**LCAO Income Security Committee Meeting Minutes**

**July 26, 2017 at 2:30 pm**

WeWork, 1440 G Street, NW, Washington, DC 20005

Conference Room 8A

Call-In #: 641-715-3200 p/w: 635743#

1. Social Security Trustees Report--- Stephen C. Goss, *Chief Actuary*, Social Security Administration
   1. The Trustees Report is an annual update on the state of the Trust Fund and projected solvency of Social Security and SSA’s ability to meet its obligations for the next 5 years, out to the next 75 years.
   2. Actuarial status measures the scheduled revenues covering projected benefit spending.
   3. The Trust Fund reserve depletion date is based on the fact that there is no borrowing authority.
      1. Important takeaways:
         1. Social Security has a large and growing surplus
         2. Social Security is fully funded for the next decade, 93 percent funded for the next 25 years, 87 percent funded over the next 50 years, and 84 percent funded over the next 75 years.
            1. In order to extend solvency for the benefits paid out to OASDI recipients, changes will need to be made by 2034.
            2. Tax reallocation between Social Security programs has happened before to extend the projected shortfall date.
         3. Good news on the financing of SSDI
            1. The number of disability applications is at a low point and has steadily dropped since 2010.
            2. Mr. Goss requested any feedback or hypotheses from those who have thoughts on why these applications are dropping so dramatically.
         4. The report reflects similar projections of solvency that have been reported on by SSA for the past 25 years.
         5. The “Age dependency ratio” refers to the age distribution of working age folks and the replacement rate of generations that follow.
            1. Boomers are crossing into retirement and are being replaced by generations with lower birthrates.
   4. Eva mentioned previous legislation she has been involved with (i.e. the Social Security Forever Act) and the constraint that the 75 year solvency estimates “golden standard” places on solutions to the predicted shortfall. She also shared the difficulty predicting the future of the population and workforce (i.e. immigration reform, economic growth, etc.).
      1. Mr. Goss shared that the 75 years is based on the youngest participants in the workforce and the likelihood of solvency throughout their labor participation and receiving earned benefits.
         1. There seems a desire for “sustainable solvency” outside of solutions that temporarily fix the projected shortfall and stabilize reserves at the end of the 75 year solvency.
         2. SSA has scored different pieces of legislation within the context of its effects on social security solvency (i.e. Rubio comprehensive immigration reform).
   5. Sarah asked about whether the increase in payroll tax contribution needed for solvency is included in SSA’s estimates of “raising the cap” projections.
      1. Mr. Goss shared various proposals for solvency: raising the tax on payroll and other taxable items, eliminating the cap, decreased benefits, etc.
      2. He also shared that a decision would need to be made on whether benefit increases would be compensatory to increases in social security contribution is the cap was raised or scrapped.
2. Proposed HUD Rent Changes in FY 2018 Presidential Budget--Linda Couch, *Vice President of Housing Policy*, Leading Age
   1. Background on HUD rental assistance
      1. 5 million households receive HUD assistance to pay their rent
         1. Families or individuals pay 30% of their adjusted annual income for their housing (rent and utilities).
         2. Some programs charge a minimum rent. This is decided by Housing Authorities.
         3. 1.4 million are older adults
            1. On average, annual income of older adults receiving assistance from HUD is $13,000.
            2. Section 202, affordable housing for seniors, is comprised of 200,000 units. Two-thirds of the subsidies are funded through Section 8 and the other third is paid through Project Rental Assistance Contracts (PRAC)

Currently, Section 8 *can* charge minimum rent

Currently, PRAC does not charge minimum rent.

* 1. FY18 HUD Budget
     1. Program reform is supposed to make up a 15% decrease in their requested FY18 budget.
        1. Increase from 30% adjusted annual income to 35% of gross annual income.
           1. Deductions for medical costs would be eliminated
           2. An average of $82/month increase for every older adult household receiving HUD assistance
        2. Requirement for every household to pay $25 minimum rent.
           1. This will most hurt folks making $2,000 a year.
           2. 11,500 older adult households would be affected

900 of these would hurt Sec. 202 program households

* + - * 1. Hardship waivers would be needed to prove that rent was unaffordable, causing more hoops to jump through
      1. Utility allowances would be cut.
         1. As of now, utilities *and* rent are to be no more than 30% of income.

Some owner/agents reimburse residents when rent and utilities paid exceeds this.

* + - * 1. This would affect 16,000 of the 1.4 million households assisted by HUD.
      1. Authority from HUD Secretary to freeze rents that it provides to owners.
         1. This would give a pass to not grant properties rental increases that are needed to keep up with year to year increases and puts the longevity of properties at risk.
    1. The House THUD bill rejected rental reforms because the proposals are “outside their jurisdiction”.
       1. This potentially “punts” the responsibility to the authorizing committee to come up with language to authorize the budget proposals.
    2. The Senate THUD allocation is larger than the House’s was.
       1. The hope is that language about the rent “reforms” does not appear.
    3. Justice in Aging surveyed across the 5 boroughs and found that 200,000 seniors are on waiting lists.

1. House FY18 Budget
   1. Keeps the SSA Administrative Budget level from FY17
   2. Unemployment Insurance/Disability Insurance Offset
      1. Proposal eliminates unemployment benefits from those collecting SSDI.
      2. CCD Fact Sheet included below
2. SSI Restoration Act, Rep. Raul Grijalva
   1. HR3307
   2. Updates asset levels for SSI, updating earned and unearned income disregard rules, and modernizing certain financial eligibility rules.
      1. These have not been updated for several decades.
3. Protecting and Preserving Social Security Act
   1. Sen. Hirono (S.1600) & Rep. Deutch (H.R. 3302)
      1. Phases out the cap on the payroll contribution completely.
      2. Uses the CPI-E (on all SS benefits)
      3. It includes a hold-harmless for Medicaid and SSI recipients
4. Other
   1. It was determined that the letter that was drafted responding to Social Security cuts (intended to be a part of a larger letter from the full LCAO) is too late.
   2. It was determined that a letter should be drafted in response to the House Budget’s UI/DI offset.
   3. LCAO will meet next week, August 2nd, by conference call.
5. Next meeting scheduled for Wednesday August 30, 2017 at 2:30pm

**Items of interest**

1. Scoring of proposals/provisions by SSA: <https://www.ssa.gov/oact/>
2. CBPP paper on rental reforms: <https://www.cbpp.org/research/housing/trump-budgets-housing-proposals-would-raise-rents-on-struggling-families-seniors>
3. Fact sheet on House FY18 Budget, UI/DI Offset: <https://www.c-c-d.org/fichiers/CCD-DI-UI-FactSheet-02-04-15.pdf>
4. SSI Restoration Act, Rep. Raul Grijalva, HR3307 summary documents: <https://grijalva.house.gov/uploads/2017.Section.by.Section.SSI2.pdf> and <https://grijalva.house.gov/uploads/SSI-FAQs%201.pdf>
5. Protecting and Preserving Social Security Act, Sen. Hirono (S.1600) and Rep. Deutch (HR3302) factsheet: <https://teddeutch.house.gov/uploadedfiles/114_protect_and_preserve_ss_-_fact_sheet_hirono_deutch.pdf>

**In attendance:**

Co-chairs: Jasmine Jefferson, Breana Clark

Speakers: Linda Couch, Steve Goss

Rachel Goldberg, AARP

Chris Dunn, ARA

Eva Dominguez, ARA

Nancy Altman, Social Security Works

Sarah Cohen, American Federation of Teachers

Maria Freese, Pension Rights Center

Katie Smith, AFSCME

Evan Carmen, B’nai B’rith

Michele Varnhagen, AARP

Tracey Gronniger, Justice in Aging