

The National Council of Social Security Management Associations, Inc.
GREYSTONE GROUP WASHINGTON REPORT
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Fiscal Year (FY) 2016 Appropriations

Both the House and Senate have adjourned for the August recess and are not scheduled to return to session until after Labor Day. Work on the FY 2016 appropriations bills was progressing at a fairly reasonable pace until disagreements over a number of policy riders and spending priorities derailed the process.

Consideration of the Labor, Health & Human Services, Education and Related Agencies (Labor-HHS) Appropriations bill, which includes the Social Security Administration (SSA), did get underway at the Subcommittee and Full Committee levels, but no consideration occurred on the floor in either the House or Senate. During the week of June 22, 2015, both the House and Senate Appropriations Committees marked up and reported out their respective versions of the FY 2016 Labor-HHS Appropriations bill. The full House Appropriations Committee reported out its FY 2016 Labor-HHS bill on June 24, and its Senate counterpart acted on its version of the FY 2016 bill the following day.

The House's total allocation for the Labor-HHS Appropriations bill is \$3.6 billion lower than FY 2015. Given these budget constraints, the President's Budget Request of \$12.513 billion for SSA's Limitation on Administrative Expenses (LAE) account will be challenging to achieve. The House bill, written by its Subcommittee Chairman Tom Cole (R-OK), would increase total funding for SSA's LAE account by \$12.0 million over the FY 2015 level.

The Senate Appropriations Committee's FY 2016 Labor-HHS Appropriations bill, written by its Subcommittee Chairman Roy Blunt (R-MO), with an allocation similar to the House's, a \$3.6 billion cut from its FY 2015 total, recommends a \$185.0 million decrease for SSA's LAE account.

With SSA funding at the level recommended by the House, SSA would face:

- The likelihood of a hiring freeze
- Significantly reduced overtime
- Return to reduced field office hours open to the public
- Reduction in the number of Continuing Disability Reviews (CDRs) completed
- Foregoing the expansion of Cooperative Disability Investigations (CDI) Units tasked

with identifying disability fraud

- Increased wait times for visitors and increased busy rates for telephone calls
- Delays in processing disability claims and effectuation of hearing decisions
- Limitations on the ability to prevent overpayments and deter fraud
- Noticeable service cuts where losses are greater at some offices as staff cannot be replaced
- A one-day furlough for SSA employees may be necessary

With funding at the level recommended by the Senate, SSA could also face a furlough of one to two weeks. A one-week furlough could mean:

- 1.6 million calls will go unanswered
- 775,000 visitors will find SSA's doors closed
- 85,000 Initial Disability, Reconsideration and CDR cases will go unprocessed
- 16,000 hearings will not be handled

NCSSMA and others continue to advocate for the President's Budget Request of \$12.513 billion for SSA's administrative expenses. SSA needs to receive an increase of no less than the projected inflationary costs for FY 2016 of \$351.9 million to ensure the agency is able to maintain the improved level of services achieved as a result of the FY 2014 and FY 2015 funding levels.

We do not expect further action on the Labor-HHS Appropriations bill in the House, and Senate Democrats have pledged to block all appropriations bills, including Labor-HHS, until Republicans agree to negotiate relief from the stringent discretionary caps imposed by the 2011 Budget Control Act. To date, discussions on providing relief to the 2011 sequester have not begun, at least one Continuing Resolution (CR) is on the horizon, and it's unlikely that the Senate will consider any freestanding appropriations bills. Action on all FY 2016 appropriations bills will likely wait until November or December. Please continue to watch your email for important updates from NCSSMA related to the FY 2016 appropriations process and SSA's administrative budget.

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