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STATEMENT OF
GREGORY J. AHART, DIRECTOR
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BEFORE THE
SUBCOMMITTEE ON SOCIAL SECURITY
COMMITTEE ON WAYS AND MEANS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
THE DISCONTINUANCE OF
SOCIAL SECURITY STUDENT BENEFITS



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Mr. Chairman and Members of the Subcommittee:

In August of last year, President Reagan signed into law the Omnibus Budget Reconciliation Act which included, among its many provisions, legislative changes designed to phase out post-secondary student benefits under the Social Security Act and to reduce to age 19 the delimiting age for such benefits to secondary school students.

This legislative action is basically consistent with recommendations we made in a report issued in August of 1979 based on our study of student benefits under the Social Security Act. Our recommendations were offered in the context of quite a number of considerations which we detailed in that report.

Of concern at the present time is whether present and potential beneficiaries who will be directly affected by the legislative change will be adequately informed of how the change affects them and whether they will be informed in sufficient time to allow them to effectively plan their future in the light of the changes.

We have looked into this matter only briefly within the past few days and have not had an opportunity to fully review what the Social Security Administration has done or plans to do, or to fully explore what options the agency could have pursued and might pursue now to best inform people affected.

Based on our limited inquiry, we understand that although it had no legislative mandate to do so, the Administration has

conducted an information campaign designed to generally inform the public concerning the changes in the student benefit program. The campaign has included distributing, through local Social Security offices, pamphlets which explain the changes, as well as distributing news releases, radio announcements, and draft news articles and columns for distribution throughout the country. It has also, since September 1981, sent a monthly newsletter including discussion of the student benefit changes to about 5,000 large groups and organizations, including many in the field of education.

The Social Security Administration has stated that it has continued its normal practice of contacting all child beneficiaries 5 months before their 18th birthday to determine if they plan to continue in school and that it has informed them of the student benefit program changes at the time of that contact. In addition, near the end of this month, the agency plans to send to all present student beneficiaries direct notification of changes in the law as a part of its regular school attendance verification reporting process.

In addition to the Social Security Administration's direct actions, there has been, of course, considerable press coverage concerning the various changes included in the Omnibus Reconciliation law, including discussion of the changes in the student benefit program.

Social Security Administration officials acknowledge two problems with their efforts. First, information releases to the

newspapers which specifically highlighted the student benefit changes did not occur until December 1981. Second, in an undetermined number of cases the pamphlets sent to those approaching age 18 were outdated pamphlets which did not reflect the legislative changes. It is quite probable that this latter mistake misled some students and the Social Security Administration has not yet decided if or when to recontact the students to rectify any possible misunderstanding. The outdated pamphlets were apparently sent out from the processing centers in Kansas City and Birmingham, some apparently as late as December 1981 or January 1982.

As I stated, we have not had an opportunity to fully assess the Social Security Administration's actions and planned actions to adequately inform the persons affected by the changes in the student benefit program. We have examined the updated pamphlets on student benefits and the newspaper releases, spot radio and television announcements, and program circulars. In our judgment, these materials appear to accurately describe the changes enacted.

We are concerned, however, with the fact that misleading information was sent to at least some persons affected by the changes and believe that serious consideration should be given to sending correct notifications to these persons if they can be identified.

With respect to persons already in the program, we tend to believe that if the Social Security Administration carries

out its plans to send specific notification to each individual within the month or so, as part of its attendance verification process, it will have carried out its responsibility with respect to this group for adequate notification.

That leaves for consideration those child dependents who are not yet 18 and are not due to receive in the near future under normal practice (5 months before their 18th birthday) information concerning the student benefit program. We believe that there may be options which should be explored for targeting individual notices to these persons to ensure that they are adequately informed concerning the legislated changes. If the Subcommittee believes that additional options along these lines should be explored by the Social Security Administration, we would be happy to work with the Administration in exploring those options.

This completes my statement. We would be happy to respond to any questions that you or any of the members of the Subcommittee may have.