

## **Congressional Action on the Fiscal Year 2013 Budget Request**

For fiscal year 2013, the President's Budget requested a \$10.6 billion administrative appropriation for SSA's administrative activities. Included in that amount is \$273 million in funding for program integrity activities (conducting continuing disability reviews and non-medical SSI redeterminations). In addition, the Administration requested \$751 million in funding above the domestic discretionary funding caps for additional program integrity activity (yielding a total of \$1.024 billion for program integrity).

The House Appropriations bill contains \$10.2 billion for SSA's administrative activities. Included in that amount is \$272 million for CDRs and SSI redeterminations, with no above-the-cap funding provided for these activities.

Senate Appropriations bill contains \$10.5 billion for SSA's administrative activities. Included in that amount is \$273 million for CDRs and SSI redeterminations. In addition, the Senate adopted the Administration's request for an additional \$751 million in funding above the domestic discretionary funding caps for additional program integrity activity. The Committee Report accompanying the initial Senate Appropriations bill contained specific language dealing with delays in the reauthorization of the Work Incentives Planning and Assistance (WIPA) and Protection and Advocacy for Beneficiaries of Social Security (PABSS) programs. The Senate strongly encourages SSA to continue these programs under broader authority provided in annual appropriations language. The report also directs SSA to resume mailing annual *Social Security Statements* in accordance with its statutory mandate.

The House and Senate were unable to come together before the end of fiscal year 2012 to enact a budget for the full fiscal year 2013. As a stop-gap, the Congress passed a continuing resolution (CR) to fund government operations from October 1, 2012 to March 31, 2013. The agreement is to fund the government at \$1.047 billion, the level agreed upon in last year's *Budget Control Act*. This deal does nothing to avoid sequestration that will happen automatically on January 2, 2013 as mandated by the *Budget Control Act*.

### **Sequestration and its Impact on SSA**

Under the *Budget Control Act*, most federal agencies, including SSA, face an across-the-board sequestration of funding in January 2013 if Congress does not enact a plan to reduce the national debt by \$1.2 trillion. We have yet to see SSA's estimates of impact of sequestration but a report from the Senate Appropriations Subcommittee on Labor, Health, and Human Services, Education, and Related Agencies concludes that a sequester of this magnitude could cut SSA's administrative budget over \$800 million in fiscal year 2013 and, as a result, SSA would lose 5,000 staff through attrition and the loss of temporary hires. In addition, approximately 66,000 SSA employees and 15,000 State Disability Determination Service employees would face about 6 weeks of furloughs.

Nationwide, this budget cut and continued loss of staff would increase initial disability claims processing time from 111 days to 180 days and increase the number of pending hearings from

861,000 in fiscal year 2012 to 1.5 million by the end of fiscal year 2013. As field offices and teleservice centers close their doors for 30 days throughout the year, the waiting time for the 45 million visitors and 63 million callers would increase dramatically. The Subcommittee also reports that SSA will lose \$500 million in program integrity savings because of CDRs and SSI redeterminations that are not conducted.