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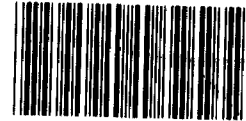
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HUMAN RESOURCES
DIVISION

B-217898

RESTRICTED — Not to be released outside the General Accounting Office except on the basis of specific approval by the Office of Congressional Relations. **MARCH 29, 1985**

The Honorable Charles McC. Mathias, Jr.
United States Senate



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Dear Senator Mathias:

Subject: SSA's Transfer of Research Personnel
to Operating Units (GAO/HRD-85-55)

In your August 7, 1984, letter, you asked us to look into the Social Security Administration's (SSA's) transfer of individuals from major components of its research office to SSA operating units. The transfer involved about 137 people,¹ including both research personnel and administrative support staff. In your letter, you posed the following three questions:

1. Will SSA's transfer of research functions to operating functions hinder its ability to forecast the needs of the system?
2. Is this action contrary to the legislative mandate for SSA to perform policy analysis and research?
3. Is this action also contrary to the recognized need for independent policy analysis and research connected with a proposed independent agency from the Department of Health and Human Services?

The transfer was carried out as part of an SSA reorganization announced in the Federal Register on June 1, 1983. Under the reorganization, SSA created three new program offices--(1) the Office of Disability Insurance, (2) the Office of Retirement and Survivors Insurance, and (3) the Office of Supplemental Security Income. Among other things, each office is responsible for evaluating or developing operational policy. With the reorganization, SSA's Office of Research and Statistics became the Office of Research, Statistics, and International Policy (ORSIP) by absorbing SSA's International Policy Staff. ORSIP is responsible for conducting SSA's research and statistical programs.

¹This number includes full-time permanent, part-time, and temporary employees.

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To support the operational policy initiatives under each of the newly created program offices, SSA transferred 121 individuals from ORSIP to the new program offices. The other 16 individuals involved were sent to SSA's Office of Family Assistance.

To address the issues you raised, we analyzed the planned and ongoing activities of research personnel involved in the transfer to SSA's new program offices. Specifically, we examined the planned research projects that were not done because of the reorganization and the activities that were later undertaken in the new operating units. To analyze SSA's "mandate" to perform policy analysis and research, we reviewed SSA's authorizing legislation. Regarding policy analysis and research under a proposed independent SSA, we analyzed the June 12, 1984, report of the Congressional Panel on Social Security Organization. The Panel's report was mandated by the Social Security Amendments of 1983 (Public Law 98-21). This law required the Panel to determine the best way to set up SSA as an independent agency.

Our review was conducted in accordance with generally accepted government auditing standards. Also, as requested by your office, we did not obtain formal written comments on our report from SSA. We did however discuss the report's contents with SSA officials.

SSA'S ABILITY TO FORECAST
THE NEEDS OF THE SYSTEM

The effect of the transfer can be characterized as SSA performing less "social" research and more "operational" research. Generally, social research involves data collection and analysis on broad policy issues, such as aging and the causes and consequences of poverty and disability. Operational research is more narrow in scope in that it focuses on specific problems or aspects of a particular program. An example would be research directed toward identifying the major causes for overpayments in the Retirement and Survivors Insurance (RSI) program and ways to reduce these overpayments.

Before the reorganization, the Office of Research and Statistics was composed of the following six major research groups.

1. Division of Disability Studies.
2. Division of Retirement and Survivors Studies.
3. Division of Supplemental Security Studies.
4. Division of Family Assistance.

5. Division of Economic Research.
6. Division of Old Age, Survivors, and Disability Insurance Statistics.

With the reorganization, the first four divisions were eliminated. The other two essentially were left intact. As of March 2, 1985, total staffing for all of ORSIP's components, including the International Policy group, was 195.

The cuts in ORSIP research were significant, particularly in the RSI and Disability Insurance (DI) programs. According to SSA information, 37 (or 58 percent) of the scheduled RSI projects and 26 (or 54 percent) of the scheduled DI projects were dropped as a result of the reorganization. Only five (or 14 percent) of the Supplemental Security Income (SSI) projects were dropped. According to the former director of SSI research, the reorganization had relatively little impact on SSI research because it was already oriented toward operational rather than social research.

To provide some insight into the trade-offs made in SSA's decision, earlier we gave your office listings of ORSIP research dropped as a result of the reorganization as well as listings of research initiatives undertaken by the new program offices.

It is difficult to predict whether SSA's action will "hinder its ability to forecast the needs of the system." The shift from social research to operational research reflects SSA's view of how the system's needs can be best addressed. However, at any time the Congress, as it has in the past, can mandate that SSA do particular studies that it believes desirable or necessary. Also, SSA--as time passes--could reverse itself and shift some or all resources back to social research. Such action, however, is not without potential problems--for example, disruptive influence on the individuals and organizations involved, lengthy lead times to accomplish such a move, and problems in obtaining qualified staff.

SSA'S LEGISLATIVE MANDATE FOR
POLICY ANALYSIS AND RESEARCH

SSA's "mandate" to perform policy analysis and research is very general. Under section 702 of the Social Security Act (42 U.S.C. 902 (1982)), the Administrator

". . . shall perform the duties imposed upon him by this Act and shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, . . ."

SSA is continuing to perform social research--but, as noted earlier, at a much reduced level. The level of social research performed by SSA is within the Administrator's discretion. Although section 702 imposes a duty to make studies, it does not establish a requirement regarding the extent of such studies.

INDEPENDENT POLICY ANALYSIS
AND RESEARCH

Regarding independent policy analysis and research under a proposed independent SSA, the Congressional Panel on Social Security Organization was required to undertake

". . . a thorough study with respect to the implementation of removing the Social Security Administration from the Department of Health and Human Services and establishing it as an independent agency in the executive branch with its own independent administrative structure, including the possibility of such a structure headed by a board appointed by the President, by and with the advice and consent of the Senate."

The study represents the most recent in a number of proposals or studies on having SSA set up as an independent agency. Proponents believe that establishing an independent SSA would be a significant step toward improving the agency's operations. Also, proposals have recommended a bipartisan, three-member board as an organizational form that would be responsible for both policy making and administration.

In its June 1984 report, the Panel rejected the proposition that an independent SSA be headed by a board. Instead, the Panel recommended that such an agency be headed by a "strong single administrator," which, according to the Panel, would increase accountability and management effectiveness. Regarding research, the Panel stated that

"The Administrator . . . [should] have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy pertaining thereto."

This language is similar to that in SSA's existing authorizing legislation.

The Panel did recommend, however, that a permanent Social Security Advisory Board be established "to promote independent review and encourage broadly based policy analysis."

"Its functions would be to oversee management and assess policy issues in social security and to advise the Social Security Administrator, the President, and the Congress on important developments."

Regarding the board's research-related functions, the Panel believes the board should

--make recommendations from time to time as to the most effective methods of providing economic security through social insurance and

--review, in consultation with the Administrator, the development and implementation of a long-range research and program evaluation plan for the agency.

SSA's action to deemphasize social research is not necessarily contrary to the independent policy analysis contemplated by the Panel on Social Security Organization. SSA's action raises the issue of the level of research needed to support policy analysis. While the Panel did not address that issue, it did address the organizational form that would provide a framework for good policy analysis.

Under the Panel's proposal, the Administrator would be ultimately responsible for establishing policy and have the authority to determine how much and what type of research should be done to support policy analysis. At the same time, the Panel believed a great deal of responsibility for broad-based policy analysis should be placed with the proposed advisory board.

What is the likelihood that the Administrator and the board--after "consultation and review"--would agree on a research agenda? How would a board react to significant cuts made in social research projects, such as those recently experienced? These questions are difficult to answer because so much depends on the personal views of the individuals involved. In any event, under the Panel's proposal, the board--by virtue of it being independent of the Administrator--could render its own opinion to the Congress and others of the adequacy of the research being carried out by the Administrator.

An advisory board also has other advantages. In July 1984, in testimony given on the Panel's report before the Subcommittee on Social Security of the House Committee on Ways and Means, we supported the establishment of an advisory board for two reasons. We believe an advisory board is (1) an appropriate way to provide institutional memory on policy issues and (2) a good way to give the administration and the Congress an opportunity to receive bipartisan views.

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As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 14 days from its issue date. At that time, we will send copies to the Secretary of Health and Human Services; the Director, Office of Management and Budget; the Commissioner of Social Security; and other interested parties and make copies available to others upon request.

Sincerely yours,



Richard L. Fogel
Director



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