NCPSSM National Committee to Preserve Social Security and Medicare

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House Committee on Ways and Means
Subcommittee on Social Security

Hearing on the Social Security Administration's Role in Verifying Employment Eligibility

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As President and Chief Executive Officer of the National Committee to Preserve Social Security and Medicare, I appreciate the opportunity to submit this statement for the record. With millions of members and supporters across America, the National Committee is a grassroots advocacy and education organization devoted to the retirement security of all citizens.

Chairman Johnson, Ranking Member Becerra and members of the Subcommittee on Social Security, the National Committee appreciates your holding this hearing to examine the impact of a national employment verification system on the Social Security Administration's ability to serve retirees, people with disabilities, and workers of all ages.

Mr. Chairman, the members and supporters of the National Committee are very concerned about the negative consequences of expanding the E-Verify program, which would assign new immigration-related workloads to an already overburdened Social Security Administration (SSA). Creating a national employment verification system, using SSA databases and employees, to confirm the employment status of every American worker would divert crucial resources from an already overburdened agency thus impeding its central mission of serving its own beneficiaries. As the President and CEO of an organization that has worked tirelessly to enhance the financial resources of the Social Security Administration, I am deeply troubled by the effect this new, mandatory workload would have on the agency's ability to continue providing services to its core beneficiaries – the American workers who contribute their Social Security payroll taxes year after year to this program and who have earned a right to collect Social Security benefits in a timely manner.

Our Primary concern with proposals to expand the E-Verify program is the high cost imposed on SSA at a time when it is struggling to maintain adequate service delivery, reduce backlogs, and adjust to recent cuts to its already underfunded budget. According to a 2008 Congressional Budget Office report, the cost to SSA of extending and expanding the E-Verify program would be more than $1 billion – nearly 10 percent of the agency's administrative budget – in just the first year of implementation. Over 10 years, the plan would cost over $9 billion. Even though the authors of such legislation have the highest expectations that sufficient appropriations will be provided to cover these costs, recent experience with legislators implementing and demanding more cuts to SSA leads us to believe that the agency would not be provided with sufficient resources to handle this massive new workload.

As you are well aware, the Social Security Administration is already facing several significant challenges. Over the last few years, SSA has experienced a dramatic increase in retirement, survivor, disability, and Supplementary Security Income claims. The additional claims receipts are driven by the initial wave of the nearly 80 million baby boomers who will be filing for Social Security benefits by 2030 – an average of 10,000 per day. Concurrently, the recent economic downturn has caused new disability claims to skyrocket.

Nationwide, over 3.2 million new disability claims were filed and sent to the Disability Determination Services in FY 2010. This surge of increased claims has created backlogs of pending initial disability claims. Despite these unprecedented challenges, SSA continues to utilize the modest additional resources received in the last three fiscal years to clear more disability claims and hearings cases. Unfortunately, the number of claims and hearings pending is still not acceptable to Americans who need Social Security or Supplemental Security Income for their basic income, health care costs, and support of their families.

The increased number of claims has imposed a significant strain on SSA field offices charged with processing the additional claims and providing other vital services to the American public. Nationally, visitors to Field Offices increased from 41.9 million in FY 2007 to 45.4 million in FY 2010. SSA is also experiencing unprecedented telephone call volumes, and in FY 2010, SSA completed 67 million transactions over the 800-Number telephone network.

Currently, the agency is attempting to address the FY 2011 workload demands with FY 2010 resource levels. As a consequence of operating at this inadequate funding level, the agency has had to institute a number of cutbacks that further threaten its ability to deliver quality service to the public, including a hiring freeze and termination of most employee overtime. Most recently, SSA has had to suspend the mailing of annual earnings and benefits statements to millions of tax payers. These statements play a vital role in communicating to American workers important information about the Social Security program: estimates of the amount of benefits they will receive in retirement or if they become disabled so they may properly prepare for a secure retirement.

Given the strain on the workload SSA currently faces and the likelihood of continued uncertainty in funding, the National Committee is sympathetic to the situation the agency faces in determining what activities can be funded and what activities must be suspended due to lack of administrative resources. Therefore, we are very concerned about the impact of expanding the E-Verify program and accompanying increase in workloads on an already overburdened agency. Any increase in SSA's workload without a comparable increase in funding would further divert SSA from its central mission of serving its own beneficiaries – the elderly, people with disabilities, and workers of all ages who have contributed and earned the right to collect Social Security benefits in a timely manner. SSA's resources are already being stretched thin by a dramatic increase in claims and a disability backlog challenge while at the same time, the agency is being asked to operate at reduced funding levels. As a result, strains are being placed on other agency services, especially those in local offices where customers are experiencing long waits and unanswered phones. As always, SSA employees are making a strong effort to maintain their high level of productivity and quality service, but it is becoming increasingly difficult.

The National Committee is not taking a position on the underlying goals of any of the immigration bills before the Congress. However, we believe it would be a significant mistake to require SSA to take on the burden of verifying the work status of every American for immigration-related purposes. Given the limited resources that SSA currently has— and the possibility of even further reductions— to carry out its obligations to America's seniors and people with disabilities, we believe it would be unwise to encumber SSA with these costly and unrelated responsibilities and would frustrate the agency's ability to carry out its core responsibilities to America's seniors and people with disabilities.