

Challenges SSA Faces

SSA requested \$12.522 billion for its fiscal year 2012 Limitation on Administrative Expenses account. The agency states in its budget justification that this funding level will allow it to continue working down the disability backlogs, to implement efficiencies in its programs, and to increase its program integrity work. It employs approximately 68,000 employees in its 1,300 field offices, 141 hearing offices, 10 regional offices, and headquarters. In addition, approximately 17,000 state employees process disability applications in the State Disability Determination Services.

In fiscal year 2012, SSA says that it will need a minimum administrative budget increase of nearly \$300 million just to cover its fixed costs, including rent, guards, postage, and employee salaries and benefits. The agency will need funding above that level to keep up with its growing workloads, reduce existing backlogs, and meet rising customer service expectations. SSA formulated its budget request to address the following challenges:

- High demand for service due to the aging of the population and the effects of the economic downturn;
- Unacceptable hearings and initial disability claims backlog levels;
- Complex and cumbersome disability process;
- Growing non-traditional workloads (such as immigration issues and Medicare);
- Increasing enumeration workloads;
- Ongoing need to address improper payments;
- Ongoing need to find efficiencies and streamline business processes;
- Aging computer systems;
- Threats to computer systems that store sensitive and personal information on all Americans;
- Loss of expertise as SSA employees retire;
- Rising infrastructure costs; and
- State furloughs of DDS employees.

Commissioner Michael Astrue, in his message transmitting the agency's budget request to Congress, noted that a critical concern for the agency for fiscal year 2011 is operating under a continuing resolution (CR). He stated that a full-year CR could erase the progress that SSA has made in the last few years, especially if a hiring freeze is imposed for the remainder of this fiscal year. A hiring freeze would result in a loss of about 2,500 Federal employees at SSA and 1,000 State employees in the DDSs in fiscal year 2011. The attrition will not occur uniformly, which will leave some offices seriously understaffed. SSA's backlogs will skyrocket, and people will wait considerably longer to receive decisions. And as the backlogs grow, it will become more difficult, expensive, and take longer to eliminate them. Waiting times in SSA's field offices and on its 800 number will increase dramatically. Improper payments will grow. He noted that the agency might even be forced to delay the processing of simple retirement claims.

Fiscal Year 2010 Accomplishments

In the fiscal year 2012 budget request, SSA noted that it had accomplished the following during fiscal year 2010:

- Reduced the number of hearing cases pending for the second year in a row from 722,822 in fiscal year 2009 to 705,367 in fiscal year 2010;
- Reduced the time it takes to decide those hearings by about five months, from a monthly high of 532 days in August 2008 to 390 days in September 2010;
- Completed over 300,000 more initial disability claims than the year before;
- Reduced waiting times in its field offices for those without an appointment from 23.3 minutes in fiscal year 2009 to 20.7 minutes in fiscal year 2010;
- Added 38 more conditions to its list of Compassionate Allowances;
- Decided claims in two weeks or less for about 130,000 applicants with the most severe disabilities using its Compassionate Allowances and Quick Disability Determination initiatives;
- Completed over 70,000 more SSI non-disability redeterminations to help curb improper payments;
- Improved 800-number service by reducing the busy rate to under five percent and improving the average speed of answer to 203 seconds;
- Continued to increase online claims, with 37 percent of retirement claims and 27 percent of disability claims filed online; and,
- Maintained the top three online services (Retirement Estimator, online retirement application, online Medicare Extra Help application) as rated by the *American Customer Satisfaction Index*.