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SOCIAL SECURITY ADMINISTRATION

Strategic Workforce Planning Needed to Address Human Capital Challenges Facing the Disability Determination Services





Highlights of [GAO-04-121](#), a report to the Chairman, Subcommittee on Social Security, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

SSA oversees and fully funds primarily state-operated DDSs that determine whether applicants are eligible for disability benefits. The disability examiners employed by the DDSs play a key role in determining benefit eligibility. This report examines (1) the challenges the DDSs face today in retaining and recruiting examiners and enhancing their expertise; (2) the extent to which the DDSs engage in workforce planning and encounter obstacles in doing so; and (3) the extent to which SSA is addressing present and future human capital challenges in the DDSs.

What GAO Recommends

While acknowledging the difficulties SSA faces in addressing DDS human capital issues within the federal-state context, GAO recommends that SSA improve its workforce planning by:

- Developing a nationwide strategic workforce plan that addresses present and future DDS human capital challenges;
- Establishing uniform minimum qualifications for examiners; and
- Working with DDSs to close gaps between current and required examiner skills.

In its comments, SSA generally agreed with our recommendations' intent but said that we did not fairly or adequately address the many sides of DDS human capital management issues. We continue to believe that the report is fair and balanced and that our scope and methods allowed us to adequately address these issues.

www.gao.gov/cgi-bin/getrpt?GAO-04-121.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robert E. Robertson at (202) 512-7215 or Robertsonr@gao.gov.

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What GAO Found

GAO found—through its survey of 52 of the 54 Disability Determination Service (DDS) directors and interviews with SSA officials and DDS staff—that the DDSs face three key challenges in retaining examiners and enhancing their expertise:

High turnover: Over half of all DDS directors surveyed said that examiner turnover was too high in their offices. We found that examiner turnover was about twice that of federal employees performing similar work. Nearly two-thirds of all directors reported that turnover has increased SSA's hiring and training costs and claims-processing times. And two-thirds of all directors cited stressful workloads and noncompetitive salaries as major factors that contributed to turnover.

Recruiting and hiring difficulties: More than three-quarters of all DDS directors said they had difficulties over a three-year period in recruiting and hiring examiners. Of these, more than three-quarters said these difficulties contributed to increases in claims-processing times, examiner caseload levels, backlogs, and turnover. More than half of all directors reported that state-imposed compensation limits contributed to hiring difficulties.

Gaps in key skills: Nearly one-half of all DDS directors said that at least a quarter of their examiners needed additional training in areas critical to disability decision-making. Over half of all directors cited factors related to high workload levels as obstacles to examiners' receiving additional training.

Despite the workforce challenges facing them, a majority of DDSs do not conduct long-term, comprehensive workforce planning. In prior reports, GAO found that such planning should include key strategies for recruiting, retaining, training, and otherwise developing a workforce capable of meeting long-term agency goals. However, of the DDSs that engage in longer-term workforce planning, a majority have plans that lack such key workforce planning strategies. Directors cited numerous obstacles to long-term workforce planning, such as lengthy state processes to approve DDS human capital changes.

SSA's workforce efforts have not sufficiently addressed current and future DDS human capital challenges. Federal law requires agencies to include in their annual performance plans a description of the human capital strategies needed to meet their strategic goals. However, GAO's review of key SSA planning documents shows they do not include a strategic human capital plan that addresses current and future DDS human capital needs. Thus, SSA does not link its strategic objectives to a workforce plan that covers the very people who are essential to accomplishing those objectives. GAO also found that SSA has not provided human capital assistance in a consistent manner across the DDSs and that SSA's effectiveness in helping the DDSs negotiate human capital changes with the states can be limited by such factors as state budget problems and personnel rules. Finally, SSA has not used its authority to establish uniform human capital standards, such as minimum qualifications for examiners, which would address, on a nationwide basis, some of the DDS challenges.

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Abbreviations

DDS	Disability Determination Service
DE	disability examiners
DI	Disability Insurance
NGA	National Governors Association
OPM	Office of Personnel Management
SDM	single decision-maker
SSA	Social Security Administration
SSI	Supplemental Security Income
VBA	Veterans Benefits Administration

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G A O

Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

January 27, 2004

The Honorable E. Clay Shaw, Jr.
Chairman, Subcommittee on Social Security
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

In 2002, the Social Security Administration's (SSA) Disability Insurance (DI) and Supplemental Security Income (SSI) programs paid about \$74.1 billion to about 8.5 million individuals with disabilities. Under the Social Security Act, SSA oversees and fully funds 54 primarily state-operated Disability Determination Service (DDS) offices that determine whether applicants are eligible for disability benefits. Key to the accuracy and timeliness of these disability determinations are the more than 6,500 disability examiners employed by the DDSs to review medical and vocational evidence and help decide eligibility for disability benefits. The critical role played by the examiners will likely increase in the future, with the projected dramatic growth over the next decade in the number of applications for disability benefits as baby boomers enter their disability-prone years.

In our prior work, we have noted that the DDSs are confronting an impending retirement wave of skilled staff and stiff competition in the labor market for qualified staff.¹ At the same time, SSA is facing problems with the accuracy and timeliness of its disability determinations. Beyond these immediate challenges, the design of SSA's disability programs remains grounded in outmoded concepts of disability that persist despite scientific advances and economic and social changes that have redefined the relationship between impairments and the ability to work. Because other federal disability programs are also not in line with the current status of science and the labor market, we designated modernizing federal disability programs—including SSA's DI and SSI programs—as a high-risk

¹U.S. General Accounting Office, *SSA Customer Service: Broad Service Delivery Plan Needed to Address Future Challenges*, [GAO/T-HEHS/AIMD-00-75](#) (Washington, D.C.: February 10, 2000).

area in 2003.² In September 2003, the Commissioner unveiled her vision of a long-term strategy for improving the disability claims process to enhance timeliness and accuracy of decisions and for testing work incentives and opportunities aimed at helping people with disabilities return to work.³ The success of such a fundamental reorientation of SSA's disability determination process will depend greatly on having the staff with the right skill mixes and areas of expertise available when and where needed. DDS workforces will be a critical component in any future restructuring undertaken by SSA to modernize its disability programs.

In view of the significance of human capital management in the DDSs, this report addresses (1) the challenges the DDSs face today in retaining and recruiting examiners and enhancing their expertise, (2) the extent to which the DDSs engage in workforce planning and encounter obstacles in doing so, and (3) the extent to which SSA is addressing present and future human capital challenges in the DDSs.

To address these issues, we surveyed directors of 52 of the 54 primarily state-operated DDSs.⁴ Our survey included questions about long-term workforce planning, recruiting and hiring, compensation, training and development, and retention of disability examiners. We also collected human capital data from the federal DDS, which provides case-processing assistance to state DDSs during periods of high workload demands, among other responsibilities.

For the purposes of this report, strategic workforce planning is a framework for decision-making that aims to ensure that an organization has the people with the right skills, available when and where needed, to

²U.S. General Accounting Office, *High-Risk Series: An Update*, GAO-03-119 (Washington, D.C.: January 2003).

³Statement of the Honorable Jo Anne B. Barnhart, Commissioner, Social Security Administration: Testimony before the Subcommittee on Social Security of the House Committee on Ways and Means, September 25, 2003.

⁴The 54 DDSs include one in each state and in the District of Columbia, Guam, and Puerto Rico, as well as a DDS for the Blind in South Carolina. We excluded the Guam DDS and the South Carolina DDS for the Blind from the survey, because they each employ only one person. Throughout this report, we refer to the Puerto Rico and the District of Columbia DDSs as state agencies.

respond to change and accomplish the agency's strategic goals.⁵ To be effective, workforce planning must be fully integrated with the agency's mission and goals and must be based on accurate and comprehensive workforce data. While such planning can include a range of programs and strategies, our prior work⁶ has found that the following strategies are key to effective workforce planning, including

- recruiting strategies,
- retention strategies,
- training and professional development strategies,
- compensation strategies,
- performance expectation and evaluation strategies,
- employee-friendly workplace strategies,
- succession planning and strategies for maintaining expertise in the long term, and
- contingency plans, in the event that resource levels do not meet expectations.

In addition, we reviewed relevant documents, including SSA laws, regulations, and procedures, and other pertinent laws. We also obtained and analyzed human capital data from DDSs, SSA, and other federal agencies. We interviewed disability examiners and their managers at two DDSs to gain an in-depth understanding of the issues related to our objectives. We also visited three SSA regional offices, interviewing officials who are responsible for DDS management assistance and serve as liaisons between SSA regional offices, the DDSs, and their respective state governments. In addition, we interviewed SSA officials at headquarters and a variety of key stakeholders such as officials of the National Council of Disability Determination Directors, the National Association of Disability Examiners, and staff of the Social Security Advisory Board. We performed our work in accordance with generally accepted government auditing standards between September 2002 and October 2003. For more details about our scope and methods, see appendix I. For a copy of our survey, see appendix II.

⁵The Government Performance and Results Act established a planning time horizon of at least five years for agency strategic plans. We have reported that the act's strategic planning requirements provide a useful framework for agencies to integrate their human capital strategies with their strategic and programmatic planning. See U.S. General Accounting Office, *High-Risk Series: An Update*, [GAO-01-263](#) (Washington, D.C.: January 2001).

⁶[GAO-01-263](#).

Results in Brief

DDSs face three key challenges in retaining examiners and enhancing their expertise: (1) high turnover, (2) recruiting and hiring difficulties, and (3) gaps in key knowledge and skills:

- **High turnover.** Results from GAO's survey of 52 DDSs show that over half of all DDS directors surveyed said that examiner turnover was too high in their offices. We also found that examiner turnover was about twice that of federal employees performing similar work. Nearly two-thirds of all directors reported that turnover has increased SSA's hiring and training costs, decreased overall staff skill levels, and increased claims-processing times. In addition, two-thirds of all DDS directors cited stressful workloads and noncompetitive salaries as major factors that contributed to turnover.
- **Recruiting and hiring difficulties.** More than three-quarters of all DDS directors (43) reported experiencing difficulties over a three-year period in recruiting and hiring enough people who could become successful examiners. Of these directors, more than three-quarters reported that such difficulties contributed to increases in claims-processing times, examiner caseload levels, backlogs, and turnover. In addition, more than half of all directors reported that state-imposed compensation limits contributed to these hiring difficulties, and more than a third of all directors attributed hiring difficulties to other state restrictions, such as hiring freezes.
- **Gaps in key knowledge and skills.** Nearly one-half of all DDS directors said that at least a quarter of their examiners need additional training in areas critical to disability decision-making, such as assessing symptoms and credibility of medical information, weighing medical opinions, and analyzing a person's ability to function. Over half of all directors cited factors related to high workload levels that limit trainer and trainee time as obstacles to examiners' receiving additional training.

Despite the workforce challenges facing the DDSs, data from our survey show that the majority of DDSs do not undertake long-term, comprehensive workforce planning, citing numerous obstacles to doing so. More than half of all the DDSs have workforce planning time horizons of less than two years. Moreover, among the DDSs that engage in workforce planning that is longer-term than one year, the majority have plans that lack key workforce planning strategies, such as those for recruiting, retention, or succession planning. The directors who report that they do not engage in workforce planning that is longer-term than one year instead mainly rely on SSA's annual budget process for their workforce planning, even though GAO's research shows that the budget process does not constitute comprehensive workforce planning.

Moreover, over half of all the DDSs do not make projections of retirements and other separations. DDS directors cited a number of obstacles that made long-term workforce planning more difficult than it would be otherwise. For example, two-thirds of all DDS directors reported that long-term planning is made more difficult by inconsistencies between state and SSA human capital policies and uncertainties about future resource levels from SSA. Further, three-quarters of all directors said that they had insufficient time to attend to future problems because of the need to focus on current human capital challenges.

SSA's workforce efforts have not sufficiently addressed present and future DDS human capital challenges. The Government Performance and Results Act now requires agencies to include in their annual performance plans a description of the human capital strategies needed to meet their strategic goals. However, GAO's review of SSA's planning documents shows that neither SSA's strategic plan, nor its annual performance plan, nor its workforce plan contains a strategic human capital plan that addresses current and future DDS human capital needs. Thus SSA does not link its strategic objectives (such as making the right decision in the disability process as early as possible) to a workforce plan that covers the very people who are essential to accomplishing those objectives. In addition, one-half or more of DDS directors reported being dissatisfied with the adequacy of training that SSA provides to the DDSs in a number of key knowledge and skill areas. Beyond training, an analysis of GAO's survey data shows that SSA has not provided other human capital assistance in a consistent manner across the DDSs. For example, of the DDS directors who reported wanting help from SSA with negotiating human capital changes with the states (for example, in negotiating salary increases for examiners), more than half (24 DDSs) said that they had not received it. Moreover, more than half of the DDS directors who received such assistance (11 DDSs) said it was of limited effectiveness. Regional office officials and DDS directors explained in interviews, however, that the effectiveness of SSA and its regional offices in providing such help can be limited by such factors as state budget problems, political concerns, and personnel rules. Finally, SSA has not used the statutory authority it has to establish uniform human capital standards, such as minimum qualifications for disability examiners, which would address, on a nationwide basis, some of the human capital challenges facing the DDSs. The agency has instead allowed the states to retain maximum flexibility in the human capital management arena, citing potential difficulties inherent in changing the federal-state relationship. For example, some SSA officials expressed concern that states might perceive the establishment of uniform human capital standards as an unwelcome federal intrusion into state

operations. While acknowledging these and other significant difficulties, several DDS and SSA officials interviewed by GAO expressed the view that uniform standards could help address the human capital challenges confronting the DDSs.

GAO is making several recommendations in this report to the Commissioner of Social Security to improve SSA's strategic workforce planning to address present and future human capital challenges facing the DDSs. These recommendations include that SSA work in partnership with the DDSs to develop a nationwide strategic workforce plan to address present and future human capital challenges facing the DDSs, establish uniform minimum qualifications for new examiners, and work with the DDSs to close gaps between current and required examiner skills. In commenting on a draft of this report, SSA officials generally agreed with the intent of our recommendations but stated that the report does not fairly address or adequately discuss the many sides of DDS human capital management issues. In particular, SSA criticized some of our study's methods and expressed concern that we did not sufficiently acknowledge the difficulties involved in making changes to the federal-state relationship. For example, SSA said that we relied heavily on opinions of DDS directors and that we did not sufficiently acknowledge the attitudes of the states toward modifying federal regulations to establish uniform human capital standards and the complexities involved. We surveyed DDS directors because they are some of the most knowledgeable respondents about human capital challenges facing their organizations. But in addition to our survey, we gathered information from a variety of sources, including site visits to three SSA regional offices, interviews with SSA officials at headquarters, and analyses of human capital data. In addition, our report acknowledged the difficulties SSA has encountered in convincing the DDSs to comply with SSA guidelines on personnel issues and stressed that establishing uniform qualifications for examiners will be difficult. But we maintain that, despite such difficulties, as the agency with fiduciary responsibility for administering multibillion dollar disability programs that are nationwide in scope, SSA is obligated to address the human capital challenges facing the DDSs. We continue to believe that the report presents a fair and balanced portrayal of the multifaceted issue of human capital management in the DDSs. Our summary evaluation of the agency's comments begins on page 44. SSA's comments and our responses are provided in full in appendix IV.

Background

The DI and SSI programs are the two largest federal programs providing cash assistance to people with disabilities. The DI program, established in 1956 by the Social Security Act, provides monthly cash benefits to workers with disabilities (and their dependents and survivors) whose employment history qualifies them for disability benefits. In 2002, SSA paid about \$55.5 billion in DI benefits to 5.5 million workers with disabilities (age 18 to 64).⁷ SSI is a means-tested income assistance program created in 1972 that provides a financial safety net for individuals who are aged or blind or have other disabilities and who have low income and limited resources. Unlike the DI program, SSI has no prior work requirement. In 2002, SSA paid about \$18.6 billion in SSI federal benefits to about 3.8 million people with disabilities (age 18 to 64).

SSA's Disability Determination Process

To be considered eligible for benefits for either SSI or DI as an adult, a person must be unable to perform any substantial gainful activity by reason of a medically determinable physical or mental impairment that is expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. Work activity is generally considered to be substantial and gainful if the person's earnings exceed a particular level established by statute and regulations.⁸

To obtain disability benefits, a claimant must file an application online, by phone or mail, or in person at any of SSA's field offices.⁹ If the claimant meets the non-medical eligibility criteria, the field office staff forwards the claim to the appropriate DDS office. DDS staff—generally a team composed of disability examiners and medical consultants—obtains and reviews medical and other evidence as needed to assess whether the claimant satisfies program requirements, and makes the initial disability determination. If the claimant is not satisfied with the decision, the

⁷DI beneficiaries with low income and assets can also receive SSI benefits. Of the 5.5 million DI beneficiaries, about 800,000 also received SSI in 2002.

⁸The Commissioner of Social Security has the authority to set the substantial and gainful activities level for individuals who have disabilities other than blindness. In December 2000, SSA finalized a rule calling for the annual indexing of the nonblind level to the average wage index of all employees in the United States. The 2004 nonblind level is set at \$810 a month. The level for individuals who are blind is set by statute and is also indexed to the average wage index. In 2004, the level for blind individuals is \$1,350 of countable earnings.

⁹SSA permits DI, but not SSI, applicants to file for benefits online.

claimant may ask the DDS to reconsider its finding.¹⁰ If the claimant is not satisfied with the reconsideration, the claimant may request a hearing before one of SSA's federal administrative law judges in an SSA hearing office. If the claimant is still dissatisfied with the decision, the claimant may request a review by SSA's Appeals Council.¹¹

The Federal-State Relationship

The 1954 amendments to the Social Security Act specified that disability determinations would be made by state agencies under individual contractual agreements with SSA. Under these agreements, SSA's primary role was to fund the states' disability operations. However, following criticism from GAO and others about the quality and uniformity of the disability determination process, Congress amended the Social Security Act in 1980 to strengthen SSA management of the disability programs and allow greater SSA control and oversight of the DDSs. The 1980 amendments directed SSA to issue regulations specifying performance standards and administrative requirements to be followed to assure effective and uniform administration of disability determinations across the nation.¹²

The regulations issued by SSA, which established the current federal-state relationship, allow SSA to remove the disability determination function from a state if the DDS fails to make determinations that meet thresholds for performance accuracy and processing time.¹³ SSA's regulations give DDSs maximum managerial flexibility in meeting the performance standards, allowing them to retain substantial independence in how they

¹⁰In 2002, the DDSs made 2.3 million initial disability determinations and over 484,000 reconsiderations. In September 2003, the Commissioner testified before the House Committee on Ways and Means, saying that she intended to revise the disability determination process. For example, she proposed eliminating the reconsideration and the Appeals Council stages of the current process.

¹¹If the claimant is not satisfied with the Appeals Council decision, the claimant may appeal to a federal district court. The claimant can continue legal appeals, as needed, to the U.S. Circuit Court of Appeals and ultimately to the Supreme Court of the United States.

¹²See Pub. L. No. 96-265, Sec. 304(a) (1980).

¹³See 20 C.F.R. Sec. 404.1503(a) and 416.903(a) (2003).

manage their workforce.¹⁴ For example, under the regulations, the DDSs are to follow state personnel standards in selection, tenure, and compensation of DDS employees.¹⁵

As employees of the state, DDS staff are subject to the rules and regulations of each state's individual personnel classification system. Classification systems generally categorize positions on the basis of job responsibilities and the knowledge, skills, and competencies required to perform them. Within a classification system, a group of positions that have sufficiently similar responsibilities are put in the same class. Arranging positions in classes with common levels of difficulty and responsibility makes it possible to set ranges of compensation for whole classes of jobs across multiple state agencies. Specifying the responsibilities of each position also allows the state to identify and develop effective hiring qualifications, promotion criteria, and training requirements. The development and operation of such a classification system depend upon the adequacy of information about individual positions.

Description of the DDSs and the Disability Examiner Position

Within the federal-state relationship, each DDS reports to its own state government, usually to a parent agency such as the state vocational rehabilitation agency.¹⁶ DDS staff generally include a variety of positions, such as medical consultants, vocational specialists, quality assurance personnel, as well as disability examiners. The number of disability examiners varies substantially among the DDSs. Data from our survey show that the number of full-time permanent examiners in each DDS ranged from 9 to 529 at the end of fiscal year 2002. Our prior work has found that the examiner's job—which involves working with medical consultants to determine impairment severity, ability to function, and disability benefit eligibility—requires considerable expertise and

¹⁴In the preamble to these regulations, SSA stated that it did not define DDS administrative requirements in detail and instead elected to regulate only to the extent necessary to ensure effective and uniform administration of the disability program. (46 Fed. Reg. 29,190, 29,198 (1981)). SSA also stated that, overall, the states supported the agency's proposed regulatory approach. (*Id.* at 29,196.)

¹⁵The regulations also encourage the states to refrain from imposing state personnel freezes and restrictions against overtime work on the DDSs to the extent possible. See 20 C.F.R. Sec. 404.1621(b) and 416.1021(b).

¹⁶Our survey data show that 50 out of 52 DDSs report to a state parent agency, and among these, 28 DDSs report to the state's vocational rehabilitation agency.

knowledge of complex regulations and policies.¹⁷ And according to the Social Security Advisory Board, changes in agency rules and in the types of disability claims received by the DDSs have made disability decision-making more subjective and difficult.¹⁸ In addition, as part of its efforts to reduce claims-processing times, SSA has been testing a new disability examiner position called the single decision-maker (SDM), which would expand an examiner's authority to independently decide claimants' eligibility for benefits.¹⁹ 20 DDSs are testing this new position.

Qualification requirements for new examiner hires vary substantially among the states. While five DDSs require a master's or a registered nursing degree for certain new examiner hires, figure 1 shows that over one-third of all DDSs can hire new examiners with either a high school diploma or less.²⁰ In addition, data show that examiners in nearly one-half of all DDSs are covered by union agreements, and issues related to compensation levels, hiring and promotion procedures, and weekly hours worked are open to union negotiation in the majority of these DDSs.

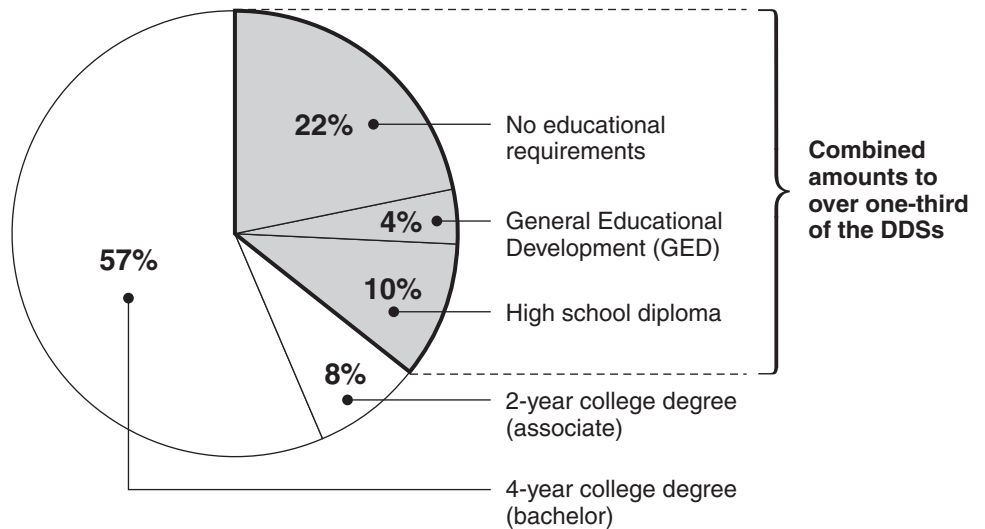
¹⁷See [GAO/T-HEHS/AIMD-00-75](#).

¹⁸For example, due to changes in agency rules, examiners must now adhere to more complex requirements regarding such matters as determining the weight that should be given to the opinion of a treating source and making a finding as to the credibility of claimants' statements about the effect of pain on functioning. See Social Security Advisory Board, *Agenda for Social Security: Challenges for the New Congress and the New Administration* (February 2001).

¹⁹Expansion of an examiner's authority would bypass the current need for a medical consultant to certify the decision unless the law mandates otherwise. Medical consultants are required to certify all SSI childhood disability claims and all less than fully favorable decisions on DI and SSI claims involving an indication of a mental impairment.

²⁰Some DDSs may have higher educational requirements for some applicants or may use standards other than, or in addition to, education—such as relevant skills, previous equivalent experience, or some type of selection examination for which a qualifying score or ranking is needed for hiring eligibility. The minimum education requirements shown in this figure do not necessarily reflect the actual credentials of DDS examiners hired by the DDSs. For example, one DDS director explained in an interview that, despite the lack of any educational requirements for new examiner hires in the state, most examiners employed by the DDS had four-year college degrees, and several had masters' degrees.

Figure 1: Percentage of DDSs by Type of Minimum Education Requirement for New Disability Examiners



Source: GAO analysis of responses to its survey of DDS directors, April 2003.

Note: These figures represent the lowest possible educational level a DDS requires for a new examiner, regardless of the type of applicant for the job. Data provided in the figure do not add to 100 percent due to rounding. One DDS did not answer this question.

To enhance the skills of both new and experienced examiners, SSA provides a number of optional training tools to the DDSs, including written materials covering new examiner basic training, interactive video programs supplementing basic training and providing refresher training and updates on policy changes, and materials and presentations provided by the regional offices and SSA headquarters. However, states have primary responsibility for training examiners, and many DDSs adapt or supplement SSA’s training to meet their examiners’ training needs. DDSs generally provide new examiners with SSA’s basic examiner training, followed by extensive on-the-job training, including mentoring by experienced examiners who guide the less experienced examiners in becoming more proficient in the disability claims process. New hires generally are not considered fully proficient until after one to two years of experience.

The DDSs’ ability to hire examiners is affected by both SSA and state government funding decisions and hiring policies. SSA determines the funding available for each DDS and advises the DDSs about the number of full-time equivalent staff supported by this funding, and SSA adjusts these levels throughout the fiscal year based on workload fluctuations and

funding availability. Normally SSA allows DDSs to replace staff who leave the DDS as long as they remain within authorized staffing levels, but for over half of fiscal year 2003, SSA froze DDS hiring, preventing DDSs from hiring new examiners or replacing those who had left. SSA officials told us that the temporary freeze was necessary to ensure that SSA's expenditures did not exceed authorized levels and to avoid future layoffs of DDS staff.²¹

DDSs also have experienced state government hiring restrictions in recent years. Despite full federal funding, under the current federal-state relationship, DDSs generally cannot spend funds for new personnel without the approval of their state governments. States currently are facing severe budget crises, causing them to cut their payrolls for most state government functions. When states use methods such as hiring freezes, reductions in force, and early retirement incentives to limit spending on state employee payrolls, these policies sometimes prevent DDSs from hiring and retaining examiners at levels authorized by SSA.

Modernizing Federal Disability Programs Designated as a High-Risk Area

In earlier reports, we have noted that SSA's disability determination process is mired in concepts from the past and needs to be brought into line with the current state of science, medicine, technology, and labor market conditions.²² With other federal disability programs similarly structured around outmoded concepts, we designated modernizing federal disability programs—including SSA's DI and SSI disability programs—as a high-risk area in 2003.²³ (See appendix III for a list of GAO reports on modernizing federal disability programs.) We made this designation owing in part to SSA's (1) outmoded concepts of disability, (2) lengthy processing times, and (3) decisional inconsistencies:

- **SSA's outmoded concepts of disability.** While technological and medical advances and societal changes have increased the potential for some people with disabilities to participate in the labor force, few DI and SSI beneficiaries leave the disability rolls to work. Our prior work shows that, unlike some private sector disability insurers and social insurance systems in other countries, SSA does not incorporate into its disability

²¹SSA officials said the agency's policy was to avoid layoffs of DDS employees.

²²See, for example, U.S. General Accounting Office, *SSA and VA Disability Programs: Re-Examination of Disability Criteria Needed to Help Ensure Program Integrity*, [GAO-02-597](#) (Washington, D.C.: August 9, 2002).

²³[GAO-03-119](#).

eligibility assessment process an evaluation of what is needed for an individual to return to work.²⁴ These private insurers and other social insurance systems have access to staff with a wide range of expertise to apply, not only in making eligibility decisions, but also in providing return-to-work assistance. We have recommended that SSA develop a comprehensive return-to-work strategy that integrates earlier identification of work capacities and the expansion of such capacities by providing return-to-work assistance for applicants and beneficiaries. Adopting such a strategy is likely to require fundamental changes to the disability determination process, as well as changes to staff skill mixes and areas of expertise.

- **Lengthy processing times for disability claims.** The disability claims process can be lengthy, with many individuals who appeal SSA's initial decision waiting a year or longer for final decisions on their benefit claims. According to SSA, a claimant can wait as long as 1,153 days from initial claim through a decision from the Appeals Council. As one means of reducing its claims-processing time, SSA aims to eliminate backlogs for initial disability claims, hearings, and appeals by 2008. Nevertheless, growth in the disability claims workload is likely to exacerbate SSA's claims-processing challenges: SSA expects the DI rolls to grow by 35 percent between 2002 and 2012.²⁵
- **Inconsistencies in disability decisions.** SSA has had difficulty ensuring that decisions regarding a claimant's eligibility for disability benefits are accurate and consistent across adjudicative levels and locations, raising questions about the fairness, integrity, and cost of these programs.²⁶ For example, the Social Security Advisory Board has shown wide variances among the DDSs in rates of allowances and denials of disability benefits.²⁷ The Advisory Board has cited differences in state-established personnel policies such as salaries, training, and qualifications of disability examiners across the DDSs, along with state economic and demographic

²⁴GAO-01-153.

²⁵Social Security Administration, *Strategic Plan 2003-2008*.

²⁶The cost of administering the DI and SSI programs reflects the demanding nature of the process. Although SSI and DI program benefits account for less than 20 percent of the total benefit payments made by SSA, they consume nearly 55 percent of SSA's annual administrative resources.

²⁷Social Security Advisory Board, *Charting the Future of Social Security's Disability Programs: The Need for Fundamental Change* (Washington, D.C.: January 2001).

differences, as some of the key factors that may affect the consistency of disability decision-making.²⁸

SSA's New Long-Term Strategy for Improving Its Disability Programs

The Commissioner's September 2003 testimony sets forth her long-term strategy for improving the timeliness and accuracy of the disability claims process and fostering return to work for people with disabilities. For example, to speed decisions for some claimants, the Commissioner intends to initiate an expedited decision for claimants with more easily identifiable disabilities, such as aggressive cancers. Under this new approach, special units located primarily in SSA's regional offices would handle the expedited claims, leaving DDS examiners responsible for evaluating the more complex claims. The Commissioner's strategy also aims to increase decisional accuracy by, among other approaches, requiring DDS examiners to develop more complete documentation of their disability determinations, including explaining the basis for their decisions. Beyond steps to improve the timeliness and accuracy of the process, the Commissioner also plans to conduct several demonstrations aimed at helping people with disabilities return to work by providing work incentives and opportunities earlier in the disability process.

In addition, to improve the disability decision process, the Commissioner has implemented some shorter-term remedies while developing her longer-range strategies. For example, SSA is accelerating its transition to an electronic disability claims folder, through which the DDSs, the field offices, and the Office of Hearings and Appeals are to be linked to one another. The folder is being designed to transmit case file data electronically from one claims-processing location to another and to serve as a data repository—storing documents that are keyed in, scanned, or faxed. According to the Commissioner, successful implementation of the electronic folder is essential for improving the disability process. In our prior work, we have cautioned SSA to ensure that it has the right mix of skills and capabilities to support this major technological transition.²⁹

²⁸Social Security Advisory Board, *Disability Decision-Making: Data and Materials* (Washington, D.C.: January 2001).

²⁹U.S. General Accounting Office, *Major Management Challenges and Program Risks: Social Security Administration*, [GAO-03-117](#) (Washington, D.C.: January 2003).

Strategic Human Capital Management Designated a High-Risk Area

Recognizing the importance of people to the success of any organization in managing for results, GAO designated strategic human capital management a government-wide high-risk area in 2001.³⁰ In prior reports on this high-risk area, we identified strategic workforce planning as essential to effective performance and stated that it should be a priority of agency leaders.³¹ We also noted that effective workforce planning must be fully integrated with an agency's mission and program goals and be based on accurate and comprehensive workforce data. We recently identified a few key principles for strategic workforce planning.³² These principles include

- involving top management, employees, and other key stakeholders in developing, communicating, and implementing the workforce plan;
- determining the critical skills and competencies needed to achieve current and future program goals, and developing strategies to fill identified gaps;
- building the capability necessary to address administrative, educational, or other requirements to support the workforce strategies; and
- monitoring and evaluating progress in meeting workforce goals and how well the workforce plan has contributed to reaching overall program goals.

Congress has additionally recognized the importance of workforce planning and, in 2002, added to the Government Performance and Results Act a provision requiring agencies to include human capital strategies needed to meet their strategic goals in their annual performance plans.³³ We have found that high-performing organizations use workforce planning as a management tool to develop a compelling case for human capital investments and to anticipate and prepare for upcoming human capital

³⁰GAO-01-263.

³¹GAO-01-263 and U.S. General Accounting Office, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: December 11, 2003).

³²GAO-04-39.

³³See 31 U.S.C. Sec. 1115(a)(3) and (f) (2003).

issues that could jeopardize accomplishment of the organizations' goals.³⁴ (See appendix III for a list of GAO reports on human capital management.)

DDSs Face High Turnover, Recruiting and Hiring Difficulties, and Gaps in Key Knowledge and Skill Areas

The DDSs face several key challenges in retaining disability examiners and enhancing their expertise: high turnover, difficulties in recruiting and hiring, and gaps in key knowledge and skill areas. The DDSs are experiencing high and costly turnover of examiners, which data from our survey show is fostered in part by stressful workloads and noncompetitive salaries. DDSs need to recruit and hire sufficient numbers of qualified new examiners to fill the vacancies resulting from the high turnover. Yet more than three-quarters of DDS directors reported recruiting and hiring difficulties. Directors said such difficulties were due in part to state-imposed personnel restrictions, such as state limits on examiner salaries and hiring. Finally, directors reported that many examiners need additional training in key analytical areas that are critical to disability decision-making, including assessing credibility of medical information, evaluating applicants' symptoms, and analyzing applicants' ability to function.

DDSs Face High and Costly Turnover Fostered by Stressful Workloads and Noncompetitive Salaries

Over half of all DDS directors responding to our survey said that examiner turnover in their offices was too high. Our analysis of data from our survey and from federal agencies shows that, over fiscal years 2000 through 2002, DDS examiner turnover was about twice that of Veterans Benefits Administration (VBA) disability examiners with responsibilities similar to those of DDS examiners.³⁵ For example, DDS examiner turnover averaged 13 percent over fiscal years 2000 to 2002, compared with 6 percent for VBA

³⁴U.S. General Accounting Office, *A Model of Strategic Human Capital Management*, [GAO-02-373SP](#) (Washington, D.C.: March 15, 2002).

³⁵VBA employs 5,000 disability claims examiners, called veterans service representatives (VSRs) and ratings veterans service representatives (RVSRs), in 57 offices covering each state. Because the Office of Personnel Management's Central Personnel Data File groups both positions together, our comparisons include both groups. Both positions have certain responsibilities similar to those of DDS examiners. For example, RVSRs and DDS examiners are responsible for analyzing disability claims to determine disability benefit eligibility. Moreover, VSRs and DDS examiners are responsible for investigating disability claims and serving as the primary contact for claimants and health providers. However, when compared with the DDS examiner, RVSRs have the additional responsibility of determining whether claimants' impairments are related to their military service, and VSRs have the added task of conducting initial interviews with applicants. In this report, we are referring to both RVSRs and VSRs as VBA examiners.

disability examiners. (See table 1.) In addition, during the same period, the turnover rate of DDS examiners was substantially greater than that of all SSA employees as well as that of all federal government employees.³⁶ DDS examiner turnover has been even higher among new hires: turnover of examiners hired in fiscal year 2001 was 25 percent, compared with 14 percent among all DDS examiners.³⁷ Moreover, while it is typical for new hires to leave at higher rates than other employees, turnover of new DDS examiners was considerably higher than that of new VBA examiners, new SSA employees, and all new federal government employees in fiscal years 2000 and 2001.

Table 1: Turnover Rates for DDS Examiners, VBA Examiners, SSA Employees, and All Federal Employees

Fiscal year	National turnover rates ^a							
	Experienced staff and new hires ^b				New hires only ^c			
	DDS examiners	VBA examiners	SSA employees	All federal employees	DDS examiners	VBA examiners	SSA employees	All federal employees
2000	15%	5%	6%	8%	31%	19%	16%	24%
2001	14	6	5	7	25	18	14	21
2002	12	7	5	7	^d	^d	^d	^d
Average ^e	13	6	5	7	28	18	15	22

Source: GAO analysis of data from our survey of DDS directors, April 2003, and from the U.S. Office of Personnel Management's Central Personnel Data File.

^aThe calculation of the annual turnover rate and the new hire turnover rate for SSA and VBA examiners included transfers to other agencies within the federal government, but such transfers were not included in the turnover rate calculation for federal employees government-wide. In addition, some DDSs did not provide complete turnover data for all three years. The fiscal year 2000 turnover rate for experienced DDS staff is based on data from 47 DDSs; the fiscal year 2001 rate is based on data from 49 DDSs; and the fiscal year 2002 rate is based on data from 52 DDSs. The average turnover rate accounts for these differences in number of DDSs and total employees across years.

^bWe based our calculation of the annual turnover rate for DDS examiners, VBA examiners, and SSA employees on the total number of retirements and other separations during a fiscal year, divided by the average number of permanent employees. We calculated the number of permanent employees by averaging the total number employed at the beginning and the end of the fiscal year.

^cWe based our calculation of the yearly new hire turnover rate on the total number of new hires separating in the fiscal year following their year of hire, divided by the total number hired in that year.

³⁶We were unable to obtain data on turnover rates of private sector employees who perform work similar to that of DDS examiners that was comprehensive enough to allow valid comparisons. We were also unable to obtain recent data on the turnover rates of state employees other than DDS employees.

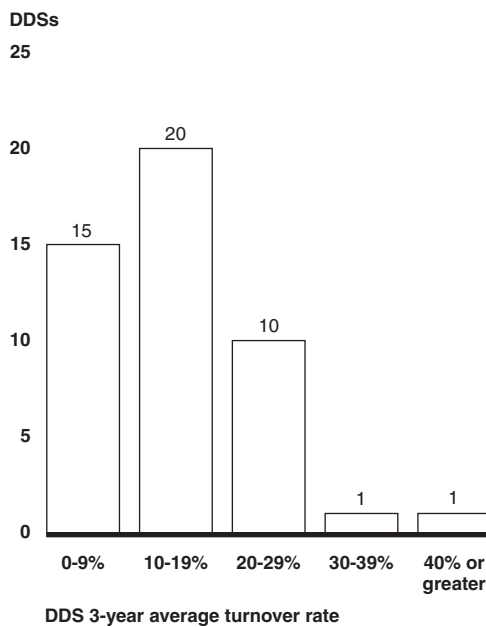
³⁷According to human resource experts, it is typical for new employees to leave at higher rates than all other employees. See U.S. General Accounting Office, *Veterans Benefits Administration: Better Collection and Analysis of Attrition Data Needed to Enhance Workforce Planning*, GAO-03-491 (Washington, D.C.: April 28, 2003).

^dNo data available.

^eAverage turnover rates for experienced staff and new hires are based on fiscal years 2000, 2001, and 2002. Average turnover rates for new hires only are based on fiscal years 2000 and 2001.

Our survey results also show that examiner turnover is particularly high in some DDSs. An examination of three-year averages (fiscal years 2000 to 2002) of DDS turnover rates showed that one DDS had a turnover rate of 43 percent, and a quarter of the DDSs had turnover rates of 20 percent or greater. (See fig. 2.)

Figure 2: Three-Year Average Examiner Turnover Rates for Individual DDSs (Fiscal Years 2000 to 2002)



Sources: GAO analysis of survey of DDS directors, April 2003, and GAO analysis of OPM's Central Personnel Data File.

Note: Three-year average turnover rates are based on data from 47 DDSs. Five DDSs did not provide turnover data for all three fiscal years (2000, 2001, and 2002). The highest three-year turnover rate was 43 percent.

When we asked DDS directors in our survey about the consequences of turnover, they told us that examiner turnover increased hiring and training costs and hindered claims processing by decreasing overall examiner skill

levels, and increasing examiner caseloads, claims-processing times, and backlogs, as follows:³⁸

- **Increased hiring and training costs.** Nearly two-thirds of all DDS directors reported in our survey that turnover had increased SSA's recruiting, hiring, or training costs. Directors and other DDS officials explained in interviews why these costs had increased as a result of turnover. Some DDS directors said that they must invest time in reviewing applications, interviewing candidates, and making hiring decisions. They also said they have to provide inexperienced new hires with 12 to 18 months of extensive training and mentoring. SSA estimates the cost of turnover of its own employees at 1.5 times average annual salary. Using this rate, we estimate that the cost of DDS examiner turnover in fiscal year 2002 was in the tens of millions of dollars.
- **Decreased overall examiner skill levels.** Two-thirds of all DDS directors reported that losses of experienced staff due to turnover have decreased overall examiner skill levels. While SSA officials told us that one to two years of experience is generally required to become proficient in the examiner role, our survey data show that, in two-thirds of the DDSs, at least a quarter of examiners had two years or less experience at the end of fiscal year 2002.
- **Increased examiner caseloads.** Nearly two-thirds of all DDS directors we surveyed said turnover had increased examiner caseload levels. DDS directors and SSA officials explained in interviews and survey comments that the caseloads of examiners who leave the DDS have to be redistributed among those who remain. Some directors told us that these higher caseloads created a more stressful work environment for the remaining employees.
- **Increased claims-processing times and backlogs.** Our survey results showed that over one-half of all directors said that turnover had increased DDS claims-processing times and backlogs. DDS directors and SSA officials we spoke with explained that turnover increased claims-processing times because new examiners hired to fill vacancies are less productive due to their inexperience and time spent in training. These officials also told us that the productivity of experienced staff is lowered while they are training and mentoring the new examiners. SSA itself

³⁸We categorized these conditions as consequences of turnover if directors reported that they had occurred to a moderate to very great extent as a result of turnover.

acknowledged the potential impact on service in a 2001 internal document. This document noted that the need to replace retiring managers, by drawing from an examiner pool already diminished by turnover, would further reduce the examiner ranks and exacerbate the challenge of processing the growing claims workload. In addition, we noted in a prior report that a majority of DDS directors expressed the view that examiner turnover is likely to jeopardize their ability to complete periodic reviews of beneficiaries' disability status, known as continuing disability reviews, potentially contributing to backlogs of these reviews.³⁹

When we asked DDS directors about causes of examiner turnover, more than two-thirds identified each of the following as contributing factors: (1) large examiner caseloads along with workplace stress, high production expectations, and highly complex work and (2) noncompetitive pay.⁴⁰

- **High caseloads, stress, production expectations, and highly complex work.** Over two-thirds of all DDS directors identified large examiner caseloads, a stressful workplace, high production expectations for the number of cases completed, and the highly complex nature of the work as factors contributing to examiner turnover. DDS directors explained in interviews that the combination of growth in the claims workloads and increasingly complex examiner responsibilities is making the examiner position more challenging and stressful. DDS directors also noted in our survey and in interviews that insufficient staffing had increased the caseloads and stress levels of their examiners. Nearly 9 out of 10 DDS directors surveyed reported that the number of examiners in their DDSs had not been sufficient for their workload in at least one of the past three fiscal years, and nearly all of these directors said that this understaffing had resulted in a more stressful work environment.
- **Noncompetitive pay.** Two-thirds of all directors stated that noncompetitive pay had contributed to examiner turnover. Our survey data showed that many state DDS examiners were paid substantially less than examiners employed by the federal DDS in 2002 despite comparable

³⁹U.S. General Accounting Office, *Social Security Disability: Reviews of Beneficiaries' Disability Status Require Continued Attention to Achieve Timeliness and Cost-Effectiveness*, [GAO-03-662](#) (Washington, D.C.: July 24, 2003).

⁴⁰We categorized factors as contributing to examiner turnover if DDS directors reported that these factors contributed to turnover to a moderate to very great extent.

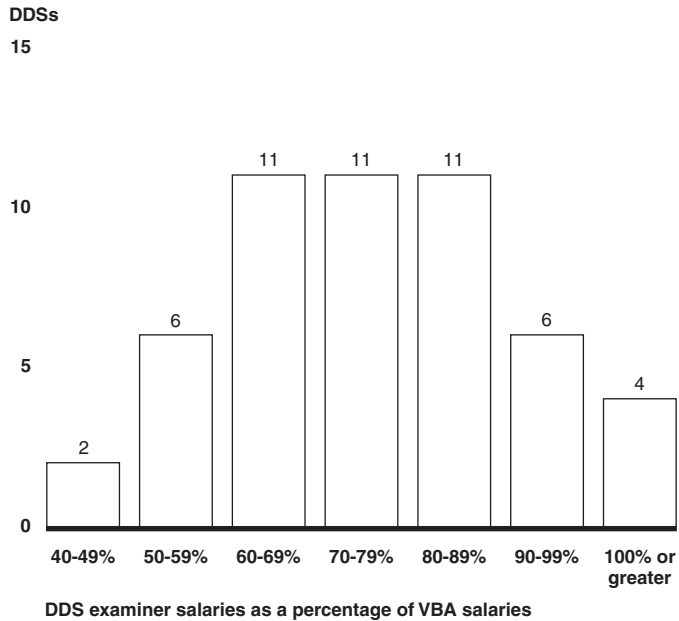
skills and experience.⁴¹ Specifically, all of the state DDSs for which we have data have average examiner salaries that are less than the federal DDS average salary, and over half of the DDSs (31) have an average examiner salary that is less than two-thirds of the federal DDS average salary. In addition, we found that DDS examiner salaries are substantially lower than those of VBA examiners nationwide. For example, the average salary for DDS examiners was \$40,464 in 2002, compared with \$49,684 for VBA examiners.⁴² Specifically, we found that average DDS examiner salaries are less than those of VBA examiners in 47 states. (See fig. 3.) Several DDS directors told us in interviews that examiners have left some DDSs to accept higher salaries in federal agencies, particularly in SSA offices. For example, our analysis of selected case data provided by two DDS directors showed that, between 2000 and 2003, 13 former examiners received pay increases ranging from 9 to 48 percent when they moved from their DDSs to positions in SSA offices.⁴³

⁴¹We collected average examiner salary data from the federal DDS administered by SSA, adjusted it to reflect locality pay in each state, and compared it with average DDS examiner salary data from our survey. One DDS was excluded because it did not provide examiner salary data. While the federal DDS examiner position carries responsibilities beyond those of the state DDS examiners, state DDS examiners do not receive additional training in order to perform the federal examiner job.

⁴²We analyzed salary data from our survey and from VBA in order to compare DDS examiner and VBA examiner salaries. We were unable to obtain information on experience levels of VBA examiners and the distribution of their experience levels across the states. It is possible that these factors could help explain some of the differences between the average salaries of VBA examiners and DDS examiners.

⁴³See appendix I for an explanation of our methods for this analysis.

Figure 3: Distribution of Average State DDS Examiner Salaries as a Percentage of Average VBA Examiner Salaries



Sources: GAO analysis of survey of DDS directors, April 2003, and GAO analysis of OPM's Central Personnel Data File.

Note: One DDS did not provide examiner salary data.

DDSs Face Difficulties in Recruiting and Hiring Partly Due to State-Imposed Personnel Restrictions

In addition to facing high turnover and growing caseloads, more than three-quarters of all DDS directors (43) reported experiencing difficulties over a three-year period in recruiting and hiring enough people who could become successful examiners.⁴⁴ Of these directors, more than three-quarters said that such difficulties contributed to decreased accuracy in disability decisions or to increases in job stress, claims-processing times, examiner caseloads, backlogs, or turnover.⁴⁵ For example, one SSA official explained that, because of state-imposed hiring restrictions, one DDS

⁴⁴DDS directors responding to this survey question had experienced recruiting and hiring difficulties for any of fiscal years 2000, 2001, or 2002. We characterized DDSs as having difficulty if the director reported having some to very great difficulty in recruiting and hiring.

⁴⁵We categorized a condition as a consequence of recruiting and hiring difficulties if DDS directors reported that the difficulties had contributed to the condition from some to a very great extent.

developed a large backlog of cases that negatively affected its productivity.

When we asked DDS directors what made it difficult for their DDSs to recruit and hire, they said that the following factors, many of which were related to state personnel restrictions, made it moderately to much more difficult than it would be otherwise to recruit and hire:

- state limits on examiner salaries and other forms of compensation,
- restrictive job classification system for state employees,
- state-imposed hiring limitations or hiring freezes and lengthy time periods for the state to hire DDS examiners, and
- SSA-imposed hiring restrictions and budget allocations limiting DDS staffing levels.

State limits on examiner salaries and other forms of compensation. More than two-thirds of all directors reported that state limits on examiner salaries hindered recruiting and hiring, and the same proportion reported that noncompetitive salaries were insufficient to recruit or retain staff with the skills necessary to assume enhanced examiner responsibilities.⁴⁶ One DDS director noted in survey comments that the low entry-level salary for examiners in that particular state no longer attracted “...the caliber of employees needed to perform the increasingly complex [examiner] job.” Another commented that, owing to noncompetitive salaries, job candidates “...who have the requisite combination of skills needed as a [disability examiner] will find better offers of employment, [with] either better pay or less workload stress.” And officials we spoke with in an SSA regional office said that low examiner salaries in still another DDS have meant that this DDS has been unable to recruit candidates with strong analytical skills. They noted that the DDS has, therefore, had difficulty training its new examiners in such challenging tasks as weighing the credibility of medical and other evidence. In addition to citing limits on salaries, more than half of all directors reported that state limits on other forms of compensation, such as performance-based pay and hiring bonuses, also contributed to recruiting and hiring difficulties.

⁴⁶Specifically, the DDS directors said that noncompetitive salaries that were insufficient to attract or retain staff with skills to become SDMs were or were likely to be a moderate to very serious challenge for their DDSs in making the transition to the SDM position. Under the SDM position, examiners would be given expanded authority for making disability decisions, allowing them in many cases to independently decide claimants’ eligibility for benefits without the need for medical consultant approval. The agency is currently testing this position.

Restrictive job classification system. Nearly one-half of all DDS directors attributed difficulties in recruiting and hiring examiners to their restrictive state job classification systems. Close to a third of all states place disability examiners in the same classification as other positions—such as a vocational rehabilitation specialist—and some DDS officials we interviewed said this made it difficult to attract people with skills appropriate to the disability examiner position.

State-imposed hiring limitations and lengthy time for hiring. Nearly one-half of all DDS directors cited state hiring limitations or hiring freezes—and more than one-third reported lengthy hiring processes—as impediments to acquiring qualified examiners. For instance, officials we interviewed in one DDS explained that their state government had capped the number of staff the DDS could hire. These officials noted that, while SSA was willing to fund hiring above that level, it could take three years to obtain the state legislature’s approval to increase the DDS staffing level. SSA officials told us that another DDS could only hire individuals who have taken a required state test. They explained that, because the state administers the test only two times a year, the requirement hampers DDS hiring efforts.

SSA-imposed hiring restrictions and budget allocations. Close to two-thirds of all DDS directors said that, over the past three fiscal years, SSA-imposed hiring restrictions and budget allocations that limit DDS staffing levels have presented recruiting and hiring challenges for the DDSs. DDS managers explained in interviews and in survey comments that, given the one to two years it takes for an examiner to become fully trained, DDSs that are restricted from quickly replacing staff lost to attrition will not have sufficient numbers of experienced examiners to process future claims.

Many Examiners Need Additional Training in Key Analytical Areas

In addition to high turnover and difficulties in recruiting and hiring, the DDSs are also experiencing gaps in key knowledge and skills areas. When we surveyed all DDS directors about specific knowledge and skill needs, nearly one-half said that at least a quarter of their examiners needed additional training or mentoring in each of the following areas to successfully assume expanded responsibilities under an enhanced examiner position in either the present or the future:⁴⁷

⁴⁷The question excluded trainee examiners.

-
- assessment of an applicant’s symptoms and evaluation of the credibility of medical and other evidence,
 - evaluation of the weight to be given to medical evidence from a treating physician,
 - assessment and documentation of an applicant’s ability to function,
 - assessment of vocational factors,
 - updates on policies and procedures, and
 - assessment of childhood disabilities.

Even for those 19 DDSs in our survey that were testing the enhanced examiner position at the time of our study, over half (11 DDSs) reported that at least a quarter of the examiners with expanded responsibilities needed additional training or mentoring in two or more of these same knowledge and skill areas, and eight of these directors reported needs in four or more of these areas.⁴⁸

But regardless of whether a DDS was testing this enhanced position, these areas are critical to the examiner’s task of disability decision-making in general. Indeed, one DDS director explained in an interview that, while that DDS was not officially testing this position, over the last several years it had hired examiners who were able to function in a manner that was increasingly independent of the medical consultant. This director noted that, as a result, it was becoming more difficult to distinguish the responsibilities of the disability examiner from those of an examiner with enhanced authority. Moreover, under SSA’s new approach for improving the disability determination process, these same knowledge and skill areas will be even more critical as DDS examiners take responsibility for evaluating only the more complex claims and as they are required to fully document and explain the basis for their decision.⁴⁹

⁴⁸Twenty DDSs were testing the SDM position at the time of our study. We administered our survey to 19 of these DDSs. We excluded one of the DDSs that was testing the SDM position—the Guam DDS—from this survey.

⁴⁹These new examiner responsibilities were outlined by the Commissioner in her testimony before the Subcommittee on Social Security of the House Committee on Ways and Means, September 25, 2003.

DDS directors cited several obstacles to examiners receiving needed training or mentoring.⁵⁰ These obstacles primarily involved high workload levels that limited the time available to either provide or receive training or mentoring. Specifically, more than 70 percent of all DDS directors reported that work demands impeded mentors from providing examiners with needed on-the-job training.⁵¹ In addition, about two-thirds of all DDS directors reported that either the large size of examiners' caseloads or high expectations for completing those cases did not allow examiners enough time to attend training. And more than half of all directors cited high work levels as a barrier to examiners seeking mentoring assistance.

The Majority of DDSs Do Not Conduct Long-Term, Comprehensive Workforce Planning, and DDSs Cite Numerous Obstacles to Doing So

Despite the workforce challenges facing them, a majority of DDSs do not conduct long-term, comprehensive workforce planning. Of the DDSs that engage in workforce planning that is longer-term, a majority have plans that lack key workforce planning strategies, such as those for recruiting, retention, or succession planning. Directors identified numerous obstacles to long-term workforce planning, such as a lengthy state process to approve DDS human capital changes.

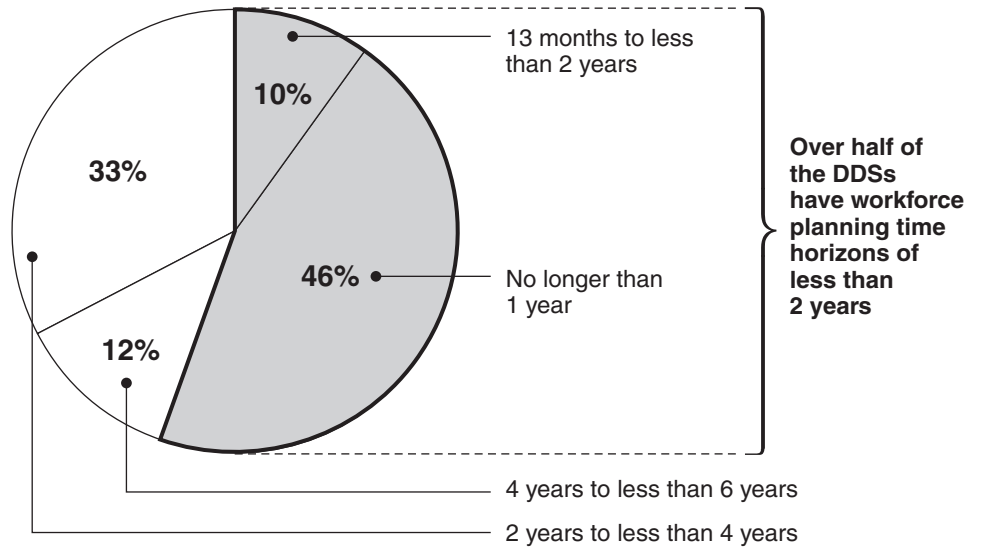
The Majority of DDSs Do Not Conduct Long-Term, Comprehensive Workforce Planning

The majority of DDSs do not conduct long-term, comprehensive workforce planning. As figure 4 shows, more than half of all the DDSs have workforce planning time horizons of less than two years, and almost one-half have a time horizon of no longer than a year (the time horizon of SSA's annual budget process for the DDSs).

⁵⁰We asked whether various factors were obstacles to nontrainee examiners receiving additional mentoring or refresher training over the next two years to successfully perform the SDM role or to become successful SDMs. However, as discussed above, the skills needed to perform the SDM role apply more broadly. We categorized a factor as an obstacle if DDS directors deemed it to be a moderate to very serious obstacle to receiving needed training or mentoring.

⁵¹Current and former DDS officials told us that on-the-job training provided by mentors was essential to learning to successfully perform the examiner job.

Figure 4: Percentage of DDSs by their Workforce Planning Time Horizons



Source: GAO survey of DDS directors, April 2003.

Note: Data provided in the figure do not add to 100 percent due to rounding.

DDS directors who reported that their workforce planning time horizons are no longer than a year mainly rely on SSA's annual budget process for the DDSs for their workforce planning. However, SSA officials told us in interviews that their budget process is not designed to serve as a long-term strategic workforce planning process. These officials said that the following strategies of comprehensive, long-term workforce planning are generally not part of the budget process but rather are left to the states:

- recruiting strategies,
- retention strategies,
- training and professional development strategies,
- compensation strategies,
- performance expectation and evaluation strategies,
- employee-friendly workplace strategies,
- succession planning and strategies for maintaining expertise in the long term, and
- contingency plans, in the event that resource levels do not meet expectations.⁵²

In addition, even among the 28 DDSs that engage in workforce planning that is longer-term than one year, the majority (18) lack one or more of these key workforce planning strategies.⁵³

Furthermore, many DDSs do not collect the data needed to develop effective workforce plans.⁵⁴ Although DDSs face high turnover and are expected by SSA to experience a retirement wave in the next decade, over half of all DDS directors said they had not made projections of expected retirements and other separations for examiners and related staff within the last two fiscal years.

Although the majority of DDSs do not conduct comprehensive, long-term workforce planning, some state governments do engage in strategic workforce planning efforts that encompass DDS employees. For example,

⁵²While other strategies also may be included in workforce planning efforts, our prior work has found that the strategies listed are key to effective workforce planning. See [GAO-01-263](#).

⁵³We found that only 10 of the 28 DDSs that conduct workforce planning efforts longer-term than SSA's annual budget process include all 8 key planning strategies.

⁵⁴Our prior work has shown that accurate, comprehensive human capital data are essential to good workforce planning. See [GAO-02-373SP](#).

the state parent agency of one DDS has produced reports identifying the workforce risks faced by the DDS (such as a coming retirement wave) and has assisted the director with succession planning. However, ongoing studies of state government workforce planning efforts have found that formal strategic workforce planning is not taking place in all states.⁵⁵ During an interview with several DDS directors, we were told that even states with sophisticated long-term workforce planning efforts are not necessarily focusing on ensuring that their DDSs have the workforces needed to accomplish SSA goals, such as reducing claims-processing times.

DDS Directors Cited Numerous Obstacles to Long-term Workforce Planning

DDS directors noted in interviews that they face unique challenges related to the federal-state relationship that compound the difficulties of planning for future workforce needs. We asked DDS directors in our survey to what extent they had experienced various factors that might make workforce planning more difficult than it would be otherwise. Directors identified the following as major obstacles to long-term workforce planning:⁵⁶

- **Lengthy state processes to approve DDS human capital changes.** Over half of all DDS directors said that lengthy state processes to approve DDS human capital changes made statewide DDS long-term workforce planning more difficult. For example, an SSA official said it took over a year to obtain approval to hire seven DDS staff due to a state hiring freeze. In addition, a 2001 audit by SSA's Office of the Inspector General found that the parent agency of one DDS had failed to provide sufficient staffing resources, such as timely permission to fill vacancies, for the DDS to efficiently process its disability workload.⁵⁷
- **Inconsistencies between state and SSA human capital policies.** Two-thirds of all DDS directors reported that long-term planning is made more difficult than it would be otherwise due to inconsistencies between state and SSA human capital policies, such as those related to staffing

⁵⁵Syracuse University, Maxwell School of Citizenship and Public Affairs, Government Performance Project, *Paths to Performance in State & Local Government* (Syracuse, NY: 2002).

⁵⁶We categorized these factors as obstacles to long-term workforce planning if directors reported that they had experienced them to a moderate to very great extent.

⁵⁷Management Advisory Report, Single Audit of the State of Louisiana for the Fiscal Year Ended June 30, 2001, Office of the Inspector General, Social Security Administration (December 2002).

levels. For example, a former DDS director we spoke with explained that directors have had difficulties planning for future needs because of discrepancies between hiring levels authorized by SSA and those approved by their states. One DDS director told us that after working for two years to obtain state approval to hire additional examiners initially authorized by SSA, the DDS lost permission from SSA to fill the positions.

- **Directors' concern that SSA does not incorporate DDS workforce plans when making resource decisions.** When asked in our survey what makes long-term planning more difficult, over two-thirds of DDS directors reported their concern that SSA does not incorporate the DDSs' workforce plans when making resource decisions. Moreover, 45 DDS directors responded that they had only some or no opportunity to factor future DDS human capital needs into SSA's spending projections beyond the upcoming fiscal year. Several DDS officials explained in interviews that long-term planning seemed futile if SSA was not going to use the results of the DDS planning efforts when making resource decisions. SSA officials, however, told us that they consider input from the DDSs related to funding decisions on a regular basis. SSA officials explained that the agency must disperse funds within its own overall budget allocation, and this often does not allow for meeting all DDS funding requests.
- **Uncertainty about future resource levels from SSA and state-imposed hiring restrictions or separation incentives.** Over three-quarters of all DDS directors we surveyed reported that long-term planning is made more difficult by uncertainty about future resource levels from SSA, as well as uncertainty about resources needed to implement major changes in SSA policies, procedures, and systems. In addition, one-half of DDS directors surveyed said that DDS long-term workforce planning was made more difficult by uncertainty about state-imposed hiring restrictions or separation incentives.
- **Insufficient time to attend to future problems and insufficient data for workforce planning.** Three-quarters of all directors surveyed said that they had insufficient time to attend to future problems because of the need to focus on current human capital challenges. One DDS director said in an interview that the day-to-day demands of directors' jobs, such as managing high caseloads and hiring and training new examiners, often prevent them from planning for future workforce needs. Other DDS directors and officials told us that, when planning does take place, it is generally crisis-driven and reactive rather than long-term and strategic. In addition, over half of the directors reported in our survey that insufficient data for workforce planning makes DDS long-term workforce planning more difficult. Moreover, DDSs that do not engage in workforce planning

longer-term than one year were more likely than other DDSs surveyed to cite insufficient data and planning tools, such as statistical software and information technology systems, as challenges that make long-term workforce planning more difficult.

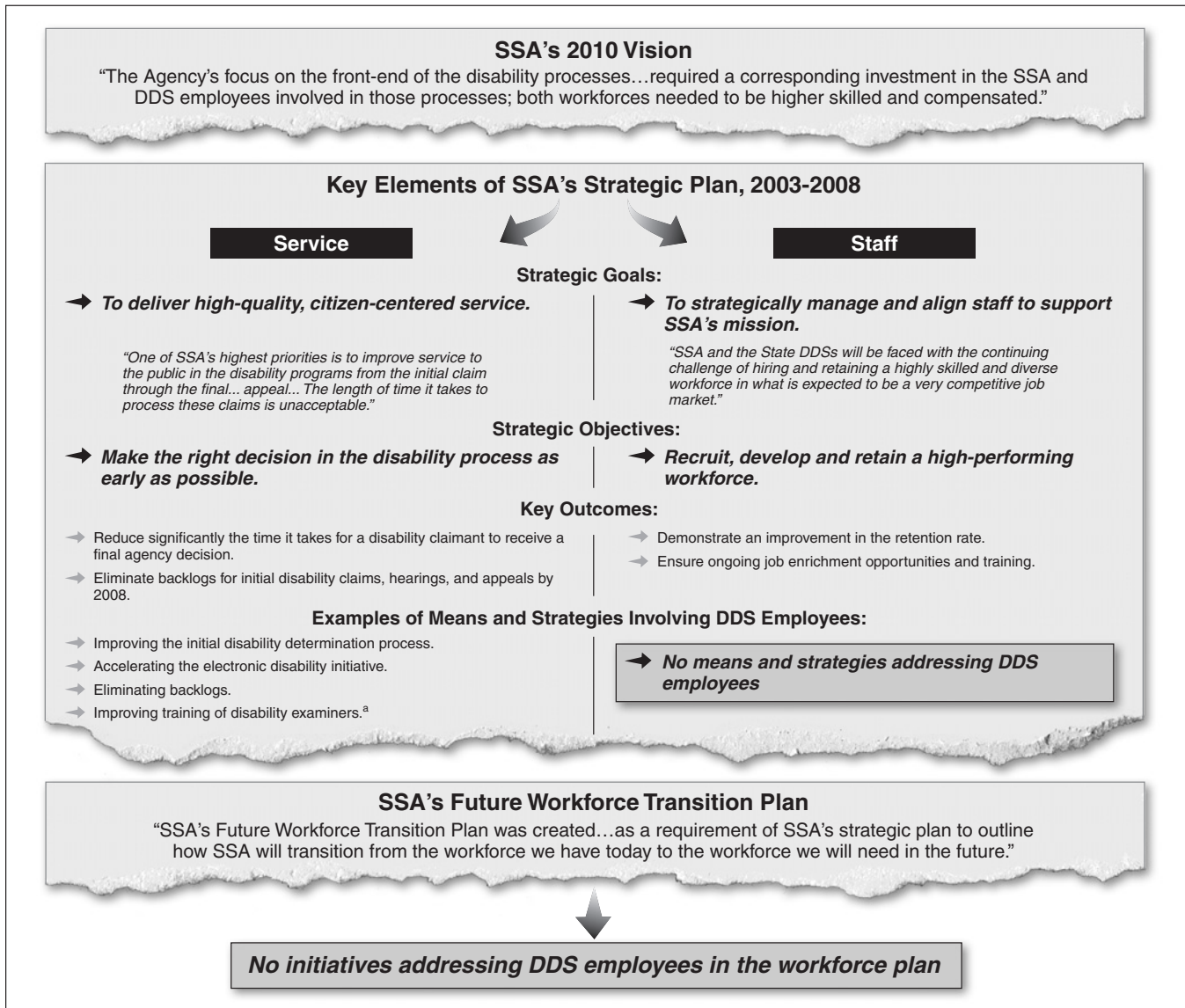
SSA's Workforce Efforts Have Not Sufficiently Addressed Present and Future Human Capital Challenges in the DDSs

SSA's workforce efforts have not sufficiently addressed both present and future DDS workforce challenges. Neither SSA's strategic plan, nor its annual performance plan, nor its workforce plan adequately addresses the human capital challenges facing the DDSs. In addition, in our survey, DDS directors reported being dissatisfied with the adequacy of the training that SSA provides to the DDSs. Beyond training, SSA has not consistently provided other human capital assistance across the DDSs and faces difficulties negotiating human capital changes, such as increases in examiner salaries, with state governments. Finally, SSA has not used the statutory authority it has to set standards for the DDS workforce.

SSA's Strategic and Workforce Plans Do Not Adequately Address DDS Human Capital Challenges

SSA has not developed a nationwide strategic workforce plan that addresses present and future human capital challenges in the DDSs. As shown in figure 5, SSA does recognize a need to have higher-skilled and better-compensated DDS employees. In addition, SSA's strategic plan for 2003-2008 places a high priority on improving the accuracy and the timeliness of the disability decision-making process. While accomplishment of this objective depends to a great extent on the DDS workforce, the plan cautions that the DDSs, like SSA, will face a continuing challenge of hiring and retaining a highly skilled workforce in a competitive job market. Nevertheless, SSA's strategic plan, as well as the agency's annual performance plan and workforce plan, are all largely silent on the means and strategies the agency will use to recruit, develop, and retain a high-performing DDS workforce, even though the Government Performance and Results Act now requires agencies to include in their annual performance plans a description of the human capital strategies needed to meet their strategic goals.

Figure 5: Means and Strategies Addressing the DDS Workforces Are Largely Absent from SSA’s Strategic and Workforce Plans



Source: GAO analysis of SSA documentation.

^aSSA officials said in interviews that SSA is no longer pursuing two proposed strategies for improving training for disability examiners.

Absent any strategic workforce plan addressing DDS employees, SSA does not use data that it collects on the DDS workforces in a strategic manner.

While SSA routinely gathers certain DDS employee data—such as salaries, turnover rates, and the number of new hires and experienced disability examiners—the agency primarily uses these data in connection with its annual budget process. Moreover, SSA does not regularly collect many other key indicators of DDS human capital performance, such as gaps in basic skills relative to specific competencies, despite SSA’s acknowledging the importance of investing in and retaining a skilled DDS workforce in the face of an anticipated retirement wave.

When we asked SSA officials how workforce planning for the DDSs was conducted, they said that they consider DDS workforce matters to be, in general, a state government and DDS responsibility, particularly in light of the variations in state personnel systems and political concerns. One of these officials explained that SSA takes DDS workforce needs into account within SSA’s annual budget process and through the consultation that occurs between the DDSs and SSA’s regional offices. The regional office staff—and in particular, the disability program administrators assigned as SSA’s liaisons with each DDS—are responsible for providing human capital assistance to the DDSs as needed. However, as noted earlier, SSA’s annual budget process lacks key components of comprehensive, long-term workforce planning. In addition, officials we interviewed in one regional office said that they lacked the tools and the time to assist the DDSs with long-term strategic workforce planning, and SSA officials we spoke with questioned whether disability program administrators were sufficiently trained in strategic workforce planning techniques.

Several regional office and former and current DDS officials we spoke with expressed a desire for greater SSA leadership in terms of long-term strategic workforce planning focusing on DDS human capital challenges. One of these officials observed that SSA is already active in a variety of DDS human capital areas—such as determining appropriate DDS staffing levels, imposing a nationwide DDS hiring freeze, and providing national human capital guidance for implementing the electronic disability initiative—and could appropriately assist with strategic workforce planning.

Directors Expressed Dissatisfaction with the Adequacy of SSA’s Training for the DDSs

DDS directors are dissatisfied with the adequacy of SSA-provided training. Specifically, when we asked DDS directors whether they found SSA’s training to be adequate to prepare examiners to be proficient in the claims process, half or more of the directors responded that they were

dissatisfied with the adequacy of SSA's training in each of the following knowledge and skill areas:⁵⁸

- medical knowledge about body systems (32 DDSs),
- specific knowledge about the disability program (30 DDSs),
- assessment of vocational factors (29 DDSs),
- basic claim development techniques (29 DDSs),
- evaluation of the weight to be given to medical evidence from a treating physician (28 DDSs),
- updates on policies and procedures (28 DDSs),
- assessment of childhood disabilities (28 DDSs),
- assessment of an applicant's symptoms and evaluation of the credibility of medical and other evidence (27 DDSs), and
- use of computers and technologies (26 DDSs).

Moreover, nearly half of the directors (25 DDSs) reported that they were dissatisfied with SSA's basic training materials for new disability examiners, and over one-third (19 DDSs) reported dissatisfaction with training on the assessment and documentation of an applicant's ability to function.

In addition, nearly all DDS directors (49) reported that they had adapted (or wanted to adapt) SSA's training in one or more of these knowledge and skill areas to make it adequate.⁵⁹ When we asked these DDS directors why they had adapted or wanted to adapt SSA's training, more than half cited each of the following reasons pertaining to the quality, completeness, and timeliness of SSA's training approach as contributing factors:⁶⁰

⁵⁸In the survey, we explained that SSA's training included written materials, interactive video training technology, and videos. The survey question covered new examiner basic training and other training that SSA provides beyond basic training.

⁵⁹The survey asked whether the DDS: (1) had adapted SSA training to make it adequate, and had offered this training in the past 24 months; or (2) planned to—or wanted to but was unable to—adapt SSA training to make it adequate and offer it in the next 12 months. Adapting training could involve editing or revising SSA's training materials, not using some of the materials, or offering a substitute course.

⁶⁰We categorized factors as reasons for adapting SSA's training if DDS directors deemed them to be a moderately to very important reason. Beyond issues pertaining to quality, completeness, and timeliness of SSA's training, DDS directors who adapted SSA's training cited operating procedures and training preferences that are unique to the DDS as reasons for adapting SSA's training. The question asked about procedures other than those that respond to court decisions and laws.

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- Training is too conceptual and not sufficiently linked to day-to-day case processing (44 DDSs).
 - Training provides insufficient opportunity to interact with the trainer (40 DDSs).
 - Training provides insufficient opportunity to practice skills taught (38 DDSs).
 - Certain types of training over-rely on the interactive video training technology (37 DDSs).
 - Training content is incomplete (32 DDSs).
 - Training presenters lack effective presentation skills (31 DDSs).
 - Training lacks sufficient written materials, such as handouts and desk aids (30 DDSs).
 - Training is delivered too early or too late (28 DDSs).

In interviews, DDS officials expressed some particular concerns about video training. Some DDS officials told us that, because presenters lack sufficient hands-on case-processing experience, the training that SSA provided through its video training technology was too theoretical. In addition, other DDS officials described SSA's video training technology as not allowing sufficient opportunity for clarification and follow-up with the presenter. Some officials explained that technical problems with the technology impeded interaction with the trainers. For example, they told us that, while staff are supposed to be able to use a keypad to call in and question the presenters during a class broadcast, it is often difficult to obtain access to the presenters. Further, some former DDS officials said that SSA applies its video training technology to many types of instructional needs for which it may not be appropriate. Yet, in our prior work, we have noted that, to be effective, the training method used needs to be tailored to the nature of the training content.⁶¹

We asked SSA officials we spoke with to comment on the DDS directors' views on the quality of SSA-provided training. While an SSA official explained that the video training technology helps SSA to provide consistent training across the entire country quickly, she acknowledged that the training is sometimes too general and explained that SSA is attempting to improve the presentations. SSA officials also told us that they tap the expertise of the DDS community, among other agency

⁶¹U.S. General Accounting Office, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, GAO-03-893G (Washington, D.C.: July 2003).

components, to help develop and improve training materials and identify training needs.

However, despite such efforts, nearly 85 percent of all DDS directors reported in our survey that they would be able to spend fewer resources adapting SSA's training for use in their individual DDSs if SSA were to improve the quality, completeness, and timeliness of its training.⁶² Our survey data show that, in fiscal year 2002, the 52 DDSs used, in total, the equivalent of nearly 150 full-time DDS employees in preparing and delivering examiner training related to disability claims processing. Moreover, staff resources devoted to training may constitute a significant portion of total examiner staff in some DDSs. To illustrate, the director of one DDS with 83 disability examiners reported in our survey using the equivalent of about 12 full-time employees in fiscal year 2002 to prepare and deliver examiner training. SSA and DDS officials explained in interviews that, while some larger DDSs have staff who are dedicated solely to training, smaller DDSs generally use their most experienced, and hence most productive, examiners to prepare training and deliver it to their staff.

SSA Has Not Consistently Provided Other Human Capital Assistance across the DDSs and Faces Difficulties Negotiating Key Human Capital Issues with State Governments

Beyond training, information from our survey and interviews shows that SSA has not consistently provided other human capital assistance across the DDSs and faces difficulties negotiating human capital changes, such as increases in examiner salaries, with state governments. SSA provides many types of human capital assistance to the DDSs through its regional offices and its headquarters. For example, SSA regional office officials we interviewed explained that they have attempted to persuade state governments to exempt examiners from state hiring restrictions and to reclassify DDS examiner positions and increase examiner salaries in light of new responsibilities. In addition to the assistance provided by regional offices, SSA officials said that SSA headquarters has provided human capital assistance to the DDSs, such as sponsoring a study that identified the knowledge, skills, and abilities required for the disability examiner position, among other positions.

But in our survey of the DDS directors who said they wanted particular types of human capital assistance from SSA headquarters and its regions,

⁶²We included in this calculation those DDS directors who responded that they would be able to spend fewer resources in adapting SSA's training from some to a very great extent.

more than half said that they had not received assistance in each of the following areas:⁶³

- help with regular nationwide surveys of examiners' issues and concerns (32 out of 36 DDSs),
- help in negotiating increases in examiner salaries with state government officials (24 out of 36 DDSs),
- guidance on roles and responsibilities for examiners with enhanced responsibilities (22 out of 42 DDSs),
- help in designing training and developing training materials for examiners with enhanced responsibilities and the staff who will be supporting them (22 out of 42 DDSs),
- help with workforce planning, including projecting turnover and developing succession plans (21 out of 31 DDSs),
- guidance on how to determine which examiners have sufficient skills to take on enhanced examiner responsibilities (15 out of 20 DDSs), and
- help in identifying gaps in examiner skills (15 out of 21 DDSs).

In interviews, some DDS directors specifically cited surveys of examiners' issues and concerns as an area with which they wanted assistance. They explained that such surveys could be used to identify and share DDS best practices in managing staff, including how different DDSs manage examiner caseloads and train examiners. One director noted that information on DDS best practices in human capital management is not currently available and that only SSA can "survey the landscape nationally." Moreover, a former DDS director explained that directors view nationwide surveys as a means for communicating to SSA their human capital challenges.

We also asked DDS directors about the effectiveness of various types of human capital assistance that they did receive from SSA and its regional offices, including assistance in negotiating human capital changes with state governments. We found that more than half of the DDS directors who received assistance said that such assistance was of limited effectiveness in each of the following areas:⁶⁴

⁶³We categorized these types of assistance as ones that DDS directors wanted if the directors said that they wanted them from some to a very great extent.

⁶⁴We categorized an area of assistance as being of limited effectiveness if DDS directors deemed it to be moderately to not effective.

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- helping project trends in the nature of the disability workload (24 out of 34 DDSs);
 - assisting in negotiating easing of state restrictions (e.g., on hiring and travel) with the state government (19 out of 24 DDSs);
 - providing guidance on roles and responsibilities for examiners with enhanced responsibilities (18 out of 26 DDSs);
 - helping to design training and developing training materials for examiners with enhanced responsibilities and the staff who will be supporting them (16 out of 22 DDSs);
 - assisting in allowing DDSs to reduce the total caseload level for examiners taking on enhanced responsibilities (13 out of 24 DDSs);
 - helping in assessing readiness for transition to an examiner role with enhanced responsibilities (12 out of 14 DDSs);
 - helping with workforce planning, including projecting separations and developing succession plans (11 out of 13 DDSs); and
 - providing help in negotiating increases in examiner salaries with the state government (11 out of 16 DDSs).

Regional office officials and DDS directors explained in interviews that the effectiveness of SSA and its regional offices in helping the DDSs negotiate human capital changes with the states can be limited by such factors as state budget problems, political concerns, and personnel rules. For example, some officials said in interviews that state budget crises had created political pressure to limit or prevent increases in state employee salaries. Other DDS directors told us that state officials were concerned that raising examiner salaries would prompt increases in the salaries of other state employees, such as employees within the same job classification. In addition, although 19 DDS directors reported in our survey that DDS salary levels are open to negotiation with unions, some regional office officials said in interviews that obtaining salary increases for disability examiners apart from other state employees covered by union contracts could be difficult.

In light of such difficulties in negotiating human capital changes with the states, one key regional office official we spoke to said that “all the regional office can do is cajole” the state governments about DDS human capital issues, since under the regulations the authority in this arena generally remains with the states. Similarly, another top regional official cautioned that, while the regional office tries to help the DDSs address the human capital challenges they face, it is difficult to do so. This official stated that the federal-state relationship is “unwieldy,” explaining that it is easier for state governments to apply state human capital policies—such as hiring freezes—to all state personnel than to make exceptions for DDS

employees, despite SSA's full reimbursement of DDS expenses. The official said that, because the regional office must continually educate and explain to each newly elected state governor's administration that the DDS is federally funded, the regional office is seeking ways to make such education more effective and less labor-intensive. Indeed, current and former DDS directors we spoke with said that outreach from SSA to state governors through such national groups as the National Governors Association (NGA) is needed to foster an appreciation of the importance of a highly qualified DDS workforce to improving service to disability claimants.⁶⁵

SSA Has Not Used Its Statutory Authority to Address DDS Workforce Needs

SSA has not used the statutory authority it has to set standards for the DDS workforce. Although amendments to the Social Security Act in 1980 granted SSA the authority to issue regulations to ensure effective and uniform administration of the national disability programs, SSA has not used this authority to address wide variations in staff salaries, entry-level qualification requirements, and training for different DDSs. The Social Security Advisory Board, in 2001, called these variations potential contributors to inconsistencies in SSA's disability decisions.⁶⁶ Emphasizing that the disability programs are national in scope and that equal treatment for all claimants wherever they reside is essential, the Advisory Board recommended that SSA revise its regulations to establish guidelines for salaries, entry-level qualification requirements, training, and other factors

⁶⁵While some regional office officials said that they interact at the governors' level in the individual states and, in at least one instance according to SSA, with a regional governors' association, we could find, to date, no record from the NGA of discussions or forums in recent years focusing on the topic of the DDS workforce issues under the federal-state relationship regarding SSA's disability programs. We asked staff of the NGA whether, during the last five years, NGA staff had met with representatives of SSA's Office of the Commissioner or received communications from SSA on issues related to the DDSs and their employees. We also asked whether issues related to SSA's disability decision-making had appeared on the agenda of NGA official meetings over the last five years.

⁶⁶Social Security Advisory Board, *Disability Decision Making: Data and Materials* (Washington, D.C.: January 2001).

affecting the ability of DDS staff to make quality and timely decisions.⁶⁷ SSA has not acted on the Advisory Board's recommendations, however.

While SSA officials acknowledged in interviews that the agency has the authority to establish uniform minimum human capital standards, they told us that the agency has chosen not to exercise this authority because of concerns about the difficulties such actions could raise in terms of the federal-state relationship. For example, they explained that requiring uniform human capital standards might be perceived by some states as unwelcome federal interference in state operations and could raise the prospect of states withdrawing their participation in making disability determinations for the disability programs. Indeed, in a prior report, we noted that, in the late 1970s, SSA could get only 21 of the 54 DDSs to revise their operating agreements with SSA, partly because the states regarded the revisions as infringements on their traditional prerogatives. The revised agreements required DDSs to comply with guidelines issued by SSA with regard to personnel matters, among other administrative requirements.⁶⁸

Many DDS and SSA officials we spoke with acknowledged the difficulties that would be involved with implementing uniform standards for DDS personnel. Nevertheless, the National Council of Disability Determination Directors and several DDS and SSA officials we interviewed (including some top regional office officials) expressed the view that uniform standards for DDS employees could help address the human capital challenges confronting the DDSs.⁶⁹ Some referred to the vocational

⁶⁷Social Security Advisory Board, *Charting the Future of Social Security's Disability Programs: The Need for Fundamental Change* (Washington, D.C.: January 2001). The Advisory Board also recommended that regulations be revised to ensure that state hiring freezes would not apply to the DDS workforce. In making its recommendations, the Advisory Board stated that if any state withdrew from the DDS program, the agency should be prepared to take over that responsibility from the state.

⁶⁸U.S. General Accounting Office, *Current Status of the Federal/State Arrangement for Administering the Social Security Disability Programs*, [GAO/HRD-85-71](#) (Washington, D.C.: September 30, 1985).

⁶⁹In questions and answers submitted for the record to the Subcommittee on Social Security, Committee on Ways and Means, House of Representatives, the National Council of Disability Determination Directors stated that they agreed with the Social Security Advisory Board's recommendation that SSA's regulations be revised to require states to follow specific federal guidelines pertaining to human capital management in the DDSs. The council submitted these questions and answers on August 29, 2002, as follow-up to their June 11, 2002, testimony.

rehabilitation program administered by the Department of Education's Rehabilitation Services Administration in partnership with the states as an example of a federal-state program that has set qualification standards for state employees.⁷⁰

Conclusions

DDS disability examiners are essential to SSA's meeting its strategic goal for better serving disability claimants by making the right decision in the disability process as early as possible. Yet SSA has not developed a nationwide strategic workforce plan to address the very personnel who will be crucial to meeting that goal. The immediate challenges that DDS directors face today in maintaining and improving the examiner workforce are unlikely to lessen with time and will likely have even more severe consequences as the DDSs confront increasing numbers of applicants for disability benefits. The critical task of making disability decisions is complex, requiring strong analytical skills and considerable expertise, and it will become even more demanding with the implementation of the Commissioner's new long-term improvement strategy and the projected growth in workload. Moreover, because SSA has not set uniform minimum qualifications for examiners, some DDSs may find it difficult to justify an appropriate job classification and level of compensation needed to recruit and retain these critical employees.

Without a plan to develop and maintain a skilled workforce—as well as measures to establish uniform minimum qualifications for examiners, close critical skill gaps, and improve training—SSA's ability to provide high-quality service to disability claimants could be further weakened by gaps in critical competency areas and the loss of experienced DDS examiners due to high turnover. As vacancies are filled by new hires and trainees who need one to two years to become fully productive, the DDSs will likely have difficulty maintaining skill levels and successfully coping with expected high growth in workloads. The combination of decreased overall skill levels and increased workload could make the work

⁷⁰The Rehabilitation Act requires state vocational rehabilitation agencies to establish personnel standards for rehabilitation counselors that are consistent with the degree standards of the highest licensing, certification, or registration requirement in the state, or the degree standards of the national certification program. As a result, vocational rehabilitation counselors in most states must hold a master's degree in rehabilitation counseling or certain comparable qualifications. A few states require a bachelor's degree. States must report annually on the number of rehabilitation counselors who meet their established standards and on their plans to train counselors who do not meet the standards.

environment even more stressful, further increasing turnover. This spiraling effect, if not addressed, could undermine the agency's efforts to ensure that disability decisions are made accurately, consistently, and in a timely manner.

A strategic workforce plan is even more critical to the Commissioner's long-term strategy for improving the disability claims process and her ability to bring SSA's approach to disability decision-making in line with the current state of science, medicine, technology, and labor market conditions. Failure to look ahead and plan to ensure that the appropriate mix of skills and capabilities are available when and where needed could obstruct SSA's progress as it seeks to fundamentally restructure its disability programs to improve the accuracy and timeliness of decisions and focus on identifying and enhancing claimants' productive capacities. Given such a profound transition in an environment of constrained resources, SSA must be able to plan effectively if it is to anticipate how its requirements for DDS staff will change and be convincing about the need for increased human capital investments.

It will not be simple to implement a nationwide strategic workforce plan for a program that is administered in partnership with the states. Negotiating changes in state human capital policies, such as restrictive job classifications or hiring limitations, will be difficult. Improving the content and delivery of SSA-provided training and closing gaps in examiner skills across the DDSs will be challenging and potentially costly. Establishing uniform minimum qualifications for examiners throughout the DDSs will also be a difficult task, requiring delicate and time-consuming discussions with some state governments. However, despite the acknowledged difficulties, SSA cannot afford to forgo developing an overarching, guiding framework to use as a basis for making short- and long-term human capital decisions for the DDSs. As an agency with fiduciary responsibility for administering multibillion dollar disability programs that are nationwide in scope, SSA has an obligation to take a leadership role in planning—together with its state partners—to address both the immediate and future workforce needs in the DDSs.

Recommendations to the Commissioner of SSA

We recommend that SSA take the following actions:

1. Develop a nationwide strategic workforce plan that addresses present and future human capital challenges in the DDSs. This plan should enable SSA to identify the key actions needed to deal with immediate DDS problems with recruiting and hiring, training, retention, and

succession planning in support of SSA's strategic plan. It should additionally enable SSA to anticipate and plan for the future workforce that will be needed as SSA modernizes and fundamentally transforms its approach to disability decision-making. To develop and implement this comprehensive workforce plan, SSA should work in partnership with the DDSs and their parent agencies. As part of the planning process, SSA should:

a. Identify a small number of key DDS indicators of human capital performance, including recruiting and hiring measures, level of stress in the workplace, training needs, and turnover. SSA should establish standards for acceptable performance on these indicators, routinely collect and analyze the data to identify trends, and use this information to guide decisions regarding future DDS workforce needs and the strategies to meet them.

b. Provide necessary tools and technical assistance to the DDSs to enable them to conduct long-term workforce planning. SSA should ensure that SSA staff responsible for providing this assistance are well trained in the tenets of workforce planning.

c. Require each DDS to develop its own long-term workforce plan that is linked to the nationwide long-term DDS workforce plan. SSA should work in partnership with the DDSs and their parent agencies to develop these plans.

d. Establish an ongoing program of outreach from SSA's leadership to state governors and national associations of state government officials to discuss the benefits and challenges of the federal-state relationship and encourage them to address human capital challenges identified by DDS directors, such as salary limits and hiring freezes.

e. Link performance expectations of appropriate SSA executives to their efforts in accomplishing goals and objectives of the workforce plan.

2. Issue regulations that establish uniform minimum qualifications for new disability examiners. The minimum qualifications should be based on an analysis of the position that identifies the examiner's responsibilities and the minimum knowledge, skills, and competencies necessary to adequately perform them. The minimum qualifications for the examiner's position should take into account any changes in the complexity of the tasks required for this position stemming from the Commissioner's new long-term strategy.

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3. Work with DDSs to close the gaps between current examiner skills and required job skills. To do so, SSA should work with the DDSs to:
 - a. analyze examiner training needs, using as a foundation the analysis of job responsibilities and related minimum knowledge, skills, and competencies recommended above;
 - b. improve training content and delivery to meet these needs, basing such efforts on analyses of training content and appropriateness of training delivery methods; and
 - c. develop performance measures to track effectiveness of these improvements to training.

Agency Comments and Our Evaluation

We provided a draft of this report to SSA for comment. SSA generally agreed with the intent of the recommendations in the report but stated that the report does not fairly address or adequately discuss the many sides of the DDS human capital management issues. In particular, SSA criticized some of our study's methods and expressed concern that we did not sufficiently acknowledge the difficulties involved in making changes to the federal-state relationship. We continue to believe, however, that the report presents a fair and balanced portrayal of the multifaceted issue of human capital management in the DDSs.

Generally agreeing with the intent of our recommendations, SSA said it would consider incorporating a nationwide strategic workforce plan for the DDSs into its current strategy to improve the disability determination process. To do so will be essential, since the Government Performance and Results Act now requires agencies to report annually, as we noted in our report, on human capital strategies needed to meet their strategic goals. Regarding our recommendation on improving training, SSA said that it would continue ongoing efforts to improve examiner job skills. Results from our survey of DDS directors, however, revealed gaps in critical examiner knowledge and skills and a large proportion of DDS directors who would be able to spend fewer resources on adapting SSA's training if SSA were to improve the quality, completeness, and timeliness of its training. Given such results, our report recommended that SSA go beyond its current efforts and base its training improvement initiatives on a systematic assessment of the examiner's job responsibilities and related knowledge, skills, and competencies. In terms of our recommendation on outreach, SSA said that it is already conducting an outreach program to state officials and that it intends to engage in discussions with the NGA on

DDS issues. While we noted efforts on the part of SSA's regional offices to negotiate human capital changes with state governments, we maintain that SSA's outreach program requires the sustained attention of SSA's leadership at the national level. SSA's expressed intent to pursue such discussions with the NGA is therefore a step in the right direction.

SSA criticized some of our study methods, saying that we relied heavily on opinions of DDS directors and used rather leading and ambiguous survey questions. In terms of survey design, we surveyed DDS directors because their first-hand experiences make them some of the most knowledgeable respondents about human capital challenges experienced in their organizations. In addition, our survey was developed in accordance with GAO's guidance on survey design and development,⁷¹ including extensive pretesting with current and former DDS directors to identify potential question bias and to clarify wording. We also gave SSA disability program officials, on two occasions, the opportunity to review and comment on the survey. Following the second review, the SSA official coordinating the review said that, while some of the questions might be difficult for the DDS directors to answer, we should go ahead with the survey as it stood. The official did not refer to any bias in the survey questions. SSA also was concerned that we administered the survey at a time of budget constraint that SSA said influenced some of the directors' responses. Our survey, however, reflects ongoing challenges facing the DDSs and was not limited to the particular circumstances of 2003. Further, our study findings did not rest solely on the opinions expressed in our survey of DDS directors. In addition to the survey, we gathered information through interviews with several other sources as well, including officials at two DDSs, three SSA regional offices, and SSA headquarters; officials of the National Council of Disability Determination Directors and the National Association of Disability Examiners; and staff of the Social Security Advisory Board. We also reviewed pertinent laws, regulations, and procedures, and obtained and analyzed human capital data from several sources.

SSA was also concerned that we did not sufficiently acknowledge the attitudes of the states toward modifying federal regulations to establish uniform human capital standards and the complexities involved in such regulatory changes, such as the problems that SSA says it would face if a large state declined to make disability determinations and transferred

⁷¹U.S. General Accounting Office, *Developing and Using Questionnaires*, GAO/PEMD-10.1.7 (Washington, D.C.: October 1993).

these responsibilities to the federal government. We acknowledged in our report the difficulties SSA has encountered in convincing the DDSs to comply with SSA guidelines on personnel issues, due in part to the states' perceptions of infringements on traditional state responsibilities. We also stressed that establishing uniform minimum qualifications for examiners will be difficult, requiring delicate and time-consuming discussions with some state governments. But we maintain that, despite the difficulties, SSA is obligated to address the human capital challenges facing the DDSs. An outreach program involving SSA's leadership and a close working partnership among SSA, the DDSs, and their state parent agencies will be vital to help ensure the success of SSA's efforts.

In addition, SSA expressed a number of other concerns about the draft report. These concerns, as well as our comments on them, are provided in full in appendix IV.

Copies of this report are being sent to the Commissioner of SSA, appropriate congressional committees, and other interested parties. The report is also available at no charge on GAO's Web site at <http://www.gao.gov>. If you have any questions about this report, please contact me at (202) 512-7215. Other contacts and staff acknowledgments are listed in appendix V.

Sincerely yours,



Robert E. Robertson
Director, Education, Workforce,
and Income Security Issues

Appendix I: Scope and Methods

The following describes the methods we used to survey Disability Determination Service (DDS) offices as well as the methods we used to compare some of our survey data with data from other sources.

Survey of Disability Determination Service Offices

We surveyed all state DDS directors as well as the DDS directors in the District of Columbia, Puerto Rico, and the federal DDS office. We did not survey directors in Guam and the South Carolina Office for the Blind because these offices each had only one disability examiner. We mailed surveys to 53 DDS directors and received responses from all of them. However, because most of the questions in our survey do not apply to the federal DDS, we reported results for 52 DDSs. Our survey included questions about long-term workforce planning, recruiting and hiring, compensation, training and development, and retention of disability examiners.¹ The survey results in this report represent the views of the DDS directors and do not necessarily represent the views of examiners or other DDS staff or the views of Social Security Administration (SSA) officials.

The practical difficulties of conducting any survey introduce various types of errors related to survey responses. For example, differences in how a particular question is interpreted and differences in the sources of information available to respondents can be sources of error. In addition, respondents might not be uniformly conscientious in expressing their views or they may be influenced by concerns about how their answers might be viewed by GAO, SSA, or the public. We included steps in both the data collection and analysis stages for the purpose of minimizing such errors. For example, to address differences in how questions were interpreted, we asked two members of the Social Security Advisory Board, as well as current and past officers of the National Council of Disability Determination Directors and the National Association of Disability Examiners, to review and critique the survey questions before pretesting. SSA disability program officials also reviewed our survey on two occasions. In addition, we pretested the survey with four former DDS directors and four current DDS directors. We modified the survey questions based on the results of these pretests.

¹While we have focused this report specifically on disability examiners, other positions employed by the DDSs, such as medical consultants and vocational experts, are also critical to the disability determination process.

Because we conducted our survey while 20 DDSs were testing the feasibility of implementing an examiner position with enhanced responsibilities, we tailored a few of the survey questions to be relevant for those DDSs testing these enhanced positions as well as for those not testing such positions. We also tailored questions for California's survey, which had separate offices testing and not testing the enhanced examiner position. In addition, we tailored questions for the survey that went to the federal DDS.

To address possible director concerns about how their answers might be viewed, we stated in the introduction to the survey that their responses would be reported in summary form only, without being individually identified, and that their responses would not be released unless requested by a member of Congress (see appendix II for a copy of our survey).

Analysis of Data from Our Survey and Other Sources

When we analyzed the data from our survey, where possible, we checked survey answers involving numbers and percentages to ensure they summed correctly. When we identified a discrepancy, we contacted the relevant DDS director to resolve the discrepancy.²

We wanted to determine how turnover rates (overall and for new hires) for DDS examiners compared with those for selected groups of federal employees. To do this, we compared the turnover rate of DDS examiners with that of Veterans Benefits Administration (VBA) examiners, SSA employees, and all federal employees. VBA examiners were selected because they perform duties similar to DDS examiners, such as developing claims using medical and disability program knowledge. We compared DDS examiner turnover rates with SSA turnover rates because SSA fully funds the DDSs to achieve its disability program mission. The federal employee turnover rate was selected as a general baseline.³

We used data from the Office of Personnel Management's (OPM) Central Personnel Data File (CPDF) to calculate turnover rates for VBA examiners, SSA employees, and all federal employees.⁴ We counted how

²We also recorded all notes and comments from respondents that qualified their responses.

³We were unable to obtain comprehensive turnover data for private insurers who employ disability examiners.

⁴VBA disability examiners were identified by using their unique occupational code.

many permanent employees in each group left their position in each of fiscal years 2000, 2001, and 2002. For VBA examiners and SSA employees, transfers to other agencies were counted as separations. For all federal employees, only separations from federal service were counted as separations. To calculate overall turnover, we divided the number separated each year by the average of the number of staff (which we obtained by averaging the number of staff at the beginning of the fiscal year and the number of staff at the end of the fiscal year).⁵

We also calculated a new hire turnover rate. We defined a new hire separation as a separation of an employee hired in one fiscal year who left before the end of the following fiscal year (for example, hired in fiscal year 2000 and left before the end of fiscal year 2001). To determine the turnover rate for new hires, we counted all career and career conditional appointments for each fiscal year 2000 and 2001. We then determined how many of these separated before the end of the following fiscal year and divided this by the number of new hires in the prior fiscal year. We also calculated turnover rates for DDS examiners using the same formulas.

We also compared DDS examiner salaries with VBA examiner salaries. We analyzed data from OPM's CPDF to calculate the average base salary, including locality adjustments, for VBA examiners state by state. We divided each DDS's average examiner salary by the average VBA examiner salary for each state, the District of Columbia, and Puerto Rico. This resulted in a measure of DDS average salary relative to average VBA examiner salaries for each location.

When we analyzed salaries of examiners who left DDSs to accept higher salaries in federal agencies, directors of two DDSs provided information on both the salaries of these examiners while they were employed by the DDSs, and on the federal General Schedule (GS) grade levels for their new SSA positions. To determine SSA salaries, we used the 2002 federal government GS pay scale, including locality adjustments. For cases in which the directors provided us with two possible SSA grade levels, we used the first step of the lower grade in our analysis. Three of these disability examiners also served as quality assurance reviewers, hearing officers, or trainers while employed in their DDS. Positions accepted at SSA by the departing examiners included regional office disability quality

⁵The results of these calculations were multiplied by 100 to express turnover rates as percentages.

branch analyst, regional office program specialist, and field office claims representative, as well as posts in the federal DDS.

Appendix II: Survey of DDS Directors' Views on Human Capital Challenges

We sent this version of the survey to the DDSs that were not testing the single decision-maker (SDM) position. We have annotated this version to indicate how the survey that we sent to the DDSs that were testing the SDM position differed from this version.

In addition, the survey we sent to the California DDS contained questions both for DDSs that were testing the SDM position, and for those not testing the SDM position, because some of the California DDS branches were testing the SDM, and some were not.

GAO Survey of DDS Directors' Views on Human Capital Challenges, Part 1, Page 1

U.S. General Accounting Office Survey of DDS Directors' Views on Human Capital Challenges Part 1

Introduction

The U.S. General Accounting Office (GAO), an agency of the Congress, is studying the **human capital challenges** that the DDSs may face in retaining and enhancing the expertise of their Disability Examiners and their examiners with Single Decision Maker authority. As part of our study, we are **surveying directors of the DDSs**. The purpose of this survey is to learn about:

- (1) Challenges the DDSs may face in terms of their Disability Examiners and Single Decision Makers in such areas as recruiting and hiring, compensation and work environment, development, retention, and transition to the Single Decision Maker in states that do not yet have that position;
- (2) Workforce planning being undertaken by the DDSs to help in addressing these challenges; and
- (3) Steps that SSA is taking to assure that DDS offices have the Disability Examiner and Single Decision Maker professional expertise that they need now and in the future.

Your responses relative to your DDS will help us develop a national picture of the human capital management issues that may face the DDSs. This information from DDS Directors will be useful to the Congress as it develops policy in the years ahead. **We will report survey results in summary form only.** Individual DDS responses will not be identified in our report. GAO's policy is to not disclose individually identifiable data from this survey unless requested by a member of the Congress. We will send copies of our report to all respondents.

Please provide **one statewide** DDS response. The survey should reflect your views as the DDS Director. However, when responding, feel free to consult with other staff in your DDS if you think it will help you give more accurate answers. To ease such consultation, we have divided the survey into two parts. **Part 1** covers questions that ask for your views as the DDS Director on various human capital topics. Part 1 should take **about two hours** to complete. **Part 2** includes questions about basic statewide DDS staffing data. You might wish to separate Part 2 from the rest of the survey and give it to your staff to complete. To assist us, we ask that you complete both parts of the survey and **return them to us in one FedEx package, so that we receive them no later than April 17, 2003.**

If you have any questions regarding the survey, please contact either Barbara Bordelon at (202) 512-4427 (bordelonb@gao.gov) or Suit Chan at (202) 512-6166 (chans@gao.gov). Please use the enclosed FedEx return envelope and prepaid, preaddressed FedEx receipt to return your completed survey via FedEx directly to GAO. If you misplace the receipt, please FedEx the survey to:

Stefanie A. Bzdusek
U.S. General Accounting Office
Mail Stop 6K17r
441 G Street, N.W.
Washington, D.C. 20548

844594-130196

Form B—Non-SDM

In the survey sent to DDSs that were testing the SDM position, the definitions and questions referred, where appropriate, to both SDMs as well as disability examiners (DEs), so that the survey questions would cover all examiners.

Definitions for the Purpose of this Survey

Assigned cases – Disability claims assigned to an examiner but not yet completed.

External training – Refers to training provided outside the DDS but not by SSA; includes training by, for example, the National Association of Disability Examiners, a university or college, or another external training entity.

Fiscal year – Refers to the federal fiscal year.

Human capital – Simply stated, refers to your **people**. Two key principles are central to the concept of human capital. First, people are assets whose value can be enhanced through investment. As with any investment, the goal is to maximize value while managing risk. Second, an organization's human capital initiatives should be designed, implemented, and assessed by the standard of how well they help the organization achieve results and pursue its mission.

Medical Consultants – Refers to both Medical and Psychiatric Consultants.

Mentoring – Formal or informal on-the-job training provided by more experienced individuals who guide less experienced Disability Examiners in becoming more proficient in the disability claims process.

Permanent employees – Any individuals who **are** covered in the permanent state civil service system.

Separations – Voluntary (e.g., retirements, resignations, and transfers to other state positions outside the DDS) and involuntary (e.g., terminations) departures from the DDS.

Staged cases – All types of disability claims that have been received by the DDS (whether or not they have been entered into the DDS tracking system), but have not yet been assigned to an examiner. (Include those cases on which work or predevelopment has begun, but that have not yet been assigned to an examiner.)

State government – Includes the state executive branch, the state legislature, and the DDS parent agency, unless specifically stated otherwise.

Total caseload level per DE – Total number of cases carried by a DE, but not yet completed.

Temporary employees – Any individuals who are **not** covered in the permanent state civil service system.

Training – Includes both basic training and continuing education.

Workforce Planning – Generally, there are two types of workforce planning—short-and long-term. DDSs engage in **short-term workforce planning** when they prepare their annual spending plans for the SSA budget process, and recruit, hire, and deploy staff to fill the workyears supported through SSA's annual budget allocation. **Long-term workforce planning** is longer-term and more comprehensive than the annual spending plans DDSs prepare for the SSA budget process. Long-term workforce planning is a process by which an organization develops plans to manage the size, capabilities, diversity, and deployment of its workforce to meet its long-term objectives. Such planning could include developing strategies for integrating hiring, recruiting, training, and other human capital activities to ensure that appropriately skilled employees are available when and where they are needed. It is based on the collection of valid and reliable data, such as retention rates.

Acronyms Used in this Survey

CDR – Continuing Disability Review

DE – Disability Examiner

DDS – Disability Determination Service

FY – Federal Fiscal Year

N/A – Not Applicable

RFC – Residual Functional Capacity

SDM – Disability Examiners with Single Decision Maker authority

SSA – Social Security Administration

**Appendix II: Survey of DDS Directors' Views
on Human Capital Challenges**

GAO Survey of DDS Directors' Views on Human Capital Challenges, Part 1, Page 3

In case we need to contact you to clarify any of your responses for Part 1 of this survey, please provide the following information:

Name _____
 Title _____
 Phone number _____
 Email address _____
 State in which DDS is located _____

STATEWIDE RECRUITING, HIRING, AND COMPENSATION

Please remember to provide one statewide DDS response to each question.

1. In trying to fill DE positions for which you were recruiting in the past three fiscal years, to what degree, if any, has your DDS had difficulty recruiting and hiring sufficient numbers of individuals who can become **successful DEs and/or SDMs**? *(Check one box in each row.)*

Fiscal Year	No difficulty (1)	Some difficulty (2)	Moderate difficulty (3)	Great difficulty (4)	Very great difficulty (5)	No basis to judge/N/A (6)
a. FY 2000						
b. FY 2001						
c. FY 2002						

2. In Question 1 above, for any of the three fiscal years, did you respond that you had some or more difficulty recruiting and hiring sufficient numbers of individuals who can become **successful DEs and/or SDMs**? *(Check one.)*

1. Yes
 2. No → If no, go to Question 4.

3. To what extent, if any, has **difficulty recruiting and hiring sufficient numbers of individuals who can become successful DEs and/or SDMs** contributed to each of the following conditions in your DDS? *(Check one box in each row.)*

Condition	No extent (1)	Some extent (2)	Moderate extent (3)	Great extent (4)	Very great extent (5)	No basis to judge/N/A (6)
a. Decreased accuracy of decisions						
b. Increased claims processing time						
c. Increased total caseload level per DE						
d. Increased number of unassigned staged cases						
e. Increased job stress						
f. Increased turnover						
g. Decreased ability to transition to the SDM position						
h. Diminished ability to implement process unification						
i. Other: [PLEASE SPECIFY]						

Appendix II: Survey of DDS Directors' Views on Human Capital Challenges

GAO Survey of DDS Directors' Views on Human Capital Challenges, Part 1, Page 4

4. Please indicate the degree, if any, to which **state-imposed requirements** make it more difficult for your DDS to recruit and hire **sufficient numbers of individuals who can become successful DEs and/or SDMs**. (Check one box in each row.)

Requirements	Does not make it more difficult (1)	Slightly more difficult (2)	Moderately more difficult (3)	Much more difficult (4)	No basis to judge/N/A (5)
a. Minimum qualification standards for applicants					
b. State salary limits for DEs and/or SDMs					
c. State limits on other forms of compensation such as performance-based pay and hiring bonuses					
d. State limits on providing employee-friendly workplace, such as flex-time, flex-place, wellness/counseling services					
e. Restrictive state classification system					
f. State-imposed examination requirements					
g. State-imposed hiring limitations or hiring freezes					
h. Lengthy time to hire					
i. State restrictions on ability to advertise vacancies					
j. Parent agency restrictions					
k. State overtime restrictions					
l. State physical space or facilities standards					
m. State-imposed furloughs (actual or potential)					
n. State Reduction-In-Force (RIF) procedures (actual or potential)					
o. Other: [PLEASE SPECIFY]					

5. Please indicate the degree, if any, to which **SSA budget allocations and/or other SSA restrictions/standards** over the **past three fiscal years** have made it more difficult for your DDS to recruit and hire **sufficient numbers of individuals who can become successful DEs and/or SDMs**. (Check one box in each row.)

SSA budget allocations, restrictions, standards	Did not make it more difficult (1)	Slightly more difficult (2)	Moderately more difficult (3)	Much more difficult (4)	No basis to judge/N/A (5)
a. Workyear level					
b. Hiring restrictions					
c. Physical space or facilities standards					
d. Information systems standards/requirements					
e. Other: [PLEASE SPECIFY]					

Appendix II: Survey of DDS Directors' Views
on Human Capital Challenges

GAO Survey of DDS Directors' Views on Human Capital Challenges, Part 1, Page 5

6. Are DEs grouped in the **same** job classification as any other **state employees who are not DEs**? (Check one.)

- 1. Yes → [PLEASE SPECIFY] _____
- 2. No

7. The following are lists of possible education and/or previous equivalent professional experience requirements that your DDS might require as **minimum qualifications** for new DE hires, as well as a list of the type of applicants for the DE position.

Possible education requirements

- a. No educational requirements
- b. General Educational Development (GED)
- c. High School Diploma
- d. 2-year college degree (associate)
- e. 4-year college degree (bachelor)
- f. Master's degree
- g. Other: [PLEASE SPECIFY] _____
- h. Other: [PLEASE SPECIFY] _____

Possible professional experience requirements

- i. No previous equivalent professional experience
- j. At least 1 year, but less than 2 years, of equivalent professional experience
- k. 2 or more years of equivalent professional experience
- l. Other: [PLEASE SPECIFY] _____
- m. Other: [PLEASE SPECIFY] _____

Type of applicant

- n. State employee
- o. Not a state employee
- p. Other: [PLEASE SPECIFY] _____

*On the lines below, indicate all possible combinations of education and/or previous equivalent professional experience that your DDS requires as **minimum qualifications** for new DE hires. Also indicate the type of applicant that each combination of minimum qualifications applies to. Please indicate the combinations and the type of applicant by using the identifying letters from the lists above.*

Combination 1: (Education) _____ (Experience) _____ (Type of applicant) _____
Combination 2: (Education) _____ (Experience) _____ (Type of applicant) _____
Combination 3: (Education) _____ (Experience) _____ (Type of applicant) _____

Explanation if necessary

8. Does your state use some type of selection exam for which a qualifying score or ranking is needed to be eligible to be hired? (Check one.)

- 1. Yes
- 2. No

Appendix II: Survey of DDS Directors' Views
on Human Capital Challenges

GAO Survey of DDS Directors' Views on Human Capital Challenges, Part 1, Page 6

9. For each of the following types of qualification requirements for **newly hired DEs**, do you think the current requirements are too high, about right, or too low? (Check one box in each row.)

Qualification requirement	Too high (1)	About right (2)	Too low (3)	No basis to judge/N/A (4)
a. Minimum level of education				
b. Previous professional experience				
c. Qualifying score or ranking on selection exam				

10. If you indicated in the question above that any of the qualification requirements for **newly hired DEs** are **too low**, please indicate to what extent, if any, the following factors present obstacles to improving these qualification requirements. (Check one box in each row.)

Factor	Not an obstacle (1)	Slight obstacle (2)	Moderate obstacle (3)	Serious obstacle (4)	Very serious obstacle (5)	No basis to judge/ N/A (6)
a. State classification restrictions						
b. State salaries too low to attract persons with higher qualifications						
c. State would not provide the budget to support raising salaries resulting from reclassification						
d. Raising qualifications is inappropriate for the other state employees who are grouped in the same job classification as DEs						
e. Union agreements restricting reclassification						
f. Union/employee opposition to reclassification						
g. SSA budget constraints						
h. Other: [PLEASE SPECIFY]						

Appendix II: Survey of DDS Directors' Views on Human Capital Challenges

STATEWIDE TRAINING AND DEVELOPING

Please remember to provide one statewide DDS response to each question.

11. We want to know whether your DDS is **adapting** SSA training—including new DE basic training and other training after basic training. Adapting training could involve **editing, revising, not using some materials, or offering a substitute course**. It could include training provided by your DDS **on-site or external** training. For the types of knowledge and skills listed below, please indicate with checks:
- Whether **SSA offered** training (such as written materials, IVT, and videos) on this topic in the past 24 months, and, if so:
 - Whether your **DDS found SSA's training adequate to prepare DEs to become proficient in the disability claims process**, and, if not:
 - Whether your **DDS adapted SSA training to make it adequate and offered it** in the past 24 months, and/or:
 - Whether your **DDS plans to adapt SSA training to make it adequate** and offer it in the next 12 months; or, if not:
 - Whether your **DDS wants to, but is unable to adapt SSA training to make it adequate** and offer it in the next 12 months. *(Check all that apply. However, if you put a check in Columns 1 or 3, do not put a check in Columns 5-10. Also, do not put a check in both Columns 7 and 9.)*

Knowledge and skills that DEs might need in performance of their duties	Did SSA offer training on this topic in the past 24 months?		Did your DDS find that SSA's training was adequate?		Did your DDS adapt SSA's training to make it adequate and offer it in the past 24 months?		Does your DDS plan to adapt SSA's training to make it adequate and offer it in the next 12 months?		Does your DDS want to, but is unable to adapt SSA's training to make it adequate and offer it in the next 12 months?	
	No	Yes	YES	NO	Yes	No	Yes	No	Yes	No
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A. TRAINING AFTER NEW DE BASIC TRAINING:										
a. Basic claim development techniques										
b. Body systems (medical knowledge)										
c. Disability program knowledge										
d. Weighing medical source opinion										
e. Assessing symptoms and credibility										
f. Assessing childhood disabilities										
g. RFC preparation/analysis										
h. Assessing vocational factors										
i. Updates on policies and procedures										
j. Use of computers and technologies										
k. Time/workload management										
l. Public communication skills										
m. Teamwork/collaboration skills										
n. Other: [PLEASE SPECIFY]										
B. NEW DE BASIC TRAINING										

12. Please estimate **how many workyears** your DDS spent in FY 2002 to prepare and deliver training related to **disability claims processing** for DEs. (Note: this does **not** include time for DEs to receive training.) _____

**Appendix II: Survey of DDS Directors' Views
on Human Capital Challenges**

GAO Survey of DDS Directors' Views on Human Capital Challenges, Part I, Page 8

13. If you indicated for any of the types of skills and knowledge in Question 11 that you adapted (Column 5), planned to adapt (Column 7), or wanted to but were unable to adapt (Column 9) SSA training, **how important a reason** is each of the following for **adapting SSA training?** (Check one box in each row.)

Reasons to adapt SSA training to make it adequate:	Not important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	No basis to judge/ N/A (5)
a. Training does not cover DDS procedures responding to court decisions/laws that apply to your state					
b. Training does not cover DDS procedures that are unique to your state (other than those that respond to court decisions/ laws)					
c. Training is not delivered in the way that your DDS wants to deliver training					
d. Presenters lack effective presentation skills					
e. Presenters lack sufficient subject matter expertise					
f. Training is too conceptual: not sufficiently linked to day-to-day case-processing					
g. Content is incomplete					
h. Materials are poorly organized					
i. Training provides insufficient opportunity to practice skills taught					
j. Training is delivered too early or too late					
k. Content does not reflect current SSA regulations/policies/procedures/Medical Listings and needs updating					
l. Certain types of training over rely on IVT technology					
m. Training lacks sufficient written materials (e.g., handouts, desk aids)					
n. Training provides insufficient opportunity to interact with the trainer					
o. Courses are not offered frequently enough					
p. Other: [PLEASE SPECIFY]					

14. In your opinion, to what extent, if any, would your DDS be able to spend fewer resources in adapting SSA's training if SSA were to improve the quality, completeness, and timeliness of its training? (Check one.)

- 1. No extent
- 2. Some extent
- 3. Moderate extent
- 4. Great extent
- 5. Very great extent
- 6. No basis to judge/N/A

Appendix II: Survey of DDS Directors' Views on Human Capital Challenges

GAO Survey of DDS Directors' Views on Human Capital Challenges, Part 1, Page 9

15. To what extent, if any, is the **training and mentoring received** by your DEs adequately preparing them to become proficient in the disability claims process? (By "mentoring," we mean on-the-job training provided by more experienced individuals.) *(Check one.)*

- 1. Very adequately → PLEASE SKIP to Question 17
- 2. Adequately → PLEASE SKIP to Question 17
- 3. Less than adequately
- 4. Very inadequately
- 5. No basis to judge/N/A

16. To what extent, if any, has the adequacy of **training and mentoring received** by your DEs contributed to each of the following conditions? *(Check one box in each row.)*

Condition	No extent (1)	Some extent (2)	Moderate extent (3)	Great extent (4)	Very great extent (5)	No basis to judge/N/A (6)
a. Decreased accuracy of decisions						
b. Increased claims processing time						
c. Increased total caseload level per DE						
d. Increased job stress						
e. Increased turnover						
f. Decreased pipeline of future supervisors/managers						
g. For new hires, increased time needed to reach full performance						
h. Other: [PLEASE SPECIFY]						

17. For each of the following types of knowledge/skills, estimate the percentage of your current DEs (excluding trainees) who need **additional mentoring and/or refresher training to become successful SDMs?** *(Check one box in each row.)*

Knowledge and skills	Percent needing additional refresher training?						No basis to judge/N/A (7)
	0% (1)	1-24% (2)	25-49% (3)	50-74% (4)	75-99% (5)	100% (6)	
a. Basic claim development techniques							
b. Body systems (medical knowledge)							
c. Disability program knowledge							
d. Weighing medical source opinion							
e. Assessing symptoms and credibility							
f. Assessing childhood disabilities							
g. RFC preparation/analysis							
h. Assessing vocational factors							
i. Updates on policies and procedures							
j. Use of computers and technologies							
k. Time/workload management							
l. Public communication skills							
m. Teamwork/collaboration skills							
n. Other: [PLEASE SPECIFY]							

In the survey sent to DDSs that were testing the SDM position, Question 17 referred to "current SDMs (excluding trainees) who need additional mentoring and/or refresher training to successfully perform the SDM role."

**Appendix II: Survey of DDS Directors' Views
on Human Capital Challenges**

In the survey sent to DDSs that were testing the SDM position, Question 18 referred to "obstacles to your SDMs receiving needed additional mentoring and/or refresher training." The question asked: "To what extent, if any, is each of the following an obstacle to your current SDMs (excluding trainees) receiving, over the next two years, additional mentoring and/or refresher training needed to successfully perform the SDM role?"

GAO Survey of DDS Directors' Views on Human Capital Challenges, Part 1, Page 10

18. The following are possible **obstacles** to your DEs receiving needed additional mentoring and/or refresher training. To what extent, if any, is each of the following an obstacle to your current DEs (excluding trainees) receiving, over the next two years, additional **mentoring** and/or **refresher training** needed to **become successful SDMs**? (Check one box in each row.)

Possible obstacle	Not an obstacle (1)	Slight obstacle (2)	Moderate obstacle (3)	Serious obstacle (4)	Very serious obstacle (5)	No basis to judge/ N/A (6)
a. Insufficient space						
b. Insufficient equipment						
c. Insufficient funds						
d. Average total caseload level per DE does not allow time to attend training						
e. Production expectations for the number of cases completed do not allow for time to attend training						
f. Insufficient money for travel						
g. Courses not offered frequently enough						
h. Insufficient number of experienced DDS trainers						
i. Inability to use overtime						
j. State-imposed restrictions (e.g., on travel)						
k. Difficulty of providing training in multiple locations						
l. Limitations in IVT technology for certain types of training						
m. Mentors have too much work to provide on-the-job training						
n. Mentors lack sufficient technical expertise to develop less experienced DEs						
o. Mentors lack sufficient mentoring skills to develop less experienced DEs						
p. Mentors lack sufficient interpersonal skills to develop less experienced DEs						
q. DEs lack sufficient interpersonal skills needed to solicit and receive mentoring						
r. DEs have too much work to seek mentoring						
s. There are not enough mentors with adequate DE experience to provide effective mentoring						
t. Other: [PLEASE SPECIFY]						

STATEWIDE RETENTION

Please remember to provide one statewide DDS response to each question.

19. In your opinion, is the number of DE separations from your DDS too high, about right, or too low? (Check one.)

- 1. Much too high
- 2. Too high
- 3. About right
- 4. Too low
- 5. Much too low
- 6. No basis to judge/N/A

**Appendix II: Survey of DDS Directors' Views
on Human Capital Challenges**

GAO Survey of DDS Directors' Views on Human Capital Challenges, Part 1, Page 11

20. In your opinion, to what extent, if any, does each of the following factors **contribute** to DE separations from your DDS? *(Check one box in each row.)*

Factor	No contri- bution (1)	Slight contri- bution (2)	Moderate contri- bution (3)	Great contri- bution (4)	Very great contri- bution (5)	No basis to judge/ N/A (6)
a. Noncompetitive rate of DDS pay						
b. Insufficient alternative forms of compensation (e.g., tuition reimbursement, student loan repayment, hiring bonuses, performance bonuses, skill-based pay, retention allowances, transportation subsidies)						
c. Insufficient employee-friendly workplace elements (e.g., alternative work schedules, work-at-home option, child or elder care services, wellness services/fitness program)						
d. Highly complex work						
e. High total caseload level per DE and/or high number of new cases assigned per week per DE						
f. High production expectations in terms of the number of cases completed						
g. Job did not meet employee expectations						
h. Personal reasons of employees						
i. Insufficient clerical support						
j. Insufficient advancement opportunities						
k. High level of overtime						
l. Lack of opportunity to work sufficient overtime						
m. High level of stress in the workplace						
n. Insufficient number of experienced staff to respond to DE questions						
o. High rate of change or level of complexity of new policies and procedures						
p. High rate of change, and/or low performance, of information systems/technology						
q. State Reduction-in-Force (potential or actual)						
r. State-imposed furloughs (potential or actual)						
s. State early retirement incentive						
t. State-imposed salary freezes or reductions, and/or promotion freezes						
u. Availability of alternative employment						
v. Other: [PLEASE SPECIFY]						

**Appendix II: Survey of DDS Directors' Views
on Human Capital Challenges**

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21. The following **conditions** may result from DE separations from your DDS. To what extent, if any, have the following **occurred** as a **result** of these separations? (Check one box in each row.)

Conditions	No extent (1)	Some extent (2)	Moderate extent (3)	Great extent (4)	Very great extent (5)	No basis to judge/ N/A (6)
a. Increased recruiting, hiring and/or training costs						
b. Increased total caseload level and/or increased number of new cases assigned per week per DE						
c. Increased number of unassigned staged cases						
d. Decreased accuracy of decisions						
e. Increased claims processing time						
f. Decreased availability of mentoring and consultation						
g. Decreased availability of continuing education						
h. Too much overtime						
i. Decreased ability to engage in long-term workforce planning, including succession planning						
j. Decreased level of skills because of losses of experienced staff						
k. Decreased ability to transition to the SDM position						
l. Decreased ability to implement process unification						
m. Other: [PLEASE SPECIFY] _____						

**Appendix II: Survey of DDS Directors' Views
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TRANSITION TO THE SINGLE DECISION MAKER

Please remember to provide one statewide DDS response to each question.

22. To what extent, if any, are the following factors likely to be a challenge for your DDS in making the transition to the SDM position? *(Check one box in each row.)*

In the survey sent to DDSs that were testing the SDM position, Question 22 was phrased: "To what extent, if any, were the following factors a challenge for your DDS in making the transition to the SDM position?"

Factors	Not a challenge (1)	Slight challenge (2)	Moderate challenge (3)	Serious challenge (4)	Very serious challenge (5)	No basis to judge/N/A (6)
a. Limited knowledge about readiness for transitioning to the SDM position						
b. Insufficient guidance from SSA on roles/responsibilities for SDMs						
c. Minimum qualifications for new DE hires are set too low for advancement to the SDM role						
d. Difficulty in determining which DEs have sufficient skills to become SDMs						
e. State job classification does not match the complexity of SDM responsibilities						
f. Non-competitive salary insufficient to attract and/or retain staff with skills to become SDMs						
g. Examiners and/or other staff (such as supervisors or Medical Consultants) are resistant to change						
h. High total caseload level makes it difficult to take staff away from processing cases, limiting time available for providing/receiving SDM training/mentoring and for practicing skills taught						
i. Limited DE skills in one or more of the following areas: medical or program knowledge, independent analytical thinking, case management, or teamwork/collaboration						
j. Limitations in the quality of training/mentoring						
k. Limited time available for training of Medical Consultants to support SDMs						
l. Difficulty in providing easy and regular access to Medical Consultants for on-the-job training						
m. Total caseload level per DE too high, given the complexity of the caseload and new SDM responsibilities						
n. Difficulty in establishing new performance expectations for SDMs						
o. High separation rate for DEs and/or SDMs						
p. High workload limits the amount of time employees are involved in planning for, and implementing, the transition (e.g., low level of employee buy-in)						
q. Other: [PLEASE SPECIFY]						

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23. Please indicate which of the following actions **best** describes your progress to date in preparing for the SDM transition. *(Check one box in each row.)*

Question 23 was not included in the survey that was sent to the DDSs that were testing the SDM position, since those DDSs had already made the transition to the SDM position.

Possible actions	Progress to date?					
	Action not necessary for transition (1)	No planning/action taken (2)	In midst of planning (3)	Taking steps to accomplish the action (4)	Took steps but could not implement the action (5)	Action successfully implemented (6)
a. Assessing DDS readiness for transition to the SDM position						
b. Identifying SDM roles and responsibilities						
c. Establishing criteria for determining which examiners have sufficient skills to become SDMs						
d. Establishing performance expectations for SDMs						
e. Identifying gaps in DE skills						
f. Providing time for training examiners in the new SDM role and practicing skills taught						
g. Developing high quality training and mentoring for the SDM role						
h. Establishing means for SDMs to have easy and regular access to Medical Consultants for on-the-job training						
i. Reducing total caseload level during transition for examiners who are taking on the SDM role						
j. Raising state job classification to reflect more complex job responsibilities						
k. Raising the salary level to make it sufficiently competitive to attract and retain staff with skills to be SDMs						
l. Raising minimum qualifications for new DE hires to reflect more complex job responsibilities						
m. Providing time for involving employees in planning and implementing the transition						
n. Preparing other key staff (such as supervisors or Medical Consultants) in their new role under the SDM program						
o. Developing strategies to overcome resistance to change						
p. Developing incentives to retain skilled DEs and/or SDMs						
q. Other: [PLEASE SPECIFY]						

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24. For any of the possible actions in the previous question, did you indicate that you took steps but could not implement it (Column 5), or successfully implemented it (Column 6)? (Check one.)

1. Yes
2. No → If no, go to Question 25.

In general, to what extent did each of the following organizations and entities help or hinder your DDS in **preparing for the SDM transition**? (Check one box in each row.)

Organizations and entities	Great help (1)	Some help (2)	Neither helped nor hindered (3)	Some hindrance (4)	Great hindrance (5)	No basis to judge/N/A (6)
a. State parent agency personnel office						
b. State parent agency budget/fiscal office						
c. State parent agency senior management						
d. State parent agency personnel office						
e. State parent agency budget/fiscal office						
f. Your state governor's office						
g. Your state legislature						
h. Union(s) representing DEs and/or SDMs						
i. Professional associations						
j. Your SSA Regional Office						
k. SSA Headquarters						
l. Other: [PLEASE SPECIFY]						

STATEWIDE DDS WORKFORCE PLANNING

Please remember to provide one statewide DDS response to each question.

25. To what extent, if any, do you believe SSA's expectation for productivity (Production per Workyear) placed on your DDS is too high, too low, or about right? (Production per Workyear is calculated by dividing the total workload by total workyears.) (Check one.)

1. Much too high
2. Too high
3. About right
4. Too low
5. Much too low
6. No basis to judge

In the survey sent to the DDSs that were testing the SDM position, the "Yes/No" part of Question 24 was not included. Thus, the second part of Question 24 was asked generally of all DDSs testing the SDM position.

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26. SSA projects the number of disability claims that your DDS will receive. Your DDS uses this projection in developing your workyear level. Based on your experience over the past three fiscal years, has this projection been too high, too low, or about right? *(Check one.)*

1. Much too high
2. Too high
3. About right
4. Too low
5. Much too low
6. No basis to judge

27. To what extent, if any, do SSA's workyear projections for your DDS for the past three fiscal years accurately reflect the following factors: *(Check one box in each row.)*

Factors	No extent (1)	Some extent (2)	Moderate extent (3)	Great extent (4)	Very great extent (5)	No basis to judge/N/A (6)
a. Staffing needs in light of policy and procedural changes (e.g., process unification and revising the Medical Listings to make them more functionally-based)						
b. Staff resources needed for meeting CDR requirements						
c. Staff resources needed for managing unassigned staged claims						
d. Staff resources needed to complete case files received from SSA						
e. Staff resources needed for reviewing quality of decisions						
f. Lost productivity of new hires receiving new DE training to replace examiners lost to attrition						
g. Staff resources (trainers/mentors) needed to deliver training and mentoring						
h. Other: [PLEASE SPECIFY]						

28. During **any** of the past three fiscal years, has the number of DEs in your DDS **not** been sufficient for your DDSs' actual workload? *(Check one.)*

1. Yes
2. No → If no, go to Question 30.

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29. To what extent, if any, has any of the following conditions occurred because the number of DEs **has not been sufficient** for your DDSs' actual workload? *(Check one box in each row.)*

Possible conditions	No extent (1)	Some extent (2)	Moderate extent (3)	Great extent (4)	Very great extent (5)	No basis to judge/ N/A (6)
a. More difficult to pull staff off-line to provide training						
b. More difficult to pull staff off-line to receive training						
c. Higher levels of overtime						
d. Increase in number of unassigned staged cases						
e. Increase in claims processing time						
f. More stressful work environment						
g. Reduced accuracy of decisions						
h. Increase in the total caseload level per DE						
i. Other: [PLEASE SPECIFY]						

30. To what extent, if any, does your DDS have an opportunity to factor your **future human capital needs** into SSA's spending projections **beyond** the upcoming fiscal year? *(Check one.)*

1. No opportunity
2. Some opportunity
3. Moderate opportunity
4. Great opportunity
5. Very great opportunity
6. No basis to judge/N/A

31. Generally, there are two types of workforce planning—short-term and long-term.
- You engage in **short-term workforce planning** when your DDS prepares its annual spending plans for the SSA budget process, and recruits, hires, and deploys staff to fill the workyears supported through SSA's annual budget allocation.
 - **Long-term workforce planning** is longer-term and more comprehensive than the annual spending plans DDSs prepare for the SSA budget process. Long-term workforce planning is a process by which an organization develops plans to manage the size, capabilities, diversity, and deployment of its workforce to meet its long-term objectives. Such planning could include developing strategies for integrating hiring, recruiting, training, and other human capital activities to ensure that appropriately skilled employees are available when and where they are needed. It is based on the collection of valid and reliable data, such as retention rates.

Does your DDS engage in **long-term**, statewide workforce planning as defined above? *(Check one.)*

1. Yes
2. No, my DDS does **not** engage in statewide workforce planning **that is longer-term than SSA's annual budget process** → PLEASE SKIP TO Question 35.

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32. What **length of time** does your **long-term**, statewide DDS workforce planning cover?
(*Check one.*)

1. 13 months to less than 2 years
2. 2 years to less than 4 years
3. 4 years to less than 6 years
4. More than 6 years
5. Other [PLEASE SPECIFY] _____

33. What strategies are included in your **long-term**, statewide DDS workforce planning? (*Check all that apply.*)

1. Recruiting strategies
2. Retention strategies
3. Training and professional development strategies
4. Compensation strategies
5. Performance expectation and evaluation strategies
6. Employee-friendly workplace strategies
7. Succession-planning/strategies for maintaining expertise in the long term
8. Contingency plans, in the event that resource levels do not meet expectations
9. Other: [PLEASE SPECIFY] _____

34. Is your **long-term**, statewide DDS workforce plan documented in a separate written plan, or is it only incorporated in other planning documents such as budgets, business plans, or parent agency planning documents? (*Check one.*)

1. Separate written plan
2. Only incorporated in other planning documents such as budgets, business plans, or parent agency planning documents.
3. Other: [PLEASE SPECIFY] _____

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35. *Whether your DDS engages in long-term workforce planning or not, please answer this question.* The following are challenges that might make statewide DDS **long-term** workforce planning more difficult. Long-term workforce planning is longer-term and more comprehensive than the annual spending plans DDSs prepare for the SSA budget process. To what extent, if any, has your DDS experienced the following challenges? *(Check one box in each row.)*

Challenges	No extent (1)	Some extent (2)	Moderate extent (3)	Great extent (4)	Very great extent (5)	No basis to judge/N/A (6)
a. Uncertainty about future resource levels from SSA						
b. Inconsistency between the state's and SSA's human capital policies (e.g., pertaining to staffing levels)						
c. Lengthy state process to approve human capital changes at the DDS						
d. Uncertainty about resources needed to implement major changes in SSA policies/procedures/systems						
e. Insufficient time for managers to attend to future problems because of the need to focus on current human capital challenges						
f. Insufficient internal expertise in workforce planning						
g. Insufficient data for workforce planning						
h. Insufficient tools (e.g., statistical software and IT systems) for workforce planning						
i. Concern that SSA does not incorporate the DDS's workforce plan when making resource decisions						
j. Insufficient assistance (e.g., tools, expertise, or data) from the parent agency/state government						
k. Insufficient assistance (e.g., tools, expertise, or data) from SSA's headquarters or your Regional Office						
l. Uncertainty about state-imposed hiring restrictions or separation incentives						
m. Other: [PLEASE SPECIFY]						

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Form B—Non-SDM

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SSA ASSISTANCE TO DDS OFFICES

Please remember to provide one statewide DDS response to each question.

36. To identify and address current and future human capital needs:
- To what extent, if any, do you **want** any of the following types of assistance from SSA's headquarters or your SSA Regional Office; and
 - Did you request such assistance?
- (Check one box in each row in Columns 1 through 5. Put one check in either Column 6 or 7.)*

Type of Assistance	No extent	Some extent	Moderate extent	Great extent	Very great extent	Did you request this assistance?	
	(1)	(2)	(3)	(4)	(5)	Yes (6)	No (7)
a. Help in projecting trends in the nature of the future disability workload							
b. Help with workforce planning, including projecting separations and developing succession plans							
c. Guidance on roles and responsibilities for SDMs							
d. Help in negotiating easing of state restrictions (e.g., on hiring and travel) with the state government							
e. Help in negotiating increases in DE and/or SDM salaries with the state government							
f. Help in negotiating increases in minimum qualifications with the state government for new DE hires							
g. Help in identifying gaps in DE skills							
h. Help in designing training and developing training materials for new SDMs and staff who will be supporting them							
i. Help in assessing DDS readiness for transition to the SDM position							
j. Guidance on how to determine which examiners have sufficient skills to become SDMs							
k. Allow DDSs to reduce the total caseload level for DEs who are taking on the SDM role							
l. Regular surveys of DEs nationwide about issues/concerns							
m. Other: [PLEASE SPECIFY]							

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37. Is your DDS receiving the following types of assistance from SSA Headquarters or your SSA Regional Office, and if so, how effective is the assistance in identifying and addressing current and future human capital needs? (Check "yes" or "no" in each row, and if you check "yes," rate the effectiveness.)

Type of assistance	Received?		If received, how effective is this assistance?					No basis to judge/ N/A (8)
	No	Yes	Very effective (3)	Effective (4)	Moderately effective (5)	Slightly effective (6)	Not effective (7)	
	(1)	→ (2)						
a. Help in projecting trends in the nature of the disability workload								
b. Help with workforce planning, including projecting separations and developing succession plans								
c. Guidance on roles /responsibilities for SDMs								
d. Help in negotiating easing of state restrictions (e.g., on hiring and travel) with the state government								
e. Help in negotiating increases in DE and/or SDM salaries with the state government								
f. Help in negotiating increases in minimum qualifications with the state government for new DE hires								
g. Help in identifying gaps in DE skills								
h. Help in designing training and developing training materials for new SDMs and staff who will be supporting them								
i. Help in assessing DDS readiness for transition to the SDM position								
j. Guidance on how to determine which examiners have sufficient skills to become SDMs								
k. Help in reducing caseload by negotiating reassignment of cases to federal offices or other DDSs								
l. Regular surveys of DEs and SDMs nationwide about issues and concerns								
m. Other: [PLEASE SPECIFY]								

38. If you have been able to (or attempted to and could not) put into place any major human capital initiatives pertaining to DEs and/or SDMs that are critical to the effectiveness of your DDS, please briefly explain below. (Examples of major human capital initiatives are reclassifying and increasing salaries for SDMS, and hiring ahead in anticipation of future staffing losses.)

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39. If you want to elaborate on any of your answers, please write down the item number and your comments. (If necessary, you may attach additional sheets.)

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Form B—Non-SDM

U.S. General Accounting Office
Survey of DDS Directors' Views on Human Capital Challenges
Part 2: Basic Statewide DDS Staffing Data

Introduction

The U.S. General Accounting Office (GAO), an agency of the Congress, is studying the **human capital challenges** that the DDSs may face in retaining and enhancing the expertise of their Disability Examiners and their examiners with Single Decision Maker authority. As part of our study, we are surveying directors of the DDSs. **We will report survey results in summary form only.** Individual DDS responses will not be identified in our report. GAO's policy is to not disclose individually identifiable data from this survey unless requested by a member of the Congress.

Part 2 of the survey includes questions about basic statewide DDS staffing data. You might wish to separate this part of the survey from Part 1 and give it to your staff to complete. For your convenience, we have repeated in this section the definitions and acronyms that we have used for the purpose of this survey.

To assist us, we ask that you complete both parts of the survey and **return them to us via one FedEx package, so that we receive them no later than April 17, 2003.** (Instructions for returning the survey to us are included in the instructions with Part 1 of the survey.)

Please provide **one statewide** DDS response. If you have any questions regarding the survey, please contact either Barbara Bordelon at (202) 512-4427 (bordelonb@gao.gov) or Suit Chan at (202) 512-6166 (chans@gao.gov).

Definitions for the Purpose of this Survey

Assigned cases – Disability claims assigned to an examiner but not yet completed.

External training – Refers to training provided outside the DDS but not by SSA; includes training by, for example, the National Association of Disability Examiners, a university or college, or another external training entity.

Fiscal year – Refers to the federal fiscal year.

Human capital – Simply stated, refers to your **people**. Two key principles are central to the concept of human capital. First, people are assets whose value can be enhanced through investment. As with any investment, the goal is to maximize value while managing risk. Second, an organization's human capital initiatives should be designed, implemented, and assessed by the standard of how well they help the organization achieve results and pursue its mission.

Medical Consultants – Refers to both Medical and Psychiatric Consultants.

Mentoring – Formal or informal on-the-job training provided by more experienced individuals who guide less experienced Disability Examiners in becoming more proficient in the disability claims process.

Permanent employees – Any individuals who are covered in the permanent state civil service system.

Separations – Voluntary (e.g., retirements, resignations, and transfers to other state positions outside the DDS) and involuntary (e.g., terminations) departures from the DDS.

Staged cases – All types of disability claims that have been received by the DDS (whether or not they have been entered into the DDS tracking system), but have not yet been assigned to an

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examiner. (Include those cases on which work or predevelopment has begun, but that have not yet been assigned to an examiner.)

State government – Includes the state executive branch, the state legislature, and the DDS parent agency, unless specifically stated otherwise.

Temporary employees – Any individuals who are **not** covered in the permanent state civil service system.

Total caseload level per DE – Total number of cases carried by a DE, but not yet completed.

Training – Includes both basic training and continuing education.

Workforce Planning – Generally, there are two types of workforce planning—short-term and long-term. DDSs engage in **short-term workforce planning** when they prepare their annual spending plans for the SSA budget process, and recruit, hire, and deploy staff to fill the workyears supported through SSA's annual budget allocation. **Long-term workforce planning** is longer-term and more comprehensive than the annual spending plans DDSs prepare for the SSA budget process. Long-term workforce planning is a process by which an organization develops plans to manage the size, capabilities, diversity, and deployment of its workforce to meet its long-term objectives. Such planning could include developing strategies for integrating hiring, recruiting, training, and other human capital activities to ensure that appropriately skilled employees are available when and where they are needed. It is based on the collection of valid and reliable data, such as retention rates.

Acronyms Used in this Survey

CDR – Continuing Disability Review

DE – Disability Examiner

DDS – Disability Determination Service

FY – Federal Fiscal Year

N/A – Not Applicable

RFC – Residual Functional Capacity

SDM – Disability Examiners with Single Decision Maker authority

SSA – Social Security Administration

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In case we need to contact you to clarify any of your responses for Part 2 of this survey, please provide the following information:

Name _____
 Title _____
 Phone number _____
 Email address _____
 State in which DDS is located _____

BASIC STATEWIDE DDS STAFFING DATA

Please remember to provide one statewide DDS response to each question.

- How many permanent and temporary DEs did your DDS have at the end of each of the following federal fiscal years? In your answers:
 - Exclude DEs who perform quality assurance, public relations, hearings officer roles, or who are dedicated to state-related work or other roles unrelated to evaluating disability claims;
 - Include only DEs who evaluate disability claims;
 - Include trainee examiners.
 (Please write a number in each box. If you cannot determine the number precisely, please estimate to the best of your ability.)

Fiscal Year	Number of DE staff statewide							
	End of FY 1999		End of FY 2000		End of FY 2001		End of FY 2002	
Type of Staff	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
a. Number of permanent DEs								
b. Number of permanent SDMs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
c. Number of case-producing DEs who are temporary employees								

- What was the total number of workyears that were supported by SSA's budget allocation at the end of each of the following federal fiscal years? What was the total number of workyears that were actually employed in your DDS for the same fiscal years? (Please write a number in each box. If you cannot determine the number precisely, please estimate to the best of your ability.)

Fiscal Year	Number of workyears statewide			
	End of FY 1999	End of FY 2000	End of FY 2001	End of FY 2002
a. Total number of workyears supported by SSA's budget allocation				
b. Total number of workyears that were actually employed in your DDS				

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Form B—Non-SDM

In the survey sent to the DDSs that were testing the SDM, Part II, Question 1, did not indicate "N/A" in row b.

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In the survey sent to the DDSs that were testing the SDM, Part II, Question 3, did not indicate "N/A" in row b.

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3. At the end of each fiscal year, what was the **statewide average total caseload level per DE** and the **total number of unassigned staged cases**?
(Please write a number in each box. If you cannot determine the number precisely, please estimate to the best of your ability.)

Type of Cases and Examiners	End of FY 2000	End of FY 2001	End of FY 2002
a. Average total caseload level per DE			
b. Average total caseload level per SDM	N/A	N/A	N/A
c. Total number of unassigned staged cases (including cases in predevelopment)			

4. Are DEs at your DDS covered by a union agreement? (Check one.)

1. Yes
2. No → If no, go to Question 6.
3. No basis to judge/N/A → If no basis to judge/N/A, go to Question 6.

5. Which of the following issues **affecting your DDS** are open to **negotiation** with the union (at the DDS, parent, agency, and/or state level)? (Check all that apply.)

1. The total caseload level that a DE can carry
2. The number of new cases assigned per DE
3. Type of case assigned
4. Production expectations for the number of cases completed
5. The ratio of DEs to Medical Consultants, Vocational Consultants, or other non-supervisory advisors
6. The ratio of DEs to supervisors
7. DDS procedures, policies, workflows
8. Hiring/promotion procedures
9. Selection qualifications for DEs
10. Selection qualifications for SDMs
11. The amount, if any, of overtime a DE can work
12. Other overtime policies, such as mandatory overtime
13. The number of hours in a standard work week
14. Salary level
15. The ability of the DDS to use one or more additional means of compensating DEs (for example, tuition reimbursement, student loan repayment, hiring bonuses, performance bonuses, skill-based pay, retention allowances, transportation subsidies)
16. The ability of the DDS to adjust hours and working conditions (for example, alternate work schedules, work-at-home, child care services, wellness services)
17. Other: [PLEASE SPECIFY] _____

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Form B—Non-SDM

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6. At the end of each of the fiscal years listed below, what percentage of DEs at your DDS had the following years of **experience** as a DE in your DDS and in any other DDS? (Please write a percentage in each box. If you cannot determine the percentage precisely, please estimate to the best of your ability.)

Years of experience	End of FY 2000	End of FY 2001	End of FY 2002
a. 2 years or less	%	%	%
b. More than 2, but less than 5 years	%	%	%
c. 5 years or more	%	%	%

7. During each of the past three fiscal years, how many **permanent DEs** retired or otherwise separated from your DDS, or were hired? (Please write a number in each box. If you cannot determine the number precisely, please estimate to the best of your ability.)

Type of personnel action	During FY 2000	During FY 2001	During FY 2002
a. Number of retirements			
b. Number of all other separations (resignations, terminations, transfers, Reductions-in-Force (RIFs), deaths, etc.)			
c. Number of hires (including new hires and transfers from other occupations in the DDS or other state agencies)			

- d. Of the number of hires you reported above for FY 2000, how many separated before the end of the next fiscal year, FY 2001? _____
- e. Of the number of hires you reported above for FY 2001, how many separated before the end of the next fiscal year, FY 2002? _____

8. Within the last two fiscal years, did you make a **projection** of how many of your current DEs and/or other case-handling professional staff (such as supervisors of DEs, quality assurance personnel, and Medical Consultants who are not on contract) will be **eligible to retire**? (Check one.)

1. Yes
2. No → If no, go to Question 10.

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In the survey sent to the DDSs that were testing the SDM, Part II, Question 9, row a indicated "DEs and/or SDMs."

In the survey sent to the DDSs that were testing the SDM, Part II, Question 11, row a indicated "DEs and/or SDMs."

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9. What percentage of your current DEs and/or other **case-handling professional staff** (such as supervisors of DEs, quality assurance personnel, and Medical Consultants who are not on contract) **did you project** will be eligible to retire by the end of each of the following fiscal years?
(Please write a percentage in each box; if you did not make a projection of expected retirement eligibility, then write "DK" (i.e., "Don't Know") in the box.)

Type of staff	End of FY 2004	End of FY 2005	End of FY 2006
a. DEs	%	%	%
b. Other case-handling professional staff	%	%	%

10. Within the last two fiscal years, **did you make a projection** of the number of DEs and/or other case-handling professional staff that are **expected to retire and/or separate** for any other reason? *(Check one.)*

1. Yes
2. No → If no, go to Question 12.

11. What percentage of your current DEs and/or other case-handling professional staff (such as supervisors of DEs, quality assurance personnel, and Medical Consultants who are not on contract) **did you project will retire and/or separate for any other reason** in each of the following fiscal years?
(Please write a percentage in each box; if you did not make a projection of expected retirements or other separations, then write "DK" (i.e., "Don't Know") in the box.)

Type of staff	Type of separation	FY 2004	FY 2005	FY 2006
a. DEs	Retirements	%	%	%
	Other separations	%	%	%
b. Other case-handling professional staff	Retirements	%	%	%
	Other separations	%	%	%

12. What was the average annual salary (excluding benefits) for your DEs at the end of **calendar year 2002**? \$ _____

13. What was the year of the last general salary increase for your DEs (for example, "Cost-of-Living increase"), and what was the percentage increase? Year _____ %

14. Which of the following most closely describes your DDS's **parent agency**? *(Check one.)*

1. No parent agency
2. Vocational rehabilitation
3. Social service
4. Education
5. Other: [PLEASE SPECIFY] _____

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Form B—Non-SDM

**Appendix II: Survey of DDS Directors' Views
on Human Capital Challenges**

GAO Survey of DDS Directors' Views on Human Capital Challenges, Part 1, Page 15

24. To what extent, if any, would you recommend each of the following actions to **non-SDM states** so that they could have the expertise they need to **successfully transition** to the SDM position? *(Check one box in each row.)*

This question was only included in the survey sent to the DDSs that were testing the SDM position. It was not included in the survey sent to the DDSs that were not testing the SDM position.

Possible Recommendations	Do not recommend (1)	Mildly recommend (2)	Moderately recommend (3)	Strongly recommend (4)	Very strongly recommend (5)	No basis to judge/N/A (6)
a. Assessing DDS readiness for transition to the SDM position						
b. Identifying SDM roles and responsibilities						
c. Establishing criteria for determining which examiners have sufficient skills to become SDMs						
d. Establishing performance expectations for SDMs						
e. Identifying gaps in DE skills						
f. Providing time for training examiners in the new SDM role and practicing the skills taught						
g. Developing high quality training/mentoring for the SDM role						
h. Establishing means for SDMs to have easy and regular access to Medical Consultants for on-the-job training						
i. Reducing total caseload level during transition for examiners who are taking on the SDM role						
j. Raising state job classification to reflect more complex job responsibilities						
k. Raising salary level to make it sufficiently competitive to attract and retain staff with skills to be SDMs						
l. Raising minimum qualifications for new DE hires to reflect more complex job responsibilities						
m. Providing time for involving employees in planning and implementing the transition						
n. Preparing other key staff (such as supervisors and Medical Consultants) in their new role under the SDM model						
o. Developing strategies to overcome resistance to change						
p. Developing incentives to retain skilled DEs and/or SDMs						
q. Other: [PLEASE SPECIFY]						

Appendix III: Related GAO Reports

Modernizing Federal Disability Programs

Social Security Disability: Reviews of Beneficiaries' Disability Status Require Continued Attention to Achieve Timeliness and Cost-Effectiveness. [GAO-03-662](#). Washington, D.C.: July 24, 2003.

High-Risk Series: An Update. [GAO-03-119](#). Washington, D.C.: January 1, 2003.

SSA Disability: Other Programs May Provide Lessons for Improving Return-to-Work Efforts. [GAO-01-153](#). Washington, D.C.: January 12, 2001.

Social Security Disability Insurance: Multiple Factors Affect Beneficiaries' Ability to Return to Work. [GAO/HEHS-98-39](#). Washington, D.C.: January 12, 1998.

SSA Disability: Return-to-Work Strategies from Other Systems May Improve Federal Programs. [GAO/HEHS-96-133](#). Washington, D.C.: July 11, 1996.

SSA Disability: Program Redesign Necessary to Encourage Return to Work. [GAO/HEHS-96-62](#). Washington, D.C.: April 24, 1996.

General Human Capital Management

Human Capital: Opportunities to Improve Executive Agencies' Hiring Processes. [GAO-03-450](#). Washington, D.C.: May 30, 2003.

Results-Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success. [GAO-03-488](#). Washington, D.C.: March 14, 2003.

High-Risk Series: Strategic Human Capital Management. [GAO-03-120](#). Washington, D.C.: January 2003.

A Model of Strategic Human Capital Management. [GAO-02-373SP](#). Washington, D.C.: March 15, 2002.

Human Capital: A Self-Assessment Checklist for Agency Leaders. [GAO/OCG-00-14G](#). Washington, D.C.: September 2000.

Strategic Workforce Planning

Human Capital: Key Principles for Effective Strategic Workforce Planning. [GAO-04-39](#). Washington, D.C.: December 11, 2003.

Foreign Assistance: Strategic Workforce Planning Can Help USAID Address Current and Future Challenges. [GAO-03-946](#). Washington, D.C.: August 22, 2003.

Tax Administration: Workforce Planning Needs Further Development for IRS's Taxpayer Education and Communication Unit. [GAO-03-711](#). Washington, D.C.: May 30, 2003.

Human Capital Management: FAA's Reform Effort Requires a More Strategic Approach. [GAO-03-156](#). Washington, D.C.: February 3, 2003.

HUD Human Capital Management: Comprehensive Strategic Workforce Planning Needed. [GAO-02-839](#). Washington, D.C.: July 24, 2002.

NASA Management Challenges: Human Capital and Other Critical Areas Need to be Addressed. [GAO-02-945T](#). Washington, D.C.: July 18, 2002.

Air Traffic Control: FAA Needs to Better Prepare for Impending Wave of Controller Attrition. [GAO-02-591](#). Washington, D.C.: June 14, 2002.

Securities and Exchange Commission: Human Capital Challenges Require Management Attention. [GAO-01-947](#). Washington, D.C.: September 17, 2001.

Human Capital: Implementing an Effective Workforce Strategy Would Help EPA to Achieve its Strategic Goals. [GAO-01-812](#). Washington, D.C.: July 31, 2001.

Single Family Housing: Better Strategic Human Capital Management Needed at HUD's Homeownership Centers. [GAO-01-590](#). Washington, D.C.: July 26, 2001.

Organizational Transformation

Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations. [GAO-03-669](#). Washington, D.C.: July 2, 2003.

Homeland Security: Management Challenges Facing Federal Leadership. [GAO-03-260](#). Washington, D.C.: December 20, 2002.

Highlights of a GAO Forum: Mergers and Transformation: Lessons Learned for a Department of Homeland Security and Other Federal Agencies. [GAO-03-293SP](#). Washington, D.C.: November 14, 2002.

Managing for Results: Using Strategic Human Capital Management to Drive Transformational Change. [GAO-02-940T](#). Washington, D.C.: July 15, 2002.

FBI Reorganization: Initial Steps Encouraging but Broad Transformation Needed. [GAO-02-865T](#). Washington, D.C.: June 21, 2002.

Training and Development

Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government. [GAO-03-893G](#). Washington, D.C.: July 1, 2003.

Foreign Languages: Human Capital Approach Needed to Correct Staffing and Proficiency Shortfalls. [GAO-02-375](#). Washington, D.C.: January 31, 2002.

Human Capital: Design, Implementation, and Evaluation of Training at Selected Agencies. [GAO/T-GGD-00-131](#). Washington, D.C.: May 18, 2000.

Appendix IV: Comments from the Social Security Administration

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



SOCIAL SECURITY

The Commissioner

December 17, 2003

Mr. Robert E. Robertson
Director, Education, Workforce,
and Income Security Issues
U.S. General Accounting Office
Room 5T57
441 G Street, NW
Washington, D.C. 20548

Dear Mr. Robertson:

Thank you for the opportunity to review the draft report, "Social Security Administration - Strategic Workforce Planning Needed to Address Human Capital Challenges Facing the Disability Determination Services." I welcomed this study when first proposed since this is an area that SSA has worked on for some time. Further, I agree that human capital management in the disability area is critical to the success of our mission. SSA executives and their staff spent a great deal of time working with GAO auditors over the past year in order for them to fully understand the complexities of this issue and the overall Federal/State relationship. However, the report does not fairly address or adequately discuss the many sides of this issue.

The report relies heavily on the opinions expressed in a survey of the Disability Determination Services (DDS) Administrators. As SSA staff indicated to the auditors before they issued the survey, we found the questions rather leading in nature and the conclusions of the report already embedded in the nature of the questions. Further, the questionnaire was sent to the administrators during a continuing resolution (CR), which required tight budgetary constraints and a hiring freeze for the DDSs. We believe these circumstances colored some of the responses of the administrators.

SSA has long supported increased salaries for DDS examiners and has never declined a request from a DDS to support them on this issue. Consequently, the report's assertion on page 5 that 24 DDSs had been refused a request for assistance in this area is not true and should be removed. The survey questions' ambiguity may have caused the responders to answer in such a fashion. Based on the Agency's knowledge and daily contacts with the regional offices, we know of no State that was refused assistance or support in obtaining salary improvements for DDS examiners. On the contrary, SSA has worked very hard to obtain such salary improvements.

The report fails to acknowledge the high level of sophistication in many States in dealing with human resource management. Many States, especially the large ones, have organizational units that deal with human capital management issues for all State employees. But, the report

SOCIAL SECURITY ADMINISTRATION BALTIMORE MD 21235-0001

See comment 1.

See comment 2.

See comment 3.

Page - 2 - Mr. Robert E. Robertson

dismisses the effectiveness of these units without having contacted them. DDS Administrators are responsible for the DDSs, not for human capital management in the States and, therefore, they cannot be viewed as the final word in these matters. To present a complete and informed picture, the auditors should also have contacted the State human resource organizations to provide a more accurate assessment of this activity in the States.

See comment 4.

The report recommends conducting an outreach program to State governors and officials and such activity is already underway. SSA's regional commissioners and their delegates engage in such discussions with State officials, but must do so within the context of each State's organizational and political environment. These are highly sensitive discussions, and SSA's regional officials must exercise considerable judgment in assessing the most appropriate approach to take in each State. These judgments are made in concert with DDS management and must consider each State's circumstances. On the national level, we intend to engage in discussions with the National Governors Association regarding DDS issues.

See comment 5.

The report also does not give the proper weight to the variety of attitudes in States on the matter of Federal mandates. While some States may accept a Federal mandate on qualifications, others may not, and may elect to opt out of the program. If they opt out, SSA needs to find a venue to process the claims for that State, and this would not be easy to do. The decision by even one large State to opt out of the program would present serious issues to SSA. Additionally, suddenly enlarging SSA's own workforce to deal with such a workload is not feasible.

See comment 6.

The report suggests that DDSs are failing to meet service delivery goals when, actually, DDSs are delivering the levels of service in processing time, quality and productivity set through the budget process. While the report states that processing times are increasing, attributing this to the inexperience of new recruits or the complexity of the decisionmaking, in fact processing times have been going down. DDS Title II processing time improved from 90.3 days in fiscal year (FY) 2001 to 84.8 days in FY 2003. DDS Title XVI processing time improved from 93.1 days in FY 2001 to 86.1 days in FY 2003. The report also suggests that DDS quality is deteriorating. However, the data in SSA's quality reviews have consistently scored annual DDS Net Decisionmaking Accuracy at least at 96.2 percent accurate in every year since 1992. In addition to improvement in processing times and consistency in accuracy, productivity-per-workyear showed a 3.2 percent increase from FY 2001 (261.9) through FY 2003 (270.4).

See comment 7.

The report speaks in generalities at the national level that may not be helpful in assessing an individual State's experience. Further examination would reveal that higher DDS salaries, in and of themselves, do not guarantee improved DDS performance. As we conveyed to the auditors, at the individual State level, there has been no correlation between high salaries and good processing time, good accuracy or good productivity. There are many States with higher salaries that are below average performers and vice versa. The report's notion, therefore, that high salaries alone are a panacea is mistaken.

But more importantly, the report fails to acknowledge that, if all DDS examiner salaries were raised to the level of Federal examiners, it would introduce an additional annual cost of nearly \$100 million to the DDS budget (salary increases plus indirect costs). Such information needs to be included in the report to keep the discussion in perspective.

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Additionally, the report, in its calculation of costs on page 19, assumes that all attrition is bad and fails to acknowledge the value of bringing new employees into an organization to keep it vibrant and growing.

See comment 8.

The report fails to provide an example of any other successful Federal agency that SSA might elect to model in this matter. While the report mentions the qualifications requirements of the Department of Education with regard to Vocational Rehabilitation Counselors, it fails to provide any evidence that this has helped that agency achieve its mission or improved its performance.

See comment 9.

On September 25, 2003, I testified before the House Ways and Means Subcommittee on Social Security and presented my approach to improve the disability determination process. The proposed process would shorten decision times, pay benefits much earlier to people who are obviously disabled and test new incentives for people with disabilities who wish to remain in, or return to, the workforce.

In this context, I generally agree with the intent of the recommendations in the report and, as part of our overall plan to improve the disability determination process, we will consider developing a nationwide strategic workforce plan that addresses the human capital challenges in the DDSs. Such a plan would need to deal appropriately with Federal and State roles and the other considerations laid out in the comments above.

However, the report does not sufficiently acknowledge the historical record of the development of regulations governing the Federal/State relationship. The report mentions the 1980 Amendments that provided SSA with additional authority to issue regulations governing program administration, but it does not acknowledge the subsequent regulatory development process and the States' reactions to proposals regarding increased Federal control of States' agencies. That is not to say that such regulatory changes should not be pursued, but the report should take more notice of the complexities involved.

See comment 10.

In closing, I want to assure you that we will work with the DDSs to continue ongoing efforts to improve examiner job skills. In our efforts to continually improve training and meet the needs of the DDSs, we already have in place: (1) a Disability Training Steering Committee (4 DDS representatives) that provides input on training needs and reviews subject matter materials; (2) a Disability Training Cadre that prepares and presents disability related training (also with 4 DDS representatives); (3) Bi-monthly Disability Topics (based on requests received from various sources, including the DDSs) that are presented via Interactive Video Training. We continually seek input from the DDSs on training needs for all types of employees. The input is used to develop and update training materials. Most recently, input was solicited from the DDSs by: (1) conducting a DDS supervisory skills assessment in July 2003; and (2) seeking DDS input on a medical consultant curriculum outline in September 2003. Finally, SSA components are currently working to revise and update the Disability Examiner Basic Training Program, which is the entry-level course for new examiners.

**Appendix IV: Comments from the Social
Security Administration**

Page - 4 - Mr. Robert E. Robertson

If you have any questions, please have your staff contact Candace Skurnik, Director, Audit Management and Liaison Staff at (410) 965-4636.

Sincerely,


Jo Anne B. Barnhart

GAO Comments

1. We believe that the report presents a fair and balanced portrayal of the multifaceted issue of human capital management in the DDSs. We designed the survey to obtain DDS directors' opinions about the extent to which, if any, a DDS had experienced certain human capital challenges and the likely factors and consequences involved. Moreover, the opinions were obtained from directors whose first-hand experiences make them some of the most knowledgeable sources of information about such issues in their organizations. But in addition to our survey, our overall study methods relied on information and data from several other sources as well. For example, we interviewed disability examiners and their managers at two DDSs, officials responsible for DDS management assistance at three of SSA's regional offices, SSA officials at headquarters, officials of the National Council of Disability Determination Directors and the National Association of Disability Examiners, and staff of the Social Security Advisory Board. We also reviewed pertinent laws, regulations, and procedures, and obtained and analyzed human capital data from the DDSs, SSA, and other federal agencies.

Our survey was developed in accordance with GAO's guidance on survey design and development.¹ To avoid the potential for questions to be leading, on every question in which we asked for directors' opinions, we gave them the opportunity to say that they did not experience that particular challenge, contributing factor, or consequence. To this end, we constructed the questions so that the first response choice was "no extent" or equivalent wording. In addition, each question was specifically assessed for possible bias or problematic wording during extensive survey pretesting. We pretested the survey eight times—with four former DDS directors and four current directors. On the basis of these pretests, we modified the questions until pretesters raised no further issues.

We also gave SSA disability program officials the opportunity, on two occasions, to review and comment on the survey. SSA officials first reviewed the survey prior to its pretesting. Among other suggestions, they noted that some survey questions were leading in nature and that, in addition, we should develop scaled responses to provide respondents with the opportunity to modulate their answers (e.g., from "no extent" to "very great extent"). We modified the survey on the basis of their comments, including revising or eliminating questions

¹U.S. General Accounting Office, *Developing and Using Questionnaires*, [GAO/PEMD-10.1.7](#) (Washington, D.C.: October 1993).

that they thought were leading and constructing scaled responses as suggested. After additionally incorporating comments of several pretesters, we provided SSA with the chance to review a revised version of the survey. The official coordinating SSA's second review e-mailed us in reply, saying that, while some of the survey questions might be difficult for the DDS directors to answer, we should go ahead with the survey as revised. The official did not refer to any bias in the revised questions.

Our survey questions and our findings reflect ongoing human capital challenges facing the DDSs and were not limited to the particular circumstances of fiscal year 2003. The survey questions themselves were generally not limited to the most recent year, and several explicitly asked for data for the past two or three fiscal years or for the future. While the impact of the continuing resolution and the related SSA hiring freeze that was in place throughout much of fiscal year 2003 may have affected DDS directors' responses, DDS and SSA officials have told us that resource constraints and budget uncertainties have been ongoing challenges for a number of years. Furthermore, certain aspects of the time period in which the survey was conducted likely downplayed some of the human capital challenges facing the DDSs. For example, DDS officials said in interviews that they expected examiner turnover to increase as economic conditions improved in the future.

2. Our report acknowledges the efforts made by SSA regional offices to persuade state governments to increase examiner salaries in light of their new responsibilities. Our report, however, does not assert that 24 DDSs were refused assistance with negotiating salary increases for examiners after they had requested it. Rather, we said that, of the DDS directors who reported wanting help from SSA with negotiating salary increases, more than half (24 DDSs) said they had not received this kind of help. (SSA interpreted wanting help and not receiving it as having requested help and been refused such assistance.) But regardless of whether directors have specifically requested this or another type of human capital assistance, they reported in their survey responses that they want active support from SSA on this and a number of other issues involving human capital management.
3. Our report acknowledges that some states have strategic workforce planning initiatives that consider their DDS employees. However, the issue relevant to our study was not whether statewide human capital management offices were generally effective, as SSA suggests, but whether there were any workforce planning efforts by SSA or the

DDSs that were integral to and supportive of SSA's mission and goals. As we noted in the report, even sophisticated statewide workforce planning efforts are not necessarily focused on ensuring that the DDSs have the workforces needed to accomplish such SSA goals as reducing claims-processing times.

4. Our report acknowledges SSA's current efforts at outreach to state officials. For example, our report describes efforts on the part of regional office officials to persuade state governments to exempt examiners from state hiring restrictions, reclassify DDS examiner positions, and increase examiner salaries. We also emphasize that SSA and its regional offices can be limited in their ability to help the DDSs negotiate changes by such factors as state political and budget concerns, as well as state personnel rules. However, as noted in our report, we found no record to date of any discussions with the National Governors Association (NGA) or of NGA focusing on this topic. Our recommendation that SSA reach out to national associations such as the NGA is an acknowledgment that the DDSs and SSA's regional offices cannot successfully confront these difficult human capital challenges without the sustained attention of SSA's leadership at the national level. For clarity, we have emphasized this point in the text of our recommendation. SSA's expressed intent to pursue discussions on a national level with NGA is a step in the right direction.
5. We recounted in our report the view of SSA officials that requiring uniform human capital standards might be perceived by some states as unwelcome federal interference and could raise the prospect of states withdrawing their participation in making disability determinations. We also noted the difficulties SSA has encountered in the past in convincing the DDSs to comply with SSA guidelines on personnel issues, due in part to the states' perceptions of infringements on traditional prerogatives. Accordingly, we stressed in our report that establishing uniform minimum qualifications for examiners throughout the DDSs will be difficult, requiring delicate and time-consuming discussions with some state governments. However, establishing such qualifications will also be worthwhile, helping some DDSs justify an appropriate job classification and level of compensation needed to recruit and retain qualified disability examiners. As an agency with fiduciary responsibility for administering disability programs that are nationwide in scope, SSA has an obligation to do no less than take firm steps to address the human capital challenges facing the DDSs. We understand SSA's concern about the difficulties it would face if states opted out of the disability program and transferred these

responsibilities to the federal government.² To help ensure the success of SSA's efforts, outreach from SSA's leadership to the state governors will be vital. Also essential will be a close working partnership among the immediate stakeholders—SSA, the DDSs, and their state parent agencies—in developing a nationwide strategic workforce plan.

6. We did not examine the accuracy and timeliness of claims processing. Nevertheless, even had these measures of performance improved, the Commissioner noted in her September 25, 2003, testimony that SSA still has “a long way to go” in its efforts to be more timely and accurate, despite positive strides in the short term. Moreover, SSA's own published strategic plan for 2003 to 2008 warns that “the length of time it [currently] takes to process these claims is unacceptable.” Results from our survey of DDS directors demonstrate the need to address such DDS human capital issues as high turnover and recruiting and hiring difficulties in order to improve the timeliness and accuracy of claims processing. Of the directors (43) who reported experiencing difficulties in recruiting and hiring enough people who could become successful examiners, more than three-quarters said that such difficulties contributed to decreased accuracy in disability decisions or to increases in claims-processing times. Moreover, over one-half of all directors reported that turnover had increased claims-processing times.
7. Our report neither states nor assumes that higher salaries alone guarantee improved DDS performance. Rather, it states that, according to more than two-thirds of all DDS directors, noncompetitive pay was one of several factors contributing to examiner turnover. Moreover, our report emphasized the costly consequences of such turnover, noting that the estimated cost of examiner turnover in fiscal year 2002 was in the tens of millions of dollars. (Our estimates show that this would be the case, regardless of whether the calculation is based on total turnover or turnover that is above that of the federal government as a whole.) SSA itself has been attempting to persuade state governments to increase examiner salaries to reflect new job responsibilities. Although increased compensation may increase costs, the turnover that can result from not addressing human capital

²The Congress was also aware of these difficulties in 1980 when it required SSA to submit a detailed plan for how it would assume the functions and operations of a state disability determination function, were it necessary to do so. See discussion of Pub. L. No. 96-265, § 304(b)(3) in S. Rep. No. 96-408, at 55 (1980) and in the Preamble to the 1981 Final Rule, 46 Fed. Reg. 29,190, 29,191 (1981).

management concerns, such as not compensating employees appropriately, can be costly as well, as we note in the report.

We agree with SSA that some attrition is desirable. But over half of all DDS directors told us in our survey that examiner turnover in their offices was too high, and we found that examiner turnover was about twice that of federal employees performing similar work. Because turnover is costly, we emphasize the importance of using data to identify current and future human capital needs. We have found in prior work that high-performing organizations analyze who is leaving, what skill gaps result, and how much turnover is desirable or acceptable. Organizations that fail to effectively manage their turnover risk not having the capacity to achieve their goals. A balance needs to be achieved between bringing in new employees with fresh and vibrant perspectives and retaining experienced employees whose institutional knowledge can maintain goals and help train others.

8. We cited the Department of Education's experience to show that establishing federal qualifications requirements for state employees, as we recommended that SSA do, can and has been done. While we have not studied federal experiences with workforce planning in an intergovernmental arena, the GAO reports we provide in appendix III highlight an array of initiatives on the part of federal agencies to embrace workforce planning, including SSA's planning models for its own employees. SSA has been willing to take the lead and develop models in workforce planning for its own employees. It should therefore build on its own internal expertise and lessons learned in this field to develop models of workforce planning in the demanding intergovernmental context as well. Lack of an existing model for the range of changes we recommend may make implementation more challenging, but it is not a convincing argument for inaction.
9. We support SSA's leadership in its efforts to improve the disability determination process and to help people with disabilities remain in or return to the workforce. SSA said that it generally agreed with the intent of our recommendations and would consider incorporating a nationwide strategic workforce plan for the DDSs into its current strategy to improve disability determinations. To do so will be essential, since the Government Performance and Results Act now requires agencies to report annually, as we noted in our report, on human capital strategies needed to meet their strategic goals. While we did not provide an exhaustive treatment of states' reactions to proposals for increased federal control, our report did note past opposition of some states to federal guidelines on personnel matters.

In addition, we have added further detail in the report about the regulatory development process. We acknowledge the complexities involved in pursuing regulatory change. But despite these difficulties, we maintain that SSA has an obligation to address DDS workforce needs.

10. SSA said that it would continue ongoing efforts to improve examiner job skills. Results from our survey of DDS directors, however, revealed gaps in critical examiner knowledge and skills. Moreover, a large proportion of directors said they would be able to spend fewer resources on adapting SSA's training if SSA were to improve the quality, completeness, and timeliness of this training. Given such results, our report recommended that SSA go beyond its current efforts and base its training improvement initiatives on a systematic assessment of the examiner's job responsibilities and related knowledge, skills, and competencies.

Appendix V: GAO Contacts and Staff Acknowledgments

GAO Contacts

Robert E. Robertson (202) 512-7215
Carol Dawn Petersen (202) 512-7215

Staff Acknowledgments

In addition to those named above, the following individuals made significant contributions to this report: Barbara Bordelon, Marissa Jones, Suit Chan, and Beverly Crawford, Education, Workforce, and Income Security Issues; Ellen Rubin, Strategic Issues; Gregory Wilmoth, Applied Research and Methods; and B. Behn Miller, General Counsel.

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