

Social Security Advisory Board

**Annual Report
2005**

September 2006

Social Security Advisory Board

An independent, bipartisan Board created by the Congress and appointed by the President and the Congress to advise the President, the Congress, and the Commissioner of Social Security on matters related to the Social Security and Supplemental Security Income programs.

Message from the Board

In 1994, when the Congress passed legislation establishing the Social Security Administration as an independent agency, it also created an independent, bipartisan Advisory Board to advise the President, the Congress, and the Commissioner of Social Security on matters related to the Social Security and Supplemental Security Income programs. In 2005, we focused our attention on 3 important topics: the broad issue of retirement security, immigration and its effect on the Social Security programs, and the importance of acting soon to improve the long-run financial solvency of the Social Security System. We also continued our examination of Social Security disability programs and how they can better meet national policy goals for disability, and we began a review of the management of the Social Security hearings process.

In March 2005 after months of research, the Board issued a report that examined pensions, savings, health care, and Social Security programs as they exist in our country today. In *Retirement Security: The Unfolding of a Predictable Surprise* we focused on the national goal of economic security in retirement, and discussed the challenges that we face in achieving that goal in the future. In September we issued a new edition of our report: *Social Security: Why Action Should be Taken Soon*. Also in September, we hosted a forum on immigration issues on Capitol Hill where noted experts discussed the long-range impact of immigration on Social Security and the national economy. In December, we distributed an Issue Brief describing the proceedings of the forum.

Over the years, the Board's work has encompassed a number of other important issues, including the responsibility of the Social Security Administration to operate its programs with integrity and to provide excellent service to the public; the administration of the Supplemental Security Income program; and other challenges facing Social Security. Our reports and recommendations have been issued by consensus and without dissent, and they have been widely distributed to Members of Congress, the Administration, and the public.

This, our 8th *Annual Report*, describes the work that the Board has completed and the work that we have underway.

Hal Daub, Chairman

Dorcas R. Hardy

Barbara B. Kennelly

David Podoff

Sylvester J. Schieber

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I. Establishment of the Board

In 1994, when the Congress passed legislation establishing the Social Security Administration as an independent agency, it also created a 7-member bipartisan Advisory Board to advise the President, the Congress, and the Commissioner of Social Security on matters relating to the Social Security and Supplemental Security Income (SSI) programs. The conference report on the legislation passed both Houses of Congress without opposition. President Clinton signed the Social Security Independence and Program Improvements Act of 1994 into law on August 15, 1994 (P.L. 103-296).

Advisory Board members are appointed to staggered 6-year terms, made up as follows: 3 appointed by the President (no more than 2 from the same political party); and 2 each (no more than 1 from the same political party) by the Speaker of the House of Representatives (in consultation with the Chairman and the Ranking Minority Member of the Committee on Ways and Means) and by the President *pro tempore* of the Senate (in consultation with the Chairman and Ranking Minority Member of the Committee on Finance). Presidential appointees are subject to Senate confirmation. The President designates 1 member of the Board to serve as Chairman for a 4-year term, coincident with the term of the President, or until the designation of a successor.

Hal Daub was named by President George W. Bush as member and Chairman of the Advisory Board, and confirmed by the Senate in January 2002. He was sworn in as Chairman on March 20, 2002. In addition to Chairman Daub, Dorcas R. Hardy, Martha Keys, David Podoff, and Sylvester J. Schieber served on the Board during all or part of 2005. Ms. Keys's term of office ended on September 30, 2005.

II. The Board's Mandate

The law gives the Board the following functions:

- 1) analyzing the Nation's retirement and disability systems and making recommendations with respect to how the Old-Age, Survivors, and Disability Insurance (OASDI) programs and the Supplemental Security Income (SSI) program, supported by other public and private systems, can most effectively assure economic security;
- 2) studying and making recommendations relating to the coordination of programs that provide health security with the OASDI and SSI programs;
- 3) making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the OASDI programs, both in the short term and the long term;
- 4) making recommendations with respect to the quality of service that the Social Security Administration provides to the public;
- 5) making recommendations with respect to policies and regulations regarding the OASDI and SSI programs;
- 6) increasing public understanding of Social Security;
- 7) making recommendations with respect to a long-range research and program evaluation plan for the Social Security Administration;
- 8) reviewing and assessing any major studies of Social Security as may come to the attention of the Board; and
- 9) making recommendations with respect to such other matters as the Board determines to be appropriate.

III. Major Activities of the Board

A. Social Security and Economic Security

One of the functions given to the Board by law is to analyze the Nation's retirement and disability systems with respect to how the Old-Age, Survivors, and Disability Insurance (OASDI) programs and the Supplemental Security Income (SSI) program, supported by other public and private systems, can most effectively assure economic security. As the national debate over Social Security reform and private pension regulations became more intense, the Board released 2 major reports in 2005 addressing these critical issues.

The first report, *Retirement Security: The Unfolding of a Predictable Surprise*, examined the prospects for economic security for Americans in retirement in the broadest context, including the strengthening of the Social Security program. The culmination of more than a year's study, the report describes how the national goal of "adequate income in retirement" set forth in the *Older Americans Act of 1965* faces critical challenges over the next century from the inexorable aging of the population, the changing structure of private pensions, the rapid growth of healthcare costs, and the relentless competitive pressures of a global economy. While affirming the goal of an adequate standard of living in retirement, the Board stresses the need for a comprehensive strategy to assure adequate public and private retirement income sources and health care. Such a strategy would include: restoring long-term solvency to the Social Security program; strengthening employer-based pensions and health care coverage; containing health care costs; and having individuals and families assume responsibility for making more informed, and financially sound choices about saving, working throughout increasingly lengthy and healthier lifetimes, and maintaining healthy lifestyles. The report analyzes in detail each of these layers that form the foundation of economic security in retirement.

The second report, *Social Security: Why Action Should Be Taken Soon*, updates and expands on previous Board reports in 1998 and 2001 calling for prompt action to strengthen the long-term finances of the Social Security. The report describes the trends in and most recent projections of the system's financial solvency. Future deficits result from an inevitable decline in the ratio of workers to retirees as the wave of the baby boom generation passes into retirement and improving life expectancies increase the share of every generation's lifetimes spent receiving Social Security benefits. The report explains the advantages of taking action sooner (for example, spreading the cost of reforms more evenly across generations, and requiring less abrupt changes in tax or benefit levels) and illustrates the effects of acting sooner with examples of decreasing benefits, increasing revenue, and establishing personal accounts. Importantly, the Board's report describes the variety of policy proposals that could restore long-term financial balance to the system with estimates of the financial effects of each possible proposal generated by the Social Security Administration's actuaries. A detailed discussion of the various forms of indexing benefits and their impact on replacement rates is included as an appendix. In addition to the standard distribution, an additional

1500 copies were given to the delegates to the decennial White House Conference on Aging.

In March, Chairman Daub testified before the House Ways and Means Committee on the future of Social Security. He described the Board's position "that the Social Security program faces a serious financing problem, that there are a variety of proposals available from which policymakers can craft a solution, and that it is most important that action should be taken sooner rather than later." These themes were explored in great detail in the Board's report released in September 2005.

Chairman Daub also testified before the House Ways and Means Committee in May on the subject of retirement policy changes and opportunities of our aging society. He discussed the major themes of the Board's report, *Retirement Security: The Unfolding of a Predictable Surprise*. Chairman Daub discussed the similar themes in an address to the National Association of Subacute and Acute Care in November.

In July, Chairman Daub wrote a letter to the Secretary of the Treasury, the Managing Trustee of the Board of Trustees of the Social Security Trust Funds, to express the Board's opinion that the President should promptly nominate qualified individuals to the 2 vacant Public Trustee positions.

Chairman Hal Daub spoke to the Plenary Session of the White House Conference on Aging in December on the importance of personal retirement preparation and planning in an era when Social Security, Medicare, and Medicaid are facing considerable financial challenges.

The Board met with Stephen C. Goss, Chief Actuary of the Social Security Administration, and Alice Wade, Deputy Chief Actuary, to discuss the long-range status of the Social Security Trust Funds as presented in the *2005 Report of the OASDI Trustees*. The Board was briefed on the changes from the previous year's report and the impact of those changes on the projected financing shortfall. Numerous estimates from the actuary's office were provided throughout the year in the preparation of the Board's report on Social Security finances.

The Board also met with Richard Foster, Chief Actuary for the Centers for Medicare and Medicaid Services. He discussed the projected financing problems in the Medicare programs and the updated cost estimates of the new legislation creating a prescription drug benefit known as Medicare Part D.

During the last quarter of 2005, the Board began preparations for the 2007 Technical Panel on Assumptions and Methods.

B. The Social Security Disability Programs

Management of the Disability Programs

The Board has devoted a great deal of time to the Social Security's disability programs. These programs provide essential income support of approximately \$120 billion annually to persons with severe disabilities. Over 7 million individuals receive benefits based on their disability under the Social Security programs of Old-Age, Survivors, and Disability Insurance (OASDI), and benefits are also paid to about 1.8 million dependent children and spouses of disabled workers. Roughly 3 million additional disabled adults and 1 million disabled children receive assistance from the Supplemental Security Income (SSI) program. Administration of the disability programs accounts for nearly two-thirds of the agency's administrative budget, or about \$6 billion. In terms of executive management and attention, the disability programs consume even more of the agency's resources than these numbers suggest. Because of their sheer size alone, the disability programs have been a focal point of Board attention and activity over the years. More importantly, the critical roles that SSDI and SSI play in assuring the economic security of people with disabilities have been the impetus for much of the Board's work in this area.

In 2005, the Social Security Administration continued its major systems initiative of establishing an electronic disability claims process (eDib). The rollout and expanded usage of eDib throughout the Disability Determination Services has effectively set the stage for the next phase of electronic case processing – eliminating the need for paper copies of disability case files. By the end of the year, eDib was installed in essentially every DDS and about one-third of them had completed the process certification (IDA) needed to function in a fully electronic environment.

The importance of eDib to the future of the disability program has made it a top priority for the Board. Throughout 2005 the Board carefully monitored its progress, meeting several times with State Disability Determination Service directors to discuss areas of concern. In a presentation to the National Council of Disability Determination Directors, Chairman Daub applauded the contributions of the DDSs to this monumental project, emphasizing that the successful implementation of eDib is an outstanding example of the DDS and SSA partnership. In addition, SSAB staff visited several DDS offices in order to track the progress of eDib implementation and to see firsthand how the new business process was working.

A major area of concern in the disability program is the hearings and appeals process. Previous Board reports stated that consideration needs to be given to structural changes that might make the hearing process more efficient and uniform. In 2005, the Board began a more intensive study of the hearings and appeals process, focusing not only on workload, but also on personnel management and accountability within the organization. The Board's meetings during the year with Administrative Law Judges, administrative management, and staff have provided additional insight into the challenges facing the hearings process. At the annual ALJ Association conference in October of 2005,

Chairman Hal Daub reiterated the need for improved tools and methods for managing the hearings process and assuring high levels of performance. Examination of hearing office management issues was also one area of special focus of the Board's November field visit to the Dallas Region.

In 2002, the Board wrote that "if SSA genuinely wants to ensure the integrity of its programs...it must put into place a more useful set of measures to drive performance in the field than it currently has. SSA's current system is of limited value in analyzing overall performance and in providing information that can be used to improve the quality of the decisions." SSAB has recommended changes to SSA's quality process in 3 separate reports. Given the Board's strong interest in this area, it has closely followed SSA's progress in developing a new quality assurance process. In 2004 SSA began working with a contractor to design a new quality assurance system that views "quality" as a multi-dimensional concept that reflects more than just quality control measurements. The Board met with senior SSA management in June 2005 for a briefing on the progress of the project. While much work had been done, several key aspects were being refined at that time to assure that they were in alignment with the agency's plans to improve the disability adjudication process. This shift in culture and the approach to quality management is long overdue and the Board awaits implementation of the new system in 2006.

In September 2003, Commissioner Barnhart announced significant changes to the disability determination process. Several of the proposed changes to the adjudication process addressed concerns that have been raised in prior Board reports. In the 2 years since the announcement, the Board has met frequently with key SSA staff and the Commissioner to track the development of the changes and discuss critical issues in order to ensure success.

In July 2005, the Disability Service Improvement plan was published as a Notice of Proposed Rulemaking. Before submitting detailed comments and recommendations, Board members and staff held a series of in-depth discussions with individuals representing a wide variety of perspectives in order to gain their insights into the proposed changes. The Board, in its comments, emphasized that, while these draft regulations will strengthen the existing program, there needs to be a continuing examination of broader issues related to disability. During his presentation to the National Association of Disability Examiners in September, Chairman Daub stressed the Board's view that real change in the disability system will only come about when our national policies and societal expectations are in alignment.

A strong and focused research agenda is critical to SSA's ability to address the challenges facing the disability program in the 21st Century. Much of this activity has focused on testing ways to improve a beneficiary's ability to return to the workforce by providing various incentives. However, as the Board stated in its October 2003 report, *The Social Security Definition of Disability*, despite the many work incentives features that have been incorporated into the disability program, those incentives have done little

to substantially encourage self-sufficiency in the population of individuals with disabilities.

SSA has spent the last few years developing a comprehensive work opportunity initiative that focuses on overcoming the barriers facing beneficiaries with disabilities when they attempt to enter the workforce. In concert with this, the agency published a Notice of Proposed Rulemaking in September that was designed to improve the Ticket to Work program. The Advisory Board submitted comments on this proposed regulation, commending SSA for its efforts; however, the comments also stressed that it is highly unlikely that work incentives, including the Ticket, will have substantial impact on encouraging beneficiaries to return to work when they are offered only after individuals have worked diligently to establish that they *cannot* work.

In 2005, several research and evaluation contracts were awarded by SSA that will study the outcomes of providing tailored benefits and services, accelerating access to health insurance, early intervention and modifying the work incentives for disabled beneficiaries. Carefully thought out and comprehensive research will contribute greatly to understanding how to best foster economic self-sufficiency for people with disabilities. In order to keep abreast of the progress of the Ticket to Work and Medicaid Buy-In programs, as well as the development of new demonstration projects, the Board met with senior staff from SSA and from the Center for Medicare and Medicaid Services for briefings on these initiatives.

Broader Disability Issues

In its reviews of the Social Security disability programs, the Board became aware that beyond the very significant issues relating to the adjudication of claims and program management, there also exists widespread concern about whether the basic design and definition, adopted a half-century ago, remains appropriate for today's society. Over the years, the Board has raised this issue repeatedly and has questioned whether Social Security's definition of disability is appropriately aligned with national disability policy.

Because of its commitment to stimulating a national dialogue on how to strengthen the Nation's disability system, the Board held a forum in April 2004 that focused on a vision for reform and what changes might be made to achieve a consistent national disability system. Following this forum, the Board has sought to hear a wide range of perspectives on disability issues and how to change the paradigm of "disability." In 2005, the Social Security Advisory Board continued its work on creating a vision for a disability system that is flexible, recognizes that work incapacity is not a static condition, and maximizes a person's abilities to achieve economic security and independence. The Board held a public hearing during its visit to Dallas in November, where perspectives from State and local agencies, advocates, and the insurance industry were explored. The issues raised at this session have been carried forward and are currently under study. The Board anticipates releasing a position paper outlining its vision for a 21st century disability system in the fall of 2006.

C. The Social Security Administration's Service to the Public

When legislation was enacted in 1994 establishing the Social Security Administration as an independent agency and creating an independent Social Security Advisory Board, both the Congress and the President emphasized that a major objective of the legislation was to improve service to the public. The legislation gave the Advisory Board the specific charge of making recommendations for improving the quality of service that the agency provides to the public.

The Board continued its work on service to the public in 2005 with on-site visits to field locations, a public hearing, and meetings with managers, administrative law judges, and staff from SSA, managers and staff from the Disability Determination Services, the national association representing SSA's managers, officials from labor organizations representing SSA's employees, advocacy groups representing the people served by SSA's programs, and others.

In March 2005, the Board met with New York Regional Commissioner Bea Disman to discuss SSA's responsibilities under the new Medicare prescription drug legislation. Ms. Disman had been appointed to head up SSA's implementation. SSA and the States are required to determine whether or not individuals are eligible for the low-income subsidies. The Centers for Medicare and Medicaid Services estimated that approximately 5 million people would qualify for the subsidy. This represented not only a new workload for SSA, but also added new outreach and education responsibilities and new staff training needs for the agency. The Board was pleased to learn that SSA hired approximately 2,200 employees in the field to implement this new program, and that these new employees will also be trained on all of SSA's workloads. However, the Board has concerns about SSA's administrative capacity to handle all of this extra work within the level of resources provided for this and SSA's other responsibilities.

In March, the Board also met with Executive Counselor to the Commissioner, Rita Geier, and her staff to discuss SSA's role in combating identity theft. The Board heard that enumeration is a huge workload for SSA field offices and that SSA is working to improve its identity verification processes for assigning Social Security numbers (SSNs) and issuing replacement cards. SSA also educates the public about how to protect their identity information and who to contact if their SSN or other identity information is compromised.

In June 2005, the Board met with Myrtle Habersham, SSA's Chief Strategic Officer, and her staff to discuss SSA's new quality management initiative that the agency is developing with the assistance of Booz Allen Hamilton. This new initiative is being designed to incorporate quality management into all of SSA's business practices and to lead the agency into a "learning environment" where lessons learned via a new "quality system" can be used to drive improvements in both quality and service through feedback mechanisms.

The Board also met in June with SSA senior officials in Operations to discuss automation projects that will help the field to improve service to the public, including planned improvements to SSA's 800 number telephone system and planned integration of SSA's field office telephone systems. In addition, the Board was briefed on the service improvements that have resulted from SSA's new enumeration centers. Further, the Board heard about improvements and expansions that SSA is making in its services that are available via the Internet and how concerns about data security are being addressed. The Board was pleased to hear that the number of benefit applications and other transactions that SSA receives and processes via the Internet is increasing. The Board was also briefed on the agency's progress in implementing the new paperless electronic disability folder through eDib.

In July 2005, the Board met with Reginald Wells, SSA's Deputy Commissioner for Human Resources, and Kansas City Regional Commissioner Michael Grochowski to discuss service to the public issues that were raised during recent SSA-AFGE labor negotiations. The Board heard that one of management's primary goals during contract negotiations was to enhance flexibility for providing service to the public and enhancing performance management.

In August 2005, the Board staff met with Rick Warsinskey, President of the National Council of Social Security Management Associations (NCSSMA). The Board heard the Council's concerns about the way that SSA's work measurement system credits work performed. He stated that the current work measurement system does not adequately reflect or credit the work that is being done in the field and, in some cases, the challenges that some field offices face are not properly valued. For instance, some things may take longer in offices that serve large numbers of non-English speaking clients. The current work measurement system tends to reward competition between offices rather than cooperation. And since the output of the work measurement system is then used to allocate staffing resources, distortions in staffing have resulted. In addition, the Board heard about the learning curve associated with the new eDib system and managers' concerns that certain front-end processes in the disability program will take longer than they used to take to complete. Continuing concerns over the telephone service, characterized as one of the weakest aspects of SSA's service to the public, were expressed. It was suggested that the answer to this situation is more staff and better technology. Lastly, the Board was told that the agency needs to do a better job delivering both entry-level and ongoing training to SSA's front-line employees.

Since its inception, the Board has played an active role in examining and reporting its views on initiatives to improve the disability programs under SSA's jurisdiction, in particular, the agency's capacity to provide quality, timely service to the people who depend on these valuable programs. In September and October, the Advisory Board held a series of meetings with individuals concerned with the disability programs to discuss the changes that SSA is proposing to make in the disability determination process. The Board met with representatives from the National Council of Disability Determination Directors (NCDDD), the National Association of Disability Examiners (NADE), the Office of Hearings and Appeals Management Association (OHAMA), the National

Council of Social Security Management Associations (NCSSMA), the American Federation of Government Employees (AFGE), the National Treasury Employees Union (NTEU), the National Association of Social Security Claimants' Representatives (NOSSCR), the Consortium for Citizens with Disabilities (CCD), Community Legal Services, the Federal Bar Association (FBA), the Association of Administrative Law Judges (AALJ), and with Professor Frank Bloch from Vanderbilt University. The purpose of these meetings was to discuss in detail concerns about the proposed changes in the disability process and how these changes might impact on service to the public and the quality of adjudication. In drafting its own response to the proposed regulations, the Board carefully considered all the issues that were raised in these meetings.

The Board's formal comments were transmitted to SSA on October 24, 2005. The Board was generally supportive of the agency's approach to restructuring the disability system. However, it cautioned that changing the steps in the process will not represent a complete solution to the problems of huge caseloads, increasing backlogs, and the expected growth in the disability population as the Baby Boom generation ages. The agency must seek and the Congress must provide adequate resources to meet the needs of both the evolving and existing systems, or the result will be an exercise in "rearranging the deck chairs." In addition, the comments concluded that SSA must pay careful attention to how the implementation of these proposed changes are managed.

In November 2005 the Board traveled to Dallas, Texas to visit the Dallas Regional Office. It met with Regional Commissioner Ramona Schuenemeyer and other senior executives, managers, and staff to discuss service delivery and other issues in the disability program. The Board discussed with Regional officials DDS service delivery challenges, including staffing, workloads, and the implementation of the new automated disability system. The Board visited the Dallas Downtown Office of Hearings and Appeals meeting there with Regional Chief Administrative Law Judge Joan Parks Saunders, Hearing Office Chief Judge C.F. Moore, other OHA managers, ALJs and hearings office staff who expressed their views to the Board on workload issues, systems changes, and process changes in the disability programs. The Board also held a public hearing in Dallas. Scheduled witnesses addressed service issues, with an emphasis on whether or not changes need to be made to the disability program and, if so, what those changes should look like. Members of the general public attending the hearing were also invited to express their views on disability and SSA's service delivery.

Of particular interest to the Board while visiting Dallas was a series of discussions on SSA's response to Hurricane Katrina and Hurricane Rita. The Board was both moved and impressed by SSA's ability to maintain a clear sense of mission and culture of service in the face of a wide-spread disaster of such magnitude. As expected, SSA was an outstanding coordinator with other agencies involved in disaster relief and SSA's employees worked above and beyond the call of duty to respond to the needs of the people that they served. The ability of SSA to perform as well as it did under such arduous circumstances speaks not only to the dedication and extraordinary efforts of its employees and managers, but also to the importance of SSA's major new investments in automation, such as the new electronic disability system that prevented nearly

1,400 claims files from being lost during the storms and allowed work to be shifted to areas unaffected by these disasters.

On December 28, 2005, the Board once again expressed its comments on regulations proposed by SSA. In this instance, the Board commented on proposed changes and improvements to the Ticket to Work program designed to improve SSA's performance in serving its beneficiaries with disabilities as they attempt to enter or re-enter the workforce. The Board expressed its view that returning beneficiaries to work is an important priority for SSA, but there are still many obstacles in the way. Current disability policy is built on a definition of disability that was established in the middle of the last century when individuals with serious impairments were essentially written off as productive members of society. While the changes proposed by SSA should enhance the agency's efforts to return individuals to work, the Board maintains a healthy skepticism as to whether or not there can be a substantial increase in the number of individuals with impairments who continue in or return to work until such time as there is a rethinking of the national approach to disability.

The Board will continue its work on all facets of SSA's service to the public. Over the course of the next year, the Board will move forward on its examination of possible changes in the definition of disability. In addition, the Board plans to look more closely at how the Office of Hearings and Appeals manages performance and productivity.

D. Performance of the Office of Hearings and Appeals

The Board has long been interested in the hearings and appeals process and over the past several years has offered recommendations to improve its performance. In 2005, the Board commented on the Commissioner's Notice of Proposed Rule-Making on the disability process. Those comments, which are reported on elsewhere in this *Annual Report*, included extensive comments on the hearings and appeals process.

In 2005 the Board began a study of the Office of Hearings and Appeals with the goal of recommending further performance improvements. Improvement is clearly needed. The number of claims pending at the hearing level has been climbing. At the end of fiscal year 2005 there were more than 700,000 claims pending, and SSA's goal is 756,000 pending at the end of fiscal year 2006. Average processing time has also been rising. In FY 2005 it was 443 days, and SSA's goal for FY 2006 is 467 days.

In May 2005 the Board met with Pat Jonas, the Assistant Deputy Commissioner for Disability and Income Security Programs, and Eileen McDaniel, the Deputy Associate Commissioner for Hearings and Appeals. Subjects discussed included the use of the electronic folder in hearing offices; productivity of hearing offices; balancing workloads and transferring cases among Regions; training of Administrative Law Judges (ALJs); the use of videoconferencing for hearings; and staffing the Hearing Office Chief ALJ (HOCALJ) position.

In July 2005 the Board met with Nancy Griswold, the Regional Chief ALJ from Boston, Diane Townsend Anderson, the HOCALJ from Minneapolis and Larry Banks, the HOCALJ from Washington, D.C. The Board discussed with its guests the effects of the Hearing Process Improvement initiative; productivity and incentives; the HOCALJ's role in performance management; and hearing office organization and staffing.

In November 2005, during its visit to Dallas, the Board visited the Dallas hearing office. There it met with Joan Park Saunders, the Regional Chief Administrative Law Judge, C.F. Moore, the HOCALJ from Dallas, ALJs who worked in that office, members of the hearing office management, and members of the staff. The Board also was given a step-by-step tour of what happens to a case as it goes through the hearing process. Discussion topics at those meetings included productivity, transitioning to a fully electronic environment, staffing, training, the role of the proposed reviewing official, the use of videoconferencing for hearings, and flexiplace.

In December 2005, the Board met with Mark Robbins, the General Counsel of the Office of Personnel Management, to discuss OPM's role in hiring and managing ALJs. The Board discussed the current selection process, the new test that is being developed, and pay schedules for ALJs.

E. The Social Security Administration's Budget and Resources

Over the past decade, the Advisory Board has repeatedly expressed its concern about the level of resources available to the Social Security Administration for administering the vital Social Security and Supplemental Security programs. Commensurate with the aging of American society as our large baby boom population nears the age of retirement and enters its disability-prone years, SSA's workloads are expected to grow at rates far in excess of recent historical experience. Even at current levels of administrative funding, the agency is already experiencing difficulty keeping current with its regular workloads, and backlogs are growing in many important areas – most notably in the growing numbers of claimants awaiting the disposition of their request for a hearing by the Office of Hearings and Appeals and in the rising number of unprocessed post-entitlement actions in the field. These growing workloads and backlogs, along with the increasing complexity of these programs, have placed a great deal of stress on the agency's capacity to deliver the kind of service that the public needs and has a right to expect.

In particular the Board has urged that SSA make its annual budget requests based on a realistic assessment of the demands for service rather than merely seeking incremental changes from previous budgets. In response to this recommendation, the agency has in the past few years submitted budgets that were developed on the basis of a service delivery assessment that determined the additional resources needed to eliminate backlogs over a 5-year horizon. With better supported budget requests, the agency has made great progress in convincing the Congress to provide increases in the level of resources that it provides to SSA through the annual appropriations process.

Nonetheless, the resources that Congress has provided have continued to fall short of the level of need estimated by the agency. Over the same period, SSA has had to absorb the costs of across-the-board budget cuts, unbudgeted pay raises for its employees, and new workloads associated with the recently-enacted Medicare Part D prescription drug program. In addition, the agency is facing its own baby boom challenges as many of its seasoned employees approach retirement age over the next decade. While SSA has made great strides in automating the disability determination process through its eDib initiative and streamlining the disability process itself – initiatives that are *essential* in meeting the agency's long-term goal to make accurate and timely disability decisions – the learning curve associated with these changes has added significantly to the processing time of disability workloads, further stressing the agency's administrative capacity. As a result of all of these factors, SSA has been unable to meet the expectations the agency set out to achieve in its Service Delivery Budget.

The Board continues to monitor the agency's resource needs. Each year, the Board carefully examines the agency's budget request in order to assess its adequacy vis-à-vis agency needs (as detailed by the Commissioner's yearly-updated service delivery assessment).

At its February 2005 meeting, the Board met with SSA officials who are responsible for the development of the agency's budget to discuss the impact of the fiscal year 2005 appropriations and the fiscal year 2006 budget request. The Board heard that, because SSA did not receive the funding levels outlined in the Commissioner's service delivery plan for fiscal year 2005, certain agency workload goals had to be extended to later dates. The agency was able to keep up with its core workloads, but backlogs could not be decreased as quickly as the agency had hoped, and the agency's special disability workload could not be completed as quickly as the agency would have liked. The Board also heard that SSA was given authority to hire additional personnel to implement the agency's responsibilities under the new Medicare prescription drug program. Originally, SSA had planned to hire people on a temporary basis in order to get the new program up and running. But the agency was allowed to keep these new employees as part of its permanent workforce, providing some relief over the long-term, but not enough to offset other, growing demands on the agency's resources.

The Social Security Administration has attempted to manage available resources by focusing funding and staff time on those workloads with the highest priority. Generally with a primary focus is on service delivery and a secondary focus on stewardship. Ultimately, however, the reduced level of funding in fiscal year 2005 had a negative impact on SSA's ability to deliver high quality service to the public while adequately protecting the integrity of SSA's programs. SSA found it necessary to limit its stewardship activities in favor of maintaining service to the public. The Board was pleased to see that the fiscal year 2006 President's Budget request for SSA was again based on anticipated workloads and the need to reduce the existing backlog of applications, hearings, and other workloads. The Board was also pleased to hear that the increased level of investment being made in SSA's infrastructure, processes, and data

systems is continuing to pay dividends in the form of regular improvements in the agency's productivity.

In November of 2005, during the Board's field visit to Dallas, Texas, the Board heard from SSA's Regional Office, local office and hearing office managers and staff that, while they were pleased with the recent increases in administrative funding, they still have concerns about resource levels and their impact on the agency's ability to deliver quality service to the public, maintain adequate staffing levels, and provide adequate training in a rapidly changing environment. In addition, at the public hearing held in Dallas on November 15, 2005, the Board heard from one witness that providing adequate resources to front-line adjudicators was one of the most important actions that SSA and the Congress could do to improve the disability process.

F. The Impact of Immigration on Social Security

Over the last several years, the Advisory Board has grown increasingly interested in the impact that immigration has on the programs administered by the Social Security Administration and on SSA's operations. Because the U.S. is a Nation that includes immigrants from all over the world, the Social Security Administration strives to serve the public in as many languages as possible. Immigrants residing in the U.S., whether they become citizens or not, require a Social Security number to work, pay Social Security payroll taxes when they work, receive Social Security benefits upon retirement or disability if they are insured and determined eligible, and may be eligible for SSI benefits if they fall into one of the eligibility categories under current law. As a result, the Social Security Administration interacts with a large number of immigrants daily, many of whom are not able to communicate effectively in English.

The Board has heard repeatedly from SSA field and Regional office staff that most of the non-English speaking public comes into one of SSA's field offices when they need service and generally do not do business with the agency using the Internet or the telephone. As a result, maintaining SSA's multilingual capacity necessitates a large staff of field employees who are able to communicate in more than one language, the availability of translators where in-house language skills are not available, and the ability to provide the full range of SSA's services, publications and notices in a multilingual environment. Currently, SSA employs a large cadre of multilingual employees and conducts business in over 100 languages throughout the Nation. In addition, SSA maintains a series of contracts at the national and local levels to provide translation services where necessary. SSA's resourcefulness in striving to meet the multicultural challenges that the agency faces each day are indeed noteworthy.

Despite these efforts, the Board heard from witnesses at its 2004 public hearing in Oakland, California that many non-English speaking persons still encounter service barriers due to language limitations in some field offices and with SSA documents. It is important that policymakers keep in mind that the excellent job that SSA does in providing multilingual services is not without cost. Even though the agency has been

able to expand its capacities despite constrained resources, this workload presents serious complexities and challenges for SSA. The Board believes that it is important that these realities be recognized when making decisions about the agency's future directions and funding.

In addition, the Board has had a long-standing interest in the prevalence of Social Security number abuses and its resultant impact on wage reporting and the Earnings Suspense File. While SSA has increased document verifications and developed new initiatives to prevent the inappropriate assignment of Social Security numbers to non-citizens, there is still work to be done to tighten internal controls related to issuing replacement Social Security numbers.

The subject of SSA's totalization agreements with other countries has received significant media attention recently. Totalization agreements with other Nations eliminate dual Social Security taxation of citizens from one country who are sent by their employer to work temporarily in another country and also provide benefit protection for individuals who divide their working careers between 2 countries.

Immigration also has an impact on the long-range financial solvency of the Social Security program. Since the Board's inception, it has convened (1999 and 2003) 2 expert technical panels of economists, demographers and actuaries to analyze the assumptions and methods used by the Social Security Trustees in projecting the long-range financial status of the OASDI Trust Funds. The 1999 report accepted the Trustees' central projections but recommended broadening the range of uncertainty in immigration projections. The 2003 Panel recommended a significant increase in both the central assumption and the high cost and low cost alternatives of net migration. Additionally, the 2003 Technical Panel recommended that the Trustees make a fundamental change in the way that they derive their net migration assumptions.

More recently, analysis and supporting data released by the Social Security actuaries, in a September 15, 2005 memorandum entitled, "Estimated Long-Range OASDI Financial Effects of Various Possible Changes in the Level of Legal Immigration," has shown that changes in the number of immigrants entering the U.S. would have "direct and immediate effects on the size of the working-age population, the size of the labor force, the number of workers in OASDI covered employment, and thus the size and growth rate of Gross Domestic Product (GDP)." The actuaries concluded that a substantial decrease in the number of legal immigrants would have a negative effect on the growth rate in OASDI taxable payroll, while increases in legal immigration would have a positive effect on the OASDI taxable payroll.

At its April 2005 Board meeting, the Board began detailed planning for a public forum to examine the long-range impact of immigration on Social Security and the national economy. On September 7, 2005, the Board convened 2 panels of demographers, economists, and immigration experts in Washington, D.C. to examine the long-range impact of immigration on Social Security and the national economy. The morning session focused on methods for projecting long-term immigration and the

importance of making accurate projections for formulating sound economic and social policy. Presenters in the morning session included Dr. Richard Jackson from the Center for Strategic and International Studies, and Dr. Jeffrey Passel from the Pew Hispanic Trust. Discussants for the morning session included Dr. Barry Edmonston from Portland State University and Dr. John Wilmoth from the United Nations Population Division. The afternoon session focused on managing global migration and establishing policies to assure an adequate labor supply for the future. Presenters in the afternoon session included Dr. Demetrios Papademetriou from the Migration Policy Institute and Dr. Michael Teitelbaum from the Alfred P. Sloan Foundation. Discussants from the afternoon session included Dr. Wolfgang Lutz from the International Institute for Applied Systems Analysis and Dr. Susan Martin from the Institute for the Study of International Migration. As a result of this day-long forum, the Board released a publication entitled, "Social Security Issue Brief #1: The Impact of Immigration on Social Security and the National Economy." This publication summarized proceedings of the forum and outlined what the Board heard from the experts who participated. The brief also summarizes the remarks of the lunchtime keynote address, delivered by Sylvester J. Schieber, Vice President and U.S. Director of Benefits Consulting at Watson Wyatt Worldwide, and member of the Social Security Advisory Board. His address, entitled "Thinking About U.S. Immigration in a Global Economic Context," examined the dynamics of world migration. The presentation materials from this forum are available on the SSAB website: www.ssab.gov.

At its October 2005 meeting, the Board heard from senior SSA officials that the agency is working to strengthen immigration projections. This work is being done under contract with Dr. Richard Jackson through the agency's Retirement Research Consortium.

The Board plans to continue its examination of immigration and its impact on SSA's programs and operations.

G. The Supplemental Security Income Program

Public Law 104-193 requires that members of the Social Security Advisory Board be given an opportunity, either individually or jointly, to include their views in the Social Security Administration's annual report to the President and the Congress on the Supplemental Security Income (SSI) program.

In its 2005 statement on the SSI program, the Board commented on 3 aspects of the program: work incentives, wage reporting, and in-kind support and maintenance.

On the subject of work incentives, the Board pointed out that the amounts of earnings and general income that a beneficiary could receive without affecting his benefits had not been increased since the program began. If they had kept pace with inflation, they would be more than 4 times their current level. Beneficiaries' decisions about work are

complex, due to the interactions of multiple means-tested programs from which they may be receiving benefits. The Board is looking forward to learning the results of a demonstration project that SSA was conducting in Florida that allowed beneficiaries to earn at higher levels without affecting their benefits.

The Board's comments on wage reporting began by noting that it was a perennial problem for the SSI program. SSA quality reviews found wages to be a leading cause of SSI overpayments for over a decade. SSI payments are computed using a system known as retrospective monthly accounting. This means that they are based on known circumstances for a past month. Payments are computed for each month, and the payment for a month is based on the beneficiary's countable income from the second month before the current month. The Board noted that retrospective accounting makes it easier for SSA to administer the program, but it does not serve the best interests of beneficiaries who live at or near the poverty level and are concerned with meeting their current needs. A recommendation was made that SSA consider replacing retrospective accounting with a system that better served the needs of beneficiaries.

The failure to report wages or the failure to record them can cause overpayments. Fear of overpayments is a major obstacle to beneficiaries' returning to work. A recent pilot of a voice recognition/touchtone telephone wage reporting system offered a glimmer of hope. The system would make it easier for beneficiaries to report, and their reports would go directly into SSA's records. A second pilot with an improved authentication system was in the planning stage. The Board encouraged SSA to move ahead with it quickly and, when the system was fully functional, to consider making its use for wage reporting mandatory.

Even if everyone who should report wages did so, SSA's stewardship obligations would require it to verify the amounts that had been reported. The Board stated that if a reliable monthly wage reporting system were implemented, it would seem feasible to simplify the verification system to one that would simply compare the sum of the monthly wage reports to the annual report from the employer for tax purposes. If the 2 matched, within some tolerance to be established, the monthly reports could be accepted as accurate, and no further verification required.

The Board then turned to the need to simplify program rules on living arrangements and in-kind support and maintenance. These rules apply when a beneficiary lives in the household of another or receives other in-kind support. Program rules on this subject are difficult to administer, are a leading cause of incorrect payments, raise questions of equity, and make the program more vulnerable to fraud and abuse. The Board noted that suggestions for simplifying these rules had been made in the past and recommended consideration of 2 options that had been suggested. The first would eliminate the current rules for living arrangements and in-kind support and would simply reduce benefits by a fixed percentage for adult SSI beneficiaries living with another adult. Another option would establish a payment level for any SSI beneficiary living with another adult at the rate of 75 percent of the payment for an individual living alone. The savings from this

option could be used toward making other program improvements, such as increasing work incentives, as discussed above.

The Board concluded its statement by encouraging SSA to continue its study of simplifying rules for living arrangements and in-kind support and stating that the subject deserved attention by Congress. Replacing current rules with an approach that is much simpler would enhance payment accuracy, improve program integrity, increase equity among beneficiaries, reduce administrative burdens, and make the program easier for beneficiaries to understand.

IV. Board Operations and Communications

Membership Changes—The term of Social Security Advisory Board member Martha Keys ended on September 30, 2005. (This vacancy was filled when Barbara B. Kennelly was appointed to the Board in January 2006 by the Speaker of the House of Representatives for a 6 year term.)

Addresses—In April 2005, Chairman Daub addressed the National Council of Disability Determination Directors at its annual meeting. In September, he spoke at the National Training Conference of the National Association of Disability Examiners. In October, Chairman Daub addressed the Association of Administrative Law Judges. In November the Chairman spoke to the National Association of Sub-Acute and Post Acute Care. In December Chairman Daub addressed the White House Conference on Aging.

Communications—On January 5, the Advisory Board sent a report to the Commissioner of Social Security on its November 2004 visit to the Mississippi DDS. On March 11, the Board sent a letter to the American Federation of Government Employees regarding the same issue. On July 15, the Board sent a letter to the Secretary of the Treasury about the appointment of Public Trustees for the Social Security Trust Funds. On July 26, it issued a press release entitled, “Social Security Advisory Board Welcomes Issuance of Proposed Disability Regulations.” On October 24, the Board sent comments to the Social Security Administration regarding the agency’s Notice of Proposed Rulemaking on “Administrative Review Process for Adjudicating Initial Disability Claims.” On November 10 it sent comments to the Social Security Administration on the agency’s draft strategic plan. On December 1, the Board sent a letter to Richard Wolf of *USA Today* with comments on his article, “A ‘Fiscal Hurricane’ on the Horizon.” On December 28 it sent comments to the Social Security Administration regarding the agency’s Notice of Proposed Rulemaking on “Amendments to the Ticket to Work and Self-Sufficiency Program.”

Forum—On September 7, 2005 the Social Security Advisory Board sponsored a day-long forum on Capitol Hill where 2 panels of expert demographers, economists and immigration experts discussed the long-range impact of immigration on Social Security and the national economy.

Meetings—From January 2005 through December 2005, the Board met at its offices 10 times and held 1 conference call. It made 1 site visit for the purpose of gathering and evaluating information related to the operation of the disability programs, the Social Security hearings and appeals process, and aspects of SSA’s public service.

Public Hearing—The Board conducted a public hearing in Dallas in November 2005. At the hearing, the Board focused on SSA’s disability programs and how they could be improved. The Board heard from members of the public and representatives of public and private organizations in the Dallas area who work with the disability programs or who serve Social Security and Supplemental Security Income beneficiaries.

Publications—From January 2005 through December 2005, the Board issued 3 reports: *Retirement Security: The Unfolding of a Predictable Surprise*; *Social Security: Why Action Should Be Taken Soon* (3rd ed.); and *Annual Report for Calendar Year 2004*. In addition, it distributed an Issue Brief entitled, “The Impact of Immigration on Social Security and the National Economy,” which described the proceedings of a forum on immigration that it held on Capitol Hill in September 2005. The Board also commented on the Supplemental Security Income Program in its “Statement on the Supplemental Security Income Program,” which was included in SSA’s *Annual Report of the Supplemental Security Income Program*.

Testimony—On March 9, 2005, Chairman Hal Daub testified before the House of Representatives’ Committee on Ways and Means on the future of Social Security. On May 19 Chairman Daub again appeared before the Committee on Ways and Means at its hearing on retirement policy challenges and opportunities of our aging society.

V. Visits to Field Sites

Dallas Region, November 14-15, 2005—The Social Security Advisory Board met with Social Security Administration officials and staff of the Dallas Regional Office and the Dallas Downtown Hearing Office. The purpose of the visit was to allow the Board members to meet with Regional officials to discuss the Social Security disability programs, learn more about the agency’s response to Hurricanes Katrina and Rita, and to discuss issues relative to the hearings and appeals process. During the visit, the Board met with the Dallas Regional Commissioner, the Deputy Regional Commissioner, the Regional Chief Counsel, the Regional Office of Quality Assurance Director, and other executives in the Dallas Region. They also met with the Regional Chief Administrative Law Judge and the ALJs, managers, and support staff of the Dallas Downtown Hearing Office.

In addition, the Board held a public hearing while it was in Dallas to learn the views of knowledgeable individuals as to whether the Social Security definition of disability is still appropriate and what, if any, changes should be made to it to improve the Social Security disability programs. Invited witnesses included representatives of public and private organizations in the Dallas area who are familiar with policies affecting the Social Security disability programs, and experts who serve disabled individuals.

VI. Reports and Publications

1. Issue Brief #1: *The Impact of Immigration on Social Security and the National Economy*, December 2005.
2. *Social Security: Why Action Should Be Taken Soon* (3rd ed.), September 2005.
3. *Retirement Security: The Unfolding of a Predictable Surprise*, March 2005.
4. *Annual Report*, Calendar Year 2004 (October 2005). The Board has prepared *Annual Reports* since 1998. The reports were prepared on a Fiscal Year basis from 1998 to 2002.
5. "Statement on the Supplemental Security Income Program," Additional Statement by the Social Security Advisory Board in the *Annual Report of the Supplemental Security Income Program*, Social Security Administration, May 2005. The Board has prepared these statements annually since 1998.
3. *The Social Security Definition of Disability*, October 2003.
4. *The 2003 Technical Panel on Assumptions and Methods, Report to the Social Security Advisory Board*, October 2003.
5. *Introducing Nonadversarial Government Representatives to Improve the Record for Decision in Social Security Disability Adjudications, A Report to the Social Security Advisory Board*, June 2003.
6. *SSA's Obligation to Ensure that the Public's Funds are Responsibly Collected and Expended*, March 2002.
7. *Alternative Approaches to Judicial Review of Social Security Disability Cases: A Report to the Social Security Advisory Board*, March 2002.
8. *Challenges Facing the New Commissioner of Social Security*, Statement by Stanford G. Ross, December 2001.
9. *Estimating the Real Rate of Return on Stocks Over the Long Term*, Papers presented to the Social Security Advisory Board, August 2001.
10. *Social Security: Why Action Should Be Taken Soon* (Revised Edition), July 2001. The Board issued this report originally in July 1998.
11. *Agenda for Social Security: Challenges for the New Congress and the New Administration*, February 2001.

12. *Charting the Future of Social Security's Disability Programs: The Need for Fundamental Change*, January 2001.
13. *Disability Decision Making: Data and Materials*, January 2001.
14. *The Technical Panel on Assumptions and Methods, Report to the Social Security Advisory Board*, November 1999.
15. *How the Social Security Administration Can Improve Its Service to the Public*, September 1999.
16. *Forum on the Implications of Raising the Social Security Retirement Age*, May 1999 (staff document).
17. *How SSA's Disability Programs Can Be Improved*, August 1998.
18. *Social Security: Why Action Should Be Taken Soon*, July 1998.
19. *Strengthening Social Security Research: The Responsibilities of the Social Security Administration*, January 1998.
20. *Increasing Public Understanding of Social Security*, September 1997.
21. *Forum on a Long-Range Research and Program Evaluation Plan for the Social Security Administration: Proceedings and Additional Comments*, June 24, 1997 (staff document).
22. *Developing Social Security Policy: How the Social Security Administration Can Provide Greater Policy Leadership*, March 1997.

Most reports are available on the Board's web site at www.ssab.gov

Members of the Board

Hal Daub, Chairman

Hal Daub is currently a partner in the law firm of Blackwell Sanders Peper Martin in Omaha, Nebraska and Washington, D.C. Previously, he was President and Chief Executive Officer of the American Health Care Association and the National Center for Assisted Living. He served as Mayor of Omaha, Nebraska from 1995 to 2001, and was an attorney, principal, and international trade specialist with the accounting firm of Deloitte & Touche from 1989 to 1994. Mr. Daub was elected to the U.S. Congress in 1980, and reelected in 1982, 1984, and 1986. While there he served on the House Ways and Means Committee, the Public Works and Transportation Committee, and the Small Business Committee. In 1992, Mr. Daub was appointed by President George H.W. Bush to the National Advisory Council on the Public Service. From 1997 to 1999, he served on the Board of Directors of the National League of Cities, and from 1999 to 2001, he served on the League's Advisory Council. He was also elected to serve on the Advisory Board of the U.S. Conference of Mayors, serving a term from 1999 to 2001. From 1971 to 1980, Mr. Daub was vice president and general counsel of Standard Chemical Manufacturing Company, an Omaha-based livestock feed and supply firm. A former U.S. Army Infantry Captain, he is a Distinguished Eagle Scout, 33rd Degree Mason, active in the Salvation Army, Optimists International, and many other charitable and philanthropic organizations. He is the current chairman-elect of the Community Health Charities of America. Mr. Daub is a graduate of Washington University in St. Louis, Missouri, and received his law degree from the University of Nebraska. Term of office: January 2002 to September 2006.

Dorcas R. Hardy

Dorcas R. Hardy is President of DRHardy & Associates, a government relations and public policy firm serving a diverse portfolio of clients. After her appointment by President Ronald Reagan as Assistant Secretary of Human Development Services, Ms. Hardy was appointed Commissioner of Social Security (1986 to 1989) and was appointed by President George W. Bush to chair the Policy Committee for the 2005 White House Conference on Aging. Ms. Hardy has launched and hosted her own primetime, weekly television program, "Financing Your Future," on Financial News Network and UPI Broadcasting, and "The Senior American," an NET political program for older Americans. She speaks and writes widely about domestic and international retirement financing issues and entitlement program reforms and is the co-author of *Social Insecurity: The Crisis in America's Social Security System and How to Plan Now for Your Own Financial Survival*, Random House, 1992. A former CEO of a rehabilitation technology firm, Ms. Hardy promotes redesign and modernization of the Social Security, Medicare, and disability insurance systems. Additionally, she has chaired a Task Force to rebuild vocational rehabilitation services for disabled veterans for the Department of Veterans Affairs. She received her B.A. from Connecticut College, her M.B.A. from Pepperdine University, and completed the Executive Program in Health Policy and Financial Management at Harvard University. Ms. Hardy is a Certified Senior Advisor and serves on the Board of Directors of Wright Investors Service Managed Funds, and First Coast Service Options of Florida. First term of office: April 2002 to September 2004. Current term of office: October 2004 to September 2010.

Barbara B. Kennelly

Barbara B. Kennelly became President and Chief Executive Officer of the National Committee to Preserve Social Security and Medicare in April 2002 after a distinguished 23-year career in elected public office. Mrs. Kennelly served 17 years in the United States House of Representatives representing the First District of Connecticut. During her Congressional career, Mrs. Kennelly was the first woman elected to serve as the Vice Chair of the House Democratic Caucus. Mrs. Kennelly was also the first woman to serve on the House Committee on Intelligence and to chair one of its subcommittees. She was the first woman to serve as Chief Majority Whip, and the third woman in history to serve on the 200-year-old Ways and Means Committee. During the 105th Congress, she was the ranking member of the Subcommittee on Social Security. Prior to her election to Congress, Mrs. Kennelly was Secretary of State of Connecticut. After serving in Congress, Mrs. Kennelly was appointed to the position of Counselor to the Commissioner at the Social Security Administration (SSA). As Counselor, Mrs. Kennelly worked closely with the Commissioner of Social Security, Kenneth S. Apfel, and members of Congress to inform and educate the American people on the choices they face to ensure the future solvency of Social Security. She served on the Policy Committee for the 2005 White House Conference on Aging. Mrs. Kennelly received a B.A. in Economics from Trinity College, Washington, D.C. She earned a certificate from the Harvard Business School on completion of the Harvard-Radcliffe Program in Business Administration, and a Master's Degree in Government from Trinity College, Hartford. Term of office: January 2006 to September 2011.

Martha Keys¹

Martha Keys served as a U.S. Representative in the 94th and 95th Congresses. She was a member of the House Ways and Means Committee and its Subcommittees on Health and on Public Assistance and Unemployment Compensation. Ms. Keys also served on the Select Committee on Welfare Reform. She served in the executive branch as Special Advisor to the Secretary of Health, Education, and Welfare and as Assistant Secretary of Education. She was a member of the 1983 National Commission on Social Security Reform (the Greenspan Commission). Martha Keys is currently consulting on public policy issues. She has held executive positions in the non-profit sector, lectured widely on public policy at universities, and served on the National Council on Aging and other Boards. Ms. Keys is the author of *Planning for Retirement: Everywoman's Legal Guide*. First term of office: November 1994 to September 1999. Second term of office: October 1999 to September 2005.

David Podoff

David Podoff was a senior advisor to the late Senator Daniel Patrick Moynihan on Social Security and other issues while serving as Minority Staff Director and Chief Economist for the Senate Committee on Finance. While on the Committee staff he was involved in major legislative debates with respect to the long-term solvency of Social Security, health care reform, the constitutional amendment to balance the budget, the debt ceiling, plans to balance the budget, and the accuracy of inflation measures and other government statistics. Prior to serving with the Finance Committee he was a Senior Economist with the Joint Economic Committee and directed various research units in the

¹ Ms. Keys' term ended on September 30, 2005.

Social Security Administration's Office of Research and Statistics. He has taught economics at Baruch College of the City University of New York, the University of Massachusetts and the University of California in Santa Barbara. He received his Ph.D. in economics from the Massachusetts Institute of Technology and a B.B.A. from the City University of New York. Term of office: October 2000 to September 2006.

Sylvester J. Schieber

Sylvester J. Schieber is Vice President/U.S. Director of Benefits Consulting at Watson Wyatt Worldwide, where he specializes in analysis of public and private retirement policy issues and the development of special surveys and data files. From 1981 to 1983, Mr. Schieber was the Director of Research at the Employee Benefit Research Institute. Earlier, he worked for the Social Security Administration as an economic analyst and as Deputy Director at the Office of Policy Analysis. Mr. Schieber is the author of numerous journal articles, policy analysis papers, and several books including: *Retirement Income Opportunities in an Aging America: Coverage and Benefit Entitlement*, *Social Security: Perspectives on Preserving the System*, and *The Real Deal: The History and Future of Social Security*. He served on the 1994 – 1996 Advisory Council on Social Security. He received his Ph.D. from the University of Notre Dame. First term of office: January 1998 to September 2003. Current term of office: October 2003 to September 2009.

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