



SOCIAL SECURITY

The Commissioner

January 30, 2015

The Honorable Barbara A. Mikulski
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Senator Mikulski:

We are pleased to share our fiscal year (FY) 2015 Operating Plan, as required by Section 516 of the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235).

Our Operating Plan provides proposed spending and expenditures for each of our accounts through the end of FY 2015 under the funding levels provided in the law. We hope that you find the information regarding workload and performance measures, which incorporate current workload projections, helpful. We also included a General Statement, which provides highlights of our Operating Plan.

We are sending similar letters to Senators Cochran, Blunt, and Murray, and Representatives Rogers, Lowey, Cole, and DeLauro.

If there are any questions about our Operating Plan, please contact me or your staff may contact Bonnie Kind, our Associate Commissioner for the Office of Budget, at (410) 965-3501.

Sincerely,

Carolyn W. Colvin
Acting Commissioner

Enclosure

SOCIAL SECURITY ADMINISTRATION
GENERAL STATEMENT

At the \$11.806 billion administrative level appropriated in fiscal year (FY) 2015, we will be able to improve our service to the American public, complete more of our cost-effective continuing disability reviews (CDR), and enhance our vigorous fraud prevention efforts.

With the ongoing commitment of resources in FY 2015, we can now expand office hours at our local Social Security offices nationwide and restore some service hours to the public. Effective March 16, 2015, Social Security offices nationwide will be open for an additional hour every weekday except Wednesday. For example, a field office that is usually open to the public Monday, Tuesday, Thursday and Friday from 9 a.m. to 3:00 p.m. will remain open until 4:00 p.m. Field offices will remain closed to the public at noon every Wednesday so employees can continue to process workloads and reduce backlogs and train newly hired staff.

In addition, we will be able to improve our National 800 Number Service. We expect our average speed of answer on our National 800 Number to decrease from about 22 minutes in FY 2014 to less than 12 minutes in FY 2015, and our agent busy rate to decrease from 14 percent to 8 percent. Our new hires from 2014 and the ability to replace staff lost in FY 2015 will support this effort.

We also plan to hire more administrative law judges (ALJ) and support staff to help us with the disability appeal hearings backlog. It is unacceptable that over one million Americans are awaiting a disability appeals hearing decision, and we must position ourselves to reduce hearings processing times. Unfortunately, years of extremely high disability appeals receipts, budget constraints, and the inability to hire ALJs as we awaited an ALJ register (a list of high-scoring candidates developed by the Office of Personnel Management) all have had a direct impact on the current number of cases awaiting a hearing and the time it takes to get a decision. While our improved funding level allows us to lay the groundwork for better performance in the future, we will not see an immediate improvement in wait times this year. We will, however, be able to increase the number of hearings we complete from 681,000 in FY 2014 to 727,000 in FY 2015.

With our dedicated program integrity funding, including the program integrity level authorized by the Budget Control Act of 2011, we will be able to increase the number of full medical CDRs to 790,000 – a 50 percent increase from FY 2014 – while continuing to handle a high volume of initial disability claims. (Our State disability determination services partners make the medical decisions for both CDRs and disability claims.) We also will handle 2.255 million SSI non-medical redeterminations. CDRs and redeterminations save billions of taxpayer dollars each year.

In addition to increasing CDRs, we are continuing to invest in more fraud prevention efforts. We plan to open five more Cooperative Disability Investigation units this year for a total of seven new units since August 2014. We also established an Office of Anti-Fraud Programs to provide

centralized oversight and accountability for our agency's anti-fraud activities. This new office will drive our agency's anti-fraud efforts by centralizing anti-fraud predictive analytics, supporting the Inspector General's efforts to investigate fraud, developing consistent anti-fraud policies and processes, formulating new anti-fraud initiatives, and aligning agency anti-fraud efforts with industry standards.

We will continue to enhance our online services and look for other efficiencies and ways to work better and smarter. We pride ourselves on the fact that our discretionary administrative costs are only 1.3 percent of benefit payments, a remarkable achievement, and a testament to our hard-working, innovative employees. With sustained, adequate, and timely funding, we can continue to increase our program integrity efforts while improving service for the millions of Americans who depend on us.

Social Security Administration (SSA) Fiscal Year (FY) 2015
Operating Plan

**(Appropriated FY 2015 Funds and Carryover / Transfers
of Unobligated Prior-Year Funds)
(\$ in millions)**

Budget Authority:

	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
<u>Payments to the Social Security Trust Funds (PTF)</u>		
Pension Reform	\$6.4	\$6.4
Unnegotiated Checks	10.0	10.0
Total Appropriation (P.L. 113-235)	\$16.4	\$16.4

	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
<u>Supplemental Security Income (SSI)</u>		
FY 2015 Benefit Payments, Total	\$56,201.0	\$56,201.0
FY 2015 First Quarter Advance (P.L. 113-76)	19,700.0	19,700.0
FY 2015 Appropriation	36,501.0	36,501.0

	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
<u>Supplemental Security Income (SSI)</u>		
Administrative Expenses, Total	4,302.0	4,579.0
Administrative Expenses (Regular)	4,302.0	3,614.0
Program Integrity	N/A	253.5
Additional Program Integrity	N/A	711.4

	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
<u>Supplemental Security Income (SSI)</u>		
Beneficiary Services	70.0	70.0
Research and Demonstration (R&D) Projects (FY 15 / FY 16)	53.0	N/A

	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
<u>Supplemental Security Income (SSI)</u>		
Research and Demonstration (R&D) Projects (FY 15 / FY 16 / FY 17)	N/A	83.0 ¹
Special Immigrant Visas	1.0	0.0
Total Appropriations (P.L. 113-76 and P.L. 113-235)	\$60,627.0	\$60,933.0

	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
<u>Supplemental Security Income (SSI) – Carryover of Unobligated FY 2013 Balances and Actual Recoveries</u>		
Benefits	\$0.0	\$1,729.5
Administrative Expenses	0.0	7.2
Beneficiary Services	9.0	4.0 ²
R&D (No Year)	9.8	4.9 ³
R&D (FY 14 / FY 15)	0.0	3.1
Total, Carryover of Unobligated FY 2014 Balances and Actual Recoveries	\$18.8	\$1,748.7

	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
<u>Supplemental Security Income (SSI) – Total Funds Available for FY 2015</u>		
	\$60,645.8	\$62,681.7

	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
<u>Limitation on Administrative Expenses (LAE)</u>		
Regular LAE	\$10,500.7 ⁴	\$10,282.6 ⁴
PI-CDRs/Redets	273.0	273.0
PI-Additional CDRs/Redets	1,123.0	1,123.0
SSA Advisory Board	2.3	2.3
SSI User Fees	124.0	124.0
Non-Attorney Certification User Fee	1.0	1.0

¹ Includes \$31M in carryover, which is available for apportionment for FY 2016.

² An additional \$35.8M in carryover is available for apportionment for FY 2016.

³ An additional \$8.7M in carryover is available for apportionment for FY 2016.

⁴ Excludes funding for dedicated PI (CDRs and Redeterminations).

	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
<u>Limitation on Administrative Expenses (LAE)</u>		
Total Appropriated (P.L. 113-76)	\$12,024.0	\$11,805.9
	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
American Recovery and Reinvestment Act (P.L. 111-5) NSC Replacement	\$23.2	\$30.5 ⁵
	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
Medicare Improvement for Patients and Providers Act (P.L. 110-275) Low Income Subsidy	\$6.0	\$10.0
	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
Other Available Funds:		
<u>Automation Investment Fund (AIF) (No-Year) – Carryover/Recoveries from Unobligated AIF Balances</u>	\$0.0	\$0.1
<u>Information Technology Systems (ITS) (No-Year) – Carryover/Recoveries from Unobligated ITS Balances</u>	\$21.6	\$285.0
Carryover/Recoveries of Other Unobligated Balances	\$0.0	\$20.2 ⁶
	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
<u>Office of the Inspector General, SSA</u>		
Federal Funds	\$29.0	\$28.8
Trust Funds	\$75.6	\$74.5
Total Appropriated (P.L. 113-235)	\$104.6	\$103.4

⁵ An additional \$2.65M in carryover is available for apportionment for FY 2016.

⁶ Includes authority from prior years carried over for the following purposes: \$20M for operation and maintenance of special facilities delegated to SSA by the General Services Administration, \$169K for construction and \$26K for Disaster Relief.

<u>Estimated Outlays</u>	<u>FY 2015 President's Budget</u>	<u>FY 2015 Available Funding</u>
PTF	\$17	\$17
LAE	\$12,215	\$12,022
SSI	\$60,781	\$60,151
OIG	\$105	\$103

Note: Totals may not add due to rounding.

FY 2015 Congressional Operating Plan Performance Tables - Workload and Outcome Measures

	FY 2014		FY 2015
	Enacted Appropriation	Actual	Enacted
SELECTED WORKLOAD MEASURES			
Retirement and Survivors Claims Completed (thousands)	5,131	5,024	5,247
Initial Disability Claims Completed (thousands)	2,947	2,862	2,767
Disability Reconsiderations Completed (thousands)	778	757	739
Hearings Completed (thousands)	735	681	727
National 800-Number Calls Handled (millions) ¹	39	37	38
Average Speed of Answer (ASA) (seconds) ²	1,020	1,323	700
Agent Busy Rate (ABR)	14%	14%	8%
Social Security Numbers Completed (millions)	16	16	16
Annual Earnings Items Completed (millions)	253	257	257
Social Security Statements Issued (millions) ³	4	4	44
SELECTED OUTCOME MEASURES			
Initial Disability Claims Pending (thousands)	642	633	621
Disability Reconsiderations Pending (thousands)	174	170	143
Hearings Pending (thousands)	932	978	1,056
Average Processing Time for Initial Disability Claims (days)	109	110	109
Average Processing Time for Disability Reconsiderations (days) ⁴	N/A	108	TBD
Annual Average Processing Time for Hearings Decisions (days)	415	422	470
Disability Determination Services Production per Workyear	319	311	313
Office of Disability Adjudication and Review Production per Workyear	106	102	104
Disability Determination Services Accuracy Rate	97%	98%	97%
SELECTED PROGRAM INTEGRITY MEASURES			
Periodic Continuing Disability Reviews (CDRs) Completed (thousands)	1,410	1,675	1,890
Full Medical CDRs (included above, thousands)	510	526	790
Supplemental Security Income (SSI) Non-Disability Redeterminations Completed (thousands)	2,622	2,628	2,255

¹ Beginning in FY 2014, under the new CARE 2020 network structure, performance is tracked using Calls Handled as opposed to Transactions Handled. The legacy network recorded transactions handled within the network, either by agents or automation. In some instances, multiple transactions were completed within one call, making it appear as though we served a larger volume of callers. Calls Handled tracks the individual caller and is more in line with our other National 800 Number service performance metrics which track how long a single caller is on hold or how often they receive a busy signal.

² Since migrating to the new CARE 2020 network, complete wait time, including the time that the caller is on the line and the time the caller is waiting for a call back, is now included in the ASA calculation. This new calculation is in contrast to the former legacy network calculation which artificially deflated the ASA by only including the time the caller was on the line until a callback option was chosen, typically two to three seconds in duration. Under the legacy system, the customer's wait time was diluted and virtually excluded from the ASA calculation. The new CARE2020 methodology is consistent with industry standards.

³ The Social Security Statements Issued measure includes paper statements only; does not include electronic statements issued.

⁴ We developed management information for Average Processing Time for Disability Reconsiderations in FY 2013. FY 2014 is the first full fiscal year for which data are available for this measure. We will develop a performance target in FY 2016, after we have had the ability to analyze at least two years of actual data.