

United States Senate Special Committee on Aging

Testimony of Scott Hale, President

National Council of Social Security Management Associations

Hearing on Reduction in Face-to-Face Services at the Social Security Administration

June 18, 2014

On behalf of the National Council of Social Security Management Associations (NCSSMA), thank you for the opportunity to submit this testimony regarding the reduction in face-to-face services at the Social Security Administration (SSA).

NCSSMA is a membership organization of nearly 3,300 SSA managers and supervisors who provide front-line leadership in over 1,200 field offices and teleservice centers in communities across the country. Since the founding of our organization over forty-four years ago, NCSSMA has considered a stable SSA, which delivers quality and timely community-based service to the American public, our top priority. We also consider it a top priority to be good stewards of the taxpayers' monies and the Social Security programs we administer.

NCSSMA firmly believes the primary focus of SSA should be providing the best public service possible, regardless of how customers contact us. Despite increased agency online initiatives, field offices served over 43 million visitors in Fiscal Year (FY) 2013, nearly the same number as in each of the previous four years.

Each day, over 155,000 people visit field offices and more than 436,000 people call SSA for a variety of services. Frontline feedback from our offices indicates many are experiencing overflowing reception areas and long wait times on the phones. In FY 2013:

- Field office visitors waited more than 30% longer than in FY 2012;
- The public waited nearly twice as long on the 800 number network to have their call answered than in FY 2012;
- The average busy rate for answering public telephone calls in field offices doubled from calls received in FY 2012; and
- The average busy rate for answering public telephone calls on the 800 number network nearly tripled from calls received in FY 2012.

These numbers clearly demonstrate a significant population of the American public still wants or needs face-to-face service. One size does not fit all and attempts to dictate how hard-working Americans conduct business with SSA are unrealistic.

Over the last several years, SSA has experienced a significant increase in Social Security claims. The additional claims receipts are due in large part to the initial wave of the nearly 80 million baby boomers who will be filing for Social Security benefits by 2030, an average of 10,000 per day. Despite record numbers of Internet claims filed, in FY 2013 close to 50% of all disability and retirement claims were filed online, field offices continued to process record numbers of claims in local offices.

- In FY 2013, SSA field offices assisted 43.3 million visitors, received 4.9 million retirement, survivor and Medicare applications, and 2.9 million initial disability claims.
- In FY 2013, SSA completed 2,987,883 initial disability claims. Since FY 2007, initial disability claims receipts have increased by over 25%.
- In FY 2013, SSA completed 5,006,855 retirement, survivor, and Medicare claims (5,001,092 in FY 2012)—a record number and over a million more than completed in FY 2007.
- In FY 2013, retirement, survivor, and Medicare claims were 30% higher as compared to FY 2007.

The dramatic growth in SSA workloads, along with the attrition in our offices over the last several years, has highlighted the need to receive necessary resources to maintain service levels vital to the nearly 65 million Social Security beneficiaries and Supplemental Security Income (SSI) recipients. Despite agency strategic planning, expansion of online services, significant productivity gains, and the best efforts of management and employees, SSA still faces many challenges providing the service the American public has earned and deserves.

NCSSMA appreciated the FY 2014 Limitation on Administrative Expenses (LAE) account funding of \$11.697 billion provided to SSA. Increased resources, especially in SSA's field offices and teleservice centers, will have a positive impact on delivering vital services to the American public and in fulfilling the agency's stewardship responsibilities.

Available Funds for SSA Budgets					
(Dollars in Millions)					
	FY 2010 Enacted	FY 2011 Enacted¹	FY 2012 Enacted²	FY 2013 Enacted³	FY 2014 Enacted
Limitation on Administrative Expenses (LAE)	\$11,477	\$11,424	\$11,446	\$11,046	\$11,697

^{1/} After rescissions of \$23 million from LAE and \$275 million from no-year IT.

^{2/} FY 2012 enacted LAE was adjusted for \$7 million loss in SSI user fees from the Commonwealth of Massachusetts.

^{3/} The FY 2013 funding includes the 0.2 percent across-the-board rescission from P.L. 113-6 as well as the \$386 million sequestration reduction.

NCSSMA hopes this funding will help to minimize the closure of additional field offices. Since FY 2010, SSA consolidated 92 field offices into 46 field offices and closed 521 contact stations. The agency also cancelled plans to open eight new hearing offices and a new teleservice center due to limited resources. In many cases, applicants for benefits or those approaching retirement age who have questions about their eligibility or benefits have been forced to travel greater distances to visit a Social Security Administration field office.

NCSSMA understands that as the needs and service option preferences of the American public change, SSA must change as well. We also understand that due to budgetary constraints, SSA must consider field office consolidations where they make good business sense. However, NCSSMA firmly believes the American public should always have the option to visit a field office to speak face-to-face with an SSA representative if that is their preference. Some events, such as filing for retirement, are once in a lifetime experiences and individuals should have the choice as to how they receive service for these life-changing events. Hard-working Americans deserve the opportunity to discuss their options face-to-face with a well-trained, highly skilled Social Security Administration representative after working and paying taxes, often for decades.

NCSSMA also believes local field office managers are in the best position to know the special characteristics and needs of their service areas. For this reason, we would advocate for involvement by local managers at the point an office is considered for closure or consolidation, as opposed to after a decision is made. It makes good business sense to involve local management early in the decision-making process. We believe local management's unique perspective is crucial to pre-decisional discussions. Many factors such as service area demographics, poverty levels, education levels and age of the population should be considered before a final decision is made. In addition, the impact on neighboring offices must be considered as many times the walk-in traffic will migrate to other nearby offices to conduct business. Without proper planning, the additional walk-in traffic can have an adverse effect on neighboring offices and ultimately public service. Who knows the local service area characteristics and challenges better than the manager of the local field office?

The draft National Academy of Public Administration's (NAPA) Long-Term Strategic Vision and Vision Elements for the Social Security Administration document dated March 10, 2014 states, "To fulfill SSA's mission in 2025 as part of a comprehensive approach to delivering government services, we automate processes to maximize operational efficiency, meet customer demand and diverse workforce expectations, resulting in a smaller workforce and in reduced physical infrastructure." SSA's mission is to serve the public and the sheer volume of field office visitors indicates a need for SSA to continue providing a physical presence in communities across our nation. NCSSMA's response to NAPA's document stated, "It may be possible to reduce the size of the workforce and physical infrastructure to some degree, assuming policy simplifications and significant systems enhancements are in place, however, we firmly believe there is still a demonstrated need for community-based services across the country."

We also understand the need to do things differently with regard to workload processing, program simplification, and legislative changes. SSA is challenged by ever-increasing workloads, very complex programs to administer, and increased program integrity work with diminished staffing and resources. With the current fiscal challenges confronting SSA, NCSSMA has encouraged Congress to consider legislative and regulatory changes to the Social Security and SSI programs that have the potential to increase administrative efficiency and lower operational costs. NCSSMA has also offered numerous suggestions to simplify SSA's complicated programs and policies. Our goal is to make it easier for the American public to receive the benefits they need and deserve in a timely and accurate manner.

It is critical SSA receives adequate, yet flexible funding for the LAE account to respond to requests for assistance from the American public, and to fulfill our stewardship responsibilities. SSA teleservice centers, hearing offices, program service centers, the disability determination service, and the over 1,200 field offices are in grave need of adequate resources to address their growing workloads. Many of SSA's field offices are currently experiencing wait times in excess of 60 minutes. One out of every 8 visitors waits more than 1 hour to receive services, which is 177% more than in FY 2012 and 224% more than FY 2011. Without sustained, adequate funding, SSA will not be able to provide the high-quality customer service Americans deserve and will be unable to process program integrity workloads, which save taxpayer dollars and reduce the federal budget and deficit.

NCSSMA fully supports the President's budget request of \$12.024 billion for SSA's LAE account in FY 2015. While this would be a much-appreciated increase of \$327 million over the FY 2014 level of funding, it would only address fixed cost increases. The FY 2015 Budget Request submitted by Acting Commissioner Carolyn Colvin to President Obama for SSA's administrative funding was \$12.6 billion. This level of funding would allow SSA to continue improving and

modernizing customer service, enhance program integrity efforts, detect and deter fraud and errors, and continue to address high volumes of work. In November of 2013, NCSSMA co-authored a letter with 29 other organizations, which was submitted to the Office of Management and Budget (OMB) and recommended a funding level consistent with the Acting Commissioner's request for SSA's administrative funding. Specifically the letter stated:

SSA teleservice centers, hearing offices, program service centers, disability determination services (DDS), and field offices are in critical need of adequate resources to address their growing workloads. The recommended FY 2015 budget of no less than \$12.6 billion would allow SSA to cover inflationary increases, resume efforts to reduce hearings and disability backlogs, complete deficit-reducing program integrity work, and replace critical staffing losses in SSA's components, including field offices, teleservice centers, and DDSs.

Since October 2010, SSA field offices had lost almost 4,100 permanent employees prior to the first wave of FY 2014 hiring. The teleservice centers lost 1,159 employees during the same timeframe. For the first time in over three years, we are replacing some of these losses. Because of the FY 2014 funding, authority was granted to field offices and teleservice centers to hire 2,350 and 850 permanent employees, respectively. In addition, 550 permanent hires were approved for Workload Support Units (WSUs) that are expected to ease the burden placed on field offices. For now, the effectiveness of the WSUs remains to be seen. A significant concern NCSSMA has regarding the WSUs is that they will not provide the face-to-face service the American public is accustomed to and instead will function as centralized work units. The following charts illustrate staffing losses and attrition rates experienced prior to the FY 2014 hiring initiative.

Permanent SSA Staff Attrition - October 1, 2010 vs. January 1, 2014				
Component	10-Oct Count (EEs)	14-Jan Count (EEs)	Net Staff Difference	Percent of Staff Losses
Field Offices	29481	25420	-4,061	-13.80%
TSCs	5167	4008	-1,159	-22.40%
ODAR	10375	10387	12	0.10%
PSCs *As of 10/22/13	6208	5106	-1,102	-17.80%
All SSA	68,422	60,139	-8,283	-12.10%
Note - Permanent Staffing does not include temporary positions or reemployed annuitants				

SSA Field Office (FO) Attrition: October 2010 through November 2013		
Attrition Rate	# of SSA FOs	% of SSA FOs
>5%	881	72.0%
>10%	686	56.1%
>20%	263	21.5%
>30%	69	5.6%

The FY 2014 appropriation for SSA provided \$1.197 billion dedicated to program integrity activities to ensure that disability and other benefits are properly paid. SSA plans to process 2.6 million SSI redeterminations and 510,000 full medical continuing disability reviews (CDRs) in FY 2014. Despite these efforts, the agency continues to have 1.3 million CDRs backlogged due to budgetary shortfalls. The FY 2015 budget request would provide \$1.396 billion dedicated to program integrity. With these funds, the agency would be able to complete 880,000 full medical CDRs and 2.6 million SSI redeterminations. Completing more than 880,000 CDRs would more than double the CDRs completed in 2013, saving billions of taxpayer dollars. While it is critical SSA focus on cost-effective program integrity work to protect taxpayer dollars, there must be a balance between these efforts and service to the American public. It is important to note the same employees who process claims and other crucial workloads, also process program integrity work. This is why it is crucial to fund SSA at levels that allow for replacement of staff so decisions about which workloads to process and which to delay do not have to be made.

Due to the high volumes of traffic, increasing wait times and budgetary constraints, SSA recently announced plans to end the issuance of Social Security Number verifications, or numilites, and to move benefit verification requests to an online platform in MySSA accounts or as a service the 800 number network provides. While the impact on visitor traffic is yet to be determined, NCSSMA understands the curtailment of the numilite as there is potential for fraud and this printout was never intended to serve as a source of official identification. Many of the requests for numilites are in conjunction with applications for replacement Social Security cards so the impact of this policy change is unknown. The benefit verification change will eventually alleviate some traffic in field offices once our customers realize they must go online or call the 800 number network to receive benefit verifications. However, many times the customers needing benefit verifications are some of the most vulnerable in our population, so it will be necessary to ensure these individuals are able to obtain the documentation they need, in a field office, especially when this need is time-sensitive. As SSA considers implementation of service changes, we must not lose sight of non-English speaking customers, individuals without Internet or computer access, the homeless, and other special needs or vulnerable populations.

MySSA, while holding promise for the future, is not ready to serve as the primary vehicle for many of SSA's services. The draft NAPA Long-Term Strategic Vision and Vision Elements for the Social Security Administration document dated March 10, 2014 states, "To fulfill SSA's mission in 2025 as part of a comprehensive approach to delivering government services, we use online, self-service delivery as our primary service channel." NCSSMA does not believe this is a realistic achievement by 2025 due to budgetary constraints and the complexity of SSA programs. In order for online services to be our primary service channel, the majority, if not all, of our services would need to be available online. Without budgetary support, this will not be a reality. SSA still employs a number of systems that do not communicate with each other, and in order to move to a fully automated environment, these systems would need to be fully integrated, which is once again a resource issue. SSA programs are still extremely complicated and require highly skilled technicians to administer. The NAPA statement above is dependent on major program simplification and legislative changes and at this point the agency still has many hurdles to cross.

Online services still do not work for our most vulnerable clients, including those in rural areas where access to online services is often non-existent, non-English speaking customers, individuals without Internet or computer access, the homeless, and other special needs or vulnerable populations. In fact, even when SSA employees assist clients with starting the registration process for MySSA accounts in field offices, a significant portion do not complete this process when they get home. NCSSMA's primary concern is public service and we want to

ensure no one falls through the cracks. In addition, SSA programs are extremely complex and require highly trained and skilled technicians. Without major program simplification and legislative changes, complete self-service is not a reality. NCSSMA has long advocated for significant program simplification and legislative changes; however, this has not been a fast-moving venture. We believe this is an area needing more focus and action.

Centralizing work, such as with the WSUs, is not a new concept. The national 800 number is an example of this concept however, given the volume of calls to field offices each day, centralizing some work obviously does not eliminate the need for a significant presence in community-based field offices. The 43.3 million visitors to SSA's field offices in FY 2013 provides continued validation of the American public's desire to conduct business with SSA face-to-face.

Social Security serves as the largest, most vital component of the social safety net of America, and is facing unprecedented challenges. The American public expects and deserves SSA's assistance. For millions of Americans, SSA is the face of the federal government.

On behalf of the National Council of Social Security Management Associations (NCSSMA), thank you for the opportunity to submit this testimony regarding the reduction in face-to-face services at the Social Security Administration (SSA). NCSSMA resolutely advocates for the American public to have the option to visit a field office to speak face-to-face with an SSA representative if that is their preference.

We respectfully ask that you consider our comments, and would appreciate any assistance you can provide in ensuring the American public receives the critical and necessary service they deserve from the Social Security Administration.