Part V: Key Strategic Objectives and Key Performance Indicators

We have selected 13 Key Objectives and 22Key Performance Indicators as the most important to gauge our performance for FY 2003. For easy reference, the Goals/Objectives have letters/numbers that match the summary charts beginning on page 5. For these measures, we present our performance targets, actual performance for prior years and a thorough discussion of the "means and strategies" we will use to reach our objectives. We also discuss environmental/external factors that will affect attainment of these objectives and cross-cutting issues/initiatives that involve other agencies and organizations. To review the information for all other Performance Indicators, go to Part VI which begins on page 63.

### A. Strategic Goal: To deliver citizen-centered, world-class service

A1. Key Strategic Objective: By 2004 and beyond, have 9 out of 10 people who do business with SSA rate the overall service as "good", "very good" or "excellent", with most rating it "excellent"

Our FY 2003 Performance Strategy: We are working to improve satisfaction with our service by improving telephone access, completing more of an individual's business at the first point of contact, and continuing to improve our notices. In FY 2003, we will maintain our performance in this area despite growing workloads and increasing demands from the American public.

Key Performance Indicator: Percent of people who do business with SSA rating the overall service as "excellent", "very good", or "good"
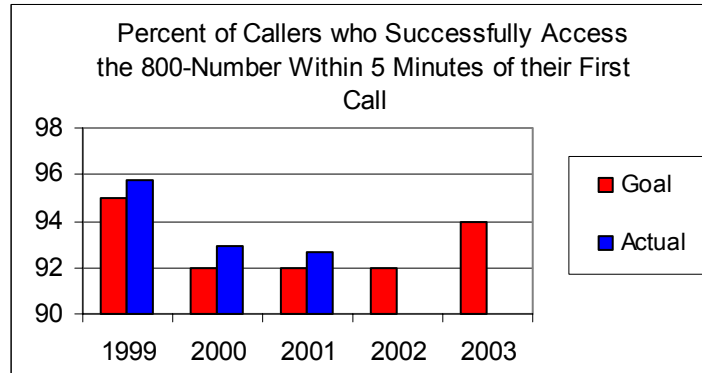
FY 2003 Goal: 82%

Baseline Data: FY 2000 Actual   FY 2001 Actual   FY 2002 Goal

                           82%   81%   82%

Percent of People Who Do Business with SSA Rating Overall Service as "Excellent", "Very Good", or "Good"
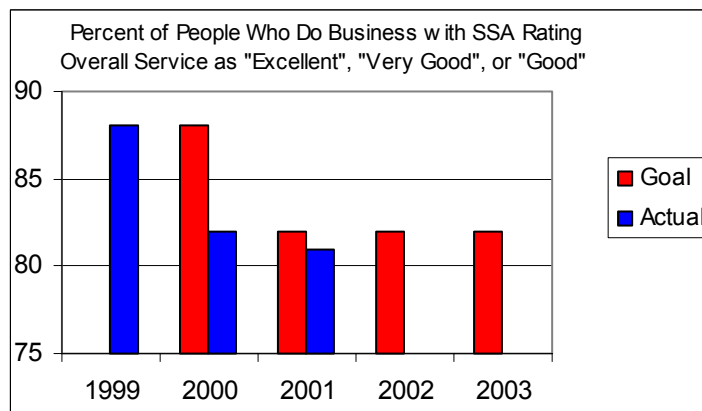
Key Performance Indicator: Percent of callers who successfully access the 800-number within 5 minutes of their first call
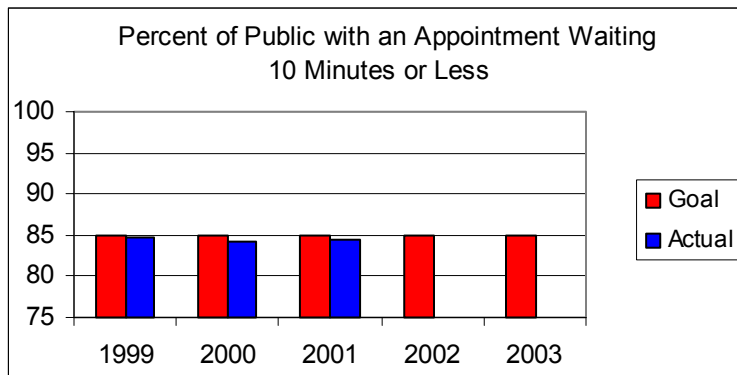
FY 2003 Goal: 94%

Baseline Data: FY 2000 Actual   FY 2001 Actual   FY 2002 Goal
                          92.9%   92.7%   92%

Key Performance Indicator: Percent of public with an appointment waiting 10 minutes or less

FY 2003 Goal: 85%

Baseline Data: FY 2000 Actual   FY 2001 Actual   FY 2002 Goal
                          84.2%   84.4%   85%

Note: See Part VI, pages64-67 for all the other performance indicators for this Objective.

Means and Strategies for achieving this Key Objective:

Virtually all of our Key Initiatives and activities impact our service to the public and contribute to the achievement of this objective and the performance targets for FY 2003. (See Appendix H for a list of our Key Initiatives.) We will highlight some of our most important activities here.

Our "Market Measurement Program (MMP) Key Initiative" gives us the service satisfaction information we need to set service priorities and use our limited resources to their greatest advantage to improve

overall service satisfaction. Our MMP is a comprehensive program of data collection activities that gathers information from the public, interest groups and SSA's employees. This program establishes a systematic framework for focus groups, surveys, comment cards, interviews, and a national comment system to collect and better understand service needs, expectations and satisfaction. Based on the data from the MMP, we are giving priority to improving service in the three following areas:

1. Telephone Access: Our "Improve 800-Number Service Key Initiative" is helping us to improve our telephone access and service. We know that the public has an increasing preference for dealing with SSA by telephone, and overall service satisfaction is significantly influenced by how quickly we answer their calls. We are expanding the number of services available by telephone and improving access to telephone service, while maintaining the current payment and service accuracy rates. Some of our specific initiatives are:

- Our new Call Center Network Solution equipment has more efficient intelligent network routing capability and enhanced management information;
- Our Mainframe Access Initiative will provide callers with increasing direct access to their individual account information as contained in our mainframe databases;
- Caller account information will be electronically delivered to our employees' workstations simultaneously with incoming calls; and
- Our automated service scripts will become increasingly user-friendly and able to handle more calls without agent assistance.

In addition to our 800-Number teleservice, our local field office (FO) telephone service is still an important part of our service delivery model; demand for this service has always been great, estimated at 85 million calls annually. We completed installation of automated attendance and voice mail in all our FOs to improve access. A current pilot in 31 FOs will measure telephone access so that we can make decisions about future FO telephone service. We use service observation and surveys to measure accuracy and caller satisfaction. A pilot in five FOs offers callers the option of connecting to our National 800-Number.

2. Completing Business at First Contact: The public wants to complete their SSA business in one contact. We implemented immediate claims taking (ICT) for individuals who call our 800-Number to file retirement and survivor's insurance (RSI) claims. About 10 percent of the total RSI claims that were filed in FY 2001 were taken through the ICT process. ICT service for Spanish speaking and hearing impaired individuals was added in early FY 2002. We continue to test and implement additional processes that will allow the public to have their business completed at the time of their first contact. Some of our activities include:

- Providing our employees with the knowledge, skills and tools needed for this "single point of contact" service;
- Providing "single point of contact service" by our multi-lingual employees and interpreters through the "Services to the Limited English Speaking Key Initiative";
- Devoting more staff to direct contact duties, and providing them with the skills to serve an increasing and diverse base of people;
- Establishing Multimedia Contact Centers (MC3) that will link together a small group of direct contact service facilities, creating a virtual service delivery network that will provide support for our growing Internet workloads; and
- Developing additional electronic Internet services. Having applications on the Internet should reduce the need for in-person service; simplify the interview process, provide for consistency in service, reduce manual keying and follow-up, and provide greater flexibility for processing other workloads.

3. Notice Improvements: The public has continually identified notice clarity as one of the most important aspects of service satisfaction. Our "Accelerate Notice Improvements Key Initiative" and other major notice projects are helping us improve our notices:

- In FY 2002, we began national implementation of the Distributed Online Correspondence System (DOCS). DOCS is a field office notice production system that will allow employees to produce about 10.5 million notices each year. These notices will be in the Online Notice Retrieval System and employees will be able to access them electronically. We have scheduled additional enhancements to this system for FY 2002 and FY 2003.
- We plan to implement new overpayment/benefit adjustment notices in FY 2002.
- We are improving the clarity of 150 manual notices, including form letters about disability and many types of SSI notices.
- We are in the beginning stages of a long-term project that will improve the clarity and format of the 12.5 million SSI financial eligibility notices that we send each year. In phases over the next 4 years, we will add computational worksheets to explain how we arrived at the individual's payment amount. We plan to eventually restructure the entire notice to make additional enhancements.

In addition to the 3 priorities above, our "Improve Field Office Reception Key Initiative" is helping us to improve our field office reception areas and processes. We are identifying and testing various technologies, physical arrangements, furniture configurations, and workflows that will serve the public best.

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:
- We expect that the public will demand more SSA Internet services.
- Our latest Service Standards Survey tells us that service expectations are rising, and in some areas we may not be able to meet these expectations.
- Adding additional anti-fraud/integrity measures to our operational processes could lower satisfaction if they cause service complexity and delays.

Cross-cutting issues or initiatives involving other agencies or organizations:

We continue to work with other agencies and organizations to jointly serve the same people. A critical strategy may be to establish jointly managed sites (both physical and electronic) that will provide cross-cutting services to the public.

A2. Key Strategic Objective: By 2005, make 67 percent of the public's interactions with SSA, including citizen-initiated services, available either electronically via the Internet or through automated telephone service, and provide the public interacting with SSA on the Internet with the option of communicating with an SSA employee while online

Our FY 2003 Performance Strategy: We will develop and make available additional automated telephone and web-based services while assuring privacy and security.

Key Performance Indicator: Percent of the public's interactions with SSA, including citizen-initiated services, available either electronically via the internet or through automated telephone service

FY 2003 Goal: 40%

Baseline Data: FY 2000 Actual   FY 2001 Actual   FY 2002 Goal
                10%   23.3%   30%

Percent of Public's Interactions with SSA, Including Citizen-Initiated Services, Available Either Electronically Via the Internet or Through Automated Telephone Service
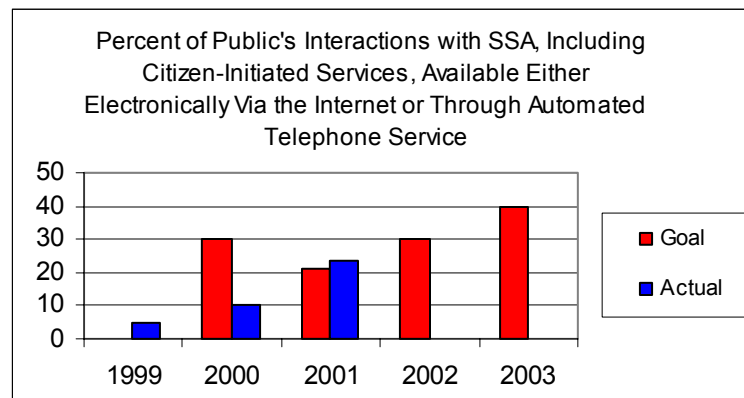
We are continuing to evolve our indicators for this objective. We are developing measurement systems and establishing a baseline of performance from which to set annual goals for the number of business transactions conducted via the Internet or through automated telephone service. Initially, we are developing measures related to certain specific transactions and will include goals for these measures in the FY 2004 Performance Plan, e.g., claims for retirement originating on the Internet.

Note: See Part VI, page 68 for the other performance indicators for this Objective.

Means and Strategies for achieving this Objective:

We will use citizen-centered business processes and state-of-the-art electronic tools to increase the ways we interact with the public. We will:
- Ensure that our electronic service delivery channels are as satisfying to each individual as our traditional channels;
- Expand our website, Social Security Online, using feedback from public studies;
- Study the special needs of specific groups, e.g., SSI recipients and rural populations;
- Provide enhanced online informational services and expanded transactional applications;
- Measure the outcomes of our electronic services to ensure they meet the needs of the public;
- Ensure the security and privacy of every electronic transaction; and
- Use best practices and process reengineering to develop our electronic services.

As part of our "Internet Service Key Initiative," we are working on a comprehensive redesign of our website and adding new functionality. In FY 2001 and early FY 2002, seven Social Security Online applications were either added or enhanced:

- A benefit eligibility screening tool was added;
- Our online retirement application was modified to enable spouses to file;
- The ability to file for Title II disability benefits was added to the retirement and spouse application;
- A password application was added to allow online filers and selected others to obtain a password and use our new on-line postentitlement transactions:
  - Check Your Social Security Benefit;
  - Internet Change of Address and Phone Number; and
  - Internet Direct Deposit Change.

We regularly analyze new service proposals for the Internet and automated 800-Number delivery channels. During this process it became obvious that the set of public-initiated actions did not include services in other electronic government initiatives such as the Government Paperwork Elimination Act commitments or interactions with the public that the agency initiates. Expanding the scope of services targeted in this measure gives better balance to the selection of high priority services. New electronic services currently proposed for development include:

- "Check Your Social Security Benefits" enhancements to add services for the SSI population who are also entitled to Title II;
- The medical, work and educational history report supporting the disability application;
- Funeral home death reporting;
- Representative payee accounting; and
- SSI wage reporting by sheltered workshops.

Our model Mainframe Access Initiative provides national 800-Number callers with access, using PIN and password, to their individual account information. Beginning in 2001, selected callers could obtain the date and amount of their next check. Later in FY 2002 and FY 2003, callers will be able to access other account status information. Eventually, callers will be allowed to change/update certain programmatic information using the telephone.

Currently, e-services are limited due to security, privacy, and authentication issues. Our research with digital certificates (Public Key Infrastructure or PKI) and other technologies will address these issues. SSA's participation on leading governmental boards and committees will enable us to influence government-wide privacy and authentication policies. Our research and development will advance the growth of e-government and promote public confidence.

Our Multimedia Contact Centers (MC3) Project will provide the means for supporting our growing Internet workloads. They will serve individuals contacting us through the national 800-Number, e-mail, or Social Security Online. The following processes and technologies will be tested or piloted:

- Calls forwarded by the initial phone agent to a program service center or field office as needed in order to complete the individual's business in one contact;
- Intelligent e-mail software used to track both incoming and outgoing messages;
- Through our website, an individual requests telephone callback at a pre-designated time;
- Voice Web Portal allows the public to contact us via Internet portals designed to recognize natural speech, making it possible to transact business over the Internet via telephone;
- Voice over Internet Protocol (VoIP) technology enables spoken communication to occur over an Internet connection;
- The public engages an SSA agent in an online chat session by pressing a button on our Internet site; and

- Our employees "surf" our website together with individuals and either redirect them to specific pages or "push" additional information to them.

We must prepare our employees to successfully function in this new electronic environment, giving them the knowledge and skills they need to assist the individuals that contact us electronically.

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:

A key enabler for Internet and automated telephone service is a robust development environment and infrastructure. We need to leverage our investment in our existing enterprise databases and business software. We also need to acquire an infrastructure that provides flexibility, rapid development capability, and scalability.

We are doing benchmarking and research on Internet demographics, penetration levels, need for third party assistance and the public's expectations. These research efforts may influence our decisions regarding the electronic services we develop.

Cross-cutting issues or initiatives involving other agencies or organizations:

We will continue to explore electronic service partnerships with federal, state and local agencies, and private organizations. We are actively working with FirstGov, a public-private Internet partnership. The FirstGov Internet Site features a topical index, links to state and local government sites, and provides other tools so that individuals can get the services they need without having to first know which government agency has responsibility. SSA and FirstGov are planning a process that will enable individuals to report a change of address or other event once and have the information propagated to all the appropriate federal agencies.

Working with other agencies, we are seeking ways to: reduce systems risk and provide superior security; develop a process for maintaining authentication systems, including passwords and digital certificates, internally or through out-of-band processes; and store electronic signatures with forms and other customer documents.

The Health Insurance Portability and Accountability Act supports our work with the health care community as we deal with the issues of electronic transfer of medical information. SSA is a key participant in many Federal e-government initiatives including: e-Vital, e-Authentication, Eligibility Assistance Online, USA Service, Consolidated Healthcare Informatics, and Simplified and Unified Tax and Wage reporting.

A5. Key Strategic Objective: Improve the accuracy, timeliness, and efficiency of service to people applying for DI and SSI disability benefits. Specifically by 2005:

- **Increase accuracy of initial disability claims decisions to deny benefits to 95%;**
- **Maintain accuracy of initial disability claims decisions to allow benefits at 96.5%;**
- **Issue initial disability claims decisions in an average of 105 days, with at least 70 percent issued within 120 days; and**
- **Have the capacity to process 99% of disability claims in an electronic environment**

Our FY 2003 Performance Strategy: One of our top priorities will be to improve the disability claims process, processing times and maintaining the quality of our determinations. We must provide acceptable service and that is not the case today.

Key Performance Indicator: Initial disability claims average processing time (days)
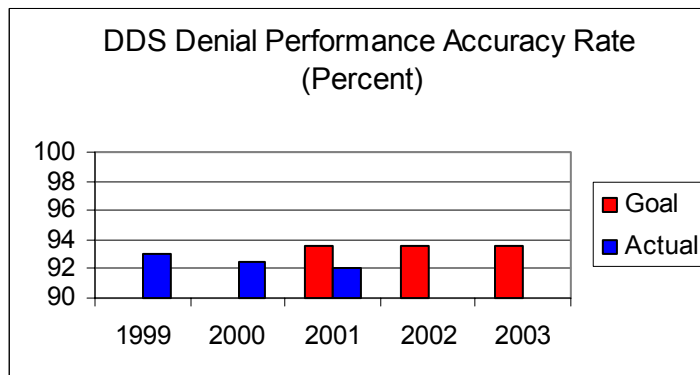
FY 2003 Goal: 110 days

Baseline Data:	FY 2000 Actual	FY 2001 Actual	FY 2002 Goal
	102 days	106 days	115 days

Initial Disability Claims Average Processing Time (days)
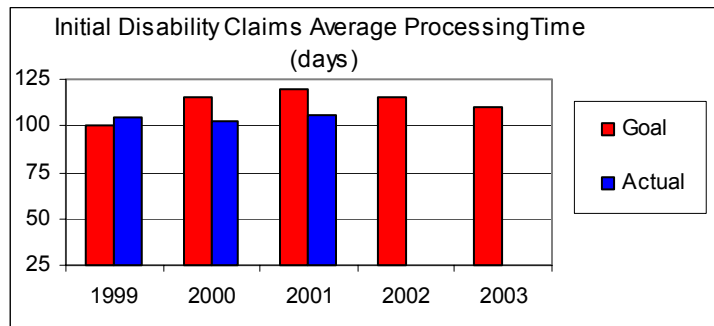
Key Performance Indicator: DDS Denial Performance Accuracy Rate

FY 2003 Goal: 93.5%

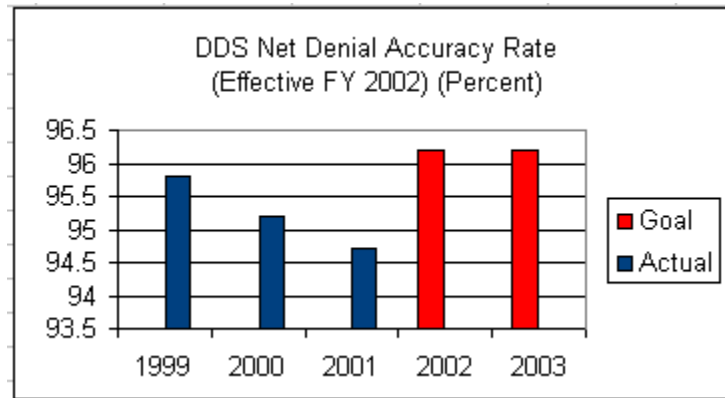| **Baseline Data:**	FY 2000 Actual	FY 2001 Actual	FY 2002 Goal
	92.4%	92%	93.5%

DDS Denial Performance Accuracy Rate (Percent)

Key Performance Indicator: DDS **Net** Denial Accuracy Rate (Effective FY 2002)

FY 2003 Goal: 96.2%

Baseline Data: FY 2000 Actual   FY 2001 Actual   FY 2002 Goal
              95.2%   94.7%   96.2%

Notes: In FY 2002 and FY 2003, we are transitioning from the existing allowance and denial accuracy indicators to **net accuracy** *indicators. Net accuracy is a better measure of the correctness of disability claim decisions. When SSA reviews disability determinations, we return to the appropriate State Disability Determination Service (DDS) any cases that need additional documentation. These cases are currently counted as errors for the measures* **"DDS Denial Performance Accuracy Rate" and "DDS Allowance Performance Accuracy Rate."** *However, experience has shown us that the final decision does not change in 40% of these cases, meaning the decision is not in error. Therefore, many cases that we have been counting as errors are actually correctly adjudicated. The new "* **DDS Net Denial Accuracy Rate" and "DDS Net Allowance Accuracy Rate"** *indicators will provide a true picture of the quality of DDS initial claims decisions. In FY 2002 and FY 2003, we will report both the current measures and the "Net" measures. As of FY 2004, we will only report the "Net" measures. See Part VI, pages74-76 for all other performance indicators for this Objective.*

Means and Strategies for achieving this Objective:

One of SSA's top priorities is to improve the disability claims process. The length of time the disability claims process takes is presently unacceptable. We are reviewing all current efforts underway within SSA and with the State Disability Determination Services (DDS) and, as part of our service delivery assessment, reviewing top to bottom all steps of the disability process and assessing how to provide the service the American public deserves.

We expect average disability claims processing time to increase from 106 days in FY 2001 to 115 days in FY 2002. The increase will occur for two reasons. First, the DDSs have been focusing on processing initial claims cases and are behind on processing of Continuing Disability Review (CDR) workloads. As DDSs concentrate this year on processing CDRs, which are critical to ensuring program integrity, initial claims will have to wait longer to be processed. Second, in FY 2002, DDSs are concentrating on processing the oldest claims first; this will slightly increase processing time but will help clear the decks for FY 2003. In FY 2003, we will reduce average processing time by 5 days, due to old case clearance in FY 2002 as well as improvements in our case development approach.

The number of disability claims is expected to rise substantially in coming years, as the baby boom generation reaches the age at which the incidence of disability increases. It is imperative that SSA develops the capacity to efficiently manage these workloads.

Some of the other activities that will help us improve disability performance include:
- Aggressively accelerating the development a fully paperless disability process that will:
  - --Enhance disability processing by sharing information through an electronic folder;
  - --Leverage current State DDS systems by creating an interface with the electronic folder;
  - --Ensure that disability folder documentation is readily available;
  - --Improve the disability interview process by providing automated interview screens; and
  - --Provide for exchanging medical data with the health care industry.
- Improving all facets of training for disability adjudicators to ensure that we have the skilled personnel we need. Our schedule over the next several years includes:
  - --Interactive Video Teletraining covering the Disability Examiner Basic Training Package;
  - --National Basic Training for medical consultants; and
  - --Initiation of a certification process for State Disability Examiners.
- We have implemented the Internet Social Security disability application, and we are accelerating development of the supporting Internet Disability Report for on-line completion by applicants (in a user-friendly format that will guide each applicant through the application process in a tailored way). Eventually, information keyed by claimants will be propagated into our operational systems.
- We are updating our medical listings (which we use to determine whether an applicant is disabled) to reflect advances in medical knowledge, diagnosis, and treatment. We are in the process of issuing revised proposal rules for all body systems in FY 2002, and the final rules 6 to 12 months after that in FY 2003.

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:

Receipt of sufficient funding to process expected claims impacts the achievement of Agency targets. Also, funding for the needed technology and training to support policy and process changes is essential.

Cross- cutting issues or initiatives involving other agencies or organizations:

We are working very hard with our State partners, the DDSs, to improve the disability process, test and implement new technology, improve training and accuracy, and pursue process consistency through all levels of adjudication. As we work on improving the process, we are in constant consultation with external interest groups, advocates and consultants.

A6. Key Strategic Objective: Improve the accuracy, timeliness, and efficiency of service to people requesting hearings or appeals. Specifically by 2005:

- **Increase current levels of accuracy of hearings decisions to 90 percent;**
- **Issue hearings decisions in an average of 166 days, with at least 70 percent issued within 180 days;**
- **Increase productivity to 122 hearings decisions issued per workyear (WY);**
- **Have the capacity to take 99 percent of hearings requests in an electronic environment;**
- **Issue decisions on appeals of hearings within an average of 90 days, with at least 70 percent issued within 105 days; and**
- **Increase productivity to 323 Appeals Council reviews per WY**

Our FY 2003 Performance Strategy: Hearings average processing time will be maintained at projected FY 2002 levels. We are undertaking a comprehensive review of hearing process improvements to determine how to ensure the hearings process meets the needs of the public.

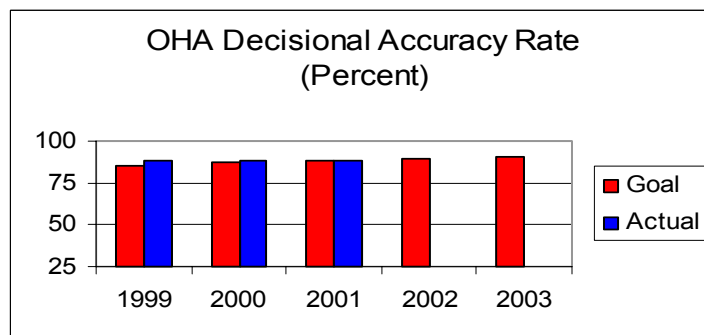**Key Performance Indicator:** Hearings average processing time (days)

FY 2003 Goal: 330 days

Baseline Data:	FY 2000 Actual	FY 2001 Actual	FY 2002 Goal
	297 days	308 days	330 days

Hearings Average Processing Time (Days)
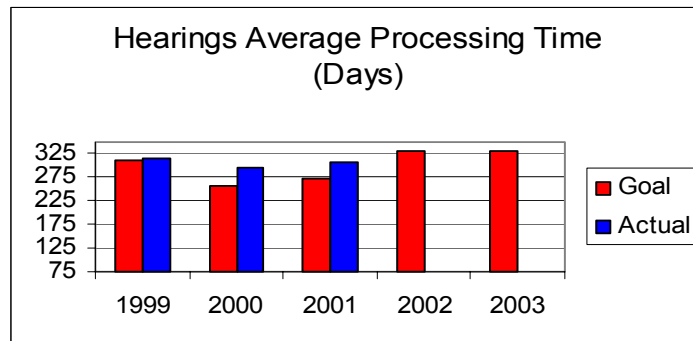
Key Performance Indicator: OHA decisional accuracy rate

FY 2003 Goal: 90%

Baseline Data:	FY 2000 Actual	FY 2001 Goal	FY 2002 Goal
	88%	88%	89%

OHA Decisional Accuracy Rate (Percent)

Note: See Part VI, pages 77-80 for all other performance indicators for this Objective.

Means and Strategies for achieving this Objective:

Process Improvements: Our Hearings Process Improvement (HPI) initiative was designed to improve the hearings process by reducing hearings processing time, increasing productivity, and enhancing the quality of service provided to the claimant. HPI was implemented in our hearings offices beginning in January 2000; rollout was completed in November 2000. HPI has not been effective to date. In order to make the hearings process more effectively meet the needs of the public, we decided to discontinue two elements of the HPI process that did not prove effective, and institute initiatives to 1) provide dedicated resources for case folder assembly, 2) establish a short form favorable decision format, 3) establish a bench decision process, and 4) expand the use of videoteleconferencing, speech recognition and digital recording for hearings.

Judicial Excellence: Our ALJs and the Administrative Appeals Judges continue to improve the quality of their decisions. We have undertaken quality review initiatives and ongoing training to support this improvement effort. ALJs participate in the Disability Hearings Quality Review Process, and Administrative Appeal Judges are involved in the Pre-effectuation Review Initiative.

Automation Initiatives: "Our Office of Hearings and Appeals Information Technology Key Initiative" is critical to the improvement of hearings and appeals productivity and case processing times. Digital recording of hearings, the use of speech recognition software to produce decisions and correspondence, folder management improvements (bar-coding), additional video conferencing sites, and a paperless folder process are all important parts of this initiative.

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:

The New Medicare Workload: Sections 521 and 522 of the "Medicare, Medicaid and State Children's Health Insurance Program (SCHIP) Benefits Improvement and Protection Act of 2000" (BIPA) will impact the Medicare appeals process.
- Section 521, effective October 1, 2002, calls for SSA to complete all Medicare hearings within 90 days. It also reduces from $500 to $100 the minimum amount in controversy to obtain a hearing.
- Section 522, which revises the Medicare appeals process to make local coverage determinations subject to review by an SSA ALJ, was to take effect on October 1, 2002. Implementation has been delayed by a Ruling of the CMS until regulations are issued. We estimate the BIPA legislation will increase the number of Medicare hearings by nearly 100,000 cases annually.

External Factors Affecting ALJ Hiring: Due to litigation, the Merit Systems Protection Board (MSPB) had prevented SSA from replacing ALJs lost through attrition. From FY 1999 through June 2001, we lost 172 ALJs and were not able to replace them. Effective September 24, 2001, SSA was granted a one-time exception to hire 126 ALJs from the current register, pending a long-term resolution of this issue. We continue to work with the Office of Personnel Management and the MSPB to resolve the ALJ hiring problem.

Cross-cutting issues or initiatives involving other agencies or organizations: We continue to work with the Centers for Medicare and Medicaid Services (CMS) on implementation of the BIPA legislation, as well as developing a plan for transferring the responsibility for Medicare hearings to CMS.

A7. Key Strategic Objective: By 2007, increase by 100 percent from 1999 levels, the number of SSDI and SSI disability beneficiaries who achieve steady employment and no longer receive cash benefits

Our FY 2003 Performance Strategy: We will continue to increase the number of working beneficiaries through our swift implementation of the Ticket-to-Work program.

Key Performance Indicator: (Effective FY 2003) Percent increase in the number of DI adult worker beneficiaries entering an Extended Period of Eligibility (EPE) due to earnings from work. (1999 Baseline: 9,773)

FY 2003 Goal: 10% (11,578)

Baseline Data:	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate
	9.6% (10,712)	-6.4% (10,024)	5% (10,525)
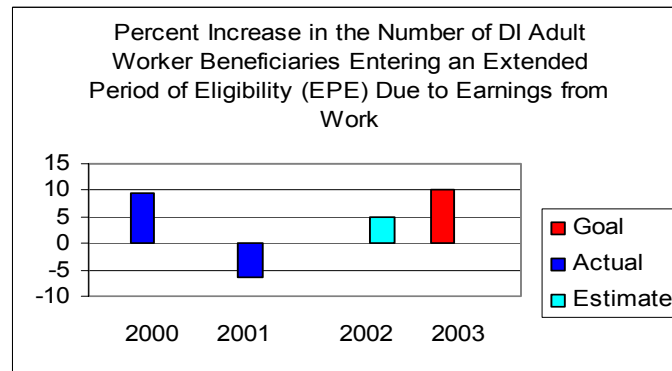
Key Performance Indicator: (Effective FY 2003) Percent increase in the number of SSI disabled beneficiaries earning at least $700 per month, whose payments are eliminated because of work (1619(b) status)   (1999 Baseline: 68,358)

FY 2003 Goal: 10% (87,822)

Baseline Data:	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate
	19.5% (81,654)	-6.9% (76,036)	5% (79,838)

41
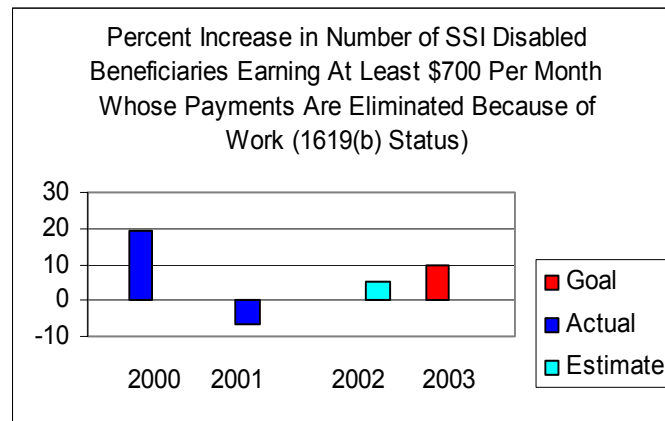
Notes: For FY 2003, we have evolved to improved Indicators for measuring our performance:

- *For Title II disability, we are replacing the Interim Indicator: "Percent increase in the number of DI adult worker beneficiaries who begin a trial work period" with a new Interim Indicator: "Percent increase in the number of DI worker beneficiaries entering an Extended Period of Eligibility (EPE) due to earnings from work." This EPE measure will be in use until about FY 2006, when the following long-term measure will be implemented: "Percent increase in the number of DI beneficiaries whose benefits are suspended or terminated due to substantial gainful activity."*

- *For SSI disability, we moved from the Interim Indicator: "Percent increase in the number of SSI disabled beneficiaries, age 18-64, whose payments are reduced because of work (i.e., participating in 1619(a) status") to the new interim Indicator: "Percent increase in the number of SSI disabled beneficiaries earning at least $700 per month, whose payments are eliminated because of work (1619(b) status). This new interim indicator will be in use until about FY 2006, when we will switch to the long-term indicator.   The long-term Indicator will be "Percent increase in the number of SSI disabled beneficiaries,* age 18-64, who no longer receive cash benefits and have earnings over the substantial gainful activity level.

These Indicators are evolving to improve measurement of the ultimate objective of our Return-to-Work programs, i.e., beneficiary independence from the benefit rolls due to the performance of substantial gainful activity and savings to our trust funds and the government's general revenues.

Means and Strategies for achieving this Objective:

Our overall strategy for achieving this Objective is to: help beneficiaries achieve self-sufficiency and independence from government supports through employment; reach out to disability beneficiaries; and provide employment and rehabilitation services that enable them to work.

Our "Employment Strategies for People with Disabilities Key Initiative*"* sets out a comprehensive program to ensure a substantial increase in the number of beneficiaries who return to work and achieve self-sufficiency, including:

- Working to implement the Ticket-to-Work and Work Incentives Improvement Act. The final rules for the Ticket-to-Work program were published in the *Federal Register* on December 28, 2001. This program provides "Tickets" to pay for service providers who will help beneficiaries return to work, and who will only be paid if the beneficiary leaves the disability roles due to work or meets certain milestone criteria. A grants program will help beneficiaries gain employment. Tickets were mailed to the first set of beneficiaries in the 13 Phase I States starting on February 6, 2002, to be followed by 20 Phase II States and the District of Columbia in November 2002, and the remainder Phase III States and territories in mid 2003.
- Supporting a program of cooperative agreements to help beneficiaries gain employment.
- Helping beneficiaries develop Plans for Achieving Self- Support.

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:

The strength of the U. S. economy has a significant impact on the achievement of this Objective. Recent weakness in U.S. employment may hamper attainment of the above performance goals.

Cross-cutting issues or initiatives involving other agencies or organizations:

We are working with the CMS to implement various programs that provide expanded health insurance coverage for beneficiaries who work. We also collaborate with the Departments of Education and Labor, and the President's Committee on Employment of Adults with Disabilities on research to find effective means of providing employment services to disability beneficiaries.

Strategic Goal: To ensure the integrity of Social Security programs, with zero tolerance for fraud and abuse

B1. Key Strategic Objective: Beginning 2002 and through 2005, maintain at 99.8 percent the overpayment and underpayment accuracy based on non-medical factors of eligibility of OASDI payment outlays

Our FY 2003 Performance Strategy: We will maintain a high level of accuracy through improved automation, expanded data exchanges, enhanced service to our diverse customers, and training for our employees.

Key Performance Indicator: Percent of OASDI payment outlays "free" of overpayments and underpayments, based on non-medical factors of eligibility

FY 2003 Goal: 99.8% without overpayments   99.8% without underpayments

Baseline Data:	FY 2000 Actual	FY 2001 Goal	FY 2002 Goal
Overpayments	99.9%	99.7%	99.8%

Percent of OASDI Payment Outlays "Free"
of Overpayments, Based on Non-Medical
Factors of Eligibility
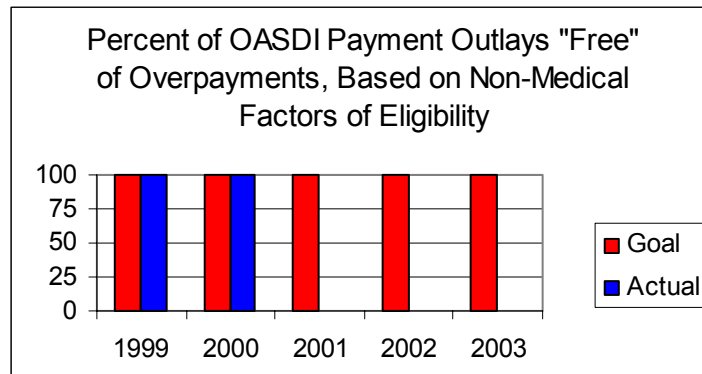
Baseline Data:	FY 2000 Actual	FY 2001 Goal	FY 2002 Goal
Underpayments	99.9%	99.8%	99.8%

Percent of OASDI Payment Outlays "Free"
of Underpayments, Based on Non-Medical
Factors of Eligibility

43
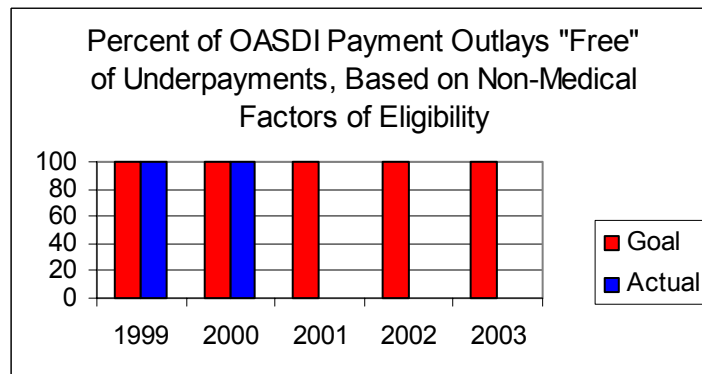
Means and Strategies for achieving this Objective:

For over a decade, SSA has maintained a high level of accuracy in its OASDI payment outlays and we are committed to maintaining this performance. The major causes of OASDI errors are relationship and dependence issues, plus workers' compensation offset. To address these errors, we have improved employee training, written procedures, and our data systems. We also reviewed our Workers' compensation cases to detect and correct payment errors.

Our "Title II Redesign Key Initiative" will support this Objective by automating claims and postentitlement (PE) processing that previously required manual intervention, reducing chances for human error. Title II Redesign will provide a single system for processing all initial claims and client-initiated PE actions in an online interactive mode, replacing 28 separate programs. The benefits will include a greater capability to process work at the individual's first point of contact and improved accuracy. Release 2.1 will improve Workers' Compensation PE computations and reduce errors in that area. We will be retiring the remaining old PE programs by 2003, resulting in 92.8 percent automated postentitlement processing and 94 percent automated initial claims processing. Our "Service to the Limited English Proficient Public Key Initiative" supports increased integrity of our program determinations. We recognize that the American public comes from diverse cultural backgrounds and that many do not speak or have limited proficiency in English. We use automated management information regarding our limited English proficient public to make hiring, staffing and resource allocation decisions. We place bilingual staff in locations where they can serve the greatest number of individuals in their preferred language and distribute interpreter funds where necessary. Without the language barrier, we are better able to get the information we need to make correct decisions.

Our "Information Exchange Key Initiative" includes data matching activities that have proven highly effective in preventing benefit overpayments/underpayments, fraud, and eliminating some manual error-prone actions. We are taking advantage of improved technology and rapidly expanding online databases to implement new or expanded information exchanges with other government agencies and private entities. We continue to pursue "SSA Access to State Records Online"on a State-by-State basis, which includes access to vital statistic information that is needed to process OASDI claims. We are also working with the State of New Jersey to establish a death registration pilot.

Our Policy Net system supports policy development, dissemination and clarification to our employees involved in adjudicating claims and PE actions. In 2002 and 2003, we will: 1) further expand electronic policy clarifications; 2) add new reference material including the Modernized Systems Operations Manual and the Hallex; and 3) use this technology to streamline and shorten policymaking and dissemination. Frontline employees will have online electronic access to a full range of the most up-to-date policy and instructional materials, helping them make more accurate determinations.

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:
As the baby boom generation reaches their disability-prone years and then retirement, our workload for retirement, disability and survivors' benefits will increase dramatically. At the same time, our employees will retire in record numbers. These factors could have a negative effect on our ability to maintain our accuracy levels. We will use increased automation, the Internet, and new human resource strategies to bridge this gap.

Cross-cutting issues or initiatives involving other agencies or organizations:
Our data exchange activities involve other Federal and State agencies, as well as private entities.

Strategic Goal: To ensure the integrity of social security programs, with zero tolerance for fraud and abuse

B2. Key Strategic Objective: By 2005, raise to 96 percent the accuracy based on non-medical factors of eligibility of SSI disabled and aged payment outlays

Our FY 2003 Performance Strategy: Erroneous payments persist in the SSI program. Our focus on improving SSI quality will include significant investment in redeterminations, new reporting techniques, and expanded data matched to prevent overpayments before they occur.
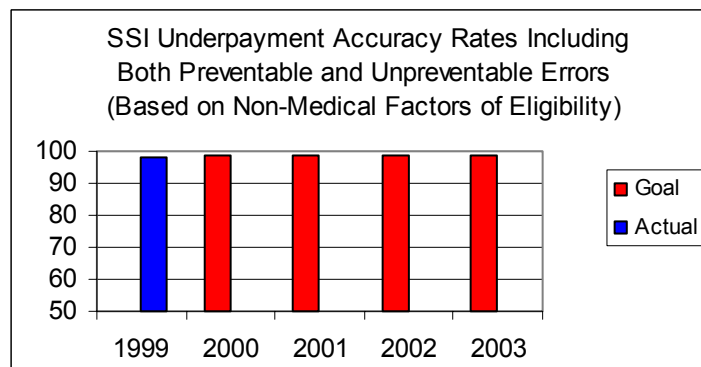
Key Performance Indicator: **SSI overpayment and underpayment accuracy rates including both preventable and unpreventable errors (based on non-medical factors of eligibility)**

FY 2003 Goal: 94.7% without overpayments   98.8% without underpayments

Baseline Data:	FY 2002 Goal	FY 2001 Goal	FY 2000 Actual
Overpayments	94.0%	94.7%	93.6%

SSI Overpayment Accuracy Rates Including
Both Preventable and Unpreventable Errors
(Based on Non-Medical Factors of Eligibility)
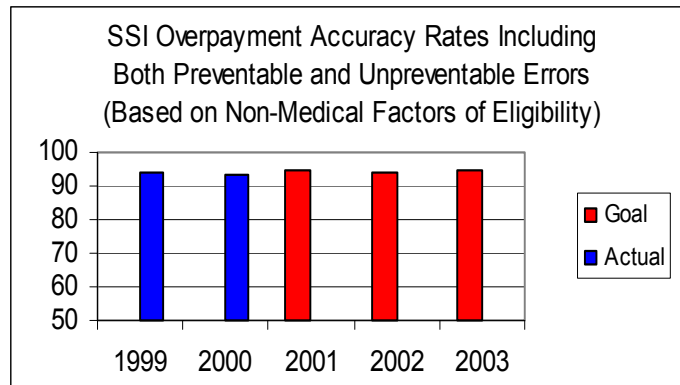
Baseline Data:	FY 2002 Goal	FY 2001 Goal	FY 2000 Actual
Underpayments	98.8%	98.8%	98.6%

SSI Underpayment Accuracy Rates Including
Both Preventable and Unpreventable Errors
(Based on Non-Medical Factors of Eligibility)

FY 2003 Goal: 95.4% overpayment accuracy rate   98.8% underpayment accuracy rate

Baseline Data:	FY 2000 Actual	FY 2001 Actual	FY 2002 Goal
Overpayments	94.7%	Not yet available	94.7%

SSI Overpayment Accuracy Rate Excluding Unpreventable Errors (Based on Non-Medical Factors of Eligibility)
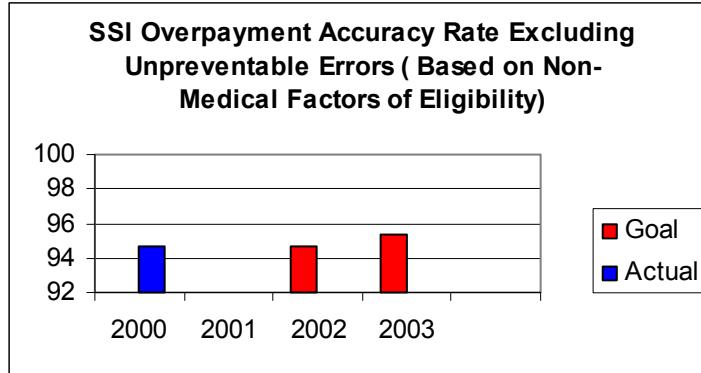
Baseline Data:	FY 2000 Actual	FY 2001 Actual	FY 2002 Goal
Underpayments	98.6%	Not yet available	98.8%

SSI Underpayment Accuracy Rate Excluding Unpreventable Errors (Based on Non-Medical Factors of Eligibility)
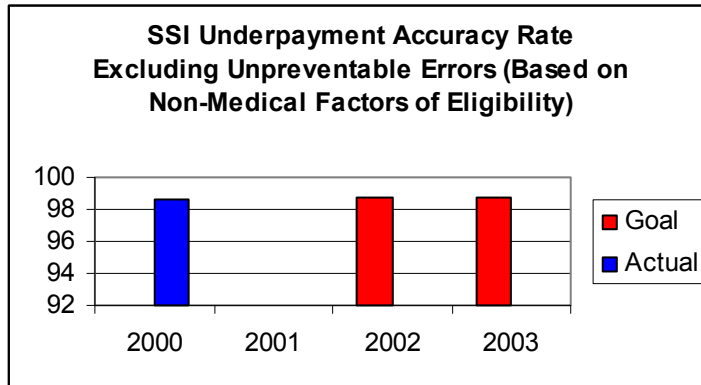
We have established this second measure of SSI payment accuracy that recognizes that some incorrect payments cannot be prevented due to program-inherent rules. To better measure SSA's performance and set its goals, the Agency has decided to calculate the payment accuracy rate for this second measure to exclude cases 1) that preclude a reduction or suspension of SSI payments because of Goldberg-Kelly due process requirements, and 2) generally, when the recipient receives income or resources after receipt of the SSI payment that is high enough to make a beneficiary ineligible for that month. For FY 2000, excluding these cases increased the overpayment accuracy rate from 93.6 percent to 94.7 percent and the underpayment accuracy rate remained at 98.6 percent.

The critical nature of SSI payment accuracy raises the old and new SSI accuracy indicators to the level of key performance indicators and also demonstrates the Agency's resolve to be good stewards of public funds.

Means and Strategies for achieving this Objective:

In 1997, GAO designated the SSI as a high-risk program because of the growth in detected overpayments. Since that time we have been working to improve the overall integrity of the program and reduce overpayment levels. Our "Title XVI Payment Accuracy Key Initiative" describes some of our efforts and activities to achieve our objective:

- Developing a plan specifically designed to address GAO criteria for removal of high-risk status. We are developing a strategy to focus on prevention, detection, and collection of overpayments.
  Note: See page 92 for a discussion on SSI debt collection activities and related indicators.
- Increased management focus on the quality of SSI claims and postentitlement (PE) actions;
- Policy review to determine the most effective cycle and frequency for redeterminations and improving redetermination profiling to select cases with the greatest potential for error;
- Increased efforts to detect prisoner ineligibility;
- Targeting the most error-prone SSI policy areas and then finding cost-effective means to prevent these errors;
- Improving policy and procedural compliance;
- Pursuing legislation simplification of the SSI program;
- Increased computer matching with external agencies and organizations to detect income/resources;
- Giving high priority to systems enhancements that contribute to error reduction;
- Evaluation of automatic adjustment of benefits when individuals reside in nursing homes; and
- Implementation of an alert database to help us control and take appropriate action to alerts that affect payment amount.

Our "SSI Postentitlement Modernization Key Initiative" will give high priority to improving our systems that support SSI payment accuracy. In FY 2002 and FY 2003, we will be automating:
- Windfall offset exclusions and attorney fees;
- Overpayment decision inputs;
- Payment netting processing; and
- Changed methods for recovering SSI debt.

In the short-term, we expect that our early detection efforts will actually increase our total SSI debt. But over the longer term, these efforts, along with improved automation of SSI processes and focus on targeted policy areas, will help restore public and congressional confidence in the administration of our SSI program to remove it from its high-risk designation

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:
Success is dependent on receiving adequate funding for improvements to computer matching and redetermination initiatives.

Cross-cutting issues or initiatives involving other agencies or organizations:
The success of our data matching activities is also dependent on collaboration with a large number of governmental and private organizations including the:
- Centers for Medicare and Medicaid Services (CMS) to detect nursing home admissions monthly;
- Office of Child Support Enforcement (OCSE) to detect wages reported by employers and records of unemployment compensation;
- Treasury Department's Bureau of Public Debt to detect ownership of savings bonds;
- Department of Defense for military pension records;
- Immigration and Naturalization Service for alien departure/return requests and deportation records;
- Railroad Retirement Board for pension records; and
- The Department of Labor for Workers' Compensation information.

B3. Key Strategic Objective: To become current with DI and SSI Continuing Disability Review (CDR) requirements by FY 2002 and remain current thereafter

Our FY 2003 Performance Strategy: We did achieve currency of DI CDRs in FY 2000, and expect to achieve currency of SSI CDRs in FY 2002. We will remain current in FY 2003 and beyond if appropriate funding is provided.

Key Performance Indicator for FY 2003 on: Percent of CDRs completed when due and selectable beginning in FY 2003
Key Performance Indicator for FY 1999-2002: Percent of multi-year plan completed through FY 2002.

FY 2003 Goal: Maintain 100% CDR currency

	Baseline Data:	FY 2000 Actual	FY 2001 Actual	FY 2002 Goal
		68.8%	86.1%	100%

Percent CDRs Completed When Due/Selectable Eff. 2003; Percent Multi-Year Plan Completed Through FY 2002
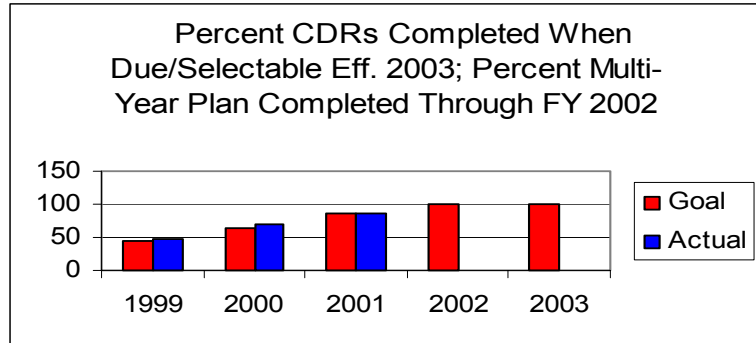
Means and Strategies for achieving this Objective:

A key activity in ensuring the integrity of the disability program is periodic continuing disability reviews through which SSA determines whether beneficiaries continue to be entitled to benefits because of their medical conditions. Congress provided authority for an adjustment to the discretionary spending caps for FY 1996-2002 for increased funding for CDRs. We developed a 7-year plan to become current which SSA has successfully implemented so far.

From FY 2003 through FY 2009, SSA will need to process approximately 11.6 million CDRs to remain current with this important workload. This is a very cost-effective effort. We estimate that the 11.6 million CDRs will result in $40 billion in lifetime program savings, compared to an administrative cost of about $5 billion. Our FY 2003 budget submission includes funding to process nearly 1.4 million CDRs, which would allow us to keep current with this workload.

Our "CDR Profiling/Workflow Enhancements Key Initiative" supports this Objective by improving our ability to identify factors that may indicate that a beneficiary has medically improved. We are developing a profiling model that utilizes Center for Medicare and Medicaid Services (CMS) data to identify mailer CDR candidates.

We use factors that indicate medical improvement in the profiling process to determine which CDR path a case should follow:
- A full medical review in a Disability Determination Service (DDS), or
- A CDR mailer. In cases where medical improvement is unlikely, the beneficiary is sent a questionnaire (CDR mailer) to help determine if any further actions are necessary. This mailer process saves significant SSA and DDS resources and is less burdensome for beneficiaries.

This initiative also supports enhancements and streamlining of the CDR processes, including process improvements, increased management information and systems enhancements.

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:

Maintaining currency is dependent on sufficient funding.

Cross-cutting issues or initiatives involving other agencies or organizations:

The efficiency of our State DDSs is essential to achieving this Objective. Adequate funding for them is needed to process the required number of CDRs to remain current.

B4. Key Strategic Objective: Maintain timeliness and improve accuracy and efficiency in posting earnings data to Agency records. Specifically by 2005, increase to 70 percent the number of employee reports (W-2s) filed electronically

Our FY 2003 Performance Strategy: We will substantially increase the electronic and Internet-based filing of wage reports.

Key Performance Indicator: Percent of employee reports (W-2s) filed electronically

FY 2003 Goal: 48%

Baseline Data: FY 2000 Actual   FY 2001 Actual   FY 2002 Goal
18.4%   27%   30%

Percent of Employee Reports (W-2s) Filed Electronically
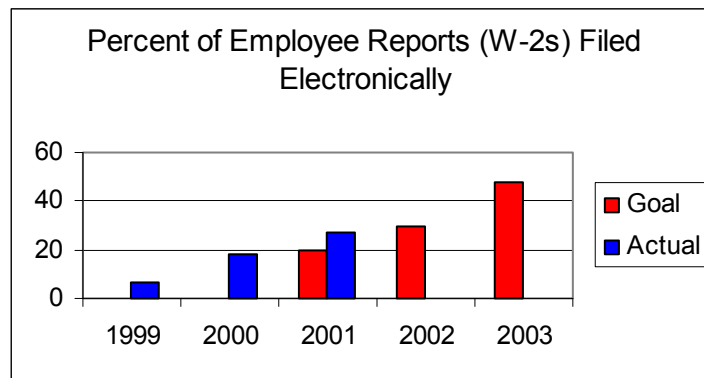
Note: See Part VI, pages 90-91 for all other performance indicators for this Objective.

Means and Strategies for achieving this Objective:

We have improved our earnings process and achieved excellent timeliness and accuracy. However, we can still make significant progress through our electronic wage reporting program. We receive too many employee wage items (W2 Forms) with incorrect SSNs and names, and too many paper and other labor intensive, non-electronic wage reports.

As part of our "Earnings Process Improvements Key Initiative", we developed a 5-year plan to:
• Reduce the number of incorrectly reported wage items and improve the accuracy of earnings records;
• Improve the way earnings are established, corrected and adjusted;
• Improve earnings products and services for employers and employees;
• Improve coordination between our data files that contain information about employers, employees, and wages;
• Increase the use of electronic wage reporting; and
• Provide the infrastructure within our earnings systems to accommodate more electronic business, especially via the Internet.

Our electronic initiative includes implementation of : 1) electronic wage reporting, and 2) the validation of name/SSN over the Internet. The Internet capability to receive electronically filed wage reports will provide the business community with an easy-to-use, cost-effective filing process, and it will help SSA lower processing costs, capture data quicker, and transmit information to the IRS faster. The SSN

Validation System will provide employers with an easy-to-use capability to validate employees names and SSNs. This capability is expected to substantially reduce incorrect name/SSN presentation on Forms W2 (Annual Wage Report) submitted to SSA and reduce the number of earnings reports going into the Earnings Suspense File (ESF), i.e., earnings that cannot be attributed to an individual's earnings record.

We recently completed an Internet reporting pilot for FY 2002 and found it to be secure and cost-effective. In FY 2002, we will implement full Internet reporting capability including:
- Completion of W-2 Forms;
- A variety of responsive help desk services;
- A facility for employers to download wage reporting software; and
- A knowledge-based employer support system.

Additionally, we have implemented and improved capability to provide employers with complete name/SSN error information. This information will identify for employers all employees for whom inaccurate name/SSN information was provided on the Annual Form W2 submission to the Agency. This will enable employers to correct erroneous identifying information previously submitted on the Form W2 so that the reported wage information can be attributed to each employee's earnings record.

Our electronic reporting marketing efforts include promotional materials, attending payroll and employer focused conferences, writing articles for trade publications, and direct contact with employers. We will continue to make on-site visits with large payroll service providers and other companies, encouraging them to report electronically.

When an earnings report cannot be posted to an individual's record due to errors or inconsistencies, it is added to the Earnings Suspense File (ESF). Our efforts to reduce the size and rate of growth of the ESF include:
- Editing annual wage reports;
- Helping employers record proper names and SSNs;
- Communicating with employers about errors and helping them correct and avoid them;
- Revising the Social Security card to separate the last name from the surname; and
- Implementing improvements to the management of the ESF.

Additionally, the Agency contracted with PwC to review the Agency's management of the ESF and make recommendations. This review was initiated to assure that the Agency's management practices were consistent with "best practices" in the private sector, and to assure that all possible approaches were being effectively utilized to attribute reported earnings to an individual's earnings record.

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:

Funding for developing the Internet infrastructure for electronic wage reporting is key to the success of this Objective. The economy can also have an impact on the ability of employers to fund the technology and employee training they need to implement electronic wage reporting. The prevalence of individuals who use false Social Security numbers to gain employment has a huge impact on the accuracy of our earnings process.

Cross-cutting issues or initiatives involving other agencies or organizations:

Our success with achieving this Strategic Objective is highly dependent on successful collaboration with employers and payroll service providers. We also work closely with the Internal Revenue Service to provide incentives for employers to improve the quality of wage reports.

B6. Key Strategic Objective: Aggressively deter, identify, and resolve fraud

Our FY 2003 Performance Strategy: We will continue to increase our return on investment from investigative activities and aggressively fight identity theft with the tools at our disposal.

Key Performance Indicator: OASDI dollar amounts reported from investigative activities

FY 2003 Goal: $60M

Baseline Data:	FY 2000 Actual	FY 2001 Actual	FY 2002 Goal
	$46M	$86M	$55M

OASDI Dollar Amounts Reported from Investigative Activities (in millions)
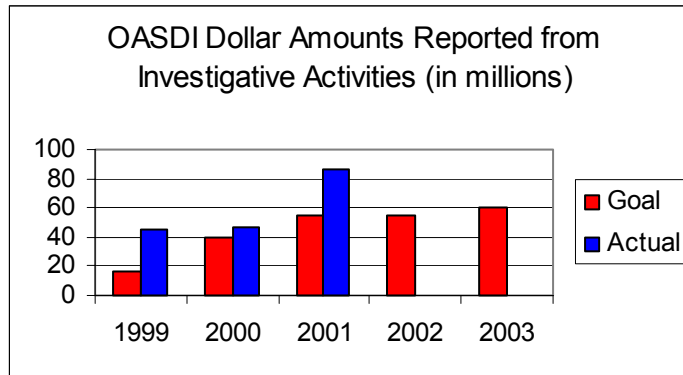
Key Performance Indicator: SSI dollar amounts reported from investigative activities

FY 2003 Goal: $120M

Baseline Data:	FY 2000 Actual	FY 2001 Actual	FY 2002 Goal
	$128M	$129M	$100M

SSI Dollar Amounts Reported from Investigative Activities (in millions)
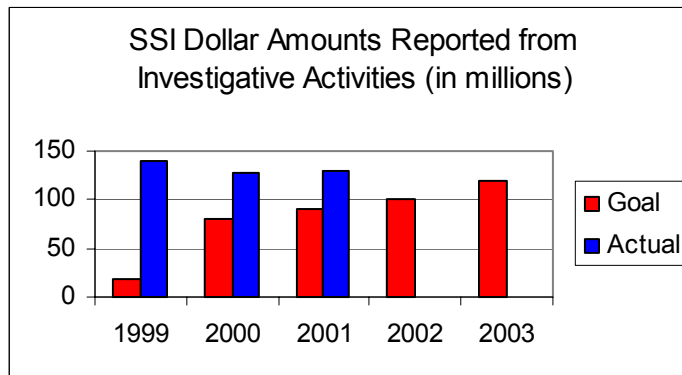
Note: See Part VI, pages 93-94 for all other performance indicators for this Objective.

Means and Strategies for achieving this Objective:

The Office of Inspector General (OIG) will continue to vigorously address fraud within SSA's programs during FY 2003. The successful investigative projects that OIG has been working on in conjunction with SSA and by itself will continue. A major difference in FY 2003 from past years will be a refocused intensity in the area of identity theft and enumeration fraud because of the events of terrorism on September 11th. The concept of "homeland security" has become a reality and a passion to many in this country. The OIG is stepping up its efforts to assist in protecting the citizens of the United States from terrorists in doing what it has always done – investigating those who misuse or attempt to misuse SSNs. This refocusing will result in a shifting of resources to investigative projects and cases that may not result in the reporting of dollars recovered or saved as the result of OIG investigations. Therefore, although OIG agents may close more investigations and bring criminal charges against more people, the amount of dollars reported from these investigations may only change slightly.

SSA and the OIG continue to take action to deter, detect, investigate, and prosecute fraud in order to make "Zero Tolerance for Fraud"a reality. Our "Combating Fraud Key Initiative" helps us to:
- Prosecute individuals or groups who damage the integrity of our programs; and
- Change our programs, systems and operations to reduce the incidence of fraud.

We also remain focused on fraud within the Supplemental Security Income (SSI) program. We are increasing our efforts to identify those who collect SSI payments while:
- Fleeing to avoid prosecution;
- Fleeing to avoid custody or confinement after conviction;
- Violating conditions of probation or parole; and
- Fraudulently claiming U. S. residency.

Misuse of the SSN, hastened by the impact of the Internet, has become a national crisis. The use of SSNs to engage in financial transactions, obtain personal information and create or commandeer identities makes them very vulnerable to abuse and fraud. Legislation allows us to punish identity theft but does not contribute substantially to prevention. With new legislation that supports prevention, and the continued hard work of government agencies, the identity theft crisis can be reversed. Our "Enumeration at Entry Key Initiative" creates government efficiencies and fraud reduction by having the Immigration and Naturalization Service (INS) and the Department of State (DOS) assist us in enumerating aliens. By having INS and DOS collect and forward enumeration data to us, we will reduce the potential of inadvertently accepting inappropriate or counterfeit documents during the SSN application process.

Our efforts to combat fraud include a number of other important activities:
- Our National Anti-Fraud Committee oversees the completion of a large number of anti-fraud projects. They recently convened a workgroup to develop an integrated strategy to addresses our short-term, mid-term, and long-term anti-fraud efforts;
- Our joint Cooperative Disability Investigations (CDI) project operates in a number of States and includes SSA employees, OIG investigators, State DDS representatives and law enforcement officials. Program savings from this project reached $115.3 million by the end of FY 2001;
- Implementation of an automated data system to improve fraud referral and tracking;
- Efforts to increase protection of our critical infrastructures;
- Efforts to improve our automated detection of suspect activities; and
- No longer issuing non-work SSNs for the purpose of obtaining licenses.

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:

The events on September 11th placed misuse of the SSN in the limelight. Addressing SSN fraud and misuse related to terrorism and identity theft have become national priorities.

Cross-cutting issues or initiatives involving other agencies or organizations:

The OIG is working with the Department of Justice's National Crime Information Center (NCIC) , the Information Technology Center (ITC) , and the United States Marshals Service (USMS) to identify fugitive felons who collect SSI payments to which they are not entitled. This collaboration, including the use of computer matches, has resulted in removing thousands of ineligible people from the SSI roles, saving millions of dollars. We are also working with the Federal Trade Commission to implement the Identity Theft and Assumption Deterrence Act of 1998.

Strategic Goal: To strengthen public understanding of Social Security programs

C1. Key Strategic Objective: By 2005, 9 out of 10 Americans (adults age 18 and over) will be knowledgeable about Social Security programs in three important areas:
- **Basic program facts;**
- **Value of Social Security programs; and**
- **Financing Social Security programs**

Our FY 2003 Performance Strategy: We will work to improve current levels of the public's knowledge about Social Security programs and issues through issuing the Social Security Statement and other public education activities.

Key Performance Indicator: Percent of public who are knowledgeable about Social Security issues

FY 2003 Goal: 78%

Baseline Data:	FY 2000 Actual	FY 2001 Actual	FY 2002 Goal
	75%	78%	78%

Percent of Public Who Are Knowledgeable About Social Security Issues
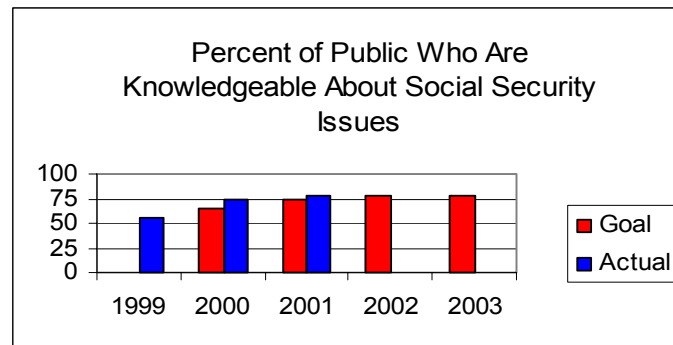
Note: See Part VI, page 95 for all other performance indicators for this Objective.

Means and Strategies for achieving this Objective:

Our means and strategies for achieving this Strategic Objective are outlined in SSA's five-year national communications plan called " Strengthening Public Understanding of Social Security in the new Millennium" which will be updated and strengthened in the near future. In addition, we have several important initiatives that support it.

Our efforts to educate the public about Social Security focuses on the strategies and tactics we must undertake to ensure that by 2005, 9 out of 10 Americans (adults age 18 and older) are knowledgeable about our Social Security programs in the three important areas in our Objective, plus the major issues that confront our Social Security system. Increasingly, data from our own Public Understanding Measurement System (PUMS), along with data from other sources, market research, and the experience of our communications specialists nationwide, have led us to identify six overarching strategies for achieving this Objective:
- Establish SSA as the place to go for information about our programs;

- Continue the Social Security Statement as a major part of mainstream communications;
- Attend and support community meetings;
- Strengthen our internal communications; and
- Communicate through major media outlets, including broadcast television.

One of our most important strategies continues to be the use of the Social Security Statement as an important part of our mainstream communications. Data from the PUMS still indicate that receiving a Statement significantly increases an individual's knowledge of Social Security programs, although much of the educational impact of the current Statement may have already been garnered. We will continue to issue Statements annually to all workers over the age of 25, as required by law, and we will work to develop new ways to enhance the utility of the Statement.

We will tailor our tools and tactics to reach our different audiences at the time and in the way that they will be most receptive to our education efforts. To reach the members of different demographic groups, we engage in community meetings, use the talents of opinion leaders, strengthen partnerships, and raise cultural awareness of communications professionals. We are beginning to target populations based on life stage and language of preference to improve understanding. We are developing new planning tools as well as communications technologies and expanding our use of the Internet to tailor message delivery. Our continuing training of our public affairs specialists will focus on communicating effectively through the media and in communities.

Our PUMS is critical to our success. It is the central evaluation mechanism that we use to indicate whether our overall public education program is improving. It is a critical tool in our planning program, because analysis of the PUMS data helps us shape our strategies and direct our efforts to ensure that members of the public learn what they need to know. PUMS is a strong component of our continuing compliance with the Government Performance and Results Act. In the fall of 2001, we completed our fourth PUMS annual survey. Several changes were made in the scope of the survey. First, the knowledge level was derived from a smaller but statistically valid sample, which was constructed to ensure that scores of the four major ethnic groups (African-American, Pacific-Asian, Hispanic, and White) could be determined at statistically reliable levels. In addition, nearly 20,000 surveys were fielded to allow us to determine knowledge levels at the SSA area level, an important enabler of better planning and improved performance at the local level. Our use of PUMS beyond the basic survey of public knowledge continues to evolve as our information needs change. In FY 2002 and FY 2003, we will gather data via our annual PUMS survey, and we plan to establish new institutional capability to analyze the data. We will be making changes to the PUMS so that we can better measure the public's knowledge of Social Security issues.

Environmental and external factors that may impact positively or negatively on the achievement of this Objective:

The major environmental/external factors that may affect achievement of this Objective include the following:
- We have been informed by experts that achieving a 90 percent knowledge level of any product may be essentially unattainable;
- We may have already garnered the educational impact of the Statement;
- We will be addressing the knowledge needs of harder-to-reach audiences, which will require more resources and different strategies than we have used in the past;
- Increased racial and ethnic diversity calls for different emphases and different technologies;
- Education is not a one-time thing. Continual reinforcement will be needed if we are to maintain and increase knowledge levels;

- We anticipate new educational needs to arise as concerns about the future of the Social Security programs intensify and messages about the programs change; and
- Increased technological change gives us new opportunities but also new challenges as we seek to determine and utilize the most effective communications means.

Cross-cutting issues or initiatives involving other agencies or organizations:

- Broad public concern about financial security in retirement and in other life stages presents an opportunity for us to work with other government agencies, non-profits, and the private sector, including banking and investment firms and the life insurance industry, to develop cooperative education/information vehicles to assist financial planning. We are intensifying such efforts now; and
- We continue to depend on the Internal Revenue Service (IRS) for mailing addresses for the Social Security Statement. This means that the accuracy of our mailings depends upon whether individuals file their tax returns properly and on time, as well as upon the accuracy of the IRS database.

Strategic Goal: To be an employer that values and invests in each employee

D1. Key Strategic Objective: To recruit, develop, and retain a diverse, well qualified workforce with the capacity to perform effectively in a changing future environment. Specifically, by 2005:
- **Develop and implement innovative tools and techniques for recruitment and hiring;**
- **Use authorized flexibilities to attract and retain a highly qualified and diverse workforce; and**
- **Continue to enhance quality of work life opportunities for all employees**

Our FY 2003 Performance Strategy: We are developing new strategies to transition us from the workforce we have today to the workforce needed for the future.

Key Performance Indicator: Continue to implement the SSA Future Workforce Plan

FY 2003 Goal: Implement actions by target dates specified in the Agency's Future Workforce Plan, including the following significant actions:
- Enhance Agency recruiters' ability to use effective marketing and recruiting techniques for attracting new employees; and
- Enhance leadership competencies for one-third of SSA supervisors and managers.

Means and Strategies for Achieving this Objective:

To achieve this Objective, the following major activities are planned or underway.

- *Future Workforce Plan:* During 2002 and beyond, we will continue to implement the Future Workforce Plan and update the plan to include additional actions as appropriate. We will continue to improve training for employees with disabilities, and develop a marketing plan for recruiting new employees. We will also continue to implement and test new training technologies including Internet and Intranet training, closed captioning, collaborative database, Interactive Video Teletraining (IVT), and stored source video.

- *Replacement hiring:* We will continue our efforts to permit replacement hiring in advance of losses in order to allow experienced employees (before they retire) to train and mentor new employees. We are developing expert systems that will store institutional knowledge for employees to access from anywhere in the Agency.

- *Special Recruitment Initiatives:* We will continue to expand the use of recruitment and retention incentives/authorities now available in our marketing strategy, including above minimum starting salaries, recruitment and relocation bonuses, and retention allowances. We will evaluate and request, where appropriate, flexible authorities such as early out and re-employment of annuitants without salary reduction. This latter authority allows us to train and mentor new employees making optimal use of the institutional knowledge resident in our maturing workforce. The use of early out retirement authority allows us to ameliorate the effects of a government-wide retirement wave and ensure we have a fully trained and able cadre of direct service employees. We will continue our special recruitment initiatives and career development activities of qualified individuals. Our initiatives to achieve a workforce drawn from all segments of society have been particularly effective in addressing the most under-represented groups in the Federal workforce. SSA's initiatives on Hispanic employment, under Executive Order 13171 dated October 12, 2000, and the employment of people with disabilities, under Executive Order 13187 dated January 10, 2001, have resulted in an increase in the workforce representation of both groups during FY 2001.

- *"Competency-Based Human Resource Tools Key Initiative":* We continue to gather information on which core competencies should be considered when selecting new employees. In FY 2002, we will construct models and assessment tools by job type; pilot and train assessors to use the competency tools for hiring; and begin evaluation of competency use.

- During FY 2002 and FY 2003, we will continue analyzing recruitment strategies. We are working to identify process changes and supportive activities that will help us, including:
  --Using innovative recruitment and retention techniques;
  --Working with the Office of Personnel Management to simplify the hiring process;
  --Collaborating with our DDS agency partners on human resource strategies;
  --Collecting and using employee satisfaction information to make improvements; and
  --Expanding family friendly features such as flexible work schedules, flexiplace options, child care, elder care, and fitness centers.

Strategic Goal: To promote valued, strong and responsive social security programs and conduct effective policy development, research and program evaluation

E1. Key Strategic Objective: Promote policy changes, based on research, evaluation and analysis that: shape the Old Age, Survivors (OASI) and Disability (DI) programs in a manner that takes account of future demographic and economic challenges, provides an adequate base of economic security for workers and their dependents, and protects vulnerable populations

Our FY 2003 Performance Strategy: We will conduct a number of data gathering and research efforts that will help policymakers in addressing OASI and DI program issues.

Key Performance Indicator: Identification, development and utilization of appropriate barometer measures for assessing the effectiveness of OASDI benefits

FY 2003 Goal: Update the barometer measures and prepare analysis. We will consider this goal to be achieved if SSA issues updated barometer measures with the latest available data and provides analysis of the data. These barometers will be used to help formulate and evaluate options for strengthening our programs.

Key Performance Indicator: Preparation of research and policy analysis necessary to assist the Administration and Congress in developing proposals to reform and modernize the OASDI program

FY 2003 Goal: Prepare analyses on distributional and fiscal effects of reform proposals developed by the Administration, Congress and other policymakers. We will consider this goal to be achieved if we prepare analyses providing information about the effect of specific reform proposals on various populations, the long-term actuarial balance of OASDI programs and the economy of the United States.

Means and Strategies for Achieving this Objective: The following list summarizes the most significant activities planned for FY 2003:

- *Identification, development, and utilization of appropriate barometer measures for OASDI programs:* We have established a baseline for our barometer measures that provide an indication of the effectiveness of OASDI programs. These barometer measures will provide information about populations served by Social Security programs and help identify areas where the programs may be modernized and reformed. The measures include indicators of the programs' roles in providing an adequate base of economic security. We will routinely update and modify the barometer measures as new data are developed.

- *Analysis on the effects of demographic and economic trends on Social Security programs:* We will study major demographic and economic trends that affect the programs and look at experiences in other countries by conducting analyses on the following topics:

  --The balance between benefit adequacy and individual equity: Resolving Social Security's long-term financial imbalance will affect both the adequacy and equity of benefits. Information on how potential reforms balance these aspects of the value of Social Security benefits will be a critical part of the discussions about how to modernize and reform the programs.

--The relationship between Social Security and the economy: Work under this topic will focus on modeling changes in the Social Security program and their effect on future income and government finances.

--Work and earnings as they relate to Social Security: Labor market decisions will affect Social Security revenues and expenditures, as well as play a significant role in determining the economic well-being of the older population. We will conduct research to improve our understanding of the labor market activity of older workers and the implications for Social Security and the beneficiary population.

--Role of pensions and wealth in providing retirement security: We will study the distribution of pensions and wealth and their changing nature over time to provide better information for modeling retirement income and analyzing possible changes to Social Security benefits.

--Social Security reforms in other countries: The experiences of countries that have a more aged society than the U.S. will be examined to provide insight into successful and unsuccessful ways of averting a demographically induced crisis. In addition, foreign experience provides insights into other policies, such as a minimum benefit, individual accounts, and incentives to work at more advanced ages.

--Analyses of proposals to modernize and reform the Social Security system: We are strengthening our capability to project income into future years to analyze the distributional effects of possible Social Security reforms. Continued model enhancements will add money's worth measures such as rate of return, expand the range of income sources that can be assessed, and improve the reliability of the estimates.

In addition to the activities listed above, the Agency is undertaking a thorough review of its research, evaluation, and statistical activities to assure that they are relevant, timely, and efficient. This review may result in some of our objectives changing.

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