April 29, 2008

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
1139E Longworth House Office Building
Washington, DC 20515

The Honorable Jim McCrery
Ranking Member
Committee on Ways and Means
1139E Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel and Ranking Member McCrery:

On behalf of the over 39 million members of the AARP, we thank you for the opportunity to testify last week before the Ways and Means Committee about the impact that inadequate funding for the Social Security Administration (SSA) has on beneficiaries. As a follow-up to our testimony, we write today to voice our concerns with proposals to further expand the administrative burdens of the SSA. 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 the currently pending H.R. 4088 and its accompanying discharge petition.

The employee verification provisions of H.R. 4088 will significantly increase the administrative burdens of the SSA -- without any increase in personnel or funding -- detracting from the agency’s ability to serve Social Security recipients. Recently, the Congressional Budget Office analyzed the budgetary impact of H.R. 4088, and concluded that the bill would cost the SSA nearly $9 billion over the next ten years, and over $1 billion in the first year alone. During the same ten-year period, the SSA expects 13 million new retirees to claim their earned benefits. Yet, due to inadequate funding, the agency is already struggling to keep pace with the task of processing disability cases. As of March 2008, the backlog of appealed disability cases rose to over 750,000, with disabled individuals waiting on average nearly 500 days from the beginning of their claim to receiving a final determination. Almost 300,000 of these cases are over a year old, and over 90,000 of the pending appeals were filed by veterans.
Since the SSA’s administrative expenses are paid directly from the Social Security trust funds, it is especially problematic to ask the agency to undertake additional administrative tasks that not only fail to directly assist beneficiaries, but in fact detract from the prompt resolution of existing claims.

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 expand the agency’s workload with tasks 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 and Advocacy staff at 202-434-3760.

Sincerely,

[Signature]

David P. Sloane
Senior Vice President
Government Relations and Advocacy