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APPROPRIATION LANGUAGE

LIMITATION ON ADMINISTRATIVE EXPENSES

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 [ \$10,328,040,000 ] *\$10,503,000,000* 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 \$2,300,000 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 [2014] *2015* not needed for fiscal year [2014] *2015* 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 costs 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, [\$1,197,000,000] *\$1,396,000,000* 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 [\$924,000,000] *\$1,123,000,000* 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, [\$171,000,000] *\$124,000,000* 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 [2014] *2015* exceed [\$171,000,000] *\$124,000,000*, the amounts shall be available in fiscal year [2015] *2016* 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.

*(Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2014.)*

**LANGUAGE ANALYSIS**

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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 \$1,396,000,000 in additional funding specifically for continuing disability reviews (CDR) and SSI non-medical redeterminations of eligibility (redeterminations). The FY 2015 program integrity request is comprised of \$273,000,000 in base funding to meet the terms of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and \$1,123,000,000 in additional new budget authority. This funding level is consistent with the Budget Control Act of 2011 (P.L. 112-25).

In addition to the appropriated amounts, SSA is requesting to spend up to \$124,000,000 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>
<i>“...and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111–148,…”</i>	The language allows SSA to use LAE resources for some Affordable Care Act activities.

<i>Language Provision</i>	<i>Explanation</i>
<p>“<i>Provided further</i>, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2014] 2015 not needed for fiscal year [2014] 2015 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: <i>Provided further</i>, 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...”</p>	<p>The language allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.</p>
<p>“In addition, for the costs 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, [\$1,197,000,000] \$1,396,000,000 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: <i>Provided</i>, 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 [\$924,000,000] \$1,123,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: <i>Provided further</i>, 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.”</p>	<p>The language appropriates an additional \$1,396,000,000 for SSA’s CDRs and redeterminations. That amount comprises a base of \$273,000,000 and additional new budget authority of \$1,123,000,000 for the purposes of an adjustment to the discretionary spending limit as provided in section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985.</p>

## Limitation on Administrative Expenses

<i>Language Provision</i>	<i>Explanation</i>
<p>“In addition, [\$171,000,000] <i>\$124,000,000</i> 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 [2014] <i>2015</i> exceed [\$171,000,000] <i>\$124,000,000</i>, the amounts shall be available in fiscal year [2015] <i>2016</i> only to the extent provided in advance in appropriations Acts.”</p>	<p>The language makes available up to \$124,000,000 collected from states for administration of their supplementary payments to the SSI program. This assumes the fee will increase from \$11.32 per check in FY 2014 to \$11.50 in FY 2015 according to increases established by statute. SSA receives the amount collected above \$5.00 from each fee.</p>
<p>“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.”</p>	<p>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.</p>

**SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS**

The table below includes the significant items in the FY 2014 Joint Committee Report, 113-76.

**Table 3.2— Consolidated Appropriations Act, 2014: Joint Committee Report (H.R. 113-76)—  
Significant Items**

<b>Field Office Closings</b>	<b>Actions Taken or To Be Taken</b>
<p>Concerns remain that in recent years SSA has lacked comprehensive, transparent policies regarding field office closings, including data on specific populations impacted by office closures and plans to mitigate the effects of closures. The Commissioner is directed to submit a report to the House and Senate Appropriations Committees within 90 days of enactment of this act on its policies and procedures for closing and consolidating field offices, including any policies and procedures related to assessing the community impacts of closing or consolidating offices, and the metrics used to calculate short- and long-term cost savings. In addition, the Commissioner is directed to provide a readily available public notice of proposed field office closures to ensure that impacted communities are aware of proposed changes and allow an opportunity for public input on the proposed changes and possible mitigation to ensure continued access to SSA services.</p>	<p>The agency will submit a report to the Appropriations Committees on its field office closure policies and procedures. Local public notices of proposed closure will be provided in the future at offices that are being considered as candidates for consolidation.</p>
<b>Social Security Statements</b>	<b>Actions Taken or To Be Taken</b>
<p>The Commissioner is directed to develop a plan to significantly increase the number of individuals receiving Social Security Statements annually, either electronically or by mail. This should include a significant restoration of the mailing of statements to ensure that individuals are informed of their contributions and benefits under Social Security programs and have an opportunity to review their earnings records and correct any errors in a timely manner. The Commissioner or her designee is directed to brief the House and Senate Appropriations Committees within 60 days of enactment of this act on this plan, including the intended plan for mailing statements in fiscal year 2014.</p>	<p>In the near future, we will issue a plan to significantly increase the number of individuals receiving Social Security Statements, both electronically and by mail. We will brief the Committee about this plan in March.</p>

<b>Social Security Number (SSN) Printouts and Benefit Verification Letters</b>	<b>Actions Taken or To Be Taken</b>
<p>The Commissioner is directed to continue to make SSN Printouts available at field offices through at least July 31, 2014 and Benefit Verification Letters available at field offices through at least September 30, 2014. The SSA should continue to encourage third parties that currently require these documents to use alternative means and existing online tools to verify the same information provided in these documents. However, concerns remain that third parties will not significantly change their behavior in a short period of time and instead individuals who are expected to provide these documents, for a variety of purposes, will be adversely impacted. The Commissioner or her designee is directed to brief the House and Senate Appropriations Committees within 30 days of enactment of this act on planned initiatives to decrease the reliance on field offices providing these documents, including a detailed explanation of what assurances will be provided that individuals will not be adversely impacted. Further, the Commissioner shall notify the House and Senate Committees on Appropriations no later than two weeks prior to any announcement of significant changes to current policies regarding the availability of these documents at field offices.</p>	<p>The agency plans to phase in these service changes over the course of the upcoming year. Effective August 1, 2014, we will no longer provide Social Security Number (SSN) Printouts to members of the public. Employers, State and Local agencies and organizations, and other entities can obtain SSN verification via E-Verify and the SSN Verification System. We will also no longer provide Benefit Verification (BEVE) letters in our field offices starting October 1, 2014. Beneficiaries may still obtain BEVE letters through <a href="#">my Social Security</a> online and by contacting the National 800 Number Network.</p> <p>We realize there are times when members of our community may need our assistance in obtaining SSN and benefit verifications during emergency and disaster related situations. The agency is drafting procedures for the provision of SSN printouts and BEVE letters in the case of immediate dire need. The agency is continuing to meet with the Appropriations Committee to keep them informed about our rollout of these changes.</p>

## GENERAL STATEMENT

### LIMITATION ON 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 provides service to millions of Americans in our field offices, via telephone, or through the Internet at <http://www.socialsecurity.gov/>. 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.

SSA currently employs about 62,000 dedicated public service employees through a national network of 1,500 offices. Combined with over 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 affects the lives of many Americans.

### FY 2015 PRESIDENT'S BUDGET

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#### **SSA's Programs**

For FY 2015, SSA is requesting LAE budget resources of \$12.024 billion. 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 can invest in technology to be as efficient as possible and effectively serve the public.

As the Baby Boomers continue to retire, it is essential that we have the resources to complete their applications, as well as to handle the ongoing work once they begin receiving benefits. We expect to complete over 5.3 million applications for retirement benefits in FY 2015. We will administer \$744 billion in OASI benefit payments to almost 49.2 million beneficiaries.

We continue to process high volumes of initial disability claims. Enactment of the President's 2015 Budget will enable us to continue to reduce 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 over 2.8 million initial disability claims in FY 2015. This budget, combined with our improvements to the hearings process, will enable us to complete 801,000 hearings, and the annual average processing time would be 435 days for FY 2015. See Table 3.26 in the back of this section for more details on the disability appeal workload. In FY 2015, SSA will pay nearly \$147 billion in disability insurance benefits to over 11.1 million beneficiaries.

The SSI program is a national Federal assistance program administered by SSA that guarantees a minimum level of income for aged, blind, or people with disabilities. It is a safety net for

## Limitation on Administrative Expenses

individuals with little or no Social Security or other income and limited resources. We estimate we will pay \$56.2 billion in Federal benefits to almost 8.3 million SSI recipients in FY 2015. Including State supplementary payments, SSA expects to pay a total of almost \$60 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 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 for health exchanges.

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 2015.

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 SSA-related 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, and SSI redeterminations, which are periodic reviews of non-medical factors of eligibility, such as income and resources.

The Budget Control Act of 2011 (BCA) allows increases to the Federal Government's annual spending caps through FY 2021 for program integrity purposes. If Congress appropriates funds for our program integrity work, the discretionary spending limit may increase by a corresponding amount up to a specified level. In FY 2015, the BCA allows a maximum cap adjustment of \$1,123 million for program integrity funding above a \$273 million base. With a \$1,396 million total appropriation for program integrity, we would conduct 888,000 full medical CDRs and 2,622,000 SSI redeterminations in FY 2015. At these volumes, we would complete 459,000 more medical CDRs compared to FY 2013.

Program integrity reviews save taxpayers billions of dollars, but without adequate funding these savings will not be realized. We estimate that our FY 2015 program integrity fund will save on average \$9 in net program savings for each dollar spent on CDRs, including Medicare and Medicaid program effects, and on average over \$4 in savings for each dollar spent for redeterminations, including Medicaid program effects.

Access to Financial Institutions (AFI) is an electronic process that verifies bank account balances with financial institutions to determine SSI eligibility. In addition to verifying alleged accounts, AFI detects undisclosed accounts by using a geographic search to generate requests to other financial institutions. AFI's purpose is to identify excess resources in financial accounts, which

are a leading cause of SSI payment errors. We currently use the AFI system in all 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands.

Along with preventing overpayments, AFI helps us to eliminate ineligible applicants at the beginning of the application process, reducing the workload in the State DDSs. Full implementation is defined as using AFI on every potential SSI claim and redetermination and assumes using no tolerance levels (i.e., the amount of alleged liquid resources that will trigger verification), increasing the number of bank searches, and fully integrating the process with our systems. In FY 2013, we lowered the tolerance levels and increased bank searches. We expect the account verifications we will complete in FY 2014 will be cost effective.

Cooperative Disability Investigations (CDI) units are highly successful at detecting fraud before we make a disability decision. The CDI program links our Office of the Inspector General and local law enforcement with Federal and State workers who handle disability cases. CDI units investigate individual disability claims and identify applicants, beneficiaries, attorneys, doctors, translators, and other third parties who facilitate disability fraud. CDI units may present the results of these investigations to Federal and State prosecutors for criminal prosecution or civil action, as well as to our Office of the Inspector General's Office of the Counsel for the imposition of civil monetary penalties.

We currently have 25 CDI Units in 21 States and Puerto Rico. In FY 2013, CDI efforts nationwide resulted in \$340 million in projected savings to our disability programs and over \$246 million to other programs, such as Medicare and Medicaid. With our current resources, we plan to expand the number of CDI units from 25 to 32 by the end of FY 2015. We also will expand the capacity of existing CDI units to investigate allegations of disability fraud by increasing the number of law enforcement investigators in a number of current units, including Puerto Rico and New York. Increasing the number of units and expanding existing units will significantly enhance our ability to prevent and detect disability fraud.

Starting in FY 2016, the FY 2015 President's Budget includes a proposal to repeal the discretionary cap adjustments enacted in the Balanced Budget and Emergency Deficit Control Act, as amended by the BCA, for SSA and instead provide a dedicated, dependable source of mandatory funding for SSA to conduct CDRs and SSI program Redeterminations. The proposal includes the creation of a new limitation account entitled Program Integrity Administrative Expenses, which will reflect mandatory funding for SSA's program integrity activities in addition to amounts provided to SSA through the Limitation on Administrative Expenses account.

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

IT plays a critical role in our day-to-day operations. Most of our IT funding is necessary for ongoing operational costs such as our National 800 Number service and our online services, both of which help us keep pace with the recent increases in claims. In FY 2013, our IT infrastructure supported the payment of more than \$850 billion in benefits to almost 65 million people and the maintenance of hundreds of millions of social security numbers and related earnings records for nearly every American.

## FUNDING REQUEST

Our FY 2015 budget request of \$12.024 billion will replace some of the cuts due to sequestration and allow us to build on the progress we are making in FY 2014. We will continue to increase the number of CDRs that we complete and enhance our vigorous fraud prevention efforts, improve our service to the American public, and modernize our service delivery to be more comparable to the private sector. The table below provides dollars and workyears funded by this budget:

**Table 3.3—Budgetary Request**

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
<b>Budget Authority (in millions)</b>			
<b>Limitation on Administrative Expenses (LAE)</b>	\$ 11,046	\$ 11,697	\$ 12,024
<b>Research and Demonstrations</b>	\$ 17	\$ 47	\$ 53
<b>Office of the Inspector General (OIG)</b>	\$ 97	\$ 102	\$ 105
<b>Total Budget Authority<sup>1</sup></b>	<b>\$ 11,159</b>	<b>\$ 11,846</b>	<b>\$ 12,182</b>
<b>Workyears</b>			
Full-Time Equivalents	61,861	61,767	63,525
Overtime	1,931	2,850	1,890
Lump Sum	249	298	298
<b>Total SSA Workyears</b>	<b>64,041</b>	<b>64,915</b>	<b>65,713</b>
<b>Total Disability Determination Services (DDS) Workyears</b>	<b>14,081</b>	<b>14,279</b>	<b>15,050</b>
<b>Total SSA/DDS Workyears</b>	<b>78,122</b>	<b>79,194</b>	<b>80,763</b>
OIG Workyears	560	553	558
<b>Total SSA/DDS/OIG Workyears</b>	<b>78,682</b>	<b>79,747</b>	<b>81,321</b>

When states choose to take over administration of their own SSI state supplementation payments, SSA loses some user fee revenue. Over the last three years, three states have either fully or partially opted out of SSA's administration of their supplementation payments. Rhode Island partially opted out in January 2011, leaving us with the more difficult categories to administer. Massachusetts and Utah fully opted out in April 2012 and January 2014, respectively. Most recently, New York has indicated its plan to start administering their own supplementation program beginning on October 1, 2014. Currently, New York represents about 30 percent of the federally-administered SSI state supplementation benefits paid by SSA. When New York drops out, SSA will collect a substantially lower level of user fees. The loss of user fee revenue in these instances must be made up with new budget authority to maintain the total in SSA's LAE request.

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

**PERFORMANCE TARGETS**

The President’s FY 2015 request will allow SSA to continue to achieve the following key performance targets:

**Table 3.4—Key Performance Targets**

	<b>FY 2013 Actual</b>	<b>FY 2014 Enacted</b>	<b>FY 2015 Estimate</b>
<b>Selected Workload Measures</b>			
Retirement and Survivors Claims Completed (thousands)	5,007	5,131	5,311
Initial Disability Claims Completed (thousands)	2,988	2,947	2,847
Disability Reconsiderations Completed (thousands)	803	778	752
Hearings Completed (thousands)	794	735	801
National 800 Number Transactions Handled (millions) <sup>1</sup>	53	N/A	N/A
National 800 Number Calls Handled (millions) <sup>1</sup>	N/A	39	47
Average Speed of Answer (ASA) (seconds) <sup>2</sup>	617	1,020	600
Agent Busy Rate (percent) <sup>2</sup>	12%	14%	2%
Social Security Numbers Completed (millions)	17	16	16
Annual Earnings Items Completed (millions)	251	253	256
Social Security Statements Issued (millions)	0	4	44
<b>Selected Outcome Measures</b>			
Initial Disability Claims Receipts (thousands)	2,985	2,891	2,860
Hearings Receipts (thousands)	825	819	802
Initial Disability Claims Pending (thousands)	698	642	656
Disability Reconsiderations Pending (thousands)	173	174	177
Hearings Pending (thousands)	848	932	933
Average Processing Time for Initial Disability Claims (days) <sup>3</sup>	107	109	107
Average Processing Time for Disability Reconsiderations (days)	N/A	N/A	N/A
Annual Average Processing Time for Hearings Decisions (days)	382	415	435
Disability Determination Services Production per Workyear	322	319	326
Office of Disability Adjudication and Review Production per Workyear	109	106	109
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(2,800)	(2,100)
<b>Selected Program Integrity Performance Measures</b>			
Periodic Continuing Disability Reviews (CDRs) Completed (thousands)	1,576	1,410	1,988
Full Medical CDRs (included in Periodic CDRs, thousands)	429	510	888
Supplemental Security Income (SSI) Non-Disability Redeterminations Completed (thousands)	2,634	2,622	2,622

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

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

<sup>3</sup> In 2013, we developed the capability to capture the data to calculate overall average processing time for disability reconsiderations. In September 2013, the first time the data was available, the overall average process time was 101 days. We will develop a performance target for this measure in FY 2016 after we have had the ability to analyze at least two years of actual data.

## Limitation on Administrative Expenses

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 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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We continue to be an efficient organization; our administrative costs are about 1.4 percent of the benefit payments we pay each year. We are proud to have maintained our efficiency. In FY 2013, we:

- Paid over \$850 billion to almost 65 million beneficiaries;
- Handled over 53 million transactions on our National 800 Number;
- Received over 68 million calls to field offices nationwide;
- Served more than 43 million visitors in our 1,200 field offices nationwide;
- Completed nearly 8 million claims for benefits and nearly 794,000 hearing dispositions;
- Handled approximately 32 million changes to beneficiary records;
- Completed nearly 17 million new and replacement Social Security card applications;
- Performed over 1.6 billion automated Social Security number verifications;
- Posted over 251 million earnings reports to workers' records;
- Handled over 18,000 disability cases in Federal District Courts;
- Completed over 2.6 million SSI non-medical redeterminations;
- Completed 429,000 full medical CDRs; and
- Completed over 3 million overpayment actions.

We made tough, targeted decisions and enhanced our information technology in FY 2013, which mitigated some of the effects of the recent budget cuts and allowed us to handle a record number of retirement claims. However, while our performance was impressive in many areas, overall service suffered because we lost nearly 11,000 employees over the past 3 years. As a result of fewer employees, in FY 2013, the public had to wait longer for a decision on their disability claim, to talk to a representative on our National 800 Number, and to schedule an appointment in our field offices. The budget cuts also negatively affected our program integrity work; we completed fewer of our cost-effective CDRs in FY 2013 than we did in FY 2012. Even as we vigorously increase the use of automation, the nature of our work remains labor-intensive and, therefore, is dependent on having the necessary number of trained staff.

## PRIORITY GOALS

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We serve the American people in a wide variety of ways. 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 Agency Priority Goals, that link directly to our overarching strategic goals and objectives set forth in our Fiscal Year 2014-2018 Agency Strategic Plan.

- **Improve access to our services by increasing citizens who complete their business with us online.**

In FYs 2014 and 2015, we will increase the number of online transactions by 10 percent over each respective prior fiscal year.

- **Deliver a world-class customer experience by expanding the use of video technology to hold hearings.**

By the end of FY 2015, 30% of hearings will be held using video technology.

- **Provide the public with access to personalized information by increasing the number of established *my Social Security* accounts.**

In FYs 2014 and 2015, we will increase the number of customers who sign up for *my Social Security* by 15% over each respective prior fiscal year.

- **Reduce the percentage of improper payments made under the SSI program.**

By the end of FY 2015, no more than 6.2% of all payments made under the SSI program will be improper payments (i.e. overpayments and underpayments).

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

## 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

## Limitation on Administrative Expenses

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.

### Projected Milestone Schedule

On December 28, 2012, we received a Presidential waiver allowing us to retain and continue to obligate funds appropriated for expenses for the replacement of our NCC. As of September 30, 2013, we have obligated \$399.2 million and we expect to spend the remaining ARRA funds by the end of FY 2015. The General Services Administration and the Social Security Administration provided the following schedule of key milestones.

<b>Planned</b>	<b>Actual</b>	<b>Milestone</b>
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

We will begin moving the IT services from the NCC to the NSC beginning in October 2014, and we will complete the transfer in August 2016. Preparatory efforts are under way to virtualize and consolidate significant portions of our IT equipment, perform application and asset inventory planning, and formulate a concise migration plan so that we can meet this goal.

### Actual and Planned Obligations for the New NSC

The following table provides actual and planned obligations for the NSC as of February 2014.

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

(Dollars in thousands)

<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Actual</b>	<b>FY 2012 Actual</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Planned</b>	<b>FY 2015 Planned</b>	<b>Total</b>
\$1,330.4	\$1,850.8	\$387,699.5	(\$30,856.2) <sup>1</sup>	\$39,191.0	\$77,600.0	\$23,184.5	\$500,000.0

<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.

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**SSA-RELATED LEGISLATION ENACTED FEBRUARY 2013 – MARCH 2014**

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FY 2014

***Agricultural Act of 2014 (P.L. 113-79, enacted on February 7, 2014)***

- This act reauthorizes the use of Social Security Data by the Department of Agriculture for the administration of Federal Payments.
- The Secretary of Agriculture would be required twice a year to reconcile the social security numbers of all individuals receiving farm commodity payments. States would be required to use data exchanges to verify eligibility when carrying out the Supplemental Nutrition Assistance Program.

***The Bipartisan Budget Act of 2013 (P.L. 113-67, enacted on December 26, 2013)***

- This bill sets overall discretionary spending limits for fiscal years 2014 and 2015 and provides \$63 billion in sequester relief.
- The act restricts the Secretary of Commerce from disclosing any information contained in the Death Master File (DMF) within three years of the death of any individual. It further requires the Secretary to establish a certification program to release death information to persons with a legitimate need. It also expanded the use of Social Security's Prisoner Update Processing System (PUPS) by other Federal agencies to prevent improper payments and required the collection of several additional data elements.

## BUDGETARY RESOURCES

The LAE account represents 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 LAE account in FY 2015 is \$12.024 billion.

### AMOUNTS AVAILABLE FOR OBLIGATION

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

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
<b>LAE</b>			
LAE Appropriation	\$ 11,045,566	\$ 11,697,040	\$ 12,024,000
<b>Unobligated Balance, start-of-year</b>	<b>\$ 147,858</b>	<b>\$ 21,831</b>	<b>\$ 21,595</b>
Recoveries and Transfers	\$ 149,035	\$ 100,000	\$ 225,000
Unrealized Non-Attorney User Fees	-\$ 711	\$ 0	\$ 0
<b>Subtotal LAE Resources</b>	<b>\$ 11,341,748</b>	<b>\$ 11,818,871</b>	<b>\$ 12,270,595</b>
Unobligated Balance, lapsing	-\$ 56,104	\$ 0	\$ 0
Unobligated Balance, end-of-year (LAE Carryover)	-\$ 122,810	-\$ 21,595	-\$ 21,595
<b>Total Obligations, LAE</b>	<b>\$ 11,162,835</b>	<b>\$ 11,797,276</b>	<b>\$ 12,249,000</b>
<b>American Recovery and Reinvestment Act Resources (ARRA)<sup>2</sup></b>			
<b>National Support Center Unobligated Balances, start-of-year</b>	<b>\$ 139,976</b>	<b>\$ 100,784</b>	<b>\$ 23,184</b>
National Support Center Unobligated Balances, end-of-year	-	-	\$ 0
<b>Obligations, Recovery Act</b>	<b>\$ 39,191</b>	<b>\$ 77,600</b>	<b>\$ 23,184</b>
<b>MIPPA – LIS</b>			
<b>Unobligated Balances, start-of-year</b>	<b>\$ 12,202</b>	<b>\$ 11,919</b>	<b>\$ 5,960</b>
Unobligated Balances, end-of-year	-\$ 11,919	-\$ 5,960	\$ 0
<b>Obligations, MIPPA - LIS</b>	<b>\$ 283</b>	<b>\$ 5,960</b>	<b>\$ 5,960</b>
<b>State Children's Health Insurance Program (SCHIP)</b>			
<b>Unobligated Balances, start-of-year</b>	<b>\$ 2,123</b>	<b>\$ 2,092</b>	<b>\$ 1,046</b>
Unobligated Balances, end-of-year	-\$ 2,092	-\$ 1,046	\$ 0
<b>Obligations, SCHIP</b>	<b>\$ 31</b>	<b>\$ 1,046</b>	<b>\$ 1,046</b>

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

<sup>2</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 FY 2011.

**BUDGET AUTHORITY AND OUTLAYS**

The LAE account is 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</sup>**

	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Estimate</b>
OASI and DI Trust Funds <sup>2</sup>	\$ 5,296,422	\$ 4,795,269	\$ 5,757,049
HI and SMI Trust Funds	\$ 1,980,485	\$ 1,807,407	\$ 1,837,623
SSA Advisory Board	\$ 2,034	\$ 2,300	\$ 2,300
SSI Administrative Expenses	\$ 3,605,305	\$ 4,920,064	\$ 4,302,029
SSI State Supplement User Fees	\$ 160,374	\$ 171,000	\$ 124,000
Non-Attorney Representative User Fees	\$ 946	\$ 1,000	\$ 1,000
MIPPA - LIS	N/A	N/A	N/A
Recovery Act	N/A	N/A	N/A
<b>Total Budget Authority</b>	<b>\$ 11,045,566</b>	<b>\$ 11,697,040</b>	<b>\$ 12,024,000</b>
OASI and DI Trust Funds <sup>2</sup>	\$ 5,731,645	\$ 4,841,290	\$ 5,850,667
HI and SMI Trust Funds	\$ 1,873,960	\$ 1,824,498	\$ 1,870,793
SSI Administrative Expenses	\$ 4,447,979	\$ 4,960,214	\$ 4,368,586
SSI State Supplement User Fees	\$ 160,374	\$ 171,000	\$ 124,000
Non-Attorney Representative User Fees	\$ 235	\$ 1,000	\$ 1,000
MIPPA - LIS	\$ 307	\$ 6,000	\$ 6,000
Recovery Act - Workload Processing	\$ 0	\$ 0	\$ 0
Recovery Act - Economic Recovery Payment - Admin	\$ 0	\$ 0	\$ 0
Recovery Act - New NSC	\$ 156,058	\$ 154,000	\$ 140,500
<b>Total Administrative Outlays</b>	<b>\$ 12,370,558</b>	<b>\$ 11,958,002</b>	<b>\$ 12,361,546</b>

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

<sup>2</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 increases each year, our costs continue to rise. While some of our programs have discrete cost-drivers associated with them, the majority of cost-drivers affect all programs.

We formulated this budget to address the following challenges:

- High demand for services due to the aging population, see <http://www.socialsecurity.gov/OACT/STATS/OASDIbenies.html>;
- Hearings backlog;
- Complex disability process, see <http://www.ssa.gov/pgm/disability.htm>;
- Growth in non-traditional SSA workloads (e.g., immigration, Medicare, ACA, and verifications for other programs);
- Combatting waste, fraud and abuse;
- Reducing improper payments and completing cost-effective program integrity work, see <http://www.socialsecurity.gov/improperpayments/>;
- Finding additional efficiencies and streamlining business processes;
- Modernizing our service delivery;
- Modernizing computer systems, see [http://www.recovery.gov/transparency/agency/reporting/agency\\_reporting5.aspx?agency\\_code=28](http://www.recovery.gov/transparency/agency/reporting/agency_reporting5.aspx?agency_code=28)
- Cyber threats; and
- Rising infrastructure costs.

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 2015 request represents a \$397.3 million increase over the FY 2014 level. The following tables provide a summary of the changes from the FY 2014 level to the FY 2015 President's Budget.

**Table 3.8—Summary of Changes from FY 2014 to FY 2015<sup>1</sup>**  
**(dollars in thousands)**

	<b>FY 2014 Estimate</b>	<b>FY 2015 Estimate</b>	<b>FY14 to FY15 Change</b>
<b>Total LAE</b>	<b>\$ 11,818,871</b>	<b>\$ 12,270,595</b>	<b>+ \$ 451,724</b>
Appropriation	\$ 11,697,040	\$ 12,024,000	+ \$ 326,960
Amounts Available From Prior Year Unobligated Balances	\$ 121,831	\$ 246,595	- \$ 124,724
<b>Obligations, LAE</b>	<b><u>\$ 11,797,276</u></b>	<b><u>\$ 12,249,000</u></b>	<b>+ <u>\$ 451,724</u></b>
Unobligated Balance, end-of-year <sup>2</sup>	\$ 21,595	\$ 21,595	\$ 0
<b>Recovery Act Obligations</b>	<b><u>\$ 77,600</u></b>	<b><u>\$ 23,184</u></b>	<b>- <u>\$ 54,416</u></b>
National Support Center	\$ 77,600	\$ 23,184	- \$ 54,416
<b>MIPPA - LIS Obligations</b>	<b><u>\$ 5,960</u></b>	<b><u>\$ 5,960</u></b>	<b><u>\$ 0</u></b>
<b>SCHIP Obligations</b>	<b><u>\$ 1,046</u></b>	<b><u>\$ 1,046</u></b>	<b><u>\$ 0</u></b>
<b>Obligations, Total</b>	<b><u>\$ 11,881,881</u></b>	<b><u>\$ 12,279,190</u></b>	<b>+ <u>\$ 397,309</u></b>

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

<sup>2</sup> Unobligated Balance end-of-year reflects \$21,595,234 in FY 2013 Delegated Buildings carryover.

**Table 3.9—Explanation of LAE Budget Changes from FY 2014 to FY 2015  
(dollars in thousands)**

	FY 2014		Change from FY 2014	
	Federal WYs	Obligations	Federal WYs	Obligations
<b><u>BUILT-IN INCREASES</u></b>				
<b><u>Payroll Expenses</u></b>	64,915	\$ 6,527,570		\$ 240,490
Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System				180,291
Three-month effect of assumed Federal pay increase effective January 2014 - 1%				15,165
Nine-month effect of assumed Federal pay increase effective January 2015 – 1%				45,035
<b><u>Non-Payroll Costs</u></b>				
Mandatory growth in non-payroll costs, including higher costs of rent, security, and guard services		\$ 2,006,535		\$ 41,534
<b><u>State Disability Determination Services</u></b>				
Mandatory growth in State DDS costs, including pay raises and the cost of medical evidence		\$ 2,187,897		\$ 66,136
<b>Subtotal, Built-In Increases</b>				<b>+\$ 348,160</b>
<b><u>PROGRAM INCREASES</u></b>				
<b><u>Net Increase in WYs</u></b>			798	\$ 80,316
<b><u>Net Increase in State Disability Determination Services</u></b>				\$ 128,111
<b><u>Social Security Statements Mailed</u></b>		\$ 1,700		\$ 23,157
<b><u>Increases in Obligations Funded from Other Prior-Year Unobligated Balances</u></b>		\$ 100,236		\$ 124,764
<b>Subtotal, Program Increases</b>				<b>+\$ 357,349</b>
<b>Total Increases</b>			<b>+798</b>	<b>+\$ 705,509</b>

Table Continues on the Next Page

Limitation on Administrative Expenses

	FY 2014		Change from FY 2014	
	Federal WYs	Obligations	Federal WYs	Obligations
<b><u>PROGRAM DECREASES</u></b>				
<b><u>Funding for IT</u></b>				
Decrease in base funding for IT		\$ 973,339		-\$ 205,882
<b><u>Net Decrease in Non-Payroll Costs</u></b>				-\$ 47,903
<b><u>Recovery Act – New NSC Resources</u></b>				
Non-personnel Costs		\$ 77,600		-\$ 54,416
<b>Total Decreases</b>				<b>-\$ 308,200</b>
<b><u>OTHER OBLIGATIONS</u></b>				
<b><u>MIPPA – LIS</u></b>		\$ 5,960		\$ 0
<b><u>State Children’s Health Insurance Program (SCHIP)</u></b>		\$ 1,046		\$ 0
<b>Total LAE Obligations, Net Change</b>	<b>64,915</b>	<b>\$ 11,881,881</b>	<b>+798</b>	<b>+\$ 397,309</b>

**BUDGETARY RESOURCES BY OBJECT**

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

	<b>FY 2014</b>	<b>FY 2015</b>	<b>Change</b>
Personnel Compensation			
Permanent positions	\$ 4,612,267	\$ 4,843,692	\$ 231,425
Positions other than permanent	\$ 111,783	\$ 117,339	\$ 5,556
Other personnel compensation	\$ 283,165	\$ 230,859	-\$ 52,306
Special personal service payments	\$ 5,071	\$ 3,690	-\$ 1,381
Subtotal, personnel compensation	\$ 5,012,286	\$ 5,195,580	\$ 183,294
Personnel Benefits	\$ 1,522,290	\$ 1,659,803	\$ 137,513
Travel and transportation of persons	\$ 22,916	\$ 22,590	-\$ 326
Transportation of things	\$ 6,794	\$ 6,697	-\$ 97
Rent, communications, and utilities			
Rental payments to GSA	\$ 720,650	\$ 727,410	\$ 6,760
Rental payments to others	\$ 236	\$ 236	\$ 0
Communications, utilities, misc.	\$ 412,206	\$ 450,311	\$ 38,106
Printing and reproduction	\$ 19,742	\$ 22,461	\$ 2,719
Other services (DDS, guards, etc.)	\$ 3,835,064	\$ 3,882,309	\$ 47,244
Supplies and materials	\$ 32,912	\$ 32,443	-\$ 469
Equipment	\$ 197,680	\$ 181,798	-\$ 15,883
Land and structures	\$ 51,398	\$ 50,526	-\$ 873
Grants, subsidies and contributions	\$ 24,427	\$ 24,079	-\$ 348
Insurance claims and indemnities	\$ 23,278	\$ 22,946	-\$ 332
Interest and dividends	\$ 3	\$ 3	\$ 0
<b>Total Obligations</b>	<b>\$ 11,881,881</b>	<b>\$ 12,279,190</b>	<b>\$ 397,309</b>
Resources not being obligated in the current year (carrying over or lapsing)	\$ 51,785	\$ 21,595	-\$ 30,190
<b>Total Budgetary Resources</b>	<b>\$ 11,933,667</b>	<b>\$ 12,300,785</b>	<b>\$ 367,119</b>
Payments to State DDS (funded from other services and Communications, utilities, and misc.)	\$ 2,187,897	\$ 2,383,144	\$ 195,247

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

<sup>2</sup> The obligations include the base LAE appropriation, Recovery Act, LIS, and SCHIP. The table reflects FY 2014 and FY 2015 projections of spending by object class. Resources are not managed at the object class level and SSA has the flexibility within the LAE account to modify projected spending during the budget execution process.

**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>2013 Amount Authorized</b>	<b>2013 Actual<sup>1</sup></b>	<b>2014 Amount Authorized</b>	<b>2014 Enacted<sup>2</sup></b>	<b>2015 Amount Authorized</b>	<b>2015 Estimate<sup>3</sup></b>
<b>Title II, Section 201(g)(1) of the Social Security Act</b>	Indefinite	\$11,045,566	Indefinite	\$11,697,040	Indefinite	\$12,024,000

<sup>1</sup> The FY 2013 appropriation included \$470 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). This figure is post sequestration. The enacted total (P.L. 113-6) for FY 2013 was \$11,431,896 and contained \$483 million in additional funding for program integrity work above our base of \$273 million.

<sup>2</sup> The FY 2014 appropriation included \$1,197 million in additional funding for program integrity work, \$172 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 2015 request includes \$1,396 million in additional funding for program integrity work, \$124 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).

## 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.

**Table 3.12—Appropriation History Table**

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
<b>2005</b>	\$8,878,000,000 <sup>1</sup>	\$8,798,100,000 <sup>2</sup>	\$8,622,818,000 <sup>3</sup>	\$8,801,896,000 <sup>4</sup>
Rescission <sup>5</sup>				-\$69,394,400
Final				<b>\$8,732,501,600</b>
<b>2006</b>	\$9,403,000,000 <sup>6</sup>	\$9,279,700,000 <sup>7</sup>	\$9,329,400,000 <sup>8</sup>	\$9,199,400,000 <sup>9</sup>
Rescission <sup>10</sup>				-\$90,794,000
Final				<b>\$9,108,606,000</b>
Hurricane Katrina Funding <sup>11</sup>				\$38,000,000
<b>2007</b>	\$9,496,000,000 <sup>12</sup>	\$9,293,000,000 <sup>13</sup>	\$9,093,000,000 <sup>14</sup>	<b>\$9,297,573,000</b>
<b>2008</b>	\$9,596,953,000 <sup>16</sup>	\$9,696,953,000 <sup>17</sup>	\$9,721,953,000 <sup>18</sup>	\$9,917,842,000
Rescission <sup>20</sup>				-\$173,264,731
Final				<b>\$9,744,577,269</b>
Economic Stimulus Act <sup>21</sup>				\$31,000,000
<b>2009</b>	\$10,327,000,000 <sup>22</sup>	-- <sup>23</sup>	\$10,377,000,000 <sup>24</sup>	<b>\$10,453,500,000</b>
MIPPA – Low Income Subsidy <sup>26</sup>				\$24,800,000
Recovery Act <sup>27</sup>				\$1,090,000,000
<b>2010</b>	\$11,451,000,000 <sup>28</sup>	\$11,446,500,000 <sup>29</sup>	\$11,446,500,000 <sup>30</sup>	\$11,446,500,000
Rescission <sup>32</sup>				-\$47,000,000
<b>2011</b>	\$12,378,863,280 <sup>33</sup>	-- <sup>34</sup>	\$12,377,000,000 <sup>35</sup>	\$11,446,500,000
Rescission <sup>37</sup>				-\$22,893,000
Final				<b>\$11,423,607,000</b>
<b>2012</b>	\$12,522,000,000 <sup>38</sup>	-- <sup>39</sup>	\$11,632,448,000 <sup>40</sup>	\$11,474,978,000
Rescission <sup>42</sup>				\$21,688,000
Final				<b>\$11,453,290,000</b>
<b>2013</b>	\$11,760,000,000 <sup>44</sup>	-- <sup>45</sup>	\$11,736,044,000 <sup>46</sup>	\$11,453,290,000 <sup>47</sup>
Rescission				-\$21,394,476 <sup>48</sup>
Sequestration				-\$386,329,494 <sup>49</sup>
Final				<b>\$11,045,566,321<sup>50</sup></b>
<b>2014</b>	<u>\$12,296,846,000</u>	-- <sup>51</sup>	\$11,697,040,000 <sup>52</sup>	<b>\$11,697,040,000<sup>53</sup></b>
LAE	\$11,069,846,000 <sup>54</sup>			
PIAE	\$ 1,227,000,000 <sup>55</sup>			
<b>2015</b>	\$12,024,000,000 <sup>56</sup>			

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- <sup>1</sup> Total includes up to \$121,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments.
- <sup>2</sup> H.R. 5006.
- <sup>3</sup> S. 2810.
- <sup>4</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>5</sup> A total of \$69,394,400 was rescinded by Consolidated Appropriations Act, 2005 (P.L. 108-447).
- <sup>6</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>7</sup> H.R. 3010.
- <sup>8</sup> H.R. 3010, reported from Committee with an amendment.
- <sup>9</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>10</sup> A total of \$90,794,000 was rescinded by Department of Defense Appropriations Act, 2006 (P.L. 109-148).
- <sup>11</sup> A transfer from Department of Homeland Security for Hurricane Katrina-related costs (appropriated by P.L. 109-234).
- <sup>12</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>13</sup> H.R. 5647.
- <sup>14</sup> S. 3708.
- <sup>15</sup> Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).
- <sup>16</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>17</sup> H.R. 3043.
- <sup>18</sup> S. 1710.
- <sup>19</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>20</sup> A total of \$173,264,731 was rescinded by the Consolidated Appropriations Act, 2008 (P.L. 110-161).
- <sup>21</sup> Economic Stimulus Act (P.L. 110-185) provides funds for work related to rebate checks for Title II beneficiaries and disabled veterans.
- <sup>22</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>23</sup> The House Committee on Appropriations did not report a bill.
- <sup>24</sup> S. 3230.
- <sup>25</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>26</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

## Limitation on Administrative Expenses

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- 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>27</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>28</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>29</sup> H.R. 3293.
- <sup>30</sup> H.R. 3293, reported from Committee with an amendment.
- <sup>31</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>32</sup> \$47,000,000 of Recovery Act Economic Recovery Payment administration funds rescinded by section 318 of P.L. 111-226.
- <sup>33</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>34</sup> The House Committee on Appropriations did not report a bill.
- <sup>35</sup> S. 3686.
- <sup>36</sup> Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).
- <sup>37</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>38</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>39</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>40</sup> S. 1599.
- <sup>41</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>42</sup> A total of \$21,688,000 was rescinded by the Consolidated Appropriations Act, 2012 (P.L. 112-74).
- <sup>43</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>44</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).

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- <sup>45</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>46</sup> S. 3295.
- <sup>47</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. Funding was reduced to the FY 2012 enacted level of \$11,453,290,000 under a full year CR (P.L. 113-6).
- <sup>48</sup> As per BDR 13-19, SSA was subject to an Across-the-Board (ATB) Reduction/Rescission of .2% of LAE. Both Base and Cap Program Integrity funds were exempt from this reduction.
- <sup>49</sup> Under P.L. 112-175, all non-SSI funding was reduced by 5% after sequestration was triggered by Congress.
- <sup>50</sup> Agency funding post sequestration (P.L. 112-175) and ATB reduction (BDR 13-19) was \$407,723,000 lower than the original CR funding level (P.L. 113-6).
- <sup>51</sup> The House Committee on Appropriations did not report a bill. The LAE appropriation of \$11,697,040,000 for FY 2014 was incorporated into H.R. 3547.
- <sup>52</sup> S. 3533.
- <sup>53</sup> Consolidated Appropriations Act, 2014 (P.L. 113-76). Total includes \$1,197,000,000 for continuing disability reviews and SSI redeterminations. Includes up to \$171,000,000 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>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 included 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 was \$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 was \$1,500,000,000.
- <sup>56</sup> Total includes \$1,396,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$273,000,000 in base funding and \$1,123,000,000 in additional funds. Includes up to \$124,000,000 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).

## ADDITIONAL BUDGET DETAIL

### SIZE AND SCOPE OF SSA'S PROGRAMS

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

Between the three major programs SSA administers—OASI, DI, and SSI—Federal benefit payment outlays totaled \$855.4 billion in FY 2013; under current law, Federal benefit payment outlays are expected to increase to \$901.7 billion in FY 2014 and \$947.2 billion in FY 2015. 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 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Old-Age and Survivors Insurance	\$ 663.2	\$ 703.9	\$ 744.1
Disability Insurance	\$ 139.4	\$ 143.1	\$ 146.8
Supplemental Security Income	\$ 52.8	\$ 54.7	\$ 56.2
<b>Total Outlays</b>	<b>\$ 855.4</b>	<b>\$ 901.7</b>	<b>\$ 947.2</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 62.6 million in FY 2013 to 64.3 million in FY 2014 and 65.9 million in FY 2015.

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

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Old-Age and Survivors Insurance	46.2	47.7	49.2
Disability Insurance	10.9	11.0	11.1
Supplemental Security Income <sup>4</sup>	8.1	8.2	8.3
Concurrent Recipients <sup>5</sup>	-2.6	-2.6	-2.6

<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.

<b>Total Beneficiaries</b>	<b>62.6</b>	<b>64.3</b>	<b>65.9</b>
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**FULL TIME EQUIVALENTS AND WORKYEARS**

The following table summarizes the LAE Federal and State workyears requested for FY 2015.

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

	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Estimate</b>
Federal Full-Time Equivalents (FTEs)	61,861	61,767	63,525
Federal Overtime/Lump Sum Leave	2,180	3,148	2,188
<b>Total SSA Workyears (excludes OIG)</b>	<b>64,041</b>	<b>64,915</b>	<b>65,713</b>
Total State DDS Workyears	14,081	14,279	15,050
<b>Total SSA/DDS Workyears (excludes OIG)</b>	<b>78,122</b>	<b>79,194</b>	<b>80,763</b>

**SOCIAL SECURITY ADVISORY BOARD**

This budget includes \$2.3 million for the Social Security Advisory Board in FY 2015. 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: <http://www.ssab.gov/>.

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

## 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 2009-2012	\$ 194,900
LAE unobligated balance available from FY 2013	\$ 55,700
Total LAE unobligated balance from FY 2009-2013	\$ 250,600 <sup>1</sup>
Amounts projected for prior year adjustments	-\$ 155,000 <sup>2</sup>
Total LAE unobligated balance available for transfer from FY 2009-2013	<b>\$ 95,600</b>
<b>No-Year ITS Account</b>	
Carryover from funds transferred in FY 2012 for FY 2013	\$ 0
Carryover from FY 2012 (Unobligated Balances)	\$ 115,722
Total carryover from FY 2012 to FY 2013	\$ 115,722
Funds transferred in FY 2013 for FY 2013	\$ 145,600
Total FY 2013 no-year ITS funding available	\$ 261,322
FY 2013 Obligations	-\$ 161,322
Recoveries in FY 2013	\$ 0
Total carryover into FY 2014	\$ 100,000
Funds available for transfer in FY 2014 for FY 2014	\$ 95,600
<b>Total FY 2014 no-year ITS funding available</b>	<b>\$ 195,600</b>

## ITS BUDGET AUTHORITY

SSA's FY 2015 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 2013 through FY 2015.

<sup>1</sup> Reflects adjustments to the unobligated balances for these years. Balances as of 9/30/2013.

<sup>2</sup> We believe it is essential that these funds remain in the expired LAE accounts (FY2009-2013) to cover potential upward adjustments. Otherwise, SSA could face an anti-deficiency violation.

**Table 3.17—ITS Budget by Activity**

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
<b>Limitation on Administrative Expenses</b>			
One-Year <sup>1</sup>	\$ 783,181,666	\$ 973,338,500	\$ 767,456,700
No-Year	\$ 161,321,633	\$ 100,000,000	\$ 225,000,000
Subtotal	\$ 944,503,299	\$ 1,073,338,500	\$ 992,456,700
<b>Recovery Act (National Support Center)</b>	\$ 39,191,074	\$ 77,600,000	\$ 23,184,468
<b>Total</b>	\$ 983,694,373	\$ 1,150,938,500	\$ 1,015,641,168

Below are some of our significant accomplishments during FY 2013, which were made possible in part by the use of no-year funds:

- **Annual Benefit Change and Annual 1099 Benefit Statements:** In FY 2015, we will complete post-entitlement actions for beneficiaries, the Cost of Living Adjustment (COLA), changes in the Medicare premium rates, and to generate the Annual Benefit Statements (1099s) for beneficiaries’ use for tax filings. We applied a 1.5% COLA to 57,327,346 Title 2 beneficiaries and adjusted the Medicare premium rates where applicable. Additionally, we generated the Annual Benefit Statements (1099s) in both print format and provided remedial capabilities, (e.g. 1099s in Braille), for the first time. SSA produced 61,297,468 Annual Benefit Statements (1099s) to SSA beneficiaries and another 26,798 to the beneficiaries’ appointed representatives.
- **Initiatives to Improve Program Integrity:** Improper payments and fraud are very real for SSA. We strive to continually identify and implement changes to improve the accuracy of our benefit payments, improve our ability to collect debts, and eliminate the potential for fraud. Below we have listed the specific actions taken:
  - SSA successfully implemented the **Medicare Non-utilization Project** to identify Title II beneficiaries who may be deceased. We selected 1,880,809 beneficiaries from SSA’s Master Beneficiary Record who are aged 90-99 and are currently receiving Title 2 benefits. We then forwarded these selected beneficiaries’ records to the Center for Medicare and Medicaid Services (CMS) through a data exchange. CMS will advise if these beneficiaries had Medicare activity, were part of a group health insurance plan (GHP), or belonged to a health maintenance organization (HMO) in the last three years. The answers to these questions will help SSA determine the likelihood that a beneficiary is deceased and potentially receiving fraudulent benefit payments.

<sup>1</sup> One-year funds include regular one-year, base CDRs, and additional CDRs.

## Limitation on Administrative Expenses

- SSA successfully converted the Critical Payment System (CPS) from a Customer Information Control System (CICS) mainframe COBOL application to a web based application, and converted the data stores to a modern DB2 relational database. SSA uses CPS to issue immediate payments in emergency or critical situations. In addition to supporting our goal to reduce the use of COBOL, these changes also simplified processing, improved usability, and reduced the likelihood of improper payments.
- Direct Deposit Fraud Prevention – SSA identified fraudulent schemes that involve the diversion of benefits by the manipulation of direct deposit information. SSA implemented software changes to permit a beneficiary to block their Title II payment from online changes to direct deposit information.
- SSA implemented the External Collections Operations (ECO) Enhancements to allow the Agency to collect delinquent debts past the 10-year period via Treasury offset of state payments by sending a new informational state notice to debtors. We identified 279,816 potential debtors to receive this notice beginning October 2013.
- In September 2013, SSA created a new program integrity system, the Public Facing Integrity Review (PFIR) that uses Big Data analytics to identify fraud in on-line services and reduce improper payments. From September 2013 through January 2014, PFIR confirmed fraud in over 1,283 cases where beneficiary checks were fraudulently diverted to non-beneficiary bank accounts.

These efforts will improve the accuracy of benefit payments, reduce the potential incidence of fraud, and improve our ability to collect debt. For the PFIR application, the 1,283 fraudulent activities identified during the first four months of operation represented program cost-savings of approximately \$1.4 million.

- **Affordable Care Act (ACA):** H.R. 3590, the “Patient Protection and Affordable Care Act,” requires SSA to determine whether an individual’s name, Social Security Number, date of birth, and allegation of U.S. citizenship are consistent with SSA records and report such determinations to the Marketplace for individuals applying for a qualified health plan and employees of small businesses. It also requires such determinations to be made through the use of an online or electronic system developed by the Secretary of HHS, in consultation with the Commissioner of SSA. Below we have listed the specific actions taken:
  - CMS coordinated the ACA process across several participating agencies, including SSA, Internal Revenue Service, Department of Homeland Security, Veterans Health Administration, Office of Personnel Management, Peace Corps, and Tricare. In addition to the information required by the ACA legislation, SSA, through an agreement with CMS, also provides disability indicators, death, incarceration, monthly and annual title II income, and SSA quarters of coverage data. CMS uses the additional data to determine whether an individual qualifies

for programs and benefits, such as Advanced Premium Tax Credits, Cost Sharing Reductions, Medicaid, Children’s Health Insurance Program, and Basic Health Plans.

- SSA implemented the ACA web service in August, 2013. CMS began using the SSA ACA application on October 1, 2013.
- **Utilizing the Cloud:** OMB implemented a “Cloud First” policy under which all new Information Technology projects must assess the viability of a Cloud implementation prior to choosing a specific technical solution. Below we have listed the specific actions taken:
  - SSA implemented a strategy to use the Private Cloud Computing model that is most consistent with its mission and its business operations models. This strategy allows SSA to leverage Cloud Computing in order to extend the service capabilities of its existing IT environment. The use of the Cloud Computing model – consistent with the Agency’s risk management framework and its certification and accreditation standards – is enforced within the framework of SSA’s centrally managed enterprise architecture governance as well as its IT service acquisition and source selection processes.
  - SSA will continue to maintain its Private/Internal Cloud as the principal deployment model for delivering IT services. Similarly, SSA anticipates that we will provide virtually all newly developed and implemented IT services within the scope of the existing Private Cloud.
  - SSA implemented technical and security policies addressing the “Cloud First” principle. The policies apply to all SSA components engaged in or considering the outsourcing of IT services to Cloud Service Providers (CSP), or considering the acquisition of cloud-based products and services from external CSPs. The CIO must approve all investments in Cloud Computing.
  - An example of a recent deployment in our Private Cloud is the Citizens Access Routing Enterprise through 2020 (CARE 2020) project. A single GSA Network Universal contract for the CARE solution replaced two separate expiring contracts. SSA successfully completed the transition to the CARE 2020 solution replacing our existing National 800 Number infrastructure with a hosted, Private Cloud, Voice over Internet Protocol (VoIP) telephone network system. The CARE 2020 solution will assist us in improving operational efficiency and the quality and capabilities of the National 800 Number. Additionally, CARE 2020 will allow for enhanced automated telephone applications self-service features and speech-recognition technology. One hundred percent of the national toll-free call traffic migrated to the CARE 2020 platform as of September 9, 2013. The Interactive Voice Response (IVR)/automation phase of the CARE 2020 transition was also successfully completed on September 27, 2013.

## Limitation on Administrative Expenses

- SSA developed, manages, and operates its Private Cloud to deliver IT infrastructure, platform, and software application capabilities as on-demand, scalable, and elastic services. Standardizing use of our Private Cloud infrastructure allows us to maximize capacity utilization, improve IT flexibility and minimize cost.
- **Health Information Technology:** SSA processes nearly 3 million disability claims annually, which require over 15 million requests for individual medical records from healthcare providers who have treated those claimants. The state disability determination services office manages the collection of supporting medical information and its analysis to adjudicate each disability claim. Traditionally, this is a tedious and largely paper-based process for all parties involved.

SSA's Health IT provides health care organizations the ability to share medical information with us electronically. We have been able to streamline the disability determination process by requesting and obtaining medical records electronically and enabling computerized decision support.

Health IT has demonstrated its potential to increase efficiencies in the disability program and dramatically improve service to the public.

As of January 31, 2014, we have a total of 21 partners with 1,673 participating providers in 20 States and the District of Columbia. Since January 2013, SSA:

- Partnered with about 500 new provider facilities
- Expanded to 4 new States and the District of Columbia
- Partnered with 3 new healthcare organizations:
  - Geisinger
  - Medical University of South Carolina
  - University of California – Davis
- Expanded current partners to additional facilities in new States:
  - Kaiser Permanente – 4 new Kaiser Permanente regions
  - Regenstrief – Transitioned to Indiana Health Information Exchange and expanded to new provider facilities
  - Oregon Community Health Information Network – Expanded to new facilities in new States
- **Increase Online Services (eServices):** SSA has a strategic vision to provide the public with easy and secure online access to as much information and as many actions as possible. The vision includes (1) transitioning from full-service to the preferred self-service option; (2) making eServices accessible through a variety of devices; (3) offering new and expanded opportunities for third parties; and (4) maintaining and updating the secure, authenticated *my Social Security* portal. Below are the specific actions taken towards increasing our on-line services availability:
  - **iClaim/i3368 Marriage** – In January 2014, we enhanced our online disability claims process by marrying the benefit application (iClaim) and the adult medical report

(i3368). This enhancement provides user access to both applications via a single entry point for applicants who chose to apply online and eliminates some duplicative questions. In addition to many functional improvements, this release also allows foreign applicants the ability to complete an i3368.

- Every year we send more than 15 million requests for medical records on behalf of nearly 3 million disability claimants. A signed Authorization to Disclose Information (Form SSA-827) accompanies each request for medical evidence. **eAuthorization** provides claimants the option to sign and submit Form SSA-827 electronically. As of January 2014, 95.7% of eligible claimants have electronically signed the SSA-827.
- In May 2013, SSA successfully implemented the **Mobile Contact** application. This web application allows members of the public to locate an SSA field office or card center via a desktop or mobile device. The size and presentation of the application is modified for a mobile view when a mobile device is being used. It also emphasizes all channels for the public to conduct business with SSA. (i.e., online, 800 number, email, and face-to-face).
- **Appointed Representative Status Report** - In August, SSA implemented an application to allow Appointed Representatives to access and download status reports for all of their active or recently closed cases at the Appeals Council level, not including Federal Court cases.
- **Social Security Income (SSI) Wage Reporting – Goldberg Kelly (GK) Release** - The Mobile Wage (mWage) application and SSI Automated Telephone Wage Reporting (SSITWR) system required a means to accept and permit successful wage reports before and after the GK systems cutoff date for advanced notice. To address this concern, the Agency updated mWage and SSITWR to allow SSI recipients or their representative payees to report the prior month of gross wages at any time during the reporting month.
- In May, SSA improved service delivery by implementing the **National 800 Number Calendar Expansion Project** that enables our Field Offices nationwide to schedule appointments 60 days in advance. The previous timeframe only allowed for 30 days of scheduling.
- **The Digital Government Strategy (DGS)** challenged agencies to rethink their central approaches to developing IT solutions, with an emphasis on managing data instead of documents; sharing platforms to reduce costs; focusing on enabling end users; and ensuring information is delivered safely and securely. SSA met all ten OMB milestones on schedule.
- The Department of Education (DoED) requested that SSA set up a **new electronic data exchange** to obtain aggregate earnings data to be used to measure compliance of the Gainful Employment (GE) regulations by Institutions of Higher Education. SSA processed 7,250,026 records in FY13-FY14.

## Limitation on Administrative Expenses

The above actions continue to move us toward our eServices Vision, and improving customer service by leveraging new and emerging technology. Self-service applications also contribute to improved accuracy, increase efficiency saving our employees' time, and allow our customers to interact with the Agency in a more convenient, integrated, and personalized electronic method.

The Appointed Representative (AR) Status Report resulted in a significant cost savings with the reduction in AR status inquires to the Appeals Council, as well as the costs associated with creating and mailing copies of the OAO Status report each month.

DoED used data from a new data exchange to provide aggregate disclosures of earnings information to the public to assist them in evaluating institutions that participate in the federal student aid programs.

SSA's participation in DGS has affirmed the agency's commitment to the core principles espoused in the DGS guidelines. SSA will continue to embrace the values set forth in the DGS in our ongoing commitment to improving communication and electronic services.

- **Alternative Format Notices:** SSA is continually improving our ability to provide notices in alternative formats to our blind and visually-impaired customer base who desire alternatively-formatted notices, as a result of the *American Council of the Blind versus Astrue and SSA* court decision.

Since February 2013, SSA, via our Interagency Agreement with a notice-producing vendor, has produced over 829,000 notices in Braille, data compact disc, audio compact disc, and large print formats.

SSA has increased the notices that we produce in alternative formats; most recently, the SSA-1099 and SSA-1042S, high-volume notices that beneficiaries use to complete their income tax returns.

Since February 2013, SSA has increased the number of beneficiaries, representative payees, and recipients in our alternative notice format repository by more than 40,000 through outreach activities and by offering the options at claims intake.

As a result of SSA's producing notices in alternative formats, we have improved access to our programs to blind and visually-impaired customers who otherwise may not have had easy access, thereby improving the effectiveness of our customer outreach activities.

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:
  - Citizen Access Routing Enterprise 2020 (CARE 2020)

- Interactive Video Teletraining - IVT
  - Data Center
  - Office Automation
  - Telecommunications
  - 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:
    - Earnings Redesign
    - eService, including Online Claims
    - Medicare Modernization Act Project
    - SSI Modernization
    - Title II Redesign
- **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.
- **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 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.

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- **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 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
<b>Disaster Assistance Improvement Plan</b>	\$ 41	\$ 39	\$ 56
<b>E-Federal Health Architecture LoB</b>	\$ 100	\$ 500	\$ 500
<b>E-Rulemaking</b>	\$ 62	\$ 17	\$ 17
<b>Financial Management LoB</b>	\$ 64	\$ 64	\$ 64
<b>Geospatial LoB</b>	\$ 15	\$ 25	\$ 25
<b>GovBenefits.gov</b>	\$ 173	\$ 217	\$ 217
<b>Grants.gov</b>	\$ 41	\$ 27	\$ 27
<b>Grants Management LoB</b>	\$ 311	\$ 311	\$ 0
<b>Human Resources Management LoB</b>	\$ 130	\$ 130	\$ 130
<b>Integrated Acquisition Environment (IAE)</b>	\$ 98	\$ 104	\$ 104
<b>IAE-Loans and Grants</b>	\$ 13	\$ 0	\$ 0
<b>Performance Management LoB</b>	\$ 17	\$ 18	\$ 0
<b>Total</b>	<b>\$ 1,065</b>	<b>\$ 1,452</b>	<b>\$ 1,140</b>

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

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

**E-Federal Health Architecture Line of Business (LoB)** supports 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.

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**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** create 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>**

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
<b>Recruitment One-Stop</b>	\$ 430.2	\$ 416.2	\$ 415.2
<b>Enhanced Human Resource Integration</b>	\$ 1,111.1	\$ 944.5	\$ 970.7
<b>E-Payroll</b>	\$ 15,043.4	\$ 13,649.3	\$ 13,511.5
<b>E-Travel</b>	\$ 640.0	\$ 700.0	\$ 552.4
<b>Total</b>	<b>\$ 17,224.7</b>	<b>\$ 15,710.0</b>	<b>\$ 15,449.8</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.

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

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

**Enhanced Human Resource Integration** initiative develops 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** provides a government wide standard set of world-class travel management services to consolidate Federal travel, minimize cost, and improve customer satisfaction.

**EMPLOYMENT**

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

**Table 3.20—Detail of Full-Time Equivalent Employment<sup>1</sup>**

	<b>FY 2013 Actual</b>	<b>FY 2014 Estimate</b>	<b>FY 2015 Estimate</b>
Limitation on Administrative Expenses Accounts	61,627	61,467	63,225
Reimbursable Work	234	300	300
	<b>61,861</b>	<b>61,767</b>	<b>63,525</b>

The following table lists the Average Grade and Salary for SSA employees for FY 2013. It includes averages for Executive Service (ES) and General Service (GS) employees.

**Table 3.21—Average Grade and Salary**

	<b>FY 2013 Actual</b>
Average ES Salary	<b>\$165,100</b>
Average GS/WG Grade	<b>11</b>
Average GS/WG Salary	<b>\$71,500</b>

<sup>1</sup> Includes all FTEs funded by the Recovery Act, MIPPA, and the Children’s Health Insurance Program Reauthorization Act of 2009.

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

	<b>FY 2012 Actual</b>	<b>FY 2013 Actual</b>
<b>Field Offices</b>	28,790	27,879
<b>Teleservice Centers</b>	4,535	4,275
<b>Processing Centers</b>	10,649	9,957
<b>Regional Offices</b>	1,663	1,575
<b>Operations Subtotal<sup>2</sup></b>	<b>45,637</b>	<b>43,686</b>
<b>Office of Disability Adjudication and Review<sup>2</sup></b>	10,041	9,510
<b>Systems</b>	3,345	3,185
<b>Office of Quality Performance</b>	1,181	1,122
<b>Headquarters<sup>2</sup></b>	4,703	4,696
<b>SSA Total</b>	<b>64,907</b>	<b>62,199</b>

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

<sup>2</sup> Headquarters includes counts for Operations Support Staff, Office of Appellate Operations, GSA Delegations, and the Advisory Board.

**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 2013-2015.

		<b>PY 2013 (Actual)</b>	<b>CY 2014 (Estimates)</b>	<b>BY 2015* (Estimates)</b>
Number of Physicians Receiving PCAs		<b>5</b>	<b>5</b>	<b>4</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>5</b>	<b>5</b>	<b>4</b>
Average Annual PCA Physician Pay (without PCA payment)		<b>155,500</b>	<b>155,500</b>	<b>155,500</b>
Average Annual PCA Payment		<b>23,400</b>	<b>23,400</b>	<b>22,500</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>5</b>	<b>5</b>	<b>4</b>

\*FY 2015 data will be approved during the FY 2016 Budget cycle.

Maximum annual PCA amount paid to each category of physician:

See tables 3.24 and 3.25 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 has had no medical officer (MO) accessions and 1 MO separation in fiscal year 2013.

SSA continues to offer PCAs to our MOs 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.

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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

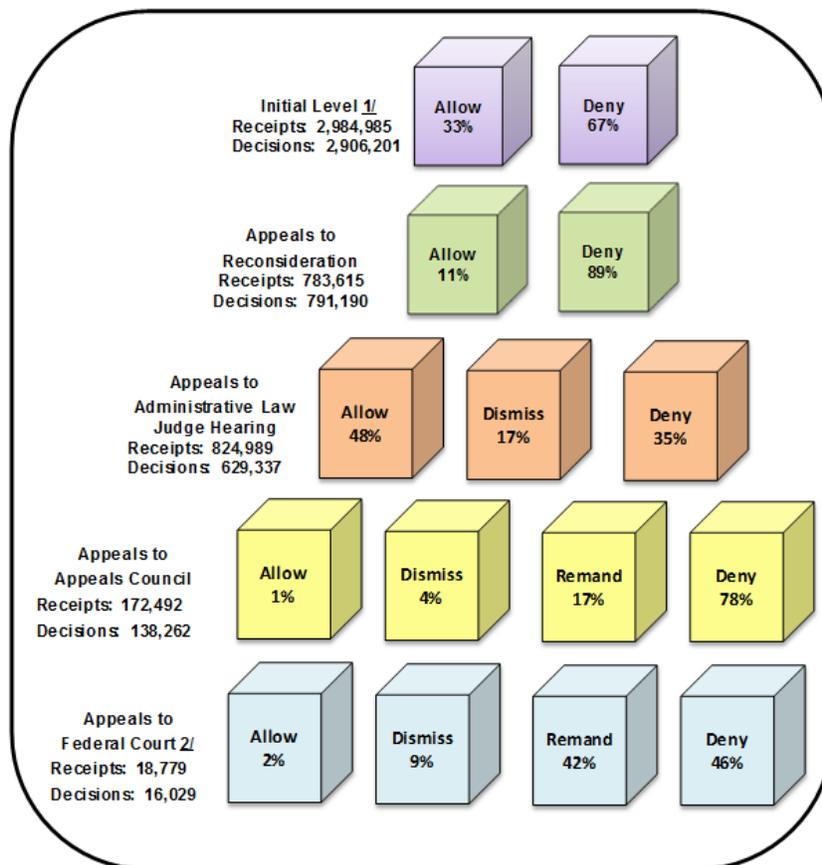
\* SSA currently is not experiencing any recruitment or retention problems for the categories of Occupational Health and Disability Evaluation; therefore, no related maximum allowances have been established for these categories. Maximum allowances have been set for the category of Administration because 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, the Office of Medical and Vocational Expertise, and the Office of Personnel.

FY 2013 DISABILITY WORKLOAD

The following table provides data on the FY 2013 disability claims and appeals workload.

**Table 3.26—FY 2013 Workload Data Disability Appeals**

FISCAL YEAR 2013 WORKLOAD DATA:  
DISABILITY DECISIONS\*



\*Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2013, 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

1/ 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.

2/ 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, 12/13/13; Office of Budget, 02/06/14  
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); C) Federal Court data: SSA Office of General Counsel

## LEGISLATIVE PROPOSALS

**Enhanced Demonstration Authority and Early Intervention Projects:** The FY 2015 President’s Budget calls for the reauthorization of modified section 234 demonstration authority for DI and conforming changes to SSI demonstration authority, in tandem with a detailed description of three potential early intervention pilots (See yellow tab, “Early Intervention Demonstrations”). SSA's demonstrations have shown interventions after the point of complete disability onset can yield positive outcomes for beneficiaries, but whether such interventions are the most cost-effective is a point of concern. As research indicates that health problems begin to materialize in advance of complete disability onset, practitioners are developing programs to help employers deal with health events of employees before they cause a separation from the workplace and an irreversible path toward cash benefit programs. Despite the suggestive benefits of early interventions, testing of these demonstrations has been scarce. Proposed legislation would provide \$400 million in mandatory funding to renew and enhance SSA's demonstration authority for the DI Program, which will allow us to conduct multiple early intervention projects in partnership with other Federal agencies. These funds would be separately appropriated from general funds, and fully offset.

**Death Master File Reform:** The FY 2015 President’s Budget proposes to use the “Death Master File” to prevent improper payments to deceased individuals by providing the full list to the Do Not Pay system at Treasury.

**Windfall Elimination Provision (WEP) and Government Pension Offset (GPO):** The FY 2015 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 provides \$70 million in mandatory funding for developing and implementing data exchanges and provides for grants to state and local entities for this purpose. Of the \$70 million, \$20 million is intended for SSA administrative expenses.

**Workers’ Compensation Information Reporting:** The FY 2015 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 2015 President’s Budget includes a proposal to increase the SSI eligibility period for refugees, asylees, and other non-citizens in refugee-like immigration statuses (i.e., humanitarian immigrants) from a maximum of seven years to a maximum of nine years during fiscal years 2015 and 2016. Individuals whose benefits expired solely due to the seven-year time period would be eligible for

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up to 24 months of extended benefits paid prospectively until the conclusion of the nine-year period or the end of FY 2016, if earlier.

**Conform Treatment of State and Local Government Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) for SSI:** The FY 2015 President's Budget proposes to conform the treatment of state and local EITC and CTCs to be consistent with the treatment of Federal EITC and CTC for purposes of determining eligibility for SSI. Currently, the Federal EITC and CTC credits 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 2015 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. The proposal would be effective with divorces that become final six months after the date of enactment.

**Allow SSA to Certify Electronically Additional Railroad Retirement Board (RRB) Benefits:** The FY 2015 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 2015 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 25 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. In FY 2013, the majority of employers this size reported electronically. The proposal would be effective for calendar years beginning after 2014.

**Federal Wage Reporting:** The FY 2015 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.

**Offset Concurrent Receipt of Disability Insurance and Unemployment Compensation**

**Benefits:** The FY 2015 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 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.

**Apply Treasury Offset to Retroactive Disability Insurance Payments and Reconcile**

**OPM/SSA Retroactive Payments:** The FY 2015 President's includes a legislative proposal that would apply the Treasury Offset Program (TOP) to retroactive DI payments, and separately, to resolve retroactive disability benefit coordination between OPM and SSA under the draft framework developed in CY 2010 in which SSA handles the reconciliation. The FY 2015 Budget includes \$6 million in mandatory funding to cover SSA's systems implementation costs for the OPM/SSA reconciliation.

**Enacted Adjustments Pursuant to the Balanced Budget and Emergency Deficit Control Act (BBEDCA) Converted to Mandatory Funding:**

The FY 2015 President's Budget includes a proposal to repeal the discretionary cap adjustments enacted in the Balanced Budget and Emergency Deficit Control Act, as amended by the Budget Control Act of 2011, beginning in 2016 for SSA and instead provide a dedicated, dependable source of mandatory funding for the Social Security Administration to conduct Continuing Disability Reviews (CDRs) and Supplemental Security Income (SSI) program Redeterminations. CDRs and Redeterminations help to ensure that only those beneficiaries who remain eligible for SSI or DI benefits continue to receive them. For FY 2015, recent estimates indicate that on average, every \$1 spent on CDRs would save the Federal Government \$9, and every \$1 spent on Redeterminations would save the Federal Government more than \$4. The proposal includes the creation of a new limitation account entitled Program Integrity Administrative Expenses, which will reflect mandatory funding for SSA's program integrity activities in addition to amounts provided to SSA through the Limitation on Administrative Expenses account.

**Eliminate Aggressive Social Security Claiming Strategies:** The FY 2015 President's Budget includes a legislative proposal that would eliminate aggressive Social Security claiming strategies, which allow upper-income beneficiaries to manipulate the timing of collection of Social Security benefits in order to maximize delayed retirement credits.