

FUND Social Security First!

STAFFING LOSSES MAKE MISSION IMPOSSIBLE!

Updated February 2008

BUDGET CUTS TAKE THEIR TOLL	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Budget Proposed	9,379,324	9,403,000	9,496,000	9,677,000	10,327,000
Budget Enacted	9,178,556	9,286,000	9,294,000	9,745,000	
SSA Full-Time Equivalent (FTEs)	62,937	63,131	58,985	60,064	60,293
SSA Medicare Modernization (FTEs)	<u>1,268</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal SSA FTEs (including OIG)	64,205	63,131	58,985	60,064	60,293
Overtime/Lump Sum Leave	2,992	2,389	1,307	2231	2,245
Overtime (associated w/Medicare Modernization)	<u>1,567</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Overtime Lump Sum Leave	4,559	2,398	1,307	2,231	2,245
Total SSA Work years (including OIG)	68,764¹	65,529²	61,292	62,295	62,538
		(-3,235)	(-4,237)	(+1003)	(+243)

Based on the President's proposed budget, the Social Security Administration (SSA) will have lost more than **9%** of its staff in just four years, in spite of recent increases. SSA has experienced a dramatic increase in workloads as members of the baby boom generation reach their peak years of disability risk.

From 2001 to 2007, productivity climbed an average of **2.5%** per year, for a total gain of **13.1%** since 2001. SSA expects the increase in productivity for FY 2009 to be **2%**³.

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Goal	FY2009 Budgeted
Initial Disability claims processed (thousands)	2,526	2,574	2,617	2,532	2,529	2,582	2,600
Initial disability claims pending (thousands)	582	625	560	555	555	519	493
Hearings processed (thousands)	494	497	519	559	547	559	644
Hearings pending (thousands)	556	635	708	715	747	752	683
Periodic Review of CDRs Processed (thousands)	1,371	1,604	1,515	1,338	764	1,300	1,478
Retirement & Survivors Claims Processed (thousands)	3,238	3,399	3,762	3,789	3,863	4,065	4,281
SSI Non-Disability Redeterminations Processed (thousands)	2,449	2,278	1,724	1,071	1,038	1,200	1,486
Social Security Number/Card Applications (millions)	17.5	17.7	17.4	17.2	17.6	19	20
800-Number Calls (millions)	61.1	55	54.5	57	59.5	63	67
Annual Earnings Items Processed (millions)	271.8	260	251.8	261	265	273	274
Field Office Visitors (millions)	N/A	N/A	N/A	N/A	42	42.8	n/a

¹ SSA, FY 06 Justification of Estimates for Appropriation Committees

² President Bush Budget for FY 08 for SSA, pg 1030

³ SSA Budget FY09

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Unless there is a turnaround in the Social Security Administration's (SSA) operating budget, SSA's ability to get its work done will completely break down within the next five to ten years. According to SSA's own records, **1 of 4** callers failed to get through on Social Security's 800-number on any given day. People line up before dawn outside many Social Security offices. The time it takes to pay disability claims to the most vulnerable people we serve, can be measured in years instead of days or months.

Currently, Congress borrows from the Social Security Trust Funds to offset deficit spending and finance the war in Iraq. Meanwhile, Social Security is given barely enough funding to accomplish its basic service demands, resulting in **billions** of dollars of improper payments.

The Omnibus Reconciliation Act of 1990 provided that SSA FICA taxes and benefits payments were "off budget". Congress later interpreted that SSA's Limitation on Administrative Expenses (LAE) was not covered by the Omnibus Reconciliation Act of 1990, although the Social Security Act stipulates that the administrative costs for the Social Security program must be financed by Social Security Trust Funds.

Since the SSA LAE (e.g. staffing, office space, supplies, technology, etc.) is "on budget", Congress decides on a yearly basis the amount that will be authorized and appropriated to administer SSA programs. Such appropriations are often insufficient to provide adequate staffing since funds for SSA's LAE are a part of the overall Labor, HHS, and Education appropriations. Programs such as medical research, health care and "No Child Left Behind" state grants are often viewed as more politically popular than SSA's LAE. Often SSA is left with insufficient staff and limited overtime making it next to impossible to adequately service the public. Such shortages adversely affect disability processing time and cause severe integrity problems in SSA programs.

AFGE does not believe the American public deserves the poor service that SSA is providing. Many literally die before a decision is made on their disability claims appeal. Their families suffer tremendous financial hardships; some lose everything during the prolonged wait for a decision. The public deserves efficient, expeditious service. Currently, SSA's LAE is less than 2% of total estimated outlays. Historically, SSA's LAE has **never** exceeded 2% of expenditures. ***No private business in the world can match this minimal overhead.***

Removing SSA's LAE from discretionary spending caps will allow Congress to assess SSA's administrative requirements without regard to the competing budgetary demands of the Departments of Labor, HHS and Education agencies.

In an "off budget" environment Congress would continue to maintain spending authority but would be unencumbered by artificial caps. ***However, AFGE strongly recommends continued Congressional authorization, appropriations and oversight of SSA's LAE.***

Congress should continue to appropriate SSA administrative expenses to insure integrity and efficiency. Legislation should require Social Security's Commissioner to document, in performance reports mandated under the Government Performance and Results Act, how funds have been and will be used to effectively carry out the mission of the agency, to meet expected levels of performance, to achieve modern customer-responsive

service, and to protect program integrity. Most importantly, GAO must annually inform Congress as to SSA's progress in achieving stated goals. Congress should also mandate that SSA's Commissioner submit the proposed budget directly to Congress, as provided for as an independent agency.

Integrity Workloads

Social Security integrity work (i.e., continuous disability reviews (CDRs) and SSI redeterminations), has been significantly diminished due to budget cuts. Former Commissioner Barnhart suspended all Supplemental Security Income (SSI) Redeterminations and Medical Continuing Disability Reviews (CDRs). In FY 2008, SSA Commissioner Michael Astrue has significantly reduced these workloads. These reviews return \$10 for every dollar invested in CDRs and \$7 for every dollar invested in Redeterminations. Without these reviews, *billions* of dollars of incorrect payments result. Many such overpayments will never be collected.

Furthermore, the collapse of integrity oversight of Social Security's programs compromises the solvency of the Social Security Trust Fund. According to GAO's 2004 report on overpayments related to SSA programs, overpayment detections increased from about \$1.9 billion to nearly \$3 billion between fiscal years 1999 and 2003.⁴ In 2005, SSA improperly paid *\$6.3 billion*. OPM now reports that of eight Federal programs, including SSA's Old Age, Survivors and Disability Insurance and SSI programs, SSA accounted for more than 89 percent of the improper payments in FY 2006.

AFGE supports fully funding Continuing Disability Reviews and SSI Redetermination workloads. AFGE does not support artificial spending limits for such workloads. Congress should authorize the resources necessary so that SSA can produce CDR and Redetermination levels as envisioned in the Social Security Administration's strategic plan.

More Reasons to Take SSA Off-Budget

- Strongly recommended and supported by the bipartisan Social Security Advisory Board.
- Strongly supported by senior and disability advocates, such as AARP, Alliance for Retired Americans, the Consortium for Citizens with Disabilities, Social Security Disability Coalition.
- SSA's ability to serve the public is no longer "at risk", but on the brink of total collapse.

AFGE is committed to serve, as we always have, as the employees' advocate AND as a watchdog for clients, taxpayers and their Congressional Representatives.

⁴ GAO report 04-924 "SSA should Strengthen Its Efforts to Detect and Prevent Overpayments"