

STATEMENT BY

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REPRESENTING THE

**NATIONAL COUNCIL OF SSA FIELD OPERATIONS LOCALS
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO**

BEFORE THE

**HOUSE WAYS AND MEANS
SUBCOMMITTEE ON SOCIAL SECURITY**

ON

SOCIAL SECURITY Service Delivery Challenges

ON

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**CONGRESSIONAL STATEMENT
FOR THE RECORD**

House Committee on Ways and Means

Statement of Witold Skwierczynski, American Federation of Government Employees, Social Security General Committee, and National Council of Social Security Administration Field Operations Locals

Chairman McCrery, Ranking Member Levin, and members of the Social Security Subcommittee, I respectfully submit this statement regarding Social Security's Service Delivery Challenges that face the Social Security Administration. As a representative of AFGE Social Security General Committee and President of the National Council of SSA Field Operations Locals, I speak on behalf of approximately 50,000 Social Security Administration (SSA) employees in over 1500 facilities. These employees work in Field Offices, Offices of Hearings & Appeals, Program Service Centers, Teleservice Centers, Regional Offices of Quality Assurance, and other facilities throughout the country where retirement, survivor and disability benefit applications and appeal requests are received, processed, and reviewed.

SSA employees are dedicated to providing the highest quality of service to the public in a compassionate manner. AFGE represents employees who are committed to serving our communities in the face of a significant increase of work and decrease of staff. However, the severe cuts in budget and staff have had a detrimental effect on employee morale and, also, the ability for SSA to fulfill Congressional mandates.

Although SSA's workloads have increased by 12.6 percent over the last 5 years, and 2.7 percent in FY 05, Congress appropriated \$300 million less for SSA than proposed in the President's FY06 budget request. The result was a 2368 reduction in budgeted work years. While SSA's proposed budget requests have compared favorably compared to many other agencies, AFGE is concerned that the recent budget cuts may result in dangerous levels of inadequate service to the public and stewardship of the programs under SSA's jurisdiction.

In February 2006, SSA informed AFGE that the budget cuts would be absorbed in staffing resources. Additionally, Commissioner Barnhart imposed a hiring reduction wherein the Agency will replace only 1 of 3 employees engaged in direct public service who leave SSA. In recent weeks, AFGE has received reports that the replacement ratio for employees in field offices may have dropped to one hire for every 8 employees who leave the Agency. (SSA has failed to communicate this staffing replacement decision to the Union.)

AFGE is very disturbed by the reports we have received of the public's inability to access SSA's 800 number. AFGE has requested documentation of the SSA 800 number's lost call and waiting time rates. However, those reports are not being made available to the Union. AFGE has received reports that many field offices around the country have, also experienced a substantial increase in interviews. It has been reported that in some locations there are lines of 100-200 people that wait all day and some never even get inside of the Social Security office. The waiting process begins again the next day in these locations. It is disturbing that the public's waiting times in these offices can be

measured in days, rather than minutes or hours. However, SSA officials will not take appropriate action to verify the actual time the public waits to get into the office. SSA waiting times are measured only after the public enters the office and registers through the Visitor Intake Process. Additionally, we are told that SSA officials are not taking appropriate action to protect the filing dates of potential applicant's who cannot attain access to the office or speak to an SSA employee because of these long lines. These actions may result in a loss of benefits for the potential applicant.

SSA Workloads

In FY 2006, SSA workers will process approximately:

- 6.5 million claims for benefits;
- 528,000 Medicare Part D low income subsidy applications;
- 560,000 hearings;
- 18 million new and replacement Social Security cards;
- 261 million earnings items for workers' earnings records;
- 58 million transactions through SSA's 800-number;
- 42 million visitors to our field offices;
- 1.2 million continuing disability reviews (CDR);
- 1.2 million non-disability Supplemental Security Income (SSI) re-determinations.

These workloads total more than 346.5 million actions processed by SSA employees.

Continuing Disability Reviews (CDRs)

SSA must consistently and accurately evaluate initial and ongoing eligibility for beneficiaries with disabilities. CDRs are a cost-effective program integrity workload, which saves \$10 in program benefits for every \$1 spent in administering them.

However, the Subcommittee heard Commissioner Barnhart testify that SSA will perform fewer CDRs in FY 2006. Because of the budget cuts, she imposed a moratorium on CDR production in February 2006.

Commissioner Barnhart has also stated to the Subcommittee that an increase in the number of CDRs conducted in FY 2007 will result in greater program savings. AFGE believes that unless Congress significantly increases the appropriations to SSA for administrative expenses beyond the President's request, there will be insufficient staff to process the CDR workload. President Bush proposed deeper cuts of 2412 work years in the FY 07 budget. AFGE believes CDRs will continue to backlog. This will ultimately affect the integrity of SSA's disability programs as many beneficiaries will continue to receive Social Security and Supplemental Security Income (SSI) disability benefits although they are no longer qualified for such benefits. The CDR moratorium will result in additional overpayments and unnecessary trust fund expenditures. Much of these improper payments will never be recovered by the Agency.

Supplemental Security Income

SSA has a continuing responsibility to periodically review SSI eligibility. It also has responsibility to recover SSI overpayments, to combat fraud, and to develop and carry

out program management policies. In February 2006, Commissioner Barnhart placed caps on the total number of redeterminations that could be processed in FY 06, resulting in a virtual shutdown of redetermination production. Redeterminations save the Agency an average of \$10 per \$1 of expenditure. Again, Commissioner Barnhart blamed budget cuts by Congress for her decision to limit SSI redeterminations in FY06. Without these ongoing reviews of SSI benefits, SSA's ability to improve and maintain the integrity of the SSI program is severely compromised and recipients will experience both significant overpayments and underpayments.

Statistical Manipulation

Despite severe budgetary constraints, the Commissioner instituted a policy change in 2004 which directed SSA employees to take and process disability claims from individuals who were clearly not eligible for benefits. This policy requires SSA Claims Representatives to take and process concurrent Title II (SSA) and Title XVI (SSI) claims whenever anyone filed for disability benefits. Interviewers can usually determine through questioning potential eligibility for benefits. If they can't, or if dual eligibility appears possible, SSA employees have always been trained to take and process concurrent SSA-SSI claims. However, requiring such claims in every situation results in an enormous amount of unnecessary work. Claims for individuals who are obviously ineligible for either Title II or Title XVI disability benefits are taken as "technical denials" which can be processed in a few days. Many claimants object to filing both applications. Interviewers are told to take these claims anyway.

SSA states that instructions to take concurrent Title II and Title XVI applications for every disability claimant are intended to prevent a recurrence of the Special Title II Disability Workload fiasco wherein approximately ½ million Title XVI recipients are owed billions of dollars in retroactive Title II benefits. However, this injustice occurred due to gross program mismanagement. SSA, despite knowledge of the problem, refuses to take the necessary action to both program the computer system and also emphasize processing of systems alerts which indicate Title II eligibility. In fact, SSA appears to have little actual concern for the 500,000 SSI recipients who appear eligible for retroactive Title II benefits. Plans to clear up this work backlog are projected to be completed well into the next decade. Congress should certainly demand that this outrageous situation be rectified immediately; otherwise, many of these destitute SSI beneficiaries will die prior to receiving their retroactive benefits.

Special Title II workloads are low on SSA's priority list. Instead, the Union feels that the real purpose of wasting government resources to process unnecessary disability claims is to create a false picture of the health of the Agency. SSA achieves a substantial reduction in processing time by adding the short processing time of technical denials to the processing time of claims that require a disability decision. Thus, SSA can report to Congress that processing time for disability cases is 93 days. This appears to be an improvement over the 120 day processing time of 5 years ago. However, the real time for processing legitimate disability claims is much higher. Congress should demand an end to this practice and that the Agency provide separate statistical reports regarding processing time for claims that require a disability decision vs claims that don't (i.e., technical denials).

SSA argues that technological improvements such as the Electronic Disability Claims System (EDCS) have reduced processing time. SSA's budget request contains millions of dollars for technological improvements which arguably result in better service. However, the statistics are unreliable. Congress must demand accountability. Processing time must reflect the actual time it takes to process "real" disability claims. When resources are limited, how can we afford to do unnecessary work?

Another problem that is of concern regarding taking claims from obviously ineligible claimants is the excessively intrusive information that the government is gathering from its citizens and maintaining on databases. Why should someone who files for SSA disability benefits supply information to the government regarding their income, resources, assets, etc, that are determining factors for Title XVI entitlement, when this person is clearly ineligible? Such an invasion of privacy is unwarranted and not in the public interest.

Also, how can Commissioner Barnhart place a moratorium on CDRs and redeterminations when the Agency is demanding that its employees process thousands of unnecessary claims? This is an outrageous waste of government resources and should be investigated by Congress.

New Medicare Workloads

Although SSA has experienced staff cuts for FY06 and is projected to experience additional cuts in FY 07 of 2412 work years based on the President's proposed budget, SSA workers have been given additional responsibilities under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). SSA's 2005 budget provided for a modest increase in staffing levels to prepare for the implementation of Medicare Part D. Unfortunately while Congress appropriated some staff for Medicare Part D, SSA total work years were reduced in FY06. The end result was more work and less staff and overtime – not a recipe for success.

AFGE has received reports that the ongoing confusion and communication problems experienced by the public have had a significant adverse impact on both SSA's 800 number and field offices interview waiting times.

SSA workers have reported the public's complaints of not being able to access our 800 number due to constant busy signals. Once access is gained, long waits in queue occur. SSA workers reported that the public had the misperception that SSA administers Medicare Part D. This resulted in great frustration when SSA workers properly referred calls to the Center for Medicare and Medicaid Services (CMS). SSA field office employees reported a heavy overflow of callers and visitors seeking advice due to their failure to understand the complexities of Medicare Part D. To date SSA workers have processed nearly 4 million subsidy application for Medicare Part D. AFGE applauds the professionalism and patience of the 800 number agents and field office employees who struggled to provide quality service under the stressful environment of these circumstances. Unfortunately, the Commissioner did not make an effective case for more staff to process this new workload. Instead 800# workers experienced severe leave restrictions and increased scrutiny of their work performance. Punishing overworked employees for the Agency's failure to obtain sufficient resources is a misguided approach.

Although the initial enrollment period has elapsed, the impact of the MMA will continue to put a drain on SSA resources. The MMA requires redeterminations of Medicare Part D subsidy applications. AFGE understands those redeterminations should begin in FY06. Yet, Commissioner Barnhart has suspended processing of the SSI scheduled redeterminations for FY06 and possibly FY07 because of cuts to SSA's budgets. AFGE seriously doubts that SSA will be able to initiate Medicare Part D redeterminations in FY06.

Congress should be very concerned about the integrity compromises that this will present for this program. Without a major increase of staffing, Medicare Part D may become one of the many SSA programs where integrity takes a back seat to expediency.

As Commissioner Barnhart has testified, SSA will face new Medicare challenges at the beginning of FY 2007. Section 811 of the MMA establishes a new Medicare Part B tax for those with higher incomes.

Beginning in January 2007, the federal Part B tax will be increased so that beneficiaries with higher incomes pay higher Part B premiums. This will affect beneficiaries who have income of more than \$80,000 if they are single and more than \$160,000 for married couples. MMA requires SSA to use IRS data to determine who is affected and the amount of the additional premium they will have to pay.

Unfortunately, the IRS data that SSA will receive will be 2 to 3 years old. This will provide good cause for many Medicare beneficiaries to provide more recent tax return data to determine the correct premium. MMA allows beneficiaries to request corrected premiums when they have a life-changing event that significantly reduces their income or to provide corrected or amended tax returns.

The implementation of Medicare Part B will certainly cause an increase of calls and visits to SSA offices. Congress provided no additional staff for SSA to process this new Medicare Part B workload. In fact, the President's FY 07 proposed budget cuts work years. The Agency projects up to 5 million Medicare Part B beneficiaries who may be impacted by the increased Medicare tax. Many will appeal their tax determinations since their incomes have changed in the last 2 or 3 years. This means lengthy interviews and more work with less staff.

AFGE is very concerned with the Administration's communication plan regarding Medicare Part B. The Federal Register notice is not a document that is well read by the general public. The Federal Register should not be the public's first **and** only notice of such changes that affect the cost of medical insurance.

SSA should engage in a well publicized communication campaign to inform the public of these changes. Without such a campaign, the first official and personal notice that the beneficiaries receive in November may cause an unnecessary influx in calls and visits to Social Security offices that have limited resources. Commissioner Barnhart severely limited Christmas and holiday leave for 800 number workers last year because of the implementation of Medicare Part D. This may have been avoided if an in-depth public relations campaign had been accomplished prior to implementation. SSA has already

notified teleservice center employees of their intentions to limit 800 number workers' Christmas and holiday leave to just 10% of the workforce again this year. This is unfair and unjust treatment of the more than 7000 employees who answer 800# calls who are being made to pay the price for Agency's lack of preparation.

The Commissioner has testified that the impact of calls relating to Medicare Part B is foreseeable. However, she has not offered a public education plan to diminish the need to call or visit an SSA office. AFGE strongly urges Congress to demand such a plan from the Commissioner. Both the public and SSA workers deserve efforts to reduce the impact of this event.

Legislative Mandates

The implementation of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) required SSA to verify all original Social Security number requests. Since implementation of this legislation in December 2005, the impact of this legislation on SSA's operations and resources has been significant, resulting in increased:

- number of visits to Social Security field offices;
- SSA contacts with State and Local vital record custodians;
- costs to verify and purchase necessary vital records;
- length of the Social Security number process

The implementation of IRTPA did not involve a public relations campaign to educate the public on the new identity requirements for Social Security numbers. The lack of public education created chaos and frustration for the public. SSA estimates that over 1/3 of the interviews regarding Social Security Number issues were repeat interviews. The lack of coordination with the State and local vital record custodians has caused more work time to resolve problems and complete processing the Social Security number requests.

Unfortunately, Congress did not provide additional funding to SSA to implement the IRTPA. This has caused an added hardship on a workforce that has many other workloads.

Commissioner Barnhart's Disability Initiative

AFGE continues to be very concerned about the Commissioner's plans to move forward with her disability initiative.

Currently 55 million Americans have a disability, of which 8.3 million Americans and their families receive Social Security Disability Insurance (SSDI) (17.1% of all Social Security benefits are paid to disabled beneficiaries and their families.) Some disabilities are long term (e.g., broken back) while others are permanent (e.g., blindness, quadriplegia).

As explained previously, real processing time for initial disability claims that require a disability decision is unknown. However, processing time for hearings appeals has dramatically increased. Prior administrations attempted to develop different methods to streamline the disability determination process. Some pilot projects, such as the

Disability Claims Manager, were considered to be successful (i.e., resulted in applicants receiving benefits twice as fast) and were overwhelmingly supported by the public. However, Commissioner Barnhart refused to implement those pilots and instead developed a new, untested approach to alter the process. It is the Union's belief that the Commissioner's approach will do little to get benefits to the disabled applicant faster or improve service. The commissioner's plan eliminates one appeal step and implements new legal barriers to obtaining benefits:

- The rules provide for the establishment of a Quick Claims Unit for claims filed by individuals who have obvious disabilities. Claims that are sent to this unit are targeted to have a completed disability decision within 20 days. The union favors the establishment of such a unit. The union opposes placement of the unit in the State Disability Determination Service (DDS). This is an unnecessary handoff. Employees who work in SSA field offices are entirely capable of being trained to make such disability determinations. The DCM pilot proved that fact. SSA public surveys indicate that there is overwhelming desire from the public that disability decisions be made by the person who interviews them. The Quick Decision Units provide the Agency with an opportunity to streamline the process by eliminating a handoff and, at the same time, satisfy the public desire for a caseworker to be empowered to decide both the disability and non-disability portions of their claim. Allowing federal employees in field offices to make disability decisions would require Congress to change the exclusivity portions of the law that currently reserve such decisions to the state. It is time for Congress to enact such a change in the law and improve public service.
- In place of the current Reconsideration process, attorneys (Federal Reviewing Officials) will review cases and write a "legal decision" that will serve as the SSA's legal position on the case. In spite of the Commissioner's hiring freeze for direct service positions and her claim of budget shortages, an army of attorneys are being hired as this statement is written. The trust fund (SSA) and general revenue (SSI) impact of eliminating reconsiderations and replacing them with a reviewing official review is unknown. Failure to pilot this change is risky and reckless. Substantial deviation from the current disability approval rates could lead to unwarranted expenditures or, conversely, more stringent policy decisions regarding the definition of a disability.
- The Administrative Law Judge (ALJ) will now be limited in what he/she can consider as evidence from the claimant as all medical evidence must be presented five days prior to the hearing. The ALJ is limited in what he/she can consider good cause for late medical evidence notwithstanding its relevance. Prior to the Commissioner's new approach, the ALJ was allowed total discretion to accept and evaluate evidence. Under the new rules the ALJ's written decision must explain in detail why he/she agrees or disagrees with the substantive findings and overall rationale of the Federal Reviewing Official's legal decision. The ALJ must rebut SSA's legal decision if benefits are to be awarded to a claimant. One can anticipate that hearing reversal rates will decrease due to the pressure on the ALJ to uphold the Reviewing Official decision.

- The disability application or "record" will be closed effective with the ALJ's decision, prohibiting U.S. District Courts from accepting or considering relevant and material evidence that might prove that the claimant is disabled. This likely will result in thousands of new disability claims each year in the form of reapplications. This subtle bureaucratic change realistically could result in the loss of significant retroactive benefits for those who refile with evidence of disability with an onset date within the scope of the previous application. There is no reason to close the record at any time other than to reduce the ability of claimants to present relevant evidence to support their claim. This will surely lead to decisions to deny benefits to claimants who are disabled under the law. Some of the adverse affects of this new closing of the record regulations are:
 - Loss of complete or partial coverage for Social Security Disability Insurance
 - Loss of coverage for Medicare benefits entirely
 - Loss of retroactive Medicaid and Medicare coverage for a period of time covered by current rules (from the date the claim was initially filed to the date of the subsequent application).

Such uncertainty regarding a key element of this change in the appellate process causes the Union to strongly suggest piloting any of these changes. Commissioner Barnhart has rejected pilots. Besides piloting the Reviewing Official step replacing the reconsideration, the Union feels that the Agency should pilot the decision to require that the reviewing official be an attorney. This decision ignores the fact that there are many highly qualified non-attorney employees in both SSA and the DDS's who are fully capable of deciding disability appeals and writing logical decisions. The Commissioner both insults the current workforce and creates difficult legal barriers for claimants to overcome in appeals. In an attorney dominated process (i.e., Reviewing Official and ALJ) claimants will almost be required to hire an attorney to manage their appeals at the earliest level. This adds an element of litigation that does not currently exist in the reconsideration appeal.

The Commissioner will replace the Appeals Council Review with a Decision Review Board (DRB). The DRB will be appointed by the Commissioner to review and correct ALJ decisions including approved claims. The DRB will not review decisions by state officials (DDSs) or federal Reviewing Officials (FRO). This will prevent processing payment of an approved claim and will render the ALJ's decision as not final. The process by which cases will be selected for review will be entirely at the DRB discretion and will provide the DRB with carte blanche authority to pick cases in a non-random manner. Such unregulated authority is an invitation for abuse

The Appeals Council currently either reverses or remands 30% of claims that they review.

Eliminating an appeal where such a large number of cases are either reversed or where all the evidence was not properly assessed insures that many claimants will be denied benefits that would be approved under the current system. Is this the

desire of Congress? Does Congress really want to scale back the SSA disability program so that claimants approved under the current system are now denied benefits?

- A claimant's last appeal, U.S. District Court, requires legal representation. This will severely disadvantage claimants who lack the financial resources to either hire an attorney or travel to District Court. Additionally, the U.S. District Court system which is already overwhelmed is not prepared to absorb this influx of additional cases.

Commissioner Barnhart's new approach fails to address the problems and inadequacies of the State Disability Determination Services (DDS), which is responsible for the initial disability decision in all claims.

There is no consistency in State DDS disability determinations. The taxpayer's chances of being approved for disability benefits continue to depend more on where they live and their income.

For example, State Agency Operations records indicate that those who can obtain medical attention early and often have a better chance of being approved for benefits than those who have a limited income or resources. (See Chart Below) Nationwide, those applying for Social Security disability have a much greater chance of being approved than those who may only apply for the Supplement Security Income (SSI) program. State Agency records clearly expose the inconsistencies of the State DDS decisions.

More than 66 percent of Social Security disability claims for benefits are approved in the Washington DC DDS, while only less than 28 percent of those who file for benefits are approved in the South Carolina DDS. Of those who applied for SSI benefits, the State of New Hampshire leads with more than a 59 percent allowance rate. However, residents from the States of Michigan, Ohio, Iowa and Georgia are approved less than 35 % of the time by their respective DDS. The concurrent disability process shows inexplicable variable allowance rates depending on the state of residence. Allowance rates are low in every state. The states of New Hampshire, Arizona and the District of Columbia approve more than 43 percent of the concurrent claims. Less than 18 percent of those filing concurrent disability claims are approved in Iowa, Missouri, and South Carolina.

As an illustration, following is a compilation of the allowance rates in a sample of states:

	T2 Initial		T16 Initial		Concurrent Initial	
	Allow	Deny	Allow	Deny	Allow	Deny
NATIONAL AVERAGE	44.2	55.8	36.4	63.6	25.3	74.7
BOSTON Region	53.7	46.3	43.6	56.4	33	68
Boston, MA	56.9	43.1	48.7	51.3	36.6	63.4
New Hampshire	63.8	36.2	59.2	40.8	48.2	51.8
Connecticut	47.3	52.7	34.3	66.7	23.5	76.5

New York Region	51.4	48.6	42.8	57.2	33	67
Buffalo, NY	47	53	33.8	66.2	23	77
Newark, NJ	60.8	39.6	42.1	57.9	34.9	65.1
Puerto Rico	34.2	65.8	-	-	-	-
Philadelphia Region	51.7	48.3	40.3	59.7	28.9	71.1
Maryland	49.9	50.1	35.4	64.6	24.9	75.1
PA	53.3	46.7	41.8	58.2	28.1	71.9
WA, DC	66.1	33.9	54.8	45.2	45.5	54.5
Atlanta Region	34.9	65.1	30.1	69.9	21.2	78.8
Georgia	30.3	69.7	27.1	72.9	19.1	80.9
Kentucky	39.4	60.6	33.3	66.7	21.1	78.9
Birmingham	38.4	61.6	27.5	72.5	20.7	79.3
Florida	38.5	61.5	35.5	64.5	26.4	73.6
Miami	43.7	56.3	44.8	55.2	35.6	64.4
S. Carolina	28.2	71.8	26	74	17.7	82.3
Chicago Region	41.9	58.1	30.8	69.2	21.4	78.6
Illinois	43.8	56.2	30.4	69.6	23.9	76.1
Michigan	39.3	60.7	29.9	70.1	19.7	80.3
Detroit	32	68	26.4	73.6	16.5	83.5
Ohio	39.4	60.6	27.1	72.9	19.1	80.9
Wisconsin	46.9	53.1	34	66	21.4	78.6
Dallas Region	44.2	55.8	39.2	60.8	28.2	71.8
Texas	42.7	57.3	41.6	58.4	28.6	71.4
New Mexico	47	53	44.8	55.2	31.2	68.8
Oklahoma	43.1	56.7	36.8	63.2	24.4	75.6
Shreveport	53.8	46.2	37.3	62.7	35.3	64.7
Kansas City Region	43.6	56.4	30.5	69.5	17.9	82.1
Missouri	42.9	57.1	29.8	70.2	17.4	82.6
Iowa	45.5	54.5	32.3	67.7	16.4	83.6
Denver Region	38.5	61.5	39.1	60.9	21.5	78.5
Colorado	35	65	38.6	61.4	20.5	79.5
N. Dakota	51.2	48.8	39.6	60.4	28.1	71.9
S. Dakota	45.4	54.6	34.9	65.1	18.9	81.1
San Francisco Region	50.9	49.1	44.4	55.6	32.4	67.4
Arizona	59.3	40.7	51.8	48.2	43.3	56.7
California	50.8	49.2	43.9	56.1	31.8	68.2
Bay Area	60.6	39.4	52.5	47.5	36.6	63.4
L. A. East	49.4	50.6	49.8	50.2	37.4	92.5
L. A. West	54.4	45.6	49.6	50.4	34.5	65.5
Central	48.1	51.9	39.3	60.7	28.2	71.8

Valley						
Sacramento	54	46	38	62	29.7	70.3
Seattle Region	43.1	56.9	41.3	58.7	24.3	75.7
Oregon	35.4	64.6	34.7	65.3	18.8	81.2
Seattle	45.4	54.6	45.4	54.6	27.1	72.9

In a system where everyone is taxed equally, this is difficult to explain or justify. Claimants are entitled to quality consistent decisions notwithstanding their state of residence or whether they are filing for Social Security or SSI disability benefits.

According to GAO,¹ a majority of DDSs do not conduct long-term, comprehensive workforce planning, which should include key strategies for recruiting, retaining, training and otherwise developing a workforce capable of meeting long term goals. The State DDS' lack uniform minimum qualifications for examiners, have high turnover rates for employees and do not provide ongoing training for examiners. This seems to be mostly attributed to State employee pay and benefit scales and budget constraints.

AFGE is convinced that SSA is not able to correct these problems. AFGE has expressed these very concerns to the Subcommittee for several years and has seen little improvement with the State DDS situation.

AFGE has recently become aware of the preliminary Systems Impact Assessment of SSA program modifications needed to accommodate the new disability determination process. The modifications considered necessary will be massive, leaving few programs untouched. Some of the systems changes may or may not require outside contractors; the changes will involve modifications to State DDS systems, which will have to be coordinated; SSA firewalls will require safeguarding; all software written for such modifications will require approval and such approval from the Architectural Review Board is not certain; and programs should require extensive testing before use.

AFGE finds the extent of these required modifications to be alarming. Is it reasonable, to begin implementation in the Boston Region before such systems changes can be made? SSA's budgets for FY06 and FY07 do not provide the money that will be needed to accomplish the systems changes necessary. Where do the resources come from to make these changes?

With staffing cuts and heavy workloads that continue to rise, is it reasonable to use resources for an untested, unpiloted theory, rather than to provide staffing on the front lines to improve public service? AFGE believes the answer is clearly NO.

Commissioner Barnhart's approach fails to implement new communication or adjudicative techniques either that improve service to the disabled claimant or result in a more accurate or expeditious decision. More importantly, these changes will not protect the rights and interests of people with disabilities.

¹ GAO-04-121

The record should be clarified with regards to Commissioner Barnhart's statement that she met with the organizations that represent SSA employees. She did. She held one meeting with all 6 SSA council presidents for the purpose of introducing her plan. That was 3 years ago. Ms. Barnhart was not receptive to our constructive criticisms. The leadership of six bargaining councils has more than 150 years of specialized experience with SSA and represents 50,000 bargaining unit employees. She refused to include experienced bargaining unit employees in strategy sessions or workgroups that helped design the new plan. The Union rejected this plan and Ms. Barnhart has since refused to meet and/or discuss any subject matter with AFGE. Ms. Barnhart does not have the support or the buy-in of SSA workers. In fact, SSA employees overwhelmingly oppose this disability plan.

Effects on SSA Workers

The constant pressure to accomplish workloads with inadequate staff has taken its toll on the employee morale at SSA. AFGE is very concerned about the stressful working conditions of SSA employees and the long term effects of such conditions on employee health.

SSA employees have always risen to the challenge of meeting the public service needs, and processing escalating workloads timely. SSA workers understand that budget shortages are often not under the control of their managers.

AFGE believes the plummeting employee morale at SSA is caused by issues that are in the control of the Commissioner. Such issues include:

- Implementation of unannounced service observations of 800 number personnel, which would automatically elevate stress factors on the job, adding additional pressure when understaffing is a known problem.
- Implementation of leave restrictions and/or limitations for vacations and holidays.
- Numeric Performance goals which require 800# operators to be "plugged in" for certain minimum periods and require employees to interview a minimum number of claimants per day.
- Recent changes in the labor contract demanded by the Commissioner, which require employees to do SSA work instead of care for emergency situations in their families such as unforeseen child care emergencies
- Refusal to meet with employee's union representatives to discuss and resolve issues.
- Disempowering employees by not soliciting their ideas when considering and implementing new programs (i.e., Disability Initiative, Medicare Part D) and eliminating prior employee involvement in the awards and merit promotion process.

At a time when SSA employees should be encouraged because of huge public demands and when employees have largely met these demands, the Commissioner has chosen to take a hard line, punitive approach with employees.

SSA has also informed AFGE of its intention to implement a new performance appraisal system in October 2006. This will be a 3 tiered performance system, similar to a performance system SSA used many years ago. Like the former tiered appraisal

system, this will be a huge drain on management resources. The current appraisal system has resulted in increased productivity, high levels of accuracy, low Agency administrative overhead expenses and widespread public satisfaction. SSA wants to change the appraisal system to one which emphasizes statistical performance, competition and, inevitably, manipulation of data. Why SSA wants to create an adversarial environment at the worksite is a mystery to many.

SSA may argue that the union agreed to a new appraisal system in contract negotiations. The truth is that the nature of the appraisal system is largely a management right which SSA made quite clear during negotiations. The bottom line is that despite the budget squeeze, SSA employees have come through in the clutch for the Agency and for America. Why create a different system which will cause work place conflict rather than cooperation? Congress should ask the Commissioner to reconsider this appraisal system which will result in great turmoil at the job site.

In Conclusion

There will always be budget priorities. However, both workers and employers contribute to the Social Security system and are entitled to receive high quality service. It is entirely appropriate that spending for the administration of SSA programs be set at a level that fits the needs of Social Security's contributors and beneficiaries, rather than an arbitrary level that fits within the current political process.

In 2000, then Chairman Shaw and Rep. Benjamin Cardin reintroduced the Social Security Preparedness Act of 2000 (formerly H.R.5447), a bipartisan bill to prepare Social Security for the retiring baby boomers. AFGE strongly encourages this Subcommittee to reconsider introducing legislation that will provide SSA with the appropriate funding level to process all claims and all post-entitlement workloads timely.

Taking SSA's administrative expenses "off-budget" has vast support, not only from AFGE and SSA workers, but from senior and disability advocacy organizations. This would include AARP, the National Committee to Preserve Social Security and Medicare, the Alliance for Retired Americans, the Consortium for Citizens with Disabilities, and the Social Security Disability Coalition, just to name a few.

AFGE believes that by taking these costs OFF-BUDGET with the rest of the Social Security program, Social Security funds will be protected for the future and allow for new legislation, such as the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 and the Intelligence Reform and Terrorism Prevention Act of 2004 to be implemented without comprising public service integrity. We believe this can be accomplished with strict congressional oversight to ensure the administrative resources are being spent efficiently.

AFGE is committed to serve, as we always have in the past, as not only the employees' advocate, but also as a watchdog for clients, for taxpayers, and for their elected representatives.