

Part II: Our Programs, Organization, Budget and Performance Integration

SSA's Programs

SSA promotes the nation's economic security by administering America's major income support programs for the elderly, disabled, and their dependents:

- Old-Age and Survivors Insurance (OASI);
- Disability Insurance (DI); and
- Supplemental Security Income (SSI).

The programs administered by SSA touch the lives of over 95 percent of all Americans. We provide service to individuals at critical junctures in their lives, be it the onset of an unexpected disability, the untimely loss of a spouse or a parent, the inability to meet basic needs as a senior citizen, or exiting the workforce due to retirement.

The combined Old-Age and Survivors and Disability Insurance (OASDI) programs, commonly referred to as Social Security, have significantly improved the economic well-being of the nation. Poverty among the elderly has been reduced by 54 percent over the past 30 years. In 1935, when the Social Security Act was passed, most of the nation's elderly were living in poverty. Today, monthly Social Security benefits are an important contributor to the quality of life of elderly Americans and millions more who are protected in case of a worker's death or disability.

The SSI program, which is funded through general revenues, provides cash assistance to aged, blind or disabled individuals in financial need. SSA also provides service delivery support to the Medicare, Medicaid, Black Lung, Railroad Retirement, and Food Stamp programs.

In FY 2004, SSA will make monthly federal benefit payments to more than 50 million people, for an annual total of \$523 billion. In addition to providing monthly benefit payments, SSA's ongoing operational responsibilities include:

- Taking applications for and issuing Social Security numbers after obtaining and evaluating evidence of identity;
- Processing and maintaining life-long earnings records for most of the working population;
- Issuing Social Security Statements required by law or requested by individuals;
- Taking claims, evaluating evidence, and making determinations of eligibility for monthly benefits;
- Adjudicating appeals of disputed decisions;
- Processing millions of actions to keep beneficiary records current and accurate;
- Conducting continuing eligibility reviews to avoid erroneous payments to Social Security and SSI beneficiaries if factors affecting their eligibility or monthly benefit amount have changed; and
- Managing the Ticket to Work program to help increase employment for people with disabilities.

Our Organization

The Social Security Administration's organization is centrally managed, with a decentralized nationwide network of over 1,500 regional offices, field offices, Teleservice Centers (800 number), Program Service Centers and Hearings Offices. Our organizational structure is designed to provide timely, accurate and responsive service to the American public. By integrating support services for all of our programs, we enhance efficiency, avoid duplication of effort, and increase opportunities to provide one-stop service to the public.

Field offices are the primary points for face-to-face contact with the public. Teleservice Centers offer national toll-free telephone service (at 1-800-772-1213). Our Program Service Centers process a wide variety of workloads, as well as take 800-number calls. The Office of Central Operations, which includes the Data Operations Center, processes a wide variety of workloads involving disability, international and earnings operations and also has an expanding role in taking 800-number calls. The Hearing Offices and Appeals Council adjudicate appeals of Agency decisions.

About 60,000 of SSA's 64,800 employees deliver direct service to the public or directly support the services provided by our front-line workers. The public is most familiar with our 34,300 employees in field offices and Teleservice Centers, but they are also directly served by another 19,800 employees in the components described above, as well as the Office of Quality Assurance and Performance Assessment. Another 6,000 SSA employees in headquarters and regional offices directly support the services delivered by our front-line workers. These include the employees who build and maintain our expanding Internet services.

SSA's remaining employees perform equally important functions in developing other information technology and public information products, ensuring sound fiscal stewardship, developing and implementing uniform program policy and procedures, and supporting our workforce by providing, maintaining and safeguarding our work spaces. The state Disability Determination Services (DDS), funded by SSA, add another 15,000 front-line employees, such as disability examiners, to the total workforce providing direct service to the public. Whether in SSA or a DDS, each and every employee in front line and staff positions plays an important role in the success of the nation's Social Security programs.

Our Budget Structure

Our budget has two distinct parts – the program budget and the administrative budget. The program budget covers the benefits we pay to individuals, while the administrative budget covers the costs of administering our programs to serve the American people. The program budget is considered part of the entitlement portion of the federal budget. Seven separate accounts comprise our overall budget. These accounts are categorized by the type of appropriation from which they are funded:

Account	Type of Appropriation
Old-Age and Survivors Insurance Trust Fund	Permanent
Disability Insurance Trust Fund	Permanent
Supplemental Security Income	Annual
Special Benefits for Certain WW II Veterans	Permanent
Payments to Social Security Trust Funds	Permanent/Annual
Office of the Inspector General	Annual
Limitation on Administrative Expenses	Annual

Our permanent appropriations provide the funding needed to pay all entitled Social Security beneficiaries automatically; the amount spent each year is not determined through the annual appropriations process. Social Security retirement, survivors and disability insurance benefit outlays increase automatically as additional persons meet eligibility requirements and as benefit levels increase based on cost-of-living adjustments.

A brief sketch of each SSA budget account follows:

- ***Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds:*** These accounts receive revenues from Social Security contributions and disburse benefit payments (entitlements) upon retirement, disability or death to insured workers and their families. Social Security benefit payments make up the overwhelming bulk of SSA’s overall budget. These accounts are permanent appropriations.
- ***Supplemental Security Income (SSI):*** This annual appropriation provides for means-tested federal payments for aged, blind and disabled persons, vocational rehabilitation services, research funding, and reimbursing Social Security trust funds for SSI’s share of SSA’s administrative expenses.
- ***Special Benefits for Certain World War II Veterans:*** This permanent appropriation provides a monthly cash payment to certain World War II veterans who were eligible for SSI as of December 14, 1999, but who reside outside of the United States.
- ***Payments to Social Security Trust Funds (PTF):*** This account provides general fund payments to the Social Security trust funds intended to reimburse the trust funds for certain benefits or administrative expenditures (e.g., special payments for certain uninsured persons and costs associated with pension reform) that are chargeable to federal funds.
- ***Office of the Inspector General (IG):*** This annual appropriation funds the administrative expenses of the Inspector General. Financing is provided from both the Social Security trust funds and general revenues because IG monitors the Social Security and SSI programs.

- Limitation on Administrative Expenses (LAE):** This is SSA’s basic administrative account and is an annual appropriation financed from the Social Security and Medicare trust funds. The trust funds initially fund the administrative expenses of the SSI program but are subsequently reimbursed from the SSI account. In addition, fees paid by states for administration by SSA of their State SSI supplementation payments are used to offset the administrative cost of this service. SSA’s administrative expenses continue to be a very small portion of program costs, amounting to about 1.6 percent of overall program outlays. The following table displays the LAE account by funding source (*using FY 2002 actual data for illustrative purposes*):

Funding Source - FY 2002	Budget Authority in Millions	Percent of Total
Old-Age and Survivors Insurance Trust Fund	\$1,867	24.7%
Disability Insurance Trust Fund	\$1,581	20.9%
Hospital Insurance Trust Fund	\$ 633	8.4%
Supplementary Medical Insurance Trust Fund	\$ 560	7.4%
Payment to Social Security Trust Funds for Administrative Expenses of the Supplemental Security Income Program	\$2,827	37.3%
State Supplementation User Fee	\$ 100	1.3%
Special Benefits for Certain WWII Veterans	\$ 2	.03%

The LAE account pays for:

- Salaries and benefits of SSA federal employees (excluding IG);
- Space, equipment, supplies, travel, printing and other non-payroll expenses;
- Systems and telecommunications activities; and
- Expenses of the State Disability Determination Services (DDS) paid by SSA.

Alignment of our Budget with our Annual Performance Plan (APP)

In accordance with the President’s Management Agenda initiative for budget and performance integration, this APP is fully integrated with the President’s FY 2004 budget for Social Security.

We have aligned our strategic goals, performance measures, and budget with our major functional responsibilities rather than by program accounts (e.g., Old-Age and Survivor or Disability). Our organizational structure is such that direct service and support employees provide services linked to these functional responsibilities or business processes, as opposed to a specific program. To highlight, here are just a few examples:

- Many of our SSI applicants are also OASI or DI applicants;
- Much of our research and policy development in the area of disability supports both the DI and SSI programs; and
- We maintain earnings records and issue Social Security numbers in support of the OASI, DI and Medicare programs.