



<http://finance.senate.gov>
Press_Office@finance-rep.senate.gov

Statement of Senator Chuck Grassley
Hearing, “Funding Social Security’s Administrative Costs: Will the Budget Meet the Mission?”
Wednesday, May 23, 2007

A little more than one year ago, this Committee held a hearing on the administrative challenges facing Social Security. Since that time, the Social Security Administration narrowly avoided an agency-wide furlough due to the funding shortfall in congressional appropriations. While a furlough was avoided, the agency remains under-funded and unable to replace most of the employees it loses each year to retirement and attrition. As we will hear from our witnesses today, staffing and employee morale is down, while backlogs and constituent frustration is up.

Nowhere is this problem more evident than within the disability program. The goal of the Social Security disability process is to make the right decision as quickly as possible. Unfortunately, the disability process is plagued with lengthy delays and inconsistent decisions.

The Social Security Administration reports the average processing time for a disability hearing is more than 500 days. The Social Security Advisory Board reports the allowance rate varies more than two-to-one among the fifty states. Those who are eligible should not wait years for their benefits to be approved. Those who are eligible should not have to question the accuracy and fairness of the disability determination process.

Admittedly, these problems are not new. The number of cases pending at some level of the disability process doubled in the previous decade, before declining, and then doubling again in the current decade. Likewise, various studies in the 1980s and 1990s examined the disparity in allowance and denial rates. Observable characteristics in the beneficiary population appear to explain only about half the disparity.

Addressing these problems is a formidable challenge. Former Commissioner Barnhart proposed a plan to redesign the disability determination process. This plan would eliminate or revise a number of steps in the process, and implement an electronic disability folder. This initiative was well-intended. But, its success was not guaranteed.

Indeed, the new Commissioner who will testify today has already made a number of decisions to modify or delay various elements of the proposed reform. Given the concerns he has expressed to this Committee, I commend the Commissioner’s initiative and resolve. However, I urge some

caution before he proceeds too far.

I believe the problems facing the disability process go beyond mere administrative process reform. Backlogs and inconsistencies are longstanding issues. They are the result of limited resources, competing priorities, and administrative inefficiencies. In my view, solving these problems will require more than additional funding. Additional legislation will be required as well.

So, I look forward to the testimony of our witnesses, and to working with everyone here today as we begin to address the need for additional funding as well as the need for vital improvements in the Social Security disability process.