



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

November 2, 2006

The Honorable William H. Frist, Majority Leader
United States Senate
Washington, DC 20510

The Honorable Harry Reid, Minority Leader
United States Senate
Washington, DC 20510

The Honorable Thad Cochran, Chairman
Committee on Appropriations
United States Senate
Washington DC 20510

The Honorable Robert C. Byrd, Ranking
Minority Member
Committee on Appropriations
United States Senate
Washington DC 20510

Dear Senators Frist, Reid, Cochran, and Byrd:

The undersigned members of the Consortium for Citizens with Disabilities (CCD) urge you to provide at least the President's budget request of \$9.494 billion for the Social Security Administration's (SSA) Limitation on Administrative Expenses (LAE). In addition, we urge you to remove SSA's LAE from the discretionary budget caps.

CCD is a working coalition of national organizations working together with and on behalf of the 54 million children and adults with disabilities and their families living in the United States. SSI and Title II cash benefits, along with the related Medicaid and Medicare benefits, are the means of survival for millions of individuals with severe disabilities. Without adequate appropriations to fund the Social Security Administration, people with severe disabilities will experience longer delays and decreased service in accessing these critical benefits.

What is the impact of the reduced funding level? SSA's funding level of \$9.093 billion, included in the Senate Committee Report of the FY 2007 Labor, Health and Human Services, and Education, and Related Agencies Appropriations bill, is \$401 million less than the President's request. This cut would exacerbate reductions in fiscal year 2006 when SSA's budget was \$294 million less than requested by the President for that year. If the \$401 million cut for FY 2007 is passed, Commissioner Jo Anne Barnhart has indicated that SSA will need to take a number of significant actions including:

- **Closing of local SSA offices nationwide.** An additional 4000 staff workyears would be cut beyond the current replacement rate, which is only 1 new employee for every 3 who leave. Achieving this reduction in workyears would require ten days of SSA agency-wide furloughs. SSA field offices, processing centers, and telephone service centers throughout the country would be closed. Beneficiaries and claimants would be unable to file new applications or appeals or report non-receipt of monthly benefit checks.
- **Increasing serious delays for individuals.** Processing times would continue to grow, especially at the hearing level where the delays have reached intolerable levels. In some hearing offices, claimants wait more than two years just to receive a hearing. In fiscal year 2006, the Commissioner was able to hire only 43 of the planned 100 new Administrative Law Judges. Initial level delays also could occur. In June 2006, the agency was forced to direct all available resources to the processing of initial applications, and away from processing reconsideration level cases, when the initial application backlog became too high. The decision to redirect resources was caused primarily by the cut in the President's request for fiscal year 2006. The Commissioner has

stated that if the President's proposed budgets over the past five years had been fully funded, there would be **no** backlogs.

- **Reducing the number of continuing disability reviews (CDRs).** 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. The number of reviews in 2006 was reduced by more than one-half due to the lower level of appropriations. If the \$401 million cut is enacted for FY 2007, CDRs will be cut from a planned level of 597,000 to only 111,000.

Our recommendations: Due to the serious consequences expected if the Senate Committee Report level is enacted, we strongly recommend the following:

- **Appropriate the additional \$401 million.** We urge you to provide at least the President's budget request of \$9.494 billion for the Social Security Administration's Limitation on Administrative Expenses (LAE).
- **Remove SSA's budget authority from discretionary spending caps.** We also urge you to separate SSA's LAE budget authority from the Section 302(a) and (b) allocations for discretionary spending. The size of SSA's LAE is driven by the number of administrative functions it conducts to serve beneficiaries and applicants. The funds for Title II LAE are ultimately paid out of the Social Security Trust Funds and general revenues reimburse the Trust Funds for LAE costs associated with the Supplemental Security Income (SSI) program. There is a solution to SSA's funding problem. Congress can remove SSA's administrative functions from the discretionary budget that supports other important programs. SSA's LAE would still be subject to the annual appropriations process and Congressional oversight.

Sincerely,

Marty Ford, The Arc and United
Cerebral Palsy Disability
Policy Collaboration

Alaine Perry, United Spinal
Association

Ethel Zelenske, National
Organization of Social Security
Claimants' Representatives

Co-chairs, CCD Social Security Task Force

On behalf of:

American Association of People with Disabilities
American Association on Mental Retardation
American Council of the Blind
American Dance Therapy Association
American Network of Community Options and Resources
Association of Assistive Technology Act Programs
Association of University Centers on Disabilities
Autism Society of America
Bazelon Center for Mental Health Law
Council of State Administrators of Vocational Rehabilitation
Easter Seals
Epilepsy Foundation
Federation of Families for Children's Mental Health
Goodwill Industries International
Helen Keller National Center
Inter-National Association of Business, Industry and Rehabilitation
Learning Disabilities Association of America

National Alliance on Mental Illness
National Association of Councils on Developmental Disabilities
National Association of Disability Representatives
National Association of Social Workers
National Association of State Head Injury Administrators
National Coalition on Deaf-Blindness
National Council for Community Behavioral Healthcare
National Disability Rights Network
National Organization of Social Security Claimants' Representatives
National Rehabilitation Association
National Respite Coalition
NISH
Paralyzed Veterans of America
Research Institute for Independent Living
TASH
The Arc of the United States
Title II Community AIDS National Network
United Cerebral Palsy
United Spinal Association

cc: The Honorable Arlen Specter
The Honorable Tom Harkin
The Honorable Jo Anne B. Barnhart