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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

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MARCH 24, 1981

The Honorable J. J. Pickle
Chairman, Subcommittee on Social Security
Committee on Ways and Means
House of Representatives

The Honorable Charles B. Rangel
Chairman, Subcommittee on Oversight
Committee on Ways and Means
House of Representatives



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Subject: Status of Social Security Field Office Space
Needs (HRD-81-64)

On May 20, 1980, we testified before the Social Security and Oversight Subcommittees of the House Committee on Ways and Means on problems the Social Security Administration (SSA) was having with the General Services Administration (GSA) in obtaining adequate field office space in a timely manner. During the hearings Chairman Pickle requested us to continue looking into this matter. In later discussions we agreed to furnish information on the number of SSA field office space requests satisfied by GSA during fiscal year 1980 and the change in the number of requests outstanding between the beginning and end of the fiscal year. In addition, since questions arose about the feasibility of delegating leasing authority to the Department of Health and Human Services (HHS) to handle SSA space needs, we agreed to obtain information from two agencies that had been delegated leasing authority and provide some further perspectives based on actual experience.

We obtained the data in this letter from the headquarters of SSA, HHS, and GSA. The data have been discussed with headquarters officials and are being reported without verification even though the agencies do not agree on the accuracy and reliability of each other's data. We are doing so because the variances do not, in our opinion, preclude using the data as an indicator of GSA's overall performance regarding SSA's office space needs and because of the Subcommittees' interest in a timely followup report.

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STATUS OF SSA SPACE REQUESTS TO GSA

According to SSA data, at the beginning of fiscal year 1980, 392 of a total of 446 backlogged SSA space requests were identified on a priority list for GSA action. GSA made a commitment to reduce the backlog by 30 to 50 percent in fiscal year 1980 and deal with the remaining requests in 1981. According to GSA officials, the commitment was fulfilled because (based on GSA data) leases were awarded for 41 percent (160) of the offices identified on the priority list.

Although GSA significantly reduced SSA's priority list of field office requests, it did not keep pace in handling new requests for field office space received from SSA during fiscal year 1980. On the basis of experience with SSA and testimony at the hearings, GSA should have expected about 200 of the total 244 new requests it received for field office space from SSA during the year. However, GSA did not set up a plan to reduce the backlog and deal with additional space requests from SSA. In discussing this matter, GSA headquarters officials disclaimed any intent to deal with new SSA requests on any priority basis. In our opinion, GSA should have anticipated this workload and developed a plan to handle new requests while working to reduce the backlog.

As indicated by the beginning and ending backlogs of field office space requests for fiscal year 1980 (446 versus 457), GSA did not make progress in reducing the overall backlog. Coupled with the requests GSA received from SSA to repair, alter, or refurbish existing field office space--identified as Reimbursable Work Authorizations (RWAs)--GSA fell further behind in servicing the needs of SSA field offices since the RWA backlog increased from 554 to 907 during the year.

According to SSA, GSA's performance in fiscal year 1980 was not satisfactory. In addition to the 392 priority list requests, 54 other space requests were pending at GSA in early fiscal year 1980. These 54 offices were not on the priority list for several reasons, including expansion not required, less space required, scheduled to move into a Federal building, anticipated lease renewal, or left off the list by mistake. SSA canceled 22 of its priority list requests for such reasons as expansion space was not available so the office would not move and the office's service area and space requirements changed. According to SSA data, GSA awarded 211 leases, which included 70 offices not on the

priority list. SSA submitted 244 new space requests for expansion or lease renewals, and ended fiscal year 1980 with 457 space requests pending at GSA. This does not include 48 offices that had not yet occupied space leased for them during the year. SSA reported that 299 offices are in space that regional officials have identified as substandard; about 135 offices are experiencing problems regarding landlord compliance with lease terms. The following table shows SSA data on the results of GSA's efforts to reduce the backlog of SSA space requests.

Table I

SSA Office Space Requests in FY 1980

<u>Priority list</u>	<u>Others pending</u>	<u>Beginning backlog</u>	<u>Requests canceled</u>	<u>Lease awards</u>	<u>New requests</u>	<u>Ending backlog</u>
392	54	446	22	a/211	b/244	457

a/Includes offices on and off the December 1979 priority list.

b/Although he lacked specific information, a GSA official said he doubts the validity of SSA's figures on new space requests and the ending backlog.

SSA, HHS, and GSA officials did not agree on when a space request should be considered completed. SSA and HHS officials view a space request as unsatisfied and pending until the office is occupied. However, a GSA official said a space request is considered completed when the lease is awarded even though occupancy is delayed. What this disagreement highlights is the fact that space may be leased but cannot be occupied because the landlord may need to make certain alterations (e.g., build partitions or walls, install electrical outlets, and rearrange light fixtures) to meet SSA's needs. For offices leased but unoccupied by the close of fiscal year 1980, SSA reports an average delay of 6 months in occupying space after it has been leased. In addition, GSA maintains that, under an October 1979 plan worked out with HHS and SSA, it was responsible for completing only the 392 space requests on the priority list or offices SSA substituted. The plan also provided for GSA handling of normal lease expirations. According to SSA, GSA is responsible for satisfying all space requests in a timely manner and reducing the overall backlog of requests. SSA's Commissioner stated at the hearing that normally about 200 leases require GSA action each year.

The following table shows the variances in the data furnished to us regarding GSA's performance on SSA's space requests.

Table II

Lease Awards and Occupancies

<u>Data source</u>	<u>Total awards</u>	<u>Priority list</u>		<u>Other offices</u>		<u>Pri- ority back- log</u>	<u>Total back- log</u>
		<u>Awards</u>	<u>Occupied</u>	<u>Awards</u>	<u>Occupied</u>		
SSA	211	141	<u>a/96</u>	<u>b/70</u>	67	229	<u>c/457</u>
HHS	(d)	159	98	(d)	(d)	241	580
GSA	179	160	84	19	(d)	221	(d)

a/According to SSA, only 67 provided needed expansion space and fully met SSA's needs.

b/Includes all 54 nonpriority list offices pending at GSA in early fiscal year 1980.

c/Does not include 48 offices that had leases awarded but had not occupied the space by the end of fiscal year 1980.

d/Data not furnished by HHS or GSA.

A recent SSA study of pending space requests found that, among the 10 regions, the average time a space action was pending at GSA ranged from 367 to 801 days. In SSA's view, the time frames are unacceptable, and the service being provided by GSA seems to be deteriorating rather than improving.

The backlog of RWAs, requests for alterations that are paid for by SSA, increased about 64 percent in fiscal year 1980. Based on available SSA data--HHS and GSA did not provide summary data for RWAs--fiscal year 1980 ended with 907 RWAs pending at GSA versus 554 in 1979. In 1980 SSA submitted 986 RWAs, and GSA completed action on 633. The following table shows the results of GSA's action on RWAs:

Table IIIReimbursable Work Authorizations

<u>1979 backlog</u>	<u>New RWAs</u>	<u>Total RWAs</u>	<u>RWAs completed (note a)</u>	<u>1980 backlog</u>
554	986	1,540	633	907

a/The average time for processing RWAs from request until completion was 124 days.

SSA's office space situation has also been addressed by the House Appropriations Committee. Its Report No. 96-1244, dated August 21, 1980, contains the following statement concerning delegation of leasing authority:

"The Committee has, therefore, concluded that this function should be handled directly by the Social Security Administration and directs the Administrator of GSA to delegate to the Department of Health and Human Services full authority for the acquisition and maintenance of leased space for branch and district offices occupying 5,000 square feet or less. In addition to delegating this authority, the Administrator is directed to arrange the transfer to the Department of HHS of those assets, including positions, which have previously been allocated to its SSA activities. The Committee expects this delegation and transfer to begin as early in fiscal year 1981 as possible, but in no case later than January 1, 1981."

As of March 1, 1981, an HHS appropriation bill for 1981 had not been passed by the Congress, and the GSA Administrator had not acted to delegate leasing authority as directed by the Committee.

REACTION OF AGENCIES THAT HAVE
BEEN DELEGATED LEASING AUTHORITY

In March 1980 and September 1979, GSA delegated expanded leasing authority to the Departments of Agriculture and Defense, respectively. Previously, the Departments had been delegated authority to lease for 1-year periods and for limited space requirements. We spoke to officials at both organizations about their experiences with leasing space.

At Agriculture, an official said that the Department had problems with GSA meeting its office space needs. According to the official, the additional leasing authority, including authority to lease space for up to 5 years, should allow the Department to overcome its office space problems. Although it is too early to determine the effect of the authority, Agriculture agencies that could lease space before the recent delegation did so in a much more timely and satisfactory manner than GSA. For example, the official said the Forest Service averaged about 120 days to lease space, and the largest space requirements generally took no more than 180 days. In at least one case where suitable space was not available, the Forest Service was able to have an investor "build to suit" an office even though the Service could lease for only 1 year at a time. The Farmers Home Administration, with about 1,200 leases, averaged 120 days from the request to lease awards.

According to the Agriculture official, landlords in the community tend to be more responsive and relate better to the local agency manager than to a remote GSA official. A major benefit is faster landlord action on alterations and maintenance problems. Thus far, field office managers are pleased with the results and do not view the leasing work as an unreasonable burden because of the improved office space. Also, agencies indicated that in some cases they have found space that costs less than space found by GSA; however, specific examples were not readily available.

An Army Corps of Engineers official told us that in the late 1970s GSA service changed from good to poor, space requests were backlogged, and the military was having problems obtaining recruiting office space through GSA. In September 1979, GSA delegated additional leasing authority, and in January 1980, it transferred about 1,200 leases (about 40 percent of the existing recruiting sites) to the Corps. Before then, the Corps had leased space on a 1-year basis for the nonurban recruiting offices and was successful in leasing most of the requested space in areas under its authority. Since GSA delegated the additional leasing authority, there has been a dramatic improvement in satisfying all recruiting office space requests. The following table, using Corps data, shows the improvement.

Table IVRecruiting Office Space Requests (note a)

	<u>Fiscal year 1979</u>		<u>Fiscal year 1980</u>	
	<u>Requested</u>	<u>Accomplished</u>	<u>Requested</u>	<u>Accomplished</u>
Additional facilities	497	208	766	716
Relocation	613	262	559	528
Expansion	85	58	93	87
Upgrade facilities	626	382	1,007	973

a/ The number of recruiting sites increased from 2,830 to 2,951 in 1979 and to 3,409 in 1980.

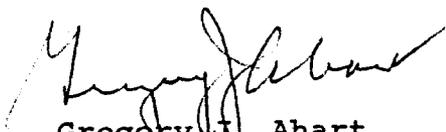
According to Corps officials, most of the lease requests are processed in less than 6 months, and the average is 4 months from space request to lease award. The Corps handled the fiscal year 1980 leasing without additional staffing.

Both Agriculture and Corps officials said the ability to lease for up to 5 years, rather than 1 year under their previous authorities, is crucial for efficient and effective management of space and the leasing workload. Under the longer term authority, lease expirations can be staggered rather than all ending at the same time.

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Our position regarding delegation of leasing authority remains essentially the same as stated in our May 20, 1980, testimony. At that time, we cited a number of advantages and disadvantages to delegation. While it is an alternative solution to SSA's office space problems, it would impose another workload on the agency.

We are sending copies of this report to the House Committees on Appropriations, Government Operations, and Public Works and Transportation and to the Senate Committees on Finance, Appropriations, and Environment and Public Works. Copies are also being sent to the Director, Office of Management and Budget; the Secretary of HHS; the Administrator, GSA; and the Commissioner, SSA.


 Gregory J. Ahart
 Director