TESTIMONY
PRESENTED BY

STEVE KORN

PRESIDENT
NATIONAL COUNCIL OF
SOCIAL SECURITY MANAGEMENT ASSOCIATIONS, INC.

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

REGARDING THE FY 2001 BUDGET
FOR

ADMINISTRATIVE EXPENSES
OF THE SOCIAL SECURITY ADMINISTRATION

MARCH 8, 2000
10:00 A.M.

House of Representatives
Committee on Appropriations
Subcommittee on Labor, Health and Human Services, and Education

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Chairman Porter and Members of the Subcommittee, my name is Steve Korn and I am here today representing the National Council of Social Security Management Associations (NCSSMA). I am also the manager of the Social Security office in Vallejo, California, and have worked for the Social Security Administration for 24 years. On behalf of our membership, I am very honored that the NCSSMA was selected to testify at this public witness hearing.

As you may know, Mr. Chairman, the NCSSMA is a membership organization of 3000 Social Security Administration managers and supervisors who work in SSA's 1400 field offices and teleservice centers throughout the nation. It is most often our members who your staffs work with when problems and issues arise with Social Security recipients in your Congressional Districts. Since our organization was founded thirty years ago, the NCSSMA has been a strong advocate of locally-delivered services nationwide to meet the variety of needs of beneficiaries, claimants, and the general public. We, like you, consider our top priority to be a strong and stable Social Security Administration, which delivers quality services to our clients and your constituents.

The Social Security managers take great pride in their work. We were pleased to learn recently that, once again, the SSA was one of only two government agencies to receive an overall agency grade of "A" from the Government Performance Project which is administered by Syracuse University. But as proud as we are of our record, I must acknowledge, Mr. Chairman that each year becomes increasingly challenging to maintain this tradition of excellence.

Last fall, the Social Security Advisory Board issued a report on "How the Social Security Administration Can Improve Its Service to the Public". The Board found that staff resources in offices all over the country have declined to the point where their ability to provide quality service to the community is threatened. The managers and supervisors who I represent have characterized this Report as the most accurate, honest, and inspiring analysis of the Social Security Administration that they have witnessed in their entire careers with the SSA. After feeling that there was not a comprehensive understanding of the administrative needs and concerns of those on the front lines of the SSA, we now have a thorough, objective review of those needs and concerns by a Congressionally-mandated bi-partisan entity.

The Advisory Board report made several recommendations that I would like to bring to the attention of the Subcommittee. First, that the SSA urgently needs to develop a service delivery plan that describes how it will deliver service over the short term and the long term; second, that the SSA should work to ensure that it will have the human resources it needs to carry out its plan; third, that major improvements need to be made in a number of the agency's service delivery practices and strategy; and fourth, that the agency address longstanding institutional problems. We agree with the Report's findings and applaud its recommendations.

I would wager that if every Member of this Subcommittee called a Social Security office in their District – and I would urge each of you to do so – you would find their responses reflected in the Advisory Board's Report. The concerns focus on the resources of the SSA, or lack thereof, to serve the increasing numbers of the public in need of assistance. The field offices not only serve those seeking retirement benefits, but also those receiving Medicare; Disability; Survivors; SSI for the blind, aged and disabled; and information and referral activities to other state, federal and local benefit programs. In addition, our field offices will soon serve new clients as a result of the "Ticket to Work Act" who will require more coordinated and hands-on services not only in the offices, but in coordination with other community-based vocational rehabilitation providers. To put the situation into context, this growth in responsibility has been occurring at the same time that staff and management in the field offices has declined by more than 30 percent.

To bring the matter closer to home, allow me to describe the situation in the Waukegan, Illinois office, which is a growing service area with increasing new claims receipts. By coincidence, Waukegan is in the Chairman's District, but it is illustrative of what is going on in Social Security offices all over the country. Twenty years ago, the Waukegan office had a staff of 45; five years ago the staff was at 35; today it has 31. The situation has become so extreme that the office has to ship work to other locations for completion. About six years ago, Waukegan began to lose experienced staff to retirement, which is a precursor of what most offices will begin to experience in the next several years. Since that time Waukegan has trained and/or hired 13 individuals to fill these positions, ten of whom have already left the office. In the past, career employees dominated the SSA; today early and mid-career changes are commonplace. At least a dozen of the Waukegan trainees have already left due to job pressures, better jobs, better pay, and different career choices. And the issue is much more complex than a simple replacement, as it takes at least three years for a new employee to become fully trained.

In another one of our field offices – this one in Wausau, Wisconsin – one third of the staff will retire in the next five years and two-thirds will retire in the next ten years. The Field Representative in that particular office has an extraordinary outreach program to serve rural and isolated communities; he conducts retirement seminars at area companies and appears regularly on local radio and television stations to discuss Social Security programs. The Field Representatives play a vital role in their communities but they have become an endangered species – 15 years ago nearly every one of the 1300 field offices had at least one of these representatives; today only 25% of our offices have Field Representatives. When my colleague in Wausau retires within the next several years the SSA will likely lose a vital community connection forever.

The Advisory Board Report also indicated that:

- Phone calls to field offices are often unanswered since there is not enough staff to serve the visiting public and also answer the phones;
- Post-eligibility benefit delays of 90 days or more have become commonplace as staff in the program service centers are diverted to answer calls to the SSA 800 number;
- Failure to fully document information needed to make more accurate disability determinations has become commonplace;
- Front-line employees cannot take the time to ensure that customers understand eligibility rules, their rights and responsibilities;
- Customers, especially in urban areas, must wait up to four hours to see a SSA official;
- Inadequate oversight of representative payees, such as people appointed to receive benefits for those not capable of managing their own.

This situation did not occur overnight nor do we associate it with any particular administration, but it has been a continual challenge to maintain quality delivery services with a shrinking workforce. To exacerbate the situation, in 1993 the SSA, acting on a government-wide recommendation from the National Performance Review, set a goal of one manager for every fifteen staff by 1999. Although this goal was, perhaps, well-intentioned as a means to a less bureaucratic and more efficient workplace, its result for the field offices has had the opposite effect and speaks to the old adage that "if it ain't broke, don't fix it."

- In 1982 only about 16% of field offices had 15 or fewer employees compared to 40% today. About 15% of SSA's 1300 field offices have ten or fewer employees while less than 3% were this small in 1982
- Because SSA field offices have never been integrated into SSA's 1-800 system, growing telephone workloads are handled by assigning fewer staff to field offices

As America ages, Social Security workloads continue to grow. Soon there will be large increases in disability and retirement claims, which will occur about the same time as the most experienced SSA employees will, themselves, reach retirement. We hear a great deal about the Social Security Trust Fund, but the unspoken crisis in the national debate is whether the SSA will be up to the task of meeting future public services needs.

The downsizing and increased workload of the past 18 years have had a chilling effect on our ability to deliver services, but they will pale by comparison to the "train wreck" we see coming in the next ten years. A number of variables will contribute to this problem:

- First, SSA has an aging workforce, whose average age is almost 50. This situation is also a result of downsizing and restrictions on hiring in the 1980's and 1990's. Over the next decade they will begin to retire and must be replaced with less experienced employees. We anticipate annual losses of six to seven percent of experienced managers between 2004 and 2008, and five percent of experienced claims representatives between 2006 and 2010. Focus groups with experienced employees indicate that job stress and work overload make it unlikely they would stay after they become eligible for retirement
- Second, between now and 2020, while the general population is expected to grow by about 16 percent, the number of Social Security beneficiaries is expected to grow by 55 percent
- Third, even before the oldest of the baby boomers reach 65 in about 2011, the number of disability beneficiaries is expected to grow by 47%
- Fourth, the SSI program, which is even more complex and labor-intensive than Social Security, grew by 43% over the past ten years and is expected to climb

I understand that this Subcommittee's primary concern is budgetary. However, I also know that when Social Security is at issue, it is extremely difficult to separate budget from policy and the implementation of that policy. We at the SSA are fortunate that the law allows the Commissioner of the Social Security Administration to submit a budget request independent of the President's. For Fiscal Year 2001 the Commissioner recommended $7,356,000,000, which is $222 million more than the President's request and $784 million more than what was enacted in Fiscal Year 2000. While we are not aware of every detail of the Commissioner's request, we wholeheartedly endorse additional funding that would address the need for the SSA to increase staff resources in preparation for the wave of disabilities and retirements expected over the next ten years.

To keep this funding in perspective, the administrative expenses to manage and administer the programs under Social Security – the Limitation on Administrative Expenses -- represents only 2% of the overall Social Security Administration budget. One of the recommendations of the Social Security Advisory Board, which we strongly endorse, is to remove the LAE from the budget caps. As you are aware, the Social Security program, from which the LAE is funded, is a self-financed trust fund that is already off budget.

While we understand that removing the LAE from the caps does not guarantee additional funds for staff in the field offices, it would at least provide Congress the flexibility to do so, rather than being held captive to predetermined budget constraints.

One of the ways, particularly in the short term, the SSA can address its staff resource issues and at the same time continue to ensure an excellent work product is through the use of technology. In the last five years all SSA field offices have received new computers to help process work. Many tasks that previously required human intervention have now been automated which has helped increase quality and improve productivity. However, technology is in a constant state of change and the SSA struggles to keep current with its infrastructure. For example, when I was the manager of the Fairfield, California field office in 1993, we were one of the first offices to receive the new IWS-LAN workstations. Seven years later in 2000, some field offices have yet to receive this equipment. The Commissioner's budget requests $40 million for a capital investment fund, which is a mechanism that private industry successfully employs to stay current technologically. We strongly support the Commissioner's recommendation.

Mr. Chairman, to a great extent, the managers and field offices of the SSA are the face of government to millions of Americans. Of all Federal employees, we are the ones who most often interact directly with the public. We take this responsibility very seriously. We do our best to reach out to our communities and to provide them with the information and guidance they expect of their government. But in order to do our jobs in the professional manner that the public has rightfully come to expect, we need to ensure that we have the necessary staff resources in the SSA field offices. We look to your Subcommittee to help us meet that objective.

Again, Mr. Chairman, I thank you for this opportunity to appear before this Subcommittee. I would welcome any questions that you and your colleagues may have.