

Executive Summary

The Social Security Administration (SSA) distributes benefit payments to more than 47 million people each month, and about \$350 billion in total benefit payments each year. Millions of older, disabled, and/or low-income Americans depend on SSA benefits to make ends meet. Over 200 million people have Social Security numbers that are widely used for recordkeeping and identification purposes. And SSA tracks the earnings and accrued benefits of over 140 million working Americans.

An ever-increasing workload, combined with staff reductions, threatens SSA's ability to meet congressional and public expectations for service delivery. The agency's toll-free 800 telephone numbers are severely overloaded during peak periods, for example, and its Disability Insurance benefits program is in serious distress with a large backlog and long processing delays.

Today, information technology is essential to SSA in carrying out its mission. Indeed, SSA would literally collapse without the use of computers and telecommunications. To carry a growing workload, SSA is placing high hopes on its next round of technology modernization—a 5-year, \$1.125-billion automation investment fund commonly referred to as the IWS/LAN Technology Program. IWS/LAN is short for “intelligent workstation (IWS) and local area network (LAN).” The workstations are current generation, off-the-shelf microcomputers (i.e., personal computers or PCs), and the LANs are a widely implemented means of interconnecting microcomputers in local networks that can, in turn, be tied together into larger networks.



2 | The Social Security Administration's Decentralized Computer Strategy: Issues and Options

FINDINGS

The Office of Technology Assessment (OTA) concludes that SSA's planned evolution from ● 'dumb' terminals (with only minimal local processing or storage capability) to networked micro-computers is well within widely accepted government and private sector practices. Many agencies and companies have already made this transition. SSA has specified a flexible, off-the-shelf micro-computer platform that is available at a low per-unit cost and will allow upgrades as available and needed.

It is important to emphasize, however, that SSA's IWS/LAN technology planning and testing are well ahead of the agency's understanding of how to use IWS/LAN to upgrade service delivery. SSA's strategic and information systems planning has improved markedly in recent years, but service delivery planning is lagging. Only recently has SSA management included meaningful customer and labor participation in the planning effort to improve service delivery.

OTA concludes that, while IWS/LAN is a flexible technology and can be properly viewed as part of the SSA infrastructure for service delivery, a tighter connection needs to be made between the technology and the expected improvements in service delivery to make best use of IWS/LAN. To strengthen the planning for service delivery, it will be necessary to allocate more staff to the planning group and assure that the group has authority for integrated strategic planning and management that cut across all SSA offices and programs. The planning group also needs members who have strong expertise in electronic service delivery.

OTA's review suggests that, while SSA's current electronic delivery program is exploring or using a wide range of technologies and applications, it is underfunded and is missing some key information technology opportunities. As a consequence, SSA is not developing a complete understanding of what role IWS/LAN technology should play in the larger context of electronic delivery. Revising priorities and reallocating staff and funds could help increase the chances that the IWS/LAN technology program will succeed.

OTA believes that IWS/LAN, if properly deployed, could substantially improve SSA's service delivery. Unfortunately, however, the agency's cost-benefit analyses and technology transition planning to date provide little help in understanding IWS/LAN's potential to improve delivery of services or reinvent SSA operations. Although SSA does have a comprehensive planning and budgeting system in place, it is not yet being used to estimate the costs, benefits, and performance impacts of IWS/LAN. This will be difficult to do well until service delivery planning improves.

Determining eligibility for disability benefits is acknowledged as the most troubled SSA service and is the current focus of SSA's reengineering efforts. State Disability Determination Service (DDS) offices evaluate disability applications, make decisions, and conduct continuing reviews of eligibility. State DDS offices are fully funded by SSA, but state DDS staff are state, rather than federal, employees and operate pursuant to numerous state (as well as federal) regulations.

OTA's review indicates that the states strongly support the modernization of state DDS offices, but have concerns about a range of technical and procurement matters. SSA has addressed these concerns over the past year. But continuing differences in federal and state perspectives suggest that a joint SSA-state review is needed to further streamline the modernization process and to make best use of available funds. A joint review team might also consider: SSA's priorities for IWS/LAN installation in state DDS offices; relative priorities between DDS and SSA offices; the findings and recommendations (when available) of SSA's disability process reengineering task force; and broader state plans for electronic service delivery in which SSA could participate.

POLICY OPTIONS FOR CONGRESS

The primary congressional policy options relevant to this OTA review involve the timing, levels, allocations, and conditions of funding for SSA's current automation program.

■ Options for Obligation of FY 1994 Appropriation

Congress could:

1. Request SSA to defer the IWS/LAN procurement (and obligation of the \$300 million appropriated for FY 1994);
2. Allow SSA to proceed as planned; or
3. Permit SSA to proceed with a modified procurement that reflects the results of the agency's interim reengineering and service delivery planning, this OTA review, and the General Accounting Office's (GAO's) continuing evaluation.

Early milestones that would increase OTA's confidence in the agency's ability to fully utilize IWS/LAN technology and significantly improve service delivery include the SSA: satisfactorily completing the disability reengineering draft report (due March 31, 1994); strengthening its service delivery planning process; improving the balance and funding for its portfolio of electronic delivery projects; and initiating an SSA-state review of the disability modernization program.

SSA could reprogram a percentage of FY 1994 funds (e.g., 5 percent or \$15 million) for use in reengineering and in implementation of the Agency Strategic Plan—including service delivery planning and testing.

SSA also could reprioritize the FY 1994 IWS/LAN procurement to cover offices and locations that offer the greatest near-term leverage for improving services, and are most likely to remain stable under a range of reengineering and reorganization scenarios.

■ Options for FY 1995 Appropriation

Congress could:

1. Provide zero funding for IWS/LAN in FY 1995;

2. Provide the requested funding (\$130 million) with no strings attached;
3. Provide FY 1995 or 1995-96 funding (\$130 million or \$385 million) with strings attached; or
4. Provide full multiyear funding (\$825 million for FY 1995-98).

OTA believes that SSA may be able to justify the \$130 million for FY 1995 if SSA continues to improve its service delivery planning, among other areas. Appropriating FY 1995 (and perhaps FY 1996) funds with conditions and modifications would allow SSA to continue generally on schedule, but with added incentives to ensure the best use of available monies. This option should keep the IWS/LAN program on track while, at the same time, permitting more effective congressional oversight and holding SSA more accountable for performance.

In OTA's judgment, the advisability of appropriating FY 1995-96 monies in the FY 1995 budget cycle depends significantly on SSA's ability to meet early milestones for use of the FY 1994 appropriation. Appropriations beyond FY 1996 are not prudent at this time, in OTA's view, given the lack of clarity and documentation for use of the out-year funds.

Congress also could attach conditions to SSA's general operating funds. These funds total about \$5 billion (of which about \$400 million funds the SSA annual information technology budget)—all separate and apart from the 5-year, \$1.125-billion SSA automation investment program. Funds could be reprogrammed or prioritized within the SSA operating budget to cover reengineering and service delivery priorities. Funds might also be used to strengthen SSA's strategic management, which OTA believes is key to SSA's ultimate success in improving service delivery.