**Social Security Administration**

**FY 2025 Funding – Impact of $500 Million Cut**

**July 2024**

* If our operating budget were cut by $500 million in FY 2025, it would force us to close field offices to the public and reduce office hours, diminishing critical face-to-face and telephone service for retirees, survivors, and people with disabilities.
* With a cut of this magnitude, over three million visitors and nearly three million 800 Number callers would go without service. Wait times on our 800 Number, which have recently been improving, would tick up once again. Our customers are already waiting over 30 minutes for service.
* People applying for disability benefits would have to wait over nine months for a decision, at least two months longer than they do now and more than double the pre-pandemic wait times. Over 1 million people are already awaiting a disability decision.
* Additionally, over 600,000 retirees, survivors, and individuals filing for Medicare would experience delays in accessing benefits.
* Each year, we have over $600 million in fixed cost increases that we must absorb across the agency, including Federal pay raises, health benefits, security/guard services, postage, rent, and lease renewals. A reduction of $500 million means we would need to absorb over $1.1 billion in FY 2025.
* While we would make deep cuts in other areas first, we would need to furlough employees for over a month since payroll is the biggest part of our budget.
* We would need to freeze all hiring. Staffing would be reduced to the lowest levels in more than 50 years, despite an ever-growing number of people we serve. We are already facing record backlogs due to staffing and funding shortages.
* We are making compassionate, common-sense improvements where we can, but we need funding for staff to keep our offices open and for technology to keep our agency running. A $500 million cut would be devastating to the agency and to the millions of people we serve.

**Additional Detail:**

* On July 9, the House Appropriations Committee marked up the draft FY 2025 Labor, Health and Human Services, Education and Related Agencies spending bill that funds our operating budget. When explaining the reason for an over $400 million cut to our operating budget, Chair Aderholt stated that 61 percent of our [headquarters] workforce is fully remote. The account that “61 percent of the workforce is fully remote” is inaccurate.
* The 61 percent is based on the number of non-frontline staff at headquarters (HQ) who are in the office fewer than three days per weekIn most cases, these employees are in the office two days per week – which does not mean they are fully remote. Managers and supervisors at our main administration buildings in both Baltimore, Maryland and Washington, DC have been working onsite at least two days per week since October 2023.  One of the Commissioner’s first actions was to require almost all HQ employees in Baltimore and Washington to report onsite at least two or three days a week starting on April 8, 2024.
* Additionally, the Chair mentioned that no field offices will be closed because the cut to SSA’s operating budget would come from the Baltimore and Washington, DC offices. The significant funding reductions included in the draft bill cannot be absorbed by Baltimore and Washington HQ staff alone.  Each year, we have over $600 million in fixed cost increases that we must absorb across the agency, including Federal pay raises, health benefits, security/guard services, postage, rent, and lease renewals.  The draft House bill reduces our budget by over $400 million from fiscal year (FY) 2024, meaning that when combined with fixed cost increases, we would need to absorb about $1 billion in total reductions in FY 2025.  A $1 billion reduction is equivalent to about 10,000 workyears, which we could not achieve even by eliminating our HQ components.
* With this level of funding, we would need to make cuts across the country including to those offices that serve the public directly.  The reductions to SSA’s operating budget in the draft House bill would cause us to close field offices to the public and reduce office hours, diminishing critical face-to-face and telephone service for retirees, survivors, and disabled individuals.