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April 14, 2011

The Honorable Sam Johnson
Committee on Ways and Means
Subcommittee on Social Security
1102 Longworth House Office Building
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Xavier Becerra
Committee on Ways and Means
Subcommittee on Social Security
1102 Longworth House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Johnson and Ranking Member Becerra:

On behalf of our members and all older Americans, we write today to voice our continuing concerns with respect to further expansion of SSA's administrative burdens. In light of insufficient funding for the SSA to perform its core functions now, expanding the agency's duties will further diminish the ability of SSA to deliver timely services to beneficiaries. For this reason, AARP opposes any proposal that would divert Social Security funds to expand the agency's non-core activities or mandate new ones, including proposals to mandate electronic verification of employment beyond current law, until such time as the Congress has provided all of the resources SSA requires to perform its core responsibilities.

Mandating employee verification provisions would significantly increase the administrative burdens of the SSA -- without any surety of added personnel or funding -- detracting from the agency's ability to serve Social Security recipients. In 2008, the Congressional Budget Office analyzed the budgetary impact of H.R. 4088, a bill to require verification of all employees. CBO concluded that the bill would cost the SSA nearly \$9 billion over five years, and over \$1 billion in the first year alone. Moreover, the General Accounting Office reported last December that "USCIC's cost estimates do not reliably depict current E-Verify cost and resource needs or cost and resource needs for mandatory implementation."

This extra work given to SSA by Congress would come at a time when the nation is confronting a significant, long-anticipated demographic challenge, the coming of retirement age of the Baby Boom generation, which will add nearly 80 million new beneficiaries to the Social Security rolls. At the end of this decade, these Boomers will reach traditional retirement age at the rate of one every eight seconds. It is not difficult, then, to understand the enormity of the task the agency faces in currently foreseeable work alone.

With the increases in funding Congress has provided over the last three years and significant increases in employee productivity, SSA has been able to make some progress in customer service. However, the unforeseeably long-lasting economic downturn has caused even more Americans to turn to the Social Security Administration. Claims for retirement and disability benefits have risen to record levels. In FY 2010, SSA received nearly 3,225,000 initial disability claims, the highest in its 75-year history. SSA ended fiscal year 2010 with just over 700,000 pending hearings nationwide -- the lowest level in five years.

As such, AARP is very concerned about the pending FY 2011 funding level agreement, H.R. 1473; we continue to believe that nothing short of \$11.679 billion, with no rescission of IT funds, would ensure the ability of the SSA to adapt to the many critical challenges that confront it this year and enable SSA to prepare for the future. Over the past six months, the denial of critical funds to SSA has resulted in a hiring freeze and suspension of overtime – both have been vital to improvement in disability claims processing. Underfunding of modernization and highly cost-effective program integrity initiatives will also handicap the agency's ability to fulfill its public trust responsibilities today and tomorrow.

At a time when Social Security recipients and applicants are facing ever-greater delays in the prompt delivery of needed services and disabled Americans are enduring long waits for their earned benefits, we urge that you not further compromise the agency's ability to respond to workload issues with tasks that are not fully resourced and unrelated to its core mission. If you have any further questions, feel free to call me, or please have your staff contact Cristina Martin-Firvida of our Government Relations staff at 202-434-3760.

Sincerely,

A handwritten signature in cursive script that reads "David P. Sloane". The signature is written in dark ink and includes a long, sweeping horizontal line at the end.

David P. Sloane
Senior Vice President
Government Relations and Advocacy