

September 12, 2016

Social Security Administration Cuts Hurt Every State

By Kathleen Romig¹

As the baby boom generation ages into its peak years for retirement and disability, the demands on the Social Security Administration (SSA) are reaching all-time highs. Yet Congress has *cut* SSA's core operating budget by 10 percent since 2010, after adjusting for inflation.² These cuts hurt SSA's service to the public in every state. The agency has been forced to shutter field offices and shrink its staff, leading to longer waits for service and a record-high disability appeals backlog. While the overall effect is a decline in service nationwide, the effects of the cuts vary considerably by state.

- SSA's staff has shrunk 6 percent nationwide since 2010, so there are fewer people to take appointments, answer phones, and process applications for Social Security's vital retirement, survivors, and disability benefits. As a result, workers and beneficiaries must wait longer to be served. Five states — Alaska, Iowa, Kansas, Nebraska, and West Virginia — have lost more than 15 percent of their staff since 2010.
- In addition to its own staff, SSA funds state Disability Determination Service (DDS) employees, who decide whether applicants' disabilities are severe enough to qualify for Disability Insurance (DI) or Supplemental Security Income (SSI). DDS staff has shrunk 14 percent nationwide since 2010. Seven states — Indiana, Kansas, Louisiana, Mississippi, South Dakota, Tennessee, and Texas — have lost over 20 percent of their DDS staff.
- Staff shortages have contributed to a record-high disability hearing backlog of over 1 million applicants. In seven states — Arizona, Hawaii, New Jersey, Nevada, North Carolina, South Carolina, and Wisconsin — plus Puerto Rico and the District of Columbia, the number of people awaiting a decision on their appeal has more than doubled since 2010, and in three of those, it has more than *tripled*. In three states — Delaware, Maryland, and North Carolina — plus the District of Columbia, the average processing time for an appeal is over 21 months. These long waits cause medical and financial hardship.
- SSA has been forced to close 64 field offices since 2010, at least one in nearly every state. Shutting field offices reduces access to essential services, particularly in rural areas. New York alone has shuttered 12 field offices, while Pennsylvania has closed half a dozen.

¹ Emily Horton contributed to this report.

² Kathleen Romig, "Budget Cuts Squeeze Social Security Administration Even as Workloads Reach Record Highs," Center on Budget and Policy Priorities, June 3, 2016, <http://www.cbpp.org/research/retirement-security/budget-cuts-squeeze-social-security-administration-even-as-workloads>.

Staff Attrition Causes Service to Decline in Every State

Almost all SSA's operating budget is spent on staff, and the majority of SSA's staff provide direct service to the public. As a result, funding cuts unavoidably result in service gaps. Tight budgets have forced SSA to cut staff by attrition, which results in uneven patterns across the country.

SSA's front-line staff serves tens of millions of Americans every year. Its national toll-free telephone number serves as the gateway to the agency's services, fielding 37 million calls in 2015.³ Here, trained agents provide services such as answering questions about SSA's programs, taking claims for retirement benefits, and setting up appointments. The agency's field office staff assisted 41 million visitors in 2015, performing tasks like taking applications for benefits, processing name changes, and replacing lost Social Security cards.⁴

SSA's behind-the-scenes work is equally important for ensuring prompt and accurate service. SSA's payment service centers handle tasks such as awarding widows' benefits when their spouses die, issuing back payments for DI beneficiaries who waited a year or more for a hearing, and resolving complex claims issues. SSA also funds state DDS employees, who decide whether applicants' disabilities are severe enough to qualify for DI or SSI benefits.

Budget cuts have forced SSA to freeze hiring. As a result, since 2010, SSA has lost 5,000 employees, while state DDSs have lost 2,000. Inevitably, this means that beneficiaries must wait longer to be served. On the toll-free number, hold times and busy rates are up. In the field, SSA cut back on office hours — and since staff must serve nearly the same number of visitors in fewer hours and with fewer staff, applicants wait weeks for appointments, and walk-in visitors often wait hours.

SSA and DDS staff losses are spread unevenly across the nation, as Figures 1 and 2 and Appendix Table 1 show. Nationwide, SSA's staff has shrunk by 6 percent since 2010, but five states — Alaska, Iowa, Kansas, Nebraska, and West Virginia — have lost more than 15 percent. Similarly, DDS staff has shrunk 14 percent nationwide since 2010, but seven states — Indiana, Kansas, Louisiana, Mississippi, South Dakota, Tennessee, and Texas — have lost over 20 percent.

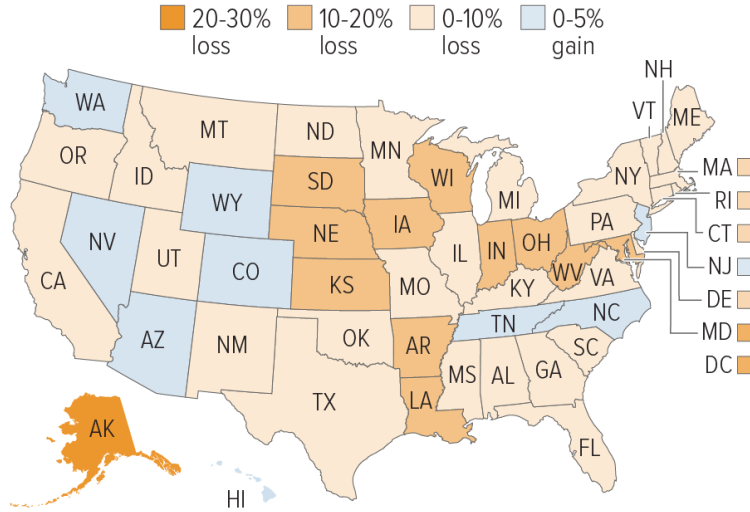
³ Social Security Administration, *Fiscal Year 2015 Agency Financial Report*, <https://www.ssa.gov/finance/2015/Full%20FY%202015%20AFR.pdf>.

⁴ Social Security Administration, *Annual Performance Report, 2015-2017*, https://www.ssa.gov/agency/performance/2016/FINAL_2015_2017_APR_508_compliant.pdf.

FIGURE 1

Social Security Administration Staff Loss Is Significant

Percent change in staff, fiscal years 2010-2015



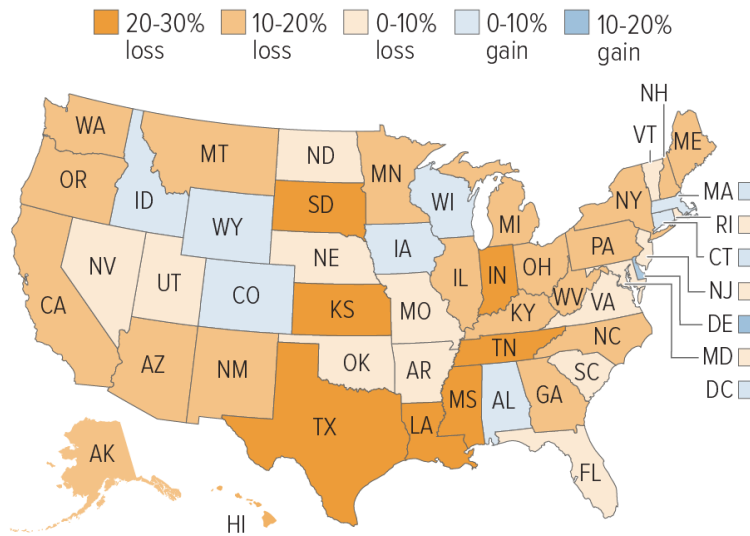
Source: Social Security Administration

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

FIGURE 2

Social Security's Disability Determination Services Staff Loss Is Significant

Percent change in staff, fiscal years 2010-2015



Source: Social Security Administration

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

Backlog in Disability Hearings Hurts Applicants All Over the Country

SSA pays disability benefits through the DI and SSI programs to workers with impairments severe enough that they can't support themselves and their families.⁵ The average processing time for an initial disability claim has held fairly steady in recent years at three to four months. If denied applicants appeal, they typically wait at least another year before an administrative law judge decides their case. SSA denied record numbers of disability applicants during the Great Recession, and hearing requests rose nearly 50 percent.⁶ But instead of providing additional resources for these record-high hearing requests, Congress cut SSA's operating budget.

The backlog of pending cases, which was shrinking before the funding cuts, has grown by over 50 percent since 2010, topping 1 million in 2015.⁷ Rising workloads combined with funding cuts caused the hearings backlogs to mount.⁸ Even as the annual number of beneficiaries appealing their decisions is returning to pre-recession levels, huge backlogs from those peak years remain. Meanwhile, the average wait for a final decision rose from 360 days to 540 between 2011 and 2016.

The hearings backlog has a high human cost. Waiting a year and a half for a final decision, as a typical appellant does, causes financial and medical hardship. Some applicants lose their homes or must declare bankruptcy while awaiting a hearing. Their health often worsens; some even die.⁹ The longer that applicants wait for a final decision from SSA, the weaker their connections to the workforce become — which makes it harder to find work when they finally get an answer, whether or not they ultimately receive benefits.

In seven states — Arizona, Hawaii, New Jersey, Nevada, North Carolina, South Carolina, and Wisconsin — plus Puerto Rico and the District of Columbia, the number of people awaiting a decision on their appeal has more than doubled since 2010, and in three of those, it has more than *tripled*. In three states — Delaware, Maryland, and North Carolina — plus the District of Columbia, the average processing time for an appeal is over 21 months. (See Figure 3 and Appendix Table 2.)

⁵ For Social Security and SSI, disability is defined as the inability to earn above the substantial gainful activity (SGA) threshold (\$1,130 per month in 2016) because of a medically determinable physical or mental impairment(s) which can be expected to result in death or last at least 12 months.

⁶ Social Security Administration, *Annual Statistical Supplement*, Table 2.F9, 2008 and 2012.

⁷ Social Security Administration, *Annual Statistical Supplement*, Table 2.F9, 2011-2015; *SSA Budget Overview*, February 2016, <https://www.ssa.gov/budget/FY17Files/2017BO.pdf>.

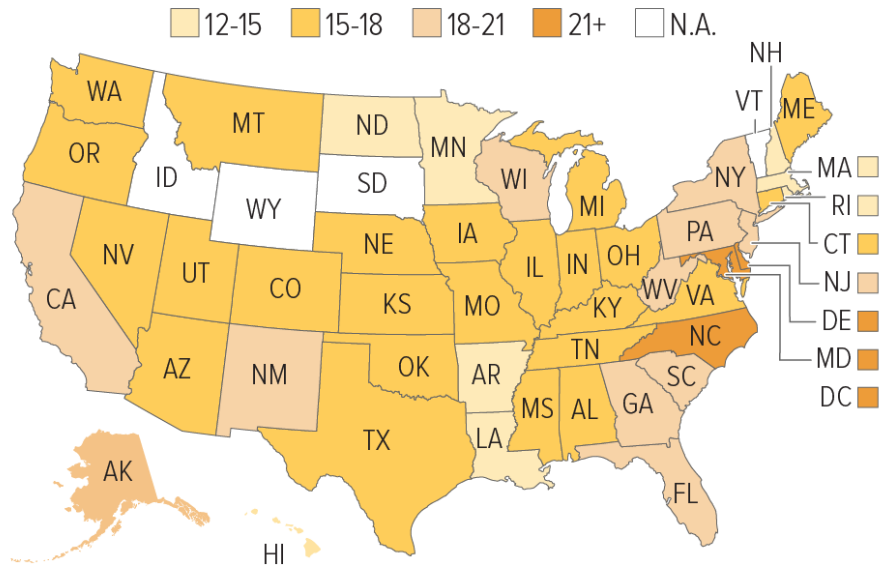
⁸ In addition to funding constraints, inefficiencies in the Administrative Law Judge hiring process have hampered SSA's ability to fill vacancies. (See Statement of Carolyn W. Colvin, Acting Commissioner, Social Security Administration, Before the House Appropriations Committee, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, February 26, 2015, https://www.ssa.gov/legislation/testimony_022615.html.) However, the Bipartisan Budget Act of 2015 addressed the hiring problem, and the Office of Personnel Management is working to implement the improvements.

⁹ Kathy Ruffing, "No Surprise: Disability Beneficiaries Experience High Death Rates," Center on Budget and Policy Priorities, April 4, 2013, <http://www.cbpp.org/blog/no-surprise-disability-beneficiaries-experience-high-death-rates>.

FIGURE 3

Many Disabled Workers Wait Over a Year to Start Receiving Disability Benefits

Average wait time for a Disability Insurance eligibility appeal hearing, in months



Note: For states with more than one Office of Disability Adjudication and Review (ODAR) office, the wait time shown is the average of the wait times for each individual office. States marked N.A. do not have any ODAR offices.

Source: Social Security Administration

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

Field Office Closures Hurt Communities Nationwide

SSA provides face-to-face service at its network of field offices. There, staff take claims for Social Security and SSI benefits, provide replacement Social Security cards, and process name changes. They offer personalized information for applicants navigating complex decisions about when to retire, and make decisions about whether a beneficiary is capable of managing his or her own finances. Their assistance is not limited to SSA’s programs. They also enroll beneficiaries in Medicare and its Extra Help program for low-income beneficiaries, and help beneficiaries apply for the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps). In addition to field offices, SSA until recently hosted hundreds of mobile offices, which offered part-time service in other government offices. These mobile offices helped residents of remote areas access SSA services.

Since Congress began cutting SSA’s operating budget in 2010, the agency has closed 64 field offices, along with 533 — almost all — of the agency’s mobile offices. Shuttering field offices reduces access to essential services, particularly in rural areas. New York alone has shuttered 12 field offices, while Pennsylvania has closed half a dozen, as Appendix Table 3 shows.

Closing field offices has consequences. For example, when a field office closes, fewer people in the area apply for disability benefits — including many whose disabilities meet SSA’s strict criteria, according to recent research.¹⁰

SSA will always need to provide high-quality service in the field. Although straightforward requests can be handled online or by phone, more complex cases often require face-to-face help. SSA primarily serves Americans who are elderly or disabled, often at traumatic moments in their lives such as the onset of a disability or the death of a spouse. Its clients are diverse and include people suffering from severe mental impairments and people with limited ability to speak English. Its staff provide critical guidance to workers making complex, life-altering decisions. Providing prompt and thorough service in the field reduces errors that SSA staff must fix later.

¹⁰ Manasi Deshpande and Yue Li, “Who Are We Screening Out? Application Costs and the Targeting of Disability Programs,” 4th Annual Meeting of the Disability Research Consortium, August 3, 2016, <http://www.nber.org/aging/drc/20160803drcmeeting/Panel%202.2%20Deshpande.pdf>.

Social Security and Disability Staff Changes by State

	Social Security Administration Staff			Disability Determination Services Staff		
	FY 2010	FY 2015	% Change	FY 2010	FY 2015	% Change
Alabama	2,713	2,576	-5%	365	365	0%
Alaska	76	55	-28%	23	20	-13%
Arizona	706	713	1%	223	200	-10%
Arkansas	534	480	-10%	404	395	-2%
California	6,991	6,559	-6%	1,440	1,293	-10%
Colorado	705	728	3%	117	119	2%
Connecticut	403	363	-10%	114	114	0%
Delaware	110	108	-2%	41	48	17%
Dist. of Columbia	239	202	-15%	49	49	0%
Florida	2,753	2,748	0%	1,045	942	-10%
Georgia	1,777	1,767	-1%	523	434	-17%
Hawaii	135	138	2%	42	37	-12%
Idaho	149	147	-1%	63	68	8%
Illinois	3,422	3,113	-9%	515	413	-20%
Indiana	925	821	-11%	328	248	-24%
Iowa	343	283	-17%	129	135	5%
Kansas	333	279	-16%	104	78	-25%
Kentucky	825	782	-5%	424	373	-12%
Louisiana	799	706	-12%	287	228	-21%
Maine	209	192	-8%	58	49	-16%
Maryland	12,749	11,362	-11%	232	213	-8%
Massachusetts	1,200	1,125	-6%	250	255	2%
Michigan	1,543	1,391	-10%	594	518	-13%
Minnesota	493	449	-9%	182	157	-14%
Mississippi	639	586	-8%	320	252	-21%
Missouri	2,784	2,734	-2%	361	338	-6%
Montana	125	121	-3%	46	41	-11%
Nebraska	182	153	-16%	77	75	-3%
Nevada	265	272	3%	95	86	-9%
New Hampshire	151	143	-5%	51	43	-16%
New Jersey	905	908	0%	298	289	-3%
New Mexico	961	927	-4%	86	77	-10%
New York	4,099	3,841	-6%	934	776	-17%
North Carolina	1,328	1,395	5%	679	603	-11%
North Dakota	95	87	-8%	22	21	-5%
Ohio	1,794	1,597	-11%	589	497	-16%
Oklahoma	563	512	-9%	308	296	-4%
Oregon	428	412	-4%	195	172	-12%

APPENDIX TABLE 1

Social Security and Disability Staff Changes by State

	Social Security Administration Staff			Disability Determination Services Staff		
	FY 2010	FY 2015	% Change	FY 2010	FY 2015	% Change
Pennsylvania	4,510	4,155	-8%	704	588	-16%
Puerto Rico	*	*	*	142	115	-19%
Rhode Island	166	161	-3%	47	45	-4%
South Carolina	661	653	-1%	403	367	-9%
South Dakota	94	83	-12%	33	26	-21%
Tennessee	1,073	1,086	1%	533	398	-25%
Texas	3,477	3,323	-4%	1,034	766	-26%
Utah	176	171	-3%	73	71	-3%
Vermont	62	58	-6%	34	33	-3%
Virginia	2,193	2,056	-6%	447	414	-7%
Washington	1,627	1,632	0%	318	285	-10%
West Virginia	454	377	-17%	227	190	-16%
Wisconsin	724	648	-10%	233	236	1%
Wyoming	44	45	2%	15	16	7%
Total	70,202	65,696	-6%	15,856	13,867	-13%

* Not available

Note: In states with Extended Service Teams (EST) that assist Disability Determination Services (DDS) in processing disability applications, both EST and DDS staff are included in totals.

Source: Social Security Administration

Disability Insurance Hearing Backlogs by State

	Eligibility Hearing Backlogs			Average Hearing Processing Time, 2016 (days)
	FY 2010	FY 2016	% Change	
Alabama	31,505	37,267	18%	514
Alaska	899	780	-13%	473
Arizona	9,053	19,184	112%	538
Arkansas	8,613	11,885	38%	391
California	58,752	95,695	63%	553
Colorado	10,673	14,401	35%	514
Connecticut	6,539	7,324	12%	523
Delaware	1,552	3,092	99%	645
Dist. of Columbia	3,300	7,264	120%	669
Florida	42,642	79,462	86%	611
Georgia	23,613	40,105	70%	601
Hawaii	574	1,786	211%	436
Idaho	N.A.	N.A.	N.A.	N.A.
Illinois	23,684	31,654	34%	542
Indiana	14,545	26,729	84%	514
Iowa	3,169	5,915	87%	528
Kansas	5,581	9,352	68%	492
Kentucky	13,349	21,887	64%	521
Louisiana	14,664	21,452	46%	410
Maine	3,550	2,560	-28%	521
Maryland	6,048	8,909	47%	659
Massachusetts	10,217	12,024	18%	455
Michigan	28,472	41,466	46%	498
Minnesota	8,857	12,216	38%	411
Mississippi	13,916	19,020	37%	532
Missouri	21,689	30,409	40%	530
Montana	3,926	5,271	34%	472
Nebraska	2,587	4,476	73%	505
Nevada	2,588	6,146	137%	488
New Hampshire	4,133	3,363	-19%	433
New Jersey	9,498	29,197	207%	618
New Mexico	6,320	5,799	-8%	554
New York	46,144	80,362	74%	619
North Carolina	20,031	44,749	123%	649
North Dakota	2,805	3,772	34%	441
Ohio	30,895	42,593	38%	507
Oklahoma	12,436	13,993	13%	456

APPENDIX TABLE 2

Disability Insurance Hearing Backlogs by State

	Eligibility Hearing Backlogs			Average Hearing Processing Time, 2016 (days)
	FY 2010	FY 2016	% Change	
Oregon	9,162	16,259	77%	530
Pennsylvania	41,937	65,047	55%	582
Puerto Rico	2,970	11,739	295%	621
Rhode Island	3,589	2,843	-21%	387
South Carolina	12,969	27,991	116%	610
South Dakota	N.A.	N.A.	N.A.	N.A.
Tennessee	25,744	39,379	53%	513
Texas	29,175	52,911	81%	489
Utah	4,757	5,834	23%	542
Vermont	N.A.	N.A.	N.A.	N.A.
Virginia	13,857	22,688	64%	533
Washington	12,862	17,881	39%	522
West Virginia	12,075	17,707	47%	579
Wisconsin	7,451	17,002	128%	566
Wyoming	31,505	N.A.	18%	N.A.
Total	705,367	1,121,267	59%	*

* Not available

Note: States marked N.A. do not have any Office of Disability Adjudication and Review (ODAR) offices. For states with multiple ODAR offices, average processing time shown is the average of processing times for each individual office.

Source: Social Security Administration

APPENDIX TABLE 3

Social Security Field Office Closures Since FY 2010

	Number of Offices Closed
Alabama	-
Alaska	1
Arizona	-
Arkansas	1
California	3
Colorado	-
Connecticut	2
Delaware	-
Dist. of Columbia	1
Florida	3
Georgia	2
Hawaii	-
Idaho	-
Illinois	1
Indiana	-
Iowa	1
Kansas	1
Kentucky	1
Louisiana	3
Maine	1
Maryland	-
Massachusetts	2
Michigan	1
Minnesota	-
Mississippi	1
Missouri	1
Montana	-
Nebraska	1
Nevada	-
New Hampshire	-
New Jersey	2
New Mexico	-
New York	12
North Carolina	1
North Dakota	1
Ohio	1
Oklahoma	1
Oregon	2

APPENDIX TABLE 3

**Social Security Field Office Closures Since
FY 2010**

	Number of Offices Closed
Pennsylvania	6
Puerto Rico	3
Rhode Island	-
South Carolina	1
South Dakota	-
Tennessee	2
Texas	3
Utah	-
Vermont	-
Virginia	1
Washington	1
West Virginia	-
Wisconsin	-
Wyoming	-
Total	64

Source: Social Security Administration