

GAO

Report to the Secretary of Health and  
Human Services

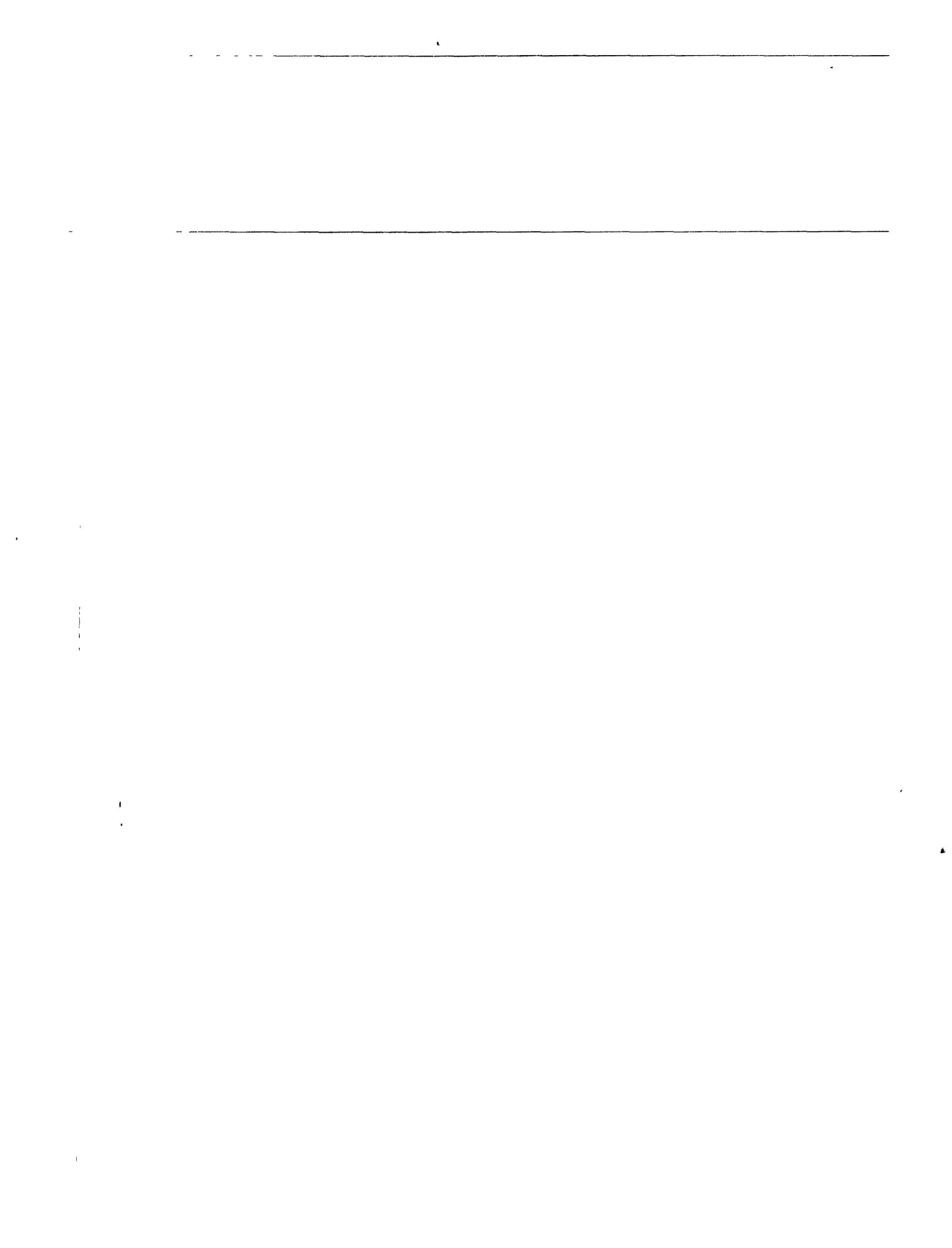
August 1986

# SOCIAL SECURITY

## Need to Improve Unit Times for Estimating Field Office Staff Budgets



036272



**Human Resources Division  
B-221073**

August 6, 1986

The Honorable Otis R. Bowen, M.D.  
Secretary of Health and Human Services

Dear Mr. Secretary:

As part of our work in examining the productivity of the Social Security Administration's (SSA) field offices, we reviewed SSA's use of unit time (time required to produce a unit of output such as a retirement claim) to estimate its field office staffing needs. Office of Management and Budget (OMB) Circular A-11 requires that estimates of personnel requirements for measurable work loads be based on a work measurement system using current and realistic unit times. We found that SSA does develop and use unit times and works to keep them current by adjusting them for methods, procedures, and systems changes; however, the unit times could be made more efficient by changing the method of developing them. The need for accurate unit times is presently intensified because of the possibility of major SSA staffing cuts. SSA is facing an OMB-mandated staff reduction of about 17,000 positions by 1991 as well as the impact of budget cuts imposed by the Balanced Budget and Emergency Deficit Control Act of 1985.

SSA's method of developing unit times is not designed to reflect the time required to process work loads in the most efficient and effective manner. In well-designed systems, a principal technique to measure work and establish unit times for the purpose of determining staffing requirements is through the use of engineered standards or "should take" time to perform a task or operation, and the time is developed around an efficient process. Engineered standards generally include methods studies, or evaluations of work processes, which are designed to assure and improve the efficiency and effectiveness of work activities. SSA, however, uses a work measurement system which is actually a time accounting system that provides a "does take" time to perform tasks. This approach accepts the time actually taken in the past year to process work loads as being satisfactory. This time is then adjusted to reflect SSA's plans for improving methods, procedures, systems, and to attempt to correct prior year work load and staff imbalances.

A particular weakness of a time accounting approach for estimating staffing needs is that the unit times may fluctuate inversely with the work load, even if the work process has not changed. The unit times are essentially derived by dividing staff time used by the work load count. Therefore, if staff time remains fixed and the work load goes up or

down, the unit times will move in the opposite direction. For example, the disability income claims work load decreased by about 35 percent from fiscal year 1979 to fiscal year 1984, and the unit time increased about 25 percent because staffing was not decreased proportionately. In each of the intervening years, a different unit time was computed and used to determine the staffing required for processing these claims. However, there is no assurance as to which, if any, of the unit times reflected the time required for efficiently processing a disability income claim. This type of unit time can result in the under- or over-estimation of staff needs when the times are applied to forecasted work load in the budgeting process. For example, decreases in the volume of several types of work load have caused increases in their unit times; this resulted in SSA budgeting about 2,500 staff years more in fiscal year 1984 for certain work loads than it would have budgeted for the same work loads in fiscal year 1979.

In testimony before the Senate Appropriations Committee on SSA's fiscal year 1985 budget request, the Acting Commissioner acknowledged that SSA's work measurement system represents the actual time to process the agency's work load. She said, however, that the agency has a considerable amount of historical data which gives it a good sense about the time it should take to process work loads. In addition, she said that management spends much time physically surveying operations and that a group of industrial engineers look at special problem areas. She also said that processing times are modified in SSA's budget projections to take into account systems changes and policy and procedure changes expected in future years.

We believe that unit times should be based on processes which are conducted in the most efficient and effective manner not simply on historical data. Although as noted by the Acting Commissioner management does survey operations and examine special problems, a routine examination of work processes is not built into the unit times development system. Such an examination would help ensure that the best work practices are being used in developing standards.

---

## Objectives, Scope, and Methodology

The overall objective of this review was to assess SSA's approach to using unit times in projecting field office staff needs, as required by OMB Circular A-11. Field office staff account for about one-half of total SSA positions. Two basic variables are involved in projecting staff needs— (1) productivity measures of the time required to produce units of output (unit times) and (2) measures of projected work load volume. We

did not analyze SSA's methods for projecting work load volume in this review. Rather, we focused on the methods used to develop unit times and the results of using such times in estimating staff needs for six major types of work loads processed in SSA field offices.

We conducted this review in accordance with generally accepted government auditing standards. Our work was performed at SSA headquarters in Baltimore, Maryland. We examined and documented the field office budget development process by conducting interviews with SSA managers and their staffs and reviewing budget back-up materials, productivity analyses, and internal SSA budget guidance. We reviewed prior studies conducted by outside consultants on work measurement and productivity data at SSA. We also interviewed those consultants concerning SSA's work measurement and productivity data. We conducted this review between April 1984 and November 1985.

## SSA Approach to Establishing Unit Times for Staff Budgeting

SSA estimates that about 58 percent (\$2.1 billion) of its \$3.6 billion trust fund obligation for administrative expenses was spent on employee salaries and benefits in fiscal year 1984. About one-half of SSA's approximately 80,000 employees are located in a network of over 1,300 field offices across the Nation, where they represent an important contact point with the federal government for a large share of the population. The other half of SSA's employees are primarily located at SSA headquarters, at 10 regional offices, and at 6 program service centers.

As the scope of social security programs has broadened, they have become increasingly complicated due to (1) the addition of major new benefit categories with differing eligibility requirements, (2) increased complexities in benefit computations, and (3) the adoption of provisions which extended coverage to various occupational groups. SSA's dynamic work environment complicates efforts to project work loads and determine the amount and type of staff resources required to perform its work.

As noted above, OMB Circular A-11 requires that staffing needs be based on a work measurement system using current and realistic unit times. These times should be used to the maximum extent practicable. There are many techniques for developing unit times. Most techniques use some form of work measurement, which is the collection and analysis of data on staff hours and output by work units. Some times are more precise than others because they use industrial engineering techniques, such as time study, work sampling, standard data, and predetermined

time systems, for formally analyzing and measuring the elements of particular jobs. Engineered unit times or standards are based on specified, efficient methods of performing job elements. Other unit times, such as nonengineered times, are less reliable. These times are developed using any of the time measurement techniques listed above, but they primarily rely on managerial judgment, professional or technical expertise, and statistical analysis of past performance. Further, nonengineered unit times often are based on methods of performing job elements which may not have been analyzed to assure that they are efficient.

Due to the measurable nature of its high volume and repetitive work load, SSA has a long history of developing work-load-based staff needs projections. Work measurement systems exist in all of SSA's major operating components, and 90 percent of SSA staff-year requirements are determined through work load and work measurement analysis.

SSA uses work sampling procedures to annually compute nonengineered unit times for its field operations. The development of unit times based on work sampling procedures is a common work measurement technique, especially in activities which are difficult or costly to measure. SSA's work sampling effort, requiring about one-half hour per week of one person's time at each office, is conducted at all 1,300 field offices. This individual makes random, spot-check observations to determine the type of work in which each employee observed is involved. The sampling process assumes that a limited number of random observations will provide statistically projectable data that will accurately represent the entire universe. We considered SSA's unit times to be nonengineered because the agency does not examine the process being measured to assure that efficient procedures are being followed during the measurement period. Instead, SSA relies on subsequent adjustments to reflect plans to improve methods, procedures, systems, and to correct for estimated prior year work load and staff imbalances.

The work sampling data is used in conjunction with work load volume information and payroll accounting reports showing total hours worked to develop unit times for various work load categories. The times become the basis for staff budgeting purposes. The following simplified example illustrates the process. First, if out of 1,000 observations, sample takers note that 100 observations related to processing retirement and survivors insurance (RSI) applications, then it is assumed that 10 percent of all staff hours worked involves processing RSI applications. Second, assuming payroll accounting reports show that 8,000 staff hours were worked during the week, then 10 percent, or 800 hours, is

attributed to RSI applications. Third, if work load data indicate that 400 RSI applications were processed, then the unit time for such work would be 2.0 hours per RSI application (800 hours ÷ 400 RSI applications). Fourth, this time is then applied against projected work loads for the budget period to justify staff needs. For example, if 10,000 claims are expected to be filed in the budget year, then the basic staff needs projection would be 10,000 claims x 2.0 hours per claim, or 20,000 staff hours. Fifth, the resulting staff needs estimate is adjusted annually for anticipated changes in work complexity. These changes generally result from changes in such factors as population characteristics, SSA policies, legislation, processing technology, and court decisions.

In effect, the unit time system is a work time accounting system which apportions time actually worked rather than determining how much time should realistically be required to perform various types of work efficiently. This permits unit times containing possible work processing inefficiencies to form the basis for future staffing estimates.

## Impact of Updating Unit Times Based on Time Accounting Data

As stated earlier, a particular characteristic of unit times based on time accounting systems is that they tend to change inversely with work load when they are updated using the time accounting data. Under this type of system, the principle of "Parkinson's Law"—work expands or contracts in order to fill the time available for its completion—leads to allocating more time to complete a task when work load volume declines and, conversely, to allocating less time to complete a task when work load increases. Appendix I shows for six major types of work loads how the unit times have generally moved inversely to work load for 5 years.

Although Appendix I demonstrates the general inverse relationship between SSA's work load and unit times for six major types of work loads, we found that only part of the changes to the unit times resulted from work load and work complexity changes. For example, computerizing parts of the process may result in reducing the staff time required for completing certain claims. SSA attempts to estimate the staff time effects of such changes and appropriately adjust the staff time allocated. By doing so, such complexity changes are automatically incorporated into the next year's unit times. According to SSA budget documents, the time required to process a supplemental security income (SSI) aged claim increased from 5.97 hours in fiscal year 1980 to 7.44 hours in fiscal year 1981 and to 8.80 hours in fiscal year 1982—an increase of 2.83 hours per claim in 2 years. The budget documents record adjustments for complexity and work load changes which

accounted for only 1.67 of the 2.83 hours per claim increase. SSA's budget documents do not explain the difference between the increased 1.67 hours needed for these changes and the total increase of 2.83 hours per SSI aged claim. The difference of 1.16 hours per claim (2.83 - 1.67) is termed an "unexplained productivity" adjustment.

The adjustment for unexplained productivity is used during the budget monitoring process to record unexplained differences between the total staff years used from year to year. The unexplained productivity adjustment is a budget balancing tool which, in part, identifies staff differences which cannot be explained through adjustments for work load mix, program substance, processing methods, or variations in work load volume. For example, in the fiscal year 1985 budget formulation process, a comparison was made between the fiscal year 1983 and 1982 actual staff usage. In fiscal year 1982, the unexplained productivity adjustment was +1,139 staff years. In fiscal year 1983, the adjustment was -616 staff years.

The size of the unexplained productivity adjustment can be affected by changes that occurred after the staff needs were developed and can also result from poor estimates in the four adjustment categories cited above. More importantly, it can conceal the extra staff time used per claim simply due to falling work load. It also can conceal short-cuts taken that may adversely affect claim processing quality when work load increases.

The unexplained productivity adjustments are largely time accounting adjustments that cover unit times inaccuracies. The previous demonstration of the inverse relationship between work load and unit times substantiates our position. This adjustment is a measurement of inaccuracy in the unit times.

---

### Potential Effects of Inaccurate Unit Times on Budget Estimates

We estimated the potential effects of time accounting based unit times on SSA field staff budgets. To do so, we developed new unit times for selected major SSA field office work loads. Our estimates of SSA unit times used SSA's fiscal year 1979 unit times as a base, and we adjusted the 1979 times for SSA-documented complexity changes. Using this process, we obtained a new unit time for each year through fiscal 1984. The unit times were not adjusted for the unexplained productivity category because we believe that this adjustment is largely an effect of time accounting and not appropriate.

---

By applying adjusted unit times applicable to each year to the projected work loads for each of the subsequent years, we developed our estimate of field staff requirements. We then compared SSA's staff-year estimates from fiscal years 1979 to 1984 with our estimate of staff-year needs.

Appendix II shows that in fiscal year 1984 SSA estimated it needed about 2,500 more staff years to accomplish its work for certain work loads than we estimated using the adjusted base year unit times. This difference is attributable to SSA's use of does take unit times which allow more time to accomplish less work and incorporate work inefficiencies into processing procedures from year to year. We realize the difference in staff-year estimates may not be indicative of overstaffing in SSA for the work loads examined because we did not independently conduct an engineered study to determine what the unit times should have been and we do not know the appropriateness of the fiscal year 1979 staff-year estimates. As discussed below, we noted that SSA does attempt to correct imbalances between work on hand and the number of employees in place by adjusting its annual staff budget. For example, SSA's budget justification for fiscal year 1987 included savings of 966 work years in 1986 and 1,315 work years in fiscal year 1987 to correct prior year staff imbalances. We believe, however, that our work demonstrates the magnitude of potential inaccuracies SSA is faced with using its present time accounting system for developing and maintaining unit times.

---

### Time Required for Inefficient Practices Is Included in SSA's Unit Times

Unit times, whether they are engineered standards or does take unit times, should realistically reflect the time required to efficiently process claims. However, SSA's work measurement system does not differentiate between efficient and inefficient processes. The time required to process claims is obtained from all SSA offices, despite the fact that some offices are more efficient than others.

The significance of inefficiencies in some offices was demonstrated by our recent report on productivity in the Atlanta region's field offices, Improving Operating and Staffing Practices Can Increase Productivity and Reduce Costs in SSA's Atlanta Region (GAO/GGD-85-85, Sept 11, 1985). The report pointed out that operating practices used in many offices were inefficient or unnecessary. These inefficient practices contributed to a wide variation in productivity. For example, some offices processed over 50 percent more work load per person than the average office, and nearly twice the work load per person as some of the lower producers. Yet, the time to process claims at the lower producers was

---

used for establishing unit times on the same basis as the time of the more efficient offices

---

## Conclusions

SSA's work measurement system is in effect a time accounting system which uses does take time adjusted for past work load and staff imbalances, and planned changes in methods, procedures, and systems to estimate staff needs to perform its work. This system has resulted in allowing a fairly level staffing over the past several years, even though work load volume has generally declined. Increased unit times have resulted in developing field office staff-year estimates of doubtful validity. A more realistic and meaningful technique for developing staffing requirements would be through the use of engineered time standards or should take time. We recognize that refined engineered standards may be costly and difficult to establish and maintain, however, SSA needs to establish standards that more nearly approximate should take standards. Such standards should be developed in conjunction with methods studies designed to improve the efficiency and effectiveness of work activities. This improvement will be especially important in light of SSA's proposed staff reductions and the impact of budget cuts imposed by the Balanced Budget and Emergency Deficit Control Act of 1985

---

## Recommendation

We recommend that the Secretary of Health and Human Services direct that the Commissioner of Social Security develop engineered time standards on a pilot basis in selected field offices to determine the feasibility and cost effectiveness of using such standards on a wider basis

---

## Agency Comments and Our Evaluation

In commenting on our draft report (see app. III), the Department of Health and Human Services (DHHS) acknowledged that SSA does not set uniform national standards for processing field office work loads. DHHS agreed that, theoretically, the idea of using engineered standards has merit. DHHS further indicated that SSA management has not precluded consideration of their use at some time in the future. However, DHHS said that the establishment of engineered standards, even on a pilot basis, would be presently undesirable and untimely. According to DHHS, field office processes are in a state of rapid change due to the time-phased development, testing, and national implementation of a modernized highly automated process for SSA's field offices and processing centers. DHHS also indicated that engineered standards are costly and time consuming to establish and, once established, must be maintained and updated continually. DHHS also said that the establishment of engineered

---

standards for all field office locations may not be feasible or practical. DHHS said that once SSA's modernized claims process has been fully developed and put in place nationwide, the undertaking of a pilot study could be explored. It said the pilot study would aid in developing a guide and in obtaining practical experience for setting engineered standards in SSA and determining their practical utility.

We recognize the major impact of SSA's modernized claims process on field office operations and agree that it would be practical to complete the implementation of this process before establishing engineered time standards for field staff budgeting purposes. As a part of planning and designing of the modernized claims process, however, we believe SSA should begin planning a pilot test and taking the appropriate first step, such as collecting should take time on parts of the process unaffected by modernization. This would facilitate the integration of any improved unit times into the process.

DHHS suggested certain revisions to our draft report to better describe SSA's staff budgeting system presently in use and we have made revisions where appropriate. DHHS preferred to characterize its present measurement system as using "unit times" rather than "time standards." We have made changes to comply with this preference. DHHS also said that our assertion that SSA uses does take time to project resource needs was misleading. According to DHHS, SSA's work measurement system is a type of accounting system and is expected to produce data based on actual experience, or does take data. The budgeting system uses the work measurement system as one of its sources which produces estimates of staff needs. We have made changes in the report to indicate that SSA estimates its staff needs using the does take time and then adjusts this time to reflect SSA's plans for improving methods, procedures, systems, and to attempt to correct prior year work load and staff imbalances.

DHHS also said that SSA does not automatically accept does take time as should take time. Does take time, according to DHHS, is used only as a starting point and is adjusted to consider projected changes in production rates based on planned management, procedural, and systems improvements. If an imbalance between work on hand and the number of employees in place is identified during the analysis of base year actual performance, SSA budgets to correct the imbalance. DHHS cited projected savings of 2,206 work years in fiscal year 1986 and 2,046 work years in fiscal year 1987 which are directly related to SSA's plans for improving methods, procedures, and systems. DHHS further explained that SSA's present budget includes savings of 966 work years in fiscal

---

year 1986 and 1,315 work years in fiscal year 1987 to correct work load employment imbalances which occurred in prior years. While such adjustments are appropriate and should be made, this process results in a subjectively adjusted estimate of staff needs based on what happened in the prior years. We continue to believe that a more precise time estimating system should be explored.

---

We appreciate the cooperation extended us during our review. As you know, 31 U.S.C. 720 requires the head of a federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report. Copies of this report are being sent to the cognizant congressional committees; the Commissioner of Social Security; the Office of Inspector General, DHHS; and SSA's Office of Assessment.

Sincerely yours,



Richard L. Fogel  
Director



---

# Contents

---

Letter

---

Appendix I  
Comparison of Changes  
in Work Load Volume  
to Changes in Unit  
Times 14

---

Appendix II  
Comparison of SSA  
Staff-Year Estimates  
With GAO Estimates 15

---

Appendix III  
Comments From  
Department of Health  
and Human Services  
Dated May 15, 1986 16

---

Table  
Table II.1: Comparison of SSA Staff-Year Estimates With  
GAO Estimates 15

---

Figure  
Figure 1.1: Comparison of Changes in Work Load Volume  
to Changes in Unit Times 14

---

## Abbreviations

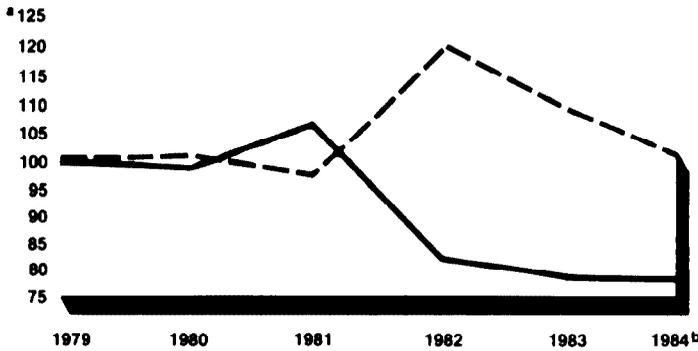
DHHS	Department of Health and Human Services
OMB	Office of Management and Budget
RSI	Retirement and Survivors Insurance
SSA	Social Security Administration
SSI	Supplemental Security Income



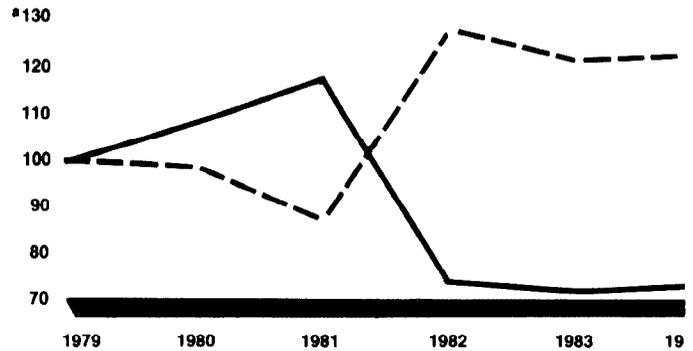
# Comparison of Changes in Work Load Volume to Changes in Unit Times

**Figure 1.1: Comparison of Changes in Work Load Volume to Changes in Unit Times**

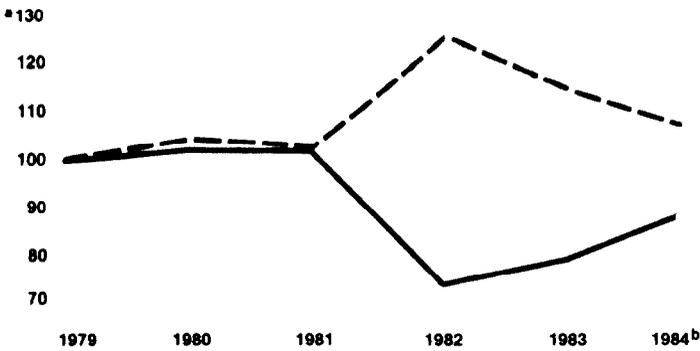
Retirement and Survivors Insurance Claims



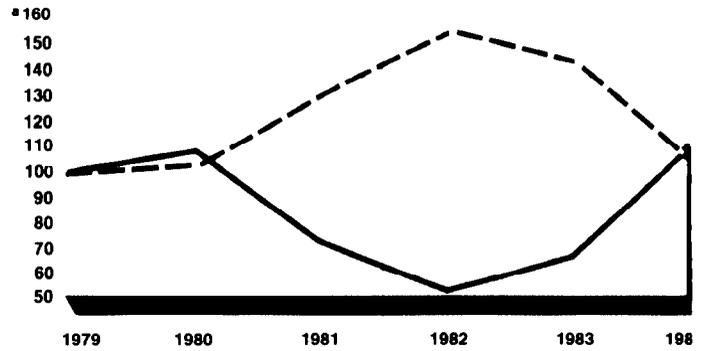
Disability Insurance Claims



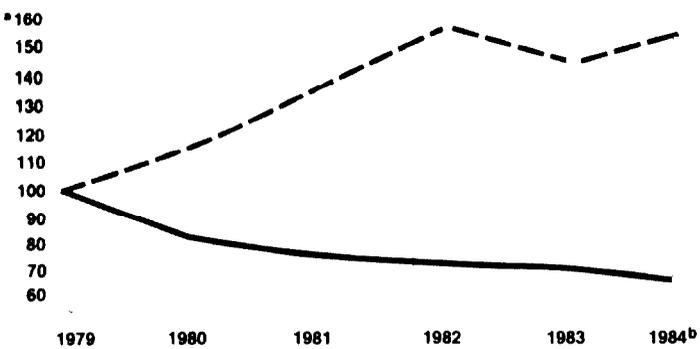
Supplemental Security Income Disabled and Blind Claims



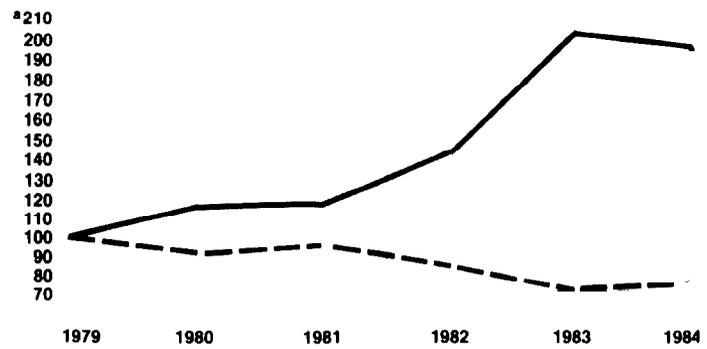
Supplemental Security Income Aged Claims



Supplemental Security Income Redetermination Claims



Social Security Number Maintenance



--- Unit Times  
 — Work Load

<sup>a</sup> Percentage change in time standards from fiscal year 1979 base year standard

<sup>b</sup> Fiscal year

# Comparison of SSA Staff-Year Estimates With GAO Estimates

Table II.1: Comparison of SSA Staff-Year Estimates With GAO Estimates

	Fiscal Year					
	1979	1980	1981	1982	1983	1984
SA	43,386	43,420	42,979	43,037	42,066	42,773
AO	43,386	42,347	40,985	40,451	39,933	40,236
<b>Difference</b>	<b>-0-</b>	<b>1,073</b>	<b>1,994</b>	<b>2,586</b>	<b>2,133</b>	<b>2,537</b>

# Comments From Department of Health and Human Services Dated May 15, 1986



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

MAY 15 1986

Mr. Richard L. Fogel  
Director, Human Resources  
Division  
United States General  
Accounting Office  
Washington, D.C. 20548

Dear Mr. Fogel:

The Secretary asked that I respond to your request for the Department's comments on your draft report, "Improvements in the Development and Maintenance of Time Standards Are Needed To Assure Reliable Field Office Staff Budget Estimates." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "PKusserow".

Richard P. Kusserow  
Inspector General

Enclosure

THE DEPARTMENT OF HEALTH AND HUMAN SERVICES' COMMENTS ON THE GENERAL ACCOUNTING OFFICE DRAFT REPORT, "IMPROVEMENTS IN THE DEVELOPMENT AND MAINTENANCE OF TIME STANDARDS ARE NEEDED TO ASSURE RELIABLE FIELD OFFICE STAFF BUDGET ESTIMATES"

General

The findings in the General Accounting Office (GAO) draft report can be summarized as follows:

- The Social Security Administration (SSA) does not set uniform national standards for processing field office workloads.
- SSA budgets for field offices by simply assuming the amount of resources used to process base year workloads represents optimal performance (i.e. "DOES TAKE = SHOULD TAKE").

It is accurate to say that SSA does not budget based on uniform engineered standards. However, SSA does not accept "does take" as "should take".

A more accurate, simplified description of what SSA does follows:

- (1) Analyzes base year actual performance -- i.e., "DOES TAKE" -- only as a starting point.
- (2) Projects changes in production rates based on planned management, procedural and systems improvements. (GAO acknowledges this late in the report. However, by then the reader already has been influenced up front by GAO's assertion that SSA's approach "accepts the time actually taken in the past year to process workloads as satisfactory and assumes that the most efficient methods and procedures are being used to complete work.") The budget presently before the Congress actually projects savings of 2,206 workyears in FY 1986 and 2,046 workyears in FY 1987 which are directly related to SSA's plans for improving methods, procedures and systems. The manpower analysis portion of SSA's budget justification to the Congress (pages 183-193) addresses SSA's workload/productivity analysis, including these projections.
- (3) If an imbalance between work on hand and the number of employees in place is identified during the analysis of base year actual performance, SSA budgets to correct the imbalance rather than accept "does take" as "should take." A good example of this is found on pages 189-190 of the SSA budget justification now before the Congress. It explains that SSA's budget includes savings of 966 workyears in 1986 and 1,315 workyears in 1987 to correct workload/employment imbalances which occurred in the 1984-1985 base period mainly because a moratorium on the processing of continuing disability reviews depressed workloads even though SSA already had in place the complement of employees needed to handle them. Imbalances

such as this will show up in SSA's analysis of the base as productivity losses which cannot be explained by changes in work processes or in the nature of the workload itself. The practice of not routinely accepting such "unexplained" lost productivity in the base when projecting future year requirements is a traditional position taken by SSA financial managers and applied equitably to all operating components of SSA.

GAO Recommendation

That the Secretary of Health and Human Services (HHS) direct that the Acting Commissioner of Social Security modify SSA's system of developing time standards for field office budgeting. In order to determine the feasibility and cost effectiveness of using engineered time standards, it would be beneficial to develop such standards on a pilot basis in selected field offices before implementing the system in all field offices.

HHS Comment

It is correct that SSA has not established formal, uniform engineered standards for the processing of field workloads. On the other hand, SSA management has not dogmatically precluded consideration of their use at some time in the future. However, at present, the establishment of engineered standards, even on a pilot basis, would be undesirable and untimely. Field work processes are in a state of rapid change due to the time-phased development, testing and national implementation of a modernized highly automated process for SSA's 1300 field offices and 8 processing centers.

Theoretically, the idea of using engineered standards for measurement of how actual productivity compares to an ideal has merit. However, there are practical drawbacks to the comprehensive use of engineered standards. They are costly and time-consuming to establish, and once established must be maintained and updated continually. Also, in industry there is no such thing as a universal engineered standard. Usually, engineered standards are developed for each location. This would not be feasible for 1,300 field offices, and perhaps not practical even for the field offices according to the ten standard Federal Regional boundaries.

Once SSA's modernized claims process has been fully developed and put in place nationwide, the undertaking of a pilot study as recommended by GAO could be explored with a view toward developing a benchmark or guide for field managers to compare to their own operations. A secondary benefit would be obtaining experience in setting engineered standards in SSA and determining their practical utility.

OTHER MATTERS

-- GAO uses the terminology "time standards" throughout its report. We recommend that the term be revised to "unit time," and further clarified as "actual unit time" or "budgeted unit time." This clarification is particularly important wherever GAO cites actual past year unit times, since SSA does not routinely establish one year's actual experience as the next year's "standard." For example, the following table compares actual FY 1985 unit times (in minutes) for selected field workloads with estimates for FY 1986 and FY 1987 which underlie the 1987 budget request now before the Congress:

	1985 <u>Actual</u>	1986 <u>Estimate</u>	1987 <u>Estimate</u>
RSI Claims.....	187.4	186.8	180.6
Disability Claims.....	286.9	258.4	271.3
SSI Redeterminations.....	116.1	88.9	79.1
SSN Maintenance.....	11.7	11.4	11.4

-- GAO criticizes SSA's work measurement system as being "in effect a time accounting system which uses "does take" time to estimate staff needs to perform its work." As previously demonstrated, the assertion that SSA uses "does take" time to project resource needs is misleading. The above criticism of the work measurement system also is inappropriate for another reason. The work measurement system is not a budgeting system. It is a type of accounting system, and like any accounting system is expected to produce data on actual experience; i.e., "does take" data. It is the budgeting system, using the work measurement system as one of its sources for actual base year data, which produces estimates of staff needs.

The work measurement system also is used by SSA as a source of actual data for its Workload Analysis Report (WAR) which compares actual performance (workloads processed) against budget targets. A copy of the final WAR for FY 1985 has been provided to your staff.



---

Requests for copies of GAO reports should be sent to

U.S. General Accounting Office  
Post Office Box 6015  
Gaithersburg, Maryland 20877

Telephone 202-275-6241

The first five copies of each report are free. Additional copies are \$2.00 each

There is a 25% discount on orders for 100 or more copies mailed to a single address.

Orders must be prepaid by cash or by check or money order made out to the Superintendent of Documents.

---

United States  
General Accounting Office  
Washington, D.C. 20548

Official Business  
Penalty for Private Use \$300

Address Correction Requested

---

First-Class Mail  
Postage & Fees Paid  
GAO  
Permit No. G100