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United States General Accounting Office

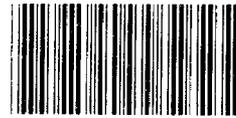
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Fact Sheet for the Chairman,
Subcommittee on Labor, Health and
Human Services, and Education,
Committee on Appropriations, U.S. Senate

April 1988

ADP BUDGET

Trends in SSA's Information Technology Systems Budget



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United States
General Accounting Office
Washington, D.C. 20548

Information Management and
Technology Division

B-226427

April 20, 1988

The Honorable Lawton Chiles
Chairman, Subcommittee on Labor, Health and
Human Services, and Education
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

This report responds to your March 2, 1988, request that we review the Social Security Administration's (SSA) Information Technology Systems budget request for fiscal year 1989. You requested that we provide information on various trends in the major elements of the Information Technology Systems budget account prior to the fiscal year 1989 appropriations hearings, which are scheduled for April 20, 1988. The attached figures depict these trends from fiscal year 1985 through the current budget request for fiscal year 1989.

The Information Technology Systems account is comprised of funds for Automated Data Processing (ADP) acquisitions, ongoing ADP operations and maintenance, telephone equipment purchases, and telephone operations and maintenance. Three of the four attached figures show actual expenditures and budget estimates for (1) the total Information Technology Systems account, (2) capital investments, and operations and maintenance for telephone systems, and (3) capital investments, and operations and maintenance for ADP equipment. These figures illustrate that while expenditures for the overall account have only increased from \$196 million in fiscal year 1985 to \$221 million for fiscal year 1989, the percent of funds allocated to the individual components has changed significantly.¹ From fiscal year 1985 to fiscal year 1989, telephone system expenditures increased from 34 percent of the Information Technology Systems account to an estimated 47 percent, while ADP expenditures decreased from 66 percent of the account to an estimated 53 percent.

The fourth figure illustrates SSA's Information Technology Systems carryover and new budget authority. As the figure shows, SSA's carryover authority reached a high of \$220 million at the start of fiscal year 1988. The Congress, concerned that SSA had not adequately demonstrated the need for the large accumulated carryover amount, reduced SSA's new

¹Expenditures for fiscal year 1988 and fiscal year 1989 are estimated.

budget authority to \$53 million for fiscal year 1988. SSA later determined that the carryover balance of \$220 million was sufficient to fund Information Technology Systems activities and plans to use the \$53 million in new budget authority to fund activities under the administrative expenses appropriation. SSA estimates it will not carry over funds into fiscal year 1989.

The figures were developed using records of approved budgets from SSA's Office of Financial Resources. As SSA has revised its original budget justifications for fiscal years 1988 and 1989, the figures reflect SSA's current budget estimates for these 2 years. We did not examine the underlying justifications for the actions taken by SSA in developing the revised fiscal year 1989 Information Technology Systems budget request, or the effects, if any, of the revised budget actions.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, we will send copies of this report to the appropriate House and Senate Committees; the Secretary of Health and Human Services; the SSA Commissioner, the Administrator of General Services; the Director, Office of Management and Budget; and other interested parties upon request.

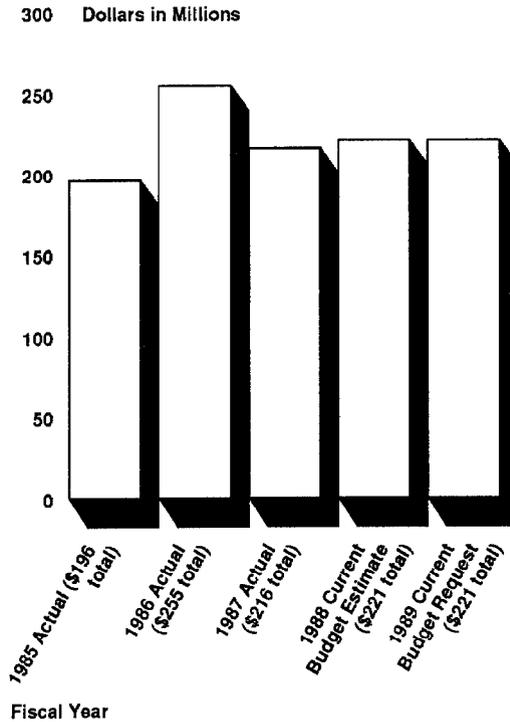
Sincerely yours,



Melroy D. Quasney
Associate Director

Budget Trends in SSA's Information Technology Systems

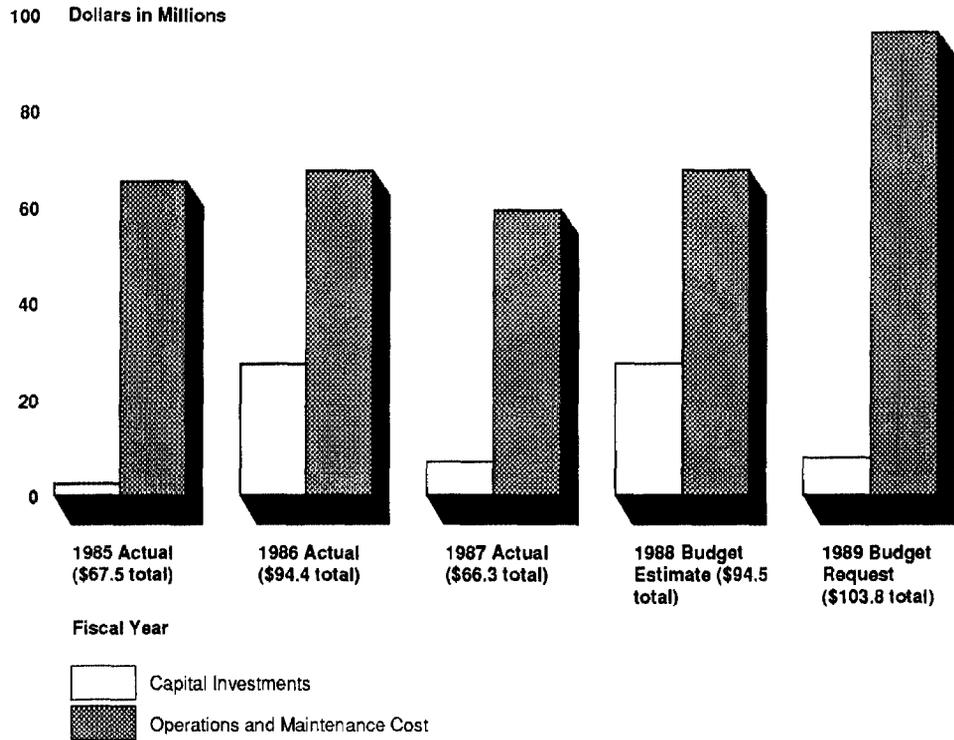
Figure 1: Total Expenditures and Budget Estimates for SSA Information Technology Systems Account



The Information Technology Systems account is comprised of funds for ADP acquisitions, ongoing ADP operations and maintenance, telephone equipment purchases, and telephone operations and maintenance. SSA officially began to include expenses for telephone operations in fiscal year 1987. For comparison purposes, we have included these expenses in the totals for the Information Technology Systems account for fiscal years 1985 and 1986.

Appendix
 Budget Trends in SSA's Information
 Technology Systems

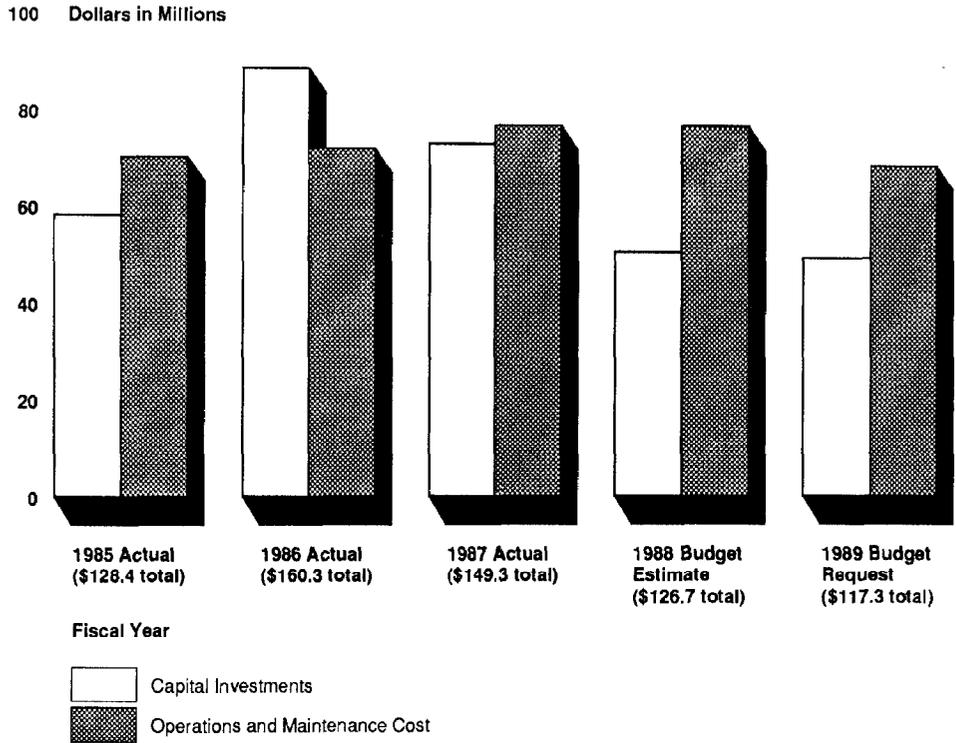
Figure 2: Actual Expenditures and
 Budget Estimates for SSA's Telephone
 Systems



Telephone capital investments include purchases of telephones and related equipment. A major portion of the operations and maintenance amounts is attributable to lease costs for telephone lines. Telephone system expenditures have grown from 34 percent of the Information Technology Systems account in fiscal year 1985, to an estimated 47 percent in fiscal year 1989.

Appendix
 Budget Trends in SSA's Information
 Technology Systems

Figure 3: Actual Expenditures and Budget Estimates for SSA's Automated Data Processing

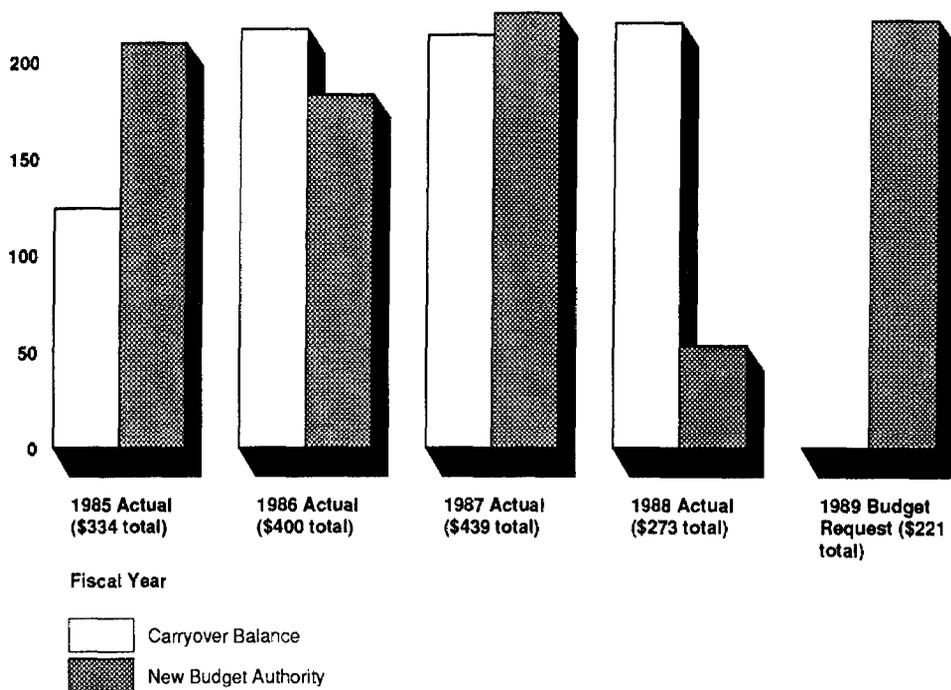


Capital investments for ADP include items such as contract services for systems analysis and software development, and ADP hardware such as terminals, mainframe computers, and office automation equipment. ADP operations and maintenance includes ongoing expenses for leases, maintenance, supplies, and other miscellaneous services. ADP expenditures have gone from 66 percent of the account in fiscal year 1985 to an estimated 53 percent in fiscal year 1989.

Appendix
 Budget Trends in SSA's Information
 Technology Systems

Figure 4: SSA's Information Technology
 Systems Carryover and New Budget
 Authority

250 Dollars in Millions



The total Information Technology Systems funds SSA has available in a fiscal year include the carryover of unobligated authority from the previous fiscal year and new budget authority. The Congress reduced SSA's new budget authority to \$53 million for fiscal year 1988 because SSA had not adequately demonstrated the need for the large accumulated carryover amount. After the Congress authorized the new budget authority, SSA determined that the \$220 million carryover balance was sufficient for fiscal year 1988 Information Technology Systems activities and plans to use the \$53 million in new budget authority to fund activities under the administrative expenses appropriation. SSA estimates it will not carry over funds into fiscal year 1989.



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