

CONGRESSIONAL REPORT

The Social Security Administration's Policies and Procedures Concerning the Rural Development Act of 1972

A-13-02-22065



April 2002



SOCIAL SECURITY

Office of the Inspector General

April 29, 2002

The Honorable C. W. Bill Young
Chairman, Committee
on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The purpose of this report is to provide you information on the Social Security Administration's (SSA) policies and procedures to give first priority to the location of new offices and other facilities in rural areas, as directed by the Rural Development Act (RDA) of 1972.¹

BACKGROUND

Public Law 107-67, section 647 requires, in part, that ". . . the Inspector General of each applicable department or agency shall submit to the Committee on Appropriations, a report detailing what policies and procedures are in place for each department or agency to give first priority to the location of new offices and other facilities in rural areas, as directed by the Rural Development Act of 1972."

In a July 2001 report,² the General Accounting Office (GAO) indicated that "8 of the 13 Cabinet agencies surveyed had no formal RDA siting policy, and there was little evidence that agencies considered RDA's requirements when choosing a site for new Federal facilities." GAO found that "Federal agencies' mission requirements, such as the need to be near clients or other organizations, apparently have led them to select

¹ 7 U.S.C. § 2204b-1(b).

² United States GAO, *Facilities Location Agencies Should Pay More Attention to Costs and Rural Development Act*, GAO-01-805 (2001), pp. 5, 35. This report responded to a request by Senator Byron L. Dorgan that GAO develop information on the types of Federal functions that lend themselves to being performed at locations other than Washington, D.C. and Federal regional cities. *Id.* at 3. GAO also indicated in its report that the definition of "rural" used in RDA for Federal facilities siting is unclear because the previous definition used by RDA for locating Federal facilities was eliminated by amendment in 1996 *Id.* at 6-7.

urban areas.”³ GAO indicated that “other factors that led agencies to select urban areas are the availability of public transportation and particular space needs.”⁴ However, GAO also stated, among other things, that:⁵

- Government functions, such as research and development, data processing, accounting and finance, and teleservice centers can be located in rural areas;
- RDA has not had the influence on Federal siting practices that Congress appears to have intended when RDA was enacted;
- Many agencies had no RDA policy, as required by the Act, and many agency personnel either did not consider the Act or did not know whether the Act was used in making their site selection; and
- If agencies had RDA policies, and agency personnel were aware of and considered them, certain constraints would still exist that impede efforts to locate in rural areas, such as inadequate infrastructure for high-speed telecommunications, limited public transportation, and a limited labor force.

Each Federal agency that acquires real estate must comply with Federal laws and Executive Orders.⁶ To acquire real estate, an agency must use its own statutory authority, obtain delegated authority from the General Services Administration (GSA), or go through GSA using GSA’s statutory authority.⁷ If an agency uses GSA’s statutory authority, the agency must provide GSA the proposed geographic location for its new offices.⁸ Selection of an office location should be consistent with the agency’s mission and program requirements and in accordance with applicable regulations and statutes, including RDA.⁹

According to SSA, its mission and programs require that it be easily accessible to the public. In particular, SSA’s 1,340 field offices nationwide need to be located near the beneficiaries they serve. However, SSA also has 36 teleservice centers and 1 data operations center. As GAO noted, these types of facilities could be located in rural areas.¹⁰

³ *Id.* at 35.

⁴ *Id.* at 35-36.

⁵ *Id.* at 36.

⁶ 41 C.F.R. §§ 102-79.75, 102-79.80.

⁷ 41 C.F.R. §§ 102-72.10, 102-73.15. See also GAO-01-805, *supra* at 55.

⁸ 41 C.F.R. §§ 102-79.75, 102-79.80.

⁹ 41 C.F.R. §§ 102-79.60, 102-79.75, 102-79.80.

¹⁰ GAO-01-805, *supra* at 36.

RESULTS OF REVIEW

Our review found that SSA does not have policies and procedures in place to give first priority to the location of new offices and other facilities in rural areas, as directed by the RDA.

SSA does not have statutory authority or GSA-delegated authority to acquire real estate. Consequently, SSA must use GSA to acquire all new office space. When SSA needs new space, it prepares a *Request for Space*, Standard Form (SF-81). Upon completion of the SF-81, SSA certifies to GSA that it has complied with all Federal laws and Executive Orders governing the location of space, which includes RDA.

Although SSA's completion of the SF-81 certifies compliance with requirements governing the location of space, our review showed that SSA policies and procedures did not provide any guidance for giving first priority to rural areas. In addition, we found that SSA officials responsible for preparing SF-81s in SSA's 10 regional offices did not believe they were responsible for determining compliance with RDA. Five of the 10 regional officials stated it was GSA's responsibility to ensure compliance with RDA.

We have advised SSA to develop policies and procedures to give first priority to the location of new offices and other facilities in rural areas, as directed by the RDA. SSA has informed us that it will correct this omission by drafting a policy statement with respect to RDA later this fiscal year.

If you have any questions regarding this matter, please call me or have your staff contact Douglas Cunningham, Special Assistant to the Inspector General, at (202) 358-6319.

Sincerely,

A handwritten signature in blue ink, appearing to read "James G. Huse, Jr.", is positioned above the typed name.

James G. Huse, Jr.
Inspector General

cc:
The Honorable David Obey
Ranking Minority Member
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

The Honorable Robert C. Byrd
Chairman, Committee on Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Ted Stevens
Ranking Minority Member
Committee on Appropriations
United States Senate
Washington, D.C. 20510