



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

December 10, 2010

The Honorable Tom Harkin
Chairman
United States Senate
Subcommittee on Labor, Health and Human Services, Education and Related Agencies
Committee on Appropriations
131 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Thad Cochran
Ranking Member
United States Senate
Subcommittee on Labor, Health and Human Services, Education and Related Agencies
Committee on Appropriations
156 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Harkin and Ranking Member Cochran:

We urge your support for an appropriation for the Social Security Administration's (SSA) Limitation on Administrative Expenses (LAE) of no less than \$12.21 billion, an amount that is \$762.8 million above the FY 2010 appropriation. This is the minimum amount that SSA needs to avoid significant reductions in service to the public, including staffing cuts, hiring freezes, and furloughs.

While we understand the current, national fiscal crisis, SSA is trying to recover from years of significant underfunding. At the same time that the agency is trying to reduce backlogs, it is dealing with an unprecedented increase in requests for assistance, due in large part to the economic downturn. While SSA requires the amount proposed by the President, \$12.52 billion to provide adequate service to the public, an appropriation to the LAE that is less than \$12.21 billion will result in loss of the progress made on the hearing level backlog, increasing delays at all levels, and reductions in program integrity efforts.

The Consortium for Citizens with Disabilities (CCD) is a coalition of national organizations working together to advocate for national public policy that ensures the self-determination, independence, empowerment, integration and inclusion of the 54 million children and adults with disabilities in all aspects of society. Supplemental Security Income (SSI) and Title II disability program cash benefits, along with the related Medicaid and Medicare benefits, are the means of

survival for millions of individuals with severe disabilities. They rely on SSA to promptly and fairly adjudicate their applications for disability benefits and to handle many other actions critical to their well-being including: timely payment of their monthly benefits; accurate withholding of Medicare Parts B and D premiums; and timely determinations on post-entitlement issues, e.g., overpayments, income issues, prompt recording of earnings.

With backlogs in initial claims for disability claims growing and with the long processing times for appeals, people with severe disabilities have been bearing the brunt of these delays. Behind the numbers are individuals with disabilities whose lives have unraveled while waiting for decisions – families are torn apart; homes are lost; medical conditions deteriorate; once-stable financial security crumbles; and many individuals die. Over the past few years, numerous recent media reports across the country have documented the suffering experienced by these individuals.

In addition to the delays, access to other key services, such as answering telephone calls, replacing a lost check, and promptly recording earnings, also has diminished. SSA also has been forced to reduce the number of continuing disability reviews (CDRs) and SSI redeterminations. The processing of CDRs is necessary to protect program integrity and avert improper payments. CDRs result in \$10 of program savings for each \$1 spent in administrative costs for the reviews. The number of CDRs is directly related to whether SSA receives the funds needed to conduct these reviews.

For many years, SSA did not receive adequate funds to provide its mandated services, a key reason for the hearings backlog. Between FY 2000 and FY 2007, the resulting administrative funding shortfall was more than \$4 billion. The dramatic increase in the hearing level disability claims backlog coincided with this period of significant under-funding.

Recent Congressional efforts to provide SSA with adequate funding for its administrative budget have been very encouraging. In FY 2008, the tide finally changed for the first time in a decade, when Congress appropriated \$148 million over the President's budget. The FY 2009 and FY 2010 appropriations provided SSA with funding above the prior year's appropriation. SSA also received additional funds in the American Recovery and Reinvestment Act of 2009 to handle the unexpected surge in both retirement and disability applications due to the economic downturn. With the recent appropriations provided by Congress, SSA was able to hire thousands of new employees, including additional ALJs and hearing level support staff. This additional staff undoubtedly led to SSA's ability to make progress on the backlog at the hearing level.

These developments come at a critical moment because the economic downturn has led to an unexpected surge of new claims. As a result, the number of pending claims and processing times are growing at the initial levels of the process. We are concerned that any progress in eliminating the hearing level backlog will be delayed as the surge of new claims are appealed. There has been a continual increase in hearing level appeals, with daily receipts more than 20% higher in FY 2010 than in FY 2008. While hearing level processing times have decreased and dispositions have increased due to the hiring of additional staff, there is a worrying upward trend in the pending number of hearings. After eighteen straight months of the pending number dropping, the number has climbed in every month starting with July 2010.

While recent appropriations have allowed the agency to hire some new staff and to reduce processing times, these amounts will not be adequate to fully restore the agency's ability to carry out its mandated services. Given the many years of under-funding and the need for more than a \$762 million annual increase just to keep up with fixed costs, additional funding is required to process new applications, reduce and eliminate the backlog, and to provide essential services to the public. While the current situation is dire, without adequate appropriations to fund SSA, the forward progress recently made by the agency will deteriorate, leaving people with severe disabilities to wait years to receive the benefits to which they are entitled.

Recommendation. We urge your support for an appropriation for the Social Security Administration's (SSA) Limitation on Administrative Expenses (LAE) of no less than \$12.21 billion, an amount that is \$762.8 million above the FY 2010 appropriation. This is the minimum amount that SSA needs to avoid significant reductions in service to the public, including staffing cuts, hiring freezes, and furloughs.

On behalf of people with severe disabilities, we thank you for your support in providing SSA with adequate funding to eliminate the disability claims backlog and to carry out its other mandated workloads.

Sincerely,

Marty Ford
The Arc and United Cerebral Palsy Disability Policy Collaboration

Susan Prokop
Paralyzed Veterans of America

Paul Seifert
Council of State Administrators of Vocational Rehabilitation

Ethel Zelenske
National Organization of Social Security Claimants' Representatives

Co-Chairs, CCD Social Security Task Force