Social Security

Annual Performance Plan
for Fiscal Year 2008

and Revised Final Performance Plan for Fiscal Year 2007

A Message from the Acting Commissioner

I am pleased to present the Social Security Administration's (SSA) *Fiscal Year 2008 Annual Performance Plan (APP) and Revised Final Plan for FY 2007*. This APP represents the Agency's mission by emphasizing its four strategic goals of *Service*, *Stewardship*, *Solvency*, and *Staff (*4 Ss*)* as set forth in SSA's *2006-2011 Strategic Plan.*

The APP integrates the 4 Ss with the President's FY 2008 budget, specifies levels of performance the Agency is committed to achieve, and satisfies the statutory requirements of the *Government Performance and Results Act*. It also states the Agency's responsibility for achieving the objectives of the *President's Management Ag*enda and describes our commitment to meeting the goals of the Office of Management and Budget's *Performance Assessment Rating Tool*.

SSA has long been considered a "can-do" Agency. The public has come to expect excellence from this Agency and they deserve nothing less. SSA acknowledges its challenges that affect its performance, e.g., tight budget constraints, which have resulted in backlogs in some of the Agency's core workloads, new legislative mandates, the volume of baby boomers entering retirement, and a rapidly retiring Agency workforce and its associated loss of institutional knowledge.

Despite these challenges, SSA has adjusted its priorities and shifted available resources to continue delivering results for the American people. In FY 2007, SSA expects to process over 6.7 million claims for benefits; issue 18 million new and replacement Social Security cards; process and post 265 million earnings items to workers' earnings records; handle approximately 59 million transactions through SSA's 800-number; serve 42 million visitors to SSA Field Offices; process millions of actions to keep beneficiary and recipient records current and accurate; and conduct over 700,000 continuing disability reviews (CDR) and over 1 million non-disability SSI redeterminations.

I would be remiss if I did not take this opportunity to recognize the 64,000 SSA employees and 14,400 State Disability Determination Services employees who are at the core of our success in delivering the above services. I am fortunate to work with such dedicated and compassionate public servants.

We will continue our deep commitment to even better meet the needs of claimants who depend on SSA for excellent service and the taxpayers who fund our programs and expect sound fiscal stewardship.

Linda S. McMahon
Acting Commissioner

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Part 1 – Introduction: Social Security Administration's Results-Oriented Performance

A performance budget consists of a performance-oriented framework in which strategic goals are paired with related long-term performance goals (outcomes) and annual performance goals. It is organized as a hierarchy, with strategic goals at the top of the pyramid followed by related performance measures and performance goals.

To help achieve the Social Security Administration's (SSA) mission, this *Annual Performance Plan* (APP), which is included in the Agency's performance budget, lays out such an approach and describes how SSA will strategically achieve increased performance, accountability, effectiveness, and efficiency in fiscal year (FY) 2007 and FY 2008.

At the top of SSA's pyramid are four strategic goals -- Service, Stewardship, Solvency, and Staff. This APP is arranged by strategic goal and strategic objective, along with long-term outcomes, related performance measures and performance targets. The environmental factors that can affect accomplishment of a strategic objective, as well as the means and strategies to achieve performance results, are also included.

Service

To deliver high-quality, citizen-centered Service

SSA is committed to delivering the service the public expects and deserves. This includes providing a measure of economic security and financial stability. Service to the public also includes consideration of accuracy, productivity, cost, timeliness, and service satisfaction. Changes in demographics, medical and technological advances, and other related environmental factors affect service delivery, particularly with respect to SSA's disability programs. The Agency is responsible for continually assessing these programs in the context of societal trends and supporting reforms to ensure the programs meet the needs of current and future generations.

SSA provides services through more than 1,500 Field Offices, Regional Offices, Teleservice Centers (toll-free 800-number), Program Service Centers, State Disability Determination Services, and Hearing Offices, in addition to SSA's website (www.socialsecurity.gov).

Stewardship

To protect the integrity of Social Security programs through superior Stewardship

Individuals who contribute through payroll deductions, self-employment taxes, or income taxes to fund the Social Security and Supplemental Security Income (SSI) programs need to be confident their tax dollars are properly managed. Beneficiaries must be guaranteed their benefits are accurate and received timely.

Good stewardship goes beyond good money management. It includes ensuring the security of SSA's information systems and the integrity and privacy of the personal information that SSA maintains. It is also an obligation to provide safe and secure environments in which employees can work and the public can transact business.

Good stewardship also includes strengthening the integrity of the Social Security Number (SSN). The original purpose of the SSN was to enable SSA to keep an accurate record of earnings covered under Social Security and to pay benefits based on these earnings. Over time, the SSN has become a primary means of identification in both the public and private sectors. Many initiatives are underway to protect the integrity of the SSN and to ensure that SSNs are assigned appropriately, thereby supporting efforts to increase domestic safety and protect Americans from incidents of identity fraud.

Solvency

To achieve sustainable Solvency and ensure Social Security programs meet the needs of current and future generations

The Nation's population is growing older, with profound, long-term effects on the sustainable solvency of Social Security programs. In a summary of the Social Security and Medicare 2006 annual reports, which includes 75-year projections, the Trustees state, "We do not believe the currently projected long-run growth rates of Social Security and Medicare are sustainable under current financing arrangements."

New patterns of work and earnings, marriage, divorce and childbearing are changing the characteristics of families. Individuals are living longer and healthier lives. The large baby-boom generation (persons born between 1946 and 1964) is nearing retirement and most will have retired by 2030. Without changes to the program, there will not be enough workers to generate sufficient taxable income to support the Social Security benefits needed for the baby-boom generation. Social Security must respond to these developments. An important part of this effort is educating the public about the program's financing challenges and the effect on future beneficiaries. Social Security also must serve as a resource for analysis within the Administration, as well as for Congress and interested groups. Through these actions, the Agency will be better able to support program and legislative changes in what are arguably the Nation's most important domestic programs, ensure that the programs remain secure, and meet the needs of current and future generations.

Staff

To strategically manage and align Staff to support the mission of the Agency

Social Security will strive to maintain a diverse, high-performing workforce and enhance productivity through automation, job enrichment opportunities and training, succession planning, leadership development, results-oriented performance management, and other service enhancements considering significant workload growth and increasing numbers of retirements. Through activities supporting attainment of the Staff goal, the Agency addresses each dimension of the *President's Management Agenda* (PMA) *Human Capital Initiative.* The Staff goal is unique in that it not only sets forth the Agency's goals with respect to its workforce but, in turn, enables attainment of the other three strategic goals. The human capital performance measures which correspond to the Staff goal inherently support SSA's ability to deliver high-quality service, ensure stewardship of Social Security programs, and address issues surrounding solvency of the Trust Funds.

Part 2 - Summary of Initial *FY 2008 and Revised FY 2007 Annual Performance Plan* (APP) Performance Measures

The *Agency Strategic Plan* (ASP) for fiscal years (FY) 2006 - 2011 is the basis for this APP. The ASP reflects the Social Security Administration's (SSA) priorities to deliver the service the public expects and deserves, to improve program integrity through sound stewardship, to ensure future program solvency, and to maintain quality staff required to achieve the first three goals.

The chart below is a complete summary of performance goals in the *FY 2008 and Revised FY 2007 APP*. Appendix A has a more detailed description of each strategic goal.

1 Service

To deliver high-quality, citizen-centered Service

Strategic Objective 1.1

Make the right decision in the disability process as early as possible

Long - Term Outcomes

- Reduce significantly the time it takes for a disability claimant to receive a final Agency decision
- Improve decisional consistency and accuracy
- Ensure that beneficiaries who are clearly disabled receive determinations within 20 calendar days or less

Performance Measures		FY 2007 Target	FY 2008 Target
1.1a	Percent of initial disability claims receipts processed up to the budgeted level	100% (2,530,000)	100% (2,462,000)
1.1b	Maintain the number of initial disability claims pending in the DDS (at/below FY 2007/2008 goal)	577,000	627,000
1.1c	Number of SSA hearings processed	541,000	548,000
1.1d	Maintain the number of SSA hearings pending (at/below FY 2007/2008 goal)	752,000	768,000
1.1e	Average processing time for initial disability claims	88 days	90 days
1.1f	Average processing time for SSA hearings	524 days	541 days
1.1g	Average processing time for hearings appeals	242 days	290 days
1.1h	DDS net accuracy rate (allowances and denials combined)	97%	97%
1.1i	Agency decisional accuracy rate (ADA)	97%	97%

Strategic Objective 1.2
Increase employment for people with disabilities by expanding opportunities

- Increase awareness of opportunities to achieve greater financial independence through employment
- Increase participation of beneficiaries and service providers in work opportunity initiatives

Performance Measures		FY 2007 Target	FY 2008 Target
1.2a	Number of DI and SSI beneficiaries, with tickets assigned, who work	80% above CY 2004 baseline (44,611)	Establish new baseline
1.2b	Number of SSI disabled beneficiaries earning at least $100 per month	10% over baseline (261,560)	15% over baseline (273,449)

Strategic Objective 1.3
Improve service through technology, focusing on accuracy, security, and efficiency

- Allow the public to more easily interact with SSA by increasing partnerships with government and non-governmental organizations to share data and processes
- Improve and expand service capabilities by making optimal use of technology, including telephone and other electronic processes
- Protect all sensitive data by ensuring that appropriate systems security and privacy safeguards continue to be in place
- Eliminate backlogs for postentitlement work

Performance Measures		FY 2007 Target	FY 2008 Target
1.3a	Percent of Retirement and Survivors Insurance (RSI) claims receipts processed up to the budgeted level	100% (3,837,000)	100% (4,057,000)
1.3b	Optimize the speed in answering 800-number calls	330 seconds	330 seconds
1.3c	Optimize the 800-number busy rate for calls offered to Agents	10%	10%
1.3d	Maximize public use of electronic services to conduct business with SSA	2,946,800	3,000,000
1.3e	Increase the percent of employee reports (*W-2* forms) filed electronically and processed to completion	80%	80%
1.3f	Percent of individuals who do business with SSA rating the overall service as “excellent,” “very good,” or “good”	83%	83%
1.3g	Improve workload information using the *Social Security Unified Measurement System* (SUMS)	Complete 74% of SUMS Projects	Complete 90% of SUMS Projects

2 Stewardship

To protect the integrity of Social Security programs through superior Stewardship

Strategic Objective 2.1

Detect and prevent fraudulent and improper payments and improve debt management

- Increase the Agency's stewardship accuracy rate for SSI payments
- Maintain the Agency's stewardship accuracy rates for OASDI
- Increase the percent of outstanding debt that is in a collection arrangement
- Remain current with Disability Insurance (DI) and SSI continuing disability reviews (CDR)
- Finish processing special disability cases
- Reduce the backlog of workers' compensation cases

Performance Measures		FY 2007 Target	FY 2008 Target
2.1a	Number of Supplemental Security Income (SSI) non-disability redeterminations processed	1,026,000	1,526,000
2.1b	Number of periodic CDRs processed to determine continuing entitlement based on disability[1]	729,000	1,118,000
2.1c	Percent of SSI payments free of overpayments (O/P) and underpayments (U/P)	95.7% O/P 98.8% U/P	96.0% O/P 98.8% U/P
2.1d	Percent of outstanding SSI debt in a collection arrangement	56%	57%
2.1e	Percent of Old-Age, Survivors and Disability Insurance (OASDI) payments free of O/P and U/P	99.8% O/P and U/P	99.8% O/P and U/P
2.1f	Percent of outstanding OASDI debt in a collection arrangement	44%	45%

[1] The FY 2007 target of 729,000 includes 198,000 medical CDRs and 531,000 CDR mailers not requiring medical review. The FY 2008 target of 1,118,000 includes 398,000 medical CDRs and 720,000 CDR mailers not requiring medical review.

Strategic Objective 2.2
Strengthen the integrity of the Social Security Number (SSN) issuance process to help prevent misuse and fraud of the SSN and card

- Strengthen the integrity of the SSN issuance process by engaging in ongoing policy development in partnership with other government entities
- Assign SSNs and issue cards accurately and safeguard Agency-maintained identity information
- Provide legally required SSN record verification services to aid in the prevention of SSN misuse

Performance Measures		FY 2007 Target	FY 2008 Target
2.2a	Percent of original SSNs issued that are free of critical error	98%	98%
2.2b	Percent of SSN receipts processed up to the budgeted level	96% (18,000,000)	96% (18,000,000)

Strategic Objective 2.3
Ensure the accuracy of earnings records so that eligible individuals can receive the proper benefits due them

- Facilitate more accurate earnings reports by encouraging the use of electronic wage reporting
- Reduce the number of annual earnings items posted to the *Earnings Suspense File* (ESF)

Performance Measures		FY 2007 Target	FY 2008 Target
2.3a	Remove 3 percent of the earnings items remaining in the ESF for a new tax year and post the earnings to the correct earnings record	3%	3%

Strategic Objective 2.4
Manage Agency finances and assets to link resources effectively to performance outcomes

Long - Term Outcomes

- Demonstrate the Agency's commitment to sound financial management by creating a strong internal control structure and producing relevant and reliable accounting information, including receiving an "unqualified opinion" on the Agency's financial statement audit
- Maximize the ability of the Agency's financial, performance, and management information systems to fulfill its mission by improving existing automated tools and developing new ones
- Ensure the most effective use of limited Agency resources by continuing to achieve 2 percent, on average, annual productivity improvements
- Ensure the security of the Agency's information systems, physical assets, and employees by continuously performing security assessments and acquiring state-of-the-art protection systems

	Performance Measures	FY 2007 Target	FY 2008 Target
2.4a	Continue to achieve 2 percent, on average, annual productivity improvements	2% on average	2% on average
2.4b	Disability Determination Services (DDS) case production per workyear (PPWY)	252	267
2.4c	SSA hearings case production per workyear (PPWY)	106	108
2.4d	Enhance efforts to improve financial performance using *Managerial Cost Accountability Systems* (MCAS)	Complete 58% of MCAS projects	Complete 67% of MCAS Projects
2.4e	Receive an unqualified opinion on SSA's financial statements from the auditors	Receive an unqualified opinion	Receive an unqualified opinion
2.4f	Get to "green" on the *President's Management Agenda* (PMA) initiatives status scores	Achieve a status score of "green" on five of five PMA initiatives	Maintain a status score of "green" on five of five PMA initiatives

3 Solvency

To achieve sustainable Solvency and ensure Social Security programs meet the needs of current and future generations

Strategic Objective 3

Through education and research efforts, support reforms to ensure sustainable Solvency and more responsive retirement and disability programs

Long - Term Outcome

- Achieve reform that ensures long-term solvency

Performance Measures		FY 2007 Target	FY 2008 Target
3.1a	Provide support to the Administration and Congress in developing legislative proposals and implementing reforms to achieve sustainable solvency for Social Security	Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms	Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms
3.1b	Issue annual SSA-initiated *Social Security Statements* to eligible individuals age 25 and older	100%	100%

4 Staff

To strategically manage and align Staff to support the mission of the Agency

Strategic Objective 4
Recruit, develop, and retain a high-performing workforce

Long - Term Outcomes

- Employ and develop a workforce that is diverse, committed to public service, skilled in the use of technology, and flexible in adapting to change
- Continue to use advanced technology and automation that enables staff to provide quality service to the American public
- Provide an environment and culture that encourages employee retention and motivates employees to deliver timely, quality, citizen-centered service

Performance Measures		FY 2007 Target	FY 2008 Target
4.1a	Minimize skill and knowledge gaps in mission-critical positions	Identify skill and competency gaps and develop an implementation plan for addressing gaps in mission critical occupations – Actuaries and Economists	Identify skill and competency gaps and develop an implementation plan for addressing gaps in mission critical occupations – Telecommunications and Social Science Research occupations
4.1b	Align employee performance with Agency mission and strategic goals	Implement the Performance Assessment and Communications System, which is a multi-tiered results-oriented performance assessment system for General Schedule (GS) and Federal Wage System employees below the GS-15 or equivalent grade, and GS-15 employees who are covered by the *2005 SSA/ American Federation of Government Employees (AFGE) National Agreement*	N/A
4.1c	Enhance SSA's recruitment program to support future workforce needs	Develop methodology to evaluate selected elements of the SSA recruitment strategy	Implement the recruitment evaluation methodology and collect initial baseline data

Part 3 - Program Assessment Rating Tool (PART) Measures

The Office of Management and Budget's *PART*, a diagnostic tool that identifies strengths and weaknesses of programmatic performance, has been used to examine the Social Security Administration's (SSA) Disability Insurance (DI), Supplemental Security Income (SSI), and Old-Age and Survivors insurance (OASI) programs.

OASI and SSI PART Long - Term Outcomes

- Through changes in the law, achieve and maintain sustainable solvency such that today's and tomorrow's workers can expect to receive the benefits scheduled in law as reformed rather than as determined by Trust Fund solvency, while continuing to protect those who depend on Social Security the most.
- Reduce the ratio of SSI beneficiaries below 70% of poverty to 16% by 2010
- Reduce the percentage of people dependent on SSI for more than 90% of their income to 45% by 2010

PART Performance Measures (DI, SSI, and OASI)	FY 2007	FY 2008
Average processing time for initial disability claims (DI & SSI PARTs)	88 days	90 days
Average processing time for SSA hearings (DI PART)	524 days	541 days
Disability Determination Services (DDS) net accuracy rate (allowances and denials combined) (DI & SSI PARTs)	97%	97%
Number of DI and SSI beneficiaries, with tickets assigned, who work (DI & SSI PARTs)	80% above CY 2004 baseline (44,611)	Establish new baseline
Percent of Retirement and Survivors Insurance (RSI) claims receipts processed up to the budgeted level (OASI PART)	100% (3,837,000)	100% (4,057,000)
Percent of individuals who do business with SSA rating the overall service as "excellent," "very good," or "good" (OASI PART)	83%	83%
Percent of SSI payments free of overpayments (SSI PART)	95.7%	96.0%
Percent of SSI payments free of underpayments (SSI PART)	98.8%	98.8%
Percent of Old-Age, Survivors and Disability Insurance (OASDI) payments free of overpayments (OASI PART)	99.8%	99.8%
Percent of Old-Age, Survivors and Disability Insurance (OASDI) payments free of underpayments (OASI PART)	99.8%	99.8%
Remove 3 percent of the earnings items remaining in the ESF for a new tax year and post the earnings to the correct earnings record (OASI PART)	3%	3%
Continue to achieve 2 percent, on average, annual productivity improvements (OASI PART)	2%	2%
DDS case production per workyear (DI PART)	252	267
SSA hearing case production per workyear (DI & SSI PARTs)	106	108
Issue annual SSA-initiated *Social Security Statements* to eligible individuals age 25 and older (OASI PART)	100%	100%
Percent of SSI Aged claims processed by the time the first payment is due or within 14 days of the effective filing date (SSI PART) *(Note: Not a performance measure for the APP)*	75%	80%
Achieve a cumulative productivity improvement for Retirement and Survivors Insurance claims of 16 percent through 2013 (over FY 2005) (OASI PART) *(Note: Not a performance measure for the APP)*	3%	5%

Part 4 -
Federal Information Security Management Act

The *Federal Information Security Management Act of 2002* (FISMA) was passed by Congress and signed into law by the President as part of the *E-Government Act of 2002 (Public Law No. 107-347)*. Its goals include development of a comprehensive framework to protect the government's information, operations, and assets. Providing adequate security for the Federal government's investment in information technology is a significant undertaking. FISMA requires heads of each agency to implement policies and procedures to cost-effectively reduce information technology security risks to an acceptable level. *Section 3544* of FISMA requires that an agency's *Annual Performance Plan* include the time periods and the resources, including budget, staffing and training that are necessary to implement FISMA requirements.

Social Security Administration's FISMA Statement

While SSA implemented all FISMA major program requirements within 18 months after the enactment of the FISMA in December 2002, the Agency continues to evaluate and enhance its security program annually. A Congressional report card rates Social Security's computer security efforts as among the best in the Federal Government. The report issued by the House Government Reform Subcommittee on Technology Information Policy, Intergovernmental Relations and Census gave SSA a grade of "A+." This was one of the highest among Federal agencies, with grading based upon the FISMA reporting requirements.

SSA now has developed a stringent and comprehensive FISMA *Certification and Accreditation* program to ensure that it continues to improve its FISMA security programs annually. This involves human resources from various Agency components.