

**The National Council of Social Security Management Associations, Inc.
GREYSTONE GROUP WASHINGTON REPORT
Hearing Report 03-2010
April 21, 2010**

**Oversight Hearing on Social Security Administration Field Office Service Delivery
United States House of Representatives
Committee on Ways and Means
Subcommittee on Social Security
April 15, 2010**

Subcommittee Members Present

Chairman Earl Pomeroy (D-At Large-ND)

Representative John S. Tanner (D-8th-TN)
Representative Allyson Y. Schwartz (D-13th-PA)
Representative Xavier Becerra (D-31st-CA)
Representative Lloyd Doggett (D-25th-TX)
Representative John A. Yarmuth (D-3rd-KY)

Ranking Member Sam Johnson (R-3rd-TX)

Representative Kevin Brady (R-8th-TX)
Representative Ginny Brown-Waite (R-5th-FL)

Witnesses

Panel 1:

Barbara Bovbjerg, Managing Director for Education, Workforce and Income Security Issues,
Government Accountability Office

Click here to view her written testimony:

http://waysandmeans.house.gov/media/pdf/111/2010Apr15_Bovbjerg_Testimony.pdf

Click here to watch her oral statement:

<http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8410>

Joe Dirago, District Manager, Social Security Administration, Newburgh, NY Field Office,
President of the National Council of Social Security Management Associations

Click here to view his written testimony:

http://waysandmeans.house.gov/media/pdf/111/2010Apr15_Dirago_Testimony.pdf

Click here to watch his oral statement:

<http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8411>

Billie Armenta, District Manager, Social Security Administration, Phoenix Downtown District
Office, Secretary of the National Council of Social Security Management Associations

Click here to view her written testimony:

http://waysandmeans.house.gov/media/pdf/111/2010Apr15_Armenta_Testimony.pdf

Click here to watch her oral statement:

<http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8412>

Witold Skwierczynski, President, National Council of SSA Field Operations Locals, American Federation of Government Employees, AFL-CIO, Baltimore, Maryland

Click here to view his written testimony:

http://waysandmeans.house.gov/media/pdf/111/2010Apr15_Skwierczynski_Testimony.pdf

Click here to watch his oral statement:

<http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8413>

Daniel Woosley, Generalist Claims Representative, Social Security Administration Louisville West Field Office, Executive Vice President of Kentucky Local 3984, National Council of SSA Field Operations Locals, American Federation of Government Employees, AFL-CIO, Louisville, Kentucky

Click here to view his written testimony:

http://waysandmeans.house.gov/media/pdf/111/2010Apr15_Woosley_Testimony.pdf

Click here to watch his oral statement:

<http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8414>

The Honorable Patrick P. O'Carroll, Inspector General, Social Security Administration

Click here to view his written testimony:

http://waysandmeans.house.gov/media/pdf/111/2010Apr15_O'Carroll_Testimony.pdf

Click here to watch his oral statement:

<http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8415>

Panel 2:

The Honorable Michael J. Astrue, Commissioner, Social Security Administration

Click here to view his written testimony:

http://waysandmeans.house.gov/media/pdf/111/2010Apr15_Astrue_Testimony.pdf

Click here to watch his oral statement:

<http://waysandmeans.house.gov/Hearings/Testimony.aspx?TID=8416>

Hearing Summary

On Thursday, April 15, 2010, the House Ways and Means Social Security Subcommittee held an oversight hearing on Social Security Administration (SSA) field office service delivery. The intent of the hearing was to examine the challenges that SSA faces in providing customer service to the American public through their network of field offices and telephone service centers.

The Acting Chairman of the Social Security Subcommittee, Congressman Earl Pomeroy (D-At Large-ND), convened the hearing to explore how SSA is planning to meet the goals set before the agency in light of the level of resources received and the surges in workloads due to the both the recession and the aging of the baby boom generation.

In his opening statement, the Chairman mentioned that it is expected that for the next 20 years members of the baby boom generation will retire at an average of 10,000 per day. This in turn will cause a tremendous increase in the number of Social Security claims that will be filed. In addition, last year the country was faced with the onset of a recession, which also increased the number of individuals filing for disability and retirement benefits. Meanwhile, because of reduced funding over the prior decade, at the start of FY 2008, the size of SSA's staff was down to levels not seen since 1972.

In announcing the hearing, Chairman Pomeroy stated, **“the Social Security Administration (SSA) was right to prioritize reducing the disability claims backlog, but I am concerned that other services that SSA provides to the American people are not getting sufficient attention and resources. I am interested in knowing what steps SSA is taking to address these other growing and backlogged workloads, and how the Subcommittee can be instrumental in making sure that SSA is once again able to provide the top-notch customer service the public deserves.”**

The hearing began with a brief opening statement from Chairman Pomeroy. The Chairman used this time to address not only the challenges that lay ahead of him as Chairman, but also to remind everyone of the important role that the Social Security Administration plays in the lives of many in this country. He added that for many, the face of the Federal government is the individual sitting across from them in the SSA field office. Many times this is the only major interaction many individuals may have with the Federal government. He also stated he is worried about the experience that many are having with SSA, as over the past decade the budget for SSA's administrative funding has not kept up with the increases in the workloads. “You can only do so much, even with the Internet,” Chairman Pomeroy stated.

(Note - During the Easter Recess, Chairman Pomeroy visited SSA field offices in Fargo, Bismarck, and Grand Forks. He referenced these visits both in his opening statement and later in the hearing.)

Following the Chairman's opening statement, Ranking Member Sam Johnson (R-3rd-TX), offered his initial remarks. His statement focused on the role SSA plays as a vital safety net for many millions of retirees and individuals with disabilities, as well as countless others.

He added that there are many different ways of doing your business, such as the Internet, or over the phone, but many still like to do it face-to-face, and that is where the SSA field offices come in. Mr. Johnson stated, “The good folks at local field offices are not just the face of Social Security but they are literally on the front lines.”

He went on to add that unfortunately these front line folks are the ones that have been feeling the pinch with the increased workloads, phone calls, and walk-in traffic. This has resulted in field offices not being able to answer phones, serve people quickly, or work down backlogs. “Americans want, need, and deserve effective high-quality service from the Social Security Administration, because that is what they have paid for,” Mr. Johnson added.

Following the opening statements, the witnesses on the first panel presented their five-minute oral statements. The first to present was Barbara Bovbjerg, Managing Director for Education, Workforce and Income Security Issues at the Government Accountability Office.

She used her time to discuss GAO's assessment of the current state of field office service delivery and the idea of a service delivery plan. She added that even though new technologies have been implemented, the demand for field office services continues to grow faster than the supply. She stated that visitor volume has remained steady in SSA field offices in recent years even though electronic transactions increased by 50% in 2009. Ms. Bovbjerg concluded her testimony by discussing the need for an SSA service delivery plan given the increase in workloads and traffic, coupled with a pending internal SSA retirement wave. She added that at this point, GAO has recommended such a plan, but SSA has yet to provide one.

Next to present was President of the National Council of Social Security Management Associations (NCSSMA), Joe Dirago. Joe utilized his time to discuss concerns regarding SSA field office workloads, outlining some of the service delivery challenges. He added that disability and retirement claims are soaring, with SSA field offices seeing over 45 million visitors in FY 2009. In addition, field offices also received 58 million telephone calls last fiscal year. He added that while online services are helping, Internet claims are still a field office workload. Joe also discussed the telephone service in SSA field offices. "Currently, field offices have a 58% busy rate, as opposed to the 800 Number which is around 8%," President Dirago stated.

Joe expressed the need to support the President's FY 2011 budget request for the Social Security Administration, as it is crucial that SSA receive at least that amount. He wrapped up his testimony by discussing the need for a comprehensive service delivery plan as SSA faces growing responsibilities and service delivery challenges.

Next to testify was Secretary of NCSSMA, Billie Armenta. Billie focused her testimony on the challenges faced by SSA urban, border, and rural field offices. She indicated that urban offices experience overcrowded waiting rooms that cause tensions to escalate and individuals waiting to be served become frustrated.

Border offices, she added, also see high volumes of visitors and many times need to work cases that are both challenging and time-consuming. These challenging workloads and crowds are compounded by the fact that some individuals from Canada and Mexico who receive benefits, and thus need SSA services, are unable to do so either through the Internet or via the 800 Number.

Additionally, rural offices face their own set of service delivery issues. They are faced with individuals who live great distances from the nearest office, and are located in places where Internet access may be limited. Also, telephone contacts to the local office are problematic because of the high busy rates. As a result of these challenges, it may require individuals to make several trips to a field office to resolve their Social Security business.

Next to testify was Witold Skwierczynski, President of the National Council of SSA Field Operations Locals, American Federation of Government Employees, AFL-CIO. Mr. Skwierczynski used his time to discuss service delivery problems, which he attributed to chronic under staffing and mismanagement at SSA. Of the concerns he had, it was very clear that AFGE viewed iClaims as the greatest concern. He cited programming, identity, and privacy flaws, which he stated are accompanied by troubling policies, and high error rates. He added that most reviewers of iClaims stated that over 75% of the individuals submitting Internet claims needed to be recontacted.

Mr. Skwierczynski finished by discussing what AFGE calls a “gag order,” which he states came down from Commissioner Astrue in November of 2008. Essentially, he described a policy which prohibits the full explanation of the “month of election” to the general public. This issue was something Mr. Skwierczynski continued to raise throughout the rest of the hearing, and one that was also addressed by Commissioner Astrue during the second panel.

Next to testify was Daniel Woosley, a General Claims Representative in the Louisville West Social Security Administration field office, and Executive Vice President of Kentucky Local 3984, of the National Council of SSA Field Operations Locals, American Federation of Government Employees, AFL-CIO. Mr. Woosley used both his written statement and his speaking time to detail his work environment and the stress he says he experiences every day working in a field office. He also outlined his belief that SSA statistically manipulates numbers. An example he provided is SSA’s policy of taking technical denials. He stated there are a large number of individuals that clearly are not eligible for certain benefits, but their application is taken anyway and then denied. He believes that this is done to create the illusion that a large amount of work is getting done in field offices in a rapid manner. He also added that he feels it is a misguided policy to assume that whenever someone walks into the office they are there to be seen that day. He feels that many times if individuals were allowed to make an appointment they could be seen the next day, and not have to spend hours waiting. He claims that management does this purely for statistical purposes. He stated the reason is that management wants to process a claim the same day it enters the office because it will make the processing times look better. Mr. Woosley also added that iClaims are a helpful tool, but one with many issues and problems that often result in errors in the application requiring recontacts. Next, Mr. Woosley expressed his impressions of the employee morale in field offices. He stated that “morale in my office is low and getting worse.” He closed his statement by expressing his great concern with each of the above points and how changes need to be made.

The final witness of the first panel was Patrick O’Carroll, Inspector General for SSA. Mr. O’Carroll discussed OIG’s role as it pertains to both service and stewardship. He expressed that service can not come at a cost to stewardship – even given the increase of workloads and responsibilities.

Following the opening statements and oral testimony, Members of the Subcommittee then turned to the question and answer portion of the hearing. This was highlighted with many interesting exchanges, such as the initial interaction between Ranking Member Johnson and Witold Skwierczynski about what Mr. Skwierczynski actually does at SSA, as well as testimony from

Mr. Woosley that he feels less stressed working with his SWAT team than he does when he goes to his Social Security office every day.

The next few questions came from Chairman Pomeroy and Ranking Member Johnson and pertained to the workloads of field offices along both the Mexican and Canadian borders. In the past, Ranking Member Johnson was concerned about numerous requests for replacement Social Security cards. Because Congress has limited the number of replacement cards that individuals may request, Johnson asked if the number of printouts now being requested may be cause for concern. He requested that Mr. O'Carroll to look into this workload and the security and fraud concerns that accompany it.

Next Representative Lloyd Doggett (D-25th-TX) expressed concern that the needs of individuals with disabilities and the elderly are not always being served. In his comments Representative Doggett specifically mentioned how busy the Austin, Texas office is. As this point Witold Skwierczynski changed the subject and interjected AFGE's worries concerning the so called "gag order." Next, President Dirago voiced NCSSMA's concerns regarding the difference in the busy rates of the 800 Number versus the field office telephones. Joe outlined that currently the field office telephones are experiencing busy rates around 58% as compared to the 800 Number which has a busy rate of about 8%. The difference in the busy rates clearly speaks to the need for resources for the field offices to address telephone service delivery.

A question was then raised by Representative Ginny Brown-Waite (R-5th-FL) as to whether the Internet has reduced the number of phone calls coming in to field offices. President Dirago discussed NCSSMA's views on Internet applications. He explained that the Internet has been beneficial particularly with the retirement claims workload, but that in many cases people still need to either call or come in to the field offices, and that issues remain that need to be worked through related to the submission of electronic disability claims. Thus, there are still a large number of telephone calls coming into field offices.

Representative Ginny Brown-Waite (R-5th-FL) also discussed the need for some sort of service delivery plan for SSA, and how this is the only way SSA will be able to achieve the strategic goals the agency has set forth.

Representative Brown-Waite then posed a question to Inspector General O'Carroll regarding the status of Recovery Act payments that were mailed out to prisoners and the deceased. O'Carroll responded that most of the checks have been recovered and provided the following figures: 90% of the payments issued to prisoners have been recovered and 96% of the payments to the deceased have been recovered.

Following the initial Q&A portion, Chairman Pomeroy provided some thoughts on how it might be beneficial to take a look at providing greater flexibility to field office managers to hire once an opening becomes available. He added that it must be difficult once an opening becomes available not knowing if, or when, you might be able to fill it.

Chairman Pomeroy addressed Witold Skwierczynski directly regarding the "gag order" and indicated that the statement was "a bit harsh." Pomeroy went on to state, "I think I agree with

the agency's direction on this." He indicated that this is "complicated business" and there is a need to focus more on the sufficiency of the benefit.

Chairman Pomeroy also acknowledged Mr. Dirago's testimony, stating that many of these field office service delivery issues would be addressed if the Commissioner's proposed FY 2011 budget request for SSA had been accepted by OMB. The Chairman questioned, given the current level of resources, if it is even possible to build to a level to be able to address the current workloads coming through SSA field office doors.

In conclusion, although some of the discussions during the first panel seemed to be somewhat off topic, we believe the Chairman recognizes the need for a service delivery plan for SSA, which would include a more proactive hiring plan for field offices. He also proposed the possibility of forward funding for SSA so that the appropriations process would not impede on the very important service role the agency plays.

Next to testify, on the second panel, which Chairman Pomeroy stated is very unprecedented, was Commissioner Astrue. (Under normal order for these proceedings the Commissioner would testify first.)

The Commissioner used part of his time to discuss the increase in claims. He stated the increases were expected due to aging baby boomers, but that those increases were much larger than anticipated because of the recent recession. Nevertheless he added, SSA is improving service across the agency despite soaring workloads. In FY 2009 he stated, SSA reduced the hearings backlog, increased program integrity efforts, and reduced wait times for the 800 Number and visitors to field offices. He added that increased funding and increased productivity has allowed SSA to make progress on a number of different workload fronts. He also added that last week he approved 900 additional hires for front-line employees. These employees will be used largely to service visitors in the most stressed field offices.

The question and answer portion of the hearing for Commissioner Astrue began with inquiries from Members of the Subcommittee related to the National Computer Center and the current status of the site selection process. The Commissioner stated that he had just received an updated briefing on this, and unfortunately, the site selection process has been delayed a few months. He now expects a site should be chosen by August, and GSA should break ground sometime later in the year (perhaps December). Many of the next questions covered issues such as iClaims, and the issue of the so called "gag order" that was mentioned during the first panel. The Commissioner addressed some of the concerns raised by the first panel, first stating that the University of Michigan ranked the iClaims process the best in the Federal government. He went on to discuss the issue of the "gag order," describing it simply as accusations from AFGE that are based on 1980s financial management ideas and philosophies that were in need of an update – adding that it is a slur upon the agency to call the policy a "gag order." (Chairman Pomeroy addressed this later in the hearing and indicated to Commissioner Astrue that his assessment of AFGE's charges of a "gag order" being a "slur upon the agency" was a little strong.)

Representative Ginny Brown-Waite (R-5th-FL) asked the Commissioner if the President's budget request provides enough resources. The Commissioner responded by saying that it is a good

step, but does not fully fund everything planned for the field offices. Representative Brown-Waite also raised concerns regarding the training conference in Phoenix last summer. The Commissioner addressed her concerns and Chairman Pomeroy spoke to them as well.

The question and answer portion for the Commissioner was concluded by Chairman Pomeroy as he discussed his thoughts on how there should be an evaluation across the field offices, and how there should be some autonomy for the offices when it comes to hiring. He then took this point and rolled it into the idea that given the resource constraints and increasing workloads the agency should start looking at moving towards a service delivery plan. The Commissioner responded to the Chairman by stating that currently the agency does not have enough numbers or enough certainty in the budgeting cycle to be able to complete a plan that would meet GAO's standard definition of a service delivery plan. He also discussed that there is a new strategic plan for the agency underway that will be organized differently from past plans which will provide more detail. Elements of this strategic plan will include: service delivery, infrastructure, and human resources. Commissioner Astrue spoke to GAO's recommendations regarding a service delivery plan and indicated that while it would be hard for SSA to "hit the four corners" of what they want, the new strategic plan would "comply in spirit."

In an effort to keep this report a manageable length, we have provided only a summary of the hearing. We encourage you to take some time to review the testimony in its entirety and to view and listen to the oral statements online. We have provided the links to both the written statements and the video of the oral testimony for each of the individuals testifying at the beginning of this document.

In closing, this hearing will be just one in a number of steps that will assist NCSSMA with achieving the goals it has set forth regarding field offices and teleservice center resources. Even though some of the hearing may have been consumed by issues that were not germane to field offices, the comments on hiring and resources made by the Chairman, the Ranking Member, and various other Members of the Subcommittee, clearly indicated that they heard the message regarding service delivery challenges confronting SSA field offices.

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