

11 August 1995

MEMORANDUM FOR HAROLD ICKES

From: Jennifer O'Connor
Joe Fanaroff

Subject: Social Security Administration and disability determinations

I just spoke with Rob Magerra at AFSCME who gave me a brief recitation of the history behind this dispute, the issues involved, and why labor is upset with the Administration.

As you may know, the states run their own disability determination programs for SSI. Each state has a contract with the Federal government and inevitably, some programs are run more efficiently than others. As part of the Vice President's Reinventing Government (REGO) program, this area of Social Security was looked at. In May of this year, the Vice President was scheduled to deliver a proposal whereby states in the bottom 1/3 in efficiency and productivity in this program would either (1) have their program privatized, or (2) have a state with a well-run system take over supervision of it.

The Vice President never formally submitted the proposals and the parties reconvened to work out their differences. On the management side, concerns centered on the productivity and efficiency of the workers; on the union side, concerns centered on the management style in some states and the lack of "bottom-up" determinations (i.e. asking workers what management could do to make a better working environment). After the meeting, AFSCME was given a twelve page summary which addressed its concerns but did not remove the "threat" of privatization, a solution they vigorously reject.

Ideologically, this dispute boils down to differences in how best to motivate workers. The unions see this Administration as supporting efforts to use a "hammer" against workers to make them more productive, a style they assert is ineffective. The unions are willing to be partners in a cooperative effort where they have a voice in determining employee motivation. Their ideas center on getting employees involved in the decision-making process and for more two-way communication on important issues. They cite with favor efforts made by Governor George Voinovich of Ohio, who has incorporated this cooperative style to foster better relations in his Social Security Administration offices. Unions, particularly AFSCME, who was a very early supporter of the President, do not want to be put in the position of being at odds over this issue.

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- STATUS OF PROPOSALS
- WHAT ARE WE
GOING TO PROPOSE
- NAT'L PERF.

REVIEW
- STATUS- ALIVE OR
DEAD

DEALING WITH UNION
CONCERNS?

(MARCH)
GIVE A
CHANCE
BY
ALTERING

M. EDWARD
Deming } Book

- STATE EMP. DO JST DETERMINATIONS
- SOME DON'T DO GOOD JOB

EZRAINE
KARIMACK

FRANK CONAN - ^{ROB} MAGERRA -

CECILIA PERRY: ATTY
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EITHER ^{ROOM} 1/3 STATES - IN MAY, SHIRLEY CHATER DID PROPOSAL FOR VOTUS
LIVE WORK ~~TO~~ ^{TO} LOWER STATES JOBS TO BETTER PERFORMING JOBS
- NEVER SUBMITTED; TRIED TO RETO
- SERVICE UNION
- COMM. UNION

AT A MEETING - REINVENT DISCUSSED, BUT
RECENTLY A 12 PAGE SUMMARY WAS GIVEN TO AFOCME W/ LIST
OF CONCERNS BUT HANG PRIVATIZATION ISSUE OVER WORKERS

* UNIONS: DON'T HANG FEAR -- TRY TO GET CO-OPERATION

JSA: THREAT TO GET WORKERS MORE EFFICIENT
UNIONS: CONCERNED ABOUT THESE PROPOSALS

1. MANAGERIAL STYLE
2. DISADVANTAGE VISA VIS GOVERNORS TELLING THEM HOW TO TREAT EMPLOYEES

Gov. VOINOVICH (R-OH)

- USING CO-OPERATIVE MEASURES

- BOTTOM UP DETERMINATION - WORK W/ EMPLOYEES + EMPLOYER
- UNIONS ARE VERY UPSET ABOUT ADM. POSITION
THINK IT IS COUNTERPRODUCTIVE + AGAINST
THEIR IDEAS ABOUT WORKER/EMPLOYER RELATIONS