Agency Challenges

Early in 2003, SSA published the Agency Strategic Plan for Fiscal Years (FYs) 2003-2008. The Strategic Plan reflects the priorities and direction of SSA's Commissioner and the Administration and sets SSA's course (through FY 2008) for achieving measurable results that benefit the public. The Plan is comprised of the four strategic goals, which provide the framework for the Agency's efforts:

- **To deliver high-quality, citizen-centered <u>Service</u>**
- **To ensure superior <u>Stewardship</u> of Social Security programs and resources**
- **To achieve sustainable <u>Solvency</u> and ensure Social Security programs meet the needs of current and future generations**
- **To strategically manage and align <u>Staff</u> to support SSA's mission**

The Service, Stewardship, Solvency and Staff goals are comprehensive. They are linked to SSA's total resource needs and provide employees direction in all areas of their work. The Strategic Plan also outlines nine supporting strategic objectives within the four goals that focus on key areas of importance or those needing improvement. These objectives address the major issues facing SSA over the next 5 years and are used as the framework for this section. The Social Security Administration will also have new challenges and responsibilities in the implementation of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The Agency will answer general inquiries, make referrals, and send correspondence to those who may be eligible for the new prescription drug discount card. But more importantly, the Agency will play a key role in Part B premium calculations and withholding for high income beneficiaries and Part D prescription drug benefit subsidy eligibility determinations for low-income beneficiaries. The Agency is committed to providing high quality, efficient service for this potentially complex workload.

SSA's strategic objectives incorporate the themes expressed in the President's Management Agenda (PMA) initiatives. The PMA initiatives, which are listed below, are focused on more efficient use of taxpayer dollars and citizen-centered service.

- <u>Expanded Electronic Government</u> — makes it simpler for people to receive high-quality service from the Federal government, while reducing the cost of delivering those services;

- <u>Competitive Sourcing</u> — seeks to achieve greater efficiency in program administration, effective competition between public and private sources, and promotion of innovation;

- <u>Improved Financial Performance</u> — focuses on reducing improper payments and ensuring that Federal financial systems produce accurate and timely information to support operating, budget and policy decisions;

- <u>Budget and Performance Integration</u> —aligns resources to performance, using program evaluation in planning and budget decisionmaking, and improving accountability for performance; and

- <u>Strategic Management of Human Capital</u> —involves reducing the distance between citizens and decision-makers by streamlining the organization and reducing the time it takes to make decisions.

At the end of the September 2004 quarter, SSA received the highest rating, from the Office of Management and Budget (OMB) for three PMA initiatives by receiving "green" for overall current status in Financial Management, Budget and Performance Integration and Human Capital with a "yellow" for Expanded Electronic Government and Competitive Sourcing. SSA was rated "green" in progress in four of the five initiatives. SSA is proud of these scores and is committed to doing even better.

The table that follows displays the Major Management Challenges currently cited by the Government Accountability Office (GAO) and the Office of the Inspector General (OIG). Specifically, the table crosswalks these Major Management Challenges to SSA's strategic goals and objectives and to the PMA items. Following the table is a discussion of each of the major issues facing SSA and the strategies the Agency has in place to meet these challenges. This discussion is organized according to the Agency's strategic goals and objectives.

MAJOR MANAGEMENT CHALLENGES Cross-walked to SSA's Strategic Goals and to the President's Management Agenda (PMA)		
SSA's Strategic Goals and Objectives	**PMA Items**	**GAO and OIG Designated SSA Major Management Challenges**
A. SERVICE 1. Make the right decision in the disability process as early as possible 2. Increase employment for people with disabilities 3. Improve service through technology	Expanded Electronic Government	• Management of the Disability Process (OIG) • Improve Programs that Provide Support for Individuals with Disabilities (GAO) • Better Position SSA for Future Service Delivery Challenges, Including Information Technology (GAO) • E-Government (OIG's Service Delivery)*
B. STEWARDSHIP 4. Prevent fraudulent and erroneous payments and improve debt management 5. Strengthen integrity of Social Security Number (SSN) 6. Increase the accuracy of earnings records 7. Efficiently manage Agency finances and assets and effectively link resources to performance outcomes	Competitive Sourcing Improved Financial Performance Budget and Performance Integration (including Program Assessment Rating Tool (PART) requirements)	• Continue to Strengthen the Integrity of the SSI Program (GAO) • Improper Payments (OIG) • Social Security Number Integrity and Protection (OIG)** • Budget and Performance Integration (OIG) • Strengthen Controls to Protect the Personal Information SSA Develops and Maintains (GAO) • Critical Infrastructure Protection and Systems Security (OIG) • Representative Payee (OIG's Service Delivery)*
C. SOLVENCY 8. Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs	None	None
D. STAFF 9. Recruit, develop and retain a high-performing workforce	Strategic Management of Human Capital	• Human Capital (GAO and OIG's Service Delivery)*

*OIG's Service Delivery challenge includes E-Government, representative payee and human capital. ** OIG's Social Security Number Integrity and Protection challenge includes Homeland Security and the Integrity of the Earnings Process.
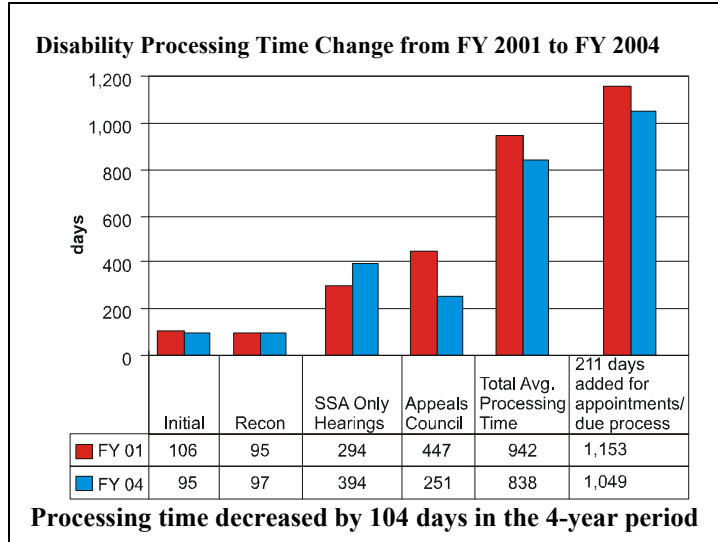
Service

One of SSA's highest priorities is to improve service to the public in the disability programs from the initial claim through the final administrative appeal. Each Social Security and Supplemental Security Income (SSI) disability claim represents a person and often a family.
According to SSA's service delivery assessment of the disability process completed in 2002, persons pursuing their disability claims through all levels of Agency appeal waited an average of 1,153 days in FY 2001 for the final Agency decision. Cases going through all levels of appeal spent nearly 525 days in waiting for SSA action. SSA has already succeeded in reducing disability processing time. Appeals Council processing time was reduced significantly while processing time for initial disability decisions and reconsiderations remained relatively stable in spite of increased receipts and major process changes.

Overall, process improvements since FY 2001 have resulted in a decrease of 104 days in average disability claim processing time from the 1,153 days to a FY 2004 average processing time of 1,049 days.

Disability Processing Time Change from FY 2001 to FY 2004

	Initial	Recon	SSA Only Hearings	Appeals Council	Total Avg. Processing Time	211 days added for appointments/ due process
FY 01	106	95	294	447	942	1,153
FY 04	95	97	394	251	838	1,049

Processing time decreased by 104 days in the 4-year period

The most significant external factor that may affect SSA's ability to improve service to disability applicants in the future is the potential for substantial growth of workloads. Applications are expected to rise as the baby boomers enter their disability-prone and then retirement years.

Responding to these challenges, SSA will improve the economic security of the public by:

- Improving service to disability claimants by making accurate decisions on their claims faster; and
- Helping disability recipients with timely financial, medical and vocational support that helps them maximize their economic and physical well-being.

With Disability Insurance rolls projected to grow 35 percent in the 10-year period ending 2012, SSA continues to implement process improvements. The following is a discussion of SSA's most critical strategies and activities to address disability service.

Electronic Disability (eDib) Initiative: To reduce delays inherent in mailing, locating and organizing paper folders, SSA has implemented the electronic disability initiative (eDib), which replaces the traditional paper disability folder with an electronic folder that can be accessed by all case processing components involved in adjudicating and reviewing disability claims. Implementation of the eDib business process began in January 2004, with full expansion to be completed by the end of FY 2006. As of the end of FY 2004, eDib has been initiated 14 States. Activities that support the eDib process include:

- Use of scanning technology to convert paper documents for electronic storage.

- Expansion of the Electronic Disability Collect System (that captures information collected during the disability interview) to support all types of disability claims, including Continuing Disability Reviews.

- Expansion of the types of services available to people filing for disability via the Internet.

- Development and implementation of a Case Processing and Management System for the Office of Hearings and Appeals (OHA).

- Migration of Disability Determination Services (DDSs) to an information technology platform that allows them to interface with the electronic folders.

- Interfacing all case processing components with the electronic folder.

- Development of electronic processes to speed the request and retrieval of evidence from medical and educational sources.

Improve the Disability Process: On September 25, 2003, the Commissioner testified before the House Ways and Means Subcommittee on Social Security and presented her approach to improve the disability determination process. The focus of the new approach is to make the right decision as early in the process as possible. Several aspects of the new approach are intended to improve the accuracy, timeliness, and consistency of decisions, such as having the DDS decisionmakers more fully develop and document their decisions, providing for centralized quality review of all decisions, and providing all adjudication levels equal access to medical expertise. The new approach takes a comprehensive look at quality during each step of the disability adjudication process. Ensuring accountability at each step, it will include an in-line quality assurance process and a centralized quality control review that will replace the current SSA quality assurance system. This shift to an in-line quality assurance review will provide greater opportunities for identifying problem areas and implementing corrective actions and related training. Likewise, a centralized quality control review will provide consistent end-of-line reviews and timely feedback to disability decisionmakers. The Commissioner also testified before the House Ways and Means Subcommittee on September 30, 2004 to provide an update on Agency activities to complete development on the new approach.

In addition to the disability process changes outlined above, the Commissioner noted plans for the following work opportunity demonstration projects:

- **Temporary Allowance:** This demonstration project will allow SSA to provide immediate cash and medical benefits for 12 to 24 months to applicants who are likely to benefit from aggressive medical care that would help them to return to work.

- **Interim Medical Benefits:** This project will provide medical benefits to individuals with no medical insurance (no "treating source" evidence) whose medical condition would likely improve with treatment. Interim medical benefits will facilitate the development of the necessary documentation for disability adjudication while providing the applicant needed services.

- **Ongoing Medical Benefits:** This project will test the effects of providing ongoing health insurance coverage to beneficiaries who wish to work, but have no other affordable access to health insurance. The Agency is developing a pilot study which will target individuals with immune disorders which will begin in 2005.

- **Early Intervention:** Experts indicate that providing intervention methods to individuals with disabilities as close to the disability onset as possible significantly improves their chance of returning to work. The Agency will use a screening process to identify applicants who are likely to meet SSA's definition of disability and who are likely to be ready to return to work in the near term. These applicants would receive a cash stipend for 12 months and Medicare for 3 years upon agreeing to attempt to work as soon as possible.

Progress in Implementation of the Proposal: The Commissioner's proposal was based on information provided by SSA and DDS employees, interested organizations, private disability insurers, the Social Security Advisory Board, and others. This proposal is the first step in a collaborative process that will lead to a final plan for disability improvements. The Commissioner plans to work within the Administration, with Congress, the State DDSs, interested organizations and advocacy groups before arriving at a final plan of action.

Once the final decisions are made, and the electronic disability system is successfully implemented, SSA can begin to make the necessary changes to the disability process. The Agency has set January 2006 as the earliest date at which major changes in the disability determination process might become effective. It is important to note this proposal is predicated on successful implementation of SSA's new electronic disability process and therefore requires that eDib be implemented entirely and running successfully prior to beginning the new approach.

Improve the Hearing Process: SSA has developed the Case Processing and Management System (CPMS) for the Office of Hearings and Appeals (OHA), which replaces the existing Hearing Office Tracking Systems for non-Medicare cases. CPMS will benefit the public by providing OHA with a more efficient and effective case processing system. Now fully implemented, CPMS will improve development tools, case controls, scheduling techniques, and management of information, all of which will expedite the hearing process and ultimately, provide disability claimants with faster and higher quality service.

In addition to the process improvements described above, SSA continued to enhance the hearing process through various technologies supporting the electronic file. For example, video conferences are being used to make hearings more accessible to appellants and their representatives. Hearing rooms are being prepared to accommodate new technologies supporting the electronic file, including digital recording.

Increase employment for people with disabilities

Currently, less than 1 percent annually of the 11 million disability beneficiaries work and earn enough to leave the disability rolls temporarily or permanently. SSA is dedicated to significantly increasing the number of Disability Insurance and Supplemental Security Income disability beneficiaries who achieve employment by ensuring that disabled individuals who return to work have the opportunity to learn and develop skills, engage in productive work, make choices about their daily lives and fully participate in community life.

> SSA's success in this area will increase the number of people with disabilities who are working and making an important contribution to the American economy through their talents and earnings.

The following is a discussion of SSA's strategies and activities to address employment for people with disabilities. These initiatives also address the Major Management Challenge, "Improve programs that provide support for individuals with disabilities," as designated by the Government Accountability Office (GAO) and also the concerns GAO raised when Federal disability programs were added to their High Risk list. SSA's strategies for increasing employment for people with disabilities directly support the President's New Freedom Initiative. These strategies include:

Implement/Promote Ticket-to-Work: A cornerstone of SSA's efforts to increase employment opportunities for people with disabilities is the Ticket-to-Work Program, designed to increase beneficiary choice in obtaining

rehabilitation and vocational services to help them work and reach their employment goals. The program's first two phases were implemented in FY 2002 and FY 2003 with approximately 5.5 million tickets distributed to eligible beneficiaries in 33 States and the District of Columbia. The final phase of the program began in November 2003 and concluded in September 2004, with approximately four million tickets being distributed to eligible beneficiaries in the remaining 17 States and U.S. Territories. Beyond this third phase, SSA will concentrate on marketing and outreach activities to increase participation in the Ticket-to-Work program.

SSA is aggressively pursuing changes to the regulations published in December 2001 to expand beneficiary eligibility to receive tickets under this program; to clarify the rules for assignment of a beneficiary ticket to a State vocational rehabilitation agency; and to revise the rules for payment when a beneficiary receives services from both a State vocational rehabilitation agency and an employment network. The Work Opportunity Initiative regulations were submitted, for review, to the Office of Management and Budget (OMB) in October 2004.

Full implementation of Ticket to Work and Work Incentives Improvement Act also involves two complementary programs:

- **The Community-based Benefits Planning, Assistance and Outreach (BPAO) program:** BPAO projects provide work incentives planning and assistance to SSA's beneficiaries with disabilities; conduct outreach efforts to those beneficiaries potentially eligible to participate in Federal and State work incentive programs; and work in cooperation with Federal, State and private agencies and nonprofit organizations serving beneficiaries with disabilities. SSA has awarded 114 cooperative agreements to BPAO projects in all 50 States, the District of Columbia and the U.S. Territories. These awards are funded in three cycles with all projects successfully completing their fourth year of operation. In addition, the Social Security Protection Act (Public Law 108-203) recently reauthorized and extended the BPAO program through FY 2009.

  BPAO projects have provided work incentive planning and assistance to over 120,000 beneficiaries. A recent nationwide survey indicates beneficiaries have a very positive view of the BPAO Program, giving the program an overall satisfaction rating of 89 percent. In addition, Benefit Specialists received high ratings for their quality of service in counseling beneficiaries. Prior to receipt of benefit counseling, 28 percent of beneficiaries indicated they were working. The percentage of beneficiaries who received counseling and reported working subsequent to their contact with the BPAO has increased by 19 percentage points to 47 percent.

- **The Protection and Advocacy for Beneficiaries of Social Security (PABSS) program:** Each PABSS project provides a broad range of advocacy related services to beneficiaries with disabilities. These include providing information and advice about obtaining vocational rehabilitation and other related employment services, and advocacy or other services that a disabled beneficiary may need to secure, maintain, or regain employment. Fifty-seven PABSS grants were initially awarded in all 50 States, the District of Columbia, and the U.S. Territories in FY 2001, and have been successfully renewed annually through FY 2004. SSA continues to monitor the progress and finances of these projects and oversees ongoing training of PABSS counselors. The Social Security Protection Act (Public Law 108-203) also reauthorized and extended the PABSS program through FY 2009.

  An average of 10,000 beneficiaries per year receives direct services from grantees with a large majority of the cases resolved in their clients' favor. In addition, project staffs are engaged in the education and training of beneficiaries, their representatives and/or family members, community groups, disability organizations, and supporting professionals. PABSS agencies helped people acquire knowledge of work incentives and available employment supports through conferences, seminars, publications, websites, and public service announcements on television and radio.

SSA has numerous promotional activities underway to increase participation in the Ticket-to-Work Program through (1) encouraging current and prospective Employment Networks to assist disability beneficiaries in finding and holding jobs, (2) conducting outreach and marketing activities to educate the public about programs and services that facilitate entry into the workforce, and (3) partnering with other public and private groups to remove employment barriers for people with disabilities. Four specific activities are discussed below:

- SSA program managers have marketed the Ticket-to-Work Program to Employment Networks since April 2001 in all States as the three phases of the program were implemented. Since that time, the program manager has held 91 Employment Network recruitment fairs in all 50 States, the District of Columbia, and Puerto Rico, and has given Employment Network marketing presentations at approximately 270 other events by invitation. Through face-to-face presentations and contacts by mail, telephone, and the Internet, the Employment Network marketing campaign has reached approximately 50,000 different organizations and 100,000 individuals through 500,000 distinct contacts. To date this marketing effort has yielded in excess of 1,300 Employment Network proposals. Because of its success, plans are to extend this marketing strategy in FY 2005 and FY 2006.

- SSA contracted with a professional marketing firm to develop a strategic marketing plan, created marketing materials to support the Ticket-to-Work Program and conducted market testing of these materials in several sites. Target audiences include Disability Insurance and Supplemental Security Income disability beneficiaries, service providers, and employers. In FY 2005, SSA will use the results from the market testing to develop a strategy for a nationwide marketing campaign.

- In 2004, SSA is planning a two-phase project to mail follow-up communications to approximately 850,000 beneficiaries who had not used their tickets. The objective is to determine what messages and types of materials generate the most beneficiary interest in the Ticket-to-Work Program. The first phase of the mailing, scheduled for the fall of 2004, will target beneficiaries located in the five areas with the heaviest concentration of Ticket holders and Employment Networks. The second phase, which will follow the first by 3-4 months, is another mailing to targeted beneficiaries with reported earnings during the last 12 months and those who have requested "Tickets on Demand."

- Through a series of interagency agreements which began in 2001, SSA is partnering with the Department of Labor's (DOL) Office of Disability Employment Policy (ODEP) to provide "Ticket to Hire," a specialized unit of ODEP's Employer Assistance Referral Network (EARN) that matches employers' job openings with qualified, job-ready candidates from the Ticket-to-Work Program. This is a free, one-stop disability-related employment resource for employers, which is delivered through e-mail, a toll-free number, a website and newsletters. Plans are underway to launch an enhanced strategic marketing campaign for EARN/Ticket to Hire in the fall of 2004.

Implement Work Incentives and Work Support Services: One of SSA's first work incentive programs was the Plan of Achieving Self-Support. Under this plan income and/or resources could be set aside for a specified work goal. Any funds that were set aside would not be counted as income in determining the monthly Supplemental Security Income amount. A special cadre of SSA employees was established to assist beneficiaries in establishing plans for self-support. In 2003, SSA established 58 experts within the Agency's regions through a new position called the Area Work Incentives Coordinator (AWIC). The role of the AWIC is to help process work-related disability claim actions, and to answer questions about and promote the use of the Ticket Program and other employment supports for people with disabilities. The Agency will maintain the current number of AWICs in order to support its ongoing work incentive activities.

In addition to AWICs, SSA has involved the Agency's Regional Office Ticket-to-Work Coordinators, Work Incentives Liaisons, the Plan for Achieving Self-Support Cadre and Public Affairs Specialists with promoting awareness and understanding of the Ticket Program and other employment support provisions.

Implementation of Disability Demonstrations: SSA is testing innovative ways to improve the disability program with a particular focus on increasing opportunities for people with disabilities to return to work. The demonstration projects under development will determine which supports and interventions are the most cost-effective means of removing barriers to employment and increasing the number of people with disabilities who actively participate in the workforce. In FY 2004 the Agency implemented the following initiatives:

- **Disability Program Navigator (Navigator):** The Navigator project is funded jointly with the Department of Labor. Navigators are specialists who are resource persons and advocates for individuals with disabilities who seek training and employment opportunities. The first Navigators were hired, trained, and on the job in

November 2003 at Labor's One-Stop Career Centers in 14 States. The One-Stop Career Center is the organizing vehicle for transforming a fragmented array of employment and training programs into an integrated service delivery system for job-seekers and employers. In addition to the 100 Navigators hired and in place, SSA and Labor awarded funds in 2004 for approximately 70 more Navigators distributed among the original 14 States and adding 3 States to the program.

- **Youth Transition Process Demonstration:** This demonstration assesses ways to facilitate the transition of youth with disabilities from school to independence as adults. Six States were awarded seven projects in September 2003. Projects began enrolling students in the summer of 2004 and will continue to provide services through 2009.

- **Florida Freedom Initiative:** The Florida Freedom Initiative is a statewide demonstration being conducted by the Florida Department of Children and Families with a grant from the Centers for Medicare and Medicaid Services. It focuses on individuals with developmental disabilities and its goals are to improve the delivery of long-term care services and to promote self-sufficiency. SSA has modified certain Supplemental Security Income (SSI) program rules to enable SSI beneficiaries to participate and to test whether the modified rules promote work and accumulation of assets, particularly through the use of individual development accounts.

- **Homeless Outreach Projects and Evaluation:** In FYs 2003 and 2004, Congress provided SSA with $16 million in funding to address chronic homelessness. This supports the President's initiative to end chronic homelessness in 10 years. SSA awarded funds in April 2004 to 34 service providers nationwide who currently provide outreach services to the homeless population. The purpose of this assistance to disabled homeless individuals is to improve their quality of life, especially in achieving full community integration, attaining stable housing and promoting recovery and employment. The project began enrolling individuals in September 2004.

SSA is developing additional initiatives to help serve the particular types of beneficiaries discussed below, as well as to tailor support for their specific needs.

- **Mental Health Treatment Study:** This study will test health care and job seeking behaviors of Disability Insurance (DI) beneficiaries who have a mental impairment as their primary diagnosis. SSA will test whether access to the necessary outpatient mental health disorder treatments (pharmaceutical and psychotherapeutic) and/or vocational rehabilitation has an affect on their ability to return to work.

- **Early Intervention Project:** Planned to start in early 2005, this project will examine the effect of providing employment services to DI applicants based on their work behavior, their dependency on DI benefits, and the resulting affect on the DI Trust Fund. The project will offer interventions to a sample of DI applicants with impairments that may reasonably be presumed to be disabling and who are likely to engage in substantial gainful activity as a result of the program. The interventions will include access to a wide range of necessary employment services, a one-year cash stipend equal to the applicant's estimated DI disability benefit and Medicare for three years.

- **Benefit Offset Demonstration:** This demonstration will allow SSA to test the effect and cost of a sliding-scale benefit offset for DI beneficiaries. Under this test, disability benefits would be reduced by $1 for every $2 a DI beneficiary earns above a given threshold, e.g., the level of "Substantial Gainful Activity (SGA)." For example, in calendar year 2004, the SGA amount was $810 per month for non-blind individuals and $1,350 for blind individuals. Under the current benefit rules, a beneficiary will lose the entire DI benefit after completing a trial work period and extended period of eligibility. This potential loss of benefits, and eventually the corresponding access to Medicare benefits, may keep many beneficiaries from attempting to work. The Benefit Offset initiative will enable more beneficiaries to return to the workforce.

- **Temporary Allowance Demonstration:** This demonstration will allow SSA to provide immediate cash and medical benefits for 12 to 24 months to applicants who are likely to benefit from aggressive medical care that would enable them to return to work.

- **Interim Medical Benefits Project:** This project will provide medical benefits to applicants with no medical insurance (no treating "source" evidence) whose medical condition would likely improve with treatment. This will facilitate the development of the necessary documentation for disability adjudication while providing the applicant needed services.

- **Ongoing Medical Benefits Project:** This project will test the effects of providing ongoing health insurance coverage to beneficiaries who wish to work, but have no other affordable access to health insurance.

Improve service through technology

Advances in information technology are essential to meeting the Agency productivity challenges ahead. The Social Security Advisory Board has noted that the combination of dramatic workload growth and SSA's employee retirement wave "will place extraordinary pressures on the Agency to meet the public's need for service." In the face of these challenges, technology is essential to achieving efficiency and enabling employees to deliver the kind of service that every claimant, beneficiary and citizen needs and deserves.

> Improving SSA service through technology will:
> - Provide the public with easy and efficient access to SSA services without leaving their home or workplace, ultimately saving time and resources; and
> - Improve Agency productivity and, thereby, improve service and preserve trust fund and general revenue monies.

This objective supports the President's Management Agenda (PMA) Electronic Government (E-Government) initiative and is responsive to the Office of the Inspector General (OIG) Major Management Challenge "Electronic Government/Service Delivery," the Government Accountability Office (GAO) Major Management Challenge "Better Position SSA for Future Service Delivery Challenges," and Social Security Advisory Board recommendations. SSA's vision is to provide, within the next 5 years, cost-effective E-Government services to citizens, businesses and other government agencies that will give them the ability to easily and securely transact most of their business with the Agency electronically.

SSA's most critical strategies to improve service through technology include eliminating operational backlogs, expanding electronic service delivery, and increasing electronic initiatives. SSA continues to review the strategy for delivering new Internet services. In FY 2004, the Agency continued to improve and increase the use of transactional services, including online benefit applications and verifications, modifying address and direct deposit information, as well as replacing Medicare cards.

Specific strategies for improving service through technology include:

E-Government to Citizens: In moving to the Internet environment, SSA's focus is to deliver high quality, citizen-centered service by providing informational material online. The Internet has proven to be an effective means for timely and efficient distribution of information. Accomplishments to date:

- **Social Security Online**, the official Social Security website was redesigned in 2003, improving accessibility, usability and branding. The website attracts over 30 million visitors a year, decreasing demands for direct service by SSA 800-number and field office staff.

  - In January 2004, SSA received Microsoft Corporation's Government Solutions Award. In part, the award reads, "Awarded to the government solution which best demonstrates as effective use of Information Technology in helping government perform (its) mission more effectively or provide superior service to the citizens."

- In September 2004, the latest report by the American Customer Satisfaction Index (ACSI) was released. Federal agencies use the ACSI to measure citizen satisfaction of services and programs. The Index is produced by a partnership of the University of Michigan Business School, American Society of Quality and CFI Group, an international consulting firm. The latest report contained evaluations of three Agency websites: SSA's main website; SSA's FAQ website; and SSA's Retirement Planner website. All three websites received scores above the government average of 71.2.

- **Frequently Asked Questions (FAQ)**, a cornerstone feature of the website, provides answers to over 18 million client inquiries each year.

- **E-Mail Inquiries**, a service provided to clients who have used the FAQ and did not find an answer. In FY 2004, SSA responded to over 428,500 inquiries by e-mail, providing another direct service option in addition to the 800-number and field office services.

- **Field Office Locator**, is an application on the Agency website, [www.socialsecurity.gov,](www.socialsecurity.gov) that provides instant client access to the location of every SSA field office by zip code. The street address, telephone number and directions to the office (including a map) are provided through this service. Listings of local social service agencies also are made available.

Expanded electronic service delivery is critical to the ambitious goal of keeping up with growing core workloads. To meet increasing public demands, SSA has aggressively pursued a portfolio of services that enable online transactions and increase opportunities for the public to conduct SSA business electronically in a private and secure environment. Accomplishments in this area include:

- **Internet Social Security Benefit Application (ISBA)** enables the public to apply for Social Security retirement, spouse and disability benefits online. In FY 2004, approximately 199,400 clients submitted applications for Social Security benefits online. Recently, the Adult Disability and Work History Report, the Childhood Disability Report, the e-Medical Evidence of Record, and the Appeals Disability Report were added to expand the online disability claims process.

- **An electronic "signature proxy"** process is now being used by claimants who file online, by phone or in person. Signature proxy removes the requirement for a signature on benefit applications and continues the Agency's progress to a totally electronic environment. Reaction from Agency field offices and the public about signature proxy has been very positive. Since its implementation on June 21, 2004, SSA has experienced a significant reduction in the number of Retirement and Survivors Insurance folders created. In August, there was a 64 percent decrease in the number of folders received in the processing centers- as compared to May of this year.

- **Services for current beneficiaries** include changing addresses and direct deposit information, replacing Medicare cards, and issuing proof of income letters and replacement 1099 forms. Cumulatively, these online services handled over 382,827 transactions in FY 2004, a 279 percent increase over FY 2002.

- **Services for website visitors**, which include the Benefits Planners, Online Social Security Statement Request and the Benefit Eligibility Screening Tools, served over 4.2 million website visitors in 2003. In December 2003, the authentication rules for Replacement 1099, Replacement Medicare Card and the Proof of Income Letter were modified so that more users are successful at completing these transactions. In January 2004, the new Knowledge-Based Change of Address application was implemented allowing more users to conduct business online.

- **e-News Electronic Newsletter** is an online monthly newsletter that informs the public about the latest Social Security developments. In FY 2004, it provided information to more than 304,021 subscribers, an increase of 43,279 since FY 2003.

- **Password Services** allows beneficiaries to register, change or request a new password. This service gives Title II beneficiaries the capability to change address and phone number, check the status of their benefits and change direct deposit data. In December 2003, password services were expanded to allow most Title II beneficiaries to request a password with over 286,765 passwords registered in FY 2004. While continuing to add services, SSA is focusing more on increasing the public's use of these transactional services. For this reason, SSA plans enhancements promoting ease of use. For the public, this will mean greater access and convenience. For SSA, this translates into more efficient and effective public service.

E-Government to Government: The Agency's initiatives improved not only SSA services, but also government-wide services. By establishing partnerships with other agencies and organizations, SSA has been able to share best practices and find common solutions to problems. SSA continues to research and test emerging technology to help determine their usefulness to the E-Government initiative. SSA participates in 19 of the 24 Presidential E-Government Initiatives and has the lead responsibility for one of these, e-Vital.

The e-Vital initiative seeks to automate and streamline the current paper-bound processes used to collect, process, analyze, and disseminate vital records information among government agencies and others that require access to vital records data according to State and Federal laws and regulations.

Government to Government strategies at SSA have traditionally focused primarily on exchanges of data with over 4,000 entities for the purpose of ensuring that benefits programs across government are administered fairly and accurately. Information and data exchange between SSA and other government agencies results in programmatic and administrative savings of over $2 billion each year.

Examples of successful data exchanges include:

- **"Secondary Payer" match** involves the Internal Revenue Service, SSA and the Centers for Medicare and Medicaid Services (CMS). The three agencies share pertinent data, allowing CMS to identify Medicare beneficiaries who are eligible for private health insurance through the employer of a spouse and allowing CMS to recover Medicare payments from the primary carrier. This is a "win-win" situation that provides better health insurance coverage for the beneficiary and lower cost to the government.

- **Veterans Administration Benefit match** allows SSA to check to see if a Supplemental Security Income (SSI) beneficiary is receiving a Veterans pension or compensation since SSI benefits must be reduced for other types of income. It also detects changes to the Veterans benefit and allows early offset to the SSI payment.

- **The SSA/Railroad Retirement Board (RRB) match** allows for automatic exchange of key eligibility information which is pertinent to the other program. This is critical to the efficient processing of claims in both agencies since SSA and RRB benefits must be computed using information from the other program.

- **The Department of Labor and SSA** entered into a memorandum of understanding to exchange data to facilitate data sharing between State Workforce Agencies (SWAs) and SSA. The exchange will permit SSA field office employees to obtain unemployment and wage data online. SWAs will obtain enumeration verification and payment data from SSA. To date, 36 States have expressed interest in exchanging data and, of those, 15 have signed agreements. SSA started exchanging data in September 2004.

- **The Internal Revenue Service (IRS) match** is a computer matching agreement with the IRS in which the Agency receives unearned income information for use in the SSI program. The match saves the SSI program over $47 million per year.

- **The Help America Vote Act (HAVA)** of 2002 requires SSA to assist the States and designated territories in voter registration by verifying the applicant's name, date of birth, and the last 4 digits of the applicant's Social Security Number.

E-Government to Business: SSA has made significant improvements in its earnings process and service to employers. Current Government to Business strategies include automating the reporting of wages by employers to SSA and the controlled use of Social Security data to verify Social Security numbers presented to employers by new employees. These services are continually being improved and expanded to better serve the business community and to obtain additional efficiencies in SSA operations. Accomplishments to date:

- **SSA placed third** for Business Services Online among the Digital Government Achievement Awards that were announced in October 2004 by the Center for Digital Government. The awards program recognizes outstanding agency and department websites and applications that enhance interactions, transactions and/or services in the area of government to business.

- **Electronic Wage Reporting** simplifies the wage reporting process for businesses by allowing them to submit employee wage reports online. The service also includes the AccuWage tool for businesses that improves reporting accuracy and reduces the volume of error correction and necessary follow-up contacts. In tax year 2002, 53.4 percent of all employee wage items (Forms W-2) were submitted electronically. Through September 2004, 60 percent of all employee wage items have been submitted electronically.

- **W-2 Online** is a service that meets the needs of small businesses by providing online entry and printing of W-2 wage and tax statement forms for distribution to employees. The Internet-based system also sends the wage and tax information to SSA, saving both time and money.

- **SSN Verification Service** (SSNVS) allows employers to verify Social Security number/name matches online. Matches of up to 10 name/number combinations can be performed immediately, while larger batches of combinations are verified and the results electronically delivered to employers the next business day. This service is currently being piloted by 100 employers throughout the country. SSA is evaluating the pilot to determine whether to implement SSNVS nationwide in 2005. Automating this process reduces staff and administrative time constraints for both SSA and employers and improves service timeliness to the business community. The system holds great promise, but SSA is proceeding carefully to ensure that the system is secure, as well as user-friendly.

Opportunities still exist to make improvements in the electronic wage reporting program. Over the next 2 years, SSA will eliminate the use of diskette and tape; and also eliminate paper reporting to increase electronic reporting. SSA plans to accommodate more business via the Internet, improve earnings products and services for employers and employees, and improve the way earnings are established, corrected and adjusted.

Other Service Initiatives:

- **Improve Notices:** This long-term initiative includes the use of technology to improve SSA's notices so that the public can better understand them, reducing the need to contact SSA for further explanations. SSA is:

  - Revising the language and format of its least understandable, most sensitive, high-volume notices, and making them available in Spanish.

  - Consolidating and modernizing notice databases.

  - Increasing automation and eliminating labor intensive manual processes when possible.

- **Title II Redesign:** The goal of the Title II Systems Redesign project is to provide a single system for processing virtually all Old Age, Survivor and Disability Insurance (OASDI) initial claims and client-related postentitlement actions in an online interactive mode. SSA continues to increase the automation rate for OASDI postentitlement workloads that reduce internal hand-offs of work and also reduce follow-up calls from beneficiaries. In June 2004, Title II Release 3 was successfully implemented. This release is the biggest software release that SSA has ever undertaken. The Agency focus will now shift to automating the provisions of the Medicare Prescription Drug Improvement and Modernization Act of 2003.

- **Title XVI Postentitlement Modernization:** The Modernized Supplemental Security Income Claims System provides the infrastructure for processing SSI claims and postentitlement transactions. SSA continues to enhance this system to improve productivity, e.g., reducing internal work hand-offs and multiple contacts with beneficiaries. Some of the specific improvements in FY 2004 included:

    - Further automation of windfall offset.

    - Control of SSI alerts using a database.

    - Address integration between the Modernized Supplemental Security Income Claims System and other SSA systems.

    - Automation of remaining SSI actions not supported by the Modernized Supplemental Security Income Claims System.

Stewardship

Prevent fraudulent and erroneous payments and improve debt management

This objective encompasses SSA's efforts to ensure that SSA pays the right person the right amount. It includes activities for preventing and detecting payment error, fraud and misuse attributable to non-medical and medical factors of eligibility. Its scope extends beyond error prevention and detection to recovery of overpayments and payment restitution.

> Preventing fraudulent/erroneous payments and improving debt management will:
> - Ensure that Americans receive the benefits they are due; and
> - Assure taxpayers that trust fund money and general revenue funds are spent correctly.

The President's Management Agenda (PMA) initiative on Improved Financial Management directs agencies to set goals to reduce improper payments[1] for each of their programs. SSA's own analyses, as well as assessments by the Office of the Inspector General (OIG), the Social Security Advisory Board and the Government Accountability Office (GAO), have identified several major areas susceptible to erroneous or fraudulent payments.

The following is a discussion of these areas and the activities SSA is engaged in to prevent, detect and collect erroneous payments, including the Major Management Challenges: "Continue to Strengthen the Integrity of the SSI Program" (GAO), "Improper Payments" (OIG), "Representative Payee" (OIG), and "Improved Financial Performance" (PMA).

The Agency recognizes that SSA must do more to improve stewardship of all SSA-managed programs, with a focus on improving the more error-prone SSI program. In FY 2004, SSA targeted initiatives that have the most potential to improve the integrity of the Agency's programs across three fronts: prevention of improper payments, detection of improper payments, and collection of debt.

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[1] The Agency uses the terminology "improper payments" and "erroneous payments" interchangeably. For consistency, the term "improper payments" will be used throughout the document except when referencing the strategic objective to "prevent fraudulent and erroneous payments and improve debt management."

Some of these initiatives are discussed in greater detail as follows:

Prevention and Detection Activities:

- **Continuing Disability Review (CDR):** CDRs help ensure the integrity of the disability program through which SSA determines whether beneficiaries will continue to be entitled to benefits based on their medical conditions (medical improvement sufficient to return to gainful employment) or their work and earnings. The Agency has made tremendous progress in its efforts to improve the CDR profiling process and procedures. Profiles permit the Agency to target cases for intensive review only where medical improvement is much more likely. Those with severe impairments can be processed with a limited contact that only investigates if there has been a change in their condition or work activity. Currently, several feasibility studies are underway to build on the current process and increase efficiency without sacrificing effectiveness. One example is studying a mailer process for SSI cases that could be implemented in FY 2005. If the studies are productive, SSA plans to implement related projects in FY 2005. Additionally, there are several other initiatives underway, including a Failure to Cooperate Pilot.

- **Work Continuing Disability Review:** SSA is developing the e-Work system as a means of controlling and processing "work" CDRs. Work CDRs are used to develop and evaluate the worth of the beneficiary's earnings to determine if disability continues or ceases. This system will replace a manual, labor-intensive process, thereby allowing SSA employees to process "work" CDRs more efficiently, timely and accurately. The e-Work system will also provide a mechanism to collect reports of earnings from Supplemental Security Income (SSI) recipients and issue receipts of such reports to both Disability Insurance (DI) "work" CDR beneficiaries and SSI recipients. The e-Work application will provide improved management information and tighter controls on the "work" CDR process. Additionally, the e-Work system will allow for improved coordination between field offices, enabling earnings information to be recorded at the point of contact, thereby reducing the occurrence of overpayments. The e-Work application went live in 107 test offices across the country on January 20, 2004 and is expected to be implemented nationwide in FY 2005.

- **SSI Non-Disability Redeterminations:** The most powerful tool SSA has to detect and prevent SSI overpayments is the SSI redetermination. Redeterminations, required by law, are periodic reviews of non-medical factors of SSI eligibility. In FY 2003, almost 40 percent of the SSI recipients had their eligibility reviewed at some point during the year. The estimated benefits from the FY 2003 redeterminations, including limited issue cases, will total almost $2.68 billion in overpayments collected or prevented and almost $1.53 billion in underpayments paid or prevented. (Limited issue cases are redeterminations that are limited in scope and do not require a full review of eligibility. For example, a discrepancy is identified by a computer match. Once the discrepancy is resolved, the limited issue case is cleared.) In FY 2004, over 2.2 million periodic redeterminations were processed.

- **Computer Matching Activities:** SSA has an extensive computer matching program to ensure accurate payments. Computer matches include online wage data matches against data on nursing home admissions, prisoners, the Department of Homeland Security data on individuals who have been deported or voluntarily left the country, fugitive felon information from law enforcement entities, and information from the Office of Child Support Enforcement on recent employment, i.e., new hires.

- **Wages and Bank Accounts as a Source of Payment Errors:** SSA is addressing the two highest sources of payment errors, which are unreported resources and wages. For the purposes of the SSI program, SSA has published final regulations on performing bank account verifications and also conducted a project to test the feasibility of electronic verification of bank accounts. Based upon the proof-of-concept evaluation report completed in September 2004, SSA's executives have decided to dedicate future systems resources to expanding the automated bank account verification system nationwide. SSA is also finishing an analysis of the effectiveness of monthly wage reporting via touch-tone and/or voice recognition telephone reporting. In FY 2005, SSA will make a decision on expanding the project nationwide and developing supporting systems changes.

- **Potential Residency Violations:** SSA has tested the feasibility and effectiveness of a new process to detect potential residency violations by examining 6,000 images of SSI checks looking for those that were endorsed by financial institutions outside the U.S. The Agency will follow up with a study of withdrawal records from automated teller machines in foreign countries for SSI beneficiaries receiving their benefits by direct deposit.

- **Electronic Death Registration (EDR):** SSA continues to support EDR as a priority. A successful rollout is dependent upon funding and State readiness. The Online Verification System for death reports went into production in February 2003. System changes to permit immediate termination of benefits of deceased beneficiaries were implemented in April 2004. Additional enhancements were completed in July 2004. There are contracts in place for EDR in 15 States and 2 cities (New York City and Washington D.C.). By the end of FY 2004 EDR had been implemented in New Hampshire, South Dakota, Minnesota and Montana. The Agency will continue the nationwide expansion of EDR by awarding as many States as funding allows in FYs 2005 and 2006. SSA also plans to submit legislation to amend the Social Security Act. The proposed amendment would allow the Agency to fund initiatives, such as EDR, that have a favorable benefit-cost ratio with regard to program and administrative savings.

- **Cooperative Disability Investigations (CDI):** The CDI program, which began in 1998, represents one of SSA's most successful anti-fraud initiatives and plays a vital role within SSA's disability programs. The CDI program is a joint effort by the Office of the Inspector General (OIG), Disability Determination Services (DDS), and SSA to improve stewardship responsibilities in the Social Security disability program, with a zero tolerance for fraud and abuse. The CDI units are made up of an OIG team leader and staff from SSA field offices, DDSs and local law enforcement agencies. CDI units investigate initial disability claims and postentitlement events referred by a disability determination services office or field office for fraud/similar fault development. Based on these investigations, SSA is able to:

  - Prevent claimants that are not disabled from receiving disability benefits erroneously.

  - Cease benefits for recipients who have disguised/falsified medical improvement or work activity.

  - Reopen cases and remove claimants who never should have received disability benefits.

There are currently 18 CDI units in 17 States. Each SSA region has at least one CDI unit. Overall productivity and program savings from the CDI units continue to increase every year. In FY 1998, when the program began, it accounted for $2.8 million in savings for SSA. In FY 2004 (through August), CDI units project over $122.2 million in program savings with an annual budget of only $6 million. Cumulatively, through July 2004, SSA program savings will exceed $399 million, with an additional $266 million in projected cumulative savings for non-SSA programs.

Due to budget constraints, this year the Agency will not be able to expand the number of CDI units. However, the Agency was able to provide an additional investigator for two of the already successful units operating in Cleveland and St. Louis. The extra staff should allow these units to increase productivity and program savings.

The success of the CDI Program is evident in the cumulative SSA program savings, as well as in the additional savings for non-SSA programs. In addition to tangible program savings, the public's awareness of the CDI Program has an intangible effect, that is, to deter fraud. The CDI Program has been successful in helping to fulfill our stewardship responsibilities for the Social Security disability programs by promoting SSA's policy of zero tolerance for fraud and abuse.

- **Representative Payee:** SSA appoints representative payees for individuals who are incapable of managing or directing the management of their benefits. Based on in-depth Agency analysis and increased congressional, media, OIG and advocate concerns, SSA reexamined representative payee program operations. SSA has made progress on several fronts and continues to work on ways to improve the representative payee program. Some of these initiatives include:

- An expanded monitoring program for periodic site visits of all fee-for-service and certain volume representative payees in an effort to improve their performance as payees and protect beneficiaries from misuse of their benefits.

- A contract with Dunn and Bradstreet to perform credit checks on organizational payees.

- Systems improvements to tighten controls over cases where records show selected payee applicants have been convicted of a felony.

The Social Security Protection Act of 2004 (SSPA) gives SSA additional tools to help carry out responsibilities for program stewardship. The provisions of the SSPA provide for additional monitoring of organizational payees and invoke new sanctions for misuse of benefits. These provisions will help SSA in its efforts to ensure effective oversight of representative payees. SSPA gives SSA the authority to impose civil penalties on representative payees who misuse benefits paid to them on behalf of SSA recipients. A penalty of up to $5,000 can be imposed for any wrongful conversion of benefits, and the representative payee can be assessed damages up to twice the amount of funds misused. The legislation also provides additional protections for beneficiaries who have representative payees. These protections include:

- Additional onsite reviews of organizational payees.

- Enhanced requirements for qualified organizations approved to collect fees for providing payee services.

- Forfeiture of fees for providing payee services in any months benefits were misused.

- Benefits will be reissued if an organizational payee misuses the benefits.

- Payee will be held liable for any benefits misused and the amount will be considered an overpayment to the payee and subject to recovery procedures (unless the payee is a federal, state or local government agency).

Recovery of Overpayments: SSA continues to use aggressive debt collection tools to recover delinquent benefit overpayments from former beneficiaries. SSA refers delinquent debts to the Treasury Offset Program to recover debts from Federal tax refunds and other Federal payments. In addition, SSA withholds Supplemental Security Income (SSI) overpayments from the benefits of individuals who become entitled to Old Age, Survivors and Disability Insurance (OASDI) payments and refers debts to credit bureaus. A project under development is the use of Administrative Wage Garnishment as a means to collect debts through a debtor's employer. Anticipated implementation is December 2004.

The Social Security Protection Act of 2004 authorizes Cross-Program Recovery for Benefit Overpayments. This new law allows SSA to increase the recovery of overpayments paid under one program from the benefits paid under another program. It provides for withholding up to 100 percent of any underpayment and 10 percent of ongoing monthly benefits for Social Security beneficiaries. A Notice of Proposed Rulemaking, which would amend Agency regulations to implement SSA's expanded authority to use cross-program recovery to collect overpayments, was published in the Federal Register in August 2004. The final regulation will be published on November 30, 2004.

In addition, SSA's strategy for increasing the recovery of overpayments includes the following initiatives:

- Identifying those SSI debtors whose debts have been determined to be uncollectible and who are now receiving SSI and/or Social Security payments. Once identified, action would be taken to recover as much as 10 percent of the debt each month from ongoing benefit payments. Taking action on these now inactive debts will increase the proportion of debt in a collection arrangement. Initiating withholding from benefits also will result in increased recovery of debts. Since June 2004, $1.5 million of SSI debt had been detected and $650,000 in SSI debt had been collected.

- Building a scoring system that prioritizes unresolved debts. This supports actions to bring debt workloads into balance with operational resources and ensures that resources are expended on the debt with the best potential for recovery.

- Piloting an automated monthly wage-reporting method for workers at risk for wage-related overpayments, using voice recognition/touch tone telephone technology. The Agency will evaluate the results of the pilot and will make a decision on proceeding with national implementation.

- Providing SSA operating components with a tool that organizes debt information more efficiently for individual case processing and better workload management. This tool, named "OP-WIZ," is now in use in field offices and Program Service Centers.

Strengthen the integrity of the Social Security Number (SSN)

The original purpose of the SSN was to enable SSA to keep an accurate record of earnings covered under Social Security and to pay benefits based on those earnings. Over time, the SSN has become a primary means of identification in both the public and private sectors. As use of the SSN has grown, so has identity fraud.

Most instances of identity fraud result not from any action or failure to act by SSA, but from the proliferation of personal information in society. Many Agencies including SSA have a role in combating identity fraud, including the Federal Trade Commission and the Department of Homeland Security. SSA's role in this effort includes activities to prevent and detect SSN fraud, and develop and implement policies in partnership with other government entities to strengthen enumeration and homeland security. One of the actions taken by SSA to accomplish these goals is the Enumeration-at-Entry program. This is a process designed to issue SSN cards based on data collected as part of the immigration process. SSA is planning enhancements to verification systems, including the Systematic Alien Verification for Entitlement, requiring mandatory interviews for all SSN applicants age 12 or older, and expanding its pilot online SSN verification for employers.

> Strengthening the integrity of the SSN will:
> - Ensure that SSNs are assigned appropriately.
> - Support efforts to increase domestic safety and the security of the Nation's borders.
> - Protect Americans from incidents of identity fraud.

The following is a discussion of SSA's activities to strengthen the integrity of the SSN and address SSA's Office of the Inspector General (OIG) identified Major Management Challenge with respect to "Social Security Number Integrity and Protection."

In FY 2004 SSA's strategies to improve the enumeration process included the following:

Revising the Social Security Card: To protect the integrity of the SSN and curb its use for identity theft purposes, SSA is developing fact sheets and posters encouraging people to keep their Social Security card in a safe place and not carry it with them. During 2004, a variety of changes to the card size and formatting, which had been presented to focus groups for public input, were considered. SSA made changes to security enhancements and included a warning to keep the card in a safe place. Minimally revised cards are now in use.

Decreasing reliance on applicant submitted evidence: Enumeration at entry is a process designed to issue SSN cards based on data collected as part of the immigration process. It prevents fraud and ensures the integrity of the SSN because SSA receives enumeration information directly from the Department of Homeland Security's United States Citizenship and Immigration Services (USCIS). In October 2002, the Department of State (DOS) began collecting enumeration information from adult applicants applying for admission into the U.S. as permanent residents, and started sending the enumeration data to USCIS. Upon admission to the United States, USCIS

electronically sends the enumeration data directly to SSA. In FY 2004, SSA, DOS, and USCIS worked together to initiate expansion to other groups of aliens. In FY 2004 and continuing into FYs 2005 and 2006, SSA will be working with DOS and USCIS to initiate expansion of Enumeration at Entry to certain non-immigrants whose visas are generated by petitions from employers and to non-immigrants in the U.S. who are getting employment authorization documents.

Tightening other evidentiary requirements: In addition to requiring mandatory interviews for all SSN applicants age 12 or older and evidence of identity for applicants regardless of age, SSA also made regulatory changes on the evidence required by SSN applicants who are "F1" students (i.e., aliens admitted to the United States to pursue education).

Enhancing Verification processes: In FY 2003, SSA conducted a comprehensive review which identified the need to significantly update the SSN verification systems and processes. As a result of that review, SSA is undertaking short-term and long-term initiatives to improve the various verification processes. In FY 2004, SSA began providing death information as part of the verification routine for employers to help prevent the misuse of a deceased individual's SSN. In FY 2005, SSA will provide more than 500 million SSN verifications while developing improvements to a variety of systems and processes. Systems changes are being phased in to provide death and fraud alert information to our various Federal, State and business partners. Each arrangement for verification services must consider the safeguards outlined by the Privacy Act and the SSN user's right to the information, so that agreements and the business partner's systems may also need to be modified as changes are made.

Following through on a substantive analysis of SSA's SSN verification processes, in FY 2005 the Agency will initiate planning and analysis for an automated registration and control process. SSA's current paper processes for registering and maintaining information about verification users have not kept pace with increased demand or changing technology. The new automated registration and control system will include initial and updated registration, control of users and uses of information, management information reports, and integrity review functions.

In FY 2005, SSA will also conduct planning and analysis for a new verification system that will integrate multiple labor intensive systems into one flexible system. The Agency is planning a system that will be responsive to the needs of specific customers, provide for variations to reflect the information that it is appropriate to disclose, and take advantage of the most current telecommunications technology.

In FY 2004, Operations support staff in Headquarters worked in coordination with the New York Region on enhancements to the NY SS-5 Assistant Program. The enhancements will:

- Serve as the front end input system that will collect all necessary data in mandatory fields and propagate it to the current Modernized Enumeration System.

- Collect data in an intelligent manner as a data driven system.

- Automatically query the Systematic Alien Verification for Entitlements system at the time the application is being entered.

- Generate certain disallowance notices that are not generated in the Modernized Enumeration System.

The enhancements to the SS-5 Assistant Program will ensure that completed SSN applications are in compliance with policy requirements regarding evidence, verification and documentation. SSA expects to implement these enhancements in FY 2005.

Also in FY 2005, the Agency expects to roll out enhancements to the New York Modernized Enumeration System Workload Management System. The enhancements will increase the security of the enumeration process facilitating management review with a certification process.

Increase the accuracy of earnings records

Maintaining the accuracy of earnings records for all working Americans is critical. SSA uses these records to determine whether an individual has earned enough wage credits to be eligible for benefits and the amount that will be paid. Despite high accuracy rates (96.4 percent of earnings are assigned correctly to individual workers' records), the amount of earnings that cannot be assigned to individuals' work records has been growing in recent years and is a major concern for the Agency.

The OIG has designated the integrity of the earnings reporting process as a significant management issue. Over 250 million wage reports are submitted annually by employers. Of those, approximately 10 percent (25 million) initially do not match SSA's records. Using electronic processes SSA is able to match about 64 percent (16 million) of these mismatches. Still, about 9 million names and/or SSNs cannot be matched to an individual record due to an invalid name/SSN combination. SSA maintains the information on these earnings in an "earnings suspense file" for potential future reconciliation.

> By increasing the accuracy of earnings records, SSA is:
> - Ensuring that Americans receive the full Social Security benefits to which they are entitled.
> - Protecting the trust funds by ensuring that benefits are being paid accurately.
> - Increasing the public's confidence in the reliability of the Social Security system.

The following is a discussion of the activities SSA is engaged in to increase the accuracy of the Agency's earnings records and address the OIG identified Major Management Challenge, "Social Security Number Integrity and Protection."

To augment existing strategies to increase the accuracy of earnings records, SSA has launched an earnings improvement effort that includes:

- Increasing the use of electronic filing by employers, especially increasing Form W-2 (Wage and Tax Statement) and W-2C Online Internet filing by small employers.

- Providing online filing status and error information.

- Expanding the employer education campaign pilot to encourage greater use of SSN verification services that allow more employers to verify online a valid name/SSN combination.

Employer education campaign: SSA educates employers about electronic reporting through promotional materials, payroll and employer focused conferences, articles for trade publications, and direct contact with employers.   SSA will continue to make on-site visits with large payroll service providers and other companies, encouraging them to report electronically. SSA maintains a comprehensive website to support its education programs for employers and the business community: www.socialsecurity.gov/employer.

SSA has undertaken an educational campaign to inform the wage reporting community of error detection tools available to them prior to submitting entire wage reports to SSA. SSA is piloting the use of the Internet to allow employers to verify names and Social Security numbers. The Agency is sending notices to employers who reported more than ten employee name/SSN discrepancies on the Form W-2 and these discrepancies exceeded 0.5 percent of the total number of W-2s that the employer submitted to SSA for Tax Year 2003. These notices request the employer to provide corrected information to the Agency within 60 days. Additionally, SSA will continue to send

out annual Social Security Statements to all individuals age 25 and over so that they can review their earnings history for completeness and accuracy.

SSA is currently gathering and analyzing baseline information concerning the affect of these initiatives on the accuracy and growth of the earnings suspense file. Based on this analysis, SSA will continue to examine its key outcomes and strengthen its performance measures accordingly.

Efficiently manage Agency finances and assets, and effectively link resources to performance outcomes

Recognizing the importance of good management in the efficient and economic delivery of desired results, the President's Management Agenda (PMA) identifies five government-wide initiatives intended to work together as a mutually reinforcing set of management reforms. The Administration uses a scorecard of red (unsatisfactory), yellow (mixed results, i.e., achieved some but not all the criteria), and green (success) to rate agencies on both the progress and status of each initiative. SSA's current ratings are recognized as among the best for major Federal agencies. As of the end of the September 2004 quarter, SSA had received the highest rating by getting to "green" for status in three categories, Budget and Performance Integration, Improved Financial Performance, and Human Capital, with a "yellow" rating for Competitive Sourcing and Electronic Government. SSA is rated "green" in progress for four of the five initiatives.

By July 2004, all Federal agencies were required to submit a "Results" Report to the Office of Management and Budget. SSA's report, "Results at the Social Security Administration: Getting it Done," helped the Agency tell the good news of its improved service to the American people and to the American taxpayer by providing more effective and efficient service. A "Meeting on Main Street" video broadcast was made available to all SSA employees to discuss the contents of the report.

> SSA's efforts to "get to green" for successfully implementing the PMA initiatives will:
> - Improve the efficiency and productivity of SSA operations, thereby, saving taxpayer and trust fund money for use by future generations.

This objective focuses on the management aspects of administering the Social Security programs. The scope extends beyond fiscal integrity to encompass Agency productivity improvements and the integrity and security of records and information that SSA maintains. The crosscutting nature of these initiatives and priorities affects all of the strategic objectives. This objective encompasses three PMA items that have been identified as Agency priorities: Budget and Performance Integration, Improved Financial Performance, and Competitive Sourcing.

Budget and Performance Integration: As of the June 2004 quarter, SSA achieved "green" for status in this PMA initiative and maintained this status through the September 2004 quarter. SSA has established the relationship between resources and results through the Agency's Service Delivery Budget Plan. This is a multi-year plan detailing the resources required to support core workloads (e.g., processing special workloads; reducing the number of pending disability claims, hearings and appeals, and other operational workloads; improving productivity and fiscal stewardship). The Service Delivery Budget Plan aligns costs and workyears with overarching performance goals in the Agency's Strategic Plan.

SSA is also improving its core budget formulation system, and developing more automated tools that build on the current financial performance and management information systems. It allows the Agency to better project how resource changes affect various workloads, outputs and outcomes. Furthermore, SSA has demonstrated a macro budget formulation model that helps estimate what level of performance to expect at different levels of funding and productivity.

The Agency budget clearly defines performance commitments, both in terms of the public service and program integrity workloads and the outcomes it expects to achieve. SSA's plans and budgeted activities reflect evaluations and feedback from Congress, the Social Security Advisory Board, the Government Accountability Office (GAO), and the Office of the Inspector General (OIG). Accountability is clearly defined for major Agency initiatives and workloads, and productivity and/or process improvements are included. Agency executives meet monthly to review and discuss performance measures. Resource allocation decisions are made based on performance. Furthermore, results from the President's Program Assessment Rating Tool (PART) are integrated into the Agency's decision-making process, and are included in its budget justification materials.

Improved Financial Performance: SSA attained a status score of "green" in this PMA initiative as of the third quarter of FY 2003. As of September 2004, the number of agencies receiving a "green" in status for Improved Financial Performance increased to 6 out of 26. SSA's achievement of "green" in status was the culmination of efforts over more than a decade in implementing sound financial management practices. The Agency has maintained its "green" status by continuing to receive an unqualified opinion on its financial statements with no material weaknesses cited by auditors; having financial systems compliant with Federal law; and having integrated financial and performance management systems which allow the Agency to routinely assess performance and financial information in order for managers to make day-to-day decisions. By maintaining a "green" in status for improved financial performance, SSA continues to demonstrate its commitment to meeting the standards for success for this initiative.

The Agency continues its aggressive efforts to reduce improper payments and collect related debt by increasing cost-effective program integrity initiatives. SSA's Supplemental Security Income (SSI) Corrective Action Plan focuses on:

- Overpayment prevention through electronic access of financial institution records to determine if an applicant owns unreported assets.

- Increased emphasis on debt collection using a new debt collection measurement tool that identifies those portions of the Agency's debt portfolio that are subject to collection agreements and those portions not set up in a repayment agreement.

- Better overpayment detection through online data access which improves the ability to verify documents and claimant allegations.

Competitive Sourcing: As of the June 2004 quarter, SSA achieved "yellow" for status in this President's Management Agenda initiative and maintained this status through the September 2004 quarter. The Office of Management and Budget (OMB) revised its government-wide instructions (Circular A-76) regarding development of competitive sourcing plans. The instructions call for the development of plans to meet the standards for a "yellow" and "green" status on the President's Management Agenda initiative. SSA's "yellow" plan was developed in accordance with these instructions and has been approved by OMB. The Agency's "green" plan was submitted to OMB in September 2004 and is pending approval.

SSA has established a public-private competition process that ensures competitive sourcing is used to improve the efficiency and effectiveness of Agency processes and provide the greatest benefit to the taxpayer. The Agency has established a centralized Office of Competitive Sourcing with contracting, human resource, budget and A-76 (the OMB guidelines that cover the competitive sourcing process) expertise. SSA has developed competitive sourcing procedures, processes, delegations and policies and a communication plan that uses workgroup members, memos and a website to disseminate this information. The Agency uses contractor support with A-76 experience to assist in training and conducting studies. SSA has implemented several steps to ensure that competitions are completed within given timeframes. The steps include:

- The inclusion of pre-planning in the SSA process which results in personnel being adequately trained on the A-76 process.

- Project plans for each study.

- Carefully monitoring milestone dates.

Since 2001, the Agency has competed or converted 125 positions through four competitions and two direct conversions: Systems Software Validation (retained in-house), Headquarters Parking and Badging (awarded to private sector), Dallas Mailroom Express Study (awarded to private sector), Systems Help Desk (retained in-house), Performance Audits (direct conversion) and Magnetic Media Support (direct conversion) allowing the Agency to save money and improve service. There are now 645 positions under study or in the preliminary planning phase. The positions include facilities maintenance, mailroom operations, and data center operations.

The Agency has established tools such as a Help Desk where employees involved with competitive sourcing competitions can call or write to get information on topics related to:

- Competitive sourcing guides and flowcharts.

- Lessons learned.

- Current studies.

- Fair Act Inventory.

- OMB Circular A-76 (revised).

- Competitive sourcing definitions.

Responses to employee inquiries are coordinated with staff from components that have responsibilities related to competitive sourcing such as contracting, labor relations, human resources, general counsel, and components currently or previously involved in competitive sourcing activities. A website with lessons learned, frequently asked questions, a manager's guide, and links to other related web pages was also developed.

Through competitive sourcing, SSA has achieved improvements that make it a more efficient organization and prove the Agency is as efficient as any organization in the private sector.

Management Information Improvements: This area encompasses SSA's efforts to provide timely, useful and reliable data to assist internal and external decisionmakers in effectively managing programs, evaluating performance, and ensuring that performance and financial data are valid and reliable.

Two major initiatives address improvements to the management information systems: Social Security Unified Measurement Systems (SUMS) and Managerial Cost Accountability System (MCAS). These projects are key enablers in monitoring and reporting on Agency progress in achieving its strategic goals and objectives and tracking resources expended.

The objective of the SUMS project is to create a unified measurement system for all SSA operational components that counts and measures all work in a consistent manner, regardless of where the work is processed. It provides the detailed information managers need to monitor service, forecast workloads, and make informed decisions on how best to manage work and resources. This is being accomplished as a series of initiatives over several years. SSA has implemented several management information enhancements through the use of Operational Data Stores, i.e., Agency-wide repositories of related information on categories of work.

- **The Title XVI (SSI) Processing Time project** moves SSA to an official source for processing times and workload counts. The Access to Standard Reports is available via the SUMS MCAS MI Central intranet portal. This allows ad hoc access for local reporting and data analysis. Data from the previous system are available for prior periods to facilitate year-to-year comparisons.

- **The Title II (Old Age, Survivor and Disability Insurance [OASDI]) Transition project** created a new primary source of management information for the OASDI claims process by providing initial claims reports and allowing for ad hoc access for data analysis.

- **The Postentitlement Operational Data Store (PEODS)** provides comprehensive, integrated management information and redetermination/limited issue workload control data. This includes case level information available down to the local office level that supports analysis and effective management information of the SSI program.

MCAS focuses on critical performance and financial information needed by managers and employees. The system assembles and processes a wide variety of information from widely dispersed SSA management, program, workload and financial systems, combining data into a modern managerial accountability system. MCAS will promote performance accountability for the programs that SSA administers.

The SSA Security Plan: The Security Plan, as required by the E-Government Act of 2003, Title 3, Federal Information Security Management Act, documents Agency initiatives to develop, implement and maintain an Agency-wide security program. It is an essential part of ensuring the confidentiality and integrity of data and the availability of SSA's programmatic mainframes. The plan covers security controls in the following major areas that must be continuously in place:

- **Rules of Behavior and Personnel Controls:** Personnel controls include separation of duties, individual accountability, and application of the principle of "least" privileges (i.e., individuals are given only the level of access needed to do their jobs). Controls also include criteria determined by the Office of Personnel Management to identify position-sensitive risk levels for automated information systems.

- **Training:** SSA's three-pronged training program includes basic awareness training for all employees to adequately fulfill their responsibilities, training adaptable for employee-specific needs, and education for employees whose primary responsibility is security.

- **Incident Response Capability:** SSA has long had security-related reporting procedures in place for various incidents. The plan includes the SSA Security Response Team, which was formed to address threats against the Agency's electronic systems and to assist the workforce with handling systems incidents.

- **Risk Management:** SSA's Risk Management Program ensures a continuous review of the automated systems critical to the Agency's mission, i.e., an annual certification and accreditation of these systems. SSA uses a number of approaches to satisfy risk management requirements, including risk analysis, risk management reviews, the consolidated integrity review process and the systems security life cycle process. Security personnel are included and consulted at each stage of systems development.

Continuity of Support: Contingency planning and disaster recovery are designed to minimize the occurrence of situations that can affect the confidentiality and integrity of data and the availability of resources and services to continue essential business operations under all circumstances. To ensure the continuity of essential government services in an emergency situation, a series of Presidential Executive Orders, Presidential Directives and Preparedness Circulars mandate the development of Continuity of Operations Plans for all Federal Agencies.

These directives, including a Homeland Security Presidential Directive passed in December 2003, call for a national level effort to ensure the security of interconnected infrastructures for Federal, public and private entities, and provide for protection plans covering national assets from physical and cyber attacks. SSA established an Agency-wide Critical Federal Infrastructure Protection Workgroup that developed a plan outlining a comprehensive approach for the protection of cyber systems, physical security and for continuity of operations.

Safety/Physical Security: SSA complies with the federally directed higher alert level that has been mandated by the Department of Homeland Security. SSA identifies and rectifies new vulnerabilities and replaces aging equipment when its shelf-life ends. SSA has expanded environmental health and safety programs to ensure all SSA employees work in safe surroundings, and that there are guards on duty at all of SSA's offices whenever they are

open. This initiative also provides for education and resources to prevent accidents and exposures, and to respond appropriately and timely whenever environmental health and safety accidents occur.

Information Technology Infrastructure: All of SSA's programmatic and administrative workloads and most of SSA's service delivery channels rely on a complex information technology infrastructure. This initiative provides for upgrading hardware and software, refreshing obsolete technology and improving economies of scale in SSA's information technology environment. The foundation for this initiative rests on three tenets of operation:

1. Availability – SSA users must have access to SSA information technology infrastructure services during the hours of operation of SSA's field offices and while telephone service is available to the public. Non-employee access (e.g., data exchange partners, the public, etc.) is required at times approaching 24 hours a day, 7 days a week.

2. Stability – The platforms must be available, without patterns of even brief periods of outage.

3. Maintainability – Information technology hardware and software in widespread, critical production use must be maintained at near-current release levels to ensure continued and quality support services from vendor suppliers.

Reconcile Office of Inspector General (OIG) and Government Accountability Office (GAO) Recommendations: Through the years, OIG and GAO have audited SSA's internal processes, performance measures, and responses to Agency challenges. SSA has implemented most of their recommendations and is involved in ongoing discussions with OIG and GAO concerning the recommendations that were not implemented. The Commissioner and Agency leadership are committed to responding to audit recommendations through the development of guidelines for drafting responses to audit recommendations that take into account the significance of the recommendations on service, stewardship, solvency and staff. Working in collaboration with OIG and GAO audit recommendations are clearly defined and goal oriented.

Each fiscal year since FY 2000, new audit recommendations have increased from 205 in FY 2000 to a high of 342 in FY 2002 and 335 in FY 2003. Even with this dramatic increase, the Agency managed to implement or appropriately close the recommendations to a final pending of 185 at the end of FY 2002 and 183 at the end of FY 2003. An ongoing executive emphasis focuses on the implementation of significant recommendations with a special focus on reducing aged recommendations. Through the Commissioner and Agency leadership, SSA has significantly reduced the number of aged recommendations 2 years and older. SSA will continue to focus leadership attention and track progress on audit recommendations until they are implemented or otherwise properly closed.

Solvency

Support reforms to ensure sustainable solvency and more responsive retirement and disability programs through education and research efforts

Today about 3.3 people pay into Social Security for every one person receiving benefits. By 2030, this ratio is expected to decline to about 2.2 to 1. SSA now collects more in taxes than it pays out in benefits. According to the 2004 Trustees Report, Social Security expenditures are expected to exceed tax revenues starting in 2018. If there are no changes in the law, the trust funds are projected to become exhausted in 2042 and the taxes would thereafter be insufficient to cover the full cost of the program.

> Ensuring Social Security solvency will ensure economic security for generations to come.

The aging of the American population is having profound, long-term effects on the sustainable solvency of Social Security programs. Both Social Security's Board of Trustees and the Comptroller General of the United States have stated that Social Security is unsustainable over the long term at present tax and benefit levels.

The President, Social Security's Trustees, the Social Security Advisory Board, GAO's Comptroller General and many members of Congress have stated that the sooner reforms begin, the more gradual and less disruptive the changes will need to be. As the debate moves forward on how best to strengthen Social Security for the future, SSA will work to ensure that policymakers and the public have the information needed to assess the implications of all proposals under consideration.

President Bush established a bipartisan Commission in May 2001 to address the long-term future of Social Security and directed that recommendations include individually controlled, voluntary retirement accounts to augment Social Security benefits. The Commission proposed three alternatives, which all included personal savings accounts, as a way to increase investment returns and ensure Social Security programs meet the needs of current and future generations. The Commission also called for a period of debate and discussion to engage the public before Congress and the Administration take action.

New patterns of work and earnings, marriage, divorce, and childbearing are changing the characteristics of families. Individuals are living longer and healthier lives. In about 30 years, there will be twice as many older individuals as there are today and at that time, the working population will have increased by only 10 percent.

SSA must respond to these developments by educating the public on long-term financing issues affecting solvency and providing/serving as a resource for analysis, ensuring the programs meet the needs of today's and tomorrow's beneficiaries.

The strategies for this objective include:

- Undertaking multiple research demonstrations that will provide support, including employment support, to both disability applicants and beneficiaries.

- Continuing to educate the public about long-range financing challenges facing the Trust Funds.

- Providing analytical and data support to the Administration and Congress on legislative proposals to address Social Security reform issues related to the solvency of the Trust Funds, such as estimating how much a proposal will cost and attempting to determine the effects of a given proposal on specific demographic segments of the population (distributional analysis).

  For example, the Agency provided estimates for numerous Congressional and other proposals pertaining to solvency issues, including effects on the unified budget, the trust fund operations, and the cash flow between the trust funds and the general funds of the Treasury. Also, SSA and others have completed distributional analyses on proposals from the President's Commission to Strengthen Social Security, concept papers on issues surrounding personal retirement accounts, a series of papers on administrative aspects of personal retirement accounts. SSA's annual Retirement Research Consortium focused on Securing Retirement Income for Tomorrow's Retirees, and devoted substantial time to Social Security reform issues.

Activities to Educate the Public: In FY 2004, the Agency conducted forums in Idaho and Connecticut to help educate the public that Social Security is unsustainable at current tax rates and benefit levels over the long term. In addition, these forums emphasized that action is needed in the immediate future to explore possible alternatives to strengthen Social Security.

SSA's annual survey of the public's knowledge of Social Security programs and related issues was conducted in September 2004. Results will become available in early FY 2005. The Agency will use the survey findings to:

- Inform and guide Agency outreach and communications activities.

- Establish a baseline of knowledge so that the Agency can develop an appropriate performance measure and goal.

- Gauge the awareness and effectiveness of the Social Security Statement.

SSA's employees at all levels throughout the country continue to communicate with the public at seminars, conferences, and forums about how the programs currently work and the long-range challenges facing the Trust Funds. Efforts to educate the public about expanded products and services available on Social Security's website, such as the Internet Social Security Benefit Applications, the Benefit Planners, Internet Change of Address, and electronic wage reporting have also increased.

Staff

Recruit, develop and retain a high-performing workforce

SSA's 2004 Retirement Wave report states that projected retirements for employees on duty as of October 1, 2003 will reach 21 percent of the Agency's current workforce by 2008. Absent planning and action, the Agency's retirement wave (the effect of the "baby boomer" generation on retirement) will not only affect its ability to deliver service to the public, but will also result in a significant loss of institutional knowledge. SSA will be faced with the continuing challenge of recruiting, hiring, developing and retaining a highly skilled and diverse workforce that can effectively meet mission requirements and changing program priorities.

SSA was early in recognizing the implications of the retirement wave and in taking actions to address it. Ongoing retirement wave analysis and succession planning have led SSA to implement aggressive employee development programs at all levels and redeployment of positions to direct service. The Agency developed its Human Capital Plan to align with the goals in the Agency Strategic Plan. The plan outlines activities supporting strategic alignment, workforce planning, workforce development and knowledge management, performance management and leadership.

As SSA deals with significant workload growth and an increased number of retirements, the Agency will strive to maintain a high-performing workforce and enhance productivity through automation, job enrichment opportunities and training, succession planning, leadership development, new performance management systems, and other service enhancements. SSA's response to the challenges of recruiting, developing and retaining a high-performing workforce is framed by and addresses the President's Management Agenda (PMA) that directs agencies to make government citizen-centered through the strategic management of human capital.

> SSA's strategies to recruit, develop and retain a high-performing workforce will allow the Agency to continue to provide the highest quality, timely service to the American public, and result in productivity increases that will save Trust Fund and general revenue monies.

SSA strategies include a wide array of tools and activities. These activities address the PMA Initiative's concerns, as well as the Major Management Challenge: "Human Capital" identified by both SSA's Office of the Inspector General (OIG) and the Government Accountability Office (GAO).

Recruitment and Retention:

- Continue to use and expand personnel hiring flexibilities extensively in strategic areas.

- Continue to emphasize hiring about 10 percent of new hires from outstanding scholars' ranks.

- Maintain SSA's high degree of workforce diversity and continued efforts to eliminate under-representation of specific groups.

Reaching out to Staff:

- Continue to ensure that all employees have electronic access to personnel benefits information and employee services.

- Continually improve the Agency's successful employee suggestion program. Since April 2003, with the culmination of a web-based, fully automated process, employees can submit suggestions online.

- To further employees' ability to serve a diverse public, the Agency sponsored a 2004 Diversity Training Conference. Participants learned from dynamic speakers, participated in innovative workshops and experienced a variety of cultural awareness activities. Commissioner Barnhart conducted a workshop on personal development entitled "Success by Design." The conference also provided valuable information about career planning, professional skills and technological advances.

New Labor Agreement:

- SSA is currently engaged in term negotiations with the American Federation of Government Employees for a new National Agreement covering approximately 51,000 employees throughout SSA. In late FY 2005, SSA will also be negotiating a new term agreement with the National Treasury Employees Union covering approximately 800 employees in the Office of Hearings and Appeals, and in early FY 2006 negotiations will begin with the Association of Administrative Law Judges which covers SSA's approximately 1,100 Administrative Law Judges. SSA is committed to reach agreements in all three negotiations that are beneficial to the dedicated employees of SSA while, at the same time, giving SSA the flexibility it needs to continue to deliver high quality service to the public.

Performance Culture:

- Continue efforts to link employee performance to Agency mission and goals, communicate expectations, encourage excellence, employee development, measure results, make distinctions between levels of performance and reward achievements.

- Continue to foster and develop Agency culture that encourages ongoing interaction and communication on performance.

Strategic Competencies and Knowledge Management:

- Continue developing a strategy for knowledge management, including succession analysis, collection of baseline training data, filling positions before the incumbent leaves, and using understudies for targeted critical positions.

- Continue to identify mission-critical occupations that would benefit from competency-based training.

- Continue to extensively use Interactive Video Teletraining, CD-ROM training, computer-based/Internet training, classroom training, and the Agency's Online University to train and develop employees.

Providing Employees with Better Tools:

- Continue to develop efficient tools, such as decision support software, video conferences and more fully automated case processing systems, to support higher employee productivity.