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## APPROPRIATION LANGUAGE

For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed \$20,000 for official reception and representation expenses, not more than [~~\$10,565,000,000~~]~~\$10,622,846,000~~ may be expended, as authorized by section 201(g)(1) of the Social Security Act, *and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111-148*, from any one or all of the trust funds referred to in such section: *Provided*, That not less than [~~\$2,150,000~~]~~\$2,300,000~~ shall be for the Social Security Advisory Board: *Provided further*, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2013]~~2014~~ not needed for fiscal year [2013]~~2014~~ shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: *Provided further*, That the Commissioner of Social Security shall notify the Committees on Appropriations of the House of Representatives and the Senate prior to making unobligated balances available under the authority in the previous proviso: *Provided further*, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to 5 U.S.C. 7131, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise appropriated, as soon as possible after such expenditures are made.

In addition, for the cost associated with continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of

## Administrative Expenses

eligibility under title XVI of the Social Security Act, [~~\$1,024,000,000~~]~~\$273,000,000~~ may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, [That of such amount, \$273,000,000 is provided to meet the terms of section 251(b)(2)(B)(ii)(III) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and \$751,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: *Provided Further*,]That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these funds, similar to the reports that were required by section 103(d)(2) of Public Law 104-121 for fiscal years 1996 through 2002.

In addition, [~~\$170,000,000~~]~~\$173,000,000~~ to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [2013]2014 exceed [~~\$170,000,000~~]~~\$173,000,000~~, the amounts shall be available in fiscal year [2014]2015 only to the extent provided in advance in appropriations Acts.

In addition, up to \$1,000,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended. *Note.—A full year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L.112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.*

**LANGUAGE ANALYSIS**

The Limitation on Administrative Expenses (LAE) appropriation language provides the Social Security Administration (SSA) with the funds needed to administer the Old Age and Survivors Insurance (OASI), Disability Insurance (DI), and Supplemental Security Income (SSI) programs, and to support the Centers for Medicare and Medicaid Services in administering their programs. The LAE account is funded by the OASI, DI, and Medicare trust funds for their share of administrative expenses, by the General Fund of the Treasury for the SSI program’s share of administrative expenses, and through applicable user fees. The language provides the limitation on the amounts that may be expended, in total from these separate sources, for the administrative expenses of the agency.

In addition to the base request, SSA is requesting a total of \$273,000,000 in additional funding specifically for continuing disability reviews (CDR) and SSI non-medical redeterminations of eligibility (redeterminations) in LAE. We are also requesting a legislative proposal that would create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request is \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 is \$1,500,000,000.

In addition to the appropriated amounts, SSA is requesting to spend up to \$173,000,000 in SSI State Supplement user fees and up to \$1,000,000 in non-attorney representative fees.

**Table 3.1—Appropriation Language Analysis**

<i>Language Provision</i>	<i>Explanation</i>
<p><i>“Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2013]2014 not needed for fiscal year [2013]2014 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: Provided further, That the Commissioner of Social Security shall notify the Committees on Appropriations of the House of Representatives and the Senate prior to making unobligated balances available under the authority in the previous proviso...”</i></p>	<p>The language allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.</p>

## Administrative Expenses

“In addition, for the cost associated with continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, [\$1,024,000,000] \$273,000,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, [That of such amount, \$273,000,000 is provided to meet the terms of section 251(b)(2)(B)(ii)(III) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended and \$751,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(B) of Such Act: *Provided Further*,] That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these funds, similar to the reports that were required by section 103(d)(2) of Public Law 104-121 for fiscal years 1996 through 2002.”

“ In addition, [\$170,000,000] \$173,000,000 to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [2013] 2014 exceed [\$170,000,000] \$173,000,000, the amounts shall be available in fiscal year [2014] 2015 only to the extent provided in advance in appropriations Acts.”

“In addition, up to \$1,000,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended.”

The language appropriates an additional \$273,000,000 for SSA’s CDRs and redeterminations.

The language makes available up to \$173,000,000 collected from states for administration of their supplementary payments to the SSI program. This assumes the fee will increase from \$11.12 per check in FY 2013 to \$11.33 in FY 2014 according to increases established by statute. SSA receives the amount collected above \$5.00 from each fee.

The language provides for the use of up to \$1,000,000 derived from fees charged to non-attorneys who apply for certification to represent claimants.

**PROGRAM INTEGRITY ADMINISTRATIVE EXPENSES**

The Budget proposes to replace the discretionary cap adjustments authorized in the Balanced Budget and Deficit Control Act, as amended by the Budget Control Act, with a dependable stream of mandatory funding for Social Security continuing disability reviews and redeterminations. Beginning in FY 2014, the budget proposes to remove discretionary funding above the base amount of \$273 million from the Limitation on Administrative Expenses (LAE) Account and instead, provide a mandatory appropriation for program integrity activities in a newly established Program Integrity Administrative Expenses (PIAE) account. These mandatory funds will be in addition to amounts provided to the Social Security Administration (SSA) in the LAE account and will be available for two years. In 2015 and beyond, the proposal would replace both base and cap funding for program integrity and the cap on discretionary appropriations would be lowered by a commensurate amount.

**SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS**

The table below includes the significant items in the FY 2013 Senate Report, S. Rept. 112-176.

**Table 3.2— Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Bill, 2013: Senate Report (S. Report 112-176)—Significant Items**

<b>Work Incentives Planning and Assistance and Protection and Advocacy for Beneficiaries of Social Security</b>	<b>Actions Taken or To Be Taken</b>
<p>The WIPA and PABSS programs provide valuable services to disabled beneficiaries, particularly in helping them return to work. However, because of a delay in the reauthorization process, WIPA grantees have been told they will have to shut down at the end of June 2012 and PABSS grantees at the end of September 2012. The Committee strongly encourages SSA to use fiscal year 2012 funds, and the broad authority provided in annual appropriations language, to continue these programs. Specifically, the Committee encourages SSA to extend current WIPA and PABSS grants as soon as possible for a short period of time, up to 1 year, to prevent any disruption in services.</p>	<p>The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6) includes \$23 million for the WIPA program and \$7 million for the PABSS program. We plan to issue WIPA award notices by August 1 and PABSS award notices by September 1, 2013.</p>

Social Security Annual Statements	Actions Taken or To Be Taken
<p>The Committee believes that Social Security Annual Statements, required by statute to be provided to everyone older than age 25, provide valuable information to workers on their benefits under the OASI and DI programs. In addition, they allow workers to check their earnings history and notify SSA of any errors in a timely fashion. Earnings discrepancies identified years later can often be complicated and time-consuming to resolve. Therefore, the Committee directs SSA to resume the mailing of annual Social Security Account Statements in accordance with section 1143(c)(2) of the Social Security Act.</p>	<p>Full funding of the FY 2014 President’s Budget will allow us to resume mailing Social Security Statements to all eligible workers 25 years old or older.</p>

Field Office Closings	Actions Taken or To Be Taken
<p><i>Field Office Closings.</i>—The Committee directs SSA to submit a report to the Committee on Appropriations of the Senate within 90 days of enactment of this act on its policies and procedures for closing and consolidating field offices. The report should include a detailed description of the process SSA uses and the factors it considers when deciding which offices to close, and its process for notifying the public of such closures. It should also include an analysis of the offices closed in fiscal year 2012 based on those factors. Finally, the Committee directs SSA to provide a readily available public notice of proposed field office closures. Such notice should be provided not less than 90 days prior to closing any field office.</p>	<p>When a field office is closed the Regional Communications Director notifies the affected Congressional representative’s local offices and the Office of Legislative and Congressional Affairs notifies their D.C. offices 90 days in advance of a consolidation.</p>

Administrative Law Judge Disclosure Policy	Actions Taken or To Be Taken
<p>Administrative Law Judge (ALJ) Disclosure Policy.— The Committee is concerned about SSA’s new policy to not disclose the name of the ALJ who will preside over a disability appeal until the day of the hearing. The Committee notes SSA’s concern with the possibility of claimant representatives abusing the process, specifically as it relates to declining a video hearing or postponing other hearings simply to search for judges they believe are more likely to allow a case. This abuse challenges the integrity of the process and can cause administrative delays. However, such a broad policy change could have unintended consequences. The Committee strongly encourages SSA to consider policies more targeted at suspected abuse, such as sanctions against individual representatives or changes to regulations to prevent representatives from canceling a video hearing close to the hearing date without due cause. The Committee directs SSA to submit a report to the Committee on Appropriations of the Senate no later than November 1, 2012, detailing the type and scope of abuse under the previous policy and alternative policies that were considered or could otherwise be used to address the issue.</p>	<p>Beginning on April 20, the agency will resume disclosing the name of the ALJ assigned to a hearing when it sends out a Notice of Hearing. (Note: Under our rules, the agency sends out this Notice at least twenty days before the hearing.)</p> <p>In addition, beginning on April 20, we will add the ALJ’s name to the Appointed Representative Services (ARS) internet application. ARS users represent claimants in about 85 percent of all represented cases currently pending in ODAR. (Note: In the ARS application, the ALJ’s name will be added to Representative Case Status Report screen and the Case Status Display screen.)</p>

## GENERAL STATEMENT

### ADMINISTRATIVE EXPENSES OVERVIEW

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The LAE account funds the operating expenses of the Social Security Administration and its programs: the OASI and DI programs, the SSI program, certain health insurance and Medicare prescription drug functions, and the Special Benefits for Certain World War II Veterans program. With these funds, SSA will provide service to millions of Americans in our field offices, via telephone, or through the Internet at [our website](#). The LAE account provides the funds SSA needs to perform its core responsibilities, including completing claims and applications for benefits, conducting hearings to review disputed decisions, ensuring benefits continue to be distributed properly, and maintaining the integrity of the trust funds. Included in the FY 2014 President's Budget is a legislative proposal that would create a new Program Integrity Administrative Expenses account that would replace discretionary cap adjustment funding for program integrity with a more reliable stream of mandatory funding. The FY 2014 PIAE request is \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 is \$1,500,000,000.

SSA currently employs approximately 62,000 dedicated public service employees through a national network of 1,500 offices. Combined with almost 14,000 state employees in the Disability Determination Services (DDS), they demonstrate their commitment to the American public daily by providing the best service possible. SSA's employees take pride in administering agency programs, realizing that the work they do can affect the lives of all Americans.

### FY 2014 PRESIDENT'S BUDGET

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#### SSA's Programs

For FY 2014, SSA is requesting LAE budget resources of \$11.070 billion, along with \$1.227 billion for a new mandatory legislative proposal, PIAE that would allow us to significantly ramp up our program integrity work. We will continue to handle high volumes of work and focus on providing quality services, while significantly increasing program integrity efforts. Our budget also ensures that we have funding to make some investments in technology to be as efficient as possible, saving time for us and the public.

As the baby boomers continue to retire at high rates, it is essential that we have the resources to complete these applications, as well as to handle the ongoing work after the beneficiaries begin to receive benefits. We expect to complete over 5.4 million applications for retirement benefits in FY 2014. We will administer \$709 billion in OASI benefit payments to almost 47.8 million beneficiaries.

The DI program has also experienced substantial growth in the number of applications in recent years. Enactment of the President's 2014 Budget is a key component of a multi-year plan to

resolve backlogs in program integrity reviews and initial disability claims. This budget will fund the staff at the 54 State Disability Determination Services (DDS) who will complete nearly 2.9 million initial disability claims in FY 2014. However, given the high volume of cases and the need to increase our program integrity efforts, we expect that the backlog of initial disability claims will rise along with processing times in the near term. Despite these challenges, we will continue to make critical changes to the disability process to improve timeliness, quality, and efficiency. This budget, combined with our improvements to the hearings process, will enable us to complete 807,000 hearings, and the average processing time would be 387 days by the end of FY 2014. See Table 3.27 in the back of this section for more details on the disability appeal workload. In FY 2014, SSA will pay over \$145 billion in disability insurance benefits to almost 11.1 million beneficiaries.

The SSI program is a nationwide Federal assistance program administered by SSA that guarantees a minimum level of income for aged, blind, or disabled individuals. It acts as a safety net for individuals who have little or no Social Security or other income and limited resources. We estimate we will pay \$55.6 billion in Federal benefits to almost 8.2 million SSI recipients in FY 2014. Including State supplementary payments, SSA expects to pay a total of almost \$59 billion and administer payments to almost 8.5 million recipients.

SSA assists the Centers for Medicare and Medicaid Services (CMS) in administering the Medicare Hospital Insurance (HI), Supplementary Medical Insurance (SMI), and work related to the Prescription Drug programs. The Affordable Care Act (ACA) (P.L. 111-148) also created additional responsibilities for SSA, such as administering the reduction in Part D Subsidy for high-income beneficiaries through an income related monthly adjustment amount and developing verification systems in support of Health Exchange Participation.

In FY 2009, Congress appropriated funding through the Medicare Improvements Patients and Providers Act (MIPPA) to SSA for activities related to the implementation of changes to the Low-Income Subsidy (LIS) Prescription Drug program. This funding is available until expended, and we estimate we will spend \$6 million for LIS work in FY 2014.

SSA also collaborates with the Department of Homeland Security in administering the E-Verify program through verifying the employment eligibility of newly-hired employees by electronically checking employee names, Social Security numbers, dates of birth, U.S. citizenship status, and resolving discrepancies with the employee when we are unable to electronically verify that information.

### **Program Integrity**

We have two types of program integrity reviews for which we receive special funding: CDRs, which are periodic reevaluations to determine if beneficiaries are still disabled or have returned to work and no longer qualify for benefits because of their work experience, and SSI redeterminations, which are periodic reviews of non-medical factors of eligibility, such as income and resources.

We estimate that every dollar spent on CDRs yields about \$9 in lifetime program savings, including Medicare and Medicaid program effects, and that every dollar spent on SSI

## **Administrative Expenses**

redeterminations yields about \$5 in program savings over 10 years, including Medicaid program effects. The estimated lifetime savings per dollar spent on redeterminations was revised downward in the FY 2014 President's Budget due to an interaction with a provision in the ACA that mandates coverage beginning January 2014 for individuals under age 65 with income less than 138 percent of poverty. As a result of this provision, many SSI beneficiaries who would otherwise lose Medicaid coverage due to a CDR or redetermination would continue to be covered. In addition, for SSI disabled adults, the federal matching rate for Medicaid coverage is higher under the new ACA provision, resulting in higher federal Medicaid costs for those who lose coverage under SSI, but remain covered under the new provision.

In FY 2014, SSA is requesting a new legislative proposal that would provide a dependable stream of mandatory funding to significantly ramp up our program integrity work. It is critical that we receive both pieces of funding; we cannot operate at the LAE funding level alone without devastating effects on our stewardship responsibilities. In FY 2014, a legislative proposal provides \$1.227 billion in mandatory program integrity funding above \$273 million, included in the LAE base. With a \$1.5 billion total appropriation for program integrity, the associated target volume of work is 2,622,000 SSI redeterminations and 1,047,000 full medical CDRs

Program integrity reviews save taxpayers billions of dollars, but without adequate funding these savings will not be realized. The legislative proposal included in the President's Budget proposes to provide an additional \$266 million mandatory program integrity funding in FY 2013. This additional funding would allow us to handle significantly more CDRs than we currently expect to complete.

Our Access to Financial Institutions (AFI) initiative verifies alleged bank account balances of SSI applicants and recipients with financial institutions. In FY 2012, we streamlined the AFI electronic process into our existing SSI initial claims and redetermination processing system, simplifying how we administer account verification requests and responses from financial institutions. We anticipate performing more rigorous checks of alleged assets, if resources allow.

## **Information Technology (IT) Infrastructure**

IT plays a critical role in our day-to-day operations. Our IT investments have helped us achieve average annual employee productivity increases of over 4 percent each of the last five years. Most of our IT funding is necessary for ongoing operational costs such as our 800-number service and our online services, both of which help us keep pace with the recent increases in claims. In FY 2012, our IT infrastructure supported the payment of more than \$809 billion in benefits to over 61 million people and the maintenance of hundreds of millions of social security numbers and related earnings records for nearly every American.

## FUNDING REQUEST

The President's FY 2014 request will allow SSA to continue to achieve our most important goals- focusing on increasing our cost-effective program integrity work while maintaining quality service. The table below provides dollars and workyears funded by this budget:

**Table 3.3—Budgetary Request**

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
<b>Budget Authority</b> (in millions)			
<b>Limitation on Administrative Expenses (LAE)</b>	\$11,453	\$11,520	\$11,070
<b>Program Integrity Administrative Expenses (PIAE)<sup>1</sup></b>	N/A	\$266	\$1,227
<b>Research and Demonstrations</b>	\$8	\$8	\$54
<b>Office of the Inspector General (OIG)</b>	\$102	\$103	\$106
<b>Total Budget Authority<sup>2</sup></b>	<b>\$11,563</b>	<b>\$11,897</b>	<b>\$12,457</b>
<b>OTHER FUNDING</b> (in millions) <sup>3</sup>			
MIPPA – Low-Income Subsidy (LIS)	\$1	\$6	\$6
<b>Total Budgetary Resources</b>	<b>\$11,564</b>	<b>\$11,903</b>	<b>\$12,463</b>
<b>Workyears</b>			
Full-Time Equivalents	64,062	62,475	56,901
Overtime	2,287	2,020	1,570
Lump Sum	286	303	298
Program Integrity Proposed Mandatory Funding <sup>1</sup>	N/A	<u>1,242</u>	<u>6,578</u>
<b>Total SSA</b>	<b>66,635</b>	<b>66,040</b>	<b>65,347</b>
Disability Determination Services (DDS)	14,913	14,480	12,875
DDS Program Integrity Proposed Mandatory Funding <sup>1</sup>	N/A	<u>872</u>	<u>3,295</u>
<b>Total DDS</b>	<b>14,913</b>	<b>15,352</b>	<b>16,170</b>
<b>Total SSA/DDS</b>	<b>81,548</b>	<b>81,392</b>	<b>81,517</b>
OIG	573	576	581
<b>Total SSA/DDS/OIG</b>	<b>82,121</b>	<b>81,968</b>	<b>82,098</b>

<sup>1</sup> Requested as part of a legislative proposal included in the FY 2014 President's Budget that would create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request is \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 is \$1,500,000,000. The FY 2013 column reflects a total program integrity assumption of approximately \$1,024,000,000, which includes nearly \$758,000,000 as part of the LAE, and an additional \$266,000,000 as part of the PIAE account.

<sup>2</sup> Totals may not add due to rounding.

<sup>3</sup> Represents anticipated obligations.

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**PERFORMANCE TARGETS**


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The President's FY 2014 request will allow SSA to continue to achieve the following key performance targets:

**Table 3.4—Key Performance Targets**

	<b>FY 2012 Actuals</b>	<b>FY 2013 Estimate</b>	<b>FY 2014 Estimate</b>
<b>Selected Workload Measures</b>			
Retirement and Survivors Claims Completed (thousands)	5,001	5,269	5,402
Initial Disability Claims Completed (thousands)	3,207	2,970	2,851
Reconsiderations Completed (thousands)	809	803	725
SSA Hearings Completed (thousands)	820	836	807
800-Number Transactions Handled (millions)	57	52	51
Average Speed of Answer (ASA) (seconds) <sup>1</sup>	294	455	482
Agent Busy Rate (ABR) (percent) <sup>1</sup>	5	10	10
Social Security Numbers Issued (millions)	17	16	16
Annual Earnings Items Completed (millions)	245	250	253
Social Security Statements Issued (millions)	24	9	155
<b>Selected Outcome Measures</b>			
Initial Disability Claims Receipts (thousands)	3,155	3,059	2,965
SSA Hearings Receipts (thousands)	852	835	822
Initial Disability Claims Pending (thousands)	708	796	910
Reconsiderations Pending (thousands)	198	179	208
SSA Hearings Pending (thousands)	817	816	831
Average Processing Time for Initial Disability Claims (days) <sup>2</sup>	102	107	120
Average Processing Time for Initial Reconsiderations (days)	N/A	N/A	TBD
September Average Processing Time for Hearings Decisions (days)	362	380	387
Disability Determination Services Production per Workyear	324	318	320
SSA Hearings Production per Workyear	111	112	114
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(2,100)	(2,800)
<b>Selected Program Integrity Performance Measures<sup>3</sup></b>			
Periodic Continuing Disability Reviews (CDRs) Completed (thousands)	1,404	1,550	1,947
Periodic Medical CDRs (included in Periodic CDRs, thousands)	443	650	1,047
SSI Non-Disability Redeterminations Completed (thousands)	2,624	2,622	2,622

SSA's budget is fully integrated with its Annual Performance Plan (APP), which is included as the final tab in this *Justification of Estimates for Appropriations Committees*. The budget

<sup>1</sup> Although we have not yet solidified the date for full implementation of Citizen Access Routing Enterprise 2020 (CARE 2020), we anticipate that our new state-of-the-art system will decrease the ABR to 1% and increase the ASA to 555 seconds in FY 2014. We have computed the ABR and ASA using our current methodology to allow for comparability.

<sup>2</sup> The Average Processing Time for Initial Reconsiderations performance measure is still under development.

<sup>3</sup> Reflects the levels of medical continuing disability reviews and redeterminations of SSI eligibility we project with full, timely, and sustained funding as outlined in the legislative proposal for mandatory PIAE. In FY 2013, this is 228,000 CDRs above the level we could complete with enacted funding.

estimates are linked to key performance above and support all of the more detailed measures outlined in the APP.

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## RECENT ACCOMPLISHMENTS

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In FY 2012, SSA's resources were primarily used to complete our service and stewardship workloads, including:

- Set a new record for retirement and survivors claims by handling over 5 million;
- Processed high volumes of initial disability claims – over 3.2 million;
- Handled over 820,000 hearings, a new record;
- Completed over 443,000 periodic medical CDRs, a significant increase from the year before;
- Completed over 2.6 million SSI non-disability redeterminations;
- Handled nearly 57 million 800-number transactions;
- Issued 17 million SSNs;
- Completed 245 million annual earnings reports; and
- Continued to increase online claims, with 44 percent of claims filed online.

In FY 2012, SSA increased online retirement and disability benefit applications to the highest usage ever. These online services reduced the time employees spent handling applications, which was vital to dealing with the significant increase in claims. We achieved this success while maintaining high customer satisfaction. We have the three best electronic services in the Federal Government and private sector, as measured by the University of Michigan public satisfaction survey.

Despite a large volume of disability claims, we were able to reduce initial disability claims processing time by a week and significantly cut the level of pending cases. We fast-tracked nearly 6 percent of initial applications with our compassionate allowance and quick disability determination processes. Severely disabled applicants who often waited years for a decision now get one in 10-14 days.

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## PRIORITY GOALS

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We serve the American people in a wide variety of ways, enriching their lives. In support of the Administration's performance improvement efforts, we have embraced the power of goal setting as a way to improve our performance and accountability to the American people. As required by the GPRA Modernization Act of 2010, we established the following ambitious and outcome-focused Priority Goals that link directly to our overarching strategic goals and objectives.

- **Faster hearing decisions.**  
By the end of FY 2013, we will reduce the average time for a hearing decision from 345 days at the end of FY 2011 to 270 days.
- **Reduce Supplemental Security Income overpayments.**

## Administrative Expenses

By the end of FY 2013\*, we will increase our SSI overpayment accuracy rate from 93.3 percent at the end of FY 2010 to 95 percent.

\* FY 2013 data will not be available until April 2014.

- **Increase use of our online services.**

By the end of FY 2013, we will increase our online filing rates from 36 percent at the end of FY 2011 to 48 percent.

We have specific measures and milestones to monitor our progress. Additionally, through our quarterly internal review process, our executives have candid discussions regarding challenges we must overcome and strategies that will support goal achievement.

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## NATIONAL SUPPORT CENTER

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In FY 2009, Congress provided \$500 million for the construction and partial equipping of a new National Support Center (NSC) as part of the American Recovery and Reinvestment Act (Recovery Act). We currently run our nationwide computer operations from the National Computer Center (NCC). Our systems maintain demographic, wage, and benefit information on almost every American. The data housed at the NCC are critical national economic and information resources and essential to providing service to the millions of individuals who count on us each day. While once a state-of-the-art data center designed for mainframe use, the NCC is over 30 years old and the facility infrastructure systems have exceeded their useful life. With these Recovery Act funds, we are taking timely action to ensure a new facility will be built and operational as the NCC nears the end of its functional life.

### Current Status

On December 28, 2012, we received a presidential waiver allowing us to retain and continue to obligate funds appropriated for expenses of the replacement of our NCC. As of February 22, 2013, we have obligated \$373.4 million, and expect to spend the remaining ARRA funds by the end of FY 2015. The General Services Administration provided the following changes to the schedule of key milestones.

<u>Planned</u>	<u>Actual</u>	<u>Milestone</u>
Aug 2010	Aug 2010	Program of Requirements
Feb 2011	Feb 2011	Recommend Site
Sep 2011	Aug 2011	Acquire Site
Mar 2012	Jan 2012	Award Design-Build Construction
Jul 2014	TBD	Complete Construction
Oct 2014	TBD	Final Commissioning/Contingency
Mar 2015	TBD	Begin Transition of IT Services
Aug 2016	TBD	Complete Transition of IT Services

The following table provides actual and planned obligations for the NSC as of February 2013.

**Table 3.5—Actual and Planned Obligations for the New NSC**

(Dollars in thousands)

<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Planned</u>	<u>Planned</u>	<u>Planned</u>	<u>Total</u>
\$1,330.4	\$1,850.8	\$387,699.5	(\$30,856.2) <sup>1</sup>	\$58,000.0	\$77,600.0	\$4,375.5	\$500,000.0

**FY 2013 to FY 2015 NSC Plans**

We will move the information technology (IT) services from the NCC to the NSC, beginning March 2015 and completing in August 2016. Preparatory efforts are under way now to virtualize and consolidate significant portions of our IT equipment, perform application and asset inventory planning and to formulate a concise migration plan so that we can meet this goal.

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<sup>1</sup> In FY 2012, the actual bid for NSC construction came \$58.4 million under budget. Also in FY 2012, there were \$27.5 million in IT obligations, resulting in a net recovery of \$30.9 million.

**SSA-RELATED LEGISLATION ENACTED FEBRUARY 2012 – MARCH 2013**

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FY 2013

***Disaster Relief Appropriations Act, 2013 (P.L. 113-2, enacted on January 29, 2013)***

- This act provides SSA's limitation on administrative expenses account an additional appropriation of \$2 million for expenses directly related to Hurricane Sandy.
- The act requires each agency to submit to the Office of Management and Budget (OMB), the Government Accountability Office, the respective Inspector General, and the House and Senate Appropriations Committees, its internal control plans for funds by March 31, 2013.

***Improper Payments Elimination and Recovery Improvement Act of 2012 (P.L. 112-248, enacted on January 10, 2013)***

- The law requires agencies with programs that have a high risk for improper payments to report to the Inspectors General annually and make such reports available to the public.
- This act establishes the Do Not Pay Initiative requiring the use of certain databases (including SSA's death master file) designated by OMB to reduce the risk of improper payments. Congress must receive an annual report evaluating the success of the Do Not Pay Initiatives in reducing improper payments.

***American Taxpayer Relief Act of 2012 (P.L.112-240, enacted January 2, 2013)***

- This act makes permanent the exclusion of most Federal refundable and advance tax credits from consideration as income and (for a limited time after receipt) as resources when determining eligibility for or the amount of benefits under the Supplemental Security Income (SSI) program.

FY 2012

***An Act To extend by 3 years the authorization of the EB-5 Regional Center Program, the E-Verify Program, the Special Immigrant Nonminister Religious Worker Program, and the Conrad State 30 J-1 Visa Waiver Program (P.L. 112-176, enacted on September 28, 2012)***

- This law temporarily reauthorizes the E-Verify program along with other visa programs for a period of three years, until September 30, 2015.

***Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96, enacted on February 22, 2012)***

- This act extends the 2-percent point reduction in the Social Security payroll tax rate through December 31, 2012.

## BUDGETARY RESOURCES

The Administrative Expense accounts, LAE and PIAE, represent SSA's administrative budget for carrying out its responsibilities under the Social Security Act. This includes administering the OASI, DI, SSI and Special Benefits for Certain WWII Veterans programs and supporting the Centers for Medicare and Medicaid Services in administering the HI, SMI, and Medicare Part D programs. The President's Budget for the administrative accounts in FY 2014 is \$12.297 billion.

### AMOUNTS AVAILABLE FOR OBLIGATION

**Table 3.6—Amounts Available for Obligation<sup>1</sup> (dollars in thousands)**

	FY 2012 Actual <sup>2</sup>	FY 2013 Estimate <sup>3</sup>	FY 2014 Estimate <sup>3</sup>
<b>Administrative Expenses</b>			
LAE Appropriation	\$11,453,290	\$ 11,520,431	\$ 11,069,846
Unobligated Balance, start-of-year	\$ 44,632	\$ 147,858	\$ 0
Recoveries and Transfers	\$ 218,796	\$ 45,600	\$ 0
Unrealized Non-Attorney User Fees	\$ -982	\$ 0	\$ 0
<b>Subtotal LAE Resources</b>	<b>\$ 11,715,737</b>	<b>\$ 11,713,889</b>	<b>\$11,069,846</b>
Unobligated Balance, lapsing	-\$ 56,664	\$ 0	\$ 0
Unobligated Balance, end-of-year (LAE Carryover)	-\$ 147,858	\$ 0	\$ 0
<b>Obligations, LAE</b>	<b>\$ 11,511,215</b>	<b>\$ 11,713,889</b>	<b>\$ 11,069,846</b>
Program Integrity Administrative Expenses (PIAE)	\$ 0	\$266,000	\$1,227,000
<b>Obligations, PIAE Resources</b>	<b>\$ 0</b>	<b>\$266,000</b>	<b>\$1,227,000</b>
<b>Total Administrative Expenses Obligations</b>	<b>\$ 11,511,215</b>	<b>\$11,979,889</b>	<b>\$12,296,846</b>
<b>Recovery Act Resources<sup>4</sup></b>			
<b>Unobligated Balances, start-of-year: NSC</b>	<b>\$ 167,500</b>	<b>\$ 139,976</b>	<b>\$ 81,976</b>
Unobligated Balances, end-of-year: NSC	-\$ 139,976	-\$ 81,976	-\$ 4,376
<b>Obligations, Recovery Act</b>	<b>\$ 27,525</b>	<b>\$ 58,000</b>	<b>\$ 77,600</b>
<b>MIPPA – LIS</b>			
<b>Unobligated Balances, start-of-year</b>	<b>\$ 12,850</b>	<b>\$ 12,202</b>	<b>\$ 6,101</b>
Unobligated Balances, end-of-year	-\$ 12,202	-\$ 6,101	\$ 0
<b>Obligations, MIPPA - LIS</b>	<b>\$ 647</b>	<b>\$ 6,101</b>	<b>\$ 6,101</b>
<b>State Children's Health Insurance Program (SCHIP)</b>			
<b>Unobligated Balances, start-of-year</b>	<b>\$ 3,272</b>	<b>\$ 2,123</b>	<b>\$ 1,062</b>
Unobligated Balances, end-of-year	-\$ 2,123	-\$ 1,062	\$ 0
<b>Obligations, SCHIP</b>	<b>\$ 1,149</b>	<b>\$ 1,062</b>	<b>\$ 1,062</b>

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> In order to carry out responsibilities associated with the Affordable Care Act, the Department of Health and Human Services (HHS) provided SSA with \$1,400,000 in FY 2012.

## Administrative Expenses

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<sup>3</sup> Reflects a legislative proposal included in the FY 2014 President's Budget that would create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request is \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 is \$1,500,000,000. The FY 2013 column reflects a total program integrity assumption of \$1,024,000,000, which includes \$758,000,000 as part of the LAE, and \$266,000,000 as part of the PIAE account.

<sup>4</sup> The American Recovery and Reinvestment Act of 2009 provided SSA with funding to administer the \$250 economic recovery payments to Social Security and Supplemental Security Income beneficiaries, to help address the increasing disability and retirement workloads, and to replace SSA's National Computer Center. The authority to incur new obligations for both administering economic recovery payments and for workload processing expired at the end of 2011.

## BUDGET AUTHORITY AND OUTLAYS

The LAE and PIAE accounts are funded by the Social Security Trust Funds, the General Fund, the Medicare Trust Funds, and applicable user fees. Section 201(g) of the Social Security Act provides that SSA determines the share of administrative expenses that should have been borne by the appropriate trust funds for the administration of their respective programs and the General Fund for administration of the SSI program. SSA calculates the administrative costs attributable to each program using its Government Accountability Office approved cost analysis system. In FY 2009, SSA received additional funds from the General Fund of the Treasury, provided by the Recovery Act and the MIPPA.

**Table 3.7—Budget Authority and Outlays**  
(dollars in thousands)<sup>1,2</sup>

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
OASI and DI Trust Funds <sup>3</sup>	\$ 5,588,104	\$ 5,780,843	\$ 5,758,708
HI and SMI Trust Funds	\$ 2,089,794	\$ 2,102,584	\$ 1,960,838
SSA Advisory Board	\$ 2,146	\$ 2,159	\$ 2,300
SSI Administrative Expenses	\$ 3,611,552	\$ 3,738,162	\$ 4,401,000
SSI State Supplement User Fees	\$ 160,696	\$ 161,679	\$ 173,000
Non-Attorney Representative User Fees	\$ 998	\$ 1,004	\$ 1,000
MIPPA - LIS	N/A	N/A	N/A
Recovery Act	N/A	N/A	N/A
<b>Total Budget Authority</b>	<b>\$ 11,453,290</b>	<b>\$ 11,786,431</b>	<b>\$ 12,296,846</b>
OASI and DI Trust Funds <sup>3</sup>	\$ 5,416,508	\$ 5,743,066	\$ 5,671,616
HI and SMI Trust Funds	\$ 1,812,416	\$ 2,086,599	\$ 1,926,027
SSI Administrative Expenses	\$ 4,068,594	\$ 3,712,403	\$ 4,337,657
SSI State Supplement User Fees	\$ 160,121	\$ 161,679	\$ 173,000
Non-Attorney Representative User Fees	\$ 356	\$ 500	\$ 500
MIPPA - LIS	\$ 647	\$ 6,000	\$ 6,000
Recovery Act - Workload Processing	\$ 6,945	\$ 0	\$ 0
Recovery Act - Economic Recovery	\$ 0	\$ 0	\$ 0
Recovery Act - New NSC	\$ 21,089	\$ 174,925	\$ 158,700
<b>Total Administrative Outlays</b>	<b>\$ 11,486,676</b>	<b>\$ 11,885,172</b>	<b>\$ 12,273,500</b>

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Requested as part of a legislative proposal included in the FY 2014 President's Budget that would create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request is \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 is \$1,500,000,000. The FY 2013 column reflects a total program integrity assumption of approximately \$1,024,000,000, which includes nearly \$758,000,000 as part of the LAE, and an additional \$266,000,000 as part of the PIAE account.

<sup>3</sup> OASDI includes funding for administration of the Special Benefits for Certain World War II Veterans.

## KEY ASSUMPTIONS AND COST DRIVERS

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We continue to do everything we can to reduce our operating costs. Nevertheless, as our beneficiary population rises each year, our costs continue to rise as well. While some of our programs have discrete cost-drivers associated with them, the majority of cost-drivers affect all programs. For example, State furloughs of DDS employees influence the SSI and DI programs, while our aging data center affects all of our programs.

In light of these difficulties, we formulated this budget to address the following challenges:

- High demand for services due to the aging population and the continued fallout from the economic downturn on our disability and hearings workloads, see [the Social Security Office of the Chief Actuary Website](#);
- Hearings backlog;
- Complex disability process, see [the Social Security Disability Program documents website](#);
- Growth in non-traditional workloads (e.g., immigration, Medicare, and verifications for other programs);
- Reducing improper payments and completing cost-effective program integrity work, see [the Social Security Improper Payments website](#);
- Finding additional efficiencies and streamlining business processes;
- Modernizing computer systems, see [SSA's Recovery Act Plan](#)
- Cyber threats;
- Rising infrastructure costs; and
- State furloughs of DDS employees, see [our Furlough Press Releases](#) and [Furlough Information page](#)

Please see the performance table for projected work completed for our major workloads, as well as our productivity numbers.

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**ANALYSIS OF CHANGES**


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The FY 2014 request represents a \$336.6 million increase over the FY 2013 level. The following tables provide a summary of the changes from the FY 2013 level to the FY 2014 President's Budget.

**Table 3.8—Summary of Changes from FY 2013 to FY 2014<sup>1,2</sup>**  
(dollars in thousands)

	FY 2013 Estimate	FY 2014 Estimate	FY13 to FY14 Change
<b>Total Administrative Expenses<sup>3</sup></b>	<b>\$ 11,979,889</b>	<b>\$ 12,296,846</b>	<b>+ \$ 316,957</b>
Appropriation	\$ 11,786,431	\$ 12,296,846	+ \$ 510,415
Amounts Available From Prior Year Unobligated Balances	\$ 193,458	\$ 0	- \$ 193,458
<b>Obligations, Administrative Expenses</b>	<b><u>\$ 11,979,889</u></b>	<b><u>\$ 12,296,846</u></b>	<b>+ <u>\$ 316,957</u></b>
Unobligated Balance, end- of-year	\$ 0	\$ 0	\$ 0
<b>Recovery Act Obligations</b>	<b><u>\$ 58,000</u></b>	<b><u>\$ 77,600</u></b>	<b>+ <u>\$ 19,600</u></b>
National Support Center	\$ 58,000	\$ 77,600	+ \$ 19,600
<b>MIPPA - LIS Obligations</b>	<b><u>\$ 6,101</u></b>	<b><u>\$ 6,101</u></b>	<b><u>\$ 0</u></b>
<b>SCHIP Obligations</b>	<b><u>\$ 1,062</u></b>	<b><u>\$ 1,062</u></b>	<b><u>\$ 0</u></b>
<b>Obligations, Total</b>	<b><u>\$ 12,045,052</u></b>	<b><u>\$ 12,381,609</u></b>	<b>+ <u>\$ 336,557</u></b>

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<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Reflects a legislative proposal included in the FY 2014 President's Budget that would create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request is \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 is \$1,500,000,000. The FY 2013 column reflects a total program integrity assumption of \$1,024,000,000, which includes \$758,000,000 as part of the LAE, and \$266,000,000 as part of the PIAE account.

<sup>3</sup> Includes funds associated with the Program Integrity Administrative Expenses (PIAE) mandatory funding proposal.

**Table 3.9—Explanation of Total Administrative Expenses Budget Changes from FY 2013 to FY 2014**  
(dollars in thousands)

	FY 2013		Change from FY 2013	
	Federal WYs	Obligations	Federal WYs	Obligations
<b><u>BUILT-IN INCREASES</u></b>				
<b><u>Payroll Expenses</u></b>	66,040	\$ 6,540,000		\$ 266,768
Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System				213,766
Nine-month effect of assumed Federal pay increase effective January 2014				53,003
<b><u>Non-Payroll Costs</u></b>				
Mandatory growth in non-payroll costs, including higher costs of rent, security, and guard services		\$ 2,089,322		\$ 32,405
<b><u>State Disability Determination Services</u></b>				
Mandatory growth in State DDS costs, including pay raises and the cost of medical evidence		\$ 2,295,000		\$ 72,085
<b>Subtotal, Built-In Increases</b>				<b>+\$ 371,259</b>
<b><u>PROGRAM INCREASES</u></b>				
<b><u>Funding for IT</u></b>				
Increase in funding for IT, including desktop, voice and data communications, infrastructure, costs for major projects, and ongoing operational costs of AFI.		\$ 858,000		\$ 30,254
<b><u>State Disability Determination Services</u></b>				\$117,915
<b><u>Social Security Statements</u></b>		\$4,109		\$67,024
<b><u>Recovery Act – New NSC Resources</u></b>				
Non-personnel Costs		\$58,000		\$19,600
<b>Subtotal, Program Increases</b>				<b>+\$ 234,792</b>
<b>Total Increases</b>				<b>+\$ 606,051</b>

Table Continues on the Next Page

Administrative Expenses

	FY 2013		Change from FY 2013	
	Federal WYs	Obligations	Federal WYs	Obligations
<b><u>PROGRAM DECREASES</u></b>				
<b><u>Net Decrease in WYs</u></b>			- 693	-\$ 68,768
<b><u>Net Decrease in Non-Payroll Costs</u></b>				-\$ 7,268
<b><u>Decreases in Obligations Funded from Other Prior-Year Unobligated Balances</u></b>		\$193,458		-\$ 193,458
<b>Total Decreases</b>			- 693	<b>-\$ 269,494</b>
<b><u>OTHER OBLIGATIONS</u></b>				
<b><u>MIPPA - LIS</u></b>		\$6,101		\$0
<b><u>State Children's Health Insurance Program (SCHIP)</u></b>		\$1,062		\$0
<b>Total LAE Obligations, Net Change</b>	<b>66,040</b>	<b>\$ 12,045,052</b>	<b>- 693</b>	<b>+\$ 336,557</b>

**BUDGETARY RESOURCES BY OBJECT**

**Table 3.10—Budgetary Resources by Object<sup>1,2,3</sup>**  
(dollars in thousands)

	<b>FY 2013</b>	<b>FY 2014</b>	<b>Change</b>
Personnel Compensation			
Permanent positions	\$ 4,646,389	\$ 4,739,680	\$ 93,291
Positions other than permanent	\$ 104,412	\$ 106,353	\$ 1,941
Other personnel compensation	\$ 252,099	\$ 220,511	-\$ 31,588
Special personal service payments	\$ 5,845	\$ 5,976	\$ 131
Subtotal, personnel compensation	\$ 5,008,745	\$ 5,072,521	\$ 63,775
Personnel Benefits	\$ 1,538,418	\$ 1,672,643	\$ 134,225
Travel and transportation of persons	\$ 35,434	\$ 35,348	-\$ 86
Transportation of things	\$ 14,895	\$ 14,859	-\$ 36
Rent, communications, and utilities			
Rental payments to GSA	\$ 717,620	\$ 740,478	\$ 22,858
Rental payments to others	\$ 313	\$ 313	-
Communications, utilities, misc.	\$ 392,906	\$ 438,685	\$ 45,779
Printing and reproduction	\$ 29,452	\$ 36,880	\$ 7,428
Other services (DDS, guards, etc.)	\$ 3,741,775	\$ 3,841,449	\$ 99,674
Supplies and materials	\$ 51,077	\$ 50,853	-\$ 224
Equipment	\$ 309,647	\$ 273,547	-\$ 36,100
Land and structures	\$ 181,051	\$ 180,473	-\$ 578
Grants, subsidies and contributions	\$ 102	\$ 101	-\$ 1
Insurance claims and indemnities	\$ 23,612	\$ 23,456	-\$ 156
Interest and dividends	\$ 5	\$ 4	-\$ 1
<b>Total Obligations</b>	<b>\$ 12,045,052</b>	<b>\$12,381,609</b>	<b>\$ 336,557</b>
Resources not being obligated in the current year (carrying over or lapsing)	\$ 89,139	\$ 4,376	-\$ 84,763
<b>Total Budgetary Resources</b>	<b>\$ 12,134,191</b>	<b>\$ 12,385,985</b>	<b>\$ 251,794</b>
Payments to State DDS (funded from other services and Communications, utilities, and misc.)	\$ 2,295,000	\$ 2,485,000	\$ 190,000

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> The obligations include the base LAE appropriation, Recovery Act, LIS, SCHIP, and the PIAE mandatory funding proposal. The table reflects FY 2013 and FY 2014 projections of spending by object class. Resources are not managed at the object class level and SSA has the flexibility within the Administrative Expense accounts to modify projected spending during the budget execution process.

<sup>3</sup> Reflects a legislative proposal included in the FY 2014 President’s Budget that would create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request is \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 is \$1,500,000,000. The FY 2013 column reflects a total program integrity assumption of \$1,024,000,000, which includes \$758,000,000 as part of the LAE, and \$266,000,000 as part of the PIAE account.

**BACKGROUND**

**AUTHORIZING LEGISLATION**

The LAE account is authorized by section 201(g) of the Social Security Act. The authorization language makes available for expenditure, out of any or all of the Trust Funds, such amounts as Congress deems appropriate for administering Title II, Title VIII, Title XVI, and Title XVIII of the Social Security Act for which SSA is responsible and Title XVIII of the Act for which the Secretary of Health and Human Services is responsible.

**Table 3.11—Authorizing Legislation  
(dollars in thousands)**

	<b>2012 Amount Authorized</b>	<b>2012 Enacted<sup>1</sup></b>	<b>2013 Amount Authorized</b>	<b>2013 estimate<sup>2</sup></b>	<b>2014 Amount Authorized</b>	<b>2014 Estimate<sup>3,4</sup></b>
<b>Title II, Section 201(g)(1) of the Social Security Act</b>	Indefinite	\$11,453,290	Indefinite	\$11,520,431	Indefinite	\$11,069,846

<sup>1</sup> The FY 2012 request included \$483 million in additional funding for program integrity work, \$161 million for SSI State Supplement user fees, and up to \$1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

<sup>2</sup> The FY 2013 request included \$483 million in additional funding for program integrity work, \$162 million for SSI State Supplement user fees, and up to \$1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

<sup>3</sup> The FY 2014 request includes \$273 million in additional funding for program integrity work, \$173 million for SSI State Supplement user fees, and up to \$1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

<sup>4</sup> The FY 2014 Budget Request includes a legislative proposal included in the FY 2014 President’s Budget that would create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request is \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 is \$1,500,000,000.

## APPROPRIATION HISTORY

The table below includes the amount requested by the President, passed by the House and Senate Committees on Appropriations, and ultimately appropriated for the LAE account, including any rescissions and supplemental appropriations, for the last 10 years. The annual appropriation includes amounts authorized from SSI State Supplement user fees and, beginning in FY 2005, non-attorney representative user fees. Included in the FY 2014 President's Budget is a legislative proposal that would create a new PIAE account that would provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request is \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 is \$1,500,000,000.

**Table 3.12—Appropriation History Table**

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
<b>2004</b>	\$8,530,000,000 <sup>1</sup>	\$8,361,800,000 <sup>2</sup>	\$8,530,000,000 <sup>3</sup>	\$8,361,800,000 <sup>4</sup>
Rescission <sup>5</sup>				-\$48,626,600
Final				<b>\$8,313,173,400</b>
Medicare Modernization Act <sup>6</sup>				\$500,000,000
<b>2005</b>	\$8,878,000,000 <sup>7</sup>	\$8,798,100,000 <sup>8</sup>	\$8,622,818,000 <sup>9</sup>	\$8,801,896,000 <sup>10</sup>
Rescission <sup>11</sup>				-\$69,394,400
Final				<b>\$8,732,501,600</b>
<b>2006</b>	\$9,403,000,000 <sup>12</sup>	\$9,279,700,000 <sup>13</sup>	\$9,329,400,000 <sup>14</sup>	\$9,199,400,000 <sup>15</sup>
Rescission <sup>16</sup>				-\$90,794,000
Final				<b>\$9,108,606,000</b>
Hurricane Katrina Funding <sup>17</sup>				\$38,000,000
<b>2007</b>	\$9,496,000,000 <sup>18</sup>	\$9,293,000,000 <sup>19</sup>	\$9,093,000,000 <sup>20</sup>	<b>\$9,297,573,000</b> <sup>21</sup>
<b>2008</b>	\$9,596,953,000 <sup>22</sup>	\$9,696,953,000 <sup>23</sup>	\$9,721,953,000 <sup>24</sup>	\$9,917,842,000 <sup>25</sup>
Rescission <sup>26</sup>				-\$173,264,731
Final				<b>\$9,744,577,269</b>
Economic Stimulus Act <sup>27</sup>				\$31,000,000
<b>2009</b>	\$10,327,000,000 <sup>28</sup>	- - - <sup>29</sup>	\$10,377,000,000 <sup>30</sup>	<b>\$10,453,500,000</b> <sup>31</sup>
MIPPA – Low Income Subsidy <sup>32</sup>				\$24,800,000
Recovery Act <sup>33</sup>				\$1,090,000,000
<b>2010</b>	\$11,451,000,000 <sup>34</sup>	\$11,446,500,000 <sup>35</sup>	\$11,446,500,000 <sup>36</sup>	\$11,446,500,000 <sup>37</sup>
Rescission <sup>38</sup>				\$47,000,000
<b>2011</b>	\$12,378,863,280 <sup>39</sup>	- - - <sup>40</sup>	\$12,377,000,000 <sup>41</sup>	\$11,446,500,000 <sup>42</sup>
Rescission <sup>43</sup>				\$22,893,000
Final				<b>\$11,423,607,000</b>
<b>2012</b>	\$12,522,000,000 <sup>44</sup>	- - - <sup>45</sup>	\$11,632,448,000 <sup>46</sup>	\$11,474,978,000 <sup>47</sup>
Rescission <sup>48</sup>				\$21,688,000
Final				<b>\$11,453,290,000</b> <sup>49</sup>
<b>2013</b>	\$11,760,000,000 <sup>50</sup>	- - - <sup>51</sup>	\$11,736,044,000 <sup>52</sup>	<sup>53</sup>
<b>2014</b>	<b>\$12,296,846,000</b>			
LAE	\$11,069,846,000 <sup>54</sup>			
PIAE	\$ 1,227,000,000 <sup>55</sup>			

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- <sup>1</sup> Total includes \$120,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments.
- <sup>2</sup> H.R. 2660.
- <sup>3</sup> S. 1356.
- <sup>4</sup> Consolidated Appropriations Act, 2004 (P.L. 108-199).
- <sup>5</sup> A total of \$48,626,600 was rescinded by Consolidated Appropriations Act, 2004 (P.L. 108-199).
- <sup>6</sup> A total of \$500,000,000 was provided to SSA for start-up costs for the implementation of the Medicare Modernization Act of 2003 (P.L. 108-173).
- <sup>7</sup> Total includes up to \$121,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments.
- <sup>8</sup> H.R. 5006.
- <sup>9</sup> S. 2810.
- <sup>10</sup> Consolidated Appropriations Act, 2005 (P.L. 108-447). Total includes up to \$124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$3,600,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>11</sup> A total of \$69,394,400 was rescinded by Consolidated Appropriations Act, 2005 (P.L. 108-447).
- <sup>12</sup> Includes a total of \$601,000,000 in earmarked funding for continuing disability reviews in FY 2006. Total consists of \$412,000,000 in base funding and \$189,000,000 in additional funds. Includes up to \$131,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$3,600,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>13</sup> H.R. 3010.
- <sup>14</sup> H.R. 3010, reported from Committee with an amendment.
- <sup>15</sup> Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149). Total includes up to \$119,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>16</sup> A total of \$90,794,000 was rescinded by Department of Defense Appropriations Act, 2006 (P.L. 109-148).
- <sup>17</sup> A transfer from Department of Homeland Security for Hurricane Katrina-related costs (appropriated by P.L. 109-234).
- <sup>18</sup> Includes a total of \$490,000,000 in funding designated for continuing disability reviews in FY 2007. Total consists of \$289,000,000 in base funding and \$201,000,000 in additional funds. Includes up to \$119,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>19</sup> H.R. 5647.
- <sup>20</sup> S. 3708.
- <sup>21</sup> Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).
- <sup>22</sup> Includes a total of \$477,000,000 in funding designated for SSI redeterminations and continuing disability reviews (CDRs). The base and cap adjustment requests for 2008 include both CDRs and SSI redeterminations, whereas previous cap adjustment requests were for CDRs only. Total consists of \$264,000,000 in base funding and \$213,000,000 in additional funds. Includes up to \$135,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>23</sup> H.R. 3043.
- <sup>24</sup> S. 1710.

## Administrative Expenses

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- <sup>25</sup> Consolidated Appropriations Act, 2008 (P.L. 110-161). Includes up to \$132,641,550 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$982,530 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>26</sup> A total of \$173,264,731 was rescinded by the Consolidated Appropriations Act, 2008 (P.L. 110-161).
- <sup>27</sup> Economic Stimulus Act (P.L. 110-185) provides funds for work related to rebate checks for Title II beneficiaries and disabled veterans.
- <sup>28</sup> Total includes \$504,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$264,000,000 in base funding and \$240,000,000 in additional funds. Includes up to \$145,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>29</sup> The House Committee on Appropriations did not report a bill.
- <sup>30</sup> S. 3230.
- <sup>31</sup> Omnibus Appropriations Act, 2009 (P.L. 111-8). Total includes \$504,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$264,000,000 in base funding and \$240,000,000 in additional funds. After enactment of the FY 2009 appropriation, \$1,378,700 was transferred from LAE to OIG.
- <sup>32</sup> From the General Fund of the Treasury, the Medicare Improvements for Patients and Providers Act (MIPPA) (P.L. 110-275) provides \$24,800,000 for activities related to the implementation of changes to the Low-Income Subsidy program. The MIPPA total does not include \$24,100,000 for Medicare Savings Program outreach and transmittal of data to states. Also not included is the Children’s Health Insurance Program Reauthorization Act (P.L. 111-3), which appropriated to SSA \$5,000,000 to provide states the option to verify citizenship or nationality for the purposes of determining Medicaid or Children’s Health Insurance Program eligibility.
- <sup>33</sup> The American Recovery and Reinvestment Act (Recovery Act) (P.L. 111-5) provides SSA \$500,000,000 to process growing disability and retirement workloads, \$500,000,000 to replace the National Computer Center, and \$90,000,000 to administer the \$250 economic recovery payments for eligible Social Security and Supplemental Security Income beneficiaries.
- <sup>34</sup> Total includes \$758,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$273,000,000 in base funding and \$485,000,000 in additional funds. Includes up to \$165,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>35</sup> H.R. 3293.
- <sup>36</sup> H.R. 3293, reported from Committee with an amendment.
- <sup>37</sup> Consolidated Appropriations Act, 2010 (P.L. 111-117). Total includes \$758,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$273,000,000 in base funding and \$485,000,000 in additional funds. The enacted amount matches the President’s request, after accounting for a technical adjustment resulting from CBO’s scoring of user fees. Total includes up to \$160,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments, and \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>38</sup> \$47,000,000 of Recovery Act Economic Recovery Payment administration funds rescinded by section 318 of P.L. 111-226.
- <sup>39</sup> Total includes \$796,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$283,000,000 in base funding and \$513,000,000 in additional funds. Includes up to \$185,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Includes \$1,863,280 to increase SSA’s acquisition workforce capacity and capabilities.
- <sup>40</sup> The House Committee on Appropriations did not report a bill.
- <sup>41</sup> S. 3686.
- <sup>42</sup> Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

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- <sup>43</sup> A total of \$22,893,000 was rescinded by the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). The table does not display a \$200,000,000 rescission of no-year IT funds enacted in the Additional Continuing Appropriations Amendments, 2011 (P.L. 112-6) or a \$75,000,000 rescission of no-year IT funds enacted in the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).
- <sup>44</sup> Total includes \$938,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$315,000,000 in base funding and \$623,000,000 in additional funds. Includes up to \$163,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Includes \$1,863,000 to increase SSA’s acquisition workforce capacity and capabilities.
- <sup>45</sup> The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$12,041,494,000.
- <sup>46</sup> S. 1599.
- <sup>47</sup> Consolidated Appropriations Act, 2012 (P.L. 112-74). Total includes \$483,484,000 for continuing disability reviews and SSI redeterminations appropriated in the Disaster Relief Appropriations Act (P.L. 112-77).
- <sup>48</sup> A total of \$21,688,000 was rescinded by the Consolidated Appropriations Act, 2012 (P.L. 112-74).
- <sup>49</sup> The FY 2012 enacted LAE Budget Authority is \$11,453 million. However, effective April 1, 2012, Massachusetts will assume control of its State Supplementary payments reducing the estimated SSI user fees by approximately \$7.1 million. The resulting available SSI user fee funding for FY 2012 is approximately \$154 million. The available LAE funding for FY 2012 is approximately \$11,446 million.
- <sup>50</sup> Total includes \$1,024,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$273,000,000 in base funding and \$751,000,000 in additional funds. Includes up to \$170,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>51</sup> The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$10,684,414,000 for LAE.
- <sup>52</sup> S. 3295.
- <sup>53</sup> At the time the Budget was formulated we had not received a full year appropriation for FY 2013. We were operating under a six month CR (P.L. 112-175) that funded agency operations at \$11,520,000,000 if annualized. This represents a 0.612 percent increase from the FY 2012 enacted level.
- <sup>54</sup> Total includes \$273,000,000 in funding designated for SSI redeterminations and continuing disability reviews. Includes up to \$173,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>55</sup> The FY 2014 President’s Budget includes a legislative proposal to create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request is \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 is \$1,500,000,000.

## ADDITIONAL BUDGET DETAIL

### SIZE AND SCOPE OF SSA'S PROGRAMS

SSA's administrative budget is driven by the size of the programs we administer—both in terms of the amount of work performed and the number of people needed to process it—and by its continuing efforts to improve service, stewardship and efficiency.

Between the three major programs SSA administers—OASI, DI, and SSI—Federal benefit payment outlays totaled \$771.8 billion in FY 2011; under current law, Federal benefit payment outlays are expected to increase to \$815.6 billion in FY 2012 and \$869.1 billion in FY 2013. At approximately 1.4 percent of total outlays, SSA's administrative expenses continue to be a small fraction of overall program spending, demonstrating the agency's cost-conscious approach to managing its resources.

**Table 3.13—Federal Benefit Outlays<sup>1,2</sup>**  
(dollars in billions)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate
Old-Age and Survivors Insurance	\$ 591.5	\$ 631.2	\$ 672.0
Disability Insurance	\$ 128.0	\$ 136.3	\$ 142.8
Supplemental Security Income	\$ 52.4	\$ 48.1	\$ 54.2
<b>Total Outlays</b>	<b>\$ 771.8</b>	<b>\$ 815.6</b>	<b>\$ 869.1</b>

Paralleling the growth in benefit payment outlays, the number of Federal beneficiaries of the three major programs SSA administers is expected to increase from 59.6 million in FY 2011 to 61.4 million in FY 2012 and 63.3 million in FY 2013.

**Table 3.14—Beneficiaries<sup>1,3</sup>**  
(average in payment status, in millions)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Estimate
Old-Age and Survivors Insurance	44.1	45.3	46.7
Disability Insurance	10.3	10.7	11.1
Supplemental Security Income <sup>4</sup>	7.8	8.0	8.2
Concurrent Recipients <sup>5</sup>	-2.5	-2.6	-2.6
<b>Total Beneficiaries</b>	<b>59.6</b>	<b>61.4</b>	<b>63.3</b>

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Totals do not include payments to recipients of Special Benefits for World War II Veterans.

<sup>3</sup> Totals do not include recipients of Special Benefits for World War II Veterans.

<sup>4</sup> Does not include recipients who only receive a Federally Administered State supplementary payment and no Federal benefit.

<sup>5</sup> Recipients receiving both DI and SSI benefits.

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**FULL TIME EQUIVALENTS AND WORKYEARS**


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The following table summarizes the Administrative Expense Accounts Federal and State workyears requested for FY 2014.

**Table 3.15—SSA Supported Federal and State Workyears<sup>1</sup>**

	<b>FY 2012 Actual</b>	<b>FY 2013 Estimate</b>	<b>FY 2014 Estimate</b>
Federal Full-Time Equivalents (FTEs)	64,062	63,717	63,479
Federal Overtime/Lump Sum Leave	2,573	2,323	1,868
<b>Total SSA Workyears (excludes OIG)</b>	<b>66,635</b>	<b>66,040</b>	<b>65,347</b>
Total State DDS Workyears	14,913	15,352	16,170
<b>Total SSA/DDS Workyears (excludes OIG)</b>	<b>81,548</b>	<b>81,392</b>	<b>81,517</b>

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**SOCIAL SECURITY ADVISORY BOARD**


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This budget includes \$2.3 million for the Social Security Advisory Board in FY 2013. The *Social Security Independence and Program Improvements Act of 1994* mandated the creation of a seven-member Advisory Board to make recommendations on policies and regulations relating to SSA's major programs: OASDI and SSI. The Board is required by law to meet at least four times per year. For more information about the Social Security Advisory Board, please see their [website](#),

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<sup>1</sup> Includes all workyears funded by the Recovery Act, MIPPA, Children's Health Insurance Program Reauthorization Act of 2009, and the PIAE mandatory funding proposal.

## IT FUND TABLES

Table 3.16— LAE Expired Balances &amp; No-Year IT Account (in thousands)

LAE Expired Accounts	Amounts
LAE unobligated balance from FY 2008-2011	\$185,600
LAE unobligated balance available from FY 2012	\$56,000
Total LAE unobligated balance from FY 2008-2012	\$241,600 <sup>1</sup>
Amounts projected for prior year adjustments	-\$196,000 <sup>2</sup>
Total LAE unobligated balance available for transfer from FY 2008-2011	<b>\$45,600</b>
<b>No-Year ITS Account</b>	
Carryover from funds transferred in FY 2011 for FY 2012	\$0
Carryover from FY 2011 (Unobligated Balances)	\$32,477
Total carryover from FY 2011 to FY 2012	\$32,477
Funds transferred in FY 2012 for FY 2012	\$215,000
Total FY 2012 no-year ITS funding available	\$247,477
FY 2012 Obligations	-\$129,756
Recoveries in FY 2012	\$0
Total carryover into FY 2013	\$117,721
Funds transferred in FY 2013 for FY 2013 (apportioned on 11/30/2012)	\$45,600
<b>Total FY 2013 no-year ITS funding available</b>	<b>\$163,321</b>

## ITS BUDGET AUTHORITY

SSA's FY 2014 Information Technology Systems (ITS) budget provides resources for the acquisition and maintenance of automated data processing (ADP) and telecommunications hardware and software, as well as ADP support services and related contractual services. SSA reviews all information technology (IT) spending to ensure it includes only those projects and activities that are most crucial for the agency's operations and/or have the highest payback. No-year funding is an essential portion of the total annual IT budget.

The table below displays ITS budget authority, split by type of funding, and obligations from FY 2012 through FY 2014.

<sup>1</sup> Reflects adjustments to the unobligated balances for these years. Balances as of 9/30/2012.

<sup>2</sup> We believe it is essential that these funds remain in the expired LAE accounts (FY2008-2012) to cover potential upward adjustments. Otherwise, SSA could face an anti-deficiency violation.

**Table 3.17—ITS Budget by Activity**

	FY 2012 Actual	FY 2013 Enacted	FY 2014 Estimate
<b>Limitation on Administrative Expenses</b>			
One-Year <sup>1</sup>	\$783,785,046	\$858,000,000	\$888,253,900
No-Year	\$129,755,667	\$163,321,634	\$0
Subtotal	\$913,540,713	\$1,021,321,634	\$888,253,900
<b>Recovery Act (National Support Center)</b>	\$27,449,087	\$58,000,000	\$77,600,000
<b>Other Funding</b>			
Affordable Care Act	\$289,154	\$0	\$0
Automation Investment Fund	\$0	\$69,433	\$0
State Children's Health Insurance Program	\$535,499	\$0	\$0
<b>Total</b>	<b>\$941,814,453</b>	<b>\$1,079,391,067</b>	<b>\$965,853,900</b>

Below are some of our significant accomplishments during FY 2012, which were made possible in part by the use of no-year funds:

- **Enhancements to on-line services:** This investment area offers the following SSA on-line services to citizens that allow them to:
  - Apply for Retirement benefits
  - Apply for Retirement benefits in Spanish
  - Apply for Disability Benefits
  - Apply for Supplemental Security Income benefits
  - Apply for Medicare benefits
  - Get a replacement Medicare card
  - Find out if you qualify for benefits
  - Estimate your future benefits
  - Request proof of income letter
  - Report SSI Wages via mobile application
  - Change your address or telephone number
  - Change or sign up for direct deposit
  
- **Disability Workloads:** Investments in this area help to reduce the hearing office backlogs, improve the speed and quality of the disability process, and provide modernization and linkage to an electronic disability folder. During FY 2012, the following advancements were made in this area:

<sup>1</sup> FY 2012 one-year funds include regular one-year, base CDRs, additional CDRs, and Access to Financial Institutions. FY 2013 and FY 2014 one-year funds include regular one-year, base CDRs, and additional CDRs.

## Administrative Expenses

- Deployed to pilot sites the first beta release of our Disability Case Processing System.
  - Upgraded and enhanced legacy disability systems.
  - Released the beta version of our National Vendor File.
  - Expanded Compassionate Allowance functionality to adult internet disability applicants.
  - Enhanced usability of iAppeals – the on-line application for appealing a disability decision.
  - Expanded video hearing capabilities.
  - Released initial version of the Electronic Bench Book (eBB) supporting the rendering of consistent and policy compliant hearing decisions and the generation of decisional notices.
  - Released for pilot the Availability and Scheduling Application (ASA).
  - Completed bringing on-board contract partners providing data for MEGAHIT (Medical Evidence Gathering and Analysis through Health Information Technology).
- **Access to Financial Institutions (AFI):** Because SSI is a means-tested program, we must verify available income and resource levels as factors of eligibility. Historically, financial accounts held by SSI recipients with balances above the resource limit are a leading cause of payment error. To reduce errors, the AFI process replaces the practices of individual self-reporting and direct contacts with financial institutions.
    - In 2012, SSA deployed AFI release 2. This release provides for the integration of the financial institution response data into the Modernized SSI Claims System (MSSICS) using business rules that update the resource record when possible.
    - We plan to lower the tolerance, increase the number of bank searches, and fully integrate the process with our systems.
    - **Data Center Infrastructure:** The National Computer Center (NCC), which opened in 1980, has been in continuous operation as a data center for more than 30 years.
    - SSA's Data Center investment secures and maintains demographic, wage, and benefit information on all American citizens.
    - The investment ensures the availability, changeability, stability, and security of SSA's IT operations.
    - The agency implemented zOS1.13, IBM's latest operating system. SSA's mainframe systems are now more equipped to handle expected workload increases as well as high availability demands.

- SSA developed more detailed plans for the transition to the National Support Center and made significant progress in the area of server and storage virtualization.

Below is a list of major initiatives included in the IT budget.

- **IT Infrastructure:** The IT Infrastructure initiatives assure the sustained operation of current IT systems and provide an environment to support the growth of the agency's new systems and technical infrastructure. The following are major IT Infrastructure initiatives:
  - Data Center
  - Office Automation
  - Telecommunications
  - Telephone Systems Replacement Project
  - National Support Center
- **Core Services:** Core Services develop seamless, integrated, customer-centric automation tools that support all service delivery channels and several major business processes of the agency. The following are major Core Services initiatives:
  - Citizen Access Routing Enterprise Through 2020 (CARE Through 2020)
  - Medicare Modernization Act Project
  - eServices (formerly Online Claims)
  - Earnings Redesign
  - Title II Redesign
  - SSI Modernization
- **Disability Process:** Disability Process investments will support the administration of SSA's disability programs and allow the agency's employees to provide quality service that is responsive to the needs of the disabled population. The following are major Disability Process initiatives:
  - Disability Case Processing System (DCPS)
  - Disability Determination Services (DDS) Automation
  - Intelligent Disability (IDib)
- **Security and Business Recovery:** The Security and Business Recovery investment implements security policies and procedures within the IT environment at SSA. This investment will ensure that IT resources are protected from internal and external users' threats, such as unauthorized access, misuse, damage, or loss.
- **High Performing Workforce:** The High Performing Workforce initiatives will improve the productivity, efficiency, and quality of the agency's human resource systems and services. Interactive Video Teletraining is a major High Performing Workforce initiative.
- **Program Integrity:** Program Integrity investments support the agency's goal to preserve the public's trust in the agency's programs. The agency's goals for Program

## Administrative Expenses

Integrity are to: minimize improper payments; automate the collection of death information; increase the electronic filing of wage reports and improve earnings record accuracy; strengthen our ability to protect program dollars from fraud, waste, and abuse; ensure that internal control deficiencies affecting our financial statements are corrected; and ensure the safety of SSA's resources during emergencies.

- **Enterprise Architecture and Planning:** IT investments in this area provide support services, hardware, and software needed to design, develop, and document enhancements to SSA's Enterprise Architecture and explore promising technologies.
- **Financial Management Systems:** Financial Management Systems investments support the agency's compliance with applicable accounting principles, standard, and related requirements; management control standards; and policies and requirements prescribed by the Office of Management and Budget and the Department of Treasury. The Financial Accounting System is the only major investment in this initiative area.
- **Hearings Process:** The Hearings Process investments promote and manage IT projects that directly advance efforts to eliminate the backlog and prevent its recurrence.

## SSA E-GOV CONTRIBUTIONS

SSA supports many E-Government initiatives. These initiatives serve citizens, businesses, and Federal employees by delivering high-quality services more efficiently and by providing services that might not otherwise be available. These initiatives are included in the agency's IT budget.

**Table 3.18 – SSA E-Gov Contributions (in thousands)<sup>1</sup>**

	FY 2012 Actual	FY 2013 Enacted	FY 2014 Estimate
<b>Disaster Assistance Improvement Plan</b>	\$ 65	\$ 41	\$ 39
<b>E-Federal Health Architecture LoB</b>	\$ 500	\$ 100	\$ 100
<b>E-Rulemaking</b>	\$ 58	\$ 62	\$ 50
<b>Financial Management LoB</b>	\$ 35	\$ 67	\$ 67
<b>Geospatial LoB</b>	\$ 15	\$ 15	\$ 25
<b>GovBenefits.gov</b>	\$ 231	\$ 173	\$ 197
<b>Grants.gov</b>	\$ 38	\$ 41	\$ 36
<b>Grants Management LoB</b>	\$ 0	\$ 0	\$ 0
<b>Human Resources Management LoB</b>	\$ 130	\$ 130	\$ 130
<b>Integrated Acquisition Environment (IAE)</b>	\$ 94	\$ 98	\$ 104
<b>IAE-Loans and Grants</b>	\$ 13	\$ 13	\$ 0
<b>Performance Management LoB</b>	\$ 0	\$ 17	\$ 59
<b>Total</b>	<b>\$ 1,179</b>	<b>\$ 757</b>	<b>\$ 807</b>

Social Security remains an active contributor to the following E-Government initiatives.

**Disaster Assistance Improvement Plan** will provide a unified point of access to disaster management-related information, mitigation, response, and recovery information.

**E-Federal Health Architecture Line of Business (LoB)** will support integration of the agency's health information systems into the emerging Nationwide Health Information Network (NHIN).

**E-Rulemaking** improves collaboration across government on regulatory matters and provides a central web-based environment for the public to review and comment on SSA regulatory actions while reducing administration costs.

**Financial Management LoB** reduces non-compliant systems by leveraging common standards and shared service solutions in Federal financial operations.

**Geospatial LoB** maximizes geospatial investments by leveraging resources and reducing redundancies. Offering a single point of access to map-related data will allow SSA to improve mission delivery and increase service to citizens.

<sup>1</sup> Totals may not add due to rounding.

## Administrative Expenses

**GovBenefits.gov** helps to promote awareness of SSA's benefit programs to the public, assisting SSA in its strategic goals of delivering citizen-centric world-class service and strengthening public understanding of Social Security programs.

**Grants.gov** provides a single, online portal and central storehouse of information on grant programs for all Federal grant applicants.

**Grants Management LoB** is developing solutions to standardize and streamline the grants management process government-wide. Grants Management LoB is pursuing a consortia based approach to share operations and maintenance costs, and development, modernization, and enhancement costs across agencies, decreasing the burden that any one grant-making agency must bear. Business processes as available through consortium lead agencies will decrease agency reliance on manual and paper-based grants processing.

**Human Resources Management LoB** provides common core functionality to support the strategic management of Human Capital government-wide.

**Integrated Acquisition Environment and IAE-Loans and Grants** creates a secure environment to facilitate the acquisition of goods and services.

**Performance Management LoB** modernizes the Federal Government's performance reporting framework by facilitating a transition from print-based GPRA performance plans and reports to a shared, web-based, Government-wide performance portal, as required by the GPRA Modernization Act (Sec. 7 and Sec. 10).

**Table 3.19 – Other SSA Expenses/Service Fees Related to E-Gov Projects (in thousands)<sup>1</sup>**

	<b>FY 2012 Actual</b>	<b>FY 2013 Enacted</b>	<b>FY 2014 Estimate</b>
<b>Recruitment One-Stop</b>	\$ 430.2	\$ 430.2	\$ 430.2
<b>Enhanced Human Resource Integration</b>	\$ 1,454.1	\$ 1,111.1	\$ 1,050.6
<b>E-Payroll</b>	\$ 15,757.0	\$ 16,150.8	\$ 15,575.3
<b>E-Travel</b>	\$ 779.3	\$ 1,256.7	\$ 943.1
<b>Total</b>	<b>\$ 18,420.6</b>	<b>\$ 18,948.8</b>	<b>\$ 17,999.2</b>

In addition to making annual contributions to the managing partners of certain E-Gov projects, SSA also funds various ongoing business services that are related to E-Gov projects. These funds are part of SSA's ongoing budget and pay for services provided by other agencies under authority of the Economy Act.

<sup>1</sup> Totals may not add due to rounding.

**Recruitment One-Stop** provides an online portal (www.usajobs.gov) through which citizens can easily search for employment opportunities throughout the Federal Government.

**Enhanced Human Resource Integration** initiative is developing policies and tools to streamline and automate the electronic exchange of standardized human resource data needed for the creation of an official employee record across the Executive Branch.

**E-Payroll** standardizes and consolidates government wide Federal civilian payroll services and processes.

**E-Travel** is intended to provide a government wide standard set of world-class travel management services to consolidate Federal travel, minimize cost, and improve customer satisfaction. The total includes \$250K for E-Travel In-Kind Contribution to implement new E-Gov Travel Services. This implementation should be completed in FY 2014.

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**EMPLOYMENT**

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The following table provides a detailed view of the full-time equivalent employment levels.

**Table 3.20—Detail of Full-Time Equivalent Employment**

	<b>FY 2012 Actual</b>	<b>FY 2013 Estimate</b>	<b>FY 2014 Estimate</b>
Administrative Expenses Accounts	63,760	63,417	63,179
Reimbursable Work	302	300	300
	<b>64,062</b>	<b>63,717</b>	<b>63,479</b>

The following table lists the Average Grade and Salary for SSA employees for FY 2012. It includes averages for Executive Service (ES) and General Service (GS) employees.

**Table 3.21—Average Grade and Salary**

	<b>FY 2012 Actual</b>
Average ES Salary	<b>\$164,900</b>
Average GS/WG Grade	<b>10</b>
Average GS/WG Salary	<b>\$69,300</b>

Administrative Expenses

**Table 3.22—Historical Staff-On-Duty by Major SSA Component<sup>1</sup>**

	<b>FY 2011 Actual</b>	<b>FY 2012 Actual</b>
<b>Field Offices</b>	29,652	28,790
<b>Teleservice Centers</b>	4,802	4,535
<b>Processing Centers</b>	11,216	10,649
<b>Regional Offices</b>	1,801	1,663
<b>Operations Subtotal</b>	<b>47,471</b>	<b>45,637</b>
<b>Office of Disability Adjudication and Review</b>	9,963	10,041
<b>Systems</b>	3,384	3,345
<b>Office of Quality Performance</b>	1,271	1,181
<b>Headquarters</b>	4,784	4,703
<b>SSA Total</b>	<b>66,873</b>	<b>64,907</b>

<sup>1</sup> Includes full time, part time, and temporary employees.

**PHYSICIANS' COMPARABILITY ALLOWANCE**

**Table 3.23—Physicians Comparability Allowance Worksheet**

Physicians' Comparability Allowance (PCA) permits agencies to provide allowances to certain eligible Federal physicians who enter into service agreements with their agencies to address recruitment and retention problems (5 U.S.C. 5948). The following worksheet provides details on usage of PCA within SSA from FY 2012-2014.

		<b>PY 2012 (Actual)</b>	<b>CY 2013 (Estimates)</b>	<b>BY 2014* (Estimates)</b>
Number of Physicians Receiving PCAs		<b>6</b>	<b>6</b>	<b>6</b>
Number of Physicians with One-Year PCA Agreements		<b>0</b>	<b>0</b>	<b>0</b>
Number of Physicians with Multi-Year PCA Agreements		<b>6</b>	<b>6</b>	<b>6</b>
Average Annual PCA Physician Pay (without PCA payment)		<b>150,897</b>	<b>151,584</b>	<b>152,272</b>
Average Annual PCA Payment		<b>21,833</b>	<b>21,833</b>	<b>21,833</b>
Number of Physicians Receiving PCAs by Category (non-add)	Category I Clinical Position			
	Category II Research Position			
	Category III Occupational Health			
	Category IV-A Disability Evaluation			
	Category IV-B Health and Medical Admin.	<b>6</b>	<b>6</b>	<b>6</b>

\*FY 2014 data will be approved during the FY 2015 Budget cycle.

Maximum annual PCA amount paid to each category of physician:

See tables 3.25 and 3.26 for the maximum annual PCA amount paid to each category of SSA physicians. The amounts shown on the tables have allowed us to successfully recruit and retain our medical officers.

Recruitment and retention problem(s) for each category of physician:

SSA offers PCAs to our medical officers (MO) in order to recruit and retain the highly specialized physicians that we need. MOs are critical to our mission as they possess specialized skills required to write, revise, update, and develop agency medical policy, including medical policy that is used for evaluating reasonable accommodation requests and evaluating claims for disability benefits under the Social Security disability insurance program or payments under the Supplemental Security Income program.

The PCA helps to compensate for the decrease in salary that a physician accepts when becoming a civil servant. Our MOs accept a reduction in income under the General Schedule (GS) pay scale, which is capped at the GS 15/step 10.

Also, PCAs continue to be a point of importance among our MOs and are a key factor in our ability to retain our current MOs and recruit new ones. If we do not retain the PCA, our MOs may elect to find employment in other areas or agencies where PCAs are not only offered but also offered at higher amounts than what we offer.

## Administrative Expenses

SSA must continue to offer PCAs in order to recruit new physician MOs and retain the ones we have as we compete for their services with other government agencies.

Degree to which recruitment and retention problems were alleviated at SSA through the use of PCAs in the prior fiscal year.

SSA was able to retain its medical officers by continuing to offer PCAs.

**MAXIMUM PHYSICIANS' COMPARABILITY ALLOWANCES**

**Table 3.24—Maximum Physician’s Comparability Allowances- 1-Year Contract**

CATEGORY	PHYSICIANS WITH 24 MONTHS OR LESS OF SERVICE			PHYSICIANS WITH MORE THAN 24 MONTHS OF SERVICE		
	GS-13	GS-14	GS-15/SES	GS-13	GS-14	GS-15/SES
1. Occupational Health	*	*	*	*	*	*
2a. Disability Evaluation	*	*	*	*	*	*
2b. Administration	\$8,000	\$9,000	\$10,000	\$12,000	\$18,000	\$24,000

**Table 3.25—Maximum Physician’s Comparability Allowances- 2-Year Contract**

CATEGORY	PHYSICIANS WITH 24 MONTHS OR LESS OF SERVICE			PHYSICIANS WITH MORE THAN 24 MONTHS OF SERVICE		PHYSICIANS WITH MORE THAN 24 MONTHS BUT NOT MORE THAN 48 MONTHS OF SERVICE	PHYSICIANS WITH MORE THAN 48 MONTHS OF SERVICE
	GS-13	GS-14	GS-15/SES	GS-13	GS-14	GS-15/SES	GS-15/SES
1. Occupational Health	*	*	*	*	*	*	*
2a. Disability Evaluation	*	*	*	*	*	*	*
2b. Administration	\$12,000	\$13,000	\$14,000	\$18,000	\$24,000	\$27,000	\$30,000

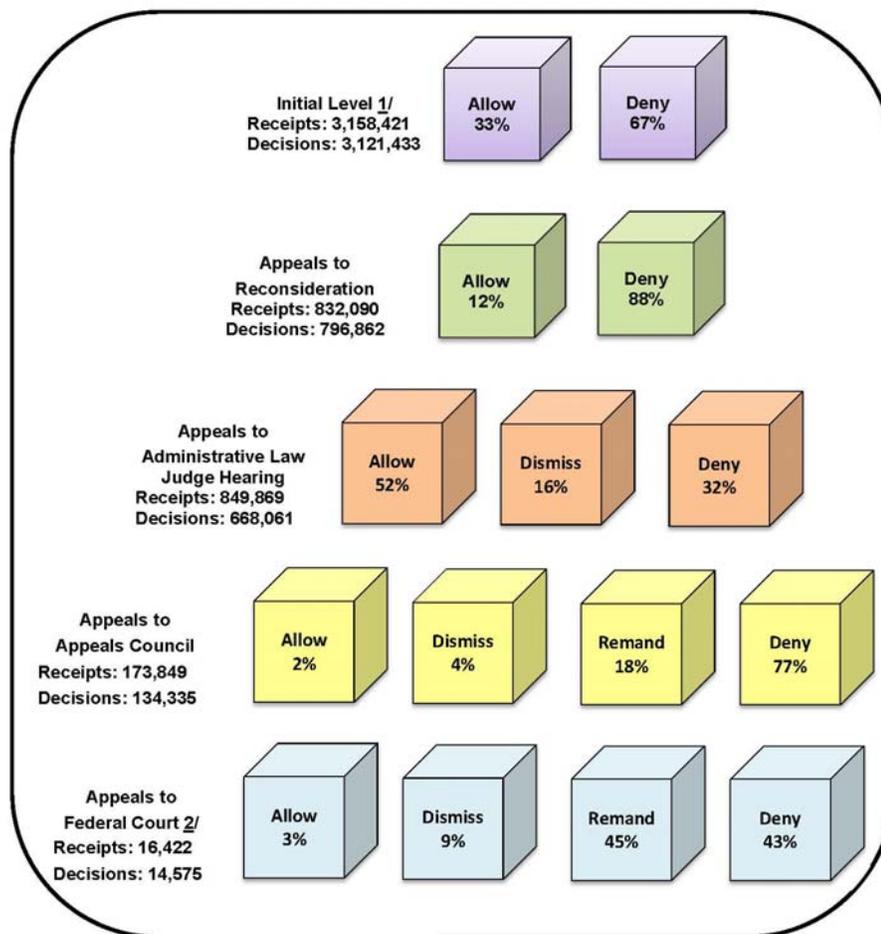
\* SSA currently is not experiencing any recruitment or retention problems for the categories of Occupational Health and Disability Evaluation; therefore, no related maximum allowances have been established for these categories. Maximum allowances have been set for the category of Administration because the Commissioner has determined that there is a significant problem recruiting and retaining physicians for a few positions in this category in the Office of Disability Programs and the Office of Personnel.

FY 2012 DISABILITY WORKLOAD

The following table provides data on the FY 2012 disability claims and appeals workload.

**Table 3.26—FY 2012 Workload Data Disability Appeals**

Fiscal Year 2012 Workload Data:  
Disability Decisions\*



\*Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2012, regardless of the year in which the initial claim was filed, and regardless of whether the claimant ever received benefits (in a small number of cases with a favorable disability decision benefits are subsequently denied because the claimant does not meet other eligibility requirements.) Does not include claims where an eligibility determination was reached without a determination of disability. If a determination or appeals decision was made on Title II and Title XVI claims for the same person, the results are treated as one concurrent decision.

<sup>1/</sup> About 24% of initial level denials are issued in States that use the Disability Prototype process, which eliminates the reconsideration step of the appeals process. The first level of appeal for these cases is a hearing before an Administrative Law Judge.

<sup>2/</sup> Federal Court data includes appeals of Continuing Disability Reviews.

Note: Due to rounding, data may not always total 100%.

Prepared by: SSA, Office of Disability Program Management Information, 11/26/12; Office of Budget, 01/30/13  
Data Sources: A) Initial and Reconsideration Data: SSA State Agency Operations Report; B) Administrative Law Judge and Appeals Council data: SSA Office of Disability Adjudication and Review (ODAR); and C) Federal Court data: SSA Office of General Counsel

## LEGISLATIVE PROPOSALS

**Enhanced Demonstration Authority and Early Intervention Projects:** The FY 2014 President's Budget calls for providing us and partner agencies with authority to test innovative techniques to help people with disabilities remain in the workforce. In addition to providing new authority to test early interventions, the Budget also proposes reauthorization of our demonstration authority for the Disability Insurance (DI) program, allowing us to continue to test effective ways to boost employment and support current DI and SSI beneficiaries who are seeking to return to work.

**Enacted Adjustments Pursuant to the Balanced Budget and Emergency Deficit Control Act (BBEDCA) Converted to Mandatory Funding:** BBEDCA, as amended by the Budget Control Act, recognized that a multi-year strategy of focusing attention and resources on reducing the rate of improper payments, commensurate with the large costs of the disability programs we administer, is a laudable goal. To support that goal, BBEDCA, as amended, provided for increases to the discretionary spending limits for additional funding for our program integrity activities through 2021. These adjustments are made only if appropriations bills increase funding for the specified program integrity purposes above specified base levels. This budget mechanism was intended to ensure that the additional funding did not supplant other Federal spending on these activities and that such spending was not diverted to other purposes.

Despite enactment of these multi-year discretionary cap adjustments, annual appropriations bills have not provided the full amount of program integrity funding authorized in BBEDCA, as amended. Tens of billions of dollars in deficit savings over the next ten years from curtailing improper payments will not be realized if the administrative expenses for program integrity envisioned by BBEDCA, as amended, are not provided in each year.

To ensure these important program integrity investments are made, the Budget is proposing to repeal our discretionary cap adjustments beginning in 2014 and instead provide a dedicated, dependable source of mandatory funding that will ensure we have the resources that we need to conduct necessary program integrity activities and make certain that the right people receive the right payment for the right reason at the right time. Providing mandatory funding will also avoid delays in annual appropriations that make it difficult for us execute our budget plans and achieve targeted results in each year.

For 2014, the Budget proposes to continue to provide the base funding of \$273 million through discretionary appropriations. After 2014, no discretionary funding is being proposed for this purpose. In addition, the Budget proposes an annual reduction to the discretionary spending limits in section 251(c) of BBEDCA, as amended, beginning in 2015 to offset the cost of shifting the base funding from discretionary to mandatory. This mandatory program integrity funding will produce new net deficit savings of roughly \$38 billion over 11 years.

For 2013, although final appropriations action was not yet complete at the time the Budget went to print, the 2013 appropriations bill had not fully funded the cap adjustment for 2013 for CDRs and redeterminations; therefore, the Administration is proposing to increase mandatory funding for this purpose by \$266 million in 2013. This funding will realize net savings of \$1,941 million,

included in the new net deficit savings above, when compared to the current enacted amount for 2013.

### **Reduction of Improper Payments and Identity Theft by Reforming Access to the Death**

**Master File:** The Budget proposes to amend the Social Security Act to limit access to the "Death Master File" to prevent this information from being used to file fraudulent claims for benefits or tax refunds. This proposal provides that death information that we maintain may be used by agencies, subject to such safeguards as the Commissioner of Social Security determines are necessary or appropriate for the purpose of public health or safety, law enforcement, tax administration, health oversight, debt collection, payment certification, disbursement of payments, and for the prevention, identification or recoupment of improper payments.

**Windfall Elimination Provision (WEP) and Government Pension Offset (GPO):** The FY 2014 President's Budget includes a proposal to develop automated data exchanges for states and localities to submit timely information on pensions that are based on work not covered by Social Security. This information would reduce improper payments that occur when we are unable to determine that a beneficiary should have been subject to WEP or GPO. The proposal includes mandatory funding for developing and implementing data exchanges and provides for grants to state and local entities for this purpose.

**Workers' Compensation Information Reporting:** The FY 2014 President's Budget includes a legislative proposal to develop and implement a system to collect information on workers' compensation receipts from states and private insurers. We would use the information to improve the integrity of the workers' compensation reporting process, improve the accuracy of Social Security disability and SSI payments, reduce improper payments, and lessen our reliance on the beneficiary to report this information in a timely manner. We would also provide pertinent collected information to the Secretary of Health and Human Services for child support enforcement purposes.

**Extend SSI Eligibility for Refugees and other Humanitarian Immigrants:** The FY 2014 President's Budget includes a proposal to increase the SSI eligibility period for refugees, asylees, and other noncitizens in refugee-like immigration statuses (i.e., humanitarian immigrants) from a maximum of seven years to a maximum of nine years during fiscal years 2014 and 2015. Individuals whose benefits expired solely due to the 7-year time limit would be eligible for up to 24 months of extended benefits paid prospectively until the conclusion of the 9-year period or the end of FY 2015, if earlier.

**Conform Treatment of State and Local Government Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) for SSI:** The FY 2014 President's Budget proposes to conform the treatment of state and local EITC and CTCs to the treatment of the Federal EITC and CTC for purposes of determining eligibility for SSI. Currently, the Federal EITC and CTC are excluded from the SSI income and resource tests. However, state and local versions of these credits are not excluded, resulting in the reduction or loss of SSI benefits for those receiving the credits. This proposal would simplify SSI policy and eliminate the administrative costs of determining whether such credits are excluded Federal payments or countable state or local payments.

**Terminate Stepchild Benefits in the Same Month as Stepparents:** The FY 2014 President's Budget proposes a technical correction relating to when Social Security benefits stop due to divorce. A parent and stepchild may receive benefits on the record of a worker, but, if the marriage terminates in less than 10 years, they are no longer eligible for benefits. Currently when a stepchild's parent is divorced and no longer eligible for benefits from a former spouse, benefits for the parent terminate in the month before the month in which the divorce becomes final. However, benefits for the stepchild terminate one month later, in the month the divorce becomes final. This proposal would provide equal treatment for the stepchild and his or her parent; both benefits would end in the month before the month in which the divorce becomes final.

**Allow SSA to Certify Electronically Additional Railroad Retirement Board (RRB) Benefits:** The FY 2014 President's Budget proposes to add the category of divorced spouses of railroad workers to the list of beneficiaries we would certify the amount of Social Security benefits to the RRB for payment electronically. This change would improve administration and result in fewer errors. In addition, it would ensure consistency with other Social Security benefits to railroad workers and their dependents.

**Lower the Electronic Wage Reporting Threshold:** Currently the Department of Treasury requires businesses that file 250 or more W-2s per calendar year to file electronically. The FY 2014 President's Budget proposes to modify the Internal Revenue Code so that the Department of Treasury can require more businesses to file electronically. The Budget would lower the electronic wage reporting threshold from 250 to 50 employees, reducing the number of paper returns we must process. This change would increase the efficiency and accuracy of this process because electronic returns are generally more accurate than scanned or keyed returns.

**Federal Wage Reporting:** The FY 2014 President's Budget includes a legislative proposal to revert to quarterly wage reporting. The proposal would not affect reporting on self-employment. Increasing the timeliness of wage reporting would enhance tax administration and improve program integrity for a range of programs.

**Disclose Prisoner Data for Improper Payments:** The FY 2014 President's Budget proposes to include a multi-Agency proposal to improve SSA's Prisoner Update Processing System (PUPS) to identify, prevent and recover improper payments. Our PUPS data would be shared with Treasury for Government-wide access through the Do Not Pay portal. The PUPS data will also help prevent prisoners from illegally receiving payments, such as unemployment compensation and certain Railroad Retirement benefits.

**Offset Concurrent Receipt of Disability Insurance and Unemployment Compensation Benefits:** The FY 2014 President's Budget takes other critical steps to find savings in government programs by making smart reforms that root out duplicative or wasteful spending, such as reducing an individual's Disability Insurance (DI) benefit in any month in which that person also receives a state or Federal unemployment benefit. This proposal would eliminate dual benefit payments covering the same period a beneficiary is out of the workforce, while still providing a base level of income support. Enacting this offset would save \$1 billion over 10 years.