

**Social Security Advisory Board**

**Annual Report  
2006**

**August 2007**

### Social Security Advisory Board

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

## Message from the Board

Since the Board began meeting in the spring of 1996, we have focused on the mandates that the law provides to analyze and make recommendations about the Nation's retirement and disability systems. Our work has encompassed a number of important issues including the Social Security disability programs; responsibility of the Social Security Administration to operate its programs with integrity and to provide excellent service to the public; long-range financing for Social Security; the administration of the Supplemental Security Income program; and other challenges facing Social Security. Our reports and recommendations have been issued by consensus and without dissent, and they have been widely distributed to Members of Congress, the Administration, and the public.

The primary emphasis of our work in 2006 was on the Nation's disability programs, the problems they face and our recommendations on how they can better address the issues of the 21<sup>st</sup> Century. In May, we updated our 2001 report, *Disability Decision Making: Data and Materials*, a compendium of data and materials relating to the Social Security disability programs. In September, we issued *A Disability System for the 21<sup>st</sup> Century*, a report that describes the need for a coordinated and integrated national disability system. In that report we discussed many of the problems with the current disability programs, and provided a broad outline of how they might better serve today's individuals with disabilities.

In September we also issued *Improving the Social Security Administration's Hearing Process* where we examined SSA's hearing process, described many of its problems, and recommended ways in which the process can be improved. In 2006 we also continued our examination of the SSI program, and met with a number of SSA and other government and private sector officials to discuss Social Security program issues.

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

*Sylvester Schieber, Chairman*

*Dana K. Bilyeu*

*Jeffrey R. Brown*

*Dorcas R. Hardy*

*Marsha Rose Katz*

*Barbara B. Kennelly*

*Mark J. Warshawsky*



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## **I. Legislation that Established the Social Security Advisory Board**

In 1994, when Congress passed Public Law 103-296 establishing the Social Security Administration as an independent agency, it also created an independent, bipartisan Advisory Board to advise the President, the Congress, and the Commissioner of Social Security on matters related to the Social Security and Supplemental Security Income programs. Under this legislation, appointments to the Board are made by the President, the Speaker of the House of Representatives, and the President pro tempore of the Senate.

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

## **II. 2006 Members**

Sylvester Schieber was named Chairman of the Advisory Board in September 2006 by President George W. Bush. In addition to Chairman Schieber, Dana Bilyeu, Jeffrey Brown, Hal Daub, Dorcas R. Hardy, Marsha R. Katz, Barbara Kennelly, David Podoff, and Mark Warshawsky served on the Board during all or part of 2006. Mr. Daub's and Dr. Podoff's term of office expired on September 30, 2006. Mr. Daub served as Chairman until his term expired.

## **III. The Board's Mandate**

Public Law 103-296 as amended gives the Board the following functions:

- 1) analyzing the Nation's retirement and disability systems and making recommendations with respect to how the Old-Age, Survivors, and Disability Insurance (OASDI) programs and the Supplemental Security Income (SSI) program, supported by other public and private systems, can most effectively assure economic security;
- 2) studying and making recommendations relating to the coordination of programs that provide health security with the OASDI and SSI programs;
- 3) making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the OASDI programs, both in the short term and the long term;
- 4) making recommendations with respect to the quality of service that the Social Security Administration provides to the public;

- 5) making recommendations with respect to policies and regulations regarding the OASDI and SSI programs;
- 6) increasing public understanding of Social Security;
- 7) making recommendations with respect to a long-range research and program evaluation plan for the Social Security Administration;
- 8) reviewing and assessing any major studies of Social Security as may come to the attention of the Board; and making recommendations with respect to such other matters as the Board determines to be appropriate.

## **IV. Board Activities in 2006**

### **Major Reports**

In 2006, the Social Security Advisory Board issued three major reports: *A Disability System for the 21<sup>st</sup> Century* (September 2006), *Improving the Social Security Administration's Hearing Process* (September 2006), and *Disability Decision Making: Data and Materials* (May 2006).

#### ***A Disability System for the 21<sup>st</sup> Century***

In our October 2003 report, *The Social Security Definition of Disability*, we raised the question of whether the Social Security definition of disability facilitates an appropriate approach to supporting and enabling persons with disabilities. In 2006, after three years of intensive study of this question, we issued a follow-up report outlining our vision of a disability system for the 21<sup>st</sup> Century that is in alignment with the *Americans with Disabilities Act*.

In this most recent report, we stated that a way must be found to revise the Social Security definition of disability in a fashion that does not undermine the protections afforded by the last resort programs administered by the Social Security Administration. What is needed is a definition that supports an integrated approach that emphasizes an alternate path — one directed to self-support, independence, and contribution and that helps individuals to avoid, delay, or minimize their need for dependence on the programs of last resort. We should, in fact, question the idea that there is such a thing as a single “definition of disability.”

The absence of a coordinated and integrated national system that supports increased participation of people with disabilities in the workforce has contributed substantially to the rapid growth of the costs and caseloads of the Social Security disability programs. In the long run, adopting a coordinated and integrated system will not only enable people with disabilities to have a life that is more fulfilling and more economically rewarding but will also lessen the overall level of dependence on—and therefore the cost of—those programs.



It is time to set aside old paradigms and look more broadly at what is possible. A new disability system must incorporate elements that embrace change and:

- provide assistance and support to individuals and strive to maximize employment outcomes to the extent of each individual's capabilities;
- facilitate a culture shift within society to establish the expectation that individuals with disabilities can and should work to the extent of their capabilities and that society should assist individuals with disabilities in that endeavor;
- recognize and accommodate the dynamic nature of disability and its sometimes cyclical impact on work capacity; and
- facilitate rehabilitation and employment by coordinating and integrating the various sources of assistance and support that are now inconsistently provided by multiple uncoordinated programs.

In the report, we outlined two models that could facilitate the development of a coordinated and integrated national disability system, one for adults and one for children. In the adult model we stressed the need for an up-front functional assessment of the individual's capabilities coupled with an intervention to provide needed work supports as soon as possible after the disability onset. The children's model highlights the need for an integrated disability system—through the schools, public programs, and health care providers, among others—to prepare those children to fully participate in society as adults. We also stressed the need for better work incentives and health care options for both children and adults.

Our report concluded by saying that our nation's policymakers need to acknowledge that the current disability programs, though well intentioned, are badly fractured and disjointed. A unifying point of vision, oversight, and management is desperately needed. To rectify this, consideration should be given to the creation by the Administration and the Congress of an entity that can develop and implement detailed legislative proposals for managing and integrating the supports available to people with disabilities in a way that truly offers a coordinated path to achieving community inclusion, independent living, and economic self sufficiency. Detailed legislative proposals to build a 21<sup>st</sup> Century system could include, where appropriate, a realignment of functions and responsibilities that are currently carried out by private and public sector entities.

### *Our Research*

Over the years the Board has studied the Social Security disability programs extensively. We have held many meetings where we discussed disability policy issues with experts in the public and private sectors, convened research and discussion forums, held public hearings, and commissioned studies. In 2006, to enhance our understanding of the issues, we sponsored a Disability Expert Panel and held two public roundtables that focused exclusively on the disability system.

Our Disability Expert Panel, which convened in February 2006, helped us to lay out broadly the parameters that we believe are necessary for a modernized disability system. The Panel consisted of Richard Burkhauser, Cornell University; Marty Ford, The Disability Policy Collaboration; Allen Heinemann, Northwestern University; Andy Imparato, American Association of People with Disabilities; Ken Mitchell, Unum; and the late Eileen Sweeney, Center for Budget and Policy Priorities. The Disability Expert Panel met monthly from February through August of 2006, often consulting with additional experts from both the public and private sectors where needed, including MDRC, Virginia Commonwealth University, and the Maryland Department of Rehabilitation Services.

In June, 2006 we traveled to the Kansas City, Missouri and met with Social Security Administration executives and staff and the Director of the Kansas Disability Determination Services. While in Kansas City we held a half-day roundtable discussion with a cross-section of individuals with considerable experience in the disability programs, including university researchers, community and business leaders, legal advocates for people with disabilities, rehabilitation specialists, service providers, representatives from state and local government programs, and a state legislator.

On July 19, 2006, we held a roundtable discussion forum in Washington, D.C. and invited a wide variety of public and private sector disability experts including representatives from The Ticket to Work and Work Incentives Advisory Panel; Mathematica Policy Research; the American Council of the Blind; Webility Corporation; the Association of University Centers on Disability; Easter Seals; Abt Associates; the National Council on Disability; the Cornell University Institute for Policy and Research; Griffin-Hammis Associates, LLC; the Anixter Center; the Office of Students with Disabilities at Gallaudet University; AFL-CIO; Daniels and Associates; the Center for the Study and Advancement for Disability Policy; the National Organization of Social Security Claimant's Representatives; the Integrative Pain Center of Arizona; America's Health Insurance Plan; the Kennedy Krieger Institute; the Virginia Department of Rehabilitative Services; the National Disability Rights Network; Community Legal Services (Philadelphia); IMX Medical Management; ENDependence Center of Northern Virginia; the National Alliance on Mental Illness; and McLendon and Associates.

*A Disability System for the 21<sup>st</sup> Century* represents what we have learned about the nation's disability system and how it can be improved.

### ***Improving the Social Security Administration's Hearing Process***

In examining the administrative hearing process, our goal was to identify the elements of a process that embodies the public's interests of fairness and efficiency. We focused attention on issues of consistency, productivity, long processing times and large backlogs, hearing office management, and the relationship between the agency and its corps of administrative law judges. In this report we described our concerns and listed our recommendations for improving the hearing process. In particular, we looked at:

- Variations in allowance rates. The extent of variance, supported by data from quality assurance reports, suggests that ALJs may be applying law and agency

policy differently. SSA should ensure that its policies are being applied consistently.

- Processing times and pending caseloads. These have been rising to levels that impose an intolerable burden on claimants.
- Variations in productivity. There is a need to explore the reasons for it and to take steps to increase productivity at the lower end of the spread and to ensure that the upper end is appropriately balanced with decisional quality.
- The current condition of hearing office management. It does not provide needed incentives and supports.
- The relationship between SSA and its ALJs. Although it seems to have improved since our last report on the hearing process, it still needs attention.

We commented on the Social Security Administration's use of technology to improve the hearing process, and believe that its new electronic disability system will make or improve productivity of hearing offices and reduce processing times. SSA has made great strides in the use of videoconferencing in the last few years; and we urge the agency to expand even further. The implementation of new decision-writing software is a positive step forward and demonstrates a level of employee creativity that should be encouraged.

We outlined several recommendations for further action:

- The selection process for ALJs should be reformed to make it more responsive to the needs of SSA.
- The ALJ pay system should be revised to provide more effective incentives to recruit and retain hearing office chief ALJs (HOCALJs). SSA should also explore with the Office of Personnel Management the possible use of pay for performance for ALJs, with due care for the need to protect decisional independence.
- SSA should address the de facto dual management structure for the hearing office process, which results in confusion and lack of accountability and provide HOCALJs with the tools and supports they need to do their job well.
- SSA's multi-level appraisal system should be expanded to all parts of the hearing process. Appraisals should be based on quantifiable performance data, including both quality and quantity of work performed.
- There is a need for additional training and ongoing professional development.

### *Our Research*

The Board has long been interested in the hearings and appeals process and has, over the years, deliberated at length on how the process can be improved. At our monthly meetings we have discussed the hearings and appeals process on several occasions with SSA officials, including the Commissioner, the Chief Administrative Law Judge, the Associate Commissioner for Hearings and Appeals, and the Deputy Commissioner for Disability Adjudication and Review. We have met with administrative law judges from all over the country, at our meetings, in hearing offices, and at national ALJ conferences. We have heard from representatives of the Association of Administrative Law Judges, including its president and several of its officers. We have traveled to all of the Social Security Administration's regions, and met with hundreds of hearing office staff

members. We have discussed the hearings and appeals process with officials from the Office of Personnel Management, Congressional staff, and private sector experts. Over the years, we have held public hearings in San Francisco, Dallas, Raleigh, Seattle, Chicago, Boston, Denver, and Philadelphia where we heard from private citizens, academicians, advocates, lawyers, and other claimant representatives who have vast experience with the appeals process. In addition, we have analyzed much of the data collected by the Social Security Administration on the process, as well as data collected by other public and private organizations. We have also commissioned studies on the hearings and appeals process, including *Introducing Nonadversarial Government Representatives to Improve the Record for Decision in Social Security Disability Adjudications* (May 2003), and *Alternative Approaches to Judicial Review of Social Security Disability Cases* (March 2002).

### ***Disability Decision Making: Data and Materials***

This report, an update of one we issued in January 2001, is a compendium of data and materials relating to the Social Security disability programs. Originally we intended this to be for our own use but quickly realized the value that these materials would have for policymakers and others interested in the programs. The compendium includes a discussion of some of the major issues associated with the disability programs, a description of how the current system operates and how it would be changed by regulations recently issued by the Social Security Administration, and a listing of major judicial and legislative events that have affected the program. The greater part of the report consists of approximately 70 charts designed to assist in the analysis of many of the issues that have been of concern to those who have studied these programs. In summary, the charts show:

- variations over time in applications, awards, and terminations,
- changes in the number and characteristics of beneficiaries and in disability prevalence,
- variations in State agency decision making and administrative arrangements, and
- trends in the appeals process at the hearings level and above.

The revised edition of this report is intended to provide context for the Board and policymakers in observing the implementation of the major changes being undertaken by the Social Security Administration and in assessing the extent to which they address the issues surrounding the existing program.

### ***Our Research***

Although much of our data came from the Social Security Administration, we also drew upon research done by numerous public and private organizations. See the report's bibliography at our website: [www.ssab.gov](http://www.ssab.gov).

## **Other Publications**

In May 2006 the Board released its annual *Statement on the Supplemental Security Income Program*. This Statement is published by the Social Security Administration as part of its *Annual Report of the Supplemental Security Income Program*. This year, for the first time, the Board also released the Statement under separate cover as the *Social Security Advisory Board Issue Brief #2*.

The 2006 *Statement on the Supplemental Security Income Program* focused on the transition of youth from SSI benefits into adulthood and a career. The impetus for the statement came out of our renewed study of the disability program. During the course of this work it became clear that there is a need to strengthen our national policies with regard to youth with disabilities. Citing data compiled by the National Survey of Children and Families (NSCF) and a study by the Urban Institute, we noted that many of the individuals in the study who left the SSI rolls at age 18 fared much worse than their counterparts who remained on SSI. Their income was often only slightly above the poverty level, many had no health insurance, nor did they graduate from secondary school. Several of them were neither employed, enrolled in school, nor in vocational training.

The cash benefits that SSI youth receive, and the Medicaid health insurance that almost all of them also receive, are clearly important to them and their families. But these benefits do not themselves prepare SSI youth for adulthood. Other institutions, particularly the educational system, play a greater role in that preparation. Studies have questioned whether school personnel have, or should be expected to have, the level of knowledge about SSI work incentives and the age-18 redetermination process to help SSI youth make informed decisions. Beneficiaries and their families lack information about the transition process, work incentives, and the impact of work on benefits. This knowledge gap must be closed.

SSA has a limited but important role in transitioning SSI youth to adulthood and should partner with the educational system to assure that essential information is available. We recommended that SSA begin an early notification process, beginning at age 14, for SSI youth and their parents or caregivers on the subject of the age-18 redetermination and the SSI work incentives. In addition, this notice should inform youth and families about how individualized educational programs can prepare them for the transition to adulthood.

We also recommended that SSA should work with the Department of Education to identify appropriate persons in the educational system to receive information about the age-18 redetermination process, work incentives, and the effect of work on benefits.

## **Expert Panels**

In 2006, we convened two expert panels: the Disability Expert Panel and the 2006-2007 Technical Panel on Assumptions and Methods. The list of members of the Disability Expert Panel and the Panel's task was described previously in the discussion of our report, *A Disability System for the 21<sup>st</sup> Century*.

The Technical Panel on Assumptions and Methods convened in August 2006 and will issue its report in the late summer of 2007.

This Panel of actuaries, economists and demographers provides technical assistance to the Board by reviewing the assumptions specified by the Board of Trustees of the Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund and the methods used by the Social Security actuaries to project the future financial status of the funds. Specifically the Panel is asked to:

- Review the assumptions regarding key demographic factors, including mortality, fertility, immigration and disability incidence, and termination.
- Review the assumptions regarding key economic factors including productivity, real wage growth, real net rates of return and variations in net rates of return (including equity returns), consumer price increases, labor force participation, and rates of employment and unemployment.
- Review and assess the projection methodology including other methodologies currently in use.
- Review in particular the trends in the earnings to total compensation ratio in light of the changing structure and cost of employee benefits including pensions, health and disability insurance.
- Review and assess the status of the recommendations of the 2003 and 1999 Technical Panel(s).

The members of the Technical Panel include:

- **Dan L. Crippen**, Chair, Private Consultant, Director Congressional Budget Office, 1999-2003
- **Mary C. Daly**, Vice President, Applied Microeconomic Research and Regional Development, Director, Center for the Study of Innovation and Productivity, Federal Reserve Bank of San Francisco
- **Robert J. Gordon**, Stanley G. Harris Professor of the Social Sciences, Department of Economics, Northwestern University
- **William Hsiao**, K.T. Li Professor of Economics, Department of Health Policy and Management, Program in Health Care Financing, Harvard School of Public Health
- **Steve Lieberman**, Partner, The Moran Company
- **Deborah J. Lucas**, Donald C. Clark/Household International Distinguished Professor of Finance, Kellogg School of Management, Northwestern University
- **Jeffrey S. Passel**, Senior Research Associate, Pew Hispanic Center
- **Beth Soldo**, Director, Population Aging Research Center; Distinguished Senior Scholar, Population Studies Center, University of Pennsylvania
- **P.J. Eric Stallard**, Research Professor and Associate Director for Management and Planning, Center for Demographic Studies, Duke University
- **Shripad Tuljapurkar**, Morrison Professor of Population Studies and Professor of Biological Sciences, Stanford University.

This is the third Technical Panel that the Board has convened, the first two being in 1999 and 2003. Prior to the creation of the Advisory Board, the panels were appointed by the quadrennial Advisory Councils on Social Security.

## **Board Operations and Communications**

**Membership Changes**—The terms of Social Security Advisory Board members Hal Daub and David Podoff ended on September 30, 2006. Mr. Daub served as Chairman until his term expired. Jeffrey R. Brown was appointed by the President in October to serve on the Board, Marsha Rose Katz by the Senate in November, and Dana Bilyeu and Mark J. Warshawsky by the President in December.

**Addresses**—In May 2006, Chairman Daub addressed the National Council of Disability Determination Directors at its annual meeting and the Quad Regional Conference of the National Association of Disability Examiners. In September, he spoke at the National Training Conference of the National Association of Disability Examiners. In November Chairman Schieber addressed the Association of Administrative Law Judges. Also in November, Board Member Dorcas Hardy spoke to the Ticket to Work and Work Incentives Advisory Panel and to America's Health Insurance Plans.

**Communications**—Throughout the course of the year, the Board receives and transmits a wide variety of correspondence. Of particular note are the following:

- Letters to the Commissioner of Social Security, the White House, and to the House of Representatives' Committee on Government Reform's Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina transmitting our findings on the Social Security Administration's response to Hurricane Katrina.
- Letters to members of the House of Representatives and Senate Appropriations Committees to urge the Committees to assure funding to the Social Security Administration to allow it to carry out its responsibilities with a high level of integrity and excellence of service to the public.
- Letter of congratulations to Monroe Berkowitz, Ph.D., Professor of Economics, Emeritus, Rutgers University for receiving the National Academy of Social Insurance Robert M. Ball Award for Outstanding Achievements in Social Insurance.

**Roundtable Discussions**—The Board held two roundtable sessions to discuss the U.S.'s national disability system. The first was held in June in Kansas City where the Board heard from a cross-section of individuals with considerable experience in the disability programs, including university researchers, community and business leaders, legal advocates for people with disabilities, rehabilitation specialists, providers of other services to persons with disabilities, representatives from State and local government programs, and a State legislator. The second roundtable was held in Washington, D.C. in July and the Board engaged in active dialogue with public and private sector disability experts.

**Meetings**—From January 2006 through December 2006, the Board met at its offices nine times and held one conference call. In addition, two site visits were made for the purpose of gathering and evaluating information related to the operation of the disability programs, the Social Security hearings and appeals process, and aspects of SSA's public service.

**Publications**—From January 2006 through December 2006, the Board issued four reports: *Disability Decision Making: Data and Materials, A Disability System for the 21<sup>st</sup> Century, Improving the Social Security Administration's Hearing Process*, and its eighth *Annual Report*. The Board also commented on the Supplemental Security Income Program in its “Statement on the Supplemental Security Income Program,” and published it as the *Social Security Advisory Board Issue Brief #2* in May.

**Testimony**—In March, the Board submitted a statement for the record for the Senate Committee on Finance’s hearing on Administrative Challenges Facing the Social Security Administration. In May, we submitted a statement for the record for the Committee on Ways and Means, Social Security Subcommittee hearing on Social Security Service Delivery Challenges.

### **Visits to Field Sites**

**Kansas City Region, June 20-21**—The Board visited the Kansas City Regional Office. The purpose of the visit was to meet with regional officials to discuss the general status of the region, and to visit the National Record Center. The Board members also held a disability roundtable to learn the views of knowledgeable individuals on issues facing our nation’s disability system. During the visit, we met with the Kansas City Regional Commissioner, the Deputy Regional Commissioner, the Deputy Regional Chief Counsel, the Region’s Area Directors, and other executives in the Kansas City Region. We also met with the Regional Chief Administrative Law Judge and Kansas DDS Director.

**Parkersburg, WV, August 15-16**—We visited the Office of Public Debt Accounting, Office of the Public Debt where we viewed the Social Security Trust Fund certificates and discussed the Trust Funds with Public Debt officials. We also visited the Parkersburg Social Security field office and met with the Deputy Area Director, the field office managers, public affairs specialist, and work incentives coordinator from Parkersburg and Wheeling, West Virginia. While there we also had the opportunity to sit in on claimant interviews and explore the strengths and weaknesses of the electronic case processing systems.



## V. Compendium of Board Reports and Publications

1. *A Disability System for the 21<sup>st</sup> Century*, September 2006.
2. *Improving the Social Security Administration's Hearing Process*, September 2006.
3. *Annual Report*, Calendar Year 2005 (September 2006). The Board has prepared *Annual Reports* since 1998. The reports were prepared on a Fiscal Year basis from 1998 to 2002.
4. *Disability Decision Making: Data and Materials* (2<sup>nd</sup> ed.), May 2006.
5. "Statement on the Supplemental Security Income Program," Additional Statement by the Social Security Advisory Board in the *Annual Report of the Supplemental Security Income Program*, Social Security Administration, May 2006. The Board has prepared these statements annually since 1998. In 2006 the Board also published this statement as the *Social Security Advisory Board Issue Brief #2*.
6. Issue Brief #1: *The Impact of Immigration on Social Security and the National Economy*, December 2005.
7. *Social Security: Why Action Should Be Taken Soon* (3<sup>rd</sup> ed.), September 2005.
8. *Retirement Security: The Unfolding of a Predictable Surprise*, March 2005.
9. *The Social Security Definition of Disability*, October 2003.
10. *The 2003 Technical Panel on Assumptions and Methods, Report to the Social Security Advisory Board*, October 2003.
11. *Introducing Nonadversarial Government Representatives to Improve the Record for Decision in Social Security Disability Adjudications, A Report to the Social Security Advisory Board*, June 2003.
12. *SSA's Obligation to Ensure that the Public's Funds are Responsibly Collected and Expended*, March 2002.
13. *Alternative Approaches to Judicial Review of Social Security Disability Cases: A Report to the Social Security Advisory Board*, March 2002.
14. *Challenges Facing the New Commissioner of Social Security*, Statement by Stanford G. Ross, December 2001.
15. *Estimating the Real Rate of Return on Stocks Over the Long Term*, Papers presented to the Social Security Advisory Board, August 2001.

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

Most reports are available on the Board's web site at [www.ssab.gov](http://www.ssab.gov)

## **VI. Members of the Board**

### ***Sylvester J. Schieber, Chairman (October 1, 2006—present)***

Sylvester J. Schieber is a private consultant on retirement and health issues based in Chevy Chase, Maryland. He retired from Watson Wyatt Worldwide in September 2006 where he had served as Vice President/U.S. Director of Benefit Consulting and Director of Research and Information. From 1981 - 83, Dr. Schieber was the Director of Research at the Employee Benefit Research Institute. Earlier, he worked for the Social Security Administration as an economic analyst and as Deputy Director at the Office of Policy Analysis. Dr. Schieber is the author of numerous journal articles, policy analysis papers, and several books including: *Retirement Income Opportunities in An Aging America: Coverage and Benefit Entitlement*; *Social Security: Perspectives on Preserving the System*; and *The Real Deal: The History and Future of Social Security*. He served on the 1994 - 1996 Advisory Council on Social Security. He received his Ph.D. from the University of Notre Dame. First term of office: January 1998 to September 2003. Current term of office: October 2003 to September 2009. Appointed by the President in September 2006 to serve as Chairman of the Advisory Board from October 2006 to January 2009.

### ***Hal Daub, Chairman (term expired September 30, 2006)***

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

### ***Dana K. Bilyeu***

Dana K. Bilyeu is the Executive Officer of the Public Employees' Retirement System of Nevada. As the Executive Officer of the \$21 billion pension trust she is responsible for all aspects of fund management including analysis of plan funding, investment oversight, operational and strategic planning, and fiduciary and governance issues. Mrs. Bilyeu is principally responsible for the relationship with the System's independent actuary and oversees the data reconciliation process for actuarial valuations of the

System. In her capacity as the Executive Officer, Mrs. Bilyeu provides information and analysis to the Nevada Legislature in consideration of pension policy issues affecting state and local government. Prior to her appointment as the Executive Officer, Mrs. Bilyeu served for eight years as the System's Operations Officer, overseeing all aspects of benefit administration, including survivor, disability, and retirement benefit programs. Mrs. Bilyeu also was responsible for cost effectiveness measurement for all activities of the System. She was accountable for technology oversight as well as policy issues related to the public safety sector of public employment. Prior to her employment at the System, Mrs. Bilyeu was the System's legal counsel, representing the System in a variety of aspects from benefits litigation, contracts analysis, to Board governance. Mrs. Bilyeu is a member of the National Association of State Retirement Administrators, the National Council on Teacher Retirement, the National Conference of Public Employee Retirement Systems, and the National Association of Public Pension Attorneys. She also serves on the Public Employee Advisory Board for the International Foundation of Employee Benefit Plans. She received her Juris Doctor from California Western School of Law and her B.A. from the University of Arizona. Term of office: December 2006 to September 2010.

***Jeffrey R. Brown***

Jeffrey R. Brown is a professor in the Department of Finance at the University of Illinois at Urbana-Champaign. Prior to joining the Illinois faculty, Dr. Brown was an assistant professor of public policy at Harvard University's John F. Kennedy School of Government. During 2001-2002, he served as Senior Economist at the White House Council of Economic Advisers, where he focused primarily on Social Security, pension reform, and terrorism risk insurance. During 2001 he also served on the staff of the President's Commission to Strengthen Social Security. In January 2005, President Bush nominated Dr. Brown to become a member of the Social Security Advisory Board for a term ending September 2008. Professor Brown holds a Ph.D. in economics from the Massachusetts Institute of Technology, a Masters of Public Policy from Harvard University, and a B.A. from Miami University. He is a Research Associate of the National Bureau of Economic Research, a Research Fellow with the Employee Benefits Research Institute, and a Senior Fellow of the China Center for Insurance and Social Security Research. Professor Brown is a member of the American Economic Association, the American Risk and Insurance Association, the National Academy of Social Insurance, and the Risk Theory Society. Professor Brown has published extensively on public and private insurance markets, including publications in *The American Economic Review*, *The Journal of Political Economy*, *The Journal of Public Economics*, *The Journal of Monetary Economics*, *The Journal of Risk and Insurance*, *The National Tax Journal*, and numerous books. He is the recipient of the Lumina Award for Outstanding Research in Insurance and E-Commerce. Professor Brown is co-author of the book, *The Role of Annuities in Financing Retirement* (MIT Press), and is co-founder and co-editor of *The Journal of Pension Economics and Finance*, published by Cambridge University Press. He has served as a consultant / expert panel member for the Executive Office of the President of the U.S., the General Accounting Office, the U.S. Treasury, the World Bank, and several private firms. Prior to graduate school, he was a Brand Manager at the Procter & Gamble Company. Term of office: October 2006 to September 2008.

### ***Dorcas R. Hardy***

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

### ***Marsha Rose Katz***

Marsha Rose Katz is a Project Director at the University of Montana Rural Institute in Missoula, where her work has concentrated on assisting persons with disabilities to utilize Social Security work incentives to start their own businesses or engage in wage employment. Since coming to the Rural Institute in 1999, Ms. Katz has focused on providing training and technical assistance on both employment and SSI/SSDI to rural, frontier and tribal communities across the country. Previously, she worked for nearly 20 years in a disability rights community based organization, the Association for Community Advocacy (ACA), a local Arc in Ann Arbor, Michigan. She served as both Vice President of ACA, and Director of its Family Resource Center. It was at ACA that Ms. Katz began her nearly 30 years of individual and systems advocacy regarding programs administered by SSA, especially the SSI and SSDI programs. Ms. Katz has written numerous articles and created many widely distributed user-friendly general handouts on SSI and SSDI, the majority of which focus on the impact of work on benefits, and utilizing work incentives. She is the author of *Don't Look for Logic: An Advocate's Manual for Negotiating the SSI and SSDI Programs*, published by the Rural Institute. Her Bachelor's and Master's Degrees are from the University of Michigan. Ms. Katz's many years of experience as a trainer, technical advisor, and advocate have been guided and informed by her partnership with people with disabilities, from her husband, Bob Liston, to the people she assisted in her work with ACA and the Arc Michigan, her current work at the Rural Institute, and her longstanding participation in ADAPT, the nation's largest cross-disability, grassroots disability rights organization. Term of office: November 2006 to September 2012.

***Barbara B. Kennelly***

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

***David Podoff***

David Podoff was a senior advisor to the late Senator Daniel Patrick Moynihan on Social Security and other issues while serving as Minority Staff Director and Chief Economist for the Senate Committee on Finance. While on the Committee staff he was involved in major legislative debates with respect to the long-term solvency of Social Security, health care reform, the constitutional amendment to balance the budget, the debt ceiling, plans to balance the budget, and the accuracy of inflation measures and other government statistics. Prior to serving with the Finance Committee he was a Senior Economist with the Joint Economic Committee and directed various research units in the Social Security Administration's Office of Research and Statistics. He has taught economics at Baruch College of the City University of New York, the University of Massachusetts and the University of California in Santa Barbara. He received his Ph.D. in economics from the Massachusetts Institute of Technology and a B.B.A. from the City University of New York. Term of office: October 2000 to September 2006.

***Mark J. Warshawsky***

Mark J. Warshawsky is Director of Retirement Research at Watson Wyatt Worldwide, a global human capital consulting firm. He conducts and oversees research on employer-sponsored retirement programs and policies.

A frequent speaker to business and professional groups, Dr. Warshawsky is a recognized thought leader on pensions, social security, insurance and health care financing. He has written numerous articles published in leading professional journals, books and working papers, and has testified before Congress on pensions, annuities and other economic issues. In addition to being a member of the Social Security Advisory

Board , he is also on the Advisory Board of the Pension Research Council of the Wharton School.

From 2004 to 2006, Dr. Warshawsky served as assistant secretary for economic policy at the U.S. Treasury Department. During his tenure, he played a key role in the development of the Administration's pension reform proposals, particularly pertaining to single-employer defined benefit plans, which were ultimately included in the Pension Protection Act (PPA) of 2006. He was also involved extensively in the formulation of Social Security reform proposals, and oversaw the Department's comprehensive 2005 study of the terror risk insurance program. In addition, Dr. Warshawsky led the efforts to update and enhance substantially the measures and disclosures in the Social Security and Medicare Trustees' Reports, as well as the setting of the macroeconomic forecasts which underlie the administration's budget submissions to Congress.

Dr. Warshawsky's research has been influential in the 2001-2 regulatory reform of minimum distribution requirements for qualified retirement plans, the increasing realization of the importance of financial protection against outliving one's financial resources in retirement, and a product innovation to integrate the immediate life annuity and long-term care insurance. For the latter research, he won a prize from the British Institute of Actuaries in 2001 for a professional article he co-authored. Favorable tax treatment for this integrated product was also included in PPA due to Dr. Warshawsky's advocacy.

Dr. Warshawsky has also held senior-level economic research positions at the Internal Revenue Service, the Federal Reserve Board in Washington, D.C. and TIAA-CREF, where he established the Paul A. Samuelson Prize and organized several research conferences. A native of Chicago, he received a Ph.D. in Economics from Harvard University and a B.A. with Highest Distinction from Northwestern University. Term of office: December 2006 to September 2012.

***Members of the Staff***

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