



Social Security



***RESULTS***

*at the*

***SOCIAL SECURITY  
ADMINISTRATION:***

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***GETTING IT DONE***

## *Results at Social Security*

### **Introduction**

President Bush has said, in talking about what the American public expects from its government, that “What matters in the end is ...performance. Results. Not just making promises, but making good on promises.”

This commitment to results and focus on outcomes was echoed by Commissioner Jo Anne Barnhart. In her Senate confirmation testimony she said, “the people of America expect and deserve timely service. And [they] expect and deserve well managed programs providing accurate payments that safeguard their trust.”

The need for competence and efficiency at the Social Security Administration is clear: Social Security is a Federal agency that nearly all Americans will deal with at some point in their lives.

The Agency has offices in approximately 1,500 communities, large and small, across the United States. The Social Security Administration’s programs reach into almost every home. In all, the Social Security Administration makes benefit payments to more than 51 million people each and every month. For the millions of people currently receiving benefits, these programs play an important role -- be it long-awaited Social Security retirement benefits, much needed Social Security disability or survivors benefits, or Supplemental Security Income payments to our most financially vulnerable citizens.

**Approximately 1 of every 6 Americans receives Social Security benefits and nearly 1 in 4 households receive income from Social Security. For a third of our beneficiaries, Social Security contributes all or almost all of their income.**

But, as Commissioner Barnhart has said, the Agency “will look beyond and behind the numbers and recognize that each number represents a person, someone whose life will be affected by the work that we do, and how well we do it.”

There are a multitude of efforts underway at the Agency—both large and small—to improve the services we deliver, and the way we do business. Our Strategic Plan, based on four long-term goals—Service, Stewardship, Solvency and Staff—provides the overarching framework for these efforts. We have established management systems that are both visionary and detailed, and that will allow us to

succeed. We have incorporated the President's Management Agenda into Social Security's Results Agenda, the Agency Strategic Plan, the Commissioner's Service Delivery Assessment, and more.

We are committed to achieving concrete, measurable results. During the last several years the Agency has increased overall productivity by an average of 2 percent a year, we more than tripled the number of transactions that we process electronically over the Internet and we have significantly decreased the amount of time applicants for disability benefits must wait for a decision.

Our results mean that we have improved our service to the American people and to the American taxpayer by providing more timely, productive and accurate service.

## **A Focus on Results at the Social Security Administration**

### **Our Mission and Strategic Plan**

Results for Americans are what Social Security is all about. We are dedicated to superior service, accountability and accessibility. Our vital mission demands it. Our strategic plan ensures it.

Our mission is: **“To advance the economic security of the nation’s people** through compassionate and vigilant leadership in shaping and managing America’s social security programs.”

The Agency’s strategic plan establishes four goals, affectionately known within the organization as the “4 S’s”:

- To deliver high-quality, citizen-centered **service**;
- To ensure superior **stewardship** of Social Security programs and resources;
- To achieve sustainable **solvency** and ensure Social Security programs meet the needs of current and future generations;
- To strategically manage and align **staff** to support our mission.

So important are these goals that they are posted in offices across the country. The Agency has established an accountability structure to guide the implementation of the Strategic Plan. There are nine objectives supporting the four strategic goals, and each objective has specific targets to assure success. Also, a system of Executive Sponsorship ensures that a high-level Agency executive is accountable for achieving each objective.

### **Results Driven Employees: Our Key to Success**

The 65,000 dedicated men and women of the Agency, and the 14,000 State Disability Determination Services employees, do everything in their power to give the American people the service they expect and deserve – and they succeed. Our employees take pride in administering America’s most important and successful social program, knowing that they provide service to individuals at critical junctures in their lives--whether the onset of unexpected disability, the untimely loss of a spouse or parent, or making the transition from work to retirement.

We recognize that strong, two-way communication with all employees is needed to reach our goals. Not only must our executives share their vision and goals for the

Agency with employees, but employees must also be encouraged to provide suggestions and feedback to management. Further, we appreciate that recognition of high-performing employees serves as an incentive for achievement.

➤ **Agency Goals and Results Are Communicated Directly to Employees**

Social Security uses many different modes of communication to keep employees fully informed on the performance of the Agency in serving the needs of the public. One of the most effective ways Commissioner Barnhart communicates with employees is to travel extensively, visiting Social Security offices throughout the country, making presentations and engaging employees on the performance of the Agency in serving the American public. Since becoming Commissioner, she has visited nearly 100 offices, where she has met personally with managers and staff to discuss her priorities and to listen to employees' concerns. In 2003, the Commissioner focused on effective management, and gave 22 two-hour presentations to Social Security managers nationwide on that topic alone.

The Commissioner also makes use of the Agency's satellite television network to communicate directly with all 65,000 Agency employees. In addition, the Commissioner and Agency executives meet daily to discuss important issues, both at Headquarters and throughout the country through the Agency's nationwide videoconferencing capabilities.

Other effective communication vehicles include electronic transmissions such as the *Commissioner's Broadcast* and *News Bytes*. *Commissioner Broadcasts* are sent electronically from the Commissioner to all Agency employees when there is a need to communicate important information to employees on very significant issues. *News Bytes* is a monthly electronic newsletter that updates all employees on the progress of important Agency initiatives.

➤ **The Intranet Provides Helpful Information on Agency Results**

The delivery of information about results and Agency success via the Intranet ensures immediate, on-demand availability to all interested executives, managers, analysts and employees throughout the Agency.

The Social Security: Quality Matters Report is used to highlight Agency quality initiatives. Managers and employees can access information about the many processes, pilots, and initiatives underway which are aimed at improving the quality of our work, and obtain ideas to implement individually or as an office.

The Agency-wide Tracking Report provides the status of 47 key performance targets, including workload, budget, productivity and Program Assessment Rating Tool (PART) measures. The timeliness of the data allows managers to refresh work plans to achieve desired outputs and outcomes and it communicates to all our employees how we are doing in terms of meeting our most important performance commitments to the public and to Congress.

In addition to the Monthly Tracking Report, the Agency produces a number of periodic and ad hoc internal reports addressing performance. These include trend analyses and quality assurance reports used to measure the health of our programs. An increasing number of these online report sites are linked to databases in a way that allows users to drill down to the level of detail that they need to respond to particular questions and local issues.

An Executive Management and Information System puts current information in the hands of Agency decision makers. Data is extracted from the Agency's various management information systems, tailored to meet the specific needs of top Agency executives and presented in an executive summary which is updated as new data become available.

The Agency's President's Management Agenda (PMA) website explains the importance of the PMA to our own work. By visiting the website, employees can follow the Agency's progress in "getting to green." The website also includes a summary of the criteria for meeting the President's goals, a government wide progress report, a link to the White House website at [www.results.gov](http://www.results.gov) and a presentation on the PMA by the Deputy Commissioner.

The Office of Communications shares information with employees on a regular basis. News Bytes, as discussed above, is a monthly electronic news brief which provides employees with information about matters of Agency-wide interest. A Meeting on Main Street is a new employee information video series, provided to employees electronically over the Agency's Interactive Video Teletraining network. The first *Main Street* was broadcast in May 2004 and focused on the new Medicare prescription drug card. The DVD accompanying this report is a *Main Street* broadcast on the topic of Results at Social Security.

The Deputy Commissioner for Legislation and Congressional Affairs delivers information to Agency employees through staff reports on Congressional hearings

of Agency-wide interest, and Legislative Bulletins that keep employees up-to-date on proposed legislation affecting Agency programs.

➤ **Soliciting Ideas from Employees and Recognizing their Contributions**

The new and improved Employee Suggestion Program plays a key role in our ability to improve and streamline our programs, operations, systems and services. In an easy-to-use online format, employees submit suggestions that have the potential for saving taxpayers' money and enabling the Agency to provide better service. Employees receive a response to their suggestions within 90 days, and those whose ideas are adopted receive a cash award tied to the projected savings.

Under the direction of Commissioner Barnhart, every aspect of the old Employee Suggestion Program -- from who could make suggestions, to how suggestions would be submitted, to who would evaluate suggestions, to how much compensation employees would receive for their suggestions -- was revamped. Even the name of the suggestion program was changed to clearly communicate that it was a new, much-improved program. An aggressive internal marketing campaign was also developed to launch the new program entitled "Cash in Your Ideas – Your Good Ideas Can Make Change."

Since its launch more than two years ago, "Cash in Your Ideas" has continually improved, culminating with the implementation of a web-based, fully automated process in April 2003. In terms of results, the number of suggestions submitted has increased more than three-fold (from 2,053 to more than 7,400 per year) since 2001, when the Agency was operating completely under a paper-based system. The total savings to the Agency (intangible and tangible) increased from \$190,000 in 2001 to an average of \$875,000 in 2002 and 2003. In addition, the number of suggestion awards paid to employees increased from 55 in 2001 to an average of 180 per year in 2002 and 2003. Also, the average award amount paid to employees increased from \$386 to \$450.

At the Social Security Administration, employee performance is rewarded commensurate with contribution. Employees understand their role in the agency's mission and that their performance is tied to accomplishing agency goals. They also understand that performance is tracked and recognition is given for accomplishment, in the form of both monetary and non-monetary awards. By the type of award given, the Agency makes distinctions among employees and differentiates levels of performance and magnitude of contribution.

- Recognition of Contribution Awards, which are performance awards/bonuses and Quality Step Increases, are given to our highest performers who make the most significant contributions to Agency goals and objectives and perform at an exceptionally high level throughout the performance year.
- Commendable Act or Service Awards are also given for significant contributions which normally reflect recognition for accomplishment of project-type activities.
- On-the-Spot Awards range from \$50-\$200 and are given for one-time contributions, either singly or as part of a group effort, for project work of short duration.
- The Agency culture places a high value on our Honor Awards program. Each year, the Commissioner hosts an awards ceremony and luncheon to recognize the highest performing employees in the Agency. At this annual event, nearly 500 of the agency's top performers from around the county travel to Baltimore, Maryland to receive the Commissioner's Citation, the most prestigious award an employee can receive at Social Security. The awards are given for superior individual contributions or as part of a team that produced outstanding accomplishments that furthered the Agency's mission. In addition, the Commissioner presents some other esteemed awards such the Ewell T. Bartlett Humanity in Government Award and the Larry G. Massanari Leadership Award. Such awards recognize executives whose contributions are essential to serving the American public as well as executives who exhibit the character and compassion so important and necessary in government service. An excerpt from Commissioner Barnhart's words at last year's ceremony best state the significance of these honor awards:

***“The people of SSA embody the values of true public service. They understand that the folders on their desks represent living, breathing, feeling human beings and that the work they do affects those people—often at critical junctures in their lives. Those who we honor today are an exceptional group of individuals who have excelled this past year in demonstrating the commitment, creativity and innovation that are essential to providing the quality service that is SSA’s hallmark.”***

## **Social Security's Results Agenda**

### **A Foundation of Good Management Disciplines**

The Agency's Results Agenda provides a foundation of sound management disciplines upon which a culture of results is built. The Results Agenda incorporates the President's Management Agenda (PMA), which addresses five management issues: strategic management of human capital; competitive sourcing; improved financial management; expanded electronic government; and budget and performance integration.

The Results Agenda goals, as originally articulated in the PMA, are:

- To attract, motivate and retain top-flight employees.
- To compare government and private organizations to see which can do commercial functions more efficiently and award a "contract" for that work to the most efficient organization.
- To improve how government manages money.
- To expand the use of the Internet to provide faster and better access to government services and information.
- To produce a performance-based budget that links resources to performance.

There are clear standards for success for achieving these goals. Under each standard, an agency is "green" if it meets all of the criteria for success, "yellow" if it has achieved some but not all of the criteria, and "red" if it has any one of a number of serious flaws.

The Social Security Administration has received a green – the highest rating possible—for overall current status in financial management, budget and performance integration, and management of human capital and is yellow for expanded Electronic Government and Competitive Sourcing. Social Security has received a total of five upgrades since the original grades were released, almost three years ago. In addition, the Agency has achieved green for progress in all five categories. We are proud of these scores and committed to doing even better. The Agency emphasizes the government-wide management reforms of the Agency's Results Agenda in our strategic planning and budget preparation. Our goal is to get to green on all five of the President's integrated goals to ensure the success and fulfillment of our mission.

➤ **Strategic Management of Human Capital (Status: Green; Progress: Green)**

The Agency was just upgraded to green in status, but the Agency has worked hard for many years to meet the challenge of hiring, developing and retaining a highly-skilled, high performing and diverse workforce. Our “Retirement Wave” analysis shows that 20 percent of our employees are currently eligible for retirement. By 2013, 57 percent of current employees will be eligible for retirement, and 41 percent are projected to retire. To respond to this challenge, we have developed a Future Workforce Transition Plan.

In addition, we continue to focus on direct service positions. In FY 2004, we met our long term goal of reallocating 5 percent of headquarters positions to direct service.

In 2002, the Agency implemented a new national recruitment strategy to bring the best and brightest to the Agency. As part of our efforts to attract a new, talented and diverse workforce, a new recruitment plan and national marketing campaign was developed. The objective: to let potential employees know that we are one of the premier Federal agencies in government, offering challenging and rewarding careers. Using the tag line *Make a Difference in People’s Lives and Your Own*, highly-professional recruitment products were developed for recruiters across the nation. They included exhibits, posters, brochures, mini CD-ROMs, professional signage and other items. The Agency’s Internet Careers webpage was also redesigned and has become the centerpiece of our marketing campaign; a place where the public may obtain comprehensive information about the Agency, its mission, culture, benefits compensation package and career opportunities.

The Social Security Administration has one of the most diverse workforces in the Federal government, including about 71 percent women, 27 percent African Americans, 12 percent Hispanics, 4 percent Asians, 1 percent American Indians and 8 percent people with disabilities. Our success in achieving workforce diversity is reflected in a report by the Partnership for Public Service, *The Best Places to Work in the Federal Government*. We were ranked second by minorities as a desirable place to work.

➤ **Competitive Sourcing (Status: Yellow; Progress: Green)**

Over the past two years, the Social Security Administration has built a competitive sourcing infrastructure capable of providing better service to the American public.

In 2003, the Agency established the Office of Competitive Sourcing as an oversight component to coordinate all activities, guided by three basic principles:

- Competitive sourcing activities will be developed to provide annual savings and increased productivity.
- The Agency will make informed choices based on careful business case analysis of each activity.
- Continuous open communication with employees affected by competitive sourcing activities is a key to the success of the Agency's efforts.

Since 2001, the Agency has competed or converted 117 positions through four competitions and two direct conversions: Systems Software Validation (retained in-house), Headquarters Parking and Badging (awarded to private sector), Systems Help Desk (retained in-house), Performance Audits (direct conversion) and Magnetic Media Support (direct conversion). The Agency has saved money and improved service. There are now 702 positions under study or in the preliminary planning phase. The positions include facilities maintenance, mailroom operations, data center operations and debt management.

Because of competitive sourcing competition, employees have been inspired to become more efficient at what they do. Employees can take pride in having competed in various competitions with the private sector. First and foremost, the Social Security Administration has addressed employees' concerns over potential job losses through competitive sourcing competitions. The Agency has pledged to place all permanent employees affected by competitions in other jobs and retrain them if necessary.

Second, employees involved in competitions have received training on the requirements of a competition and the meaning of 'most efficient organization,' so that they are not disadvantaged.

Third, 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-11 (revised); and

➤ 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.

Finally, the Agency has provided employees with newsletters and held town hall meetings to inform and educate them regarding competitive sourcing activities.

The bottom line is this: through competitive sourcing, the Social Security Administration can achieve improvements that help to make it a most efficient organization. And when Agency employees win a competition, they prove that they are as efficient as any organization in the private sector.

➤ **Improved Financial Management (Status: Green; Progress: Green)**

Over the years, the Social Security Administration has worked hard to improve its financial management and to prevent improper payments. In 2003, the Agency earned "green" status for receiving an unqualified audit opinion on its financial statements for the tenth consecutive year, for having no Federal Managers' Financial Integrity Act material weaknesses and for its ability to provide financial management information to agency decision-makers.

In January 2003, Social Security succeeded in its efforts to remove the SSI program from the Government Accountability Office high-risk list, a tribute to the Agency's efforts in improving the management of the program. The GAO placed the SSI program on its high-risk list in 1997. Commissioner Barnhart made it an Agency priority to improve the financial integrity and management of the SSI program, and she tasked the Deputy Commissioner of Social Security to lead a high-level task force that was created to address this issue. From their work, specific initiatives were laid out in an SSI Corrective Action Plan to prevent or reduce payment errors. Today, the Agency conducts more disability and financial reviews of SSI beneficiaries, and has improved overpayment collections through additional methods. As a result of the Agency's many efforts in this area, the GAO recognized last year that the management of the SSI program has improved significantly and removed the program from its high-risk list.

As part of the SSI Corrective Action Plan, the Deputy Commissioner for Legislation and Congressional Affairs developed a legislative proposal to improve the integrity of the SSI program by conducting pre-effectuation reviews in 50 percent of disability allowance cases. The provision is expected to yield SSI savings over 10 years of \$480 million and additional significant savings in the Medicaid program.

Several years ago, the Agency had a wide variety of high-quality management and financial information, but it was housed in “legacy systems” that were not integrated, not easily accessible, and not user-friendly. Data and reports were usually not available, except in written form or as attachments to electronic mail messages. The records, systems and databases used to capture and report crucial management information were aging and difficult to maintain. And these systems were not responsive to changes in user needs.

One of the most important efforts to improve the quality, consistency and access to information used by managers and analysts to manage work and account for resources is an integrated Managerial Cost Accountability System (MCAS) and the Social Security Unified Measurement System (SUMS) project. MCAS and SUMS are important elements of our efforts to link costs and results. The overarching vision is to capture, count and measure all work consistently, regardless of where the work is performed. This gives managers user-friendly access to more information that supports their need for analysis, monitoring customer service, resource allocation, and strategic decision-making.

Specific examples of improved financial management include:

- Electronic Transfer Account—The Agency mailed notices to 11 million Social Security and SSI beneficiaries informing them of their electronic payment options, including the availability of Treasury’s ETA program. With this mailing, we became the first Federal agency to fulfill the ETA notification requirements of the Debt Collection Improvement Act.
- Electronic Commerce—In FY 2003, Electronic Funds Transfer made up 98 percent of the dollars disbursed, and 85 percent of the qualifying administrative payments.
- Benefit Certification and Accounting Activities—In FY 2003, the Agency timely and accurately validated and certified over 670 million payments worth over \$480 billion. These payments included more than 586 million

Title II payments (more than \$444 billion), as well as more than 84 million Title XVI payments (more than \$36 billion), and over 30,000 Title VIII payments (more than \$13 million.)

- **Reduced Travel Card Delinquency Rate**—While the government-wide delinquency rate was maintained at 4 percent for the months of high travel in 2003 (May through September), our delinquency rate was only 2 percent.

### **Real World Experience with Improved Financial Management**

(Excerpted from January 26 article in the Federal Times by reporter Karen Robb)

As manager of the Social Security Administration's Maryland and Delaware field offices, Terry Stradtman makes dozens of decisions each week about how to deploy staff and spend money to best process the thousands of benefit claims that pass through the 24 offices he oversees.

To make the right decisions, he needs to know how many transactions have been processed, how many remain and how much money he has to spend. "If one office has fallen behind, I could send them more people if I have the travel money to do that," Stradtman said. "If I don't have the money, then I could transfer the work if I know which offices have lighter workloads."

But, until six months ago, Stradtman didn't have that information.

The reasons managers lack that information are many. Many financial systems can't exchange, track or distribute data quickly or at all. Some managers are indifferent about tracking program costs. And the process of developing budgets and getting appropriations is fraught with uncertainty and delay, preventing managers from having a fix on how much money they have to spend.

Agencies are trying to get a handle on the problem [through] new financial systems that will get valuable information into managers' hands. And a push for a more businesslike approach to tracking federal spending is forcing agencies to change how they gather, collate and distribute financial information.

The Bush administration has made timely financial reporting one of its top management priorities. Agencies are generating annual financial reports in weeks instead of months, and monthly reports in days instead of weeks.

Dale Sopper, Social Security's chief financial officer, said regional managers now get information daily about their workloads and spending patterns, along with tools to analyze the information so they can make more informed decisions.

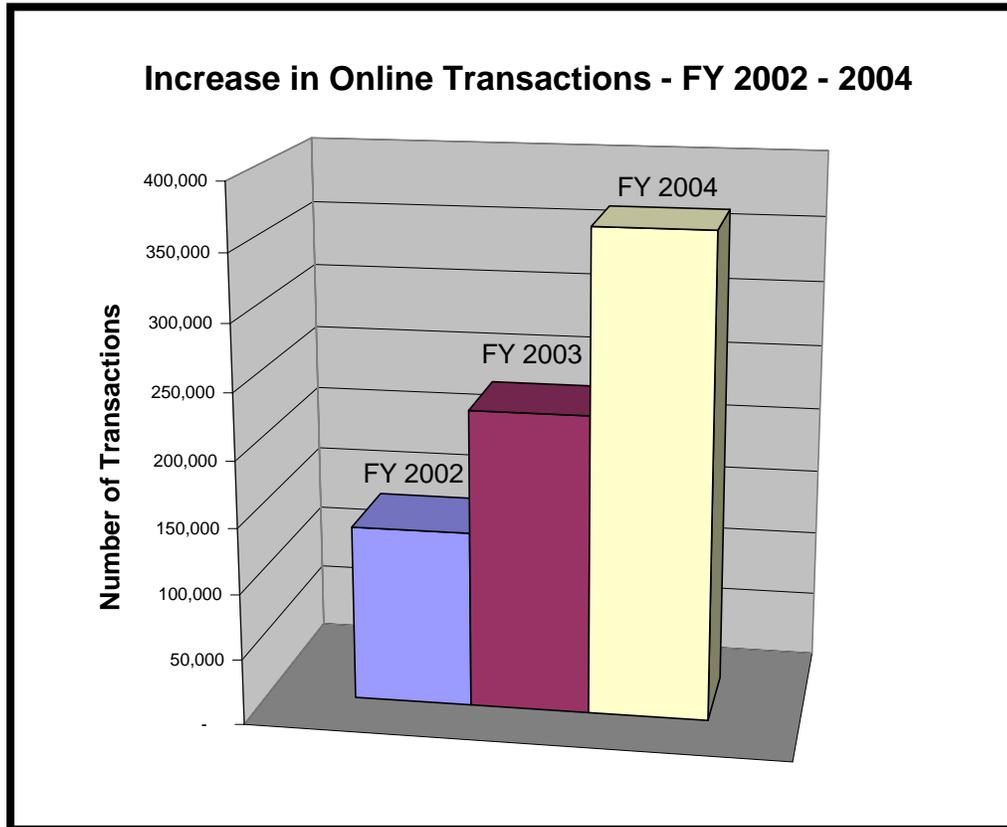
➤ **Expanded Electronic Government (Status: Yellow; Progress: Green)**

More than 165 million people in the United States have Internet access at home, and older Americans are among the fastest-growing age-groups who use the Internet.

The Social Security Administration believes that the Internet offers an opportunity to deliver high-quality, citizen-centered services online. While the use of the Internet as a public information source has been growing for some time, our agency has also been working to make the Internet a preferred choice for people to do business with the Agency.

The Agency emphasizes providing cost-effective Internet services fast, with those services customized to the people who would use them. To ensure that services are delivered over the Internet quickly and efficiently, the Agency has adopted an accelerated lifecycle for developing Internet software, with a much quicker time-to-market than traditional computer systems. Additionally, by focusing on better and more effective project management, e-Government services are delivered on time and as predicted. Focus groups are used to determine what our Internet services should provide and are routinely part of our early planning activities. Close monitoring of status and progress is part of our normal project development efforts, both at the local activity level, as well as at the Agency level. Automated project management tools are used to predict and manage the on-time delivery of services. Overall, service delivery via the Agency's website is among the most effective and well-accepted in government.

Our secure and convenient online services have grown and will continue to grow dramatically. Overall, we have seen a 170 percent increase in online transactions from FY 2002 to FY 2004 (see chart).

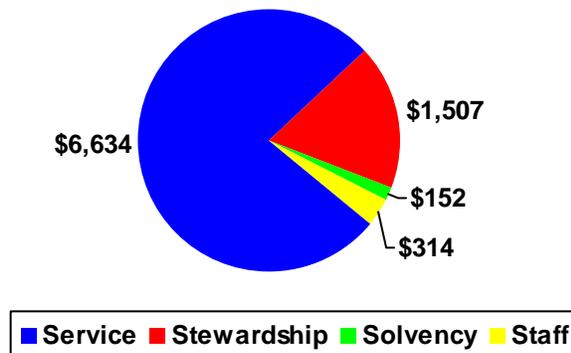


➤ **Budget and Performance Integration (Status: Green; Progress: Green)**

The Social Security Administration has worked diligently to emphasize the relationship between resources and results. The demonstrated progress in this area includes the Commissioner’s multi-year Service Delivery Budget Plan, which provides a context for making decisions on needed improvements in service delivery, fiscal stewardship, and the requisite staffing to accomplish both. This budget plan was developed as a multi-year plan to demonstrate the resources required to keep up with core workloads, process special workloads, eliminate backlogs of disability claims, hearings and appeals, and other operational workloads, and to improve productivity and fiscal stewardship.

The Service Delivery Budget Plan aligns costs and workyears with overarching performance goals in our Strategic Plan. For example, the initial Service Delivery Budget Plan identified the resources required to eliminate backlogs by the end of FY 2008 and took into account savings for efficiencies that we expect to achieve from process and technology changes. Each year through FY 2008, we were able to show the costs of reducing backlogs or simply keeping up with workloads. Our accounting and cost analysis systems, which track the fully loaded administrative costs of our programs by workload, as well as the production rates, were invaluable tools in helping us develop projections.

**FY 2003 Administrative Expenses by Strategic Goal (\$ In millions)**



Social Security is also improving its core budget formulation system, and developing an automated system that will build on the current financial performance and management information systems. It will enable the Agency to better project how resource changes affect various workloads, outputs and outcomes. For instance, in response to a Congressional inquiry, we used unit cost information to show how many fewer disability claims would be processed if the President’s FY 2004 budget were not fully funded. Further, we have demonstrated a macro budget formulation model which helps us estimate what level of performance to expect at different levels of funding and productivity.

The FY 2005 Agency budget clearly defines performance commitments, both in terms of the public service and program integrity workloads that the Agency will handle and the outcomes it expects to achieve. Our plans and budgeted activities reflect evaluations and feedback from the Congress, the Social Security Advisory Board, the Government Accountability Office, and the OIG. Accountability is clearly defined for major Agency initiatives and workloads, and productivity and/or process improvements are built in. Agency executives meet on a monthly basis to review and discuss performance measures; resource allocation decisions are made based on performance and projected workloads. Furthermore, results from the President’s Program Assessment Rating Tool are integrated into our

Agency decision-making process, and are included in our budget justification materials.

## Strategic Results

The Social Security Administration has made great strides in meeting its four strategic goals: **service, stewardship, solvency, and staff**. Compared to 2001, the Agency is processing more work in less time, while maintaining a high accuracy rate. Below, are some of the results the Agency has achieved.

### ➤ **Goal: To deliver high-quality, citizen-centered SERVICE**

#### *Service Result: Continuing to Improve the Disability Process*

In 2001, the Social Security Administration's Service Delivery Assessment showed that the time the disability determination process took was unacceptable. Since then, the Agency has worked aggressively to make improvements. From the creation of the electronic folder, to sharing best practices between employees and offices, to changes in the rules and regulations governing the disability process, to other initiatives designed to reduce processing time and increase accuracy, Social Security is committed to providing superior service to disability claimants.

Once eDib is fully operational, it will manage more than 3 billion documents and process up to 250,000 documents per day. With the new paperless process, costs related to locating, mailing, and storing paper files will be significantly reduced.

One of the most ambitious and promising of recent initiatives is the Agency's electronic disability claims folder, called eDib. It replaces the paper-driven process with a more efficient electronic system and is expected to reduce processing times significantly. In the paper-driven process, when a claimant requests a hearing, it often takes more than a month simply to locate the claimant's folder and deliver it to the appropriate hearing office. The development of the electronic disability folder allows: automated interaction between the various processing components, ability for employees to view status of hearings cases, and capability for all employees to view the electronic file information.

The first-phase of the eDib initiative was implemented with the release of the Electronic Disability Collect System to all field offices. This system enables field office employees to enter into the system the medical and vocational information provided by claimants in support of their claims.

Additional measures to improve the disability process include the following:

- At the hearings level, the Agency is using process changes and technology to speed the delivery of decisions by Administrative Law Judges (ALJs). ALJs can screen cases early in the process and, when appropriate, issue decisions without a full hearing when additional evidence is not needed. Issuing decisions from the bench immediately following a hearing and using speech recognition technology to write decisions also speeds decision-making. Expanding video hearing equipment to more hearings offices allows ALJs to conduct more timely hearings for individuals who live in remote locations and reduces the delays, costs and inconvenience associated with traveling long distances to attend a hearing.
- Implementing and enhancing case processing systems support the Agency's move to an electronic disability process. The most significant of these is the web-based Case Processing Management System (CPMS) in the Office of Hearings and Appeals. The CPMS significantly enhances service through interactive screens. A secure and centralized repository of data, major improvements in scheduling capabilities, hyperlinks to reference material, interfaces with the electronic file and with other Agency systems. The new system also supports decision writing. Currently, seven of ten Regions are using CPMS, with the three remaining Regions scheduled for August implementation.
- Two examples of best practice sharing are within the Office of Hearings and Appeals (OHA) and Office of Appellate Operations (OAO). OHA initiated a bimonthly Interactive Video Teletraining Hour designed to improve the quality and quantity of decisions and to share the "best quality" practices found throughout OHA. OAO has developed a Best Practice Guide for Branch Chiefs, designed to assist them in the full range of management issues, with the intention of improving overall workload performance.
- The electronic Summary Medical Assessment and Review Tracking (eSMART) system is used to track, process, store, transmit payment determinations, and report on Disability Quality Branch (DQB) workloads. The automation provided by eSMART and the ability to capture medical consultant review findings electronically are important steps toward integration with the electronic disability folder now under development for use in all disability claims processes. Prior to eSMART, DQB disability examiners would send medical consultants' (MCs) handwritten or typed

notes and questions clipped to the front of case folders and the MCs would respond via paper forms.

### ***Service Result: Improved Service through Technology***

The Agency's key long-term outcome is to substantially increase the use of electronic services. Some examples of success are:

- Increased access to informational e-services (29,628,663 times in FY 2003);
- Increased use of Frequently Asked Questions (71 percent increase in FY 2003); and
- Online satisfaction survey showed 96 percent of users felt the applications were easy to use and would recommend them to others.

The Agency has taken steps to provide cost-effective service delivery by better managing its portfolio of electronic services. These include online transaction services such as filing claims via the Internet, change of address, change of direct deposit information, replacement Medicare cards, and benefit verifications applications. The suite of online services provides a very safe and convenient way to do business with the Agency.

The website at [www.socialsecurity.gov](http://www.socialsecurity.gov) was ranked in the top 10 of Federal government websites surveyed in the American Customer Satisfaction Survey. The Agency's Office of Communications has begun a national marketing plan and all publications were revised to highlight the website. Large employers and the medical community are encouraged to help promote use of the website in their communities.

### **E-Government to Citizen Results:**

***Social Security Online***, the official Social Security website, attracts more than 30 million visitors a year. Visitors can often find the information they need, or take care of the business they want to conduct online, which decreases the demand for direct service by 800-number and field office staff. For example--

- Frequently Asked Questions, a cornerstone feature of the website, provides answers to over 14 million inquiries each year. There are nearly 1,200 questions and answers in the current database, in both English and Spanish.

- In FY 2003, more than 148,000 people submitted applications for Social Security benefits online.
- Recently, three important Social Security disability claims forms were added to our online service--the i3368/9 Adult Disability and Work History Report, the i3820 Childhood Disability Report and the i3441 Appeals Disability Report.
- 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.
- The Benefit Eligibility Screening Tool (BEST) helps visitors determine if they are eligible for Social Security, SSI or Centers for Medicare and Medicaid Services programs. The process takes about 5 to 10 minutes to answer the questions, and in FY 2003 was used by 1,340,620 people.
- The Field Office Locator provides instant client access to the location of every field office by Zip Code. Street address, telephone numbers and directions (including a map) are provided through this service.
- The Agency website is accessible to people with disabilities and to non-English speaking populations. For example, visitors can change the text size on the website to make information easier to view by using the Web Eyes plug-in, available free of charge. And the Multi-Language Gateway at [www.socialsecurity.gov/multilanguage](http://www.socialsecurity.gov/multilanguage) makes available public information materials translated into 15 languages other than English.

### **E-Government to Business and Government Results:**

- For the business community, Social Security has automated employer wage reporting and SSN verification. By the end of FY 2004, we expect 55 percent of all W-2s to be filed electronically, compared to 27 percent in FY 2001.
- Government-to-government efforts have usually focused on exchanging information to make sure that benefit programs across government are run fairly and accurately. Information and data exchange between Social

Security and more than 4,000 other government agencies results in savings of over \$2 billion each year. To this end, the Agency leads the eVital project, an effort to establish common electronic processes for federal and state agencies to automate the collection, analysis and processing of information shared among government agencies

- One element of eVital, Electronic Death Registration (EDR), is a state initiative which the Agency supports with partial funding. EDR involves sharing of electronic death records among Federal, State and local agencies. When implemented, the Agency will realize an annual savings of \$36-42 million in program funds and about 100 work years. EDR benefits the private sector through increased customer service and earlier detection of fraud and identity theft.

### **Social Security's Website Offers Something for Everyone**

Social Security's website---[www.socialsecurity.gov](http://www.socialsecurity.gov)--offers a variety of online services and provides a wealth of information about the Agency's programs. Commissioner Barnhart has said, "Social Security's programs touch the lives of nearly every person in America, from the young to the old. One of my goals is to ensure that we deliver high quality, citizen-centered service. Our website and online services are a quick, easy and secure way to do business with our Agency."

Social Security's website provides useful online services and valuable information for people at every stage of life, whether they are:

- a young adult first entering the workforce,
- a new bride,
- a new parent,
- a person who has become disabled,
- a family member who has lost a loved one, or
- an older person making the transition from work to retirement.

Young children and teens can have fun and learn about Social Security at [www.socialsecurity.gov/kids](http://www.socialsecurity.gov/kids) -- the Agency's Kids and Family page.

Workers and people nearing retirement can get estimates of their future Social Security benefits at [www.socialsecurity.gov/planners](http://www.socialsecurity.gov/planners) by clicking on "calculators."

A free, monthly electronic newsletter, eNews, is among the most popular in government and is available at [www.socialsecurity.gov/enews](http://www.socialsecurity.gov/enews), or it can be received automatically with a simple online subscription.

People receiving disability benefits, employers and service providers can visit The Work Site at [www.socialsecurity.gov/work](http://www.socialsecurity.gov/work) for information about support programs geared towards helping people with disabilities find employment.

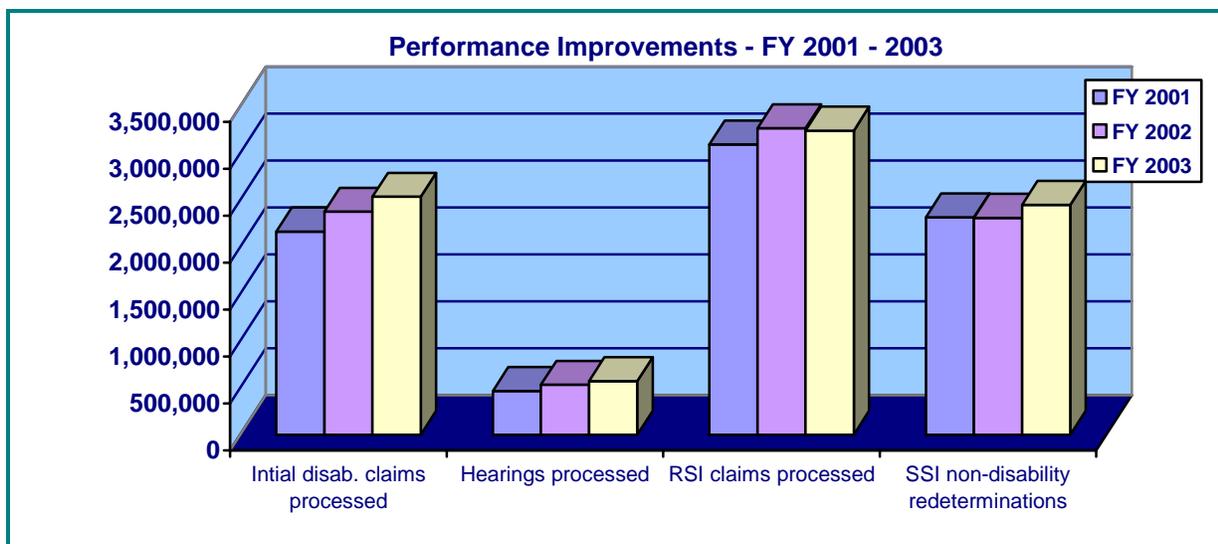
People of all ages and life situations can, in fact, find an abundance of information in Agency publications and Frequently Asked Questions. One especially popular site is the [Most Popular Baby Names](#) link, which lists the top baby names for 2003 and previous years.

All can be found easily at Social Security's new, simplified homepage—[www.socialsecurity.gov](http://www.socialsecurity.gov).

### ***Service Result: Employees are More Productive***

The Agency has committed to achieving at least a 2 percent net increase in productivity each year. In FY 2002, productivity increased by 5.1 percent. In FY 2003, we exceeded our Agency-wide productivity goal once again, with an increase of 2.1 percent.

In FY 2003, offices processed over 2.5 million disability claims – an increase of more than 350,000 from FY 2001. Administrative Law Judge (ALJ) productivity rates were the highest in history – at 2.35 cases per day. The Agency's Office of Hearings and Appeals processed 40,000 more hearing decisions than FY 2002.

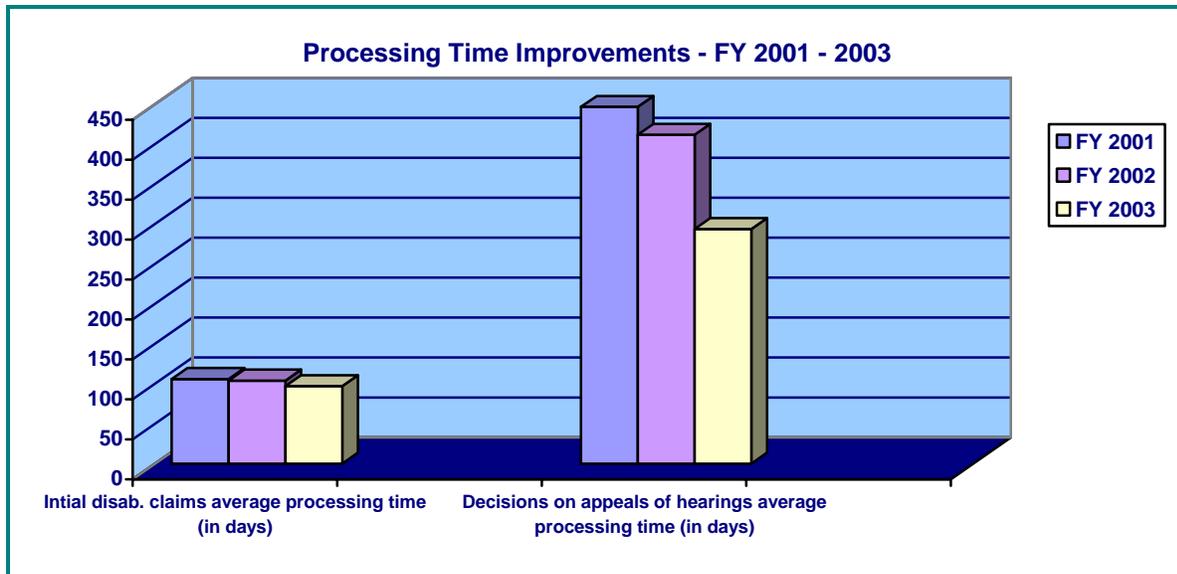


***Service Result: Reduced Processing Time***

One of the Agency’s highest priorities is to improve service to the public in the disability program. Each disability claim represents a person, and often a family. Reducing the time it takes to process disability claims lessens the financial and emotional burden on applicants and their families. The Social Security Administration has also made substantial progress in reducing processing time for the disability claims process. In 2003, processing time was reduced by more than 100 days at the Appeals Council stage. The Agency also reduced processing time for initial disability claims, from an average of 106 days in FY 2001 to 97 days in FY 2003.

The Agency also has initiated other strategies for serving people with disabilities, including:

- Disability process improvements
- Electronic disability initiative
- Updating medical listings which describe impairments that are considered severe enough to prevent a person from working
- Improving the Hearings and Appeals Process



Furthermore, the Agency has many initiatives in place that will further reduce processing time:

- The Boston Office of Quality Assurance is completing a report on a study to determine the accuracy of online marriage records in the State of Maine. The use of an online database would reduce processing time for claims where a marriage certificate is a required entitlement proof.
- The Agency is piloting an electronic process for obtaining reports of consultative examinations (CE) that does not require a paper follow-up report to meet the regulatory requirement for the provider's signature. The CE providers will use the Agency's secure eData website, which includes a click-and-sign feature, to send a digital version of their report to the DDS. The system will then create an electronic attestation that the report was received from the named source using an approved electronic signature process. For now, the attestation will print out as the last page of the CE report for inclusion in the paper file. When the electronic folder becomes the official folder of record, the audit trail attached to the read-only file of the report will also document the signature. Since CEs are usually the last development step in a large portion of disability cases, any time saved by reducing paper and mail handling will directly translate to reduced overall processing time.
- The Office of Hearings and Appeals (OHA) recently completed a pilot of speech recognition software in order to reduce or eliminate the processing

time that accrues on dictated cases waiting for typing. In addition, OHA plans to store the recording of hearings on an Agency-wide file server, making them accessible to OHA personnel nationwide.

- The Office of the Chief Administrative Law Judge's Practice and Procedure Exchange has served as a focal point for gathering and evaluating innovative ideas and work processes developed in hearing offices (HO). Developed in 1993, this website will continue to provide an ongoing source of *quality practices* to streamline HO processes.

### ***Service Result: Additional Work Opportunities and More Timely Return to Work Information***

The Agency is committed to ensuring that beneficiaries with disabilities are provided opportunities to attempt working without the threat of losing their Social Security and medical benefits. To this end, the Agency has implemented a number of initiatives:

- Ticket to Work Program and Work Incentives—provides beneficiaries with more choices and expanded opportunities to work.
- Early Intervention Demonstration—tests whether early intervention for certain applicants will help them to remain in the workforce and maintain financial independence, rather than the alternative of long-term dependence on the rolls. Interventions will include a cash stipend, access to medical benefits, and a variety of employment supports.
- Youth Transition Process Demonstration—provides funds for states to develop integrated service delivery systems for youth transitioning to adulthood (ages 14-25) to improve employment outcomes and economic self-sufficiency. The project targets youth currently receiving Social Security benefits based on their own disability, or at risk of receiving those benefits.
- Area Work Incentive Coordinators—a new position has been established that will specialize in disability work incentives and will have a broad scope of responsibility regarding outreach, training and work incentives through monitoring employment support activities in 20-30 Agency field offices.
- Mental Health Treatment Study—project will determine the effect of the availability of treatment funding on the health, health care, and job-seeking behaviors of disability beneficiaries for whom a mental health disorder is the primary diagnosis.

- Benefit Offset—required by the Ticket to Work legislation, this project will test a range of employment support interventions for disability beneficiaries, in combination with a sliding scale benefit offset for disability beneficiaries.

The Benefits Planning Query (BPQY) is the Agency’s latest resource tool for information retrieval related to earnings and work activities. Analysis of this information is the first step for return to work initiatives. In addition to supporting the Ticket to Work program, this information will enhance the ability of employees to provide timely information to claimants and recipients on return to work issues.

After years of both health and personal tragedies, Veronica J. of Chicago put her life back together again. In 1992, she was diagnosed as HIV positive and began receiving SSI benefits. As time passed, she missed working and the sense of accomplishment that it brought. The timing was perfect when she received her “Ticket to Work.” She used her ticket and now works 30 hours a week at a large retirement community as an administrative assistant.

In addition, the Agency’s State Partnership Initiative (SPI) awarded cooperative agreements to 12 states to develop innovative projects to increase employment opportunities for people with disabilities who want to work. The organizations involved have distinct target populations which include individuals with severe mental impairments, physical and developmental disabilities, individuals who are blind or visually impaired and adults and students receiving Social Security disability benefits and SSI payments.

***Service Result: Agency Better Organized to Deliver Enhanced Service***

The Office of Systems was reorganized to better serve the Agency’s need for Information Technology and automation support to both internal users and the American public.

The Office of Electronic Communications was established in the Office of Communications to provide technical advice and support to all Agency components on Public Information/Public Affairs issues as they relate to the Internet/Intranet.

The Information Technology Support Staff was established in the Office of Disability and Income Security Programs to direct all systems activities supporting the Agency’s electronic programmatic instructional system.

The Human Capital Planning Staff was established in the Office of Human Resources to formulate and implement effective human capital planning activities and thereby ensure enhanced human resources services throughout the Agency.

***Service Result: Outreach to Low-Income Beneficiaries***

The Social Security Administration conducts outreach designed to increase enrollment in the Medicare savings programs. These programs are federal-state initiatives that help low income beneficiaries pay their Part B premiums under Medicare and, in some cases, assist with other cost-sharing features of Medicare. Outreach efforts include mailing letters to beneficiaries potentially eligible for the savings programs and providing information to states to assist with their outreach. The GAO report “Results of Social Security Administration’s 2002 Outreach to Low-Income Beneficiaries” found that outreach efforts in 2002 resulted in over 74,000 low-income persons enrolling in the Medicare savings programs. The Agency is also responsible for outreach activities under the new Medicare prescription drug legislation. Through mailings and other activities, the Agency is informing low-income and other beneficiaries, including the homeless, about benefits under the new legislation.

Outreach efforts have been collaborative, involving partnerships with the Centers for Medicare and Medicaid Services and the states. They have had direct, measurable effects on beneficiaries and contribute to the Agency mission of advancing the economic security of the nation’s people.

➤ **To ensure superior STEWARDSHIP of Social Security programs and resources**

***Stewardship Result: SSI Program Removed from GAO's High Risk List***

Because of the Agency's progress in addressing SSI payment accuracy problems, GAO removed the SSI program from its high-risk list of government programs vulnerable to waste in January 2003. The Agency developed a Corrective Action Plan and many initiatives over the last few years to prevent and detect SSI overpayments. These initiatives included:

Preventing overpayments

- Initiated a proof of concept to test electronic verification of account balances with financial institutions to determine if an applicant or recipient owns unreported assets.
- Testing use of credit bureaus and other public databases to detect unreported income or resources.
- Continued commitment to timely processing of Continuing Disability Reviews.
- The Agency piloted an automated monthly wage-reporting method for workers at risk for wage-related overpayments, using voice recognition/touch tone phone technology. The Agency will evaluate the results of the pilot and will make a decision on proceeding with national implementation.

Detecting overpayments

- Increasing the number of SSI redeterminations.
- Increasing use of online access to data to improve verification of documents and claimant allegations.

Collecting debt created by overpayments

- Using a new debt collection measurement tool that will enable us to better target those portions of our debt portfolio that can be collected.
- Continuing cross-program recovery of SSI debt from Social Security benefits.
- Implementing a project that "nets" SSI underpayments from SSI overpayments, reducing the amount of outstanding debt (\$165.5 million collected through May 2004).

- Recovery of overpayments through tax refund offsets and offsets of other Federal payments.
- Implementing administrative offset and credit bureau reporting for SSI debt.
- Exercising authority to hold representative payees liable for overpayments caused by incorrect payments to deceased beneficiaries.

#### Simplifying the SSI Program

- Publishing an NPRM (1/6/04) that would no longer treat gifts of clothing as income, simplify the automobile exclusion to exclude one operating vehicle and simplify the development required to evaluate the value of household goods and personal effects as resources.
- Proposing provisions in the Social Security Protection Act to increase the interval used in calculating certain infrequent or irregular income, exclude certain interest and dividend income, and enact a uniform nine-month resource exclusion period.

These changes demonstrate the Agency's commitment to improving the management of the SSI program.

#### ***Stewardship Result: Social Security Numbers are More Secure***

The Social Security Administration strengthened the SSN application process by:

- creating a Social Security Card Center in Brooklyn, New York, to test if such centers would improve and expedite the document verification process;
- eliminating drivers' licenses as a valid reason for issuing a non-work SSN;
- verifying with the issuing agency the records of any birth certificates submitted by U.S.-born citizens, age one or older who are applying for an original SSN;
- verifying with the Bureau of Citizenship and Immigration Services (BCIS) all alien documentation submitted by non-citizens in support of applications for an original or replacement SSN card;
- decreasing reliance on applicant-submitted evidence by using Enumeration-at-Entry, a process whereby the Agency will assign SSNs to new arrivals based on data collected by the Department of State and the BCIS at the time right-of-entry into the U.S. is authorized; and

- implementing new automated tools, such as the Enhanced SS-5 Assistant, which helps ensure consistent policy application in enumeration, strengthening the integrity of the enumeration process.

As of September, 2003, there were 34 state Department of Motor Vehicles that entered into agreements with the Agency to use the online service Enumeration Verification System. Of those states, 22 were using the online verification process, four states had begun testing, and nine states had entered into agreements but had not begun testing yet.

***Stewardship Result: Employers Assist in Preventing Errors***

The Social Security Administration is undertaking an aggressive educational campaign to inform the wage reporting community of various tools and error detection services available to them. For example, the Agency is encouraging greater use of SSN verification through the Employee Verification Service that allows employers to check a name/SSN combination. The Agency is currently piloting an Internet-based SSN verification service that provides immediate or next business day response to name and SSN match requests. At this time the pilot is only open to a small number of participating companies. It is anticipated that this option may be open to all employers after evaluation of the pilot.

Business Service Online (BSO) is a suite of Internet services for businesses and employers who exchange wage information with the Social Security Administration. Once registered, users are able to submit W-2 wage files to Social Security online and view status and error information for their employer reports. Increased BSO usage will provide a more accurate and timely means to post earnings to worker's records and will assist with the proper crediting and accounting of Social Security trust fund contributions.

***Stewardship Result: The Agency Prevents Fraud and Abuse***

The Social Security Protection Act contained several provisions that strengthen the Agency's oversight of representative payees. These changes are designed to protect Social Security, Title VIII and SSI recipients from dishonest representative payees who misuse benefits. The legislation holds representative payees liable for the misuse of benefits and places stricter requirements on organizational and individual representative payees. The Agency may impose civil monetary

penalties for offenses involving misuse of benefits by a representative payee or for knowingly withholding of material facts by a representative payee.

Checks issued by the Department of the Treasury no longer have imprinted SSNs, due to increasing concerns about identity theft. In support of this change, a joint Social Security and Treasury team developed an automated query to facilitate field office check handling processes. The Agency is taking this opportunity to encourage claimants and representative payees to use direct deposit, which also will improve payment timeliness. More than 80 percent of all Social Security beneficiaries now use direct deposit.

Significant stewardship results continue to be achieved by the Cooperative Disability Investigations (CDI) Units. CDI Units investigate allegations of fraud, document the claims folder, and undertake legal actions when fraud is demonstrated. Through May 2004, national savings totaled over \$376 million in Agency programs and over \$212 million in non-Agency programs. Eighteen CDI Units have been established; additional units will be added on a yearly basis, depending on available funds.

The Office of Hearings and Appeals now has an Intranet webpage that lists claimant representatives suspended or disqualified from practice before the Agency. Until recently, there has not been an effective way to ensure that this information is up-to-date and easily accessible to employees. Providing employees with accurate and timely information concerning sanctioned representatives both facilitates the effective enforcement of Agency decisions to suspend or disqualify representatives, and protects claimants and the claims process from individuals who have violated conduct rules for representatives or who are not qualified to be representatives.

The procedure for handling allegations of non-receipt of SSI checks was automated through the Modernized Supplemental Security Income System (MSSICS). With this new system, employees receive an alert whenever a recipient cashes an original SSI check as well as the replacement check.

The Office of General Counsel currently has assigned four attorneys to work in the U.S. Attorneys Offices in Atlanta, Chicago, Seattle, and Portland, Ore., prosecuting matters involving program fraud that would not otherwise be prosecuted. The Agency's attorneys have obtained numerous indictments, successfully prosecuted numerous defendants, and secured convictions with orders

of restitution amounting to \$1,824,000 for FY 2003, and more than \$1.4 million through the first half of FY 2004.

The Agency has enhanced its security and suitability investigations program to better ensure that we only hire employees and/or contractors who are qualified to be Federal employees or perform on Federal contracts. This has enhanced our ability to better prevent fraud, waste and abuse among our employees and contractors.

➤ **Goal: To achieve sustainable SOLVENCY and ensure Social Security programs meet the needs of current and future generations**

***Solvency Result: The Agency Has Strong Research Capabilities***

The GAO's January 2003 report on *Major Management Challenges and Program Risks* acknowledges the steps the Social Security Administration has taken to strengthen its research, evaluation and policy development activities, and to eliminate this issue as a management challenge. The Agency will continue to: maintain an in-house capacity of policy, actuarial and legislative expertise to respond to decisionmakers' questions about the fiscal, distributional and administrative aspects of proposals to reform the Social Security programs; and work with the Administration and Congress as legislative proposals to achieve sustainable solvency are developed.

***Solvency Result: Educating the Public about Solvency***

Among the most important issues facing Social Security is the long-range solvency of the program, and the Agency is making concerted efforts to educate the American public about long-range solvency challenges and possible solutions.

For example, Agency executives, including the Commissioner, have made frequent speeches and presentations on the future of Social Security. The *Social Security Statement*, which is mailed annually to approximately 135 million workers, includes prominent language outlining the nature of the solvency issue. Based on a series of studies we have undertaken, the *Statement* is among our most effective communication tools. The millions of visitors to the Agency's website are also invited to read a series of Frequently Asked Questions about different aspects of the long-range solvency issue.

The Agency's Office of Communications earlier this year published a booklet entitled "The Future of Social Security" which addresses various solvency issues, and the Agency has a network of approximately 100 Public Affairs Specialists who are available to speak on this and other issues at community gatherings throughout the nation. The Office of Communications also maintains a website for National Organizations and Groups, located at [www.socialsecurity.gov/organizations](http://www.socialsecurity.gov/organizations). The purpose of the site is twofold: to encourage partnerships with national groups and organizations, and to provide information for them to use in their newsletters, magazines and other membership communications.

- **Goal: To strategically manage and align STAFF to support the Agency's mission.**

***Staff Result: Recruiting and Retaining a High-Performing Workforce***

The Social Security Administration must stay competitive in the employment market. Recently, the Agency developed a national recruitment guide for managers and human resource personnel, a comprehensive list of over 2,000 Internet links to university/college career centers and a new recruitment outreach program to attract veterans. As more of the Agency workforce retires, it will continue efforts to replace highly-valued and experienced staff with new people committed to public service.

We developed a new recruitment outreach program to attract veterans to our workforce. Using employees who are also veterans, we created a series of recruitment posters with a military motif and a new mini CD-ROM. A new tag line was created: *Continue to Serve Your Country . . . Join the Social Security Administration*. These recruitment products will be used at military transition centers, job fairs on military bases, Veterans Affairs Offices and in local communities.

As part of our efforts to attract and to hire more people with disabilities, the Agency is developing a new recruitment outreach program. We have identified effective recruitment sources and best practices that have been shared with our recruiters. In addition, we are working closely with Agency advisory groups to develop new strategies and recruitment products to support this important initiative.

We continually fine tune our recruitment program and target specific occupations as needs dictate. As an example, we have developed a new marketing brochure for

The Office of the Actuary to attract actuaries. New recruitment posters were created for the Office of the Inspector General, which will be used to hire special agents and auditors.

Agency managers have used a broad array of personnel management flexibilities to recruit and retain a high performing workforce. Tools such as recruitment and relocation bonuses, appointments above the minimum salary rate and retention allowances have proven to be invaluable toward attracting and retaining the talented people needed for our hard-to-fill positions.

Since 2000, the Agency has annually solicited and received an extension of our special authority from OPM to rehire annuitants with benefit of a waiver of dual compensation salary reduction. This authority, which has only been granted to a limited number of Federal agencies, has been most beneficial by allowing the Agency to reemploy its most valuable senior employees to train and mentor new staff, perform mission-critical tasks and complete important special projects until new staff with the required expertise is ready to take over.

In FY 2001, 3,925 people were hired. In FY 2003 that number increased to 4,707, approximately 62% of which were college graduates. However, not only are we hiring significant numbers of new employees – we are retaining them. In 2003, the new hire retention rate was 86.4 percent.

***Staff Result: Employees are Well-Trained***

In FY 2003, the Social Security Administration made available an average of 68 hours of training per employee, exceeding its goal of 40 hours.

The Agency has redesigned the entry-level Claims and Service Representative (CR/SR) training packages. The new training includes policy updates and system enhancements and is composed of smaller training units than in earlier versions. In addition, the new training incorporates new technologies and reflects the way the CR and SR positions are actually performed.

The Office of Training developed a 1-day training seminar specifically designed for staff associates who work for senior level executives. The program was designed to help participants further develop communication skills and provide helpful insights for continued career growth.

The Agency has expanded the use of Interactive Video Teletraining (IVT), its distance learning network. IVT links instructors to students by using digital satellite technology. Over 95 percent of Agency and DDS employees now have direct in-office access to IVT. Social Security increased the number of IVT broadcast hours from 4,214 hours in FY 2001 to 6,251 hours in FY 2003. Recently, based on IVT's proven cost-effectiveness, the Agency approved funding that ensures direct in-office access to IVT nationwide.

The Agency's revamped Online University (OLU) uses Internet technology and provides all employees with training and development opportunities. The flexibility of OLU allows managers and employees to take courses at their workstations and at home, offering a cost-effective and self-paced training opportunity. OLU currently has a library of over 1,500 courses, including personal development, computer training, and leadership skills.

Recently, the Office of Personnel Management launched its own "GoLearn" site, offering training to Federal employees in an online environment. Social Security is assessing agency needs and developing a strategy to integrate its existing Online University with GoLearn in an effort to increase access to training for employees and improve the efficiency of training delivery.

IVT also delivers disability policy training. Topics for the training broadcast come from throughout the Agency and the Disability Determination Services. Examples of disability training topics include broadcasts on Accelerated Electronic Disability, Health Insurance Portability and Accountability Act, and Conducting the Disability Interview.

To ensure that employees are familiar with ethical rules applicable to all Federal employees, attorneys from the Office of General Counsel provide ethics training to all new employees at headquarters components. And, given the heightened emphasis on employees who deal with outside vendors, General Counsel also provides ethics training to all agency project managers (about 400 employees).

### ***Staff Result: Developing Future Leaders***

Leadership and career development opportunities are essential. The Agency's national career development programs were established in 1997 to help prepare employees to assume leadership positions and to narrow the leadership skills gap from the retirement wave.

Programs include a Senior Executive Service Candidate Development Program, the Advanced Leadership Program, the Leadership Development Program and the Presidential Management Fellows Program, as well as regional and component level programs. From 1997 to 2001, 133 employees were selected for national career development programs. The Agency significantly increased participants between 2001 and 2004 to 217 employees. In FY 2003, 4.2 percent of the workforce participated in a job enrichment opportunity.

The Leadership Development Program (LDP) is a national, 1-year program that includes training and rotational assignments. Since 1998, a total of 161 employees in grades GS-9 through GS-12 have participated in the LDP. These employees have been from components throughout the Agency.

The OHA Leadership Development Program was implemented during FY 2003, offering one-year temporary promotions and assignments to OHA employees in grades GS-12 to GS-14. This is in addition to the Employee Job Enrichment Program launched in FY 2002, which offers development assignments to OHA employees in grades GS-4 to GS-11.

We also offer an array of training opportunities for leaders throughout the organization, including 2-week-long courses that all new supervisors take. One of those courses focuses on leadership roles, such as teambuilding, providing feedback, mentoring, valuing diversity, and motivating others. A second course teaches the "nuts and bolts" of supervision--managing time and leave, labor management procedures, and other critical administrative procedures. In addition, courses and programs on leadership competencies are offered throughout the year--through classroom training, online resources, and IVT broadcasts. Many of the classroom programs are conducted by other agencies (e.g., Office of Personnel Management) or vendors who excel in presenting leadership concepts and practical applications. As a whole, the leadership training opportunities support managers at all levels in honing their ability to foster superior performance.

To further our 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 herself conducted a workshop on personal development entitled "Success by Design." The conference also provided valuable information about career planning, professional skills and technological advances.

## ***Staff Result: Employees Have Necessary Resources Readily Available***

### ***For Program Purposes...***

The Office of Systems is continuing the workstation refreshment project, replacing 20,000 desktop computers that are now four years old. And, over the next three years, more than 300 additional video teleconferencing systems will be added to the current infrastructure to support hearing process teleconferencing initiatives.

Every two months, an IVT broadcast to all disability adjudicators provides useful, up-to-date training on eDib, medical evidence, programmatic and vocational topics from the Office of Disability Programs and other disability program topics requested by viewers.

The DDS Examiner Resource Kit is now available to all Social Security and Disability Determination Services personnel to assist applicants filing disability claims. It includes useful links for everyone involved in the disability process (i.e., links to an online doctor finder, an online medical facility finder, and an online hospital locator).

### ***For Administrative Purposes...***

Social Security implemented a web-based version of an electronic travel document preparation, routing, and approval system. No paper copies of travel authorizations, vouchers, local vouchers and advance of funds requests are necessary. Further, employees with travel cards now have 24-hour Internet access to their Government Travel Card Accounts, where they can view their individual accounts, track charges and payments and print a copy of their statement – before they even receive their bill.

Additionally, FedTrip lets employees book official business government travel through an online system that is available 24 hours a day, 365 days a year.

The Agency has established a nationwide workers' compensation case management and information tracking system that merged approximately 15 separate systems into one. This system allows us to more efficiently manage our employee workers' compensation workloads and assists in containing spiraling workers' compensation costs. As part of its functionality, the system will offer the electronic processing of workers' compensation claims and significantly reduce the inordinate amounts of paper documents associated with the process.

*For Personal Purposes...*

To ensure that all employees have the information they need about the benefits to which they are entitled, a new Center for Employee Benefits was established in the Office of Personnel in fiscal year 2003. This ensures the effective implementation of employee benefits and through seminars, Interactive Video Teletraining and electronic and paper media, provides nationwide benefits guidance and education to employees. In addition, all permanent Agency employees have access to the Employee Benefits Information System, which provides personal information regarding employees' retirement, Thrift Savings Plan and insurance benefits.

The Job Announcement Status Check is an online application that allows employees who filed for jobs to access a database and determine if they were referred to the selecting official. Detailed information is displayed for each job announcement including specific information regarding the scores that employees received and the selection made.

## **The Future**

Since 2001, the Social Security Administration has strengthened its results-oriented culture. The Agency is processing more work, and taking less time to do it, all while maintaining a high accuracy rate. The future of service delivery operations at the Agency looks equally promising.

Even though a number of external factors present the Agency with great challenges, they also offer great opportunities. These external influences include:

- Demographics—population growth and aging, which potentially increases the number of people with disabilities and retirees.
- Health and Disability Trends—technological improvements in health care providing greater opportunity for employment of the disabled.
- Technology Changes—increased Internet usage, new technology providing different ways to deliver service.
- Workforce Trend—“retirement wave” and the challenge and opportunities related to hiring, retaining and developing a skilled workforce.
- Medicare Drug Benefit passage.

The commitment to concrete, measurable results in public service delivery will guide the Agency in the future. Social Security will continue efforts to improve the management of the programs it administers and to meet its own four strategic goals – service, stewardship, solvency and staff.

As an integral part of our strategy and the Agency’s Results Agenda, we expect to “get to green” and to maintain that status for all Results Agenda goals.

Though the Social Security Administration faces many challenges in the years to come, more efficiently administering the disability program will be one of the critical issues. Few question the need for, or the value of, the Social Security and SSI disability programs. But many claimants and advocates continue to urge improvement--especially about the time it takes to determine disability for claimants.

The disability programs consume a large share of Agency resources. For all the progress made, more needs to be done. That is why, in September 2003, the Commissioner proposed a new approach for improving the disability determination process and making the right decision as early in the process as possible.

Social Security's goal is to reduce processing time. We have committed to decreasing initial disability claims processing time from 106 days in 2001 to 97 days in 2005. The Agency will also continue to increase the number of hearings it processes from 494,000 in fiscal year 2003 to approximately 538,000 in 2004 and 596,000 in 2005.

The Agency will continue its efforts to prevent, detect and collect erroneous payments, including implementation of the SSI Corrective Action Plan. We will continue to process substantial numbers of eligibility reviews and implement additional initiatives designed to improve accuracy even further, including improvements to the redetermination process we use to confirm individuals' continuing non-medical eligibility.

Efforts to strengthen the integrity of the SSN and address the OIG identified Major Management Challenge with respect to "Homeland Security, Social Security Number Integrity and Misuse" will also continue. The Agency is strengthening the SSN application by eliminating driver's licenses as a valid reason for issuing a non-work SSN; verifying with the issuing agency the record of any birth certificates submitted by U.S. born citizens age one and older who are applying for an original SSN; verifying with the Bureau of Citizenship and Immigration Services (BCIS) all alien documentation submitted by non-citizens in support of an application for an original or replacement SSN card; decreasing reliance on applicant-submitted evidence by using Enumeration-at-Entry, a process whereby the Agency will assign SSNs to new arrivals based on data collected by the Department of State and BCIS at the time right-of-entry into the U.S. is authorized.

An innovative spirit and commitment to service will guide the Agency in other vital service delivery areas. For example, next year the Agency expects to issue nearly 18 million new and replacement Social Security cards. As a way to streamline and improve service, the Agency opened a pilot Social Security Card Center in Brooklyn, New York, in 2002. The Brooklyn Card Center exclusively processes requests for new or replacement Social Security cards and its success should lead to the opening of at least one additional Card Center in FY 2004. We will also look at trying to reduce the need for replacement cards.

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.

The Social Security Administration will also expand the range of electronic services offered to citizens and employers. The Agency will continue to encourage the public to use Social Security's Internet website, and we expect the trend of sustained and dramatic growth in online transactions, such as retirement applications and changes of address, to continue. For employers, we expect continued increases in the use of electronic W-2 filing, with 60 percent filed electronically by the end of FY 2005. We will partner with other Federal, State and local entities to promote consolidated service delivery, with e-Government being a big part of our future. The Agency has invested substantially in electronic service delivery and will continue to do so as an efficient means of providing service to the burgeoning population of baby boomers.

Within a year the complete electronic disability folder will be launched and a paperless disability process will be phased in. We will achieve a greater than 50 percent increase in electronic transactions in 2004 and a 75 percent increase through 2005. Within three years, over 80 percent of all W-2s will be processed via electronic wage reporting.

While most forms and applications are now available online at [www.socialsecurity.gov](http://www.socialsecurity.gov), the Agency is aggressively marketing all of Social Security's online services using many innovative approaches. In addition, we are partnering with other public and private sector organizations to publicize online services. One of the most promising groups we are working with is the human resource professionals in large businesses and organizations. Social Security will also continue its public information efforts to keep Americans informed about the long-range solvency issues facing the program.

The Social Security Administration is an agency committed to technology and innovation, but it is also an agency which believes that the ultimate resources needed to meet future challenges are the continued dedication and competence of its employees. Those employees understand that every claim, every benefit payment represents an individual. In the past three years, they and the Agency have used the Agency's Results Agenda goals to build a foundation for service delivery that is equal to the demands of a 21<sup>st</sup> century environment—an environment where results do matter.

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