

GAO

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U.S. Senate

January 2009

SOCIAL SECURITY ADMINISTRATION

Service Delivery Plan Needed to Address Baby Boom Retirement Challenges



GAO

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Highlights of [GAO-09-24](#), a report to the Committee on Finance, U.S. Senate

Why GAO Did This Study

Millions of people rely on the services of Social Security Administration (SSA) field offices. In fiscal year 2008, SSA’s approximately 1,300 field offices provided service to about 44 million customers. People visit field offices to apply for Social Security cards, apply for retirement and disability benefits, establish direct deposit, and a host of other services. Over the last several years, staffing reductions have challenged field offices’ ability to manage work while continuing to deliver quality customer service.

To better understand the challenges SSA faces in delivering quality customer service, GAO was asked to determine (1) the effect that staffing reductions are having on field office operations and (2) the challenges SSA faces in meeting service delivery needs in the future and the agency’s plan for addressing them.

In May 2008, GAO reported initial observations on the effects of reduced staff levels. To conduct this work, GAO interviewed SSA headquarters and field officials and analyzed various data on SSA’s workloads and customer service.

What GAO Recommends

GAO is recommending that SSA develop a service delivery plan that outlines how it will deliver quality service while managing growing work demands and constrained resources. In response, SSA stated that it has intensive planning efforts in place, but agreed to develop a single planning document that describes service delivery and staffing plans.

To view the full product, including the scope and methodology, click on [GAO-09-24](#). For more information, contact Barbara Bovbjerg at 202-512-7215 or bovbjerg@gao.gov.

SOCIAL SECURITY ADMINISTRATION

Service Delivery Plan Needed to Address Baby Boom Retirement Challenges

What GAO Found

Staffing constraints are having adverse effects on field office services. The number of staff in field offices dropped 4.4 percent from 2005 to 2008, as shown in the table below. As a result of greater efficiencies, field office work produced fell only 1.3 percent during the same period. To manage the reduced staffing, SSA deferred work deemed as a lower priority, such as conducting reviews of beneficiaries’ continuing eligibility. However, deferring these reviews means that beneficiaries who no longer qualify for benefits may still receive payments erroneously. Reduced staffing also impacted key customer service indicators. In fiscal year 2007, more than 3 million customers waited for over 1 hour to be served. Further, SSA’s Field Office Caller Survey found that 51 percent of customers calling selected field offices had at least one earlier call that had gone unanswered, but for methodological reasons, the unanswered call rate was likely even higher. These factors may have contributed to a 3 percent drop in SSA’s overall customer satisfaction rating from 84 percent in fiscal year 2005 to 81 percent in fiscal year 2008.

End of Year Field Office Staffing and Work Completed, Fiscal Years 2005–2008

Fiscal year	End of year number of field office employees	Work productivity (in work units)	Work productivity units completed per employee
2005	28,790	37.1 million	1,289
2006	27,383	37.0 million	1,350
2007	26,743	36.2 million	1,352
2008	27,534	36.6 million	1,327
Percent change, 2005–2008	-4.4 %	-1.3 %	+2.9 %

Source: GAO analysis of SSA staffing and workload data.

Increases in retirement and disability filings and a significant retirement wave of SSA’s most experienced staff pose difficult challenges for SSA in meeting future service delivery needs. SSA estimates that retirement and disability filings will increase the agency’s work by about 1 million annual claims by 2017. Further, SSA will experience an agency-wide retirement wave in the coming years—the agency projects that 44 percent of its staff will retire by 2016. SSA published its new strategic plan in September 2008, which calls for SSA to eliminate the backlog of disability hearings and increase online retirement filings to 50 percent of applications. While discussing the plan with us, SSA officials noted that it is not intended to be a service delivery plan detailing how the agency will address the service needs of the retiring baby boom generation. While the plan includes the goal of significantly expanding the use of electronic services, it is not clear how this will mitigate the increasing SSA workload.

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Abbreviations

DDS	Disability Determination Services
Disability	Disability Insurance
E-Verify	Employment eligibility verification
OASI	Old-Age and Survivors Insurance
MMA	Medicare Prescription Drug, Improvement, and Modernization Act
NCSSMA	National Council of Social Security Management Associations
OPM	Office of Personnel Management
SSA	Social Security Administration
SSI	Supplemental Security Insurance
SSN	Social Security number
VIP	Visitor Intake Program

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United States Government Accountability Office
Washington, DC 20548

January 9, 2009

The Honorable Max Baucus
Chairman
The Honorable Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate

The Social Security Administration's (SSA) approximately 1,300 field offices are a vital component for providing service to the public, and in fiscal year 2008 served about 44 million customers who visited the offices. With almost 44 percent of the agency's approximate 63,000 employees, field offices serve as SSA's primary points for face-to-face contact with the public. People visit their local field offices to apply for Social Security cards and for Social Security benefits, to request replacement benefit checks, and to obtain a host of other services.

Constrained budgets and staffing and increases in retirement and disability filings by the aging baby boomer population are increasingly challenging field offices' ability to meet the demand for services. In our May 2008 testimony,¹ we reported our initial observations on the adverse effects that have resulted from a reduced staff level in SSA field offices and the future challenges field offices face as the nation's 80 million baby boomers retire. As requested, this report conveys the final results of our evaluation. To better understand the challenges SSA field offices face in delivering quality service to customers, we reviewed (1) the effect that staffing reductions are having on field office operations and (2) the challenges SSA faces in meeting service delivery needs in the future and the agency's plans for addressing them.

To review the effect staffing reductions have had on field office operations, we obtained various automated data on field office staffing, work productivity, and customer wait times for fiscal years 2004 through 2008 and interviewed SSA headquarters officials responsible for overseeing field office operations. We interviewed managers and staff in 21 field offices, two Social Security Card Centers, two regional offices, and

¹GAO, *Social Security Administration Field Offices: Reduced Workforce Faces Challenges as Baby Boomers Retire*, [GAO-08-737T](#) (Washington, D.C.: May 8, 2008).

three area offices to gain their perspectives on the effect of staffing reductions and strategies used to manage work. We selected the field offices based on the populations they served, their geographic location, number of staff, and customer wait times. (See app. I for a more complete discussion of our scope and methodology, and app. II for a list of the field offices we visited and information about them.) As we describe in appendix I, we tested the reliability of SSA's work productivity and staffing data, the national average field office customer wait time for fiscal years 2002 to 2006, and national and field office wait time data for fiscal years 2007 and 2008 from SSA's Visitor Intake Process, and found that they were sufficiently reliable for the purposes of our review. To review the challenges that SSA faces in meeting service delivery needs in the future, we interviewed SSA headquarters officials responsible for operations, budget, and strategic human capital planning, and obtained relevant documentation. This documentation included data on the projected growth in the number of claims, beneficiaries, and staff retirements, and SSA's fiscal year 2008 to 2013 strategic plan.

We conducted our work between July 2007 and January 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results in Brief

Staffing constraints are having adverse effects on service. The number of staff in field offices dropped 4.4 percent between 2005 and 2008. As a result of greater efficiencies, field office work produced fell only 1.3 percent during the same period. To manage the reduced staffing, SSA deferred work that the agency deemed as a lower priority, such as conducting reviews of beneficiaries' continuing eligibility. However, deferring these reviews means that beneficiaries who no longer qualify for benefits may still receive payments erroneously. Busy field offices also shared work with less busy offices and redirected staff from their usual responsibilities to meet critical needs. Reduced staffing also may have contributed to the buildup of work in field offices, longer customer wait times, and poor phone service. In fiscal year 2008, more than 3 million customers waited for over 1 hour to be served. Further, SSA's 2007 Field Office Caller Survey found that 51 percent of customers calling selected field offices had at least one earlier call that had gone unanswered. Because SSA based its results only on customers who were ultimately able

to get through to the field offices, the actual percentage of customers that had unanswered calls was likely even higher. These factors may have contributed to a 3 percent drop in SSA's overall customer satisfaction rating, from 84 percent in fiscal year 2005 to 81 percent in fiscal year 2008. SSA currently has no quantitative standards for customer waiting times and field office telephone service, limiting the agency's ability to measure the quality of these services.

Increases in retirement and disability filings and a significant retirement wave of SSA's most experienced staff pose difficult challenges for SSA but SSA does not currently have a detailed plan to address future service delivery needs. SSA estimates that retirement and disability filings will increase the agency's work by about 1 million annual claims by 2017. Further, SSA will experience a retirement wave agency-wide in the coming years—the agency projects that 44 percent of its staff will retire by 2016. SSA also published its new strategic plan in September 2008, which calls for SSA to eliminate the backlog of disability hearings and increase online filings of retirement applications to a rate of 50 percent. While discussing the strategic plan with us, SSA officials noted that it is not intended to be a service delivery plan detailing how the agency will address the service needs of the retiring baby boom generation. While the plan includes the goal of significantly expanding the use of electronic services, it is not clear how this will mitigate SSA's increasing workload. As early as 1993 and most recently in 2000, we recommended that SSA develop a service delivery plan to address its resource constraints and other challenges. However, SSA officials told us they use their strategic plan to provide a broad vision and goals, and use the annual budget process to request resources for incremental changes.

We are recommending that SSA develop a service delivery plan that describes how it will deliver quality service in the future while managing growing work demands and constrained resources. Further, this plan should establish standards for field office waiting times and phone service to help identify and improve offices with poor service.

In responding to a draft of our report, SSA disagreed with our statement that it does not have a detailed plan to address future service delivery needs. Rather, it commented that it continually plans for the future and has been long aware that the Baby Boom generation would have a dramatic impact on internal staffing losses, as well as escalating disability and retirement claims workloads. However, in response to continuing concerns about a lack of a consolidated plan to address the disability and retirement wave of the Baby Boom generation, SSA now is developing a

single document that describes the many planning efforts that it has in place. We welcome SSA's decision to develop a consolidated planning document. While SSA has a variety of planning efforts to improve its operations, it is still not clear how SSA plans to minimize the deferral of its workloads and its decline in customer service, and we continue to recommend that SSA make clear to what extent additional resources or an altered field office structure might be needed to accommodate the growing workload.

SSA did not agree with our recommendation to establish standards for field office customer wait times and phone service, stating that such standards would create problems by diverting an already thin staff away from processing claims and postentitlement work. While we understand that SSA field offices face many pressures, we believe that clear standards establishing a minimum level of quality customer service are an essential first step for organizations to measure success.

Background

SSA offers a range of services, which includes providing financial assistance to eligible individuals through the following three major benefit programs:

- Old-Age and Survivors Insurance (OASI)—provides benefits to retired workers and their families and to survivors of deceased workers.
- Disability Insurance (Disability)—provides benefits to eligible workers who have qualifying disabilities, and their eligible family members.
- Supplemental Security Income (SSI)—provides income for aged, blind, or disabled individuals with limited income and resources.

In fiscal year 2008, these three benefit programs provided a combined total of approximately \$650 billion to nearly 55 million beneficiaries. SSA projects that the benefit payments and number of beneficiaries for the three programs will increase in fiscal year 2009 (see tables 1 and 2).

Table 1: Federal Benefit Outlays for OASI, Disability, and SSI Programs

(Dollars in billions)

Program	Fiscal year		
	2007 (actual)	2008 (actual)	2009 (estimate)
OASI	\$479.7	\$503.0	\$530.6
Disability	97.0	104.3	109.5
SSI	36.0	43.9	43.2
Total outlays	\$612.7	\$651.2	\$683.4

Source: GAO analysis of SSA data.

Note: Totals may not add due to rounding.

Table 2: Beneficiaries for OASI, Disability, and SSI Programs (average in payment status)

(Dollars in millions)

Program	Fiscal year		
	2007 (actual)	2008 (estimate)	2009 (estimate)
OASI	\$40.7	\$41.2	\$42.0
Disability	8.7	9.0	9.3
SSI	7.0	7.2	7.3
Concurrent recipients ^a	(2.6)	(2.6)	(2.7)
Total beneficiaries	\$53.8	\$54.7	\$56.0

Source: GAO analysis of SSA data.

Note: Totals may not add due to rounding.

^aRecipients receiving benefits from the OASI and SSI or Disability and SSI programs.

Besides paying benefits through these three programs, SSA issues Social Security cards, maintains earnings records, and performs various other functions through a network of field office and headquarters operations using an administrative budget of over \$10 billion. SSA's field operations consist of:

- field offices, which serve as the agency's primary points for face-to-face contact;
- Social Security Card Centers, which issue Social Security numbers;
- Teleservice Centers, which offer national, toll-free telephone service; and
- Program Service Centers, which make entitlement decisions for benefits, as well as assist in answering 800-number calls.

Table 3 shows the type of work that is performed by various SSA field components.

Table 3: Type of Work Conducted by Various SSA Field Entities

Type of work	Function	SSA offices involved in this work
Claims and eligibility determinations for OASI, Disability, and SSI benefits	Takes applications for benefits, evaluates evidence, and makes determinations of eligibility ^a and benefit amounts.	Field offices Teleservice Centers Program Service Centers
Program integrity	Conducts continuing nonmedical eligibility reviews to ensure payment accuracy.	Field offices (nonmedical eligibility reviews)
Social Security numbers (SSN)	Takes applications for Social Security cards and updates records of people who have been issued SSNs to keep them current and accurate.	Field offices
	Takes applications for and issues Social Security cards with SSNs after determining the validity of required identification.	Social Security Card Centers
Earnings records	Posts updates to workers' records. Links the earnings records to SSNs and, when no match can be found, tracks the reported earnings and attempts to resolve the discrepancy.	Field offices Program Service Centers
Employment eligibility verification (E-Verify)	Assists employers in verifying the name/SSN/citizenship/work authorization of new hires, and assists workers in resolving discrepancies between SSA and Department of Homeland Security data.	Field offices
Medicare program assistance	Takes applications and determines eligibility for the Medicare program and processes applications for replacement Medicare cards. Also, makes eligibility determinations and redeterminations for the prescription assistance subsidy offered under the Medicare Prescription Drug Program, among other Medicare work.	Field offices

Source: GAO analysis of SSA information.

^aFor the purposes of this analysis, we include the various SSA entities outside headquarters that serve beneficiaries and covered workers, excluding SSA's payment centers. Throughout the rest of this report, we focus exclusively on field offices. SSA relies on state Disability Determination Service units and various SSA entities to make medical disability determinations for claims filed under the Disability and SSI programs. See app. III for a more detailed description of the various entities involved in medical disability determinations.

Field offices are located in communities across the United States, the Virgin Islands, Puerto Rico, and Guam, delivering services through face-to-face contact, over the phone, and through the mail. Field offices range in size from large urban offices with 50 or more employees to very small offices in remote areas called resident stations. In September 2008, there

were 1,267 field offices and 30 resident stations. Resident stations have more limited services, and are staffed by one or two individuals. Field offices also offer services to the public through 734 contact stations, as of September 2008. These stations provide very limited functions and are staffed with one SSA field office employee who travels to certain locations, such as a hospital, once a month. Additionally, SSA has begun using video conferencing to take claims and provide other services to customers in remote locations in North Dakota, South Dakota, Montana, Minnesota, Utah, Alaska, and Wyoming. SSA is planning to expand the video network to provide additional sites and services.

In addition to field offices, SSA offers customers a variety of other options for conducting their business. Individuals may call SSA's toll-free helpline to file for benefits or to obtain general information. They also may use the Internet to file for benefits, or visit a Social Security Card Center to request a Social Security card. Figure 1 shows the various options by which customers may conduct their business with SSA.

Figure 1: SSA Service Delivery Options

Field offices	<ul style="list-style-type: none"> • Visit an SSA field office to conduct face-to-face business with a staff person Range of services include: <ul style="list-style-type: none"> <input checked="" type="checkbox"/> applying for Social Security benefits <input checked="" type="checkbox"/> requesting change of address <input checked="" type="checkbox"/> requesting change in direct deposit <input checked="" type="checkbox"/> requesting Social Security card • Call or mail in documents • Self-help services available for requesting change of address and benefit verification letters
Teleservice Centers	<p>Toll-free telephone services</p> <ul style="list-style-type: none"> • Apply for retirement benefits • Obtain answers to general questions • Perform other actions
Internet	<ul style="list-style-type: none"> • Apply for retirement, disability, or spousal benefits • Change address • Change direct deposit • Obtain Medicare replacement cards • Perform other actions
Social Security Card Centers	<ul style="list-style-type: none"> • Visit a card center to request Social Security cards

Source: GAO analysis of SSA data.

While SSA field offices take applications and determine if claimants meet basic, nonmedical eligibility requirements for benefits, state Disability Determination Services (DDS) that are under contract with SSA make

medical eligibility determinations for Disability and SSI claims. SSA's Hearing Offices and Appeals Council make decisions on appeals of these determinations. Appendix III describes the functions of each of these entities in the medical disability determination process for Disability and SSI claims. DDSs also conduct continuing disability reviews for Disability and SSI beneficiaries to ensure that individuals are still medically eligible for payments.

Reduced Field Office Staffing May Have Adversely Affected Field Office Operations

Overall, the number of field office staff and the amount of work completed declined from fiscal year 2005 through 2008. Specifically, both staffing levels and work completed decreased from 2005 through 2007 and increased slightly in 2008. However, field office employees completed more work, on average, as a result of greater efficiency. If not for the increased productivity of SSA, the decline in work completed could have been greater. Nonetheless, staffing declines resulted in customers waiting longer to be served and difficulties for field offices in answering calls from customers. SSA and its field offices used various strategies to manage work demands, such as deferring certain work, sharing work among offices, and redirecting staff to serve critical needs outside of their usual responsibilities. Despite these efforts, field office managers and staff stated that they cannot keep up with their work. Further, these factors may have contributed to a 3 percent drop in SSA's customer satisfaction rating between fiscal years 2005 and 2008. While SSA has measures to monitor field office waiting times and, to a certain extent, customer service, SSA has no quantitative field office standards for how long customers should wait and if the phone should be answered. According to SSA, field offices have greatly varying circumstances with visitors and phone service and standards in these areas have not been established. Instead, SSA has a variety of field office measures for processing work.

Increased Staff Productivity Helped Soften the Impact of Staffing Decline

Despite a 4.4 percent staffing decline from fiscal years 2005 through 2008, the amount of work² that field offices produced decreased by only 1.3 percent. As a result, the average amount of work produced by field office employees increased by 2.9 percent between fiscal years 2005 and 2008 (see table 4). One reason for this greater efficiency is that SSA is shifting work from busy field offices to less busy offices; SSA cites other reasons, including automation efforts and simplification of programs and policies. The field office staffing reduction comprised 65 percent of SSA’s overall reduction.

Table 4: End of Fiscal Year Field Office Staffing and Work Completed, Fiscal Years 2005–2008

Fiscal year	End of fiscal year total number of SSA employees ^a	Number of field office employees	Field office work (in work units)	Work units completed per employee
2005	65,122	28,790	37.1 million	1,289
2006	63,054	27,383	37.0 million	1,350
2007	61,594	26,743	36.2 million	1,352
2008	63,202	27,534	36.6 million	1,327
Percent change, 2005–2008	-2.9 %	-4.4 %	-1.3 %	+2.9 %

Source: GAO analysis of SSA data.

^aSSA provided data on employees that represented the sum of full-time and part-time employees, rather than full-time equivalents; as a result, all staffing data that we use derive from a count of the number of employees.

SSA officials attributed the staffing reductions to inadequate appropriations. Table 5 shows the Commissioner’s and the President’s budget requests and SSA’s final appropriations (as available) for fiscal years 2002 through 2009. The table also shows the changes in recent staffing levels. The table does note that SSA received a \$500 million budget increase in 2005 to manage the implementation of the Medicare prescription drug program and hire associated staff. In addition, other work that SSA conducts on behalf of other federal agencies has grown.

²SSA measures the amount of work produced by multiplying the volume of actions completed by the amount of time required to complete each type of action. The result is what SSA terms “work units.” Because some types of actions take longer than others to complete, SSA views work units as a more precise measure than a simple count of the number of actions completed.

For example, new state laws requiring federal government verification of work authorization are resulting in additional work and field office visits associated with the Department of Homeland Security's E-Verify program.

Table 5: SSA's Limitation on Administrative Expenses Account and End of Fiscal Year Total Number of SSA Employees, Fiscal Years 2002–2009

(Dollars in millions)

Fiscal year	Commissioner's request	President's budget request	Final appropriation	End of fiscal year total number of SSA employees
2002	\$7,982	\$7,574	\$7,570	63,611
2003	7,974	7,937	7,885	65,191
2004	8,895	8,530	8,313	64,184
2005	9,310	8,878	8,733 ^a	65,122
2006	10,106	9,403	9,109	63,054
2007	10,250	9,496	9,298	61,594
2008	10,440	9,597	9,745 ^b	63,202
2009	10,427	10,327	N/A ^c	N/A

Source: GAO analysis of SSA data.

Note: SSA's Limitation on Administrative Expenses appropriation provides SSA with funding to administer the OASI, Disability, and SSI programs, and to assist the agency in performing activities in support of the Medicare program. The appropriation provides a limitation on the amounts that may be expended, in total, from the OASI, Disability, SSI, and Medicare programs, to meet the administrative expenses of the agency.

^aSSA's final appropriation for fiscal year 2005 includes a \$500 million appropriation for administrative start-up costs to implement the Medicare Prescription Drug, Improvement, and Modernization Act (MMA). The MMA created an outpatient prescription drug benefit that enables Medicare beneficiaries to enroll in competing private drug coverage plans, and offers a prescription assistance subsidy for certain low-income Medicare beneficiaries.

^bThe appropriation amount shown is the enacted amount.

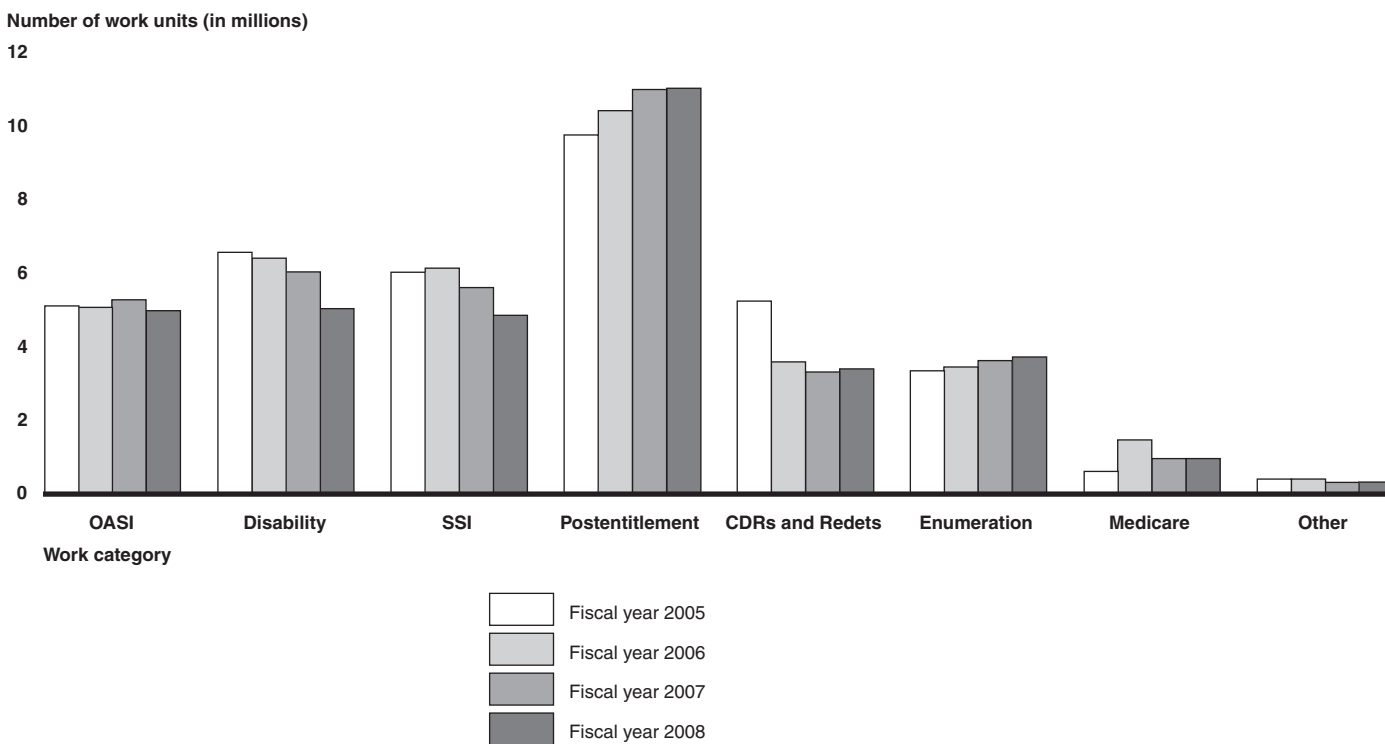
^cSSA is currently operating under a Continuing Resolution for fiscal year 2009, which expires Mar. 6, 2009.

Despite the staffing reductions, field offices are serving a growing volume of visitors. Comparing fiscal years 2006 and 2008, visitor volume increased by about 2.5 million customers, from 41.9 million to 44.4 million. As figure 2 shows, from fiscal years 2005 through 2008, SSA processed more postentitlement³ work (other than for continuing eligibility reviews),

³Postentitlement actions are those occurring after customers become eligible for benefits that affect the amount or continuation of payment. Such actions include changes of address, benefit recomputations, overpayments, and reviews of Disability and SSI beneficiaries' status to determine their continuing eligibility for benefits.

enumeration work, and Medicare work. SSA processed less work for OASI, Disability, and SSI claims (nonmedical determinations only); Continuing Disability Reviews; and SSI Redeterminations.⁴ SSA attributes the high volume of postentitlement actions to the growth in beneficiary populations.

Figure 2: Field Office Work Units Completed by Major Category, Fiscal Years 2005–2008



Source: GAO analysis of SSA data

Note: Other work includes resolving discrepancies in workers' earnings statements, updating information for student benefits, and replacing lost checks.

⁴There are two types of reviews: (1) Continuing Disability Reviews, which are conducted periodically to ensure that Disability and SSI recipients continue to meet SSA's definition of disability, and (2) SSI redeterminations, which verify recipients' living arrangements, income; and other nonmedical factors related to SSI eligibility.

SSA Deferred Certain Field Office Work, and Used Other Strategies to Manage Staffing Declines

SSA is shifting work among field offices, based on their workloads, in an effort to increase overall efficiency. If a field office has work demands that it cannot immediately cover, that office can request that some work be transferred to another office. Offices that have a particular expertise in a certain type of work make themselves available, as they can process this work more quickly. Field managers told us, however, that sometimes they are reluctant to share work because the office that receives and processes the work receives numerical credit, which helps an office justify a greater staff level for the future.

Managers also are using claims processing personnel to perform the duties typically conducted by lower-graded employees, and in some cases, even office managers take on duties of their employees. Such duties include answering the telephone, providing initial services to arriving customers, processing requests for new or replacement Social Security cards, and conducting some administrative duties. While all field office personnel recognize the need to serve visitors, many also told us that such work is taking away from time spent processing claims and managing the office.

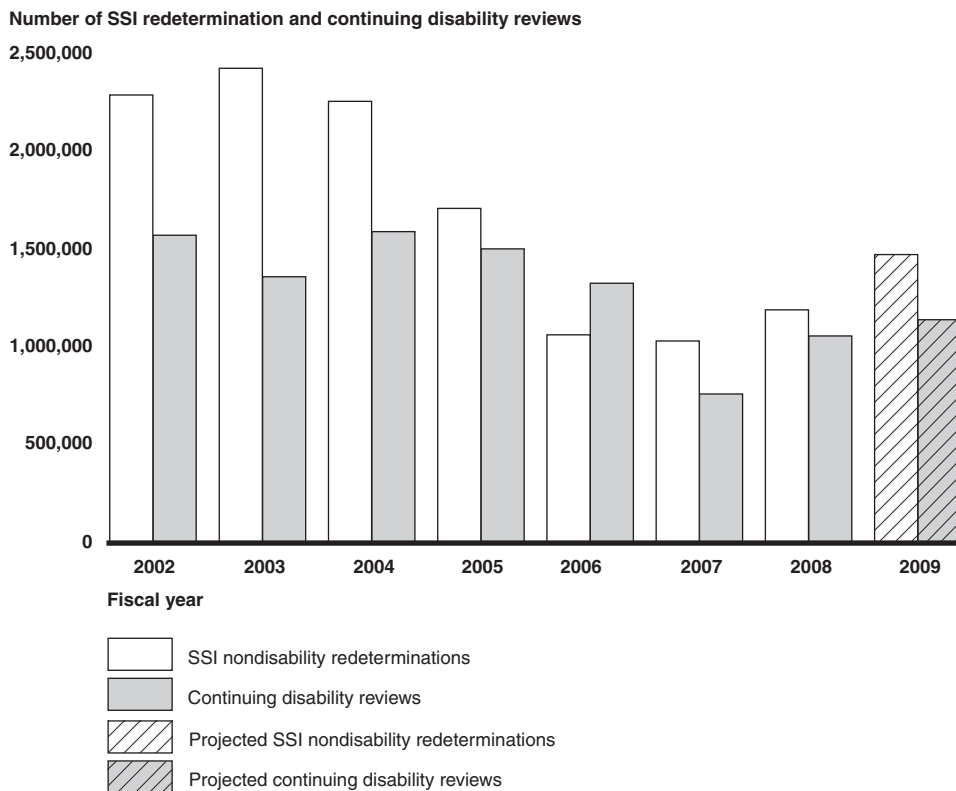
While SSA is encouraging customers to use automated services to help field offices accomplish their work, many field staff said that real gains in automated services will likely be achieved by future generations of customers. SSA's vision for its "eService" program is that the public, businesses, and government agencies will be able to conduct all business through secure, electronic channels—thereby increasing the efficiency with which the agency can serve the public. SSA reported that in fiscal years 2007 and 2008, respectively, the public performed 2.9 million and 3.7 million electronic transactions. Among SSA's electronic services are applying for retirement and disability benefits, requesting a change of address, arranging direct deposit of benefit amounts, and requesting a Medicare replacement card. SSA's electronic services are available to the public over the Internet and some are also available by telephone, using the voice recognition capabilities of SSA's toll-free number. While field office staff and managers welcome automated tools that the public can use, some added that relatively few customers use them, and that due to erroneous or missing information in online forms, field staff can lose time having to contact the customers for clarification or more information.

Finally, with fewer staff available, SSA focused on field office work it considered essential to its "core workloads," such as processing new claims for Social Security benefits and issuing Social Security cards, but deferred other types of work. Field office managers and staff told us that with the emphasis on completing core workloads, certain postentitlement

actions typically are delayed or deferred when an office is under stress, including changes of address, changes to direct deposit information, and reviews to determine beneficiaries' continuing eligibility for disability and SSI benefits.

Reviews of continuing eligibility, however, are key activities in ensuring payment accuracy. Such reviews yield a lifetime savings for both Disability and SSI of \$10 for every dollar invested, according to SSA. In recent years, SSA has reduced the number of reviews conducted, citing budget limitations and an increase in core work (see fig. 3). When reviews of benefits are delayed, some beneficiaries are allowed to continue receiving benefits when they no longer qualify.

Figure 3: Number of SSI Redeterminations and Continuing Disability Reviews Completed, Fiscal Years 2002–2008 (Actual) and Fiscal Year 2009 (Projected)



Source: GAO analysis of SSA data.

Despite SSA's efforts to manage work with reduced staff, many managers responding to a survey conducted in February and March 2007 by the National Council of Social Security Management Associations (NCSSMA)⁵ stated that they are finding it increasingly difficult to keep up with the work. On average, the managers responding to the survey estimated that they would need a staffing increase of 16.7 percent to provide adequate public service.

Staffing Reductions May Have Contributed to a Buildup of Certain Work, Longer Waiting Times, and More Unanswered Calls

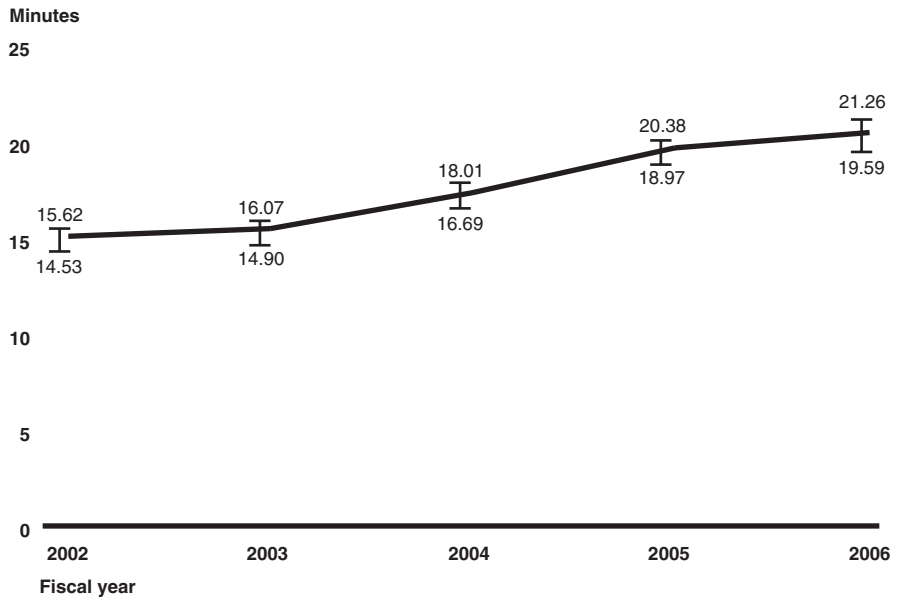
Reduced staffing and increases in visitors may have contributed to a buildup of work in field offices and longer customer wait times over the past few years. According to an SSA official, staffing shortfalls resulted in a buildup of 1,000 work years, for work that SSA was not able to complete at the end of fiscal year 2007.⁶ SSA projects that the buildup will grow to 5,800 work years by the end of fiscal year 2009; however, officials said that they are re-evaluating this figure in light of increases in productivity and overtime. Staffing reductions also may have led to longer customer waiting times. From fiscal year 2002 through 2006, the average waiting time to first contact for all customers increased by 40 percent from 15 to 21 minutes⁷ (see fig. 4).

⁵This organization represents SSA field office managers and Teleservice Center managers.

⁶This work does not include disability backlogs at the DDS, Hearing Office, or Appeals Council levels.

⁷In the wait time data for the fiscal year 2002 through 2006 period, data for 14.9 percent of the sample times were missing. Although data were missing, improvements in data collection and the fact that we were able to calculate sampling errors based on our knowledge of the study allowed us to conclude that the data were sufficiently reliable for our analytical purposes. A detailed discussion of our data validation efforts and the limitations of the data appears in app. I.

Figure 4: SSA Average National Waiting Times, Fiscal Years 2002–2006



Source: GAO analysis of SSA's Field Office Waiting Time Study data; SSA replaced the study with its Visitor Intake Process, which it implemented nationwide at the start of fiscal year 2007.

Notes: Fiscal year 2006 data are from October 2005 to June 2006.

The error bars surrounding the data points represent the 95 percent confidence intervals surrounding the mean (average) wait time. We calculated the mean wait times and the confidence intervals for each year. Our calculated means did not differ materially from SSA's reported means.

This figure presents average (mean) wait time data. However, average wait times were strongly influenced by a small number of long wait times. For this reason, we also calculated median wait time for each year (but we do not show such data in the figure above). The median wait times for fiscal years 2002 through 2006 are, respectively, 8, 8, 9, 11, and 12 minutes. The median wait time data also showed a statistically significant increase from fiscal years 2002 through 2006.

SSA has not established standards for how long customers should wait to be served and waiting times vary considerably among offices. In fiscal year 2008, 8 percent of customers nationwide—more than 3 million people—waited more than an hour, which included approximately 405,000 customers who waited more than 2 hours for service (see table 6). In both fiscal years 2007 and 2008, customers with appointments waited significantly less time than those without appointments.⁸ For example, for fiscal year 2007, SSA reported that 1,214 offices had average waiting times of less than 10 minutes for

⁸SSA can schedule appointments for customers that wish to apply for benefits, if customers call SSA's 1-800 number or a field office in advance. SSA generally does not schedule appointments for customers who have other types of tasks to do in field offices.

customers with appointments, while only 2 had average waiting times of more than an hour. We also found significant variability in waiting times among field offices for customers without appointments. For customers without appointments, more than 300 offices had average waiting times of less than 10 minutes, while 23 offices had average waiting times that exceeded 1 hour in fiscal year 2007. Further, customers without appointments during fiscal year 2007 waited more than an hour on average at 4 of the offices we visited. In contrast, customers at the office in Devils Lake, North Dakota, waited on average for less than 1 minute (see app. II, table 9).

Table 6: Fiscal Year 2008 Waiting Times

Waiting times (in minutes)	Number of customers	Percentage of total
0-60	35,242,456	91.8%
61-120	2,731,042	7.1
More than 120	404,753	1.0

Source: GAO analysis of SSA's Visitor Intake Process data.

Note: SSA replaced the previous method of collecting wait time data with the nationwide implementation of the Visitor Intake Process at the start of fiscal year 2007.

Further, some field office managers and staff in the offices we visited told us that many customers report they waited for over an hour before meeting with SSA representatives. In 17 of the 21 field offices visited, managers and staff told us that long waiting times were among the top customer complaints. In addition, 82 percent of the managers responding to the February and March 2007 NCSSMA survey reported that waiting times in their offices were longer than they had been in the prior 2 years; in the 2005 survey, 72 percent of the managers reported that their staffing was not sufficient to maintain reasonable waiting times.

Insufficient staffing also may have been a factor in poor office phone service. SSA's 2006 Field Office Caller Survey found that 51 percent of customers that called 48 randomly selected field offices had one or more earlier calls that had gone unanswered.⁹ Because SSA based its results only on customers who were ultimately able to get through to the field offices, the actual percentage of customers that had unanswered calls was likely even higher. In addition, staff at 13 of the 21 offices we visited characterized their phone service as inadequate, while staff in 2 of these

⁹The survey was based on a random sample of 48 field offices and interviews with 862 callers.

offices reported that they did not answer their offices' phones at all. Employees we interviewed also cited inadequate telephone service as a common customer complaint at 15 offices. SSA has undertaken efforts to improve service in this area. For example, in 2007, SSA officials told us they initiated a pilot program called "Forward on Busy" in 25 field offices to address these deficiencies. Under the pilot, calls receiving a busy signal at field offices are automatically forwarded to a Teleservice Center. SSA has since expanded the pilot to approximately 200 field offices.

SSA has not established standards for customer waiting times or telephone service. Without such standards, SSA is less able to target its scarce resources to improve customer service. To enable agencies to identify areas in need of improvement, GAO internal control standards state that agencies should establish standards and monitor performance.¹⁰ Further, while SSA conducts national surveys of customer satisfaction and provides field offices with customer comment cards, at 10 of the 21 offices we visited, officials told us they did not use them, and where the cards were available, the results were not always systematically tabulated.

Staff at some of the offices we visited indicated that they now have less time to spend with customers, potentially leading to mistakes and also limiting the ability of staff to ensure that customers fully understand their options and benefits. These factors may have contributed to a 3 percent drop in SSA's overall customer satisfaction rating from 84 percent in fiscal year 2005 to 81 percent in fiscal year 2008. Work demands and staffing reductions have increased the pressure placed on the field office staff, resulting in higher stress and lower morale, according to field office staff. We asked 153 SSA employees at the 21 offices we visited to rate the stress they experienced in attempting to complete their work in a timely manner, and 65 percent reported feeling stress to a "great" or "very great" extent on a daily basis. The stress of expanding workloads and staffing constraints was felt most acutely by the office managers, with 74 percent of managers describing high levels of stress. At many offices, staff indicated that mounting workload pressures have led to cutbacks in the amount of time allocated for training and mentoring new staff, and SSA has reduced the number of continuing disability reviews (medical) and SSI redeterminations that it conducts to ensure that disability beneficiaries are

¹⁰In assessing the adequacy of SSA's internal controls, we used the criteria in GAO's *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#), dated November 1999. See app. I for a detailed discussion of these standards.

paid the correct amounts. Further, managers and staff told us that they often do not have time to take their breaks, including lunch. Some staff told us that they feel they are letting down their colleagues and feel guilty about taking time off, regardless of whether they use credit hours or annual leave. While these responses may not be indicative of the opinions of the overall field office workforce, they do suggest that increasing demands placed on SSA staff may be diminishing their job satisfaction, potentially with long-term implications for employee retention. SSA officials acknowledged that growing workloads have seriously compromised agency morale, and they have tried to ease the stress on staff by authorizing the use of overtime. The officials also noted that, over time, the automated tools should reduce the burden on staff, as customers that use the tools will not have to visit a field office.

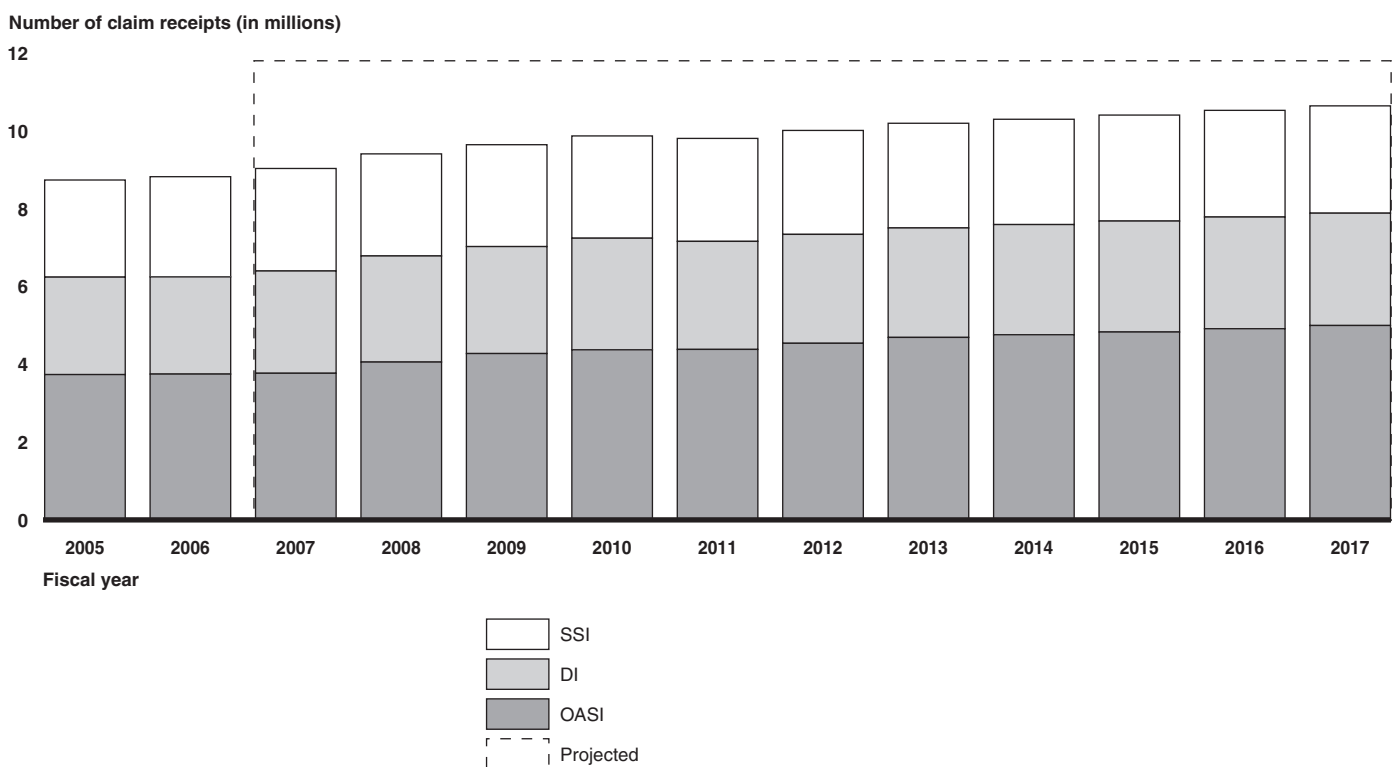
Growth in Work Demands and an Employee Retirement Wave May Pose Difficult Challenges without a Detailed Plan for Service Delivery

Projected increases to SSA's workload from retirement and disability filings by the nation's approximately 80 million baby boomers and a wave of employee retirements may pose serious management challenges. Further, SSA has no detailed plan to ensure quality service is provided to the public in an environment characterized by growing work demands and limited resources.

Projected Growth in Work Demands and Employee Retirement Wave Will Pose Challenges for SSA

SSA estimates a 13 percent rise in OASI, Disability, and SSI claims over the next 10 years, rising from a combined total of 9.4 million, in fiscal year 2008, to 10.7 million in fiscal year 2017 (see fig. 5). SSA projected that its claims receipts would increase at a faster pace between fiscal years 2007 through 2010 than they did in fiscal years 2005 and 2006.

Figure 5: Growth in OASI, Disability, and SSI Claims, Fiscal Years 2005–2007 (Actual) and Fiscal Years 2008–2017 (Projected)



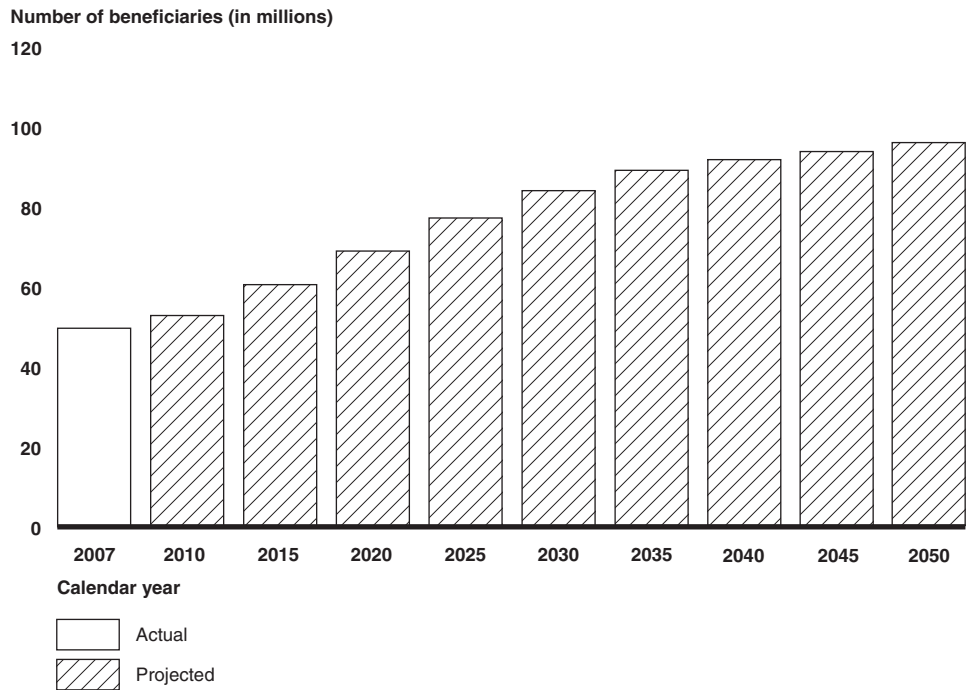
Source: GAO analysis of SSA data.

Note: Data for fiscal years 2007–2017 are SSA's projected values.

SSA projects a growth of 22 percent in the number of beneficiaries, from about 49.6 million in calendar year 2007 to about 60.5 million in calendar year 2015¹¹ (see fig. 6). By 2050, there will be an estimated total of 95.6 million OASI and Disability beneficiaries.

¹¹The Board of Trustees' 2008 Report provided data on the number of actual OASI and Disability beneficiaries through 2007, and then made projections for 5-year spans in the future (e.g., 2010, 2015, etc.). No similar data are available for the SSI program.

Figure 6: Actual and Projected Number of OASI and Disability Beneficiaries, Calendar Years 2007–2050

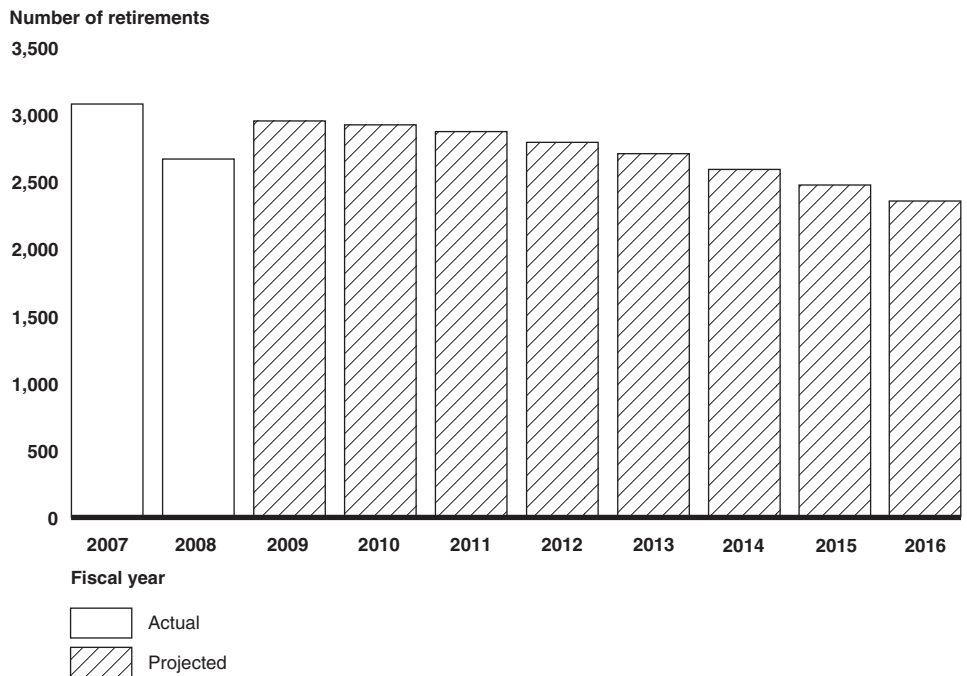


Source: GAO analysis of SSA data reported in "The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds," March 2008, Table IV.B2, "Intermediate" assumptions, p. 50.

SSA's ability to meet its growing workload challenges will be more difficult as a result of the anticipated retirement of many of the agency's most experienced field office workers. Today, about 20 percent of all SSA employees are eligible for regular retirement, and that figure will grow to 39 percent in the next 5 years. Based on the agency's projections, 44 percent of SSA's current workforce will retire by 2016. The peak of these retirements began in 2007 and is expected to continue into 2009, and then start to decline gradually (see fig. 7). SSA's projections suggest that the ranks of SSA's supervisors will be hit hard, with 71 percent eligible to retire in the next 10 years. These will be the agency's most experienced staff, which will mean a loss of decades of institutional knowledge. During fiscal years 2007 and 2008, respectively, SSA lost 3,074 and 2,605 staff to retirements. Field office managers and staff at many of the locations we visited stated that it typically takes 2 to 3 years for new employees to become fully proficient. Also, new hires would benefit from mentoring by veteran employees before the latter retire. Using the approximately \$150 million that SSA was appropriated above the President's fiscal year 2008 budget request, SSA planned to hire an

additional 3,900 staff for operations, including 2,350 new hires for regional and field office operations. Although SSA hired 2,479 staff for its field offices, after transfers, retirements, and resignations, at the end of fiscal year 2008, SSA had only 791 more staff in its field offices than it did at the end of fiscal year 2007. As a result, the end of fiscal year 2008 SSA had 1,256 field staff fewer than it did at the end of fiscal year 2005.

Figure 7: Actual and Projected Retirements of SSA Staff, Fiscal Years 2007–2016



Source: GAO analysis of SSA data.

Note: Number of retirements for fiscal years 2007 and 2008 are actual; numbers for other years are projected.

SSA has used a variety of strategies to maintain adequate staffing. SSA offers recruitment, relocation, and retention bonuses to individuals with needed skills and may consider employees' prior nonfederal work experience when computing annual leave. SSA also offers workplace flexibilities to assist workers in balancing work and family. Additionally, SSA uses dual compensation (salary offset) waivers from the Office of

Personnel Management (OPM) to respond to emergency conditions¹² and to hire for certain hard-to-fill positions. For example, SSA was granted a waiver to re-employ federal annuitants who retired under an early-out authority to provide relief in areas affected by Hurricanes Katrina and Rita. Further, SSA has developed recruiting efforts that reach out to a broader pool of candidates. For example, SSA began recruiting retired military and disabled veterans in 2002 because of its commitment to helping veterans.

SSA's Strategic Plan Is Ambitious, but It Is Not Clear How SSA Plans to Achieve Its Goals

SSA's new strategic plan, published in September 2008, calls for SSA to eliminate the backlog of disability hearings; improve the speed and quality of the disability process; and improve retiree services—such as achieving an online filing rate of 50 percent of retirement applications by 2012. This plan also stresses the workload increases that SSA will face in the coming years and recognizes SSA's limited resources. However, this plan does not explain what changes to field offices and what resources will be needed to eliminate backlogs and improve services. While discussing the strategic plan with us, SSA officials stated the strategic plan is not intended to be a service delivery plan that details how the agency will address the service needs of the retiring Baby Boom generation.

As early as 1993¹³ and most recently in 2000,¹⁴ we recommended that SSA develop a service delivery plan to help focus its efforts on meeting future challenges. In 2000, we reported that SSA needed to better position itself for the future by altering the agency's network of facilities to more closely align it with projected customer needs and demographics. Since 2000, SSA has not developed a detailed plan for providing services to an expanding population of customers brought on by the baby boom population reaching retirement age. Instead, SSA officials told us that they use their strategic plan to provide a broad vision and goals, and the annual budget process to request resources for incremental changes. As this report and

¹²This authority allows agencies to waive the dual compensation reduction (salary offset) otherwise required for re-employed federal civilian annuitants. OPM authorizes agencies to use this authority to respond to emergencies resulting from a war or natural disaster or to hire for hard to fill positions.

¹³GAO, *Social Security: Sustained Effort Needed to Improve Management and Prepare for the Future*, [GAO/HRD-94-22](#) (Washington, D.C.: Oct. 27, 1993).

¹⁴GAO, *SSA Customer Service: Broad Service Delivery Plan Needed to Address Future Challenges*, [GAO/T-HEHS/AIMD-00-75](#) (Washington, D.C.: Feb. 10, 2000).

SSA's strategic plan show, SSA faces significant challenges in the future; however, SSA remains without a plan that describes how it will continue to do more work with fewer resources and achieve its new strategic goals. It is not clear how SSA's infrastructure, including the approximately 1,300 field offices with 27,000 field employees, can accommodate the growing workload and field office visitor volume while ensuring quality customer service. Further, while the plan includes strategies to significantly expand the use of electronic services, it is not clear how the increase of online services will mitigate the increasing workload.

Conclusions

While SSA has taken action to manage its workload with fewer staff, the broader challenge of providing nationwide field office service remains. Although customers expect to be served in a reasonable amount of time and have their phone calls answered, field offices are deferring certain work, customers are waiting longer to be served, and staff feel stressed. Projected increases in claims for benefits from the nation's approximately 80 million baby boomers and a large retirement wave among SSA's most experienced staff will place even more pressure on field offices and could make these problems more severe.

It is essential that SSA manage its increasing workload through strong planning efforts. SSA's strategic plan is a strong first step with its acknowledgment of growing work demands and budget constraints. Achieving the plan's goal of an online filing rate of 50 percent of retirement applications will surely relieve some service-demand growth at field offices. However, it is not clear how SSA plans to accommodate the growing workload and the goals of the strategic plan, while ensuring quality customer service at field offices. SSA has been deferring work and letting customer service decline. SSA's new strategic plan indeed seeks to address these problems, but it is not clear if SSA's plan for greater reliance on online retirement filings will, by itself, be sufficient. Whether SSA will need more resources or an altered field office infrastructure, or both, is unclear. A detailed service delivery plan should make this clear, and if additional resources are needed to achieve agencywide goals, SSA should identify the resources required to meet long-term service delivery needs.

Recommendation for Executive Action

To pursue high-quality field office service, we recommend that SSA develop a service delivery plan that describes, in detail, how it will deliver quality customer service in the future while managing growing work demands with constrained resources. This plan should identify the extent that new business processes will allow SSA to accommodate growing demand or whether

additional resources are needed to achieve its strategic goals. Further, this plan should establish standards for field office customer waiting times and phone service to help identify and improve offices with poor service.

Agency Comments and Our Evaluation

We obtained written comments on a draft of this report from the Commissioner of Social Security, which are reproduced in appendix IV. In addition, SSA provided technical comments, which we incorporated in the report where appropriate.

In response to our draft report, SSA disagreed with our statement that they do not have a detailed plan to address future service delivery needs. Rather, it commented that it continually plans for the future and has been long aware that the Baby Boom generation would have a dramatic impact on internal staffing losses, as well as escalating disability and retirement claims workloads. SSA described its current efforts as being the Annual Strategic Plan and the agency's annual budget documents. However, in response to continuing concerns about a lack of a consolidated plan to address the disability and retirement wave of the Baby Boom generation, SSA commented that it is now developing a single document that describes the many planning efforts that it has in place. SSA commented that its consolidated document will, at minimum, include comprehensive plans for expanding electronic services for customers; increasing the centralization of receiving phone calls and working claims from customers while maintaining the network of local field offices; enhancing phone and video services in field offices (where applicable) and piloting self-service personal computers in the reception areas of those offices; and continuing to assess the efficiency of field offices.

We welcome SSA's decision to develop a consolidated planning document. While SSA has a variety of planning efforts to improve its operations, it is still not clear how SSA plans to minimize the deferral of its workloads and its decline in customer service. The annual strategic plan is a strong vision for the future, and annual budget documents detail short-term resource requirements, but the budget documents do not identify resource requirements for more than the next year and the strategic plan does not identify resource requirements at all. It is not clear if SSA goals outlined in the strategic plan can be achieved using the current infrastructure, and we continue to recommend that SSA make clear to what extent additional resources or an altered field office infrastructure might be needed to accommodate the growth in disability and retirement filings.

SSA did not agree with our recommendation to establish quantitative standards for field office customer wait times and phone service, stating

that such standards would create problems by diverting staff already spread thin across field offices away from processing claims and postentitlement work. SSA stated that it tracks waiting times and makes adjustments as necessary to improve service, and that many of the recently hired field office staff went to offices with the highest waiting times. Still, over 3 million people waited over 1 hour for service last year and in 2 offices the average wait was over 1 hour. The majority of phone calls to field offices went unanswered, and the practice in some field offices of not answering the phone and not returning voices messages is unprofessional. While we understand that SSA field offices face many pressures, we believe that clear standards that establish a minimum level of quality customer service are an essential first step for organizations to measure success. Absent customer service standards, long field office waiting times and inadequate field office phone service are problems that risk becoming entrenched.

In total, planning efforts should strive to establish that SSA's infrastructure is in the proper condition to manage its workload and provide quality customer service. However, it is still not clear what infrastructure changes and resources are needed for SSA to succeed.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Commissioner of Social Security, appropriate congressional committees, and other interested parties. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you have any questions concerning this report, please contact me at (202) 512-7215 or bovbjergb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix V.



Barbara D. Bovbjerg
Director, Education, Workforce
and Income Security Issues

Appendix I: Objectives, Scope, and Methodology

The objectives of our study were to determine (1) the effect that staffing reductions have had on field office operations and (2) the challenges the Social Security Administration (SSA) faces in meeting service delivery needs in the future and the agency's plans for addressing them. To assess our first objective, we:

- Interviewed SSA headquarters officials responsible for overseeing field office operations.
- Compared the overall number of field office staffing per year from fiscal years 2005 through 2008 to the amount of work produced overall by the field offices for the same fiscal years to understand changes in field office work productivity.
- Condensed the 57 different types of work actions listed in the SSA's District Office Work Report into eight larger categories, and compared the work volumes completed between fiscal years 2005 and 2008.
- Determined the level of field office staffing using end of year staffing data from SSA's Justification for Appropriations Committees annual documents as well as administrative data that SSA officials provided to us for fiscal years 2002 through 2008.
- Compared the national average wait time data from SSA's Field Office Waiting Time Study from fiscal year 2002 through 2006, and reported data from SSA's Visitor Intake Program (VIP) data for fiscal years 2007 and 2008.
- Interviewed managers and staff in 21 field offices, 2 Social Security Card Centers, 2 regional offices, and 3 area offices to gain their perspectives on the effect of staffing reductions and strategies used to manage work. We selected the field offices based on the populations they served, their geographic location, number of staff, and customer wait times (see app. II for a listing of the field offices we visited).

We tested the reliability of SSA's work productivity and staffing data, and found that they were sufficiently reliable for the purposes of our review. Specifically, we obtained three relevant databases for fiscal years 2005 through 2008: (1) District Office Workload Report, (2) Work Unit Per Work Year, and (3) staffing data. Each database contained critical data for analysis of the workload handled by each SSA field office. SSA identified these files as containing the supporting data for reports that SSA had developed for internal uses. We tested the key variables in each file for completeness and accuracy of the values coded in the records. To determine the reliability of field office staffing data provided by SSA, we compared the SSA data against staffing data from the U.S. Office of

Personnel Management's (OPM) Central Personnel Data File. We compared the number of staff per field office from OPM's file with the number of staff per field office provided by SSA. While there were isolated differences for certain field offices, we found SSA's field office staffing data sufficiently reliable for the purpose of reporting field office staffing data by region and nationally.

We also tested the validity of two sources of customer wait time data: (1) the annual national average wait time for fiscal years 2002 to 2006, and (2) the national- and field-office-level wait time data from the VIP system that SSA first implemented nationwide for fiscal year 2007. The fiscal year 2002 to 2006 data came from SSA's Field Office Waiting Time Study that was conducted annually through the end of fiscal year 2006. The data represented the national average of wait times that field offices collected. The sample of customer wait time at field offices was not large enough to allow SSA to calculate statistically representative wait times for any level of the SSA organization smaller than the national average. SSA conducted the study by having field employees sample customer wait times for each field office during a randomly selected 1-hour period each quarter of a fiscal year. SSA staff charged with implementing the sample at the field office level reported directly to field office management instead of an independent entity within SSA. In a method such as this, it is important for individual field offices to comply with the sampling regime. For the fiscal year 2002 through 2006 period, data for 14.9 percent of the sample hours were missing. We also found unexpected data entries; for instance, we found wait times entered for weekend dates and negative wait times.

We noted that from fiscal year 2002 through 2006, the average wait time reported by SSA increased from 15.2 to 21.0 minutes. We asked SSA officials whether confidence intervals surrounding the wait time estimates for each fiscal year had been calculated. They informed us that they did not believe these calculations had been made. To assess if the increase in wait times from fiscal year 2002 through 2006 was statistically significant, we determined that we had to estimate the sampling error and create confidence intervals surrounding the average wait times. The result was that for any year in the 2002 through 2006 period, the margin of error was no larger than 0.84. This allowed us to conclude that while differences between one individual year and the next were only sometimes statistically significant, the difference between wait times for fiscal years 2002 and 2006, respectively, was statistically significant. The difference of 5.35 minutes (based on GAO calculations) yielded a p-value of less than .0001. Statistical analysis of this kind assumes independence between observations. However, we noted that this was not necessarily the case. If,

for example, the first visit of the day took longer than scheduled, some visitors arriving for later appointments with SSA staff on the same day would presumably have to wait past their scheduled appointment time.

The VIP system has several uses, one of which is to produce average wait time data for each field office, as well as averages for each successive level of SSA's field structure (e.g., area, region, and national). The VIP system replaced the Waiting Time Study at the start of fiscal year 2007. SSA now electronically collects data on wait time that represent the full cohort of SSA field office visitors (with few exceptions). However, there are no built-in edits to capture input errors; rather, errors would have to be identified by users of the data. We performed electronic testing of key data elements using all data for 21 field offices to which we had made a site visit. After determining that SSA's initial reports for GAO contained incorrect calculations, we worked with SSA staff to replicate the wait time for selected groups of visitors; once completed, we determined that our replicated database was comparable to the data that SSA had developed on the basis of our joint work, and therefore we concluded that we could use the VIP data as support for our conclusions and recommendations.

To address our second objective, we:

- Interviewed SSA headquarters officials responsible for operations, budget, and strategic and human capital planning, and obtained relevant documentation.
- Obtained data from SSA headquarters officials on the actual and projected growth in the number of claims for fiscal years 2005 through 2017.
- Obtained the actual and projected number of Old-Age and Survivors Insurance (OASI) and Disability Insurance (Disability) beneficiaries between calendar years 2007 and 2050 from the 2008 Annual Report of the Board of Trustees to identify the projected increase in the demand for SSA services.
- Obtained the actual and projected number of retirements of SSA staff agency-wide from SSA's "retirement wave" analyses for fiscal years 2007 through 2016 to assess future staffing needs.
- Reviewed SSA's past strategic plans and budget documents and discussed the new strategic plan with SSA officials to determine SSA's plan for addressing future service delivery needs, and assessed the adequacy of SSA's internal controls in the context of customer service policies.

In assessing the adequacy of SSA's internal controls, we used the criteria in GAO's *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#), dated November 1999. These standards, issued pursuant to the requirements of the Federal Managers' Financial Integrity Act of 1982, provide the overall framework for establishing and maintaining internal control in the federal government. Also pursuant to the same Act, the Office of Management and Budget issued *Circular A-123*, revised December 21, 2004, to provide the specific requirements for assessing the reporting on internal controls. Internal control standards and the definition of internal control in *Circular A-123* are based on GAO's *Standards for Internal Control in the Federal Government*.

We conducted our work between July 2007 and January 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Data on Beneficiaries, Staffing, Visitor Volume, and Wait Times in the 21 Offices GAO Visited

We used various data from SSA to select 21 field offices to visit. We wanted a variety of offices in terms of geographic location, size of the beneficiary population covered, the number of staff, the number of visitors, and waiting times. Our selection of field offices was based on data for the years indicated.

Table 7: List of SSA Field Offices Visited and Their Beneficiary Populations

Field office	Old-Age Survivors and Disability Insurance beneficiary population as of 9/30/06	Supplemental Security Income beneficiary population as of 9/30/06
Washington Heights – New York, New York	6,584	14,075
Brooklyn Avenue X – New York	9,697	21,911
Anacostia – Washington, D.C.	4,209	7,690
Fairfax, Virginia	3,871	2,225
Culpeper, Virginia	2,659	1,222
Wheaton, Maryland	4,664	3,491
Casa Grande, Arizona	4,852	2,902
Mesa, Arizona	16,383	6,438
Inglewood, California	7,987	12,475
Los Angeles Downtown – California	4,226	12,286
Orlando, Florida	20,892	17,325
Leesburg, Florida	12,584	5,255
Alice, Texas	3,018	3,350
San Antonio Northwest – Texas	15,481	13,429
McAllen, Texas	13,066	19,873
Devils Lake, North Dakota ^a	687	450
Grand Forks, North Dakota	4,318	1,999
Freeport, Illinois	2,090	969
Bloomington, Illinois	5,876	1,875
Cayey, Puerto Rico	10,074	1
Arecibo, Puerto Rico	22,469	4

Source: GAO analysis of SSA data.

^aDevils Lake is a resident station under the Minot, North Dakota, field office.

**Appendix II: Data on Beneficiaries, Staffing,
Visitor Volume, and Wait Times in the 21
Offices GAO Visited**

Table 8: Staffing Levels for the Field Offices GAO Visited, Fiscal Years 2005–2007

Field office	Number of staff			Numerical change (from 2005 to 2007)
	Fiscal year 2005	Fiscal year 2006	Fiscal year 2007	
Washington Heights – New York, New York	36	31	34	-2
Brooklyn Avenue X – New York	56	53	46	-10
Anacostia – Washington, D.C.	22	22	22	0
Fairfax, Virginia	24	21	21	-3
Culpeper, Virginia	9	9	10	1
Wheaton, Maryland	27	23	25	-2
Casa Grande, Arizona	11	11	11	0
Mesa, Arizona	69	54	49	-20
Inglewood, California	42	39	37	-5
Los Angeles Downtown – California	61	59	60	-1
Orlando, Florida	77	69	67	-10
Leesburg, Florida	35	33	30	-5
Alice, Texas	14	12	12	-2
San Antonio Northwest – Texas	55	53	53	-2
McAllen, Texas	71	70	68	-3
Devils Lake, North Dakota	2	2	2	0
Grand Forks, North Dakota	15	12	13	-2
Freeport, Illinois	6	7	6	0
Bloomington, Illinois	24	22	21	-3
Cayey, Puerto Rico	8	6	10	2
Arecibo, Puerto Rico	19	19	18	-1

Source: GAO analysis of SSA data.

**Appendix II: Data on Beneficiaries, Staffing,
Visitor Volume, and Wait Times in the 21
Offices GAO Visited**

Table 9: Visitor Volume, Staff, and Waiting Time Data for Offices GAO Visited, Fiscal Year 2007

Field office	Number of visitors	Number of staff	Waiting time in minutes	
			With an appointment	Without an appointment
Washington Heights – New York, New York	55,404	34	61.4	54.6
Brooklyn Avenue X – New York	35,369	46	17.1	16.2
Anacostia – Washington, D.C	41,315	22	13.1	39.2
Fairfax, Virginia	42,581	21	0	41.6
Culpeper, Virginia	15,003	10	0	10.8
Wheaton, Maryland	39,741	25	12.8	62.1
Casa Grande, Arizona	23,135	11	0.1	18.7
Mesa, Arizona	67,125	49	5.7	65.3
Inglewood, California	53,440	37	1.2	53.1
Los Angeles Downtown – California	69,019	59	0.2	20.4
Orlando, Florida	89,319	67	4.3	51.9
Leesburg, Florida	30,060	30	0.1	29.4
Alice, Texas	16,424	12	0	16.3
San Antonio Northwest – Texas	64,459	53	0	48.7
McAllen, Texas	93,682	68	0	43.7
Devils Lake, North Dakota	4,587	2	0	0.2
Grand Forks, North Dakota	12,089	13	5.0	9.8
Freeport, Illinois	10,490	6	0.1	8.5
Bloomington, Illinois	41,421	21	6.6	28.6
Cayey, Puerto Rico	2,650	10	14.6	128.5
Arecibo, Puerto Rico	28,404	18	0	72.8

Source: GAO analysis of SSA data.

Note: Waiting times are measured from the time that customers sign into the Visitor Intake Process until the time of customers' first contact with an SSA staff person.

Appendix III: Functions of Field Offices and Other Entities in Medical Disability Determinations for Disability and SSI Claims

Field offices rely on state Disability Determination Services (DDS) and various SSA entities to make medical disability determinations for claims filed under the Disability and SSI programs. Field offices begin the application process for these claims and determine if claimants meet basic requirements for the applications based on nonmedical factors of the programs. For example, for Disability claims, field offices determine if workers or their dependents qualify for benefits based on the worker's years of work. For SSI claims, field offices determine if claimants meet income requirements. If basic requirements are met, field offices forward the application to the state DDS to make initial determinations of disability based on medical and work-related factors. For claimants found to be eligible, field offices initiate action to begin payments. If claimants are not satisfied with the determination, they may request reconsideration with a different group within DDS. If claimants are not satisfied with the second determination by DDS, they may request further reconsideration with SSA's hearings office, and then SSA's Appeals Council (fig. 8 provides a visual depiction of this process). Over the years, backlogs of varying degrees have occurred at the DDS, Hearing Office, and Appeals Council levels, leaving some claimants waiting for years to have their claims decided. In recent years, SSA has taken actions to decrease these backlogs.

Figure 8: SSA's Disability Determination Process

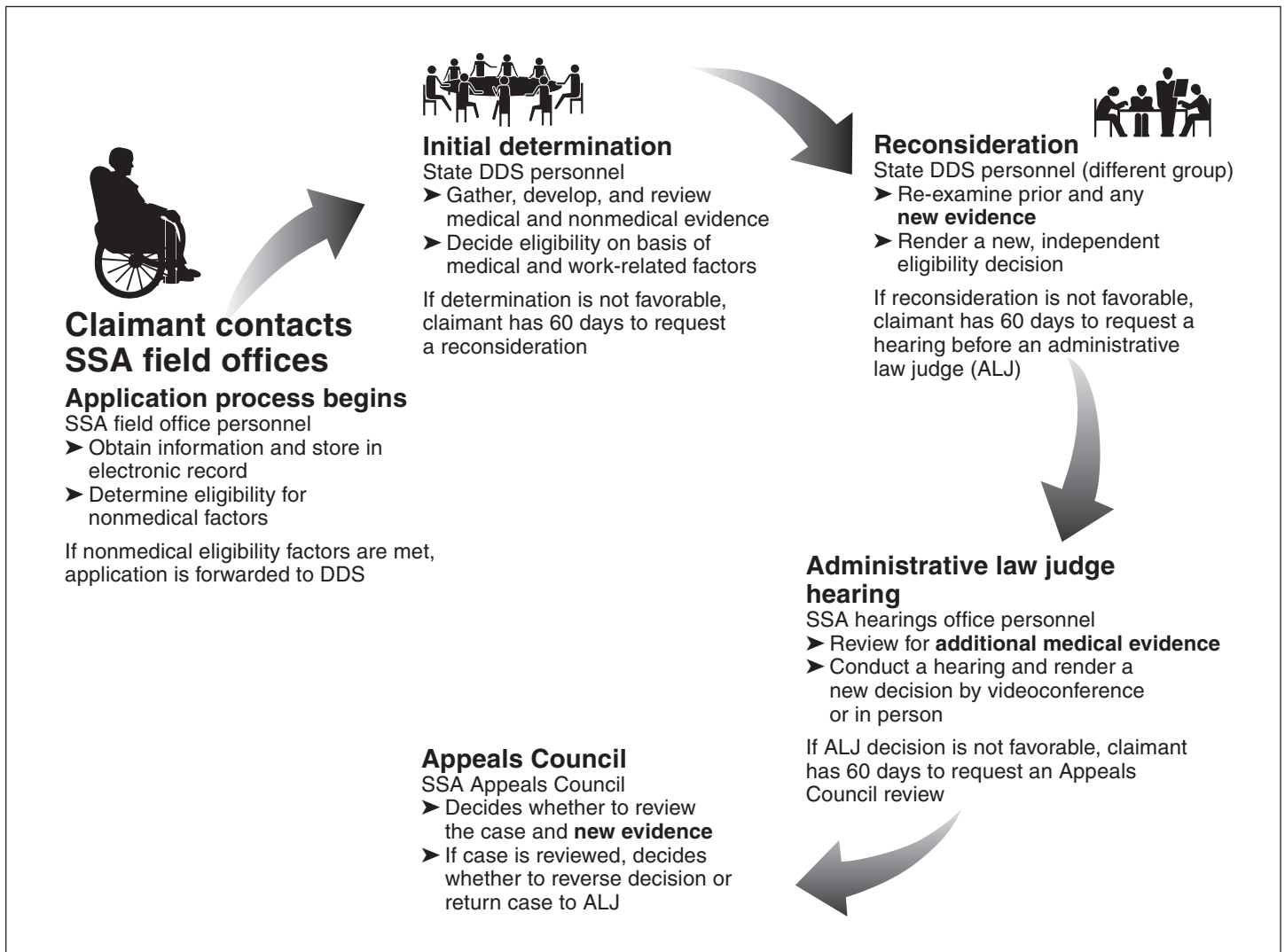


Figure 8: GAO analysis of SSA data; Art Explosion (images).

Appendix IV: Comments from the Social Security Administration



SOCIAL SECURITY

The Commissioner

December 12, 2008

Ms. Barbara D. Bovbjerg
Director, Education, Workforce, and
Income Security Issues
U.S. Government Accountability Office
441 G St., NW
Washington, D.C. 20548

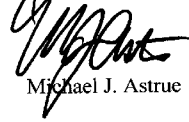
Dear Ms. Bovbjerg:

Thank you for the opportunity to review and comment on the draft report, "Social Security Administration: Service Delivery Plan Needed to Address Baby Boom Retirement Challenges" (GAO-09-24).

Enclosed are our detailed comments to the draft report recommendation, along with suggested technical revisions.

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

Sincerely,



Michael J. Astrue

Enclosure

SOCIAL SECURITY ADMINISTRATION BALTIMORE MD 21235-0001

COMMENTS ON THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO) DRAFT REPORT, "SOCIAL SECURITY ADMINISTRATION: SERVICE DELIVERY PLAN NEEDED TO ADDRESS BABY BOOM RETIREMENT CHALLENGES" (GAO-09-24)

We disagree with GAO's statement that we do not have a detailed plan to address future service delivery needs. We continually plan for the future, as evidenced by the many initiatives we have successfully completed, including those that are underway, and those that are proposed for both the near and long term.

We have long been aware that the Baby Boom generation would have a dramatic impact on our own internal staffing losses, as well as escalating our disability and retirement claims workloads. As a result, we have been working on many fronts to increase our productivity to enable us to process more work without increasing staffing levels. Many components within the agency contribute to this effort and there is a great deal of coordination between components as well as executive oversight.

Central to our planning for the future is the Agency's Strategic Plan (ASP), which we published and serves as a living document. The ASP outlines the four main goals of the organization:

- 1.) Eliminate our hearing backlog and prevent its recurrence;
- 2.) Improve the speed and quality of our disability process;
- 3.) Improve our retiree and other core services; and
- 4.) Preserve the public's trust in our programs.

Flowing from the ASP are tactical plans aimed at supporting the larger agency initiatives. In the Office of Operations, workload goals are established for our field offices (FOs), teleservice centers, and processing centers. The Office of Disability Adjudication and Review established a plan to reduce the age and volume of the hearing disability backlogs, and we continue to make progress in these areas. We have an Information Technology (IT) Advisory Board that is responsible for long-range IT planning. In the face of dwindling resources and rising workloads, our IT investments are critical to keeping pace with an ever-growing demand for our services.

At the very core of our planning is the annual budget which the Commissioner is required to submit to Congress and the President. The budget takes into account expected growth in all workloads, based on projections from our Office of the Chief Actuary. It also accounts for additional burdens placed on us, such as work mandated by new legislation and factors in estimated savings from our initiatives designed to increase efficiency, such as improved automation and streamlined policy, e.g., the electronic disability process and our recent changes in the Proof of Age policy. The budget reflects work we control, such as continuing disability reviews and Supplemental Security Income redeterminations, and specific agency objectives, such as working down the hearing disability backlogs.

Our FO operations have been successful at doing more with less, demonstrated in the GAO report in Figure 2 (Page 13). The reduction in work units does not reflect less work in the major claims categories, but a reduction in time due to our efforts to increase efficiency through a variety of initiatives. Fiscal year (FY) 2008 was one of our most productive years due to changes in policy (such as the simplification of the Proof of Age policy), and automation enhancements to our claims workloads (such as increased use of electronic claims). Our FY 2010 budget includes funding for many additional enhancements and reflects productivity savings for these as well.

Our Office of the Chief Actuary projects a 40 percent increase in retirement claims and a 10 percent increase in disability claims by FY 2017. To prepare for this, our ASP sets goals for online filing of 50 percent of retirement and 25 percent of disability insurance claims by FY 2012. Online filing provides work efficiency to offset the impact of a part of the increase in claims.

Our comments on the report recommendation, along with technical revisions are as follows:

Recommendation

Recommend that SSA develop a service delivery plan that describes, in detail, how it will deliver quality customer service in the future while managing growing work demands with constrained resources. This plan should identify the extent that new business processes will allow SSA to accommodate growing demand or whether additional resources are needed to achieve its strategic goals. Further, this plan should establish a quantitative standard for field office customer waiting times and phone service to help identify and improve offices with poor service.

Comment

We partially agree. We have an intensive planning process, flowing from our ASP, which is reflected and updated annually in our budget submissions to OMB. However, due to the continuing concern about a lack of a consolidated plan to address service and staffing throughout the disability and retirement wave of the Baby Boom generation, we are developing a single document that describes all the efforts taking place. At minimum, this document will include our comprehensive plans for:

- Expansion of electronic service;
- Increased centralization of processing telephone and claims workloads while maintaining our network of local FOs to serve the public;
- FO service enhancement including new phone systems, video services where applicable, and piloting self-service personal computers in reception areas; and
- Service delivery assessments of our FOs to ensure that we continue to provide efficient customer service.

With staffing spread thin across our network of FOs, requiring office managers to meet waiting time and telephone standards would create other problems in mission-critical services. To

achieve standards for waiting times and answering phone calls, managers would have to dedicate more staff to these areas at the expense of timely processing claims and post-entitlement workloads.

We do not agree that FO telephone and wait time standards should be implemented. While Area Directors consider office visitor traffic and waiting times as a factor in staffing allocations, our national approach is to achieve a balance of the services that we provide. While we do not support establishing standards, we do track waiting times and make adjustments as necessary to improve service. Many of our FY 2008 FO hires went to the offices with the highest waiting times as measured by our Visitor Intake Process (VIP). We are also working to alleviate longer wait times by providing alternate service channels. As noted in the report, we are piloting Video Service Delivery in seven States, benefiting both the customer and us, by removing the need for a FO visit. We are also piloting Internet access to our suite of online services in several FOs across the country, providing the public with an avenue of self-service, rather than having to wait to be seen by an agency representative. To address concerns for office telephone service, we are currently conducting a pilot in 200 offices, offering the option of having their calls forwarded to the agency 800-number when the local telephone is busy.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Barbara D. Bovbjerg, Director, (202) 512-7215 or bovbjergb@gao.gov

Staff Acknowledgments

In addition to the individual named above, key contributions to this report were made by Blake Ainsworth, Assistant Director; Mary A. Crenshaw, Analyst-In-Charge; Justin Fisher; Mitchell Karpman; Matthew Lee; Vanessa Taylor; Walter Vance; Charles Willson; Gregory Wilmouth; and Paul Wright.

Related GAO Products

Social Security Administration Field Offices: Reduced Workforce Faces Challenges as Baby Boomers Retire. [GAO-08-737T](#). Washington, D.C.: May 8, 2008.

Social Security Disability: Better Planning, Management, and Evaluation Could Help Address Backlogs. [GAO-08-40](#). Washington, D.C.: December 7, 2007.

Social Security Administration: Additional Actions Needed in Ongoing Efforts to Improve 800-Number Service. [GAO-05-735](#). Washington, D.C.: August 8, 2005.

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

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