

MEMORANDUM TO SENATOR DOLE

DA: March 21, 1995

FR: Alec Vachon *W*

RE: STATEMENT FOR TOMORROW'S FINANCE SUBCOMMITTEE HEARING

- \* You indicated you will not attend tomorrow's Finance Subcommittee hearing on the soaring costs of SSI and SSDI (MEMO ATTACHED). However, you indicated you wanted a statement.
  
- \* Attached is a statement for the record that:
  - (1) expresses your concern about SSI program growth;
  - (2) states the need to take a careful look at children's SSI--without taking a position on its problems or solution. (As I will memo you, the big issue here is that Congress should decide what it wants to accomplish with Children's SSI before it makes changes.);
  - (3) signals that any SSI cash benefits for drug addicts or alcoholics may not be appropriate. (As you may recall, last year Congress limited to 3 years SSI for addicts and alcoholics. However, there is a growing move to eliminate these benefits all together--and they are hard to justify.);
  - (4) raises the importance of getting people to work; and
  - (5) expresses caution about taking any rash action that might repeat what happened to disability beneficiaries in the early 1980's.
  
- \* N.B. On March 27, the full Committee will hold a hearing on SSI. I will memo you when the witness list becomes available.

DO YOU WANT TO SUBMIT THIS STATEMENT FOR THE RECORD?

YES \_\_\_\_\_ NO \_\_\_\_\_

*- Dan -  
- Shule -  
- Dennis -*

SENATOR BOB DOLE

STATEMENT TO A HEARING

BEFORE THE

SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY

ON

"THE SOARING COSTS OF SOCIAL SECURITY'S TWO DISABILITY PROGRAMS"

MARCH 22, 1995

I COMMEND CHAIRMAN SIMPSON FOR CALLING THIS HEARING TO EXAMINE THE SOARING COSTS OF THE SUPPLEMENTAL SECURITY INCOME (SSI) AND SOCIAL SECURITY DISABILITY INCOME (SSDI) PROGRAMS.

NO DOUBT ABOUT IT, SCRUTINY OF SSI IS OVERDUE. IN RECENT YEARS THE FINANCE COMMITTEE HAS LOOKED AT SSDI GROWTH AFTER PREDICTIONS BY THE SOCIAL SECURITY TRUSTEES OF INSOLVENCY IN THE DISABILITY INSURANCE (DI) TRUST FUND. THAT PROBLEM HAS BEEN SOLVED--AT LEAST IN THE NEAR TERM--BY LAST YEAR'S SOCIAL SECURITY INDEPENDENCE AND PPROGRAM IMPROVEMENTS ACT WHICH REALLOCATED MORE FICA TAX TO THE DI TRUST FUND.

HOWEVER, A CHECK BY MY STAFF FOUND THAT THE LAST TIME THE FINANCE COMMITTEE HELD A HEARING ON ANY ASPECT OF THE SSI PROGRAM WAS 9 YEARS AGO, IN JULY OF 1986. AT THAT TIME, THE SUBCOMMITTEE ON SOCIAL SECURITY AND INCOME MAINTENANCE PROGRAMS CONSIDERED A BILL I HAD INTRODUCED TO MAKE SSI WORK INCENTIVES PERMANENT LAW.

MANY ARE CONCERNED ABOUT SSI, AND FOR GOOD REASON. IN THE FIVE YEARS BETWEEN 1989 AND 1994, THE ROLLS GREW 42 PERCENT, FROM 4.1 TO 5.8 MILLION RECIPIENTS. EXPENDITURES JUMPED FROM \$15 TO \$24 BILLION. CBO RECENTLY PROJECTED THE ROLLS WILL GROW BY ANOTHER 2.2 MILLION PERSONS BY 2000, AND EXPENDITURES INCREASE TO ALMOST \$43 BILLION.

SOME MIGHT SAY THESE NUMBERS REFLECT SUCCESS IN HELPING POOR PEOPLE WHO ARE DISABLED OR ELDERLY. OTHERS BELIEVE THAT THEY ARE SIGNS OF A PROGRAM OUT OF CONTROL. OR EVEN IF THE PROGRAM IS WORKING PROPERLY, WE CAN'T AFFORD IT.

IT SEEM TO ME THAT IF WE ARE TO TACKLE SSI GROWTH IN A RESPONSIBLE WAY, WE NEED TO BEGIN BY LOOKING AT THREE ISSUES.

FIRST, IS SSI BEING ABUSED? WE HAVE A FUNDAMENTAL OBLIGATION TO THE AMERICAN PEOPLE TO MAKE SURE THAT EITHER SUCH REPORTS ARE UNFOUNDED, OR THAT WE ARE READY TO FIX THEM.

I EXPECT OTHER MEMBERS HAVE HEARD, AS I HAVE, STORIES THAT SOME CHILDREN ON SSI ARE NOT DISABLED, OR MONEY IS SPENT IN WAYS THAT DO NOT BENEFIT THE CHILD. EVEN IF THESE ALLEGATIONS ARE UNTRUE--AS SOME CONTEND--WE MUST MAKE SURE CHILDREN'S SSI IS WORKING AS INTENDED. NO DOUBT ABOUT IT, FOR SOME FAMILIES WITH A SEVERELY DISABLED CHILD, SSI CAN BE A LIFESAVER. IT ALLOWS THEM TO CARE FOR THEIR CHILD AT HOME--WHO MIGHT OTHERWISE BE INSTITUTIONALIZED AT MUCH GREATER COST TO THE GOVERNMENT--OR OBTAIN SERVICES THEY COULD NOT OTHERWISE AFFORD. I THINK WE CAN ALL AGREE IF A SMALL PAYMENT CAN HELP A DISABLED CHILD STAY WITH HIS FAMILY, OR GROW INTO A PRODUCTIVE ADULT, IT IS BETTER FOR THE CHILD AND BETTER FOR SOCIETY.

ANOTHER SORE POINT IS CASH BENEFITS FOR DRUG ADDICTS AND ALCOHOLICS. LAST YEAR, AT THE PROMPTING OF SENATOR COHEN,

CONGRESS SHARPLY LIMITED SSI BENEFITS FOR SUBSTANCE ABUSERS AND TIGHTENED TREATMENT REQUIREMENTS.

BUT I STILL HAVE DOUBTS ABOUT THE WISDOM AND FAIRNESS OF CASH BENEFITS FOR SUBSTANCE ABUSERS. SUBSTANCE ABUSE IS A TERRIBLE SCOURGE TO INDIVIDUALS AND FAMILIES, BUT I WOULD LIKE TO SEE CONVINCING EVIDENCE THAT SSI HELPS PEOPLE GET OFF DRUGS. AT MOST SSI SHOULD BE A HAND UP, NOT A HAND OUT. AND IT SHOULD NOT UNDER ANY CIRCUMSTANCES HELP PEOPLE CONTINUE THEIR DRUG HABITS.

SECOND, IS THE SOCIAL SECURITY ADMINISTRATION MANAGING THE SSI PROGRAM PROPERLY, AND CONSISTENT WITH CONGRESSIONAL INTENT? FOR EXAMPLE, WE NEED TO KNOW IF DISABILITY DETERMINATIONS ARE BEING CORRECTLY MADE AND THAT PERSONS NO LONGER DISABLED ARE BEING TERMINATED. BUT LET ME ALSO ADD THAT THIS MEANS PEOPLE WHO NEED BENEFITS GET THEM AS WELL.

THIRD, HAVE OUR CASH PROGRAMS--AND OUR OTHER DISABILITY PROGRAMS FOR THAT MATTER--KEPT UP WITH OUR NATIONAL DISABILITY POLICY? HOW PREPARED ARE WE FOR THE FUTURE? FIVE YEARS AGO WE PASSED THE AMERICANS WITH DISABILITIES ACT, WHICH SET NATIONAL DISABILITY GOALS OF EQUAL OPPORTUNITY, FULL PARTICIPATION, INDEPENDENT LIVING, AND ECONOMIC SELF-SUFFICIENCY.

DISABILITY BENEFITS DO LITTLE TO PROMOTE INDEPENDENCE OR ECONOMIC SELF-SUFFICIENCY. THERE IS NO CAREER LADDER FOR SOCIAL SECURITY RECIPIENTS. WE NEED TO HELP MORE PEOPLE GET OFF THE DISABILITY CHECK AND ON TO A PAYCHECK.

IF WE ARE IN TROUBLE TODAY, CONSIDER THE FUTURE. LITTLE ATTENTION HAS BEEN PAID TO THE RAPIDLY GROWING NUMBER OF PEOPLE WITH DISABILITIES. MEDICAL SCIENCE INCREASINGLY KEEPS PEOPLE ALIVE FROM ONCE FATAL CONDITIONS, ALBEIT OFTEN WITH SEVERE AND LIFELONG DISABILITY. AND GIVEN THAT DISABILITY INCREASES WITH AGE, THE AGING OF THE AMERICAN POPULATION PREDICTS A SHARP GROWTH IN DISABILITY OVER THE NEXT SEVERAL DECADES.

TAKEN TOGETHER, THIS INFORMATION SHOULD ALLOW US TO MOVE FORWARD. LET'S NOT FORGET THOUGH THAT SSI HAS PROVIDED A BASIC INCOME TO SOME OF THE POOREST AND MOST DISADVANTAGED MEMBERS OF OUR SOCIETY. AS OTHER MEMBERS OF THE SUBCOMMITTEE WILL RECALL, FIFTEEN YEARS AGO WE MANDATED A PROGRAM TO REMOVE PERSONS FROM THE DISABILITY ROLLS WHO WERE NO LONGER DISABLED. WELL INTENDED, BUT HUNDREDS OF THOUSANDS WERE DROPPED, ONLY TO BE REINSTATED BY COURTS. GOVERNORS WERE UP IN ARMS. IT SEEMS TO ME WE ARE SMART ENOUGH NOT TO REPEAT THAT HISTORY.

MEMORANDUM TO SENATOR DOLE

DA: March 16, 1995  
FR: Alec Vachon *AV*  
RE: SENATE FINANCE SUBCOMMITTEE HEARING ON "SOARING COSTS OF SOCIAL SECURITY'S TWO DISABILITY PROGRAMS"

- \* The Subcommittee on Social Security & Family Policy will meet on Wednesday, March 22, 1995, at 10:00 a.m. in Dirksen 215, to examine the sharp growth in the SSI and SSDI over the past 5 years. For example, between 1989 and 1994, SSI rolls jumped 42%, from 4.1 to 5.8 million recipients, and expenditures from \$15 to \$24 billion. CBO projects SSI rolls will increase by 2.2 million persons by 2000, and expenditures will rise to \$42.5 billion. BTW, this will be the first Finance hearing on any aspect of SSI since 1986.
- \* [N.B. Subcommittee hearing is preparation for full Committee hearing during week of March 27th on SSI reform proposals--which will focus on cuts in eligibility for children, aliens, and drug addicts/alcoholics.]
- \* WITNESSES ON MARCH 22ND:
  - Senator William S. Cohen;
  - Social Security Commissioner Shirley S. Chater;
  - David Koitz of the Congressional Research Service; and
  - The Honorable Jim Slattery, Chairman, Childhood Disability Commission.
- \* Yvonne indicates your schedule is open at that time.

DO YOU WISH TO ATTEND THE SUBCOMMITTEE HEARING?

YES \_\_\_\_\_ NO \_\_\_\_\_

IF YES, DO YOU WANT ME TO PREPARE AN OPENING STATEMENT FOR YOU?

YES \_\_\_\_\_ NO \_\_\_\_\_

cc: S. Burke