be of great concern to the Congress. Last year the Committee required the Commissioner of Social Security to submit quarterly reports on various measures of service to the public. This information is being used to monitor the effect of staffing and other administrative changes on the public

"While these reports have been very useful to the Committee, there has been substantial concern expressed regarding the objectivity of this self-evaluation. The Committee, therefore, requests that the Comptroller General take over the responsibility for the preparation of these reports in Fiscal Year 1987."

The Senate Appropriations Committee—in Report No. 408, dated August 15, 1986—also expressed concerns about the quality of SSA service and asked us to monitor SSA services and provide reports.

¹Social Security: Issues Relating to Agency Field Offices (GAO/HRD-86-71BR, Mar. 31, 1986).

SSA's downsizing, one of the largest in history for a federal agency whose essential mission remained unchanged, has generated much debate and controversy. Terms such as "services" and "quality" are broad and have different meanings to different people. From the outset, we sought to gather data on SSA's performance in reducing staff and the effects on service quality from several perspectives.

Objective, Scope, and Methodology

The objective of this report is to present our conclusions on SSA's performance in downsizing the agency and in its ability to maintain its service quality throughout the downsizing period.

This report represents the culmination of our work on SSA's downsizing efforts. We based our views on the previous reports we have issued on this subject (see Related GAO Products) together with an update of SSA's key performance indicators and other associated data needed to discuss the effects of staff cuts. The individual reports contain details of the specific scope and methodology followed.

SSA's Performance While Downsizing the Agency

SSA saved about \$1.9 billion—by reducing its FTE positions from about 80,000 in fiscal year 1984 to about 63,000 in fiscal year 1990. This savings does not include reductions in overtime and the use of nonceiling personnel. These changes will yield an estimated savings of \$600 million annually. SSA claims that various system and procedural changes coupled with enhanced staff productivity enabled it to maintain most of its indicators of service quality at or near prior levels throughout the downsizing period. However, SSA did not accomplish the downsizing and associated savings without problems, including increases in pending work loads, low employee morale, and some service impairment.

A Leaner SSA Serves the Public

Except for its Office of Hearings and Appeals, all of SSA's major components absorbed a portion of the staff cuts. Field offices, the primary point of contact with the public, lost about 9,200 staff or about 59 percent of the total reduction of 15,657 staff. As a result, significantly fewer field staff carry out services today than in the recent past.

A 6-Year History of SSA Staff Changes

SSA's total work-year usage based on FTEs dropped from 79,951 at the end of fiscal year 1984 to 62,836 at the end of fiscal year 1990. This decline in staff-year usage of over 21 percent achieved an overall savings of about \$1.9 billion during the downsizing period. These savings do not include the reductions in overtime and nonceiling personnel. SSA also expects to achieve a savings of \$600 million annually. Table 2.1 shows the decline by type of work-year.

Table 2.1: Decline in SSA Work-Years^a

| Work-year type ^b | 1984 (base) | 1990 | Percent change, 1984-90 |
|-----------------------------|----------------|---------------|-------------------------------|
| FTEs | 79,951 | 62,836 | -21.4 |
| Overtime | 3,986 | 772 | -80.6 |
| Nonceiling | 2,252 | 547 | -75.7 |
| Total | 86,189 | 64,155 | -25.6 |

^aIncludes data for SSA's Limitation on Administrative Expenses Account. Beginning with fiscal year 1990, FTEs associated with disability litigation functions of the Office of General Counsel are not included in this account. This function has been transferred to the Office of the Secretary. In fiscal year 1989 (the last year for which data are available), this activity was charged with 376 FTEs.

^bFTEs consist of both full-time and part-time personnel whose employment is subject to ceilings set by the Office of Management and Budget and the Department of Health and Human Services. Nonceiling personnel are employees in special programs, such as stay-in-school and summer aide.

Staff on duty by major organizational components declined steadily throughout the downsizing period. Table 2.2 shows these end-of-year staffing figures.

Table 2.2: Staff on Duty by Major SSA Components

| Component | 1984 (base) | 1990 | Percent change, 1984-90 |
|--|---------------------------|---------------|--|
| SSA field offices ^a | 42,225 | 34,704 | -17.8 |
| Office of Hearings and Appeals hearing offices | 5,667 | 5,768 | 1.8 |
| Program service centers | 13,584 | 9,363 | -31.1 |
| Office of Central Records Operations | 5,091 | 3,676 | -27.8 |
| Office of Disability Operations | 6,275 | 4,259 | -32.1 |
| Other | 7,272 | 6,686 | -8.1 |
| Total | 80,113^b | 64,456 | -19.5 |

^aIncludes regional office, district and branch offices, teleservice centers, training centers, and resident stations.

^bTotals refer to actual staff and do not agree with total work-years shown in table 2.1, since counts of part-time employment are included.

Field Office Structure Changes

The number of SSA's district and branch offices—the major full-service field locations that provide face-to-face service to the public—has remained fairly stable throughout the downsizing period. As far back as 1975, when SSA expanded its field office structure to accommodate the addition of the Supplemental Security Income (SSI) program, it operated 1,298 district and branch offices. At the end of fiscal year 1985, the first year of SSA's downsizing, SSA operated 1,312 district and branch offices. By fiscal year 1990 1,299 of these offices were still in operation.

While SSA's downsizing had little impact on the number of district and branch offices, it did have a dramatic impact on the number of contact stations. These facilities are less than full-service offices because they lack the ability to use SSA's on-line computer system and are not open full time. Contact stations primarily provide a minimum level of face-to-face service to rural area clients. Between fiscal years 1985 and 1990, the number of contact stations declined about 30 percent, from 2,326 to 1,639.

From a service standpoint, closing contact stations undoubtedly reduced SSA's accessibility for some clients. However, closing these facilities and consolidating staff in other field offices can increase efficiency and

effectiveness and improve service to the public in the field offices affected.

Staff Changes in Field Offices

Of the 1,299 SSA field offices in continuous operation throughout the downsizing period, 91 percent experienced a net staff reduction by the end of fiscal year 1990. At the remainder of offices, either there was a net staff gain or staff levels remained unchanged. Table 2.3 summarizes these changes based on end of fiscal year 1990 staff on duty.

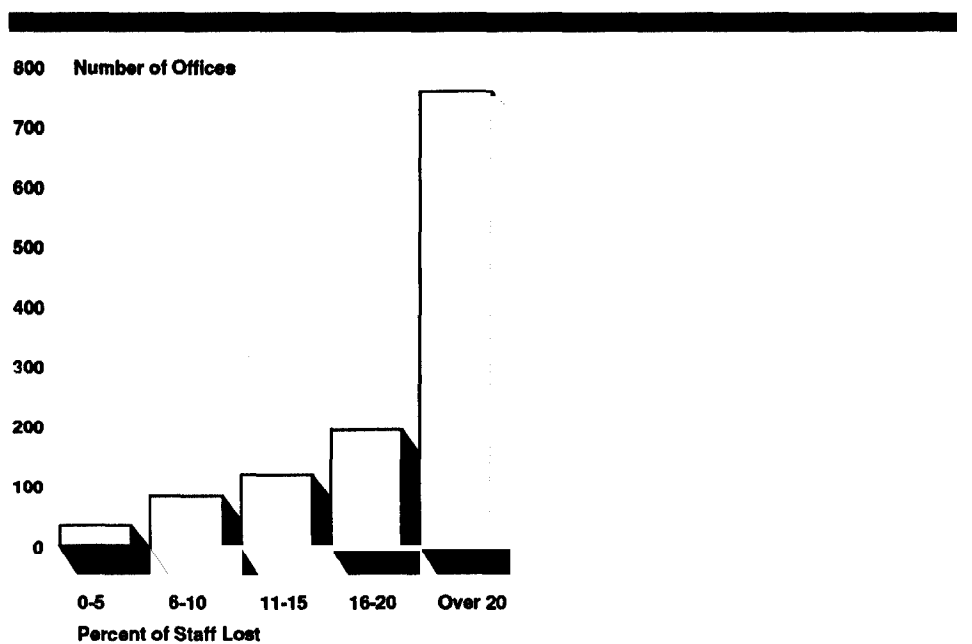
Table 2.3: SSA Field Office Staff Changes*

| Offices with | Number | Percent |
|-----------------------|--------------|------------|
| Decreased staffing | 1,186 | 91 |
| Increased staffing | 71 | 6 |
| No change in staffing | 42 | 3 |
| Total | 1,299 | 100 |

*Excludes staff in SSA's 34 teleservice centers and offices that opened or closed during the period.

About 64 percent of the 1,186 offices that lost staff, lost over 20 percent of their staff. (See fig. 2.1.)

Figure 2.1: Distribution of Field Offices by Percent of Net Staff Lost (Fiscal Years 1985-90)



The significant variation in the percentage of staff lost among field offices was primarily due to SSA's decision to reduce staff by attrition. SSA's Commissioners Dorcas Hardy and Gwendolyn King acknowledged that using attrition rather than other options to reduce staff led to greater staffing imbalances particularly at the field office levels, with some resultant short-term service disruption. However, using attrition to reduce staff avoided a reduction-in-force action, which would have been extremely traumatic to SSA's employees.

By far, the greatest loss of staff-years occurred for the data review technician position. SSA phased out this position as part of its initiative to automate the retirement and survivors claims process and reduce field office reliance on manual processes. In fiscal year 1985, however, SSA established a new position (untitled) that included 1,964 former service representatives and data review technicians by the end of fiscal year 1990.

Table 2.4 shows the position-by-position changes in field office staff composition for fiscal years 1984-90.

Table 2.4: SSA Field Office Staff Composition (Staff on Duty at End of Fiscal Year)

| Position type | Fiscal year | | Difference 1984-90 | Percent change 1984-90 |
|--|---------------|---------------|-----------------------|------------------------------|
| | 1984 | 1990 | | |
| Administrative | 2,129 | 1,889 | -240 | -11.3 |
| Operations supervisors | 2,608 | 1,993 | -615 | -23.6 |
| Operations analysts | 467 | 380 | -87 | -18.6 |
| Field representatives | 1,081 | 553 | -528 | -48.8 |
| Claims representatives | 13,830 | 14,140 | 310 | 2.2 |
| Data review technicians | 3,959 | 433 | -3,526 | -89.1 |
| Service representatives | 5,120 | 3,446 | -1,674 | -32.7 |
| Clerical | 5,907 | 3,367 | -2,540 | -43.0 |
| Other clerical | 2,254 | 1,165 | -1,089 | -48.3 |
| Special employment | 1,558 | 138 | -1,420 | -91.2 |
| Service representative/data review technician | 0 | 1,964 | 1,964 | |
| Other | 0 | 251 | 251 | |
| Total | 38,913 | 29,719 | -9,194 | -23.6 |

Agency Performance Indicators Show Mixed Results

SSA's performance indicators for work loads show mixed results during the downsizing period. Initial claims payment and process accuracy rates remained stable and processing times decreased for initial claims for the Retirement and Survivors Insurance (RSI) programs. However, processing times increased for Disability Insurance (DI) program claims and for the SSI program. Pending work loads decreased for seven of the nine major ones reported. (See app. I.)

Increased processing times and pending work loads for hearings requests were a persistent service problem during the downsizing period. Hearings requests involve situations in which applicants denied social security benefits request a hearing to reassess potential eligibility. A decline in administrative law judges (from 730 in fiscal year 1985 to 652 in fiscal year 1988) caused much of the backlog problems. To resolve this problem, SSA hired 106 additional judges by December 1990. There has been slight improvement in processing times, but hearing request backlogs continue to increase. For example, pending hearing request work loads increased from 159,000 in fiscal year 1988 to 173,000 in fiscal year 1990. Another pending work load—SSI blind and disabled claims—increased from 169,000 in fiscal year 1984 to 306,000 in fiscal year 1990. Increased processing times at state disability agencies are causing most of the backlog.

SSA managers and employees had expressed concerns to us about their office's performance in its processing of post-entitlement work loads.¹ Our analysis of data on this type of workload shows mixed results. For example, pending work loads of SSI redeterminations of eligibility increased from 53,000 in fiscal year 1985 to over 134,000 in fiscal year 1988—the last year that SSA developed statistics. SSA officials told us the decision to hold back low and medium risk SSI cases from redetermination analysis led to a tripling of this work load.

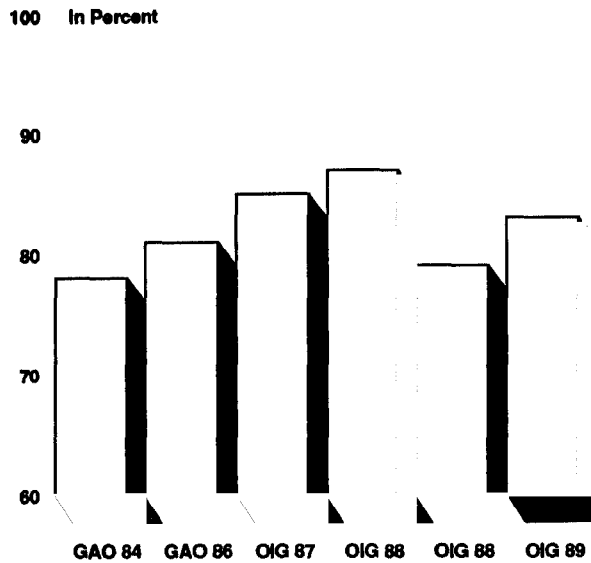
In contrast, SSA's processing times for reports of work and death and notices of changes of address and student benefit status improved during the downsizing period.

¹Social Security: Views of Agency Personnel on Service Quality and Staff Reductions (GAO/HRD-89-37BR, Feb. 10, 1989).

Clients Rate SSA Service Quality Consistently High

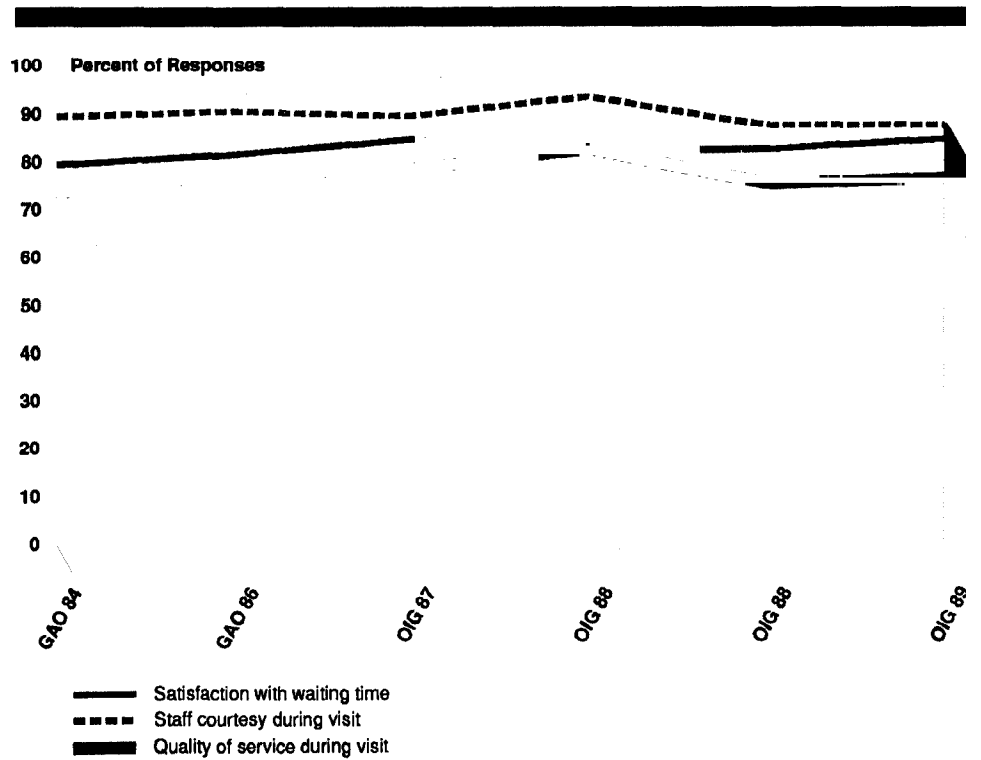
Six separate client surveys conducted during the downsizing period showed that about 4 out of every 5 clients rated SSA's quality of service as good or very good throughout the period. Figure 2.2 shows the overall service rating for each of the surveys conducted between September 1984 and November 1989 by us and the Department of Health and Human Services' Office of the Inspector General (OIG).

Figure 2.2: Clients' Perception of Quality of SSA Service



In responding to the surveys, clients who visited field offices said that SSA employees were usually courteous and did a good to very good job of handling the business and that clients generally waited less time or about as long as they expected before being served. Figure 2.3 compares the responses of clients to these three key questions.

Figure 2.3: Quality of Service During Client Visits



In addition, the surveys indicated that clients who telephoned SSA were satisfied with employees' courtesy and felt that they did a good to very good job handling the phone business. Clients also generally were satisfied with the clarity of SSA mail during the period. Figure 2.4 compares the responses of clients to these three key questions.

Figure 2.4: Satisfaction With Phone Service and Mail Clarity



SSA Employees and Managers Negative About Staff Reductions

Three surveys conducted by GAO and SSA indicate manager and employee dissatisfaction with the staff reductions. Respondents identified staff reductions as the primary factor that the morale and performance of their units declined. Table 2.5 compares these results for the morale question.

Table 2.5: How SSA Managers and Employees Rated Their Units' Morale

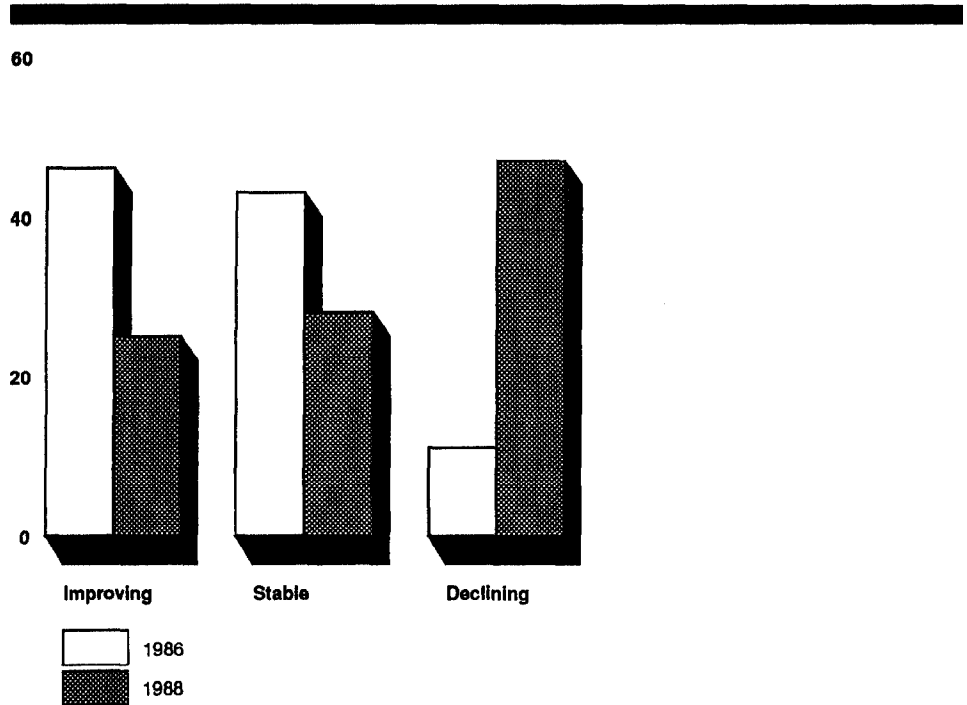
Figures in percent

| Morale | GAO surveys | | | | SSA survey— all supervisor: grade 14 and below 1987 |
|----------------------|-----------------------|------|------------------------|------|--|
| | Field office managers | | Field office employees | | |
| | 1986 | 1988 | 1986 | 1988 | |
| Very high/high | 44 | 23 | 20 | 12 | 21 |
| Neither high nor low | 27 | 33 | 28 | 23 | 11 |
| Low/very low | 29 | 44 | 52 | 64 | 52 |

The GAO surveys asked field office managers to rate their units' performance in providing quality service. The percentage of managers who

said the performance declined quadrupled from the 1986 to the 1988 survey (see fig. 2.5).

Figure 2.5: Field Office Managers' Ratings of Office Performance (1986, 1988)



In the 1988 survey, 91 percent of managers and 79 percent of employees identified staff reductions as a principal factor that contributed to the unit's low morale and declining performance.

In response to managers' concerns with the staff reduction initiative, Commissioner Hardy held "management forums" in 1988 in each of SSA's 10 regions and six program service centers and with headquarters staff in Baltimore. She asked for managers' input on improving SSA's operations and work environment, and appointed a task force to follow up on the recommendations. She published two reports summarizing the SSA actions taken to address managers' concerns. SSA held additional forums in 1989.

The effect of the management forum initiatives is hard to assess. SSA has not conducted a new survey to assess managers' and employees' morale

and the performance of the units since the 1989 forums were held. Present Commissioner King has not held any additional forums.

Access and Accuracy Problems With 800 Phone System

Since its implementation on October 1, 1988, SSA's 800 phone system has experienced intermittent serious access problems, which are partly attributable to higher volumes of phone traffic and understaffing of 800 service during peak periods. SSA's busy signal rates for January, February, and November 1989 and January and February 1990 ranged from 35 to 52 percent. These rates are well above SSA's original goal to keep busy signal rates below 5 percent, which SSA has since revised. In addition, the accuracy rate of answers provided to callers over the 800 system was not as high as SSA initially reported.²

SSA based its decision to operate a new 800 phone system, in part, on our report on its old phone system.³ That report described wide variations in service among phone answering facilities we telephoned during a nationwide test. The report also pointed out the absence of toll-free service for a segment of the population and a lack of good management information on which to judge SSA phone performance.

However, phone call volumes are much higher since the new 800 service began operation. For example, in October 1988, calls answered by the 800 system were about 2 million per month; by fiscal year 1990, those calls had doubled. This is probably attributable to SSA's advertising campaign aimed at promoting the availability of the 800 phone service, as well as the extended coverage offered by the service to other parts of the country.

We testified that given the poor performance of the new 800 system that had been implemented in a portion of the country, there was risk in proceeding with nationwide coverage for the service—namely, that demand for service could exceed capacity.⁴ We suggested that SSA not attempt further expansion of 800 service until it corrected problems with the new system. However, SSA continued to expand the service increasing coverage from 60 to 85 percent of the nation's population.

²Social Security: Service to the Public—Accuracy of the 800 Phone Service (GAO/T-HRD-90-30, May 18, 1990).

³Social Security: Improved Telephone Accessibility Would Better Serve the Public (GAO/HRD-86-85, Aug. 29, 1986).

⁴Social Security: The First 6 Months of 800 Phone Service (GAO/T-HRD-89-15, Apr. 10, 1989).

The heavy use of the 800 service seems to indicate customer interest in this mode of service. A survey conducted by the Department of Health and Human Services OIG in early 1990 showed that 82 percent expressed satisfaction with the telephone service they received; this would include many callers to the 800 system. However, the persistent problems with busy signals has kept the new 800 service from realizing its potential.

We believe that many of the problems associated with busy signals and erroneous answers can be attributed to understaffing of the service. Trying to implement such an aggressive service nationwide during a period of significant agency downsizing may have been ill-advised.

Systems and Procedural Improvement Helped Maintain Service Levels

SSA linked its staff reduction plan to a modernization effort and a variety of other operational improvements expected to yield productivity gains that would sustain a high level of public service with 21 percent fewer FTEs.

Computer Improvements

SSA uses automated systems to carry out most of its basic activities, such as maintaining almost 280 million social security earnings records, issuing social security numbers, and providing information to the Department of the Treasury to pay benefits. It also maintains a nationwide telecommunications network to exchange data between field offices, program service centers, and headquarters. The quality and timeliness of SSA's service to the public depend largely on how well its ADP systems operate.

In 1982, SSA initiated its systems modernization plan to increase its automation of manual work loads, improve service to the public, and reduce the staff-years needed to do its work. It encompassed improvements in software, equipment, and personnel training, and was estimated to cost about \$479 million between 1982 and 1987, the period of the plan. Between 1982 and 1988 SSA actually spent about \$643 million.

The modernization effort has yielded many improvements that have saved time and labor and contributed to better service to the public. For example, conversion of files from tape to disk and development of new software to collect beneficiary claims information have provided field

office employees with on-line information that has enhanced the initial retirement claims process. Software improvements to SSA's enumeration system, which assigns social security numbers, have resulted in quicker issuance of social security cards. SSA has also implemented a new system to make fast payments in emergency situations. Further, according to SSA, it has increased the automation of transactions through its Annual Earnings Recomputation Operations, which have substantially reduced the time it takes to adjust the benefits for retirees.

While these improvements have helped, the existing systems environment still has many technical limitations and inefficiencies that impeded improvements in the quality of services to the public and the efficiency of operations. Consequently staff savings have not met expectations.

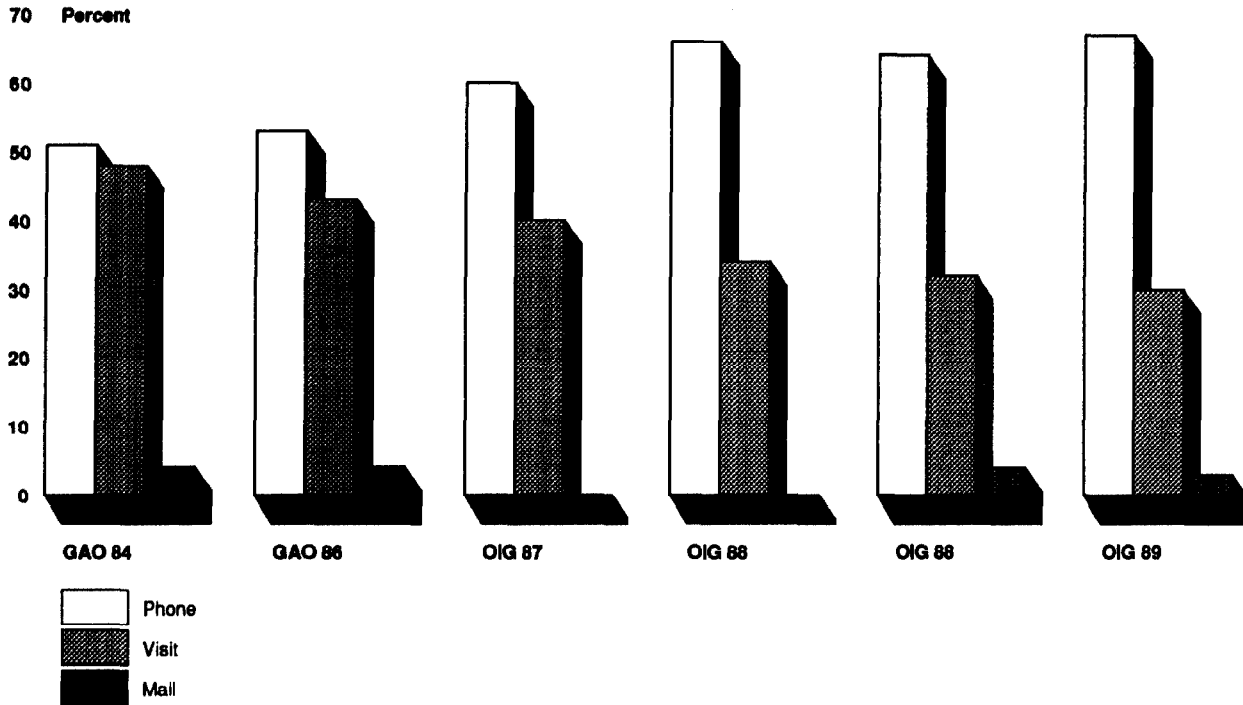
Through fiscal year 1990, SSA has spent over \$1 billion to modernize its computer system. Yet, many major work loads continue to be manual, software improvements for SSI claims and some post-entitlement work loads have not met expectations, and time frames for future automation improvements have been stretched out, some to the late 1990s.

Operational Improvements

Former Commissioner Hardy increased SSA's use of in-office appointments instead of processing most claims on a walk-in basis, and adjusted the office hours of some offices to accommodate the needs of their localities. This reduced waiting times in field offices and helped to even out SSA's work load processing. SSA does not maintain statistics on the percentage of claims processed under the appointment system, but employees and managers estimated that over 40 percent of claims processed in 1988 were on an appointment basis. SSA officials indicated that in-office appointments have increased above the 1988 estimates since the 800 phone system began making the appointments for field offices.

SSA's increasing use of the telephone instead of face-to-face contact has also allowed field offices to process more claims over the telephone. The percentage of RSI initial claims processed by phone increased from 20 percent in fiscal year 1987 to 40 percent in fiscal year 1988. SSA's shifting emphasis on telephone contact can be seen in the responses to the six client surveys. The most recent survey conducted by the OIG in 1989 shows that 67 percent of respondents selected the telephone as the preferred mode of future contact with SSA. (See fig. 2.6.)

Figure 2.6: Preferred Mode of Future Contact



Some Members of Congress believe, however, that SSA has pushed the use of phone contact on the public to the exclusion of face-to-face contact in field offices, thereby abandoning the “customer choice” traditionally associated with SSA service. In an effort to restore public choice, the Congress included a provision in the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508), which requires that SSA list the telephone numbers and addresses of local field offices in the appropriate local telephone directories. To what extent this law may create increased work loads in field offices previously handled by the 800 phone service is unknown.

Adequacy of SSA Current Staffing

A number of emerging issues raise questions regarding the adequacy of SSA’s existing staffing level. As mentioned earlier, the recent legislation requiring that SSA publish the telephone numbers and addresses of local offices may require additional staffing in field offices to accommodate answering phone calls. In addition, the same legislation requires SSA to conduct more extensive investigation of representative payee applicants

and stricter standards for their fitness to represent disabled beneficiaries and recipients. Such an added requirement also has considerable staffing implications.

SSA is asking for staff resources to carry out the Supreme Court decision in the case of *Sullivan v. Zebley*, 110 S.Ct. 885 (1990). This decision calls for SSA to reevaluate childhood disability claims for SSI benefits which could involve about 452,000 cases.

Despite hiring an additional 106 administrative law judges between fiscal year 1988 and December 1990, hearing request backlogs continue to plague the agency. Such a trend may indicate that staffing shortages among Office of Hearing Appeals support staff is a factor contributing to the hearing backlog. In addition, the pending work load of SSI blind and disabled claims has increased to the point that questions arise as to whether sufficient resources are being committed to it.

Because of these emerging staff issues, SSA's fiscal year 1992 budget request asks for an additional 1,258 FTES. This request includes 500 staff-years on a one-time basis to implement the Supreme Court decision on SSI childhood disability claims. However, it is unclear to us whether SSA needs additional staff or whether SSA can redistribute its existing staff resources. As pointed out previously, SSA does not have work load time standards on which to base its staff needs assessments and cannot compare actual to expected performance.⁵ Consequently, SSA cannot accurately determine, at any point in time, what its total staff needs are and cannot perform needed work force planning.

National performance (work load) standards could help SSA management identify and take timely actions on potential problems related to both service delivery and productivity. In 1987, we recommended that SSA develop such standards for its major work loads. As a result, the House Appropriations Committee's report on SSA's 1991 budget encouraged SSA to work with us and report to the Committee on the development of a total work force planning system.

⁵Social Security: Stable Leadership and Better Management Needed to Improve Effectiveness (GAO/HRD-87-39, Mar. 18, 1987).

SSA Performance Indicators for Initial Claims

| | Fiscal year | | | | | | |
|---------------------------------------|-------------|------|------|------|-------|-------|------|
| | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 199 |
| Accuracy rates (percent) | | | | | | | |
| SSI payment | 96.7 | 96.7 | 96.1 | 96.2 | 96.5 | 96.6 | 99. |
| RSI payment | 99.5 | 99.5 | 99.6 | 99.7 | 99.8 | 99.8 | |
| SSI process | 96.7 | 96.7 | 98.0 | 98.1 | a | a | |
| RSI process | 95.3 | 97.1 | 97.1 | 96.7 | a | a | |
| DI process | 94.9 | 96.3 | 96.6 | 94.3 | 94.7 | 94.6 | 94. |
| Processing timeliness (days) | | | | | | | |
| RSI claims | 24.1 | 22 | 21 | 20 | 20.2 | 19.3 | 16. |
| DI claims | 69.7 | 70 | 81 | 74 | 73.7 | 73.7 | 78. |
| SSI aged claims | 15.4 | 12 | 10 | 11 | 11.3 | 13.5 | 16. |
| SSI—blind/disabled claims | 71.4 | 65 | 78 | 77 | 76.8 | 83.4 | 88. |
| Reconsiderations | 50.8 | 53 | 65 | 59 | 55.5 | 59.1 | 62. |
| Hearings | 185.0 | 167 | 172 | 198 | 216.0 | 215.0 | 212. |
| Pending work loads (thousands) | | | | | | | |
| Field offices: | | | | | | | |
| RSI claims | 151 | 155 | 116 | 107 | 105 | 85 | 8 |
| DI claims | 260 | 233 | 277 | 233 | 205 | 214 | 25 |
| SSI—aged claims | 13 | 6 | 5 | 5 | 5 | 5 | |
| SSI—blind/disabled claims | 169 | 218 | 247 | 216 | 222 | 228 | 30 |
| Program service centers: | | | | | | | |
| RSI claims | 92 | 86 | 59 | 67 | 100 | 99 | 7 |
| RSI & SSI overpayments | 55 | 31 | 16 | 19 | 23 | 31 | 2 |
| Office of Disability Operations: | | | | | | | |
| DI claims | 49 | 36 | 19 | 16 | 16 | 20 | 2 |
| Office of Central Records Operations: | | | | | | | |
| Wage Records—RSI/DI | 86 | 58 | 68 | 40 | 19 | 21 | 1 |
| Office of Hearings & Appeals: | | | | | | | |
| Hearings | 108 | 107 | 117 | 148 | 159 | 157 | 17 |

^aData not available.

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Related GAO Products

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