

United States Senate  
Committee on Finance

Testimony  
of

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Chairman Baucus, Senator Grassley and Members of the Committee, my name is Richard Warsinskey and I represent the National Council of Social Security Management Associations (NCSSMA). I have been the manager of the Social Security office in Downtown Cleveland, Ohio for twelve years and have worked for the Social Security Administration for over thirty-one years. On behalf of our membership, I am pleased to have the opportunity to submit this testimony to the Committee.

The NCSSMA is a membership organization of over 3,400 Social Security Administration (SSA) managers and supervisors who provide leadership in SSA's 1,374 Field Offices and Teleservice Centers throughout the country. We are the front-line service providers for SSA in communities all over the nation.

We are also the federal employees with whom many of your staff members work to resolve problems and issues for your constituents who receive Social Security retirement benefits, survivors or disability benefits, or Supplemental Security Income. From the time our organization was founded thirty-seven years ago, the NCSSMA has been a strong advocate of efficient and prompt locally delivered services nationwide to meet the variety of needs of beneficiaries, claimants, and the general public. We consider our top priority to be a strong and stable Social Security Administration, one that delivers quality and prompt community based service to the people we serve - your constituents.

**Impact of SSA's Appropriated Funding Levels and Staffing Losses on SSA Field Offices and Teleservice Centers**

For Fiscal Year 2008, the President has proposed an increase for SSA of approximately \$304.0 million over the final level of funding for Fiscal Year 2007. And yet, staffing levels in SSA offices across the country are being cut. In fact, SSA will lose about 4,000 positions from the beginning of Fiscal Year 2006 to Fiscal Year 2008. SSA will be at its lowest staffing level since the early 1970s - before it took over the administration of the Supplemental Security Income (SSI) program from the states.

The most significant staffing losses in SSA have occurred in the agency's Field Offices. Field Offices have lost about 2,400 positions in the past 19 months and about 1,300 positions in the past 7 months. The vast majority of these losses have been in the most critical positions in the Field: Claims Representatives and Service Representatives. All of this comes after five years of reductions to the President's Budget Requests, which total \$720.0 million dollars, and about 8,000 work years. It is interesting to note that while total Executive Branch employment is expected to increase 2.1% from FY 2006 to FY 2008, SSA's employment is expected to decrease by 6.2%.

In 2007, an average of over 850,000 people are visiting Social Security Administration Field Offices every week. At the same time, Field Offices are also being overwhelmed by business-related telephone calls. SSA Field Offices are receiving approximately sixty-eight million business-related telephone calls a year. This is in addition to the forty-four million telephone calls handled by live agents that are received by SSA's 1-800 number on an annual basis. The fact that the public can't get through to SSA on the telephone is creating an overwhelming amount of walk-in traffic in many Field Offices. Waiting times in many Field Offices are running two to three hours long. Some visitors are even experiencing wait times of over four hours.

SSA Field Offices must also contend with telephone equipment that is antiquated, malfunctioning, and is in desperate need of replacement. Replacing this equipment in all Field Offices will be expensive. Agency estimates indicate that it may cost nearly one billion dollars to complete the long-anticipated transition to VOIP service. With approximately sixty-eight million calls coming in, Field Offices must have phones that work.

Another factor to consider is that SSA is facing a retirement wave as many of its employees were hired around the time SSA took over the Supplemental Security Income (SSI) program in 1974. It is important for the agency to be able to replace this wealth of knowledge and experience. It can take up to four years before newly-hired Claims Representatives become fully proficient in the very complicated programs SSA administers.

The impact of inadequate resources in recent years is also apparent in the severe cutbacks in processing Continuing Disability Review cases and SSI Redeterminations. For every one dollar spent on a Continuing Disability Review, over ten dollars is saved. SSA currently has a backlog of 1.3 million Continuing Disability Review cases. The agency has only budgeted to clear about 200,000 cases this year. SSA also saves seven dollars for every one dollar spent on an SSI redetermination. Up until the past few years SSA processed over 2.0 million of these cases. The agency has only budgeted to clear about a million cases this year.

Even if SSA receives the funding increase recommended by the President for Fiscal Year 2008, staffing levels will still be reduced as SSA's expenditures continue to increase in a number of areas. Salaries and benefit costs, including those for the Disability Determination Services, rent, and security costs, are totaling more than the annual increases in appropriated funds. And for Fiscal Year 2007, SSA's final level of funding was just enough to avoid an agency-wide furlough. Although a furlough was avoided, the agency is faced with limited hiring for the entire year after only being able to replace, on average, one out of three staffing losses last year.

As a result, the FY 2008 President's Budget Request will provide fewer, not additional, resources for SSA. **Therefore, we respectfully request that additional funding, above the level requested by the President, be appropriated for SSA in FY 2008. We hope that the increased discretionary funding levels approved as part of the Fiscal Year 2008 Budget Resolution will allow Congress to direct much-needed resources to the Social Security Administration. Appropriated funding of at least \$10.1 billion for SSA's administrative expenses would be a major step forward in restoring SSA's service to appropriate levels.**

### **Survey of Our Members**

Our association just completed a survey of our members. Over 2,000 responded. The gravity of the losses in the Field Offices can be seen in an answer to one question. The question was: "Do you have enough staff to keep workloads current?" Only 3.2% answered "yes" to this question.

The losses in staff in Field Offices are having a significant impact on our ability to provide good service. In answer to the question: "What percent of the time are Field Offices able to provide prompt telephone service?" nearly 63.0% said they can only do this 50.0% or less of the time. Nearly a third said they can provide prompt telephone service less than 25.0% of the time. The impact of these staffing losses can also be seen in the increased waiting times for the public. In answer to the question as to whether waiting times had increased in the past two years, 80.0% said "yes" and nearly a third said the waiting times were significantly longer.

Below are a few samples from over 200 pages of comments submitted in response to the survey:

► *There is simply no wiggle room in most Field Offices, and any loss is BIG. Our Congressional representatives need to be more informed about the level of service Field Offices are able to provide, and the bleak future for improved Field Office service as our resources dwindle!*

► *I have seen my staff decrease from 33 to 24 employees over the last two years, while our workloads have increased. My staff is experiencing burnout. While most of the losses are due to retirement, a third were due to the employees resigning because of their inability to handle the increasing job pressures. I had originally planned on working longer, but will retire in January 2008, primarily because the lack of adequate staffing is making the job unbearable. I truly feel sorry for those that have years to work with nothing positive to look forward to in terms of staffing.*

► *The most critical issue facing SSA field management is lack of resources. This impacts virtually every aspect of our ability to deliver service. We do a terrible job of answering local telephone lines because we simply do not have the staff. Our office serves a local population of over 750,000, and on a good day we can devote three people to answering General Inquiry telephone lines. Virtually everyone that tries to call our General Inquiry line gets a busy signal.*

Please see <http://www.ncssma.org/Files/2007/2007SurveyofManagementReport.doc> to read the full survey.

## **Disability Backlogs**

It is also important to note that receiving prompt service is not the case for hundreds of thousands of claimants that have filed for Social Security and SSI Disability benefits. Currently, there are nearly three quarters of a million hearings pending. At this time, it is taking 517 days, on average, for a hearings decision. Nearly 300,000 hearings have been pending over a year. SSA estimates that the hearings backlog could grow to one million cases by 2010 if additional resources are not provided for the agency. SSA also has a total of about 1.4 million disability cases pending at the initial claims, reconsideration, and hearings levels.

At the beginning of this decade there were only about 311,000 hearings pending, and the average time for processing was just 274 days. The pending cases have grown 130.0% in six years, and the average time to process a case has increased by 243 days. These long waits occur after most claimants have passed the first two stages of their claim, having received an initial decision and a reconsideration. By this point, over 200 days on average have already passed by.

Every day SSA Field Offices and Teleservice Centers throughout the country are being contacted by people regarding the status of their hearings as I am sure most Congressional offices are. Below are some significant examples of the impact of these delays:

- Increasing number of people are losing their homes and/or going homeless due to severe delays in hearing decisions.
- People are dying while waiting for hearing decisions - some as a result of suicide. Stress levels on those waiting are unbearably high.
- Approximately 125,000 veterans have pending disability claims, of which about half are awaiting a hearing decision.
- A significant percentage of those awaiting decisions have no health insurance. An individual must be on Social Security Disability for two years in order to receive Medicare. Many states make Medicaid contingent on being approved for SSI. Therefore, many individuals do not receive adequate health care for extended periods of time, which further impacts their health and their lifespan. Many of the individuals that apply have mental impairments and may also have violent tendencies. Having the proper health care available to them is vital to their mental health, personal safety and safety of the public.

## **The Impact of the Baby Boomers Retiring**

Next year, in 2008, the first of seventy-eight million baby boomers will be eligible for Social Security retirement. As a result, there will be a steady rise in retirement claims being submitted to SSA - along with an increasing number of contacts by these retirees with the agency once they start receiving benefits.

At the end of 2006, there were 40.3 million people receiving retirement and survivor benefits. This figure is expected to rise by about 1.0 million a year over the next ten years and accelerate after this. SSA took about 3.3 million retirement and survivor claims last year. We are looking at a significant increase in work for SSA offices.

The rising number of workers who are baby boomers will also be reflected in an increase in disability claims. Workers over the age of 55 who lose their jobs are many times turning to filing for disability as a last resort. Workers are eligible for disability benefits up to their full retirement age which will be age 66 in 2008.

### **Potential Impact of Immigration Legislation**

The funding needs for SSA could *dramatically* increase depending on the final language in any legislation enacted related to immigration. We understand language being considered would require all employers to electronically verify the eligibility of new hires, and allow for the verification of all current employees.

We understand as well that language currently being considered would make sure that a worker's identity documents - likely to include a tamper-proof Social Security card and possibly a revamped driver's license - are an exact photo match of information on file. Employers would also have to send in the workers' Social Security Numbers.

**The most extensive proposals being considered could require a doubling of the budget and staff of SSA.** If such legislation is passed and does not include the necessary funding for these increased workloads it could cripple SSA's service capabilities and negate any progress that we are working to achieve in addressing the disability backlogs.

Therefore, we urge Congress to thoroughly examine any additional responsibilities it legislates for SSA related to immigration policy and to ensure that the necessary funding is provided for SSA to meet any increased responsibilities.

### **Impact of Medicare Part D**

**There is great frustration among Field Office and Teleservice Center management regarding implementation of the Medicare Modernization Act.** The resource demands of SSA's involvement in administering the Medicare Modernization Act have been vastly underestimated and no additional funds have been allocated for continual administration of this program. The ongoing confusion regarding payment of Part D premiums and the blurred lines of responsibility among SSA, CMS, and the insurance companies has both bewildered and angered the public and makes SSA appear to be powerless to correct problems.

### **The Commissioner's Budget**

Because SSA is an independent agency, the Commissioner is required by law to prepare an annual Budget Request, which is submitted by the President to Congress without revision, together with the President's Budget Request for SSA. This Budget Request reflects what the Commissioner has evaluated as the level of funding necessary to meet the agency's service delivery improvements and fiscal stewardship responsibilities through 2012. The Commissioner's Budget Request also factors in that SSA has received less than the President's recommended level of funding in recent years, thus leading to the need for additional resources in the future to meet the full service delivery plan.

**The budget amount submitted by the Commissioner of Social Security for Fiscal Year 2008 is \$10.44 billion.** This \$10.44 billion is \$843.0 million above the level of funding that the President requested. The difference between these proposed funding levels is significant. Of more significance is the difference in recent years between the final funding levels approved by Congress for SSA in comparison to the Budget Requests submitted by the Commissioner. **Inadequate levels of resources have contributed to the growing inability of SSA to provide adequate levels of service.**

### **Social Security Trust Fund**

The Social Security Trust Fund currently totals approximately \$2.0 trillion. The Social Security Trust Fund is intended to pay benefits to future beneficiaries and finance the operations of the Social Security Administration. The additional funding of approximately \$430.0 million proposed for SSA in the FY 2008 Budget Resolution represents about 1/50<sup>th</sup> of one percent of two trillion. Don't the workers who have paid into this trust fund with their taxes deserve to receive due consideration and the very benefits they have paid for in a timely manner?

The Social Security Trust Fund contains the necessary resources to make up the difference between the level requested by SSA's Commissioner and the President. Yet, because of the levels of service that SSA and its various components that process disability claims are currently able to provide, many of these taxpayers must wait so long for service that they die before a decision is made on their case. They never receive the benefits that they have paid for. This also applies to receiving good service in Social Security Field Offices - it currently is not at the level it ought to be and people are not receiving what they have paid for and what they deserve.

It is also important to note that Social Security is the primary source of income for millions of Americans. It accounts for 90% of the income of the aged nonmarried beneficiaries and provides for at least 50% of the income of 74% of the aged beneficiaries. The point is that millions of people need Social Security to live on. And they need to receive these resources in a timely manner. This really is the bottom line.

Many may ask if \$10.1 billion would be a sufficient level of funding to meet SSA's administrative needs in Fiscal Year 2008. Will that level of funding eliminate the backlogs in hearings and restore a good level of service in Field Offices?

Our agency certainly needs additional funds. And additional resources would certainly help address the growing backlogs at SSA and restore good Field Office service. **But to fully address the situation SSA would need to receive the Commissioner's Budget Request of \$10.44 billion.** And SSA needs to receive closer to the Commissioner's Budget Request in future years to overcome the impact of reduced appropriated funding in recent fiscal years.

We certainly would expect Congress to be concerned that any additional funds given to SSA be expended in such a way that will in fact deal with the Disability backlogs and degradation of service in Field Offices. And we certainly support Congress monitoring the use of additional funds so that they are directed toward this purpose.

### **Conclusion**

The NCSSMA firmly believes that the American public wants and deserves to receive good and timely service for the tax dollars they have paid to receive Social Security. **We urge approval of no less than \$10.1 billion for SSA in Fiscal Year 2008. Additional resources above the President's Budget Request of \$9.597 billion are absolutely essential to begin the restoration of the service levels that the public deserves from SSA.**

On behalf of the members of the NCSSMA, I thank you again for the opportunity to submit this statement to the Committee. Our members are not only dedicated SSA employees, but they are also personally committed to the mission of the agency and to providing the best service possible to the American public. We respectfully ask that you consider our comments and would appreciate any assistance you can provide in ensuring that the American public receives the necessary services that they deserve from the Social Security Administration.