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**Statement for Joint Hearing on Work Incentives
in Social Security Disability Programs**

**House of Representatives Ways & Means Committee
Subcommittee on Social Security
Subcommittee on Human Resources**

September 23, 2011

Honorable Sam Johnson, Chairman, Social Security Subcommittee
Honorable Xavier Becerra, Ranking Member

Honorable Geoff Davis, Chairman, Human Resources Subcommittee
Honorable Lloyd Doggett, Ranking Member

Dear Chairmen and Ranking Members,

Thank you for the opportunity to submit my statement for this very important Hearing. I have proudly served as a Social Security Administration Claims Representative since September 4, 1973. During my career I have taken and processed many initial applications and appeals for Social Security and Supplemental Security Income benefits, and conducted numerous "medical issue" and "work issue" continuing disability reviews. I offer this statement, however, as a representative of the American Federation of Government Employees, AFL-CIO. AFGE Local 3937 serves approximately 1500 SSA employees who work in 60 offices in Alaska, Idaho, Oregon, and Washington. They work in a large Teleservice Center, in six Office of Disability and Review offices, in 52 field offices, and in the Regional Office of Quality Performance.

AFGE has received briefings from SSA, and bargained with the Agency, regarding the implementation and operation of two major return-to-work initiatives, Project Network and Ticket to Work. I was the AFGE Chief Negotiator for Project Network. Dana Duggins was the AFGE Chief Negotiator for Ticket to Work.

Project Network

Project Network consisted of four pilot programs involving eight field offices. In the Referral Manager Pilot, SSA employees provided detailed information to applicants and beneficiaries about vocational rehabilitation services in their communities. Three Case Manager Pilots featured comprehensive vocational rehabilitation services furnished locally by private sector providers, state vocational rehabilitation services, or SSA field office employees. The pilots started in 1992, and ended in 1994. The Agency contracted with Abt Associates Inc. to produce a formal evaluation of Project Network, but the report was never produced. Fortunately, weekly reports were mailed to me from all eight sites throughout the Pilot, and they are still in my files. SSA clients were very satisfied with the information and assistance received, especially in the Case Manager pilots. Significant numbers of them successfully returned to work or increased their earnings. Employee participants found the work rewarding, and felt that disabled individuals who had personal assistance from them in navigating through the Agency's complex rules were more likely to return to work, and to increase their earnings, than those who merely received referrals or were in a control group that received no extra services.

During a briefing this year with Agency officials about possible insourcing of work currently performed by contractors, I described the Project Network experience, contrasted it with the failure of Ticket to Work, and urged SSA to consider once again employing a case manager model using SSA employees. We were told that the MAXIMUS Inc. contract to manage Ticket to Work was up for possible renewal near the end of this year. I offered to provide the Project Network weekly reports, and to discuss the matter further, but I have not been recontacted.

Ticket to Work

AFGE Chief Negotiator Dana Duggins raised concerns about SSA's decision to select MAXIMUS Inc. to manage the Ticket to Work program, based on their history of legal and performance problems, and the Agency's relationship with the contractor. Former SSA Commissioner John A. Svahn (5/81-9/83) was MAXIMUS Chairman of the Board from 1987 – 1994, and is reportedly responsible for bringing Linda S. McMahon to the Agency from her position with the State of California. Ms. McMahon served as San Francisco Regional Commissioner, then Deputy Commissioner for Operations (with a brief stint as Acting Commissioner), from 1991 – 2009.

Ms. Duggins urged the Agency to establish SSA employee Work Incentive Liaisons in all field offices, using the demonstration project authority in the Ticket to Work legislation, so that clients would have trained experts available in their communities to answer questions and

provide assistance, but the Agency rejected the idea. Instead, a handful of Work Incentive Liaisons have been established who have little or no contact with disabled beneficiaries, located principally in Area and Regional Offices, to answer questions and provide assistance primarily to other Agency employees rather than to clients. Had SSA established the Work Incentive Liaison function as a collateral duty for one or more employees in each field office, rather than rely on several layers of contractors, AFGE believes that Ticket to Work could have been a success. Vocational rehabilitation experts in each office could ensure that every new applicant and beneficiary receives a proper explanation of work incentive rights, and responsibilities to report work. Currently, Claims Representatives have no time to fully explain work incentives to new applicants and beneficiaries, as they take one benefit application after another in tightly-scheduled appointments. If these field office employee experts also provided case management services to new applicants and beneficiaries, as was done with Project Network, clients would receive help when it is most likely to result in return to work. The longer individuals are out of work, the less likely it is that they will return, especially in today's economy where discrimination by employers against the long-term unemployed has become a real concern.

Making Smart Investments in Return to Work and Overpayment Prevention

Throwing more money to MAXIMUS and Employment Networks (ENs) that are not held accountable to SSA and taxpayers is not the answer. The Government Accountability Office Report of May 2011 (GAO-11-324) shows that the current program is a failure. Only 2.3% of the 12.7 million Tickets issued have been assigned to an EN. Neither the Agency, nor the managing contractor, is providing adequate oversight to the ENs. Too often, the ENs merely refer beneficiaries to State Vocational Rehabilitation Services for help, then pocket taxpayer dollars when Ticket-holders are later assigned to them. State budget crises prevent expansion of State Vocational Rehabilitation Services. Ongoing and proposed demonstration projects to provide additional incentives are unnecessary, and don't address all of the problems. Work Incentive Planning and Assistance (WIPA) and Protection and Advocacy for Beneficiaries of Social Security Programs (PABSS) cannot provide complete one-stop service.

The Agency should build on the success of Project Network, and establish comprehensive services in our 1300 field offices, where disabled individuals first contact us. Funds set aside for SSA to conduct continuing disability reviews in this year's debt limit agreement, and approval of the President's FY 2012 administrative funding request for SSA, should be used to provide the staffing support needed to make it work. Additional staff in field offices will also allow us to handle the work reports that come in, and often must be set aside rather than worked to prevent overpayments, because employees can barely keep up with fast-increasing initial claims and appeals interviews and receipts. If those funding sources are not fully made available to support the proper program administration that Americans have paid for and deserve, then SSA administrative accounts need to be taken off-budget now. The Trust Funds continue to receive more in total income than is paid out in benefits, money that is intended to pay benefits and to support excellent service-delivery.

