



SOCIAL SECURITY

The Commissioner

May 12, 2014

The Honorable Barbara Mikulski
Chairwoman, Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam Chairwoman:

We are pleased to share our report on our policies and procedures for closing and consolidating Social Security field offices, as required by the Joint Explanatory Statement to the Consolidated Appropriations Act, 2014.

This report describes our commitment to service in field offices, the process for deciding when to consolidate offices, what factors we consider, and how we determine cost savings from consolidations.

We are also sending this information to Senators Shelby, Harkin, and Moran and to Representatives Rogers, Lowey, Kingston, and DeLauro.

If you have any questions, please contact me or have your staff contact Bonnie Kind, our Associate Commissioner for the Office of Budget, at (410) 965-3501.

Sincerely,

Carolyn W. Colvin
Acting Commissioner

Enclosure

**Report on Policies and Procedures for
Closing and Consolidating**

Field Offices

Report to Congress

Social Security Administration

May 2014

Report on Policies and Procedures for Closing and Consolidating *Field Offices*

Introduction

The Joint Explanatory Statement to the Consolidated Appropriations Act, 2014 directs the Social Security Administration (SSA) to submit a report on its policies and procedures for closing and consolidating field offices, including any policies and procedures related to assessing the community impacts of closing or consolidating offices and the metrics used to calculate short- and long-term cost savings. This report describes our commitment to service in field offices, the process for deciding when to consolidate offices, what factors we consider, and how we determine cost savings from consolidations. We also attached an appendix of our office consolidations in fiscal year (FY) 2014.

Our Commitment to Service in Field Offices

We are fully committed – now and in the future – to sustaining a field office structure that provides face-to-face service and is responsive to members of the public who need or prefer face-to-face service. At the same time, we understand that the service expectations of the public are evolving, and we need to meet these changing expectations as the demand for our services grows.

In FY 2013, we paid benefits to nearly 65 million beneficiaries compared to 53 million in FY 2003, and the percent of retirement applications filed online rose from 6 percent in FY 2003 to more than 49 percent in FY 2013. A decade ago, there was no Social Security disability application online; however, in FY 2013, people filed over 45 percent of disability applications online. As technology and demographics change, we must continue to seek new and innovative ways to better serve the public.

We remain committed to providing easy access to our services for all our customers. Growing workloads, an aging workforce, changing customer expectations, and shifting demographics in the United States all play a part in the choices we make about where and how we provide services. We currently have 1,248 offices around the nation, compared to 1,330 ten years ago. Our approach to deciding which offices should be expanded, reduced, closed, or consolidated with a nearby office considers all these factors.

A decision to close or consolidate an office does not mean that service stops. The public still has many options for receiving convenient service – face-to-face at a nearby office, telephone service, and online service. Our safe, secure, convenient, and highly rated online services have been a tremendous help in serving the public efficiently. In fact, currently, we have three of the highest rated Internet applications for customer satisfaction. An increasing number of our customers want and expect to do business with us online. We have worked hard to make *my* Social Security (www.socialsecurity.gov/myaccount/) a fast, easy, and secure way for people

with Internet access to conduct Social Security business. To date, over 11.2 million individuals have successfully registered for *my* Social Security accounts.

How SSA Decides When to Consolidate an Office

We periodically evaluate offices to ensure service delivery is consistent with the needs of the areas we serve. This analysis is thoughtful and deliberative, and it is especially important because populations and communities change over time. Without ongoing review, we would be trying to meet today's needs with an outdated view of the world.

The decision to close or consolidate a field office is made at the highest level of the organization, after a time-intensive, thorough review. The Deputy Commissioner for Operations presents the analysis and recommendations to the Commissioner for approval.

The analysis and recommendations process starts with our Area Directors, who oversee a set number of field offices and conduct annual reviews to identify offices for additional evaluation. After completing the annual review, the Area Director may decide to conduct a full Service Area Review if more analysis is needed to determine if an office should be expanded, reduced, consolidated, or if an area should be realigned. For example, if there is a population boom in an area, we may determine that the office serving that area should be expanded and additional staff added. A Service Area Review is a complete office assessment, which may or may not result in a recommendation for consolidation or other change. Facility changes require examination on a case-by-case basis. There are unique factors that influence each decision, which we discuss in detail below. Our Regional Commissioners are responsible for overseeing the Area Directors and the Service Area Reviews in their regions.

We also perform unscheduled Service Area Reviews. Unscheduled Service Area Reviews may be triggered due to changes that do not coincide with the annual review process, such as workload or population changes, health and safety issues, and the expiration of a lease.

When considering a field office consolidation, we study not only the expected service delivery improvements because of the change, but also how the proposed change affects any special needs of the existing service area. Once the decision has been made to consolidate an office, we discuss the changes with stakeholders. We hold town hall meetings or other forums that allow the public to voice their concerns. We contact key community leaders; unique institutions (e.g., schools for the blind, hospitals, prisons, etc.); advocacy groups; and community-based organizations that represent our customers, employees, and unions. We notify and meet with members of Congress to discuss changes within their districts or States. In addition, field office managers post notification in the office about upcoming office consolidations in their service area.

Factors Involved in Making a Decision to Consolidate a Field Office

Many factors influence our decision to consolidate an office. Examples of those factors are as follows:

- **Impact on the public, stakeholders, and employees:** We consider the special needs of the community, the type of presence (e.g., nearby field office, resident station, or video unit) that will be maintained in the service area, if any, and the longest increase in travel time for the public.
- **Demographics of service area:** We evaluate changing demographics and population shifts that affect the number of individuals seeking service from each office. We measure changes in the number of daily walk-in visitors, phone calls, and related workloads. We examine the special needs of the local population, including the age of visitors and their spoken language. We assess data such as census information, recipient and beneficiary numbers, and other workload information. We strive to align our limited resources with the demand for service.
- **Proximity to other SSA offices:** We consider the distance between an office and its surrounding offices.
- **Staffing:** Changes in staff levels may occur disproportionately across the country, making it hard to provide acceptable service levels in some locations. For example, during times of tight budgets and staffing freezes, it may be difficult to keep some offices open that experience high rates of attrition.
- **Geography of service area:** We consider public transportation and parking for visitors, type of roadways (i.e., accessibility to highways vs. tertiary roads) and geographic barriers. We also consider proximity to other public service organizations. New conditions, such as completion of a major highway or relocation of a large public service organization, may change how accessible an office is to the public.
- **Expiration of lease:** We generally enter into 10-year leases, as they tend to offer the best balance of cost savings and flexibility. These leases can be broken during the course of the lease as needed. However, it makes good business sense to evaluate the current office location whenever a lease is expiring to determine if the current location remains desirable for the future.

How We Determine Cost Savings of Consolidating Field Offices

To determine cost savings from a consolidation, we calculate 10-year savings primarily from rent and guard costs.

For rent savings, we use information provided by the General Services Administration and apply a national rate increase average to account for inflation. For guard savings, we use a national average salary figure and account for inflation as well.

We also consider new costs that may offset the savings. For example, we may consider renovation costs necessary to accommodate employees in the office where they are moving. We may also consider additional guard services or increased rental costs for more space in the consolidated office.

While our field office sizes vary, average savings from field office consolidations are as follows:

- Average square foot reduction per facility: 6,292 square feet
- Average annual rent savings per square foot: \$25.02
- Average annual guard savings per facility: \$107,080

As an example, average savings from recent field office consolidations have been about \$4 million over a 10-year period.

Providing the Public Options for Service

Throughout our history, Social Security programs have been dynamic, shifting to meet the changing needs and expectations of the American people. Our guiding principle has always been to transform the way we do business to manage our growing workloads and meet the changing needs of the public in a compassionate manner. While our field offices will continue to play a major role in serving the public, we recognize that we have entered a new age where the public wants and expects to conduct business with us online. In FY 2013, we received nearly half of all Social Security retirement and disability applications online, and the percentage of people who choose to file online continues to grow.

Our goal is to provide online services that are convenient, flexible, and secure. We know that the public is accustomed to self-service options, and based on the American Customer Satisfaction Index, our online applications have ranked in the top five in government for many years. Building on our successful online applications, in 2012, we developed and launched our highly rated *my* Social Security portal. Through this portal, people who register can view, print, and save their *Social Security Statement*; get a benefit verification letter; enroll in or change their direct deposit information; and change their address – all online.

Smartphones are a major new technology of the 21st century. We rolled out a smartphone application nationally in August 2013, making it even easier for SSI recipients to report wages. Unreported and untimely reported wages continue to be a major source of payment error in the SSI program. By using convenient and mainstream technology for reporting wages, we can reduce improper payments.

We also have expanded our video service capability. Video technology offers an efficient way to deliver our services, while enabling us to maintain a personal presence in the community for those who are unable or choose not to conduct business online. For example, video service delivery continues to provide a secure, reliable, and cost-effective method to serve Social Security number applicants in remote locations, who might otherwise have to travel long distances to reach a Social Security field office. In FY 2013, we had video units in 423 sites and held 181,675 interviews – almost double the amount of interviews in FY 2012 – using video service delivery.

Our National 800 Number remains a critical part of our service delivery infrastructure. In FY 2013, our National 800 Number handled over 53 million transactions. We have continued to enhance our automated telephone services so more callers can successfully complete their business with us by phone. We are currently converting our existing National 800 Number telecommunications infrastructure to a more modern infrastructure, which will help us provide better service to the American people in the comfort of their homes.

Conclusion

We remain fully committed to providing the service the public expects now and in the future, whether it is in 1 of our over 1,200 field offices, online at www.socialsecurity.gov, or on our National 800 Number. While we have completed the annual field office evaluation process for FY 2014, we will continue to assess offices using our Service Area Review process in the future. We will notify our stakeholders, including the public, of any future consolidations of field offices and look to Congress to provide us with adequate, sustained, and predictable funding to help us serve the millions of Americans who depend on us each and every day.

Appendix A –Field Office Consolidations in FY 2014

Consolidated Office	Consolidation Date
Amherst, NY	4/25/2014
Barstow, CA	3/29/2014
Bristol, CT	1/31/2014
Bronx Hub, NY	3/28/2014
Camden, SC	3/7/2014
Corona, CA	3/31/2014
Grand Central, NY	12/6/2013
Kingston, NY	3/14/2014
Louisville West, KY	3/28/2014
Maryville, TN	3/28/2014
Midland, TX	3/31/2014
Pinellas Park, FL	3/28/2014
Pittsburg, KS	11/15/2013
Quincy, FL	3/28/2014
Redlands, CA	3/29/2014
Richmond West, VA	3/7/2014
Somerset, PA	3/21/2014
Williamsburg, NY	3/7/2014
Yauco, PR	11/18/2013