

**One-Time Economic Recovery Payment (ERP) Plan –
Administrative Expenses**

A. FUNDING TABLE:

Agency funding listed by program, project, and activity categories, as possible. Funds returned to the program or any offsetting collections received as a result of carrying out recovery actions are to be specifically identified.

Funding Table by Fiscal Year			
(Dollars in Millions)			
	FY 2009	FY 2010	FY 2011
Total Obligations	\$60	\$30*	\$0**
Salaries and benefits of employees responding to public inquiries either over the phone or at a field office, as well as employees developing policy and the systems for processing the Economic Recovery Payments	\$27	\$10	\$0**
Printing and postage costs for the Economic Recovery Payment informational notices and leaflets	\$28	\$0**	\$0**
Systems development costs to conduct data matching runs with the Railroad Retirement Board and the Department of Veterans Affairs, updating the existing telephone contract for the National 800 Number network and field office phone lines for Recovery Act messages	\$5	\$0	\$0
<p>* Based on the urgency of making these payments, SSA revised its original plan to consolidate the two planned mailings into a single notice to all potentially eligible individuals. As a result, the estimated administrative costs related to making these payments have decreased by \$20M, and we currently anticipate expending only \$10M in FY 2010.</p> <p>** SSA will incur additional costs that are not significant enough to be reported in this table. See page 5 for more information.</p>			

B. OBJECTIVES:

A general Recovery Act description of the program's Recovery Act objectives and relationships with corresponding goals and objectives through on-going agency programs/activities. Expected public benefits should demonstrate cost-effectiveness and be clearly stated in concise, clear and plain language targeted to an audience with no in-depth knowledge of the program. To the extent possible, Recovery Act goals should be expressed in the same terms as programs' goals in departmental Government Performance Results Act strategic plans.

The American Recovery and Reinvestment Act (Recovery Act) of 2009 provides for one-time payments of \$250 to individuals who were, or are found to be, eligible for Social Security and Supplemental Security Income (SSI) benefits during any one of three months (November 2008, December 2008, and January 2009). Individuals are only entitled to one economic stimulus payment regardless of how many types of benefits they receive. For example, if an individual receives any combination of Social Security, SSI, Railroad Retirement, or Veterans benefits, they will only get one payment. The agency will issue one-time payments through December 31, 2010. This plan addresses how SSA intends to spend the Recovery Act funding that it received to issue the one-time Economic Recovery Act payments.

SSA was provided with \$90 million to cover the administrative expenses involved in identifying, notifying and issuing these payments to eligible individuals receiving Social Security and SSI. The funding also covers the cost of handling inquiries that come in to our field offices or calls to the National 800 Number about these one-time payments. SSA's efforts to provide timely and accurate information about these payments, as well as our activities to minimize improper payments, will enhance the public's trust for and perception of SSA's service. This \$90 million supports SSA's fourth Strategic Goal to 'Preserve the Public's Trust in Our Programs'. Our strategic plan can be found at <http://www.ssa.gov/asp/index.htm>.

C. ACTIVITIES:

Kinds and scope of activities to be performed (e.g. construction, provision of services, conduct of research and development, assistance to governmental units or individuals, etc.)

SSA received \$90 million to administer the one-time Economic Recovery Payments to individuals receiving Social Security and SSI. We are coordinating with other agencies to ensure that the right individuals receive payments and that we avoid making duplicate payments. We are on track to send payments to all currently eligible individuals over a several-week period in May 2009. However, SSA will continue through December 31, 2010 to make a one-time payment to individuals entering the rolls and meeting the eligibility criteria. More detailed information about the one-time Economic Recovery Payments can be found at <http://www.ssa.gov/payment/>.

SSA's largest expenditure, \$37 million, is primarily for salaries and benefits of employees handling inquiries from the public, processing returned mail, and reissuing undelivered checks. The \$37 million also includes salary costs for employees developing

policy and the systems necessary for processing this workload. The second largest cost, estimated at \$28 million is for the printing and postage of the notice being sent in advance of the payment and the informational leaflet that will be available at SSA field offices and Wal-Mart stores. The cost for printing the Economic Recovery notices is \$519,000. The estimated cost to mail these notices is \$18,063,000. The total cost for printing the Economic Recovery informational leaflet is \$55,000. The estimated cost for shipping these leaflets is \$32,000. About \$5 million will go to systems costs to conduct data matching runs with the Railroad Retirement Board and the Department of Veterans Affairs. The \$5 million also includes purchasing computer storage space needed to process the estimated 70 million records created by the Economic Recovery Payment program and to retain these records for 7 years. The total cost for this additional storage is \$2,143,000. Additionally, SSA has added a Recovery Act message to the National 800 Number and the field office general inquiry phone lines. The total cost for the National 800 Number phone message is \$1,182,000. The total cost of the phone message for the field office general inquiry phone lines is \$140,000.

Specifically for FY 2009, SSA will spend approximately \$60 million of Recovery Act funding to:

- Identify the eligible individuals for the one-time payments;
- Coordinate with both the Railroad Retirement Board and the Department of Veterans Affairs to eliminate duplicate entries on our respective eligible lists;
- Update the existing telephone contract for the National 800 Number network and field office phone lines for Recovery Act messages;
- Print and mail approximately 52 million notices in April 2009 to identified individuals in advance of their receiving the Economic Recovery Payment;
- Print and mail Economic Recovery Payment informational leaflets that will be distributed to SSA field offices and Wal-Mart stores;
- Train front-line employees on how to address inquiries related to the Economic Recovery Payments;
- Issue Economic Recovery Payments in May 2009;
- Process undelivered Economic Recovery Payments; and
- Respond to all public inquiries that arise in our field offices or the National 800 Number as a result of Economic Recovery Payments.

For FY 2010, SSA will spend approximately \$10 million of Recovery Act funding to:

- Continue to respond to all public inquiries that arise in our field offices or the National 800 Number as a result of Economic Recovery Payments;
- Identify additional individuals eligible to receive the one-time Economic Recovery Payments;
- Issue notices to these newly identified eligible individuals;
- Issue the Economic Recovery Payments to newly identified individuals; and
- Process undelivered Economic Recovery Payments.

For FY 2011, SSA will spend less than \$250,000 of Recovery Act funding to:

- Continue to respond to all public inquiries through September 30, 2011 that arise in our field offices or the National 800 Number as a result of the Economic Recovery Payments;
- Identify and issue payments through December 31, 2010 to any additional individuals eligible to receive the one-time Economic Recovery Payments; and
- Process undelivered Economic Recovery Payments.

D. CHARACTERISTICS:

Types of financial awards to be used (with estimated amount of funding for each), targeted type of recipients, beneficiaries and estimated dollar amounts of total Recovery Act funding for Federal in-house activity, non-federal recipients and methodology for award selection.

SSA will use some Recovery Act funding for Federal in-house activities, specifically to pay the salaries and benefits of SSA staff to facilitate one-time payments of \$250 to eligible individuals. This expense will cost about \$37 million. The remainder of Recovery Act funds will be used for:

- Printing contracts for notices. The total printing cost for the Economic Recovery notice is \$519,000. The total printing cost for the informational leaflet is \$55,000. The Government Printing Office will manage these contracts;
- Postage that is billed directly to SSA via the Federal Post Office's Official Mail Accounting System. The estimated mailing costs for the Economic Recovery notice is \$18,063,000. The estimated shipping cost for the informational leaflet is \$32,000;
- Updating the existing telephone contract for the National 800 Number network and field office phone lines for Recovery Act messages. The total cost for the National 800 Number phone message is \$1,182,000. The total cost of the phone message for the field office general inquiry phone lines is \$140,000; and
- Additional direct access storage and offline tape storage purchased from existing blanket purchase agreements. The total cost for this additional storage is \$2,143,000.

E. DELIVERY SCHEDULE:

Schedule with milestones for major phases of the program’s activities (e.g. the procurement phase, planning phase, project execution phase, etc., or comparable) with planned delivery date(s).

Activities by Quarter	
FY 2009	
March 2009 2nd Quarter \$11,000,000	<p>Identify eligible individuals for the one-time Economic Recovery Payments and develop a strategy - together with the Railroad Retirement Board and the Department of Veterans Affairs - on how to match our databases to avoid duplicate payments.</p> <p>Train front-line employees on how to address inquiries related to the Economic Recovery Payments.</p> <p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p>
April - June 2009 3rd Quarter \$44,200,000	<p>Identify eligible individuals for the one-time Economic Recovery Payments and conduct data matching runs with the Railroad Retirement Board and the Department of Veterans Affairs.</p> <p>Update the existing telephone contract for the National 800 Number network and field office phone lines for Recovery Act messages.</p> <p>Print and mail approximately 52 million notices to individuals identified as eligible to receive the one-time Economic Recovery Payments.</p> <p>Print and distribute the informational leaflet to SSA field offices and Wal-Mart.</p> <p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p> <p>Issue approximately 52 million Economic Recovery Payments in the month of May.</p> <p>Process undelivered Economic Recovery Payments.</p>
July - September 2009 4th Quarter \$4,800,000	<p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p> <p>Identify any additional individuals eligible to receive the one-time Economic Recovery Payments.</p> <p>Print and mail notices to individuals identified as eligible to receive the one-time Economic Recovery Payments.</p>

FY 2010	
October - December 2009 1st Quarter \$4,800,000	<p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p> <p>Identify any additional individuals eligible to receive the one-time Economic Recovery Payments.</p> <p>Print and mail notices to individuals identified as eligible to receive the one-time Economic Recovery Payments.</p>
January - March 2010 2nd Quarter \$4,100,000	<p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p> <p>Identify any additional individuals eligible to receive the one-time Economic Recovery Payments.</p> <p>Print and mail notices to individuals identified as eligible to receive the one-time Economic Recovery Payments.</p>
April - June 2010 3rd Quarter \$940,000	<p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p> <p>Identify any additional individuals eligible to receive the one-time Economic Recovery Payments.</p> <p>Print and mail notices to individuals identified as eligible to receive the one-time Economic Recovery Payments.</p>
July - September 2010 4th Quarter \$60,000	<p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p> <p>Identify any additional individuals eligible to receive the one-time Economic Recovery Payments.</p> <p>Print and mail notices to individuals identified as eligible to receive the one-time Economic Recovery Payments.</p>

FY 2011	
October - December 2010 1st Quarter \$60,000	<p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p> <p>Identify any additional individuals eligible to receive the one-time Economic Recovery Payments.</p> <p>Print and mail notices to individuals identified as eligible to receive the one-time Economic Recovery Payments.</p>
January - March 2011 2nd Quarter \$60,000	<p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p>
April - June 2011 3rd Quarter \$60,000	<p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p>
July - September 2011 4th Quarter \$60,000	<p>Pay the salaries and benefits of employees responding to public inquiries either over the phone or at a field office.</p>

F. ENVIRONMENTAL REVIEW COMPLIANCE:

Description of the status of compliance with National Environmental Policy Act, National Historic Preservation Act, and related statutes.

The Recovery Act funding provided to SSA to facilitate payments to individuals receiving Social Security and SSI has no identifiable issues with the *National Environmental Policy Act*, the *National Historic Preservation Act*, or related statutes.

G. SAVINGS OR COSTS:

Expected increases or reductions in future operational costs (e.g., savings due to energy efficient facilities or increased operational costs as a result of having more buildings to manage and maintain).

There are no savings or long-term costs associated with this one-time endeavor. We have identified costs arising from issuing the Economic Recovery Payments in our spending plan.

H. MEASURES:

Expected quantifiable outcomes consistent with the intent and requirements of the legislation and the risk management requirements of Section 3.5, with each outcome supported by a corresponding quantifiable output(s) (in terms of incremental change against present level of performance of related agency programs or projects/activities specified in the plan) – agencies must specify the length of the period between measurements (e.g., monthly, quarterly), the measurement methodology, and how the results will be made readily accessible to the public. The measures currently used to report programs’ performance in relationship to these goals (consistent with Administration policy) should be retained. In addition to reducing burden on grant recipients and contractors, use of existing measures will allow the public to see the marginal performance impact of Recovery Act investments.

Workgroups within the agency have been working to ensure that SSA has complete records and documentation supporting the issuance of the Economic Recovery Payments. SSA is already working with auditors toward this end, as well as maintaining records of how many inquiries the agency is responding to and other work, including staff time, associated with carrying out responsibilities for this piece of the Recovery Act.

SSA developed the following measures to assess the impact of the funding provided to administer the one-time Economic Recovery Payments:

1. By April 6, 2009, create initial list of eligible Economic Recovery Payment recipients based on Social Security and SSI eligibility in November 2008, December 2008, or January 2009.

Data definition: Complete listing of all individuals to whom SSA will issue the Economic Recovery Payment notice in April 2009

Data source: Economic Recovery List derived from Supplemental Security Record and Master Beneficiary Record

Frequency reported: Once for the achievement of the milestone

2. By April 30, 2009, mail notices discussing the Economic Recovery Payments to the individuals receiving Social Security or SSI benefits who have been identified to date as being eligible to receive the payment.

Data definition: Confirmation from GPO's contractors that informational notices were mailed to the individuals identified by SSA

Data source: GPO's contractors

Frequency reported: Once for the achievement of the milestone

3. Number of initial eligible recipients certified to the Department of the Treasury by May 14, 2009 for the May 2009 Economic Recovery Payments.

Data definition: Total number of Economic Recovery Payments to Social Security and SSI beneficiaries that SSA provides to the Department of Treasury for release of payment in May 2009.

Data source: Certified benefit payment schedule and Economic Recovery List

Frequency reported: Once for the achievement of the milestone

4. Number of additional eligible recipients certified to the Department of Treasury for the Economic Recovery Payments through December 2010.

Data definition: Total number of Economic Recovery Payments to Social Security and SSI beneficiaries that SSA provides to the Department of Treasury for release of payment after May 2009.

Data source: Certified benefit payment schedule and Economic Recovery List

Frequency reported: Monthly beginning in July 2009 through December 2009, and bi-monthly beginning January 2010 through December 2010. This reporting covers the payments issued during the period June 2009 through December 2010.

Because these measures are milestone driven, SSA will report its progress as events occur through our periodic reports posted to SSA's Recovery Act website

<http://www.ssa.gov/recovery/>.

I. MONITORING/EVALUATION:

Description of the agency process for periodic review of program's progress to identify areas of high risk, high and low performance, and any plans for longer term impact evaluation.

As SSA builds on existing processes to implement the activities in this plan, we will also utilize established review programs to assess risks and to ensure that adequate controls have been effectively implemented. Three of the major monitoring programs are the Financial Management System (FMS) Review Program, the Management Control Review (MCR) Program, and the internal control testing required by Office of

Management and Budget (OMB) Circular A-123, Appendix A. The FMS Review Program identifies risks to SSA's programmatic and financial systems and tests the controls in place to mitigate these risks. The MCR Program ensures that SSA's front line offices comply with SSA's operational, security and administrative policies. The OMB Circular A-123, Appendix A program ensures that the controls supporting SSA's financial reporting processes are working properly. All three of these review programs will provide periodic recommendations and evaluations that determine if controls can be improved and the agency's Senior Accountable Official will monitor these recommendations to ensure corrective action is taken.

These review programs support the accounting for the tracking of administrative expenses related to the one-time payment in many ways. An example is that SSA's Cost Analysis System and Online Accounting and Reporting System are two of the systems that undergo a periodic FMS review. These systems will be instrumental in systematically tracking costs associated with the Economic Recovery Payments. Also, SSA's OMB Circular A-123, Appendix A program annually tests and evaluates the controls in the development of financial information. In accordance with the guidance in Appendix C of OMB Circular A-123, SSA will determine if the Economic Recovery Payments are susceptible to significant improper payments, and if so, we will take appropriate corrective action.

J. TRANSPARENCY:

Description of agency program plans to organize program cost and performance information available at applicable recipient levels.

Recovery Act funding will be used primarily for salary and benefits of federal employees, postage, printing, and systems development costs. Contracting requirements for printing of notices fall under the jurisdiction of the Government Printing Office and postage is managed by the Federal Postal Service. Therefore, recipient level data is not applicable.

K. ACCOUNTABILITY:

Description of agency program plans for holding managers accountable for achieving Recovery Act program goals and improvement actions identified.

SSA has taken many steps to hold executives and staff accountable for achieving the goals of this project. First, SSA's Executive Internal Control Committee (EIC) will oversee Recovery Act performance across SSA. The Deputy Commissioner of Social Security chairs the EIC, which also includes the Inspector General and Deputy Commissioner for Budget, Finance and Management (DCBFM). Most other Deputy Commissioners also participate in EIC meetings. This level of oversight provides a strong message throughout SSA that accomplishment of Recovery Act objectives is a top priority.

The DCBFM will serve as SSA's Senior Accountable Official. The performance expectations of our Senior Accountable Official were modified to specifically address the monitoring of this initiative as well as all of SSA's responsibilities under the Recovery Act. In addition, SSA's components such as our Office of Operations; Office of Systems; Office of Communications; and Office of Budget, Finance and Management have taken measures such as ongoing status meetings to make sure they execute their responsibilities under the Recovery Act. Management within these organizations monitor progress in meeting their organizations' responsibilities associated with successful implementation of the Recovery Act. They will reallocate resources as needed as new issues arise.

These same components are also represented on oversight groups at both the executive and staff level to assist SSA in properly coordinating our efforts across components to execute the requirements of the Recovery Act as well as the requirements of OMB Memorandum M-09-15, *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009*.

Finally, all of our front-line employees are accountable through their Performance and Communications System (PACS) plans and appraisals. PACS allows all of SSA's employees to understand their expectations and how their job is directly aligned with the agency's core mission.

L. BARRIERS TO EFFECTIVE IMPLEMENTATION:

A list and description of statutory and regulatory requirements, or other known matters, which may impede effective implementation of Recovery Act activities and proposed solutions to resolve by a certain date.

Individuals receiving benefits from SSA, the Railroad Retirement Board, or the Department of Veterans Affairs are only entitled to receive one \$250 Economic Recovery Payment. SSA is proactively working closely with Treasury, the Railroad Retirement Board, and the Department of Veterans Affairs to institute processes which minimize the risk associated with individuals receiving payments which have been certified by more than one entity. These processes encompass the initial Economic Recovery Payment being made in May 2009 as well as payments that may be made in subsequent months.

M. FEDERAL INFRASTRUCTURE INVESTMENTS:

A description of agency plans to spend funds effectively to comply with energy efficiency and green building requirements and to demonstrate Federal leadership in sustainability, energy efficiency and reducing the agency's environmental impact.

SSA is using the Recovery Act funding for salaries, benefits, printing, postage, and systems development costs. These funds will not be used for Federal infrastructure investments.