

Board Meeting Minutes
February 23, 2017

Location: 400 Virginia Avenue SW, Suite 625
Washington, D.C. 20024

Time: 8:30 am – 4:00 pm

SSAB Members:
Henry Aaron, Chair
Lanhee Chen
Bernadette Franks-Ongoy
Jagadeesh Gokhale
Kim Hildred
Barbara Kennelly

SSAB Staff:
Claire Green, Staff Director
Anita Grant, Senior Advisor
Jenn Rigger, Senior Advisor
David Warner, Management Chief
Joel Feinleib, Staff Economist
Matthew Comey, Policy Analyst
Caitlyn Tateishi, Management Analyst
Bethel Dejene, Management Analyst
Matthew Graves, Research Analyst
Fran Huber, Senior Policy Analyst, SSA
Detailee
Joyce Nicholas, Senior Policy Analyst, SSA
Detailee

Presenters

Technical Panel on Labor Supply: Robert Moffitt, Chair, Technical Panel on Labor Supply and Krieger-Eisenhower Professor of Economics, Johns Hopkins University

SSA Senior Attorney Program: Ilona Dotterer, Senior Attorney Advisor, Office of Disability Adjudication and Review, Social Security Administration and National Treasury Employees Union (NTEU) Senior Steward for Region 8/Denver
and Christie Saunders, President National Treasury Employees Union (NTEU) and Senior Attorney, Social Security Administration, Charleston, West Virginia Hearing Office
Nancy Berryhill, Acting Commissioner of Social Security

Mercatus Center: Jason Fichtner, Senior Research Fellow, Mercatus Center, George Mason University

The Board met with Robert Moffitt, who is Chair of SSAB's technical panel charged with studying the labor supply portion of the Social Security actuaries' trust fund projection model. Dr. Moffitt discussed the preliminary findings of the Panel and provided a preview of the recommendations the Panel is considering for its final report. Dr. Moffitt explained that, overall, the Office of the Chief Actuary's (OCACT's) labor force participation rate (LFPR) projection model produces results that are similar to those of other analysts, such as the Congressional Budget Office (CBO). When broken down by demographic groups, the actuaries' model produces anomalous results for some groups. In particular, the model does not fully account for certain factors such as the declining demand for the labor of unskilled young men and the decline in wages for this group, both of which are associated with long-term declines in the group's LFPR. OCACT's near-term LFPR projection for prime age men increases as they anticipate a recovery of labor markets from the effects of the Great Recession. The Panel sees nothing in the data to indicate such the recovery projected by OCACT. The Panel believes that the downward trend in participation rates of prime aged men before the Great Recession needs to be better explained, and that there is no convincing reason to think the forces behind those trends have stopped operating. The Panel will likely recommend that OCACT consider additional data from the post-recession experience, and introduce certain additional factors into the model, including measures of wages rates and skill/education.

Ilona Dotterer and Christie Saunders met with the Board to discuss the state of the Senior Attorney (SA) program within Social Security's Office of Disability Adjudication and Review (ODAR). The presenters described the scale of the backlog in determining disability cases facing ODAR and suggested that an enhanced role for SAs could help to reduce the backlog. In the past, SAs could make favorable disability determinations "on-the-record" before the case made its way to an administrative law judge (ALJ) for a hearing. However, this authorization was withdrawn following a scandal involving ALJs at one hearing office. SSA shifted the priority from timeliness to thoroughness in decision-making, which resulted in the current reduction in the responsibility of SAs. The presenters proposed that either the previous authority of SAs to make decisions "on-the-record" be reinstated, or that SAs be permitted to screen cases and to make a recommendation to the ALJ.

During lunch, the Board met in closed executive session with Nancy Berryhill, the incoming acting commissioner of SSA.

Jason Fichtner presented to the Board a proposal to reform of the Social Security Disability Insurance (SSDI) program. The proposal is composed of three parts: temporary disability awards; partial disability awards; and incentives to encourage employers to offer short-term private disability insurance (PDI). Dr. Fichtner urged separate evaluation of each of these three components. He proposed a pilot project to test the temporary and partial components. The option for a worker to be evaluated based on partial disability would be offered on a voluntary basis at the time of application for benefits, with the understanding that benefits would be temporary and subject to reevaluation. The second component, involving PDI, is envisioned as providing an on-

ramp to the SSDI system. Employers of a certain size would be required to carry PDI, which would have the same eligibility requirements as SSDI. PDI would cover all workers for the first two years of their disability to encourage private insurers and employers to help workers return to work within that time.

I certify that the minutes written for the February 23, 2017 meeting of the Social Security Advisory Board are correct.

A handwritten signature in black ink that reads "Henry Aaron".

Henry J. Aaron