

November 4, 2010

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

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

Dear Chairman Harkin and Ranking Member Cochran,

As organizations representing stakeholders of the Social Security Administration (SSA), we respectfully request that as you work to finalize FY 2011 appropriations levels you retain the full President's Budget Request of \$12.379 billion for SSA's administrative expenses. We greatly appreciate that this level of funding was also recommended by the House Labor, Health and Human Services, and Education Appropriations Subcommittee and the full Senate Appropriations Committee.

This level of funding is absolutely critical for SSA to address the increase in requests for assistance from the American public due in large part to the economic downturn. SSA teleservice centers, hearing offices, Disability Determination Services (DDSs), and the nearly 1,300 field offices are in critical need of adequate resources to address their growing workloads.

The greatest concern for SSA remains the rising number of new claims and appeals coming into the agency, especially disability claims. The following is a breakdown of the number of additional disability claims received or projected to be received above FY 2008 levels, which was before the recession began:

FY 2009:	419,053
FY 2010:	619,306
FY 2011:	629,000
<u>FY 2012:</u>	<u>480,000</u>
Total:	2,227,000

This wave of increased initial disability claims, which began in FY 2009, continues to have a very significant impact on the Disability Determination Services (DDSs). In the 25-month period ending in October 2010, the number of claims pending a disability medical decision rose from 556,670 to 851,812, an increase of 53 percent.

SSA was making steady progress in addressing the enormous backlog at the hearings level until recently. In December 2008, the number of pending hearings peaked at

768,540 hearings. Since that time, the number of hearings pending decreased every month through June 2010 when it reached 694,417 cases. Unfortunately, for the last four months the number of hearings pending has increased and as of the end of October is at 718,196. The reason for the sharp increase is the number of new hearings being filed, due in large part to our distressed economy. Nearly 100,000 more hearings were filed in FY 2010 than in FY 2009. About 130,000 more hearings were filed in FY 2010 as compared to FY 2008. The number of new hearings being filed in the last six months has been even more dramatic. In October 2010 the number of hearings being filed per day was 3,425 compared to 2,377 in FY 2008, an increase of 44 percent. If this rate of increase were to continue on an annual basis, the number of hearings in FY 2011 could increase by well over 200,000 from FY 2008.

Despite these unprecedented challenges, SSA continues to utilize its resources to clear more hearing cases. Processing time for a hearing has been reduced from 491 days for all of FY 2009 to 377 days in the month of October 2010. Unfortunately the number of claims and hearings pending is still not acceptable to the thousands of Americans who depend on Social Security or Supplemental Security Income for their basic income, meeting health care costs, and support of their families. Adequate funding must be made available to continue to reduce the number of cases pending and the time it requires to process these cases.

If the necessary funding is provided, the DDSs and hearing offices will continue to add staff and resources to address the hearings backlog. The need for resources in SSA field offices is also critical to process the additional claims that are being filed and to provide other vital services to the American public. These responsibilities include processing the increased disability claim effectuations from cases approved by the hearing offices and DDSs, as well as the additional retirement claims filed because of the aging of the baby boomers and the challenging economic environment.

SSA field offices continue to see a record number of visitors. In FY 2010, 45.4 million customers requested assistance from the field offices. The field offices are also responsible for processing an additional 1.2 million Supplemental Security Income (SSI) redeterminations in FY 2011 as compared to FY 2008, an increase of 100 percent. Furthermore, answer rates on telephone calls coming into the field offices remain at an unacceptably low level nationally as the rates of calls answered are less than 65 percent.

In addition, SSA has a backlog of nearly 1.5 million full medical Continuing Disability Reviews (CDRs). According to SSA, every \$1 spent on CDRs yields at least \$10 in program savings. If these CDRs are conducted, the long-term program savings would be \$15 billion. Failure to conduct these reviews has adverse consequences for both the federal budget and the deficit. Unfortunately, current estimates project that SSA will only be able to work 360,000 medical CDRs in FY 2011. This will not result in any reduction in the CDR backlog.

Workload backlogs and delayed services at SSA field offices result in inefficiencies and are a source of frustration for customers. Untimely services can be economically

disastrous to disability beneficiaries who attempt to return to work and must submit the necessary work incentive forms at field offices. This illustrates why it is so vital for SSA to receive the necessary resources to process important workloads such as the Ticket to Work program and other work incentive initiatives.

We urge you to retain the full funding of \$12.379 billion for the administrative expenses of the Social Security Administration in the final conferenced version of the FY 2011 Labor, Health and Human Services, and Education Appropriations bill. We understand there is a possibility that the Congress may adjourn at the end of the year without enacting an appropriation for the Social Security Administration and instead, extend the current Continuing Resolution (CR) further into the fiscal year. If that is done, it is vitally important that SSA be funded at a higher level under an extended CR rather than freezing spending at last year's funding level. Allowing SSA to fund its operations during an extended CR at the FY 2011 level proposed by the Appropriations Committees would ensure that SSA would continue to make progress in reducing the significant backlogs that have accumulated in virtually all agency workloads.

It is important for all of us to remember that if funding for SSA's operations is curtailed in the early part of a fiscal year due to funding limitations, the resulting loss of productive capacity cannot be recovered later in the year. That is why we believe it is so important to avoid a CR-related freeze in agency funding during the early months of FY 2011.

By providing SSA with the necessary resources, the agency will reduce the hearings backlog and also protect many Americans from unnecessary financial hardship. We are confident that this increased investment in SSA will benefit our entire nation. On behalf of our many members throughout the United States, we sincerely appreciate your consideration of this request.

Sincerely,

AARP

American Federation of Government
Employees

American Association of Social Security
Disability Consultants

American Network of Community
Options and Resources

American Association of People with
Disabilities

Association of Administrative Law
Judges

American Council of the Blind

Community Access National Network

Council of State Administrators of Vocational Rehabilitation

National Association of State Head Injury Administrators

Easter Seals

National Committee to Preserve Social Security and Medicare

Federal Managers Association

National Council of Disability Determination Directors

National Alliance on Mental Illness

National Council of Social Security Management Associations

National Association of Area Agencies on Aging

National Council on Independent Living

National Association of Social Workers

National Disability Rights Network

National Association of Councils on Developmental Disabilities

National Employment Network Association

National Association of Disability Examiners

National Multiple Sclerosis Society

National Association of Disability Representatives

National Organization of Social Security Claimants' Representatives

National Association of State Directors of Developmental Disabilities Services

National Respite Coalition

National Senior Citizens Law Center

TASH

National Spinal Cord Injury Association

United Cerebral Palsy

National Treasury Employees Union

United Spinal Association

Social Security Section of the Federal
Bar Association

VOR – Speaking out for people with
mental retardation

Social Security Disability Coalition

World Institute on Disability

The Arc of the United States