

Evaluation Report

The Social Security Administration's
Field Office Consolidation Decision
Process

A-07-15-25027 / May 2015

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: May 12, 2015 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Field Office Consolidation Decision Process (A-07-15-25027)

The attached final report presents the results of our review. Our objective was to assess the Social Security Administration's process for evaluating field offices for consolidation.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

The Social Security Administration's Field Office Consolidation Decision Process

A-07-15-25027



May 2015

Office of Audit Report Summary

Objective

To assess the Social Security Administration's (SSA) process for evaluating field offices for consolidation.

Background

According to SSA, in November 2013, it implemented a new process for evaluating field offices to ensure service delivery is consistent with the needs of the areas served. This process begins with an Area Director's annual review of each field office for which they are responsible. The annual review compiles such information as whether the office was leased or owned, average number of monthly visitors, and number of field office employees. If the Area Director determines additional analysis is necessary to determine whether a change is needed, a Service Area Review (SAR) may be conducted. A SAR is a complete office assessment that includes a review of the office's demographic and workload factors, accessibility, and other unique or special needs. SARs help SSA determine whether it should upgrade, downgrade, or consolidate field offices. SARs also help SSA determine whether it should realign field offices into and out of an existing area or make no change.

However, an investigation by the Senate Special Committee on Aging found SSA "... could not provide a decision maker with data needed to make a sound decision ..." to justify field office consolidations. The Committee's investigation included a review of 19 field offices SSA consolidated in Fiscal Year (FY) 2014. The Committee made several recommendations.

Findings

Of the 19 field offices consolidated in FY 2014, 18 were consolidated under the SAR process SSA implemented in November 2013. In general, we found the SAR process resulted in consistent documentation of SSA's evaluation of field offices. As part of our review, SSA also provided documentation outlining its justifications for consolidating the 18 field offices. Based on our review of the justifications, SSA included the primary factors considered for consolidating each office but did not include all of the information required by SSA policy.

Because of the Senate Special Committee on Aging's investigation, SSA plans to further update its process to evaluate field offices for consolidation. These changes should address the Committee's five recommendations. However, because SSA's field offices provide the public with a variety of services, SSA must also improve its justification to support consolidating field offices. Specifically, SSA should ensure the justification includes all information required by its policy.

Recommendation

We recommend SSA ensure future justifications for field office consolidations include all the information required by its policy to ensure informed decisionmaking and improve transparency to stakeholders.

SSA agreed with our recommendation.

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ABBREVIATIONS

AIMS	Administrative Instructions Manual System
FY	Fiscal Year
GAM	General Administration Manual
OIG	Office of the Inspector General
SAR	Service Area Review
SDA	Service Delivery Assessment
SSA	Social Security Administration

OBJECTIVE

Our objective was to assess the Social Security Administration's (SSA) process for evaluating field offices for consolidation.

BACKGROUND

According to SSA, in November 2013, it implemented a new process for evaluating field offices to ensure service delivery is consistent with the needs of the areas served. This process begins with an Area Director's annual review of each field office for which they are responsible. The annual review compiles such information as whether the office was leased or owned, average number of monthly visitors, and number of field office employees. If the Area Director determines additional analysis is necessary to determine whether a change is needed, a Service Area Review (SAR) may be conducted.¹ A SAR is a complete office assessment that includes a review of the office's demographic and workload factors, accessibility, and other unique or special needs.² SARs help SSA determine whether it should upgrade, downgrade, or consolidate field offices.³ SARs also help SSA determine whether it should realign field offices into and out of an existing area or make no change.⁴

However, an investigation by the Senate Special Committee on Aging found SSA "... could not provide a decision-maker with data needed to make a sound decision ..." to justify field office consolidations.⁵ The Committee's investigation included a review of 19 field offices SSA consolidated in Fiscal Year (FY) 2014.⁶ The Committee made several recommendations that we will discuss later in this report.

RESULTS OF REVIEW

Of the 19 field offices consolidated in FY 2014, 18 were consolidated under the SAR process SSA implemented in November 2013.⁷ In general, we found the SAR process resulted in

¹ SSA, AIMS, GAM 12.05.03.B (January 15, 2014).

² SSA, AIMS, GAM 12.05.04, .06, and .09 (January 15, 2014). See Appendix B for the elements that should be included in each SAR.

³ SSA, AIMS, GAM 12.05.03, .04, and .06 (January 15, 2014).

⁴ Id.

⁵ Senate Special Committee on Aging, *Reduction in Face-to-Face Services at the Social Security Administration*, p. 16.

⁶ See Appendix C for a list of the field offices consolidated in FY 2014. As of September 2014, SSA did not have plans to consolidate additional field offices.

⁷ Before November 2013, SSA used Service Delivery Assessments (SDA) to evaluate field offices. According to SSA, the SDA process had "less stringent and consistent documentation standards." The Louisville (West), Kentucky, Field Office was consolidated under this old process and therefore was not included in our review.

consistent documentation of SSA's evaluation of the 18 field offices.⁸ As part of our review, SSA also provided documentation outlining its justifications for consolidating the 18 field offices. Based on our review of the justifications, SSA included the primary factors considered for consolidating each office but did not include all of the information required by SSA policy. Further, because of the Senate Special Committee on Aging's investigation, SSA plans to further update its process for evaluating field offices for consolidation.

FY 2014 Field Office Consolidations

Of the 19 field offices consolidated in FY 2014, 18 were consolidated under the SAR process implemented in November 2013. The SAR documentation we reviewed for the 18 offices generally contained consistent elements as required by SSA policy, such as geographical information, location of neighboring field offices, and average distance to the field office.⁹ SSA also provided us with documentation outlining its justification for consolidating the 18 field offices. The documentation was an executive summary prepared by a regional office representative and sent to the Deputy Commissioner of Operations for concurrence. The documentation for each office identified the cost savings to be realized over the next 10 years and other primary factors for consolidation specific to each office. For example, one of the primary factors for the consolidation of five offices included health or safety concerns that affected employees and visitors, and one of the primary factors for four offices was too much or too little office space.

However, the justification documentation for all 18 field offices did not include portions of the information required by SSA policy, which are outlined in Appendix D. For example, SARs resulting in a recommendation for consolidation should include the expected service delivery improvements that would result from the change.¹⁰ Despite this requirement, the documentation for consolidating nine field offices did not include this information. Further, SARs resulting in a recommendation for consolidation are required to include such information as lease termination rights for the office that will be consolidated and the number of employees who are eligible for retirement.¹¹ However, the documentation for 8 offices did not include lease termination rights and 12 offices did not include the number of employees who were retirement eligible. Without all the required information, SSA did not provide a complete picture of the consolidation's effect. Therefore, SSA should ensure future justifications for field office consolidations include all information required by SSA policy to ensure informed decisionmaking and improve transparency to stakeholders.

⁸ See Appendix A for the scope and methodology of our review.

⁹ SSA, AIMS, GAM 12.05.09 and 10 (January 15, 2014).

¹⁰ SSA, AIMS, GAM 12.05.11.A.1 (January 15, 2014).

¹¹ SSA, AIMS, GAM 12.05.11.D.7 (January 15, 2014).

Process Improvements

In June 2014, the Senate Special Committee on Aging made the following recommendations to SSA related to field office consolidations.

1. Create a uniform consolidation policy that delineates essential criteria for decision-making.
2. Use standard metrics of demographic variables included in area reviews.
3. Expand the criteria it considers to more fully examine the impact of closures and consolidations on the affected communities.
4. Include the public and other local stakeholders, including managers, employees, and elected officials in the decision-making process.
5. Incorporate transition planning for communities impacted by closures and consider alternatives to eliminating all in-person services.¹²

SSA plans to implement all five recommendations. To address the Committee's first three recommendations, SSA plans to review and revise the criteria used in the SAR process to ensure they are clear and concise, use standard metrics for common demographic variables, and expand the criteria used in its decision-making process. To implement the Committee's fourth recommendation, SSA will notify stakeholders and community leaders at least 180 days before the proposed consolidation date and allow a 30-day comment period for feedback before consolidating a field office. SSA will consider this feedback and modify the proposal to consolidate, as appropriate. Finally, to implement the Committee's fifth recommendation, SSA plans to update its communications plan to ensure the Agency introduces alternative service delivery methods to communities at least 180 days before consolidation.¹³ By introducing the alternative service delivery options before consolidation, SSA will give the public time to become familiar with the new technology and service channels. While SSA's planned changes appear to be a step in the right direction, they have not been implemented so we could not assess their impact on SSA's process to evaluate field offices for consolidation.¹⁴

¹² Senate Special Committee on Aging, *supra* at pp. 24-25.

¹³ According to SSA, its alternative service delivery options include SSA Express, customer service stations, and video. SSA Express is an icon on public computers that allows access to SSA's suite of online services. Customer service stations allow the public to register for and complete transactions with their **my Social Security** accounts, such as benefit verifications and online statements. If customers have a question, they are able to speak to an SSA representative via videoconferencing.

¹⁴ SSA expects to implement the changes in April 2015.

CONCLUSIONS

According to SSA, it plans to implement additional changes to its process for evaluating field offices for consolidation. These changes should address the Senate Special Committee on Aging's five recommendations. However, because SSA's field offices provide the public with a variety of services, SSA must also improve its justifications to support consolidating field offices. Specifically, SSA should ensure the justifications include all information required by its policy.

RECOMMENDATION

We recommend SSA ensure future justifications for field office consolidations include all the information required by its policy to ensure informed decisionmaking and improve transparency to stakeholders.

AGENCY COMMENTS

SSA agreed with our recommendation. The Agency's comments are included in Appendix E.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed the applicable section of the Administrative Instructions Manual System related to the field office consolidation process.
- Reviewed prior Office of the Inspector General and Government Accountability Office reports related to customer service delivery planning and consolidation of physical infrastructure.
- Reviewed the Senate Special Committee on Aging's report, *Reduction in Face-to-Face Services at the Social Security Administration*.
- Obtained information from the Social Security Administration's Office of Operations related to the 19 field offices consolidated in Fiscal Year 2014. We also obtained information on the anticipated changes to the process for evaluating field offices for consolidation.

The entity reviewed was the Office of Operations. Our work was conducted at the Office of Audit in Kansas City, Missouri, from October 2014 through January 2015. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix B – ELEMENTS INCLUDED IN SERVICE AREA REVIEWS

According to Social Security Administration (SSA) policy, when completing a Service Area Review (SAR), the Area Director should develop a factual picture of the current environment. The information is reviewed to determine whether a SAR warrants a recommendation to maintain or change the existing service area. The region is responsible for data collection, analysis, and determining the impact each factor, characteristic, need, or criterion has on the service delivery area for the facility being reviewed.¹ Specifically, the Area Director should create a narrative outlining the analysis performed. The analysis should include the following.

1. A description of the service area, including
 - a. geographic boundaries,
 - b. size of the service area in square miles,
 - c. list of counties and ZIP codes served, and
 - d. geographic and topographic features that affect the service area.
2. A description of the current service delivery methods, including
 - a. field facilities in the area, such as other field offices, Social Security card centers, resident stations, and contact stations;
 - b. percent of interviews completed via appointments, via teleservice, or in person;
 - c. electronic service data;
 - d. outreach efforts;
 - e. public information and public relations; and
 - f. any other service delivery methods used.²
3. An assessment of accessibility issues that affect field office customers and employees, including
 - a. average distance and travel time to the field office;

¹ SSA, AIMS, GAM 12.05.09 (January 15, 2014).

² SSA, AIMS, GAM 12.05.10.A.1 and 2 (January 15, 2014).

- b. accessibility from major highways and roads;
 - c. availability, convenience, and cost of public and privately sponsored transportation;
 - d. availability, convenience, and cost of parking;
 - e. accessibility for people with disabilities; and
 - f. other methods of accessibility, such as SSA's online services and the national 800-number.³
- 4. The unique service area characteristics and special needs that are distinct to the service area, including
 - a. safety or other high risk factors;
 - b. international border location;
 - c. bilingual needs;
 - d. minority population needs;
 - e. location of trade or business centers;
 - f. social service and other community agencies and organizations;
 - g. significant parallel activities;
 - h. advocacy groups;
 - i. major institutions, such as educational, medical, and cultural institutions;
 - j. communication media outlets;
 - k. large employers; and
 - l. third-party assistance arrangements.⁴

³ SSA, AIMS, GAM 12.05.09.B and .10.A.3 (January 15, 2014).

⁴ SSA, AIMS, GAM 12.05.09.C and .10.A.4 (January 15, 2014).

5. Any trends identified in the service area's demographics and workloads, including
 - a. basic statistical data for individual field offices, such as population and staff size;
 - b. detailed statistical data with census-type information on population, age, gender, race, ethnicity, income, education, housing, and marital status;
 - c. the number of beneficiaries receiving Retirement, Survivors, or Disability Insurance payments as well as those entitled to Health Insurance only, and the number of recipients receiving Federal and/or State Supplemental Security Income payments;
 - d. statistical data from prior Service Delivery Assessments (SDA) and SARs; and⁵
 - e. additional management information or demographic data, as appropriate.⁶
6. All other information material to maintaining or changing the existing methods of service delivery.⁷

⁵ According to SSA, SARs replaced SDAs as the process for evaluating field offices in November 2013.

⁶ SSA, AIMS, GAM 12.05.04, 09.A, and .10.A.5 (January 15, 2014).

⁷ SSA, AIMS, GAM 12.05.10.A.6 (January 15, 2014).

Appendix C – FIELD OFFICES CONSOLIDATED IN FISCAL YEAR 2014

In Fiscal Year 2014, the Social Security Administration consolidated 19 field offices.

Table C-1: Consolidated Field Offices, Fiscal Year 2014

Consolidated Field Office	Region	Consolidation Date
Pittsburg, Kansas	Kansas City	11/15/2013
Yauco, Puerto Rico	New York	11/18/2013
Grand Central (New York), New York	New York	12/6/2013
Bristol, Connecticut	Boston	1/31/2014
Camden, South Carolina	Atlanta	3/7/2014
Richmond (West), Virginia	Philadelphia	3/7/2014
Williamsburg (Brooklyn), New York	New York	3/7/2014
Kingston, New York	New York	3/14/2014
Somerset, Pennsylvania	Philadelphia	3/21/2014
Bronx (Hub), New York	New York	3/28/2014
Louisville, Kentucky	Atlanta	3/28/2014
Maryville, Tennessee	Atlanta	3/28/2014
Pinellas, Florida	Atlanta	3/28/2014
Quincy, Florida	Atlanta	3/28/2014
Barstow, California	San Francisco	3/29/2014
Redlands, California	San Francisco	3/29/2014
Corona, California	San Francisco	3/31/2014
Midland, Texas	Dallas	3/31/2014
Amherst, New York	New York	4/25/2014

Appendix D – FACTORS INCLUDED IN CONSOLIDATION RECOMMENDATIONS

According to Social Security Administration (SSA) policy, a Service Area Review (SAR) resulting in a recommendation for change should lay out the benefits to be gained from the proposed change and provide a picture of the changed areas. Benefits to be gained from the proposed change should be supported by factual information. If the proposal will affect other existing facilities in the area, the following changes and facts should be documented.

1. The expected service delivery improvements as a result of the change.
2. How the special needs of the existing service area will be met under the proposed change.
3. The type of presence, if any, that will be maintained in the old location.
4. Changes in the facility structure of the service area.
5. If the change is determined to be controversial, the documentation should address why the change is controversial.
6. Information about each new/consolidated facility/service area, including
 - a. location in relation to business centers and community services;
 - b. availability and cost of suitable space for housing the new, relocated, or consolidated office;
 - c. physical boundaries and size;
 - d. population;
 - e. studies on walk-in traffic and ZIP code surveys;
 - f. the number of beneficiaries receiving Retirement, Survivors, or Disability Insurance payments as well as those entitled to Health Insurance only, and the number of recipients receiving Federal and/or State Supplemental Security Income payments;
 - g. electronic services data;
 - h. accessibility;
 - i. distance in miles to other offices;
 - j. longest increased travel time for employees and members of the public;
 - k. availability, convenience, and cost of public and privately sponsored transportation;

1. availability, convenience, and cost of parking; and
- m. accessibility for people with disabilities.

7. Resources and costs factors.¹

When a SAR results in a recommendation for consolidation, the following information must also be included.

1. Space/office information. Specifically, the type of space, lease expiration, and lease termination rights.
2. Staffing data. Specifically, the total number of staff and eligible retirement information.
3. Change of station, directed reassignment, and other funding needs.
4. Longest increased commute time for employees and members of the public.
5. The average number of monthly visitors and monthly telephone calls.
6. Population information.
7. Proximity of other offices in miles.²

¹ SSA, AIMS, GAM 12.05.11.A (January 15, 2014).

² SSA, AIMS, GAM 12.05.11.D.7 (January 15, 2014).

Appendix E – AGENCY COMMENTS



Social Security

MEMORANDUM

Date: April 13, 2015 Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Frank Cristaudo /s/
Counselor to the Commissioner

Subject: Office of the Inspector General Draft Report, "The Social Security Administration's Field Office Consolidation Decision Process" (A-07-15-25027)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
“THE SOCIAL SECURITY ADMINISTRATION’S FIELD OFFICE CONSOLIDATION
DECISION PROCESS” (A-07-15-25027)**

We appreciate OIG’s favorable findings that we conducted the office consolidations in accordance with our service area review (SAR) process. We also appreciate OIG’s acknowledgement that our planned changes to the SAR will address the five recommendations in the Senate Special Committee on Aging’s “Reduction in Face-to-Face Services at the Social Security Administration” report.

Recommendation 1

We recommend SSA ensure future justifications for field office consolidations include all the information required by its policy to ensure informed decision-making and improve transparency to stakeholders.

Response

We agree. We will ensure all future SARs follow our *Administrative Instruction Manual System, General Administration Manual, Chapter 12, Section 05, Service Area Reviews, Area Director Annual Reviews, Facility Modifications, and Assignment of New Office Codes for DCO Facilities*. We will issue a reminder to staff to ensure compliance with the SAR policy.

Appendix F – MAJOR CONTRIBUTORS

Mark Bailey, Director, Kansas City Audit Division

Tonya Eickman, Audit Manager

Jesse Card, Auditor

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