

Report Summary

Social Security Administration Office of the Inspector General

November 2009



Objective

To assess the Office of Operations' staffing plans associated with funds provided under the *American Recovery and Reinvestment Act of 2009* (ARRA).

Background

ARRA provided the Social Security Administration (SSA) an additional \$500 million to process disability and retirement workloads, of which \$40 million may be used for health information technology research and activities to facilitate the adoption of electronic medical records in disability claims. ARRA funds will help SSA address increasing disability and retirement workloads caused by a combination of the economic downturn and the leading edge of the baby boomer retirements. At the time of our review, SSA's Office of Operations was allocated \$251 million in ARRA funds.

To view the full report, visit
http://www.ssa.gov/oig/ADO_BEPDF/A-09-09-29157.pdf

The Office of Operations' Staffing Plans Under the American Recovery and Reinvestment Act of 2009 **(A-09-09-29157)**

Our Findings

The Office of Operations developed an appropriate plan for its \$251 million in ARRA funds to process disability and retirement workloads. However, we identified the following matters for attention to ensure ARRA funds are properly accounted for and efficiently used and their benefits are fully disclosed.

- SSA uses a cost allocation methodology that charges ARRA funds based on the average workyear cost to process workloads. The charges based on this methodology are approximately \$195 million. However, the actual costs of the 1,531 new employees will only be approximately \$101 million.
- SSA's workload plan should disclose the estimated \$18 million in training costs since it is time spent in training rather than processing disability and retirement workloads.
- SSA's performance measures do not identify all the anticipated benefits of the ARRA funds.

Matters for Consideration

SSA should consider:

- Disclosing that its methodology will result in ARRA funds being charged approximately \$94 million more than the new hires' actual salaries and benefits.
- Disclosing the costs associated with new hire training since it is time spent in training rather than processing disability and retirement workloads.
- Tracking and reporting how ARRA funds used for new hires and overtime in Operations will impact the Agency's existing performance measures related to processing disability and retirement workloads.