

**REMARKS OF THE HON. ROSA DELAURO
WAYS & MEANS HEARING ON UI & SSI
1100 LONGWORTH HOB
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Good morning Chairman Boustany, Ranking Member Doggett, and distinguished Members of the Ways and Means Committee. Thank you for inviting me to testify about two of the most important programs in our social safety net – Supplemental Security Income and Unemployment Insurance.

We must not lose sight of the people these programs are there to help. Millions of American families rely on them every day to make ends meet. And they make a real difference.

SSI supports low-income seniors and people living with disabilities – including families who need extra help to raise a disabled child. For a great many people, SSI is critical to helping them live day to day. UI helps workers who lose their jobs through no fault of their own to continue putting food on the table, paying their bills, and raising their families. Despite an improving economy, millions of Americans still need that support to get through a tough period in their lives.

Both programs help the economy as recipients spend their benefits on the necessities of life.

I hope and know we can agree that these benefits should always be there for struggling families who need them. Eliminating fraud and abuse is a critical part of keeping these programs strong for the vast majority of recipients whose need is all too genuine.

Clearly, those who break the law should be prosecuted. We all agree. However, as Ranking Member on the Labor-HHS-Education appropriations subcommittee, I must highlight the damage years of budget cuts have done – including to the very programs designed to root out fraud and abuse.

At the Department of Labor, the Labor-HHS-Education bill funds activities known as “reemployment eligibility assessments” and “reemployment services,” or REA/RES.

These programs help beneficiaries access reemployment services. They also identify and remove individuals who are not eligible for UI. In this way, every dollar invested in REA/RES saves the UI system an estimated \$3 to \$4 in benefits.

In the FY 2010 Budget Resolution, we provided a \$50 million cap adjustment for these anti-fraud activities.

It is estimated to have saved more than \$200 million in State UI funds. Unfortunately, American taxpayers no longer recoup all of those savings, because the Budget Control Act eliminated the cap adjustment.

So my first suggestion to this Committee is to convince our colleagues on the Budget Committee to reinstate the cap adjustment – and then double it. If we do that, we can save taxpayers \$400 million each year – \$4 billion over the next decade.

In the Social Security Administration, which oversees SSI, the Labor-HHS-Education bill funds two program integrity initiatives: Continuing Disability Reviews (known as CDRs) and SSI Redeterminations. For every dollar invested, SSI Redeterminations save about \$4, while CDRs save around \$15.

In 2015, the President's budget asked for more than \$1.7 billion for these cost-saving initiatives.

Because of years of underfunding of the SSA's operating budget the subcommittee had to cut the request by \$211 million – yet another casualty of budget austerity.

As a result, taxpayers are missing out on potential savings of more than \$2 billion. So my second suggestion to the committee is to support a higher allocation for the Labor-HHS-Education appropriations bill so we can fully fund the President's request.

Some of my colleagues may think the solution is to take even more funds from SSA's operating budget. That would be a mistake. SSA's basic operating budget has already been cut by more than \$1.2 billion in real terms since 2010. As a result, SSA lost 11,000 staff between 2010 and 2013, and has closed at least 64 field offices in the last five years. Talk to some seniors in your districts to see what they think of these closures.

People are forced to spend seven times as long on the phone to reach an SSA agent. Five times as many callers are faced with a busy signal. The average wait for a disability hearing decision is now more than 15 months. We cannot expect SSA to do more with less. It can only do less with less.

So while I agree that fraud and abuse needs to be stamped out, I will not support slashing SSA's operating budget to do it.

Unfortunately, the Majority now proposes to cut the allocation for Labor-HHS-Education by a further \$3.7 billion in 2016, leaving even less for the Department of Labor and SSA. This is the wrong direction. The cuts of the last five years are forcing agencies to choose between preventing errors and providing hard-working Americans with services they have earned. That is an unacceptable dilemma.

I ask the Members of this committee to remember the need to fund both SSA's operating budget and the existing program integrity initiatives. As I have outlined, those initiatives have the potential to save billions of taxpayer dollars.

These programs are too important to be allowed to wither. Yes, we must root out fraud and abuse. But we must not do it in a way that undermines these programs for the millions of families who really need them.

Thank you once again for the opportunity to contribute to this important discussion.