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President Obama Releases FY 2011 Budget

As has been customary since 1990, the first Monday in February is the day that the President submits his budget to Congress. To get the month and the budget season off to a busy start, we spent most of Monday combing through various sections of the President's FY 2011 \$3.83 trillion spending plan.

The President's budget truly is one of the most important Federal documents of the year. It clearly signals the Administration's priorities and direction for the coming fiscal year. The budget released yesterday is one that seeks to be the first step in a decade-long reduction of the Federal deficit while at the same time funding Administration priorities such as job creation and economic growth.

To try and achieve this reduction in the Federal deficit, this budget proposes instituting a three-year non-security discretionary freeze that is projected to save \$250 billion over the next decade. For those of you who viewed the President's State of the Union Address last week, you may have wondered if SSA would be impacted by this freeze. The Obama Administration did not put forward an across-the-board-freeze, but rather an overall cap on non-security discretionary funding in which key investments are expanded. Programs that are viewed as ineffective, duplicative, or wasteful are cut. The Administration identified more than 120 programs across the government that it believes should be terminated or reduced – generating \$20 billion in savings.

Specific to the Social Security Administration (SSA), the President has requested \$12,378,863,000 in administrative funding through the Limitation on Administrative Expenses (LAE) account. This is an increase of \$932 million or 8.1% over the FY 2010 enacted level. The budget also calls for \$43 million for research and \$106 million for the Office of the Inspector General (OIG). The total SSA administrative budget request is \$12.528 billion. Given the current budget environment and the discussion of agency budgets being frozen at FY 2010 levels, we regard this as extremely good news!

This \$12.528 billion includes these changes in resources in FY 2011:

- SSA (except OIG and DDS): 67,603 FTEs (an increase of 614 FTEs; about 385 to ODAR)
- SSA (except OIG and DDS): 2,806 Overtime Hours and Lump Sum Leave (reduction of 336 workyears)
- Net Increase in workyears: 278

The budget also includes 16,969 work years for the DDSs which is an increase of 984 workyears. No additional workyears were requested for OIG.

The increased budget will allow SSA to:

- process 236,000 more disability claims
- complete 73,000 additional hearings
- reduce the number of hearings pending from 707,000 to 657,000
- reduce the average hearing decision time from 485 days to 460 days
- work 31,000 more medical CDRs
- clear the same number of SSI Redeterminations and Limited Issue cases (2,422,000)
- reduce the 800 Number Agent Busy rate from 8% to 7%

However, the backlog in work to support the public will increase from 2,200 to 3,100 workyears.

Extensive details on SSA's budget can be found at these SSA links:

- **FY 2011 Budget Overview:**
<http://www.ssa.gov/budget/Budget%20Overview%20Final%201.29.2010.pdf>
- **Key Tables in Budget:**
<http://www.ssa.gov/budget/FY11%20Key%20Tables%20-%20Final%201-27-10.pdf>
- **Detailed Analysis of Limitation on Administrative Expenses:**
<http://www.ssa.gov/budget/LAE%20CJ%20FINAL.pdf>
- **One Page Budget Request:**
<http://www.ssa.gov/budget/Budget%20Request-Page%201%20FINAL.pdf>
- **Annual Performance Plan for FY 2011**
<http://www.ssa.gov/budget/FY%202010-2011%20APP-%20COSS%20Updates%2001.29.10.pdf>

The Office of Management and Budget has also posted details of SSA's budget at these links:

- **One-Page SSA Factsheet:**
http://www.whitehouse.gov/omb/factsheet_department_socialsecurity/?print=1
- **Three-Page SSA Factsheet:**
<http://www.whitehouse.gov/omb/budget/fy2011/assets/socsec.pdf>
- **SSA Appendix:**
<http://www.whitehouse.gov/omb/budget/fy2011/assets/ssa.pdf>

- **Fact Sheet on Seniors:**
http://www.whitehouse.gov/omb/factsheet_key_seniors/
- **Terminations, Reductions and Savings (Page 104):**
<http://www.whitehouse.gov/omb/budget/fy2011/assets/trs.pdf>
- **Analytical Perspectives (Multiple Pages):**
<http://www.whitehouse.gov/omb/budget/fy2011/assets/trs.pdf>

In closing, it is important to remember that this is simply the initial place marker in what promises to be a hotly contested year of budget battles. As the year moves forward and we examine these numbers further, we will make sure to update you with additional details. Our thanks to Rick Warsinsky for his research and analysis assistance in the preparation of this report.

Greystone Group LLC
418 C Street, NE
Washington, DC 20002
202-547-8530/FAX 202-547-8532
Contact: Rachel Emmons or Aaron Hunter
E-mail: rachele@greystone-group.com or aaronh@greystone-group.com