

October 27, 2016

The Honorable Roy Blunt  
Chairman, Subcommittee on Labor, Health  
& Human Services, Education, & Related  
Agencies  
Committee on Appropriations  
U.S. Senate  
Washington, DC 20510

The Honorable Patty Murray  
Ranking Member, Subcommittee on Labor,  
Health and Human Services, Education, &  
Related Agencies  
Committee on Appropriations  
U.S. Senate  
Washington, DC 20510

The Honorable Tom Cole  
Chairman, Subcommittee on Labor, Health  
& Human Services, Education, & Related  
Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Rosa DeLauro  
Ranking Member, Subcommittee on Labor,  
Health & Human Services, Education, &  
Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Blunt, Ranking Member Murray, Chairman Cole and Ranking Member DeLauro:

As organizations representing stakeholders of the Social Security Administration (SSA), we respectfully ask that as you work to finalize the Fiscal Year 2017 Labor-HHS Appropriations Bill **that the final bill includes the President's Budget Request of \$13.067 billion for SSA's Limitation on Administrative Expenses (LAE) account.** We believe this level of funding is critical to ensure that SSA can rebound from last year's service degradation while addressing stewardship responsibilities such as cost-effective program integrity work. In order to balance those stewardship responsibilities and provide appropriate service to the American public, SSA must have adequate funding.

While we appreciate efforts by Congress to provide resources for SSA, we are very concerned that the FY 2017 funding levels currently under discussion in Congress will not address many of SSA's critical needs. SSA's funding to support the administration of its programs has been severely strained in recent years, resulting in increased wait times and hearings backlogs. SSA's core operating budget has decreased by over 10 percent since 2010 after adjusting for inflation, even as the demands on SSA have reached all-time highs with the aging of the baby boomer generation. While SSA's budget fell by 10 percent, the number of Social Security beneficiaries rose by 12 percent since 2010. We ask that every effort be made to ensure the FY 2017 President's Budget Request of \$13.067 billion is appropriated for SSA, including the consideration of an anomaly or exception if necessary.

We are gravely concerned that the current Continuing Resolution (CR), which includes an across-the-board cut of .496 percent, is already resulting in difficult cutbacks being made at SSA. A hiring freeze has already been implemented, overtime has been severely restricted, and purchases have been delayed. SSA's ability to balance services and stewardship becomes significantly more challenged if funding levels are reduced. If annualized, the CR would provide \$11.959 billion for SSA's operational expenses in FY 2017. Compounding this potential reduction is the reality of inflationary increases in many of SSA's fixed costs each year, totaling over \$300 million. These fixed costs include increases in salaries, benefits, rent, and guard costs. As a result, level funding or less effectively leaves SSA with even fewer resources. The agency would need to reduce all other costs to absolute minimum levels, including IT investments and mission critical travel.

Of paramount concern is that the level of funding recommended by the House Labor-HHS-Education Appropriations Subcommittee of \$11.899 billion will not address many of SSA's critical needs. This level of funding, \$263 million below FY 2016, would likely result in the following adverse repercussions:

- A furlough of SSA staff for up to two weeks. During this time, all offices would be closed to the public;
- Closure or consolidation of field offices;
- Reduction in public service hours in field offices, resulting in a curtailment of services provided;
- Severe degradation of field office visitor waiting times and telephone answer rates;
- An agency-wide hiring freeze including Disability Determination Services (DDSs);
- Increased wait times for a hearing, which are already at record high levels, leaving more citizens vulnerable to homelessness or severe health deterioration;
- Delay of critical IT expenditures leading to hundreds of millions of dollars in lost productivity; and
- Increased risk of improper payments as benefit-adjustment actions are delayed.

Although more robust than both the House recommendation and CR-level funding, the Senate's proposed level of \$12.482 billion for SSA's administrative funding will not fully address many critical agency resource needs. As mentioned above, a hiring freeze has already been implemented, and approval of the Senate's proposed level of funding would mean only being able to replace one for two critical frontline and DDS position losses. Hiring for hearing offices, including Administrative Law Judges (ALJs) and their support staff, especially decision writers, would be limited. Under this funding level, SSA may still need to consider reducing public service hours, field office wait times will likely increase, and National 800 Number service will continue to deteriorate.

SSA's FY 2016 LAE account funding was \$12.162 billion, of which \$150 million was dedicated to renovating the Altmeyer building. This level of funding was around \$350 million less than the President's Budget Request and did not fully cover all of the agency's inflationary costs. While

we understand the budget constraints facing legislators, when SSA's administrative resource needs are not met, it results in service deterioration and stewardship issues.

SSA continues to see an increase in visitors to field offices as members of the baby boom generation retire. Compared to FY 2015, the agency had an increase of 2 million field office visitors in FY 2016. Of particular concern are increases in the hearings backlog. Through September of FY 2016, there were 1.12 million hearings pending, which is an all-time high. Processing times for a hearing are at a record-setting 587 days. Sadly, approximately 8,000 individuals died in FY 2016 while waiting for a decision on their disability application. More than 4.7 million cases are currently pending in the agency's Program Service Centers and Office of Disability and International Operations. If SSA's administrative funding is not adequate, these backlogs will increase and public service levels will degrade further.

The processing times and number of hearings pending are not acceptable to the millions of Americans who depend on Social Security or SSI for their basic income, meeting health care costs, and supporting their families. While waiting for receipt of these critical benefits, many individuals experience life shattering events – homes are lost to foreclosure, families are separated, health deteriorates, and, too often, and as has been stated above, people die. If SSA does not receive adequate funding for FY 2017, this degradation will continue and the disability hearings backlog will require even more significant resources in FY 2018 to improve service levels.

The FY 2017 President's Budget Request for SSA also includes multiyear funding of \$300 million spread over four years to undertake an Information Technology (IT) Modernization project that will significantly enhance SSA's systems and improve productivity. This funding will allow SSA to modernize its computer language, database and infrastructure, including moving its data to the cloud and improving bandwidth. SSA's database systems are over 40 years old and include more than 60 million lines of COBOL coding. SSA's IT funding would drop from \$1.3 billion for FY 2014 and FY 2015 to less than \$920 million under a CR or the funding level proposed by the House. This is nearly a 30% reduction in IT investment. The Senate recommendation would reduce funding about 20% from FY 2015 and 2014 levels.

We are very concerned that the levels of funding recommended by both the House and Senate, and those resulting from a potential CR, do not address SSA's IT resource needs. Failing to adequately address and fund SSA's IT needs, increases the risk for significant service disruptions and reduced system performance and production.

We realize \$13.067 billion for SSA's administrative funding is not insignificant, particularly in this difficult federal budget environment. However, Social Security serves as the largest and most vital component of the social safety net of America and is facing unprecedented challenges due to the aging of the baby boomers. The American public expects and deserves SSA's assistance.

SSA needs proper resources to fulfill its stewardship responsibilities and, in turn, provide a good return on taxpayer dollars. We are confident this investment in SSA will benefit our entire nation. On behalf of the undersigned organizations, with members throughout the United States, we sincerely appreciate your consideration of this request.

Sincerely,

Aging Life Care Association  
Alliance for Retired Americans  
American Association of Social Security Disability Consultants (AASSDC)  
The Arc of the United States  
Corporation for Supportive Housing (CSH)  
Easterseals  
Justice in Aging  
Lupus Foundation of America  
National Academy of Elder Law Attorneys  
National Adult Day Services Association (NADSA)  
National Association of Area Agencies on Aging (n4a)  
National Association of Disability Examiners (NADE)  
National Association of Disability Representatives (NADR)  
National Committee to Preserve Social Security and Medicare (NCPSSM)  
National Council of Disability Determination Directors (NCDDD)  
National Council of Social Security Administration Field Operations, AFGE  
National Council of Social Security Management Associations (NCSSMA)  
National Disability Rights Network  
National Multiple Sclerosis Society  
National Organization of Social Security Claimants' Representatives (NOSSCR)  
National Respite Coalition  
National Treasury Employees Union (NTEU)  
OWL-The Voice of Women 40+  
Paralyzed Veterans of America  
Social Security Disability Coalition  
Social Security Works  
United Spinal Association