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APPROPRIATION LANGUAGE

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, [~~\$41,249,064,000~~] \$40,927,000,000, to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury: *Provided further*, That not more than [~~\$47,000,000~~] \$53,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, [~~2015~~] 2016.

For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year [~~2015~~]2016, [~~\$19,700,000,000~~] \$19,200,000,000, to remain available until expended.

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

LANGUAGE ANALYSIS

The appropriation language provides the Social Security Administration (SSA) with the funds needed to carry out its responsibilities under the Supplemental Security Income (SSI) program. This includes the funds needed to pay Federal benefits, administer the program, and provide beneficiary services to recipients. The budget authority for these activities is made available until expended, providing SSA the authority to carryover unobligated balances for use in future fiscal years. In addition, a portion of this funding is made available for SSA to conduct research and demonstration projects, which is available for two years, providing SSA the authority to carryover unobligated balances into the next fiscal year.

In addition, the language provides SSA with indefinite authority beginning June 15 in the event Federal benefit payment obligations in FY 2015 are higher than expected and SSA does not have sufficient unobligated balances to cover the difference. Consistent with previous years, the appropriation also includes an advance appropriation for Federal benefit payments in the first quarter of FY 2016 to ensure the timely payment of benefits in case of a delay in the FY 2016 appropriations bill.

Table 2.1—Appropriation Language Analysis

Language provision	Explanation
"For carrying out titles XI and XVI of the Social Security Act... including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, \$40,927,000,000, to remain available until expended."	Appropriates funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects under the SSI program. SSA may carryover unobligated balances for use in future fiscal years.
" <i>Provided</i> , That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury."	Ensures that states do not carry unobligated balances of Federal funds into the subsequent fiscal year. Applies primarily to the beneficiary services activity.
" <i>Provided further</i> , That not more than \$53,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2016. "	Specifies that not more than \$53 million of the SSI appropriation is available for research and demonstration projects. SSA may carryover unobligated balances for use in the subsequent year.
"For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary."	Provides an indefinite appropriation to finance any shortfall in the definite appropriation for benefit payments during the last months of the fiscal year.
"For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2016, \$19,200,000,000, to remain available until expended."	Appropriates funds for benefit payments in the first quarter of the subsequent fiscal year. Ensures that recipients will continue to receive benefits during the first quarter of FY 2016 in the event of a temporary funding hiatus.

GENERAL STATEMENT

The SSI program guarantees a minimum level of income to financially needy individuals who are aged, blind, or disabled. The program was created in 1972 by Title XVI of the Social Security Act and payments began January 1974. It is Federally-administered and funded from general revenues.

Prior to the establishment of the SSI program, the Social Security Act provided means-tested assistance through three separate programs—Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled. Federal law only established broad guidelines, with each state largely responsible for setting its own eligibility and payment standards. The SSI program was established to provide uniform standards across states.

**Table 2.2—Summary of Appropriations and Obligations
(in thousands)**

	FY 2013 Actual	FY 2014 Enacted ¹	FY 2015 Estimate	<i>Change</i>
Appropriation	\$ 51,223,285	\$ 59,693,064	\$ 60,627,000	+\$ 933,936
Obligations	\$ 56,485,774	\$ 59,801,998	\$ 60,715,000	+ \$ 913,002
First Quarter Advance Appropriation for Subsequent Fiscal Year	\$ 19,300,000	\$19,700,000	\$ 19,200,000	- \$ 500,000

PROGRAM OVERVIEW

Eligibility Standards

As a means-tested program, individuals must have income and resources below specified levels to be eligible for benefits. Rules allow some specific categories of income and resources to be either totally or partially excluded.

An individual's benefit payment is reduced dollar for dollar by the amount of their "countable income"—income less all applicable exclusions—in a given month. Income in the SSI program includes "earned income" such as wages and net earnings from self-employment; and "unearned income" such as Social Security benefits, unemployment compensation, deemed income from a spouse or parent, and the value of in-kind support and maintenance such as food and shelter. Different exclusion rules apply for different types of income.

Incentives for Work and Opportunities for Rehabilitation

The SSI program is designed to help recipients with disabilities achieve independence by encouraging and supporting their attempts to work. The program includes a number of work incentive provisions that enable recipients who are blind or disabled to work and retain benefits. The program also includes provisions to help disabled beneficiaries obtain vocational

¹ Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

rehabilitation and employment support services. These provisions were revised by legislation establishing the Ticket to Work program, discussed in more detail in the Beneficiary Services section.

State Supplementation

Supplementation is mandatory for certain recipients who were on state rolls just prior to the creation of the Federal program on January 1, 1974. Otherwise, states are encouraged to supplement the Federal benefit and may elect to have their state supplementation program administered by SSA. States that choose to have SSA administer their program reimburse SSA in advance and SSA makes the payment on behalf of the state. Participating states also reimburse SSA for the cost of administering their program, based on a user fee schedule established by the Social Security Act. The user fee is \$11.32 per SSI check payment in FY 2014 and is expected to increase to \$11.50 in FY 2015. The Department of Treasury receives the first \$5.00 of each fee and SSA retains the amount over \$5.00.

Coordination with Other Programs

SSA plays an important role in helping states administer Medicaid and the Supplemental Nutrition Assistance Program (SNAP). Provisions in the SSI statute ensure that payments made by states or under the Social Security program are not duplicated by SSI benefits.

Generally, SSI recipients are categorically eligible for Medicaid. States may either use SSI eligibility criteria for determining Medicaid eligibility or use their own, provided the criteria are no more restrictive than the state's January 1972 medical assistance standards.

SSI recipients may qualify for SNAP. Social Security offices work with SSI applicants and recipients in a variety of ways to help them file for SNAP, including informing them of their potential benefits, making applications available to them, and in some cases helping them complete their applications. Social Security also shares applicant data with a number of states in support of SNAP.

Benefit Payments

SSA estimates it will pay \$56.2 billion in Federal benefits to an estimated 8.3 million SSI recipients in FY 2015. Including state supplementary payments, SSA expects to pay a total of \$59.6 billion and administer payments to a total of almost 8.5 million recipients. Federal benefit payments represent approximately 93 percent of Federal SSI spending. Administrative expenses represent approximately 7 percent of spending; beneficiary services and research and demonstration projects make up the remaining less than one percent.

FY 2015 PRESIDENT'S BUDGET REQUEST

The SSI appropriation includes funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects. In total, the President's Budget request for FY 2015 is \$60,627,000,000. However, this includes \$19,700,000,000 made available for the first quarter of FY 2015 in the FY 2014 appropriation. The appropriation language provides SSA with its remaining appropriation for FY 2015, \$40,927,000,000—the total amount requested for FY 2015 less the advance already received.

Similarly, in addition to the amount above, the request includes an advance appropriation of \$19,200,000,000 for Federal benefit payments in the first quarter of FY 2016. This advance is to ensure recipients continue to receive their benefits at the beginning of the subsequent fiscal year in case there is a delay in passing that year's appropriation.

Table 2.3—Appropriation Detail¹
(in thousands)

	FY 2013 Actual	FY 2014 Enacted²	FY 2015 Estimate	Change
Advance for Federal Benefits ³	\$ 18,200,000	\$ 19,300,000	\$ 19,700,000	
Regular for Federal Benefits	\$ 29,354,000	\$ 35,423,000	\$ 36,501,000	
Subtotal Federal Benefits	\$ 47,554,000	\$ 54,723,000	\$56,201,000	+ \$ 1,478,000
Administrative Expenses	\$ 3,605,305	\$ 4,920,064	\$ 4,302,000	-\$ 618,064
Beneficiary Services	\$ 47,000	\$ 3,000	\$ 70,000	+ \$ 67,000
Research and Demonstration	\$ 16,980	\$47,000	\$ 53,000	+ \$ 6,000
Change in a Mandatory Program— Special Immigrant Visa Extension	\$ 0	\$ 0	\$ 1,000	+ \$1,000
Subtotal Advanced Appropriation	\$ 18,200,000	\$ 19,300,000	\$ 19,700,000	
Subtotal Regular Appropriation	\$ 33,023,285	\$ 40,393,064	\$ 40,927,000	
Total Appropriation	\$ 51,223,285	\$ 59,693,064	\$ 60,627,000	+ \$ 933,936
Advance for Subsequent Year	\$ 19,300,000	\$ 19,700,000	\$ 19,200,000	- \$ 500,000

¹ Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the Limitation on Administrative Expenses appropriation.

² Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

³ Amount provided or requested in the previous year's appropriation bill.

KEY INITIATIVES

SSA continues to pursue efforts to ensure the proper management and stewardship of the SSI program.

Payment Accuracy

For more than 75 years, SSA has been committed to paying the right benefit to the right person at the right time. The challenge of meeting this goal is especially apparent in the administration of the SSI program because eligibility and payment amounts are so closely tied to the fluctuating circumstances of individual recipients. In FY 2012, 93.7 percent of SSI benefit payments were free of overpayment errors and 98.2 percent were free of underpayment errors. The vast majority of incorrect payments are the result of unreported changes to recipients' incomes, resources, or living arrangements.

While maintaining and improving payment accuracy remains a challenge, SSA considers it a matter of great importance to continue to improve administration of the SSI program. SSA has taken steps to prevent overpayments before they occur and is addressing the two largest (in dollar amounts) causes of overpayments: unreported wages and unreported bank accounts.

Continuing Disability Reviews and Non-Disability Redeterminations

SSI continuing disability reviews (CDRs) are periodic reviews conducted to ensure recipients are still disabled according to agency rules. The frequency of these reviews is dependent on the likelihood that a recipient's medical condition will change. Non-disability redeterminations (redeterminations) are periodic reviews that verify living arrangements, income levels, and other non-disability factors related to SSI eligibility. Similar to CDRs, the frequency of redeterminations is determined by the probability that changes affecting eligibility will occur. CDRs and redeterminations are key activities in ensuring the integrity of the SSI program and maintaining and improving payment accuracy.

The FY 2015 President's budget request includes \$627 million specifically for conducting SSI CDRs and redeterminations, which would allow SSA to conduct approximately 203,150 SSI CDRs¹ and 2,622,000 redeterminations. The total funding is estimated to result in almost \$5.2 billion in net program savings over the next 10 years.

Access to Financial Institutions

Access to Financial Institutions (AFI) is an electronic process that verifies bank account balances with financial institutions for purposes of determining 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 for all SSI applicants and recipients alleging financial resources above the current resource threshold.

Along with preventing overpayments, AFI will help us to eliminate ineligible applicants at the beginning of the application process, reducing the workload in the State Disability Determination Services. Full implementation is defined as using AFI on every potential SSI claim and

¹ The total estimated CDR volume is 887,804. We expect to complete 684,654 DI CDRs in addition to SSI CDRs.

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redetermination and assumes using no tolerance levels, increasing the number of bank searches, and fully integrating the process with our systems. In 2013, we lowered the tolerance levels from a \$750 tolerance to a \$400 tolerance and increased bank searches from 5 negative searches to 10 negative searches, moving closer to full implementation. We expect the account verifications we will complete in FY 2014 will be cost effective.

Pre-Effectuation Reviews

The Deficit Reduction Act of 2005 provided SSA with the authority to conduct pre-effectuation reviews (PER) for favorable initial SSI adult blindness or disability determinations. SSA started conducting these reviews in April 2006. They are conducted before the individual is awarded benefits and are done to ensure the accuracy of the determinations made by state agencies.

The Social Security Disability Insurance (DI) program already required PERs, but prior to this legislation only SSI adult disability claims involving concurrent SSI/DI claims were subject to review. SSI PERs support the performance measure to reduce improper payments, improve the accuracy and integrity of the SSI program, and make the SSI and DI programs more consistent.

Combating Fraud

SSA continues to engage in an aggressive program to deter, detect, investigate, and prosecute fraud. During FY 2013, SSA's Office of the Inspector General (OIG) received almost 61,000 SSI fraud-related allegations via telephone, correspondence, fax, or email. As allegations are received, they are carefully reviewed to determine the most appropriate course of action, such as referral to OIG's Office of Investigations Field Divisions, other components of OIG, outside law enforcement agencies, or other program or policy components in SSA. In addition to matching the law enforcement data received pursuant to the matching program, Federal law authorizes OIG and SSA to release information back to law enforcement regarding beneficiaries and recipients who have unsatisfied felony arrest warrants or who are violating a condition of probation or parole imposed under Federal or State law. Individuals are identified by using an automated data matching process which compares warrant information at the State and Federal levels with the SSI rolls.

SSI Simplification

The process of evaluating eligibility and payment levels for the SSI program and addressing the accuracy of payments that have already been made is inherently complex. SSA remains committed to simplifying the SSI program and is exploring ways to do this in a fair and equitable manner.

Debt Collection

SSA currently makes use of the following debt collection tools that are authorized by law: benefit withholding, cross-program recovery, repayment by installment agreements, Credit Bureau Reporting, Administrative Wage Garnishment, and the Treasury Offset Program (TOP), which includes Tax Refund Offset (TRO), Administrative Offset (e.g., Federal travel and expense reimbursements), and Federal Salary Offset. Using these debt collection tools, SSA collected almost \$1.2 billion in SSI overpayments, including Federally-administered state supplement overpayments, in FY 2013. Also in FY 2013, SSA eliminated an additional \$124.0 million through Netting, a process that adjusts SSI overpayments through an automated offset against SSI underpayments.

SSA began collecting SSI overpayments by TRO in 1998 under the authority of The Deficit Reduction Act of 1984. The Foster Care Independence Act of 1999 extended to the SSI program all of the additional debt collection authorities previously available for collection of overpayments under the Social Security retirement and disability programs. In FY 2002, SSA expanded the use of TOP by implementing Administrative Offset. SSA further expanded the use of TOP in FY 2006 when the agency implemented Federal Salary Offset, a collection tool used to collect delinquent overpayments owed by Federal employees, including employees who work for SSA. In FY 2012, SSA began referring debts delinquent for 10 years or more to TOP. In FY 2013, SSA released systems enhancements and began notifying debtors of the ability to offset eligible State payments via TOP to recover delinquent debt. In FY 2013, TOP enabled the agency to collect \$70.6 million.

In FY 2002, SSA implemented Credit Bureau Reporting and Cross Program Recovery. In FY 2013, Credit Bureau Reporting contributed to the voluntary repayment of \$28.1 million and the Agency recovered \$81.9 million via Cross Program Recovery.

In FY 2005, SSA implemented Administrative Wage Garnishment, which has collected \$22.4 million in SSI debt through FY 2013. In the future, SSA plans to implement the remaining authorized collection tools which include interest charging, administrative cost recovery, and the use of private collection agencies.

Computer Matching Programs

SSA routinely matches SSI recipient data with data maintained by other Federal, state, and local government entities to detect changes in income, resources, or living arrangements that may affect SSI eligibility. In addition, the Foster Care Independence Act of 1999 provides for expansion of access to data from financial institutions.

SSA's computer matching operations include matches with:

- Prison inmate records to find recipients made ineligible by incarceration;
- Law enforcement agencies data on fugitive felons;
- Quarterly data on wage and unemployment compensation information;
- Monthly nursing home admission and discharge information;
- Internal Revenue Service records of non-wage income reported via 1099s to detect resources and/or income;
- Bureau of Public Debt's Savings Bond records to detect unreported assets;
- Department of Defense (DOD) records to detect and verify DOD pension information;
- Veterans Administration benefit data to be used in SSI benefit calculations;
- Office of Personnel Management pension data to be used in certain SSI benefit calculations;
- Railroad Retirement Board data to be used in certain SSI benefit calculations;
- Department of Homeland Security (DHS) data for deportation information on aliens outside the U.S. for more than 30 continuous days to terminate SSI benefits;

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- DHS records of aliens who voluntarily leave the U.S; and
- AFI system to electronically request and receive financial account information.

Actions taken as a result of such matches include independent verification of assets or income. If this results in a change in payment amount or eligibility, notification is provided to the recipient of the findings along with appeal and waiver rights.

Legislative Proposal – Refugees, Asylees, and Other Humanitarian Immigrants

The “SSI Extension for Elderly and Disabled Refugees Act” (Public Law 110-328) extended the seven-year SSI eligibility period for refugees, asylees, and certain other humanitarian immigrants to nine years. This law affected those whose eligibility would have expired between October 1, 2008 through September 30, 2011 by providing benefits for two more years or the end of FY 2011 (whichever came sooner).

The FY 2015 President’s budget includes a proposal to allow refugees and asylees to receive SSI an additional two years, in FY 2015 and FY 2016, for a total maximum of nine years of eligibility, consistent with the expired policy established by P.L. 110-328.

Change in a Mandatory Program – Special Immigrant Visa extension for Afghans

The FY 2015 President’s budget includes \$1 million for a discretionary change in a mandatory program (CHIMP) from the State Department’s two-year Special Immigrant Visa extension for Afghans. Please see the State Department’s 2015 Congressional Justification for additional detail on this proposal.

BUDGETARY RESOURCES

The SSI annual appropriation consists of a regular appropriation made available by the current year's appropriation bill and an advance made available by the prior year's appropriation. This advance is for Federal benefit payments in the first quarter of the subsequent fiscal year to ensure recipients continue to receive their benefits in case there is a delay in passing that year's appropriation bill. The President's Budget for FY 2015 is \$60,627,000,000, including \$19,700,000,000, provided in advance by the FY 2014 enacted appropriation.

Table 2.4—Amounts Available for Obligation¹

	FY 2013 Actual	FY 2014 Estimate ²	FY 2015 Estimate
Regular Appropriation	\$ 33,023,285,088	\$ 40,393,064,000	\$ 40,927,000,000
Advanced Appropriation	\$ 18,200,000,000	\$ 19,300,000,000	\$ 19,700,000,000
Total Annual Appropriation	\$ 51,223,285,088	\$ 59,693,064,000	\$ 60,627,000,000
Federal Unobligated Balance	\$ 818,764,012	\$ 121,960,602	\$ 13,027,064
Recovery of Prior-Year Obligations	\$ 1,565,011	\$ 0	\$ 0
Offsetting Collections	\$ 1,677,465	\$ 0	\$ 0
Indefinite Authority ³	\$ 4,562,442,853	N/A	N/A
Subtotal Federal Resources	\$ 56,607,734,429	\$ 59,815,024,602	\$ 60,640,027,064
State Supp. Reimbursements	\$ 3,269,194,700	\$ 3,346,000,000	\$ 3,422,000,000
State Supp. Unobligated Balance	\$ 272,794,298	\$ 271,863,212	\$ 277,863,212
Total Budgetary Resources	\$ 60,149,723,427	\$ 63,432,887,814	\$ 64,339,890,276
Federal Obligations	\$ 56,485,773,827	\$ 59,801,997,538	\$ 60,715,000,000
State Supp. Obligations	\$ 3,270,125,786	\$ 3,340,000,000	\$ 3,415,000,000
Total Obligations	\$ 59,755,899,613	\$ 63,141,997,538	\$ 64,130,000,000
Federal Unobligated Balance	\$ 121,960,602	\$ 13,027,064	(\$ 74,972,936)
State Supp. Unobligated Balance ⁴	\$ 271,863,212	\$ 277,863,212	\$ 284,863,212
Total Unobligated Balance	\$ 393,823,814	\$ 290,890,276	\$ 209,890,276

¹ Does not include state supplementary user fees; user fees are included in the Limitation on Administrative Expenses appropriation.

² Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

³ Any portion of the Federal benefits carryover shown that results from indefinite authority will be returned to Treasury in the new year, as soon as the actual amount is determined.

⁴ The amount received for the October 1 payment, reimbursed at the end of September in the prior fiscal year is available for use in the subsequent fiscal year.

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The SSI annual appropriation was \$51.2 billion in FY 2013. The current estimate for FY 2014 is approximately \$59.7 billion. SSA has the authority to carry over unobligated balances for use in future fiscal years for Federal benefit payments, administrative expenses, and beneficiary services because the amounts appropriated are made available until expended. Research and demonstration funds receive two year appropriations, so these balances can be carried over for use in the following fiscal year. SSA carried over almost \$122 million in Federal unobligated balances into FY 2014. Based on the FY 2014 estimated funding level and obligations, SSA expects to carry over approximately \$13 million into FY 2015.

In addition to these appropriated amounts, SSA has spending authority in the amount of the advance reimbursement SSA receives from states to pay their state supplementary benefits. Because states reimburse SSA in advance, SSA carries over the amount received for the October 1 payment, reimbursed at the end of September in the prior fiscal year, for use in the subsequent fiscal year.

ANALYSIS OF CHANGES

The FY 2015 request represents an increase of approximately \$1 billion from the FY 2014 level. The majority of this increase results from mandatory increases in Federal benefit payments, partly resulting from an increase in SSI recipients.

SSA plans to use unobligated balances to partially fund Federal benefit payments, administrative expenses, beneficiary services and research and demonstration projects in FY 2014. In FY 2015, SSA plans to use unobligated balances to partially fund beneficiary services and research and demonstration projects. SSA plans to use approximately \$86 million in unobligated balances and recoveries in FY 2014 and approximately \$19 million in FY 2015.

Federal Benefit Payments

The increase in the FY 2015 request for Federal benefit payments primarily results from annual cost-of living adjustments (COLA) and an increase in SSI recipients. The increase in Federal benefit payments is partially offset by the impact of OASDI COLAs on concurrent SSI/OASDI recipients. Since OASDI benefits are counted as income in the SSI program, the annual OASDI COLA decreases the SSI benefit payment for concurrent recipients.

Administrative Expenses

The FY 2015 request for administrative expenses is \$618.1 million less than the FY 2014 level. SSA expects to use over \$8 million in carryover of prior-year unobligated balance in FY 2014 for information technology needs. We expect to transfer an additional \$33 million from the trust funds to SSI to administer the program in FY 2014. These funds will be fully repaid at the beginning of FY 2015 out of new budget authority. This transfer will not alter the overall spending levels in FY 2014, as reflected in the Limitation on Administrative Expenses section.

Beneficiary Services

SSA is requesting \$70 million in new authority for FY 2015. Our estimate reflects an increase in payments to Employment Networks under the Ticket to Work program and the use of accumulated prior-year unobligated balances. In FY 2013, SSA used \$47 million in budget authority and \$11 million in carryover for beneficiary services. SSA expects to use \$65 million of carryover funds in FY 2014, and \$9 million in FY 2015 to cover our estimated obligations.

Research and Demonstration

The request for new budget authority is \$6 million higher than the FY 2014 level. SSA expects to use \$13 million of prior year unobligated balances in FY 2014, and \$10 million in FY 2015 to cover our estimated obligations.

Table 2.5—Summary of Changes¹

	FY 2014 Estimate ²	FY 2015 Estimate	<i>Change</i>
Appropriation	\$ 59,693,064,000	\$ 60,627,000,000	+ \$ 933,936,000
Estimated Federal Obligations	\$ 59,801,997,538	\$ 60,715,000,000	+ \$ 913,002,462
Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation	\$ 76,002,771	\$ 9,000,000	- \$ 67,002,771
Section 201 (g)(1) Authority	\$ 32,930,767	\$ 79,000,000	+ \$ 46,069,233

¹ Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the Limitation on Administrative Expenses appropriation. Totals may not add due to rounding.

² Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

**Table 2.6—Explanation of SSI Budget Changes from FY 2014 to FY 2015
(in thousands)**

	FY 2014 Obligations	Change from FY 2014
		Increases
Federal Benefit Payments	\$ 54,723,000	
• Cost-of-living adjustments (COLA)—1.4% beginning January 2015		+\$ 1,028,000
• Net Increase of 55,000 recipients in FY 2015		+ \$ 682,000
Administrative Expenses	\$ 4,920,064	
• Section 201(g)(1) Authority		+ \$46,069
Beneficiary Services	\$ 3,000	
• Increase base funding		+ \$ 67,000
Research and Demonstration	\$ 47,000	
• Increase in base funding		+\$ 6,000
Special Immigrant Visa Extension		+ \$ 1,000
Total Increases		+\$ 1,830,069
		Decreases
Federal Benefit Payments – Obligations from prior year unobligated balances	\$ 0	
• Effect of OASDI COLA for concurrent SSI/OASDI recipients		-\$ 232,000
Administrative Expenses – Carryover	\$ 40,936	
• Decrease in amount of carryover funding planned for obligation in FY 2014		-\$ 8,005
• Decrease in base funding		-\$618,064
Beneficiary Services – Carryover	\$ 65,000	
• Decrease in amount of carryover funding planned for obligation in FY 2015		- \$ 56,000
Research & Demonstration – Net Carryover	\$2,998	
• Net decrease in amount of carryover funding planned for obligation in FY 2015		-\$ 2,998
Total Decreases		- \$ 917,067
Total Obligations Requested, Net Change	\$ 59,801,998	+ \$ 913,002

NEW BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY

The table below displays budget authority and obligations for the four main SSI activities—Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects, as well as the State Department’s two-year special immigrant visa extension for Afghans.

Table 2.7—New Budget Authority and Obligations by Activity¹
(in thousands)

	FY 2013 Actual	FY 2014 Estimate ^{2,3}	FY 2015 Estimate ⁴
<u>Federal Benefit Payments</u>			
Appropriation	\$ 47,554,000	\$ 54,723,000	\$ 56,201,000
Obligations	\$ 52,782,741	\$ 54,723,000	\$ 56,201,000
Monthly Check Payments	12	12	12
<u>Administrative Expenses⁵</u>			
Appropriation	\$ 3,605,305	\$ 4,920,064	\$ 4,302,000
Obligations	\$ 3,605,669	\$ 4,961,000	\$ 4,381,000
<u>Beneficiary Services</u>			
Appropriation	\$ 47,000	\$ 3,000	\$ 70,000
Obligations	\$ 58,024	\$ 68,000	\$ 79,000
<u>Research and Demonstration</u>			
Appropriation	\$ 16,980	\$ 47,000	\$ 53,000
Obligations	\$ 39,340	\$ 49,998	\$ 53,000
<u>Special Immigrant Visas</u>			
Appropriation	\$ 0	\$ 0	\$ 1,000
Obligations	\$ 0	\$ 0	\$ 1,000
Total Appropriation	\$ 51,223,285	\$ 59,693,064	\$ 60,627,000
Total Federal Obligations	\$ 56,485,774	\$ 59,801,998	\$ 60,715,000

¹ Totals may not add due to rounding.

² SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2014 obligations as follows: Administrative expenses, \$8.0 million; beneficiary services, \$65 million; and research and demonstration projects, \$12.8 million.

³ Federal benefit numbers reflect the most recent estimates from SSA’s Office of the Chief Actuary.

⁴ In addition to the FY 2015 President’s Budget request, SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2015 obligations as follows: beneficiary services, \$9 million; and research and demonstration projects, \$9.8 million.

⁵ We expect to transfer an additional \$32.9 million from the trust funds to SSI to administer the program in FY 2014, with these funds being fully repaid at the beginning of FY 2015 out of new budget authority.

In FY 2013, SSA used carryover of unobligated balances to partially fund Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects. In FY 2014, SSA plans to use carryover of unobligated balances to partially fund administrative expenses, beneficiary services and research and demonstration projects. In FY 2015, SSA plans to use carryover of unobligated balances to partially fund beneficiary services and research and demonstration projects.

NEW BUDGET AUTHORITY AND OBLIGATIONS BY OBJECT

In the table below, “Other Services” includes administrative expenses and beneficiary services, as well as the State Department’s two-year special immigrant visa extension for Afghans.

Table 2.8—New Budget Authority and Obligations by Object¹
(in thousands)

	FY 2013 Actual	FY 2014 Estimate²	FY 2015 Estimate
<u>Other Services</u>			
Appropriation	\$ 3,652,305	\$ 4,923,064	\$ 4,373,000
Obligations	\$ 3,663,693	\$ 5,029,000	\$ 4,461,000
<u>Federal Benefits and Research</u>			
Appropriation	\$ 47,570,980	\$ 54,770,000	\$ 56,254,000
Obligations	\$ 52,822,081	\$ 54,772,998	\$ 56,254,000
Total Appropriation	\$ 51,223,285	\$ 59,693,064	\$ 60,627,000
Total Obligations	\$ 56,485,774	\$ 59,801,998	\$ 60,715,000

¹ Totals may not add due to rounding.

² Federal benefit numbers reflect the most recent estimates from SSA’s Office of the Chief Actuary.

BACKGROUND

AUTHORIZING LEGISLATION

The SSI program is authorized by Title XVI of the Social Security Act. Section 1601 of the Act authorizes such sums as are sufficient to carry out the Title.

Table 2.9—Authorizing Legislation

	FY 2013 Actual	FY 2014 Estimate ¹	FY 2015 Estimate	FY Amount Authorized
Title XVI of the Social Security Act, section 401 of P.L. 92-603 and section 212 of P.L. 93-66, as amended, and section 405 of P.L. 92-216	\$ 51,223,285,088	\$ 59,693,064,000	\$ 60,627,000,000	<i>Indefinite</i>
First Quarter Advance appropriation for subsequent fiscal year	\$ 19,300,000,000	\$ 19,700,000,000	\$ 19,200,000,000	---

¹ Federal benefit numbers reflect the most recent estimates from the SSA's Office of the Chief Actuary.

APPROPRIATION HISTORY

The table below displays the President's Budget request, amounts passed by the House and Senate, and the actual amount appropriated, for the period FY 2003 to FY 2016. Indefinite budget authority is requested when actual Federal benefit payments exceed the amounts available for Federal benefit payments in a given fiscal year.

Table 2.10—Appropriation History

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	\$ 10,790,000,000	\$ 10,790,000,000 ⁴³	\$ 10,790,000,000 ⁴⁴	\$ 10,790,000,000 ⁴⁵
Current Year	\$ 24,034,618,000	---	\$ 23,914,392,000 ⁴⁷	\$ 23,914,392,000 ⁴⁸
2003 Total	\$ 34,824,618,000	---	\$ 34,704,392,000	\$ 34,704,392,000
<i>2003 Indefinite</i>				\$ 578,881,680
Q1 Advance	\$ 11,080,000,000	---	\$ 11,080,000,000	\$ 11,080,000,000
Current Year	\$ 26,282,000,000	\$ 26,221,300,000 ⁴⁹	\$ 26,290,000,000 ⁵⁰	\$ 26,237,300,000 ⁵¹
2004 Total	\$ 37,362,000,000	---	\$ 37,370,000,000	\$ 37,317,800,000
Q1 Advance	\$ 12,590,000,000	\$ 12,590,000,000	\$ 12,590,000,000	\$ 12,590,000,000
Current Year	\$ 28,608,929,000	\$ 28,578,829,000 ⁵²	\$ 25,327,949,000 ⁵³	\$ 28,586,829,000 ⁵⁴
2005 Total	\$ 41,198,929,000	\$ 41,168,829,000	\$ 37,917,949,000	\$ 41,176,829,000
Q1 Advance	\$ 10,930,000,000	\$ 10,930,000,000	\$ 14,130,000,000	\$ 10,930,000,000
Current Year	\$ 29,533,174,000	\$ 29,533,174,000 ⁵⁵	\$ 29,510,574,000 ⁵⁶	\$ 29,369,174,000 ⁵⁷
2006 Total	\$ 40,463,174,000	\$ 40,463,174,000	\$ 43,640,574,000	\$ 40,299,174,000
Q1 Advance	\$ 11,110,000,000	\$ 11,110,000,000	\$ 11,110,000,000	\$ 11,110,000,000
Current Year	\$ 29,125,000,000	\$ 29,065,000,000 ⁵⁸	\$ 29,023,000,000 ⁵⁹	\$ 29,071,169,000 ⁶⁰
2007 Total	\$ 40,235,000,000	\$ 40,175,000,000	\$ 40,133,000,000	\$ 40,181,169,000
Q1 Advance	\$ 16,810,000,000	\$ 16,810,000,000	\$ 16,810,000,000	\$ 16,810,000,000
Current Year	\$ 26,911,000,000	\$ 26,948,525,000 ⁶¹	\$ 26,959,000,000 ⁶²	\$ 27,000,191,000 ⁶³
2008 Total	\$ 43,721,000,000	\$ 43,758,525,000	\$ 43,769,000,000	\$ 43,810,191,000
Q1 Advance	\$ 14,800,000,000	\$ 14,800,000,000	\$ 14,800,000,000	\$ 14,800,000,000
Current Year	\$ 30,414,000,000	---	\$ 30,429,875,000 ⁶⁵	\$ 30,471,537,000 ⁶⁶
2009 Total	\$ 45,214,000,000	---	\$ 45,229,875,000	\$ 45,271,537,000
<i>2009 Indefinite</i>				\$ 1,602,935,179
Q1 Advance	\$ 15,400,000,000	---	\$ 15,400,000,000	\$ 15,400,000,000
Current Year	\$ 34,742,000,000	\$ 34,742,000,000 ⁶⁷	\$ 34,742,000,000 ⁶⁸	\$ 34,742,000,000 ⁶⁹
2010 Total	\$ 50,142,000,000	---	\$ 50,142,000,000	\$ 50,142,000,000
<i>2010 Indefinite</i>				\$ 458,465,781
Q1 Advance	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000
Current Year	\$ 40,513,000,000	---	\$ 40,513,000,000 ⁷¹	\$ 39,983,273,000 ⁷²
2011 Total	\$ 56,513,000,000	---	\$ 56,513,000,000	\$ 55,983,273,000

Supplemental Security Income Program

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	\$ 13,400,000,000	No Data	\$ 13,400,000,000	\$ 13,400,000,000
Current Year	\$ 38,083,000,000 ⁷³	No Data	\$ 37,922,543,000 ⁷⁵	\$ 37,582,991,000 ⁷⁶
2012 Total	\$ 51,483,000,000 ⁷⁷		\$ 51,322,543,000	\$ 50,982,991,000
2012 Indefinite	No Data	No Data	No Data	\$ 560,000,000
Q1 Advance	\$ 18,200,000,000	No Data	\$ 18,200,000,000	\$ 18,200,000,000
Current Year	\$ 40,043,000,000 ⁷⁸	No Data	\$ 40,043,000,000 ³⁸	\$ 32,782,991,000 ³⁹
2013 Total	\$ 58,243,000,000 ⁴⁰		\$ 58,243,000,000	\$ 50,982,991,000
2013 Rescission				\$ 32,779,347,000
2013 Sequester ⁴¹				
Q1 Advance	\$ 19,300,000,000		\$ 19,300,000,000	\$ 19,300,000,000
Current Year	\$ 40,737,000,000 ⁴²		\$ 40,568,741,000 ⁴³	\$ 41,249,064,000 ⁴⁴
2014 Total	\$ 60,037,000,000⁴⁵		\$ 59,868,741,000	\$ 60,549,064,000
Q1 Advance	\$ 19,700,000,000		\$ 19,700,000,000	\$ 19,700,000,000
Current Year	\$ 40,927,000,000	No Data	No Data	No Data
2015 Total	\$ 60,627,000,000			
Q1 Advance	\$ 19,200,000,000			
Current Year				
2016 Total				

⁴³ H.R. 3061.

⁴⁴ S. 1536.

⁴⁵ The Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002 (P.L. 107-116).

⁴⁶ The House Committee on Appropriations did not report a bill. Appropriations Chairman Regula introduced H.R. 246, which included \$23,906,392,000 for fiscal year 2003 and \$11,080,000,000 for benefit payments for the first quarter of fiscal year 2004.

⁴⁷ S. 2766.

⁴⁸ Consolidated Appropriations Resolution, 2003 (P.L. 108-7).

⁴⁹ H.R. 2660.

⁵⁰ S. 1356.

⁵¹ Consolidated Appropriations Act, 2004 (P.L. 108-199). Includes \$8,500,000 appropriated in the Social Security Protection Act of 2004 (P.L. 108-203) for purposes of conducting a statistically valid survey to determine how payments made to individuals, organizations, and State or local government agencies that are representative payees for benefits paid under title II or XVI are being managed and used on behalf of the beneficiaries for whom such benefits are paid.

⁵² H.R. 5006.

⁵³ S. 2810

⁵⁴ Consolidated Appropriations Act, 2005 (P.L. 108-447).

⁵⁵ H.R. 3010.

⁵⁶ H.R. 3010, reported from Committee with an amendment.

⁵⁷ Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149).

⁵⁸ H.R. 5647.

⁵⁹ S. 3708

⁶⁰ Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5). Of this amount, \$2,937,000,000 was available for administrative expenses.

⁶¹ H.R. 3043.

⁶² S. 1710.

⁶³ Consolidated Appropriations Act, 2008 (P.L. 110-161). The amount does not include a rescission of \$53,671,177 for SSI administrative expenses and \$349,400 for research and demonstration projects in accordance with P.L. 110-161.

⁶⁴ The House Committee on Appropriations did not report a bill.

⁶⁵ S. 3230.

⁶⁶ Omnibus Appropriations Act, 2009 (P.L. 111-8).

⁶⁷ H.R. 3293.

⁶⁸ H.R. 3293, reported from Committee with an amendment.

⁶⁹ Consolidated Appropriations Act, 2010 (P.L. 111-117).

⁷⁰ The House Committee on Appropriations did not report a bill.

⁷¹ S. 3686.

⁷² The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). Of this amount, \$3,493,273,000 was available for administrative expenses. The amount does not include a rescission of \$6,987,000 for SSI administrative expenses and \$72,000 for research and demonstration projects in accordance with P.L. 112-10.

⁷³ Of this amount, not to exceed \$10,000,000 was for Supplemental Security Income Program-related performance-based awards for Pay for Success projects and not more than \$10,000,000 was to provide incentive payments and to conduct a rigorous evaluation of a demonstration project designed to improve the outcomes for SSI child recipients and their families.

⁷⁴ The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$38,062,428,000 for fiscal year 2012. Of this amount, not more than \$17,428,000 was made available for research and demonstrations under sections 1110 and 1114 of the Social Security Act and remain available until the end of fiscal year 2013. Up to \$10,000,000 of the research funds were to provide incentives payments and to conduct a rigorous evaluation of a demonstration project designed to improve the outcomes for SSI child recipients and their families. In addition, H.R. 3070 included \$18,200,000,000 for benefit payments for the first quarter of fiscal year 2013.

⁷⁵ S. 1599.

⁷⁶ Consolidated Appropriations Act, 2012 (P.L. 112-74). Of this amount, not more than \$8,000,000 was made available for research and demonstrations under sections 1110 and 1144 of the Social Security Act. The amount does not include a rescission of \$6,377,000 for SSI administrative expenses and \$2,000 for research and demonstration projects in accordance with P.L. 112-74.

⁷⁷ The President's Budget proposed to provide \$140 million in cap adjustment funding in FY 2012, consistent with section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. Of the \$140 million, the SSI portion totaled \$46 million.

⁷⁸ Of this amount, not more than \$48,000,000 was for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

³⁷ The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$39,335,614,000 for fiscal year 2013. Of this amount, not more than \$8,000,000 was made available for research and demonstrations under sections 1110 and 1144 of the Social Security Act and to remain available until the end of fiscal year 2014. In addition, the draft bill included \$19,300,000,000 for benefit payments for the first quarter of fiscal year 2014.

³⁸ S. 3295.

³⁹ Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).

⁴⁰ The President's Budget proposed to provide \$266 million in mandatory administrative funding in FY 2013. Of the \$266 million, the SSI portion totals \$106 million.

⁴¹ SSI was exempt from sequestration in FY 2013.

⁴² Of this amount, not more than \$54,000,000 is for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

⁴³ S. 1284.

⁴⁴ Consolidated Appropriations Act, 2014 (P.L. 113-76).

⁴⁵ The President's Budget proposed to provide \$1.2 billion in mandatory administrative funding in FY 2014. Of the \$1.2 billion, the SSI portion totals \$587 million.

FEDERAL BENEFIT PAYMENTS

Authorizing Legislation: Section 1602, 1611, and 1617 of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

The SSI program was established to pay needy aged, blind and disabled individuals a minimum level of income through Federally-administered monthly cash payments. In many cases, these payments supplement income from other sources, including Social Security benefits and state programs. In FY 2015, SSA estimates benefit payments will total \$56.2 billion for nearly 8.3 million Federal SSI recipients.

**Table 2.11—Federal Benefit Payments: New Budget Authority and Obligations
(in thousands)**

	FY 2013 Actual	FY 2014 Enacted ¹	FY 2015 Estimate	FY 14 to FY 15 Change
Appropriation	\$ 47,554,000	\$ 54,723,000	\$ 56,201,000	+ \$ 1,478,000
Obligations funded from prior year unobligated balances	\$ 666,283	\$ 0	\$ 0	\$ 0
Indefinite Authority ²	\$ 4,562,443	\$ 0	\$ 0	\$ 0
Obligations	\$ 52,782,740	\$ 54,723,000	\$ 56,201,000	+ \$ 1,478,000
Advance for subsequent fiscal year	\$ 19,300,000	\$ 19,700,000	\$ 19,200,000	- \$ 500,000

RATIONALE FOR BUDGET REQUEST

SSA is requesting \$56.2 billion in new budget authority for Federal benefit payments in FY 2015.

SSA estimates benefit payments based on a number of interrelated factors including the number of SSI recipients, number of applications, award and termination rates, cost-of-living adjustments, maximum benefit rates, and average payment amounts.

¹ Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

² Any portion of the Federal benefits carryover shown that results from indefinite authority will be returned to Treasury in the new year, as soon as the actual amount is determined.

SSI RECIPIENT POPULATION

The number of Federal SSI recipients has increased from 7.5 million in FY 2010 to 8.1 million in FY 2013 and is expected to continue to increase to 8.3 million in FY 2015. The estimated increase in Federal recipients in FY 2015 represents a 0.7 percent increase over the FY 2014 level. SSA estimates the number of SSI recipients by analyzing a number of factors including applications, award and termination rates, and funding for program integrity initiatives.

Table 2.12—SSI Recipients, Actual¹
(average over fiscal year, in thousands)

	FY 2010	FY 2011	FY 2012	FY 2013
Aged	1,105	1,105	1,094	1,089
Blind or Disabled	6,417	6,652	6,846	7,000
Total Federal	7,522	7,756	7,940	8,089
Year-to-Year Change	3.0%	3.1%	2.4%	1.9%
State Supplement Only	256	254	234	220
Total Federally Administered	7,778	8,010	8,173	8,309

In addition to Federal SSI recipients, SSA currently administers state supplementary payments for 22 states and the District of Columbia. SSA administers payments for approximately 2.3 million state supplement recipients, of which approximately 223,000 do not receive a Federal SSI benefit and only receive the state supplementary payment.

Table 2.13—SSI Recipients, Projected¹
(average over fiscal year, in thousands)

	FY 2014 Estimate	FY 2015 Estimate	FY 14 FY 15 Change
Aged	1,095	1,105	+ 0.9%
Blind or Disabled	7,101	7,147	+ 0.6%
Total Federal	8,197	8,252	+ 0.7%
State Supplement only	223	231	+ 3.6%
Total Federally Administered	8,420	8,483	+ 0.7%

¹ Totals may not add due to rounding.

SSI Disabled vs. Aged Recipient Population

The number of Federal blind or disabled SSI recipients as a percentage of all Federal SSI recipients has steadily increased from 81 percent in FY 2000 to 86.5 percent in FY 2013. It is expected to continue to increase to 86.6 percent in FY 2015. Because the average monthly benefit payment for blind or disabled recipients is higher than that of aged recipients, this consistent shift in the population make-up increases overall Federal SSI benefit payments.

**Table 2.14—Blind or Disabled Recipients as a Percentage of Total
(average over fiscal year, in thousands) ¹**

Fiscal Year	Total Federal	Aged	Blind or Disabled	Blind or Disabled as % of Total
2000	6,328	1,203	5,125	81.0%
2006	6,878	1,116	5,762	83.8%
2007	7,003	1,111	5,892	84.1%
2008	7,117	1,103	6,014	84.5%
2009	7,304	1,106	6,198	84.9%
2010	7,522	1,105	6,417	85.3%
2011	7,756	1,105	6,652	85.8%
2012	7,940	1,094	6,846	86.2%
2013	8,089	1,089	7,000	86.5%
2014 Estimate	8,197	1,095	7,101	86.6%
2015 Estimate	8,252	1,105	7,147	86.6%

Concurrent SSI/OASDI Recipients

SSI recipients also receiving Old-Age and Survivors Insurance (OASI) or DI benefits have their SSI benefit reduced, less applicable exclusions, by the amount of their Old-Age, Survivors, and Disability Insurance (OASDI) benefit. Approximately 34 percent of all SSI recipients (including those only receiving a state supplement) also receive Social Security benefits. Approximately 57 percent of the SSI aged and 30 percent of the SSI blind and disabled populations receive concurrent payments.

¹ Totals may not add due to rounding.

BENEFIT PAYMENTS

Maximum Monthly Federal Payments

The maximum monthly federal benefit rate (FBR) is increased each January when there are increases in the cost-of-living. Effective January 2014, there is a 1.5 percent cost-of living increase and a cost-of living adjustment (COLA) of 1.4 percent is projected for January 2015. The FBR increased from \$710 for an individual and \$1,066 for a couple for calendar year (CY) 2013 to \$721 for an individual and \$1,082 for a couple for CY 2014. SSA estimates the FBR will increase to \$731 for an individual and \$1,097 for a couple in CY 2015. The COLA will be effective in January 2015, raising the maximum benefit rate to higher levels than the first 3 months of the fiscal year.

Table 2.15—Maximum Benefit Rates

	FY 2014		FY 2015	
	First 3 Months	Last 9 Months	First 3 Months	Last 9 Months
Individual	\$ 710	\$ 721	\$ 721	\$ 731
Couple	\$ 1,066	\$ 1,082	\$ 1,082	\$ 1,097

Average Monthly Benefit Payments

The amount actually paid to a recipient can vary from the FBR based on their income received (e.g., earnings and Social Security benefits) and the living arrangement of the recipient (e.g., residence in one's own home, the household of another person, or in a nursing home which meets Medicaid standards). The average monthly benefit is expected to increase from \$537 in FY 2013 to \$549 in FY 2014 and \$560 in FY 2015. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

Table 2.16—Average Monthly Benefit Payments

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Aged	\$ 376	\$ 386	\$ 394
Blind or Disabled	\$ 562	\$ 574	\$ 586
All SSI Recipients	\$ 537	\$ 549	\$ 560

Cost of Living Adjustments

When applicable, COLAs increase both the maximum and average monthly benefit payment. However, for concurrent SSI/OASDI recipients, increases in SSI benefit payments are partially offset by increases in Social Security benefits resulting from the same COLA. Social Security benefits are counted as income in the SSI program. Therefore, any increase in Social Security benefits resulting from the annual COLA increases countable income in the SSI benefit computation.

Program Integrity Funding

Annual benefit payment estimates are dependent on SSA performing a certain level of SSI CDRs and redeterminations. Specifically, the FY 2015 estimate assumes SSA receives the proposed administrative funding to conduct 203,150 SSI CDRs and 2,622,000 non-medical redeterminations.

Timing of Monthly Benefit Payments

Monthly SSI benefit payments are made on the first of the month, unless the first falls on a weekend or Federal holiday. In that case, the payment is made on the prior business day at the end of the previous month. When October 1 falls on a weekend or Federal holiday, the payment is made in the prior fiscal year at the end of September. This timing of payments results in 11, 12, or 13 payments in a given fiscal year.

Table 2.17—Check Payments by Fiscal Year

	Number of Check Payments	Federal Benefit Obligations
FY 2006	12	\$ 37,510,765,017
FY 2007	11	\$ 36,481,897,840
FY 2008	12	\$ 41,309,722,313
FY 2009	12	\$ 44,987,045,867
FY 2010	12	\$ 47,322,385,581
FY 2011	13	\$ 52,274,301,053
FY 2012	11	\$ 47,003,477,518
FY 2013	12	\$ 52,782,740,412
FY 2014	12	\$ 54,723,000,200
FY 2015	12	\$ 56,201,000,000

ADMINISTRATIVE EXPENSES

Authorizing Legislation: Sections 201(g)(1) of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

Administrative expenses for the SSI program are funded from general revenues. Section 201(g)(1) of the Social Security Act provides that administrative expenses for the SSI program, including Federal administration of state supplementary payments, may be financed from the Social Security trust funds with reimbursement, including any interest lost, to the trust funds from general revenues.

This appropriation funds the SSI program share of administrative expenses incurred through the Limitation on Administrative Expenses (LAE) account. Amounts appropriated are available for current-year SSI administrative expenses, as well as for prior-year administrative expenses that exceeded the amount available through this account for the prior year. If those excess prior year amounts were paid out of the Social Security trust funds, then current year SSI funds must be used to reimburse these trust funds with interest.

The legislative history of the 1972 amendments (which established this funding mechanism) indicates a desire to obtain economy of administration by giving SSA the responsibility for the SSI program because of its existing field office network and its administrative and automated data processing facilities. Because of the integration of the administration of the SSI and Social Security programs, it was desirable to fund them from a single source (the LAE account). This requires that the trust funds and the SSI account pay their appropriate shares. The determination is based on a Government Accountability Office (GAO) approved method of cost analysis of the respective expenses of the SSI and Social Security insurance programs, and mandates a final settlement by the end of the subsequent fiscal year as required by law.

Table 2.18—Administrative Expenses: New Budget Authority and Obligations
(in thousands)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate ¹	FY 14 to FY 15 Change
Total Appropriation	\$ 3,605,305	\$ 4,920,064	\$ 4,302,000	- \$ 618,064
Obligations Funded from Prior-Year Unobligated Balance	\$ 364	\$ 8,005	\$ 0	- \$ 8,005
Section 201 (g)(1) Authority	\$ 0	\$ 32,931	\$ 79,000	+ \$ 46,069
Obligations	\$ 3,605,669	\$ 4,961,000	\$ 4,381,000	- \$ 580,000

¹ Based on our latest estimates, obligations exceed budget authority in FY 2015 by \$79 million. We plan to use Section 201(g)(1) authority in FY 2015 to account for the difference.

RATIONALE FOR BUDGET REQUEST

The FY 2015 request for SSI administrative expenses is \$4,302,000,000. This appropriation is used to reimburse the trust funds for the SSI program's share of administrative expenses. This amount includes additional funding of \$627 million specifically for FY 2015 SSI program integrity activities in the SSI program in FY 2015.

These amounts exclude funding made available in the LAE account from state user fees for SSA expenses for administering SSI state supplementary payments. The LAE account assumes funding of up to \$171,000,000 for SSI state supplementary user fees in FY 2014 and up to \$124,000,000 in FY 2015.

BENEFICIARY SERVICES

Authorizing Legislation: Sections 1148 and 1615(d) of the Social Security Act

PURPOSE AND METHOD OF OPERATION

Beneficiary services consist of the Vocational Rehabilitation (VR) and Ticket to Work programs. The objective of the programs is to help disabled individuals achieve and sustain productive, self-supporting work activity.

**Table 2.19—Beneficiary Services: New Budget Authority and Obligations
(in thousands)**

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	FY 14 to FY 15 Change
Appropriation	\$ 47,000	\$ 3,000	\$ 70,000	+ \$ 67,000
Obligations Funded from Prior-Year Unobligated Balances	\$ 11,024	\$ 65,000	\$ 9,000	- \$ 56,000
Obligations	\$ 58,024	\$ 68,000	\$ 79,000	+ \$ 11,000
Vocational Rehabilitation	\$ 53,362	\$ 62,000	\$ 71,000	+ \$ 9,000
Ticket to Work	\$ 4,662	\$ 6,000	\$ 8,000	+ \$ 2,000

In the VR program, SSA repays state VR agencies for the reasonable and necessary costs of services that successfully rehabilitate disabled SSI recipients. VR agencies are successful when a disabled recipient performs substantial gainful activity for a continuous period of nine months out of twelve.

A portion of the FY 2015 obligations in the above table will cover estimated payments authorized by the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170). Under the Ticket program, SSA pays Employment Networks (ENs) for providing vocational rehabilitation, employment, and other support services to disabled SSI recipients. Recipients select an EN (including state VR agencies), which SSA pays in exchange for services that may reduce reliance on federal cash benefits.

Ticket payments, unlike VR reimbursement payments, are not based on the costs of specific services provided by the EN. SSA pays ENs on either an outcome-milestone payment method or an outcome-payment method. Under the outcome-milestone payment method, SSA pays the EN for each milestone the recipient successfully achieves. The recipient may continue to receive monthly benefit payments when SSA issues a milestone payment. In contrast, SSA will begin issuing outcome payments only after the individual's monthly benefit payments cease. SSA bases outcome-payment amounts on the prior year's national average disability benefit payable

under Title XVI. Outcome payments are payable for a maximum of 60 months (consecutive or otherwise).

RATIONALE FOR BUDGET REQUEST

SSA is requesting \$70 million in new budget authority for beneficiary services. SSA will use prior-year unobligated balances to cover a portion of FY 2014 and 2015 obligations.

In the Ticket to Work program, the estimate for FY 2015 assumes a total of 2,800 Ticket beneficiaries with payments to an EN, an increase from 2,700 in FY 2014.

In the VR Reimbursement program, the estimate for FY 2015 assumes a total of 7,100 distinct beneficiaries with significant work and for which reimbursement are paid, an increase from 6,100 in FY 2014. For SSI-only recipients, the FY 2015 average cost per VR reimbursement payment is \$16,300 for an estimated 3,400 payments. For recipients concurrently receiving SSI and DI, the FY 2015 average SSI cost per VR reimbursement payment is \$4,400 for an estimated 3,700 payments. In FY 2014, the average cost per VR reimbursement to SSI-only recipients is \$15,800 for an estimated 2,900 payments. For SSI and DI concurrent recipients, the FY 2014 average SSI cost per VR reimbursement is \$4,800 for an estimated 3,200 payments.

SSA continues its ongoing efforts to improve management and oversight of the current VR program, to ensure program effectiveness, and to make certain the money spent is a good investment. This effort includes an ongoing quality review of state claims for reimbursement and continuing internal audits of the agency's payment process.

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments

	FY 2013	FY 2014	FY 2015	FY 14 to FY 15
SSI VR Reimbursement Payments	Actual	Estimate	Estimate	Change
Number of SSI-Only Awards	2,636	2,900	3,400	+ 500
SSI-Only Cost per Payment	\$15,200	\$15,800	\$16,300	+ \$ 500
Number of SSI/DI Concurrent Awards	2,788	3,200	3,700	+ 500
SSI/DI Concurrent Payment (SSI portion of costs only)	\$4,600	\$4,800	\$4,400	- \$ 400
Total Number of SSI VR Reimbursement Awards	5,424	6,100	7,100	+ 1,000
Total SSI VR Reimbursement Payments (in thousands)¹	\$53,000	\$62,000	\$71,000	+ \$ 9,000
Ticket Beneficiaries with Payments (SSI-Only & SSI/DI Concurrent Beneficiaries for whom we served and paid an EN)	2,607	2,700	2,800	+ 100
Total Ticket Payments (in thousands)¹	\$4,500	\$6,000	\$8,000	+ \$ 2,000

¹ Payments shown do not necessarily equal outlays due to reporting lags.

RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH

Authorizing Legislation: Sections 1110, 1115, and 1144 of the Social Security Act

PURPOSE AND METHOD OF OPERATION

SSA conducts extramural research, demonstrations, and outreach under sections 1110, 1115, 1144, and 234 of the Social Security Act. Projects funded under section 234 are not a part of this appropriations request.

Table 2.21—Research, Demonstration Projects, and Outreach: Budget Authority and Obligations (in thousands)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	FY 14 FY 15 Change
Appropriation	\$ 16,980	\$ 47,000	\$ 53,000	+ \$ 6,000
Obligations funded from prior-year balances	\$ 22,360	\$ 2,998	\$ 9,796	- \$2,998
Obligations¹	\$ 39,340	\$ 49,998	\$ 53,000	+ \$ 3,002

Section 1110 of the Social Security Act provides authority for conducting broad-based cross-programmatic projects for Social Security (OASDI) and SSI programs. This includes both waiver authorities for the SSI program, as well as projects dealing with specific SSI issues. Under the authority of section 1110, we fund a range of extramural projects: disability policy research, projects to develop effective rehabilitation and return-to-work strategies, financial literacy and education, retirement policy research, evaluations of proposed or newly enacted legislative changes, and projects to maintain and improve basic data about our programs and beneficiaries.

Section 1115 provides the Secretary of Health and Human Services (HHS) with the funding and authority to waive compliance with Medicaid requirements for the purpose of allowing states to participate in SSA's research and disability demonstration projects.

Section 1144 requires SSA to conduct outreach to those individuals with Medicare who are potentially eligible for state-administered Medicaid programs or Medicare prescription drug subsidies under Medicare Part D. We identify these potential beneficiaries, inform them about these programs, and notify state Medicaid agencies. The Centers for Medicare & Medicaid Services, within HHS, oversees both the Medicare and Medicaid programs.

¹ For FY 2015, the planned obligations amount suggests carryover into FY 2016.

RESEARCH INVESTMENT CRITERIA

To help ensure that our research and demonstration projects reflect the agency's long-term priorities and support the objectives of our Agency Strategic Plan, we have established guidelines for developing, managing, and vetting projects for potential inclusion in our long-term research and demonstration agenda. We employ a variety of methods to ensure: 1) that we meet the funding requirements of the sections of the Act that authorize our extramural research and demonstration activities; and 2) that our extramural research activities meet high standards for relevance, quality, and performance.

This section of our justification highlights some of the steps we take to ensure that our research activities meet high research standards:

Relevance

The extramural research budget undergoes careful scrutiny both within SSA and by external monitoring authorities. A fundamental step in SSA's review is assuring that each project responds to current issues facing the Social Security retirement, disability and SSI programs. Our internal review process includes obtaining the advice and recommendations of researchers with technical expertise, program managers, and agency executives. We also receive input on our research program from the Social Security Advisory Board.

Internal reviews also help to ensure that funded activities reflect SSA's strategic goals and objectives, help us respond to legislative requirements and address high-priority issues. Many of our extramural research activities are directed toward providing policymakers and the public with the analytical and data resources they need to assess the implementation of existing SSA programs and the implications of reform proposals.

Our budget request reflects our support of the Administration's and Congress' ongoing goal to provide opportunities for disability beneficiaries to maximize their self-sufficiency through work. For example, we are working collaboratively with the Department of Labor (DOL), the Department of Education (ED), and HHS in this area to test interventions that will improve the postsecondary education and employment outcomes of children who receive SSI. Our budget also includes provisions to increase the American public's basic financial management skills. For example, we support projects funded under the Financial Literacy and Education Commission (FLEC). Existing studies indicate a lack of effective retirement planning on the part of the public.

Quality

We use a competitive, merit-based procurement process to ensure that our extramural research program produces high quality results. We award nearly all of our extramural research projects conducted by private-sector organizations through competitive contracts or cooperative agreements.

We also generally make use of technical evaluation panels to review projects while they are in progress and to provide feedback and suggestions to the agency and its contractors. These panels include internal experts in a variety of relevant disciplines, such as statistics, economics, and

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survey design. They help ensure that SSA-sponsored research projects are methodologically sound and consistent with professional standards. In addition, the research projects that we sponsor through the Retirement Research Consortium (RRC) and Disability Research Consortium (DRC) are often discussed in a formal, external setting, via seminars or workshops.

Performance

We carry out our extramural research and evaluation projects primarily through contracts, jointly funded cooperative agreements, and grants that identify specific deliverables and timetables. The agency has sent a strong message to contractors that they must complete projects on time and within budget. Contracting Officer Technical Representatives (COTR), project officers, administrative staff, and senior executives monitor the progress of all research contracts and agreements.

Consistent with the Administration's encouragement to support evidence-based evaluations, we produce reports and data files for each research and evaluation project in an effort to determine whether existing or proposed programs are working as they are intended to. Where appropriate, we make these reports publicly available or announce their availability in the *Social Security Bulletin* and on the Web. The RRC also disseminates output at annual conferences, on the Web, and through a variety of publications, workshops, and courses. Finally, agency funded research projects based on Survey of Income and Program Participation (SIPP), Health and Retirement Study (HRS), or the Model of Income in the Near Term (MINT) model are widely cited in both peer-reviewed publications and the mainstream press.

RATIONALE FOR BUDGET REQUEST

In FY 2015, we are requesting \$53 million in new budget authority for research projects designed to explore potential improvements to our programs. This level will allow continued support for key Congressional and long-standing SSA priorities such as the development of the Occupational Information System, our rigorous evaluation of the Promoting Readiness of Minors in SSI (PROMISE) pilot, and the National Academy of Science/Institute of Medicine's independent evaluation of the SSI program for children. The request also provides funding for our Interagency Agreement with the National Institutes of Health to help quickly and efficiently identify individuals who should be awarded disability benefits.

In FY 2015, we plan to continue our efforts to ensure that policymakers and the public have access to objective, scientific and methodologically sound data and analysis as the dialogue on how to strengthen and reform Social Security continues. In support of this effort, we plan to continue funding the RRC, which will continue to maintain our capability to produce policy-relevant research on retirement, and the DRC, which will continue to address a shortage of disability policy research and foster collaborative research with other federal agencies that serve individuals with disabilities.

The table and discussion that follows present the research and outreach efforts we plan to fund in FY 2015 in more detail.

**Table 2.22—Major Research Areas and Outreach:
Obligations and New Budget Authority (in thousands)^{1,2}**

	Obligations ³		
	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
Deliver Quality Disability Decisions and Services	\$24,350	\$31,901	\$34,923
Compassionate Allowances/NIH Tool Collaboration	\$1,083	\$1,500	\$1,182
Disability Determination Process Small Grants	\$150	\$300	\$300
Disability Research Consortium (DRC)	\$3,800	\$5,500	\$5,500
National Beneficiary Survey (NBS)	\$0	\$500	\$950
Occupational Information Systems (OIS)	\$10,995	\$15,672	\$17,691
Other Research	\$1,169	\$1,373	\$3,000
Promoting Readiness of Minors in SSI (PROMISE)	\$1,461	\$3,621	\$2,400
Advisory Services to Asst. SSA with Disability Issues	\$4,389	\$3,435	\$3,900
Youth Transition Demonstration (YTD)	\$1,303	\$0	\$0
Provide Quality Services to the Public	\$1,575	\$ 1,745	\$1,745
Medicare Outreach	\$1,575	\$ 1,745	\$1,745
Preserve the Public's Trust in Our Programs	\$13,415	\$16,352	\$16,332
Census Surveys	\$1,250	\$2,250	\$2,250
Health & Retirement Study	\$2,700	\$3,000	\$3,000
Modernization of Statistical Table Processes	\$1,250	\$100	\$0
Other Data Development	\$184	\$302	\$302
Retirement Research Consortium (RRC)	\$5,000	\$5,500	\$5,500
Retirement Income Modeling	\$0	\$1,000	\$1,000
American Life Panel (ALP) Enhancements	\$995	\$1,490	\$1,000
Collaboration with Other FLEC Members	\$480	\$910	\$480
Health & Retirement Study (HRS) Supplement	\$1,500	\$1,500	\$ 1,500
Programmatic Development	\$55	\$300	\$300
Enterprise Business Intelligence Platform RDD	\$0	\$0	\$1,000
Total Obligations	\$39,340	\$49,998	\$53,000
New Budget Authority	\$ 16,980	\$47,000	\$ 53,000

¹ Does not include funding authorized under section 234.

² Totals may not add due to rounding

³ This amount includes obligations funded from prior-year unobligated balances.

MAJOR RESEARCH AND OUTREACH PROJECTS

Although our extramural research budget represents a small piece of our overall funding, our research and demonstration projects help us to significantly increase the efficiency and accuracy of our mission-critical work. Below is a detailed summary, by category, of the major research and demonstration projects we plan to conduct in FY 2015:

Deliver Quality Disability Decisions and Services

The Social Security and SSI disability programs are the largest Federal programs providing assistance to people with disabilities. Eliminating the disability hearings backlog and improving the disability process are two of our top priorities. Key projects in support of this effort include:

Compassionate Allowances (CAL) Initiative and National Institutes of Health (NIH) Tool Collaboration

The CAL initiative identifies diseases and other medical conditions that invariably qualify for allowance under the Listing of Impairments. We use minimal objective medical information to fast-track the determination as soon as we confirm the diagnosis, onset date and obtain other medical evidence. On January 13, 2014, Acting Commissioner Colvin announced 25 new Compassionate Allowance conditions, bringing the total list of conditions to 225. To date, we have approved over 200,000 people with severe disabilities through this fast-track disability process.

Under an agreement with the National Institutes of Health's (NIH) Office of Extramural Research that runs through 2016, NIH provides in-depth analysis of our existing data and assists in identifying CAL conditions. NIH also contracts with Boston University (BU) in developing functional assessment batteries (FAB) that utilize computer-adaptive testing (CAT). These FABs will provide accurate, uniform, and rapid information collection about individuals' potential to engage in substantial gainful activity.

In FY 2013, NIH continued an exhaustive analysis of potential CAL conditions using an expanded and updated database. Likewise, BU furthered FAB development with the completion of two additional functional domains: learning and applying knowledge and daily activities. To date, our partnership has resulted in a productive cross-governmental relationship, significant cost-sharing, and scientifically and legally defensible research.

In FY 2014, BU will begin a national calibration study of the remaining FAB domains and begin predictive validity testing of the entire item pool. NIH will continue to explore the nature of data analysis needed to improve evaluation of the disability adjudication process in FY 2015.

Disability Determination Process Small Grants Program

This grant program provides one-year stipends to graduate and post-doctoral students to conduct disability research, including research that supports the identification of more claims for fast-tracking under the CAL/QDD process. Other potential research topics include: an examination of severity thresholds in medical conditions that meet CAL criteria; whether current medical listings provide consistent consideration regarding the use of assistive technology for disability

determination purposes; the potential for predictive modeling and focusing on information collection instruments; and the relationship between homelessness and disability.

In September 2011, we awarded a five-year grant to Policy Research Inc. (PRI) to run the small grant program. PRI targeted graduate programs in public health, social work, occupational medicine, vocational and rehabilitation counseling, public policy and administration, sociology, psychology, education, economics, medicine, and law. Each of the teams PRI convenes to review the proposals will include at least one person with a disability.

PRI approved 8 proposals in the 2012 cohort of student stipend awards, 10 proposals in the 2013 cohort of stipend awards, and 11 proposals in the 2014 cohort of awards. The third cohort had eighteen applications. Please see the following PRI website for a list of the awarded projects and accepted final reports:

<http://ddp.policyresearchinc.org/completed-projects/>

Disability Research Consortium (DRC)

In FY 2013, we funded the second year of the DRC cooperative agreements with Mathematica Policy Research and the National Bureau of Economic Research. These agreements provide access to a cadre of researchers and academics with extensive knowledge of and experience in analyzing Social Security and other Federal disability programs. In FY 2014, we will fund the third year, and in FY 2015, the fourth year of the DRC cooperative agreements.

The DRC has developed a strong extramural research capability for the study of our disability programs and policy related issues. Researchers conduct empirical investigations and provide findings that inform program operations and policy decision making. In FY 2014, the DRC will continue to involve Federal agencies that administer disability programs, such as the Departments of Veterans Affairs, DOL, ED, and HHS. Also in FY 2014, we broadened our outreach to solicit input from the Social Security Advisory Board, advocates, and the general public.

In FY 2013, SSA supported extramural research that estimated the degree that work capacity declines while claimants are awaiting their DI determination. The results are relevant to return to work efforts and fast track processes such as Quick Disability Determination. In FY 2014, research is underway to identify documented sources of information about the effect of vocational factors on the ability to work, which is key to our use of the grid rules.

The DRC funds research by university-based research centers and other non-governmental organizations. These experts conduct empirical studies of disability programs and are significant contributors to the field of disability and rehabilitation research. FY 2015 funding will enable the DRC to continue to expand the quantity of policy-relevant disability research and will provide expertise in areas not currently available in-house.

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Advisory Services to Assist SSA with Disability Issues/Institute of Medicine (IOM)

As part of our efforts to continuously improve the administration and effectiveness of our disability programs, in FY 2013 we entered into a new 5-year contract with the IOM. The IOM established a standing committee of medical experts to assist us with ongoing and emerging disability issues. The IOM Standing Committee, a multidisciplinary expert medical committee, surveys literature and clinical practices, published studies related to disability, and collects and analyzes relevant data and information. The multidisciplinary information that results from this research is critical in identifying opportunities for us to update policy and procedures in an effective, targeted way. Having independent medical experts provide us this information maintains the objectivity of our policy and procedures.

In FY 2014, the IOM established Federal Advisory Committee Act (FACA) compliant consensus study committees to: (1) conduct an evaluation of the SSI program for children (birth to the attainment of age 18) with disabilities based on mental disorders to determine the effectiveness of the disability determination process in relation to current trends in child health and development, and (2) perform a comprehensive review of psychological testing, including symptom validity testing (SVT).

The SSI disability program provides monthly payments to more than 1.2 million children with disabilities. To maintain program integrity, we must ensure that we allow disability payments only for those children who qualify. One of the knowledge gaps we recently identified is an inadequate understanding of emerging issues relating to the evaluation of disability in children. The goal of the first consensus study committee, therefore, is to fill this gap by gathering data and information that will improve our understanding of disability in children with mental disorders and ensure that the SSI disability program appropriately provides payments to children with these disabling conditions.

The goal of the second consensus study committee is to determine the relevance of psychological testing, including SVT, to disability determinations in claims involving physical or mental disorders, and provide guidance to help adjudicators interpret the results of psychological testing, including SVT.

In FY 2015, we plan to use IOM-established FACA compliant consensus study committees to: (1) determine the role of validated functional measures in steps three, four, and five of the disability determination process for adults; (2) determine the roles of medical evidence, prescription medication use, and behavior of parents in our disability determination process for children applying for SSI; and (3) identify the factors to consider when determining an adult's sustained work capability (based on limitations resulting from a medically determinable physical or mental impairment(s)) and how to incorporate those factors in steps three, four, and five of the disability determination process.

Since 2004, we have updated approximately 70 percent of the listings and are on track to propose revisions in the Federal Register for all listings by the end of 2014. Listings-related Federal Register Notices for the period from FY 2009 thru December 2013 include:

Final Rule

Malignant Neoplastic Diseases (10/06/2009)
 Hearing Impairments (06/02/10)
 Neurological (Technical correction for neurological listing cross-reference) (03/24/2011)
 Endocrine Disorders (04/08/2011)
 Congenital Disorders That Affect Multiple Body Systems (02/04/2013)
 Special Senses – Vision (03/29/2013)
 Change in Terminology “Mental Retardation” to “Intellectual Disability” (08/01/2013)
 Sunset Date Extensions – Genitourinary, Hematological (09/06/2013)

Notice of Proposed Rulemaking

Endocrine Disorders (12/14/2009)
 Mental Disorders (08/19/2010)
 Visual Impairments (02/13/2012)
 Change in Terminology “Mental Retardation” to “Intellectual Disability” (01/28/2013)
 Genitourinary Disorders (02/04/2013)
 Respiratory Disorders (02/04/2013)
 Hematological Disorders (11/19/2013)
 Malignant Neoplastic Diseases (12/18/2013)

Advance Notice of Proposed Rulemaking

Impairments Affecting Multiple Body System (11/10/2009)
 Skin Disorders (11/10/2009)
 Speech-Language Disorders (02/06/2012)
 Special Senses – Hearing and Labyrinthine-Vestibular (08/30/2013)

Other Listing-Related Accomplishments

Publication of Social Security Ruling, SSR13-2p: Titles II and XVI: Evaluating Cases Involving Drug Addiction and Alcoholism (DDA) (02/20/2013)
 One-year post-implementation review of Hearing Impairments, Digestive Disorders, Endocrine Disorders, and Immune System Disorders final rules

National Beneficiary Survey (NBS)

The NBS collects data from a national sample of Social Security Disability Insurance (DI) and SSI beneficiaries and a sample of Ticket to Work (TTW) participants that are not available from any other source. We have used the NBS to provide information on our programs and beneficiaries to answer questions for SSA, other federal agencies, the Government Accountability Office (GAO), and Congress. The NBS is available as a public use file on Data.gov and the SSA website.

From the NBS we have learned about the health and socio-demographic characteristics of our SSI and SSDI beneficiaries with disabilities including their physical and mental health status, functional limitations, education, health insurance, household living arrangements, and income. Beyond this basic information, we have also examined the work aspirations of beneficiaries with disabilities, their use of employment-related services, and their work activities and outcomes.

The NBS has provided us with detailed information on wages, hours of work, benefits, work accommodations and unmet needs, and the barriers beneficiaries face as they try to work. NBS data tell us that nearly half of all beneficiaries are interested in work and many are pursuing

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employment goals. The data also tell us that many barriers to work remain. Beneficiaries tend to have activity limitations, poor health, and low levels of education that limit their employment opportunities. Many rely on public programs where benefits may be limited by work and earnings. Many also experience work-specific obstacles, such as a lack of reliable transportation, inaccessible workplaces, and discouragement from work, either by others or through their own experiences.

We completed the first three rounds of the NBS in 2004, 2005, and 2006, and the fourth round in 2010. We completed 27,000 interviews across the four rounds of the NBS. The response rate for rounds one through three averaged 80 percent, and the response rate for round four was 72 percent. In FY 2012, we began to make changes in the NBS to collect more information on the factors associated with successful and unsuccessful work attempts by our beneficiaries with disabilities and less information on the TTW program.

We plan to continue collecting information on a nationally representative sample of beneficiaries, and we will also include a sample of the most successful working beneficiaries. For these suspended beneficiaries, we will replace TTW specific questions with questions that focus on the home, community, employer, and SSA policies that influence successful work attempts. We started developing the new questions and sample design to implement this redesigned NBS in FY 2013. The first of three rounds of the survey are planned for FY 2015.

Public use data files, documentation, and reports for the first four rounds of the NBS are available on our website at: <http://www.ssa.gov/disabilityresearch/nbs.html>.

Occupational Information System (OIS)

To determine whether disability applicants qualify for benefits, our adjudicators follow a sequential five-step evaluation process. At the first three steps, we determine eligibility primarily based on the severity of claimants' medical conditions. At steps four and five, we require information about work in the national economy in order to determine whether claimants' impairment-related limitations would prevent them from working. The majority of our claims are decided at steps four and five. Currently, we base these medical-vocational decisions on the occupational information found in DOL's Dictionary of Occupational Titles (DOT) and its companion volume, the Selected Characteristics of Occupations (SCO). Although DOL did not design the DOT for our use, we adapted our disability program to it by incorporating many of its concepts and definitions into our regulations and policy. DOL, however, stopped updating the DOT in 1991 and replaced it with the Occupational Information Network (O*NET) which we are not able to use in our disability adjudication process without significant modifications.

In July 2012, we signed an Interagency Agreement with the Bureau of Labor Statistics (BLS) to test the feasibility of using the National Compensation Survey (NCS) platform to collect updated occupational information similar to what our adjudicators currently use. We approached the BLS because the field economists working on the NCS were already collecting information about occupations that was conceptually close to what we need. As part of our agreement, the BLS will collect information about the physical, skill, and mental/cognitive requirements of occupations and also the environmental factors to which workers are exposed. This information will support our current disability policy and will provide us with data about work in the current

economy to inform future policy. Initially, BLS will classify occupations using O*NET's framework.

We have also met periodically with DOL's Employment and Training Administration (ETA) to discuss whether elements of O*NET can be incorporated with the data collected by the BLS for use in our OIS. We have discussed with ETA whether we could utilize the O*NET internet portal to house our OIS, and they have helped us understand the options available to us for funding our IT platform. We will continue our correspondence with ETA during the coming year.

We signed additional IAAs with the BLS for FYs 2013 and 2014 to continue testing. In

FY 2013, the BLS tested collecting information about the physical and skill requirements of occupations and workers' environmental exposure. The BLS conducted data collection testing in three phases. After each test phase, the BLS consulted with SSA, evaluated data collection problems and successes, and made refinements to the data collection protocols, testing design, and test processes. We expect to continue testing in FY 2014 to resolve outstanding issues identified in FY 2013 and to test collecting new data elements such as the mental and cognitive requirements of occupations. The BLS will conclude FY 2014 testing by performing a large-scale pre-production data collection test which will run through FY 2015. We will also work with the BLS in FY 2014 to design a sampling plan and determine a schedule for updating our occupation descriptions.

The current IAA with BLS ends at the end of FY 2014 and we plan to continue it into FY 2015.

We use Section 1110 funding for all OIS research and development contracts, while our Limitation on Administrative Expenses (LAE) account's budget pays for the salary and benefits costs of the SSA employees managing the project. For more information regarding the OIS project, please visit our OIS website at:

http://www.ssa.gov/disabilityresearch/occupational_info_systems.html.

Other Disability Research

Other disability research includes projects that provide broad program analysis and development in support of the DI and SSI programs. These projects typically include studies of program policy issues, the identification of trends in the disability programs, the formulation of agency policy regarding cross-cutting programs or issues related to disability and/or income assistance programs, and the development and implementation of policy and procedures on SSDI and SSI work incentives. Often, these projects address necessary but unforeseen requests for studies from Congress, OMB, the Administrative Conference of the United States (ACUS), or our leadership, which are typically quick turnaround projects regarding policy priorities. In FY 2015, we intend to use this funding line to continue the Disability Analysis File and other priority projects requested of SSA.

Promoting Readiness of Minors in SSI (PROMISE)

PROMISE is a joint pilot demonstration program with ED, HHS, and DOL. The goal of the program is to test interventions that improve the health, education, and post-school outcomes of

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children who receive SSI, including the completion of postsecondary education and employment, and to improve family or household outcomes through improved services and supports, such as education and job training for parents.

In FY 2013, ED's Office of Special Education and Rehabilitation Services awarded competitive grants to five states and one consortium of states. States will use these funds to improve coordination and increase the use of existing services for which children receiving SSI and their families are already eligible. These services are available through the Individuals with Disabilities Education Act, the Vocational Rehabilitation State Grants program, Medicaid's care coordination services, Job Corps, Head Start, and other Workforce Investment Act programs.

Developing and conducting a rigorous evaluation to guide implementation, gather evidence, and validate incentive payments is a key component of PROMISE. In FY 2012, we convened a technical advisory panel to help prioritize the evaluation needs of this project. In FY 2013, we awarded a contract to evaluate PROMISE pilot interventions. In FY 2014, our evaluation contractor is providing technical assistance to the state grantees and will begin randomly assigning youth into treatment and control groups.

Provide Quality Services to the Public

Medicare Outreach – Section 1144

Section 1144 of the Social Security Act requires that we conduct outreach to Medicare beneficiaries who may qualify for Medicare cost-sharing assistance under the Medicare Savings Programs (MSP) and for the Medicare prescription drug coverage low-income subsidy. In order to meet this requirement, we have targeted our outreach efforts to include income-tested new Medicare beneficiaries, beneficiaries that have experienced a drop in income, and 20 percent of those whom we have previously notified of their potential eligibility.

We use a variety of outreach methods to inform those who potentially qualify for the MSP and/or subsidized Part D. We also send outreach letters to former Disability Insurance beneficiaries without Medicaid who lost their free Medicare Part A due to work. These beneficiaries may be eligible to get help from the MSP to pay their monthly Part A premiums.

We are also required to share lists of individuals potentially eligible for cost sharing with state Medicaid agencies. The major objective of these projects is to increase enrollment of eligible low-income individuals into programs that assist Medicare beneficiaries with their out-of-pocket medical expenses, including prescription drugs. In addition, we are required to make MSP applications available in a number of languages. Unless the beneficiary objects, we must share Medicare subsidized prescription drug benefit application information with the states so they can initiate applications for the cost-sharing MSP. In FY 2014, we anticipate sending approximately 4 million mailings associated with our MSP outreach efforts.

Preserve the Public's Trust in Our Programs

One of the primary aims of our research program is to preserve the public's trust in SSA's programs by simplifying and streamlining how we do our work. To meet the challenges of our

growing workload, SSA's research program provides analyses and data that support our efforts to make Social Security more responsive to the needs of the 21st century workforce. The following project summaries highlight the external efforts we plan to fund in FY 2015 that will help to simplify and streamline our policies, procedures, and business processes, as well as maximize our use of automation:

Census Surveys

The Census Bureau's surveys—primarily the SIPP and the Current Population Survey—are the foundation for much of our policy analysis and modeling efforts. Improving the overall quality of data from Census Bureau surveys enhances the value and reliability of the analyses we conduct. We support efforts to improve the quality of Census Bureau survey data that are of direct relevance to analyses of the Social Security, SSI, and related income-maintenance programs. In addition, we support efforts by the Census Bureau to improve the ability to match Census Bureau survey data to our administrative data on benefits and earnings.

Beginning in FY 2010, a major focus of our funding has been to contribute to the Census Bureau's re-engineering of SIPP, with a new survey that entered the field in February 2014. We rely upon SIPP data matched to our records to study the effects of OASDI, SSI, and related programs and to determine how changes to our programs affect individuals, the economy, and program solvency. Some of the important data elements required for our modeling and analysis efforts are not contained in the Census Bureau's re-engineered SIPP. In recent years, we have provided funding and worked with Census to design a supplementary data collection to the re-engineered SIPP to meet our research and evaluation needs. Our FY 2015 funding plans will complete our support of the supplemental data collection effort and data processing.

Without this supplemental data collection, our ability to update and use the MINT model to respond to requests from the White House, Congress, and others to evaluate the impact of proposed changes to the Social Security programs will be severely impaired.

Enterprise Business Intelligence Platform

This project develops data on an Enterprise Business Intelligence Platform (EBI) for use by SSA components and appropriate entities external to SSA (e.g. Congressional Budget Office, Congressional Research Service, Open Government, etc.) for research and statistical purposes.

In

FY 2015, we will begin building a web portal, where authorized staff can access structured, cleansed, and validated datasets based on SSA administrative data. This will create streamlined code and access points to allow for: a) greater efficiency in the production of the agency's program statistics; b) on-demand access to large quantities of data, as well as customized reports by policy developers, policy makers, and researchers; and c) easier and timelier dissemination of data analysis findings to support data based decisions. The above actions leverage the capabilities of EBI technology to maintain and even increase SSA's ability to provide accurate, timely, and consistent information on our social insurance programs. Furthermore, the proposed automation will allow SSA to reallocate human resources to pursue the development and dissemination of new data, research, and analysis products.

Health and Retirement Study (HRS)

The HRS has become the premier source of data on the retirement-age population, especially when linked with SSA administrative records on benefits and earnings. The study paints an emerging portrait of our aging nation's transition from work to retirement and provides data on health and economic well-being after retirement. HRS data helps SSA study and assess a wide range of issues for the aged and near-aged. These issues include income sources, pre-retirement saving in tax advantaged retirement accounts (401K, IRA, etc.), financial holdings, health insurance and pension coverage, retirement patterns, and projected income and benefits of disabled and retired workers. The survey collects information on the same sample members every two years, allowing SSA researchers to study changes over time. HRS also adds sample members from new birth cohorts every six years, allowing SSA researchers to study changes across generations (e.g. people born during the World War II era vs. people born during the Baby Boom).

SSA provides funding for this initiative through Jointly Financed Cooperative Agreements with the National Institute on Aging. This funding supports some key efforts to enhance the usefulness of this survey. One such effort is the production of a longitudinal, user-friendly HRS data file, which was originally developed for use by an SSA contractor and is now also heavily used by outside analysts to facilitate longitudinal analyses. Another effort involves conducting in-person interviews to improve consent rates to a level that will permit the matching of the data to SSA records – a critical requirement of many of our SSA-related analyses. A third is the collection of longitudinal data on consumption patterns of a subset of HRS respondents to expand our understanding of economic well-being.

HRS longitudinal data on the retirement-age population, matched with SSA longitudinal records on benefits and earnings, is the most powerful data source available to address important policy questions on retirement issues. HRS is an important database for estimating some of the relationships underlying the MINT model. HRS is used in a large percentage of studies funded through our RRC. Numerous publications by SSA and RRC researchers are based on HRS data and cover a wide range of topics related to changing consumption at retirement, planning for retirement and financial literacy, managing risks in retirement, assessing the effects of the changing pension environment, adequacy of saving for retirement, and effects of Social Security reform options.

Other Data Development

A key ingredient to providing information for decision-makers on the Social Security and SSI programs is having appropriate data available to answer questions on a range of pending issues. We develop and maintain a series of detailed statistical databases drawn from our major administrative data systems; prepare a broad range of statistical tables; produce statistical compilations and publications; and develop information for research, evaluation, models and special requests on current policy issues.

This project funds the creation of data that are needed to inform policymakers about important programs, efforts to make data more widely accessible or usable for policy research purposes, and collaboration with other agencies to study issues of policy relevance or to improve data quality and methods of data analysis.

Ongoing projects include:

Workers' Compensation Statistics—provides support for the production of an income series on workers' compensation. We publish these statistics on an ongoing basis in our *Annual Statistical Supplement*.

Committee on National Statistics of the National Research Council—provides support to the committee to improve statistical methods and information on which public policy decisions are based. Committee topics include expanding access to research data, issues in developing cost-of-living indices for federal programs, and data and methods for measuring the effects of changes in social welfare programs.

Joint Program in Survey Methodology—a project jointly sponsored by the Census Bureau and the Interagency Council on Statistical Policy to train the next generation of researchers on methods for survey research in the 21st century.

Research on Survey Methodology Program—a project jointly sponsored by the National Science Foundation and the Interagency Council on Statistical Policy to further the development of new and innovative approaches to surveys that will have broad implications for the field in general and specifically for the federal statistical system. Research topics include survey measurement issues, data collection procedures, technological issues related to survey design, and methods for the analysis of survey data.

Key Indicators of Well-Being of Older Americans—provides support to the Federal Interagency Forum on Aging-Related Statistics for an interagency collaboration to produce a chartbook with 37 key indicators about older Americans in five broad areas: population, economics, health status, health risks and behaviors, and health care.

In addition to these specific projects, we will try to respond to new needs and opportunities for expansion and improvement of data as they arise.

Funding for Other Data Development provides the leverage to identify needs for data development and to provide financial support, often in collaboration with other federal agencies, to meet those needs. The project also helps to promote research that improves the efficiency and timeliness of our data operations, increases the accuracy and consistency of our statistics, and provides greater ability to retrieve and combine data from multiple systems.

Retirement Research Consortium (RRC)

The RRC is one of SSA's key tools for maintaining a strong capability to produce policy-relevant research on retirement and Social Security. The RRC centers have greatly expanded the amount of policy research on Social Security-related issues and have responded to SSA's specific analytical needs. SSA also funds dissertation and training grants through the RRC to encourage new researchers to focus on important retirement and Social Security related policy issues.

Through the RRC, SSA funds approximately 30-40 research projects per year, plus a small number of junior scholar dissertation grants. The RRC hosts an annual meeting at which recent research findings are presented to an audience including members of the media, academia, government agencies, Congressional staff, and SSA executives and staff. The goal of the annual meeting is to foster dialogue between researchers and policymakers. RRC researchers also have conducted research seminars at SSA's Washington, DC office to disseminate results to SSA

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researchers and executives and to solicit feedback on their research. The results of the RRC's research are widely reported in professional journals and conferences and in leading newspapers, radio, and television programs. Each year, we solicit input from all SSA components on priority research questions, which has helped us to focus the RRC's research on topics of direct interest. In FY 2014, we broadened our outreach to solicit input from the Social Security Advisory Board, advocates, and the general public.

Results of RRC research have been used to enhance our MINT model, improve simulations of the effects of policy changes, develop a regulation to close a loophole in an unusual benefit claiming strategy, inform policy makers about the automatic enrollment provision of the Pension Protection Act of 2006, and assist our Office of Disability Programs with a listing update. We recently completed projects to examine the long run relationship between real interest rates and economic growth for SSA's Office of the Chief Actuary. Another recent paper looks at the effects of Social Security's Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) on Social Security benefits received by individuals and households. A series of studies have also analyzed the effects of the Great Recession on SSA programs and beneficiaries.

The RRC is funded via 5-year cooperative agreements using an open and competitive process. We re-competed the RRC in FY 2013. Following an external panel review of applications, we awarded new 5-year cooperative agreements that run through FY 2018 to the University of Michigan, Boston College, and the National Bureau of Economic Research. The collection of nationally and internationally recognized experts at these centers provides us with access to high quality analysts on a wide range of Social Security issues. This project expands the quantity of policy-relevant research and supports expertise in areas of research that SSA does not have in-house.

Recent RRC papers are available at the following link: <http://www.ssa.gov/policy/rrc/>.

Retirement Income Modeling

Fundamental changes to the Social Security program can have a significant effect on the distribution of benefits, total retirement income, and incidence of poverty. Econometric and simulation models can provide policy makers with detailed information on the effects of changes in government programs on individuals, with projections for years into the future. SSA's MINT model is an important tool for such evaluations. MINT's projections of the aged population have been extended well into the 21st century to enable simulation of additional Social Security policy changes. MINT is particularly well suited for studying the distributional effects of reform proposals that are implemented immediately, but also provides valuable insights into proposals that are phased in over time. For example, MINT has been used by SSA, GAO, the Council of Economic Advisors, and OMB. MINT estimates have provided data for numerous congressional policy proposals.

SSA continually assesses the functionality of MINT. MINT is updated frequently to enhance components of the model, add new components, use more recent data, and incorporate the latest assumptions from the Trustees Reports through individual 1 to 2 year contracts. A recently completed contract enhanced MINT to include more recent survey and SSA administrative data

and incorporated behavioral responses, model family-level consumption, and improved processing efficiency and turnaround time.

The MINT project provides quality and productivity improvements that we do not have the staffing resources or expertise to make. All costs for the development of MINT are charged to our Section 1110 appropriation. However, most MINT analyses are conducted in-house and the costs associated with in-house staff analyses using MINT are funded through our administrative budget.

American Life Panel (ALP) Enhancements

The ALP is an innovative, nationally representative longitudinal internet panel. Through a jointly financed cooperative agreement with NIA, our support will maintain the increased bilingual and vulnerable population sample size we funded in prior fiscal years and allow for additional data improvements that support policy-relevant research and evidence-based decision-making. Planned data enhancements include:

- Increasing the sample size of American Indians and Alaska Natives (AIAN) so that we can conduct more robust retirement security research on this understudied group to inform SSA's [targeted outreach efforts](#); and
- Developing a Quick Turnaround Project fund for directly testing and answering emerging research questions from internal and external policy makers.

The ALP enhancements allow SSA to make more informed decisions about initiating new policies, procedures, and educational products designed to enhance retirement security. The ALP data also serves the public because the sample we support is available for researchers inside and outside of SSA to use in addressing research questions. For example, the FINRA Investor Education Foundation recently used the ALP to run the Financial Capability Study with a sample that included part of the vulnerable population group that SSA funded. With the exception of our staff time related to administering the funding agreement, the cost associated with our ALP enhancement is charged to our Section 1110 appropriation.

Health and Retirement Study (HRS) Supplement

The HRS is an important source of longitudinal data on retirement and aging. Through a jointly financed cooperative agreement with NIA, this project supports an increased sample size in the HRS for minority and low income populations. The minority expansion will continue to have HRS data matched to agency administrative records. As subsequent waves of HRS data are collected, these activities require on-going updates and maintenance.

The HRS minority samples expansion will allow researchers to complete subgroup analysis of vulnerable populations. This analysis is particularly important as the HRS has become the premier data source for research on the near-retirement-age and retirement-age population. The HRS is used heavily for research projects funded by SSA through the RRC. SSA staff also conduct research on topics including pension participation, differences in contributions to tax-deferred savings accounts among different birth cohorts, and retirement resources of near-retirees. The HRS data we support is also available for researchers outside of SSA to use. With the

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exception of our staff time related to administering the funding agreement, the cost associated with our HRS supplement is charged to our Section 1110 appropriation.

Collaboration with Other FLEC Members

In FY 2014, we are continuing our focus on collaborative initiatives designed to improve retirement security among vulnerable populations. One component of this effort is to support activities of federal agencies that are members of the FLEC. The FLEC, established by Congress in 2003, is a consortium of more than twenty federal departments, agencies, and entities working together toward the goal of improving the financial literacy and education of persons in the United States. Coordinating extramural research efforts on financial literacy and retirement security with other federal agencies allows SSA to minimize redundancy, identify best practices, share results, and leverage existing investments.

In FY 2015, we plan to continue supporting jointly funded cooperative agreements (JFCAs) with ED, a key FLEC partner. Our extramural research partnership with ED builds on existing programs to foster retirement security-related research at Historically Black Colleges and Universities (HBCUs) and other minority-serving institutions. This partnership, launched in FY 2011, is consistent with the [Executive Order 13532 which supports HBCUs](#). ED issued the initial awards under the program at the end of FY 2013.

Investing in this collaborative research initiative is a critical way for SSA to support the FLEC and to help improve financial capability, financial literacy, and retirement security among economically vulnerable groups. We anticipate this program may also increase the return on our investment in data support for the ALP and HRS. More broadly, the financial literacy and education research we fund via this project line is specifically designed to prevent dependency in old age and to promote understanding and effectiveness of Social Security program features. With the exception of our staff time related to administering the programs, all costs for these activities are charged to our Section 1110 appropriation.

Programmatic Development

Our programmatic development initiatives include research funding for Washington Internship for Native Students (WINS) interns and Intergovernmental Personnel Act (IPA) scholars to conduct programmatic development research.

The WINS program is a partnership with American University in which students of American Indian, Alaska Native, and Native Hawaiian ancestry intern with various federal agencies for a semester. We utilize the WINS program to enlist uniquely qualified students to perform research on topics relevant to retirement security among Native populations. As an example, past WINS interns have co-authored the following publicly-available research papers: [Measures of Health and Economic Well-Being Among American Indians and Alaska Natives Aged 62 or Older in 2030](#) and [An Overview of American Indians and Alaska Natives in the Context of Social Security and Supplemental Security Income](#).

This research is critical because Native populations are economically vulnerable and generally understudied. The WINS interns we select have both the unique cultural understanding and research skills necessary to address retirement security issues among American Indian, Alaska

Native, and Native Hawaiian populations. Due to budget constraints, we suspended our support for WINS student researchers in FY 2013, but we have continued the initiative in FY 2014.

We also fund recognized scholars to work on defined and targeted projects through the IPA program to help create unique and valuable retirement research relevant to SSA's mission. Recent accomplishments from the IPA program include research on the impact of the Social Security Statement, the earnings implications of divorce for women, and the effects of employment gaps and layoffs on earnings and Social Security benefits.

Staff time related to administering these programs are charged to our administrative budget, whereas the costs directly related to the WINS and IPA agreements are charged to our section 1110 appropriation.

OTHER PROJECTS OF INTEREST

The following section highlights the results and findings of the Section 1110 projects that are either concluding in FY 2014 or that do not require funding in FY 2015. Additionally, for a detailed update of all our demonstration projects please consult our latest report to Congress which is available on our [Program Development and Research](#) website.

Youth Transition Demonstration (YTD) – No funding required in FY 2015

YTD is a research study designed to identify services, implement integrated service interventions, and test modified SSI rules (program waivers) that lead to better education and employment outcomes for youths with disabilities. The program waivers promote work and asset accumulation. The evaluation uses a random assignment design in which we randomly chose eligible youth to either receive YTD services or to be in a control group that will remain eligible for non-YTD services in the community.

Preliminary results from the YTD sites have been promising, indicating that youth receiving YTD services are receiving more employment-promoting services than the control group, are more likely to have received benefits counseling, and are more likely to use certain Social Security work incentives. Some sites saw sharp increases in employment for YTD participants as compared to the control group.

The last of the YTD sites closed in FY 2012. No funding was requested for YTD in FY 2014. However, during the fourth quarter of 2014 we will complete the final comprehensive YTD evaluation report, including impact estimates from a 36-month follow-up survey and administrative data for all six random-assignment sites.

Evaluation of Ticket to Work (TTW) – Concluded in FY 2013

The Ticket to Work and Work Incentives Improvement Act of 1999 required SSA's Commissioner to provide funding for independent evaluations to assess the effectiveness of the TTW program. In May 2003, we awarded two contracts to Mathematica Policy Research to conduct an independent evaluation of the TTW program. We completed this evaluation in July of 2013.

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Our contractor has completed seven evaluation reports. All reports are publically available on our [Program Development and Research](#) website. We provided three of these reports to Congress as required under the Ticket to Work and Work Incentives Improvement Act. The findings through the fourth report indicated that, while the program may have significant potential, we need to improve both beneficiary awareness of the program and Employment Network (EN) incentives. Partly in response to these findings, we implemented new regulations for the TTW program in July 2008 to improve EN and beneficiary participation and outcomes. The fifth and sixth reports consist of studies focused on the employment efforts of working-age SSI recipients and SSDI beneficiaries, and on the Social Security work incentives and supports designed to encourage their employment. The seventh (final) report focused primarily on the overall success of the program and on the effect of the changes to the regulations in 2008.

Overall, the TTW evaluation finds that the TTW program is generally liked by beneficiaries who use it, that the program has increased use of return-to-work services, and those who participate in TTW have better outcomes than those who return to work without the help of SSA financed employment services. However, we also find that the increase in service use and better outcomes by participants has not translated into net increases in benefit suspension or termination for work or an increase in the number of months spent in suspension or termination for work. This suggests that TTW has primarily extended the types of services that were available under the program that preceded TTW, where services were offered only through State Vocational Rehabilitation Agencies, and has achieved the same level of success as before TTW. More beneficiaries are getting these services now, but the success rate has not measurably changed.

Modernization of Statistical Table Processes – No Funding required in FY 2015

The aim of this research and development initiative is to build a system of modernized tools to compile and tabulate our administrative data for research and statistical purposes. Once completed, this system will be used by researchers and policy analysts to provide Congress, SSA management and other stakeholders with fact-based information on SSA's programs and beneficiaries. In support of our effort to develop and maintain a series of detailed statistical databases drawn from the agency's major administrative data files (including the Master Beneficiary Record, Supplemental Security Record, Master Earnings File, and Disability Control File) and prepare a broad range of statistical tables, this project funds contracts to research, design, develop, and test modernized tools for producing tabulations and statistics. The last in this series of openly competed contracts was awarded in FY 2013.

Once the system is complete, it will be utilized by in-house staff to produce customized tabulations and statistics that play a vital role in the work of social science researchers, congressional policymakers, and the public. As a result, SSA will be better positioned to deliver high quality and customized data products in less time and effort and at a reduced cost. For example, in FY 2010, we used approximately 19 FTEs to produce the statistical tables published in our statistical publications and other reports. After modernization, we estimate that the production of these same materials will require about nine FTEs in FY 2015.

At the end of FY 2012, we completed modernizing the processes that generate OASDI statistics and we began migrating our data development, management, utilization, and presentation into a modern business analytics enterprise. We assessed methods to further automate our processes,

present data more effectively, and manage metadata in the new system. In FY 2013, our focus is to create processes that will generate statistics using the earnings data file. This initiative will have a 16 month performance period. At the conclusion of the final contract, we will implement the final recommendations and complete the project.

SSA does not have the staff resources or expertise required to conduct the research and development necessary to develop the modernized system. As such, all contractual costs associated with the current research and development phase of this project are charged to section 1110. Once the development phase of this project is completed, however the costs to maintain and operate the new system will be funded through our administrative budget.

TANF/SSI Disability Transition Project – No Funding Required in FY 2015

Both welfare agencies and Federal disability programs seek to support people with disabilities and help them become more independent. However, the two systems often have differing missions and organization, definitions of disability, operational and financial issues, and work rules and incentives, creating a challenge for the Temporary Assistance for Needy Families (TANF) and SSI programs to work together. TANF clients who apply for SSI may also confront conflicting messages from TANF agencies regarding work requirements and benefit eligibility.

To better understand the relationship between the TANF and SSI populations and programs, we collaborated with the Administration for Children and Families (ACF) to launch the TANF-SSI Disability Transition Project in October 2008. Working with ACF, TANF agencies in California, Florida, Michigan, Minnesota, and New York, select counties in these states, and the evaluation firm MDRC, we devised a plan to analyze program data and pilot-test program interventions for TANF clients with disabilities.

SSA staff received all deliverables regarding the quantitative analysis and pilot studies. The project concluded on December 31, 2013. For more information, please consult the [Administration for Children and Families'](#) website.

RELATED FUNDING SOURCES

The Commissioner of Social Security has the authority to conduct research and demonstration projects under section 234 of the Social Security Act. The Commissioner uses trust fund monies to conduct various demonstration projects, including alternative methods of treating work activity of individuals entitled to DI benefits. Funds for these demonstration projects, authorized under the 1999 Ticket to Work Act and funded from the trust funds, are not part of the annual research appropriation request. OMB directly apportions section 234 funds. While section 234 authorization terminated on December 18, 2005, SSA has the authority to continue to conduct projects initiated prior to the expiration date. Absent reauthorization, our Benefit Offset National Demonstration will be the only project that requires continued section 234 funding in FY 2015. We currently estimate the cost of BOND for FY 2015 at \$12.5 million.

Please see tab entitled “Early Intervention Demonstrations” for information about early intervention demonstrations that would be designed to improve the ability of individuals with disabilities to succeed in the workforce.