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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, [\$41,232,978,000] \$46,422,000,000, 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 [\$83,000,000] \$101,000,000 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] 2018.

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 [2016] 2017, [\$19,200,000,000] \$14,500,000,000, to remain available until expended. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2015.)

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 3 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 2016 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 2017 to ensure the timely payment of benefits in case of a delay in the FY 2017 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, \$46,422,000,000, 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 \$101,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2018.	Specifies that not more than \$101 million of the SSI appropriation is available for research and demonstration projects. Of this \$101 million, \$50 million is available for regular research projects and the remaining \$51 million is available for Early Intervention demonstration projects. SSA may carryover unobligated balances through September 30, 2018.

Supplemental Security Income Program

<p>"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."</p>	<p>Provides an indefinite appropriation to finance any shortfall in the definite appropriation for benefit payments during the last months of the fiscal year.</p>
<p>"For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2017, \$14,500,000,000, to remain available until expended."</p>	<p>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 2017 in the event of a temporary funding hiatus.</p>

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 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	<i>Change</i>
Appropriation	\$ 60,549,064	\$ 60,932,978	\$ 65,622,000	<i>+\$ 4,689,022</i>
Obligations	\$ 58,878,942	\$ 60,175,582	\$ 65,727,498	<i>+ \$ 5,551,916</i>
First Quarter Advance Appropriation for Subsequent Fiscal Year	\$ 19,700,000	\$19,200,000	\$ 14,500,000	<i>- \$ 4,700,000</i>

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.

The ABLE Act creates a new type of tax-advantaged account that would have limited effect on an individual’s eligibility for the SSI program and other Federal means-tested programs.

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 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 \$11.55 per SSI check payment in FY 2015 and is expected to increase to \$11.67 in FY 2016. 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 \$60.7 billion in Federal benefits to an estimated 8.2 million SSI recipients in FY 2016. Including state supplementary payments, SSA expects to pay a total of \$63.7 billion and administer payments to a total of over 8.4 million recipients. Federal benefit payments represent approximately 92 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 2016 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 2016 is \$65,622,000,000. However, this includes \$19,200,000,000 made available for the first quarter of FY 2016 in the FY 2015 appropriation. The appropriation language provides SSA with its remaining appropriation for FY 2016, \$46,422,000,000—the total amount requested for FY 2016 less the advance already received.

Similarly, in addition to the amount above, the request includes an advance appropriation of \$14,500,000,000 for Federal benefit payments in the first quarter of FY 2017. 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 Detail ¹
(in thousands)

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	<i>Change</i>
Advance for Federal Benefits ²	\$ 19,300,000	\$ 19,700,000	\$ 19,200,000	
Regular for Federal Benefits	\$ 36,279,000	\$ 36,501,000	\$ 41,483,000	
Subtotal Federal Benefits	\$ 55,579,000	\$ 56,201,000	\$60,683,000	+ \$ 4,482,000
Administrative Expenses	\$ 4,920,064	\$ 4,578,978	\$ 4,765,000	+\$ 186,022
Beneficiary Services	\$ 3,000	\$ 70,000	\$ 70,000	+ \$ 0
Research and Demonstration	\$ 47,000	\$ 48,000	\$ 51,000	+ \$ 3,000
Early Intervention Demonstrations	\$ 0	\$ 35,000	\$ 50,000	+ \$15,000
Special Immigrant Visa- Afghani	\$ 0	\$ 0	\$ 3,000	+\$ 3,000
Subtotal Advanced Appropriation	\$ 19,300,000	\$ 19,700,000	\$ 19,200,000	
Subtotal Regular Appropriation	\$ 41,249,064	\$ 41,232,978	\$ 46,422,000	
Total Appropriation	\$ 60,549,064	\$ 60,932,978	\$ 65,622,000	+ \$ 4,689,022
Advance for Subsequent Year	\$ 19,700,000	\$ 19,200,000	\$ 14,500,000	- \$ 4,700,000

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

² 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 2013, 92.4 percent of SSI benefit payments were free of overpayment errors and 98.3 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 2016 President's Budget request includes \$938 million specifically for conducting SSI CDRs and redeterminations, which would allow SSA to conduct approximately 428,000 SSI CDRs¹ and 2,622,000 redeterminations. The total funding is estimated to result in about \$4.9 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 geographic searches 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

¹ The total estimated CDR volume is 908,000. We expect to complete approximately 480,000 Social Security Disability Insurance (DI)/Concurrent CDRs in addition to SSI CDRs.

for essentially all SSI non-medical redeterminations and full applications where there is an allegation of financial resources above the current AFI resource tolerance level.

Along with preventing overpayments, AFI can 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 essentially every full SSI claim and non-medical redetermination and assumes using 10 geographic searches per person where possible and fully integrating the process with our systems. In 2013, we expanded the use of AFI and increased geographic searches from 5 to 10, moving closer to full implementation. While we expect the 2015 account verifications to be cost effective, we continue to evaluate aspects of AFI to see if further enhancements would be productive.

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 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 2014, SSA's Office of the Inspector General (OIG) received almost 59,000 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)¹, 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 2014. Also in FY 2014, SSA eliminated an additional \$122.6 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. We again expanded our use of TOP in FYs 2012 and 2013. In FY 2012, we began referring debts delinquent for 10 years or longer to TOP and in FY 2013, we began collecting delinquent debts via TOP through Treasury's State Reciprocal Program (SRP). The SRP allows States to enter into reciprocal agreements with Treasury to collect unpaid State debt by offset of Federal non-tax payments. In return, the agreements allow the Federal Government to collect delinquent non-tax debt by offset of State payments. In FY 2014, TOP enabled the agency to collect \$66.1 million in delinquent SSI overpayments.

In FY 2002, SSA implemented Credit Bureau Reporting and Cross Program Recovery. In FY 2014, Credit Bureau Reporting contributed to the voluntary repayment of \$25.8 million and the Agency recovered \$120.5 million via Cross Program Recovery.

In FY 2005, SSA implemented Administrative Wage Garnishment, which has collected \$24.8 million in SSI debt through FY 2014. 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:

¹ Effective April 14, 2014, our Acting Commissioner ordered a suspension of TOP referrals for debts 10 years or more delinquent to consider potential administrative and legislative changes that may be warranted. In addition, as of January 19, 2015, we suspended further referrals of debt accrued when individuals were minors, regardless of the age of the debt, to review policy options.

- 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;
- 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

Refugees and certain other humanitarian immigrants who are disabled or elderly are potentially eligible for SSI benefits for up to 7 years from the date they attained their immigration status, and without time limit if they become naturalized. The “SSI Extension for Elderly and Disabled Refugees Act” (Public Law 110-328) extended the 7-year SSI eligibility period for refugees, asylees, and certain other humanitarian immigrants to 9 years for FY 2009 through FY 2011. Effective October 2011, the SSI eligibility period for refugees and other humanitarian immigrants reverted to 7 years. This proposal would underscore the nation’s commitment to refugees, asylees, and other humanitarian immigrants by again extending the time limit from 7 to 9 years during fiscal years 2016 and 2017.

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

The FY 2016 President’s budget includes \$3 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 2016 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 2016 is \$65,622,000,000, including \$19,200,000,000, provided in advance by the FY 2015 enacted appropriation.

Table 2.4—Amounts Available for Obligation¹

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Regular Appropriation	\$ 41,249,064,000	\$ 41,232,978,000	\$ 46,422,000,000
Advanced Appropriation	\$ 19,300,000,000	\$ 19,700,000,000	\$ 19,200,000,000
Total Annual Appropriation	\$ 60,549,064,000	\$ 60,932,978,000	\$ 65,622,000,000
Federal Unobligated Balance	\$ 121,302,391	\$ 1,793,163,430	\$ 2,639,559,711
Recovery of Prior-Year Obligations	\$ 1,334,486	\$ 0	\$ 0
Offsetting Collections	\$ 404,247	\$ 0	\$ 0
Transfer from LAE ²	\$ 0	\$ 89,000,000	\$ 70,000,000
Subtotal Federal Resources	\$ 60,672,105,124	\$ 62,815,141,430	\$ 68,331,559,711
State Supp. Reimbursements	\$ 3,226,751,964	\$ 2,709,000,000	\$ 2,755,000,000
State Supp. Unobligated Balance	\$ 271,863,212	\$ 218,841,576	\$ 222,841,576
Total Budgetary Resources	\$ 64,170,720,300	\$ 65,742,983,006	\$ 71,309,401,287
Federal Obligations	\$ 58,878,941,694	\$ 60,175,581,719	\$ 65,727,498,000
State Supp. Obligations	\$ 3,279,773,600	\$ 2,705,000,000	\$ 2,975,000,000
Total Obligations	\$ 62,158,715,294	\$ 62,880,581,719	\$ 68,702,498,000
Federal Unobligated Balance	\$ 1,793,163,430	\$ 2,639,559,711	\$ 2,604,061,711
State Supp. Unobligated Balance ³	\$ 218,841,576	\$ 222,841,576	\$ 2,841,576
Total Unobligated Balance	\$ 2,012,005,006	\$ 2,862,401,287	\$ 2,606,903,287

¹ Does not include state supplementary user fees; user fees are included in the LAE appropriation.

² This is SSI's prorated share of unobligated LAE money that has been converted into no-year IT funds. It is not part of the annual administrative appropriation.

³ 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.

The SSI annual appropriation was \$60.5 billion in FY 2014. The FY 2015 appropriation is \$61 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. Beginning in FY 2015, research and demonstration funds received three year appropriations, so these balances can be carried over for use through September 30, 2017. SSA carried over almost \$1.8 billion in Federal unobligated balances into FY 2015. Based on the FY 2015 estimated funding level and obligations, SSA expects to carry over approximately \$2.6 billion into FY 2016.

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 2016 request represents an increase of approximately \$5 billion from the FY 2015 level. The majority of this increase results from mandatory increases in Federal benefit payments, mainly resulting from an additional benefit payment in FY 2016.

SSA plans to use unobligated balances to partially fund administrative expenses, beneficiary services and research and demonstration projects in FY 2015. In FY 2016, SSA plans to use unobligated balances to partially fund beneficiary services, research and demonstration, and the Early Intervention projects. SSA plans to use approximately \$12 million in unobligated balances and recoveries in FY 2015 and approximately \$35 million in FY 2016.

Federal Benefit Payments

The increase in the FY 2016 request for Federal benefit payments is a result of one additional benefit payment and the annual cost-of living adjustments (COLA). The increase in Federal benefit payments is partially offset by the impact of Old-Age, Survivors, and Disability Insurance (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 2016 request for administrative expenses is \$186 million more than the FY 2015 level. SSA expects to transfer \$89 million from the no-year LAE Information Technology Systems budget in FY 2015 for information technology needs. We expect to transfer an additional \$70 million in FY 2016. This transfer will not alter the overall spending levels in FY 2016, as reflected in the Limitation on Administrative Expenses section.

Beneficiary Services

SSA is requesting \$70 million in new authority for FY 2016. 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 2014, SSA used \$3 million in budget

Supplemental Security Income Program

authority and \$61.5 million in carryover for beneficiary services. SSA expects to use \$4 million of carryover funds in FY 2015, and \$16 million in FY 2016 to cover our estimated obligations.

Research and Demonstration

The request for new budget authority is \$3 million higher than the FY 2015 level. SSA expects to use \$7.6 million of prior year unobligated balances in FY 2015, and \$3.5 million in FY 2016 to cover our estimated obligations.

In addition, our 2015 appropriation included \$35 million in funding for the Early Intervention Demonstration projects. The FY 2016 request is \$50 million for these projects.

Table 2.5—Summary of Changes¹

	FY 2015 Enacted	FY 2016 Estimate	Change
Appropriation	\$ 60,932,978,000	\$ 65,622,000,000	+ \$ 4,689,022,000
Reduction in Obligation to reflect most recent Actuary estimates	-\$ 827,000,000	\$ 0	+\$ 827,000,000
Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation	\$ 11,603,719	\$ 35,498,000	+ \$ 23,894,281
Early Intervention Unobligated Balance Carry Forward into 2016	-\$ 31,000,000	\$ 0	+\$ 31,000 000
Transfer from LAE ²	\$ 89,000,000	\$ 70,000,000	- \$ 19,000,000
Estimated Federal Obligations	\$ 60,175,581,719	\$ 65,727,498,000	+ \$ 5,551,916,281

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

² This is SSI's prorated share of unobligated LAE money that has been converted into no-year ITS funds. It is not part of the annual administrative appropriation.

Table 2.6—Explanation of SSI Budget Changes from FY 2015 to FY 2016
(in thousands)

	FY 2015 Obligations	Change from FY 2015
		Increases
Federal Benefit Payments	\$ 56,201,000	
• COLA—1.3% beginning January 2016		+\$ 1,009,000
• Net Increase of 16,000 recipients in FY 2016		+ \$ 368,000
• Net increase due to adjustment for October 1, 2017 payment paid in FY 2016		+\$ 4,167,000
Administrative Expenses	\$ 4,578,978	
• Additional base funding		+ \$ 186,022
Beneficiary Services	\$ 70,000	
• Increase in amount of carryover funding planned for obligation in FY 2016		+ \$ 12,000
Research and Demonstrations	\$ 48,000	
• Increase in base funding		+\$ 3,000
Early Intervention	\$ 35,000	
• Increase in base funding		+\$ 15,000
• Increase in amount of carryover funding planned for obligation in FY 2016		+\$ 31,000
• Increase in planned obligation in FY 2016		+\$ 16,000
CHIMP – New funding		+ \$ 3,000
Total Increases		+\$ 5,810,022
		Decreases
Federal Benefit Payments – Reduction from Actuary estimate	-\$ 827,000	
• Effect of OASDI COLA for concurrent SSI/OASDI recipients		-\$ 235,000
Administrative Expenses – Transfer from LAE	\$ 89,000	
• Decrease in amount transferred from LAE in 2016		-\$ 19,000
Beneficiary Services – Carryover	\$ 4,000	
Research & Demonstration – Net Carryover	\$ 7,604	
• Decrease in amount of carryover funding planned for obligation in FY 2016		-\$ 4,106
Early Intervention – unobligated balance into 2016	-\$ 31,000	
Total Decreases		- \$ 258,106

Supplemental Security Income Program

		Decreases
Total Obligations Requested, Net Change	\$ 60,175,582	+ \$ 5,551,916

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, research and early intervention 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 2014 Actual	FY 2015 Enacted ²	FY 2016 Estimate ³
<u>Federal Benefit Payments</u>			
Appropriation	\$ 55,579,000	\$ 56,201,000	\$ 60,683,000
Obligations	\$ 53,849,499	\$ 55,374,000	\$ 60,683,000
Monthly Check Payments	12	12	13
<u>Administrative Expenses</u> ⁴			
Appropriation	\$ 4,920,064	\$ 4,578,978	\$ 4,765,000
Obligations	\$ 4,920,891	\$ 4,667,978	\$ 4,835,000
<u>Beneficiary Services</u>			
Appropriation	\$ 3,000	\$ 70,000	\$ 70,000
Obligations	\$ 64,503	\$ 74,000	\$ 86,000
<u>Research and Demonstration</u>			
Appropriation	\$ 47,000	\$ 48,000	\$ 51,000
Obligations	\$ 44,048	\$ 55,604	\$ 54,498
<u>Special Immigrant Visas</u>			
Appropriation	\$ 0	\$ 0	\$ 3,000
Obligations	\$ 0	\$ 0	\$ 3,000
<u>Early Intervention Demonstrations</u>			
Appropriation	\$ 0	\$ 35,000	\$ 50,000
Obligations	\$ 0	\$ 4,000	\$ 66,000
Total Appropriation	\$ 60,549,064	\$ 60,932,978	\$ 65,622,000
Total Federal Obligations	\$ 58,878,942	\$ 60,175,582	\$ 65,727,498

¹ Totals may not add due to rounding.

² SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2015 obligations as follows: beneficiary services, \$4 million; and research and demonstration projects, \$7.6 million.

³ In addition to the FY 2016 President’s Budget request, SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2016 obligations as follows: beneficiary services, \$16 million; research and demonstration projects, \$3.5 million; and early intervention demonstrations, \$31 million.

⁴ This includes the SSI’s prorated share of unobligated LAE money that has been converted into no-year IT funds. It is not part of the annual administrative appropriation.

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 Object ¹
(in thousands)

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
<u>Other Services²</u>			
Appropriation	\$ 4,923,064	\$ 4,648,978	\$ 4,838,000
Obligations	\$ 4,985,394	\$ 4,741,978	\$ 4,924,000
<u>Federal Benefits and Research</u>			
Appropriation	\$ 55,626,000	\$ 56,284,000	\$ 60,784,000
Obligations	\$ 53,893,548	\$ 55,433,604	\$ 60,803,498
Total Appropriation	\$ 60,549,064	\$ 60,932,978	\$ 65,622,000
Total Obligations	\$ 58,878,942	\$ 60,175,582	\$ 65,727,498

¹ Totals may not add due to rounding.

² The administration portion of these services includes the SSI’s prorated share of unobligated LAE money that has been converted into no-year IT funds. It is not part of the annual administrative appropriation.

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 2014 Actual	FY 2015 Enacted	FY 2016 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	\$ 60,549,064,000	\$ 60,932,978,000	\$ 65,622,000,000	<i>Indefinite</i>
First Quarter Advance Appropriation for Subsequent Fiscal Year	\$ 19,700,000,000	\$ 19,200,000,000	\$ 14,500,000,000	---

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 2006 to FY 2017. 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	\$ 10,930,000,000	\$ 10,930,000,000	\$ 14,130,000,000	\$ 10,930,000,000
Current Year	\$ 29,533,174,000	\$ 29,533,174,000 ¹	\$ 29,510,574,000 ²	\$ 29,369,174,000 ³
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 ⁴	\$ 29,023,000,000 ⁵	\$ 29,071,169,000 ⁶
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 ⁷	\$ 26,959,000,000 ⁸	\$ 27,000,191,000 ⁹
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	--- ¹⁰	\$ 30,429,875,000 ¹¹	\$ 30,471,537,000 ¹²
2009 Total	\$ 45,214,000,000	---	\$ 45,229,875,000	\$ 45,271,537,000
<i>2009 Indefinite</i>				<i>\$ 1,602,935,179</i>
Q1 Advance	\$ 15,400,000,000	---	\$ 15,400,000,000	\$ 15,400,000,000
Current Year	\$ 34,742,000,000	\$ 34,742,000,000 ¹³	\$ 34,742,000,000 ¹⁴	\$ 34,742,000,000 ¹⁵
2010 Total	\$ 50,142,000,000	---	\$ 50,142,000,000	\$ 50,142,000,000
<i>2010 Indefinite</i>				<i>\$ 458,465,781</i>
Q1 Advance	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000
Current Year	\$ 40,513,000,000	--- ¹⁶	\$ 40,513,000,000 ¹⁷	\$ 39,983,273,000 ¹⁸
2011 Total	\$ 56,513,000,000	---	\$ 56,513,000,000	\$ 55,983,273,000
Q1 Advance	\$ 13,400,000,000	No Data	---	\$ 13,400,000,000
Current Year	\$ 38,083,000,000 ¹⁹	No Data	--- ²⁰	\$ 37,582,991,000 ²²
2012 Total	\$ 51,483,000,000²³	---	\$ 51,322,543,000	\$ 50,982,991,000
<i>2012 Indefinite</i>	<i>No Data</i>	<i>No Data</i>	<i>No Data</i>	<i>\$ 560,000,000</i>
Q1 Advance	\$ 18,200,000,000	No Data	---	\$ 18,200,000,000
Current Year	\$ 40,043,000,000 ²⁴	No Data	--- ²⁵	\$ 40,043,000,000 ²⁶
2013 Total	\$ 58,243,000,000²⁸	---	\$ 58,243,000,000	\$ 50,982,991,000
2013 Rescission				\$ 32,779,347,000
2013 Sequester ²⁹				

Table Continues on the Next Page

Supplemental Security Income Program

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	\$ 19,300,000,000		\$ 19,300,000,000	\$ 19,300,000,000
Current Year	\$ 40,737,000,000 ³⁰		\$ 40,568,741,000 ³¹	\$ 41,249,064,000 ³²
2014 Total	\$ 60,037,000,000³³		\$ 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	\$ 41,232,978,000 ³⁴
2015 Total	\$ 60,627,000,000			\$ 60,932,978,000³⁵
Q1 Advance	\$ 19,200,000,000			
Current Year	\$ 46,422,000,000			
2016 Total	\$ 65,622,000,000			
Q1 Advance	\$ 14,500,000,000			
Current Year				
2017 Total				

¹ H.R. 3010.

² H.R. 3010, reported from Committee with an amendment.

³ Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149).

⁴ H.R. 5647.

⁵ S. 3708

⁶ Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5). Of this amount, \$2,937,000,000 was available for administrative expenses.

⁷ H.R. 3043.

⁸Experiment

⁸ S. 1710.

⁹ 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.

¹⁰ The House Committee on Appropriations did not report a bill.

¹¹ S. 3230.

¹² Omnibus Appropriations Act, 2009 (P.L. 111-8).

¹³ H.R. 3293.

¹⁴ H.R. 3293, reported from Committee with an amendment.

¹⁵ Consolidated Appropriations Act, 2010 (P.L. 111-117).

¹⁶ The House Committee on Appropriations did not report a bill.

¹⁷ S. 3686.

¹⁸ 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

Supplemental Security Income Program

\$6,987,000 for SSI administrative expenses and \$72,000 for research and demonstration projects in accordance with P.L. 112-10.

¹⁹Of 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.

²⁰The 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.

²¹S. 1599.

²²Consolidated 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.

²³The 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.

²⁴Of this amount, not more than \$48,000,000 was for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

²⁵The 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.

²⁶S. 3295.

²⁷Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).

²⁸The 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.

²⁹SSI was exempt from sequestration in FY 2013.

³⁰Of this amount, not more than \$54,000,000 is for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

³¹S. 1284.

³²Consolidated Appropriations Act, 2014 (P.L. 113-76).

³³The 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.

³⁴Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

³⁵Of this amount, not more than \$48,000,000 is for research and demonstrations and not more than \$35,000,000 is for early intervention demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

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 2016, SSA estimates benefit payments will total approximately \$60.7 billion for more than 8.2 million Federal SSI recipients.

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

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	<i>FY 15 to FY 16 Change</i>
Appropriation	\$ 55,579,000	\$ 56,201,000	\$ 60,683,000	+ \$ 4,482,000
Obligations	\$ 53,849,499	\$ 55,374,000	\$ 60,683,000	+ \$ 5,309,000
Advance for subsequent fiscal year	\$ 19,700,000	\$ 19,200,000	\$ 14,500,000	- \$ 4,700,000

RATIONALE FOR BUDGET REQUEST

SSA is requesting \$60.7 billion in new budget authority for Federal benefit payments in FY 2016.

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, average payment amounts and number of payments per fiscal year.

SSI RECIPIENT POPULATION

The number of Federal SSI recipients has increased from 7.8 million in FY 2011 to 8.2 million in FY 2014 and is expected to remain at 8.2 million through FY 2016. The estimated increase in Federal recipients in FY 2016 represents a 0.2 percent increase over the FY 2015 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 2011	FY 2012	FY 2013	FY 2014
Aged	1,105	1,094	1,089	1,094
Blind or Disabled	6,652	6,846	7,000	7,076
Total Federal	7,756	7,940	8,089	8,171
<i>Year-to-Year Change</i>	<i>3.1%</i>	<i>2.4%</i>	<i>1.9%</i>	<i>1.0%</i>
State Supplement Only	254	234	220	217
Total Federally Administered	8,010	8,173	8,309	8,388

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 1.6 million state supplement recipients, of which approximately 180,000 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 2015 Estimate	FY 2016 Estimate	FY 14 FY 15 Change
Aged	1,098	1,104	+ 0.5%
Blind or Disabled	7,121	7,132	+ 0.2%
Total Federal	8,220	8,236	+ 0.2%
State Supplement only	178	181	+ 1.7%
Total Federally Administered	8,398	8,417	+ 0.2%

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 86.6 percent in FY 2016. 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 ¹
(average over fiscal year, in thousands)

Fiscal Year	Total Federal	Aged	Blind or Disabled	Blind or Disabled as % of Total
2000	6,328	1,203	5,125	81.0%
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	8,171	1,094	7,076	86.6%
2015 Estimate	8,220	1,098	7,121	86.6%
2016 Estimate	8,236	1,104	7,132	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 OASDI benefit. Approximately 34 percent of all SSI recipients (including those only receiving a state supplement) also receive Social Security benefits. Approximately 56 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 2015, there is a 1.7 percent cost-of living increase and a COLA of 1.3 percent is projected for January 2016. The FBR increased from \$721 for an individual and \$1,082 for a couple for calendar year (CY) 2014 to \$733 for an individual and \$1,100 for a couple for CY 2015. SSA estimates the FBR will increase to \$743 for an individual and \$1,114 for a couple in CY 2016. The COLA will be effective in January 2016, raising the maximum benefit rate to higher levels than the first 3 months of the fiscal year.

Table 2.15—Maximum Benefit Rates

	FY 2015	FY 2015	FY 2016	FY 2016
	First 3 Months	Last 9 Months	First 3 Months	Last 9 Months
Individual	\$ 721	\$ 733	\$ 733	\$ 743
Couple	\$ 1,082	\$ 1,100	\$ 1,100	\$ 1,114

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 \$543 in FY 2014 to \$554 in FY 2015 and \$565 in FY 2016. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

Table 2.16—Average Monthly Benefit Payments

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Aged	\$ 383	\$ 391	\$ 399
Blind or Disabled	\$ 568	\$ 580	\$ 590
All SSI Recipients	\$ 543	\$ 554	\$ 565

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 2016 estimate assumes SSA receives the proposed administrative funding to conduct 428,000 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 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	\$ 53,849,499,196
FY 2015	12	\$ 55,374,000,000
FY 2016	13	\$ 60,683,000,000

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 2014 Actual	FY 2015 Enacted	FY 2016 Estimate¹	<i>FY 15 to FY 16 Change</i>
Total Appropriation	\$ 4,920,064	\$ 4,578,978	\$ 4,765,000	+ \$ 186,022
Obligations Funded from Prior-Year Unobligated Balance	\$ 827	\$ 0	\$ 0	\$ 0
Transfer from LAE	\$ 0	\$ 89,000	\$ 70,000	- \$ 19,000
Obligations	\$ 4,920,891	\$ 4,667,978	\$ 4,835,000	+ \$ 167,022

RATIONALE FOR BUDGET REQUEST

The FY 2016 request for SSI administrative expenses is \$4,765,000,000. This appropriation is used to reimburse the trust funds for the SSI program's share of administrative expenses. This amount includes additional funding of \$938 million specifically for FY 2016 SSI program integrity activities in the SSI program in FY 2016.

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 \$123,000,000 for SSI state supplementary user fees in FY 2015 and up to \$136,000,000 in FY 2016.

¹ Based on our latest estimates, obligations exceed budget authority in FY 2016 by \$70 million. We plan to transfer the SSI's prorated share of unobligated LAE money that has been converted into no-year IT funds to account for the difference. This ITS fund is not part of the annual administrative appropriation.

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 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	FY 15 to FY 16 Change
Appropriation	\$ 3,000	\$ 70,000	\$ 70,000	\$ 0
Obligations Funded from Prior-Year Unobligated Balances	\$ 61,503	\$ 4,000	\$ 16,000	+ \$ 12,000
Obligations	\$ 64,503	\$ 74,000	\$ 86,000	+ \$ 12,000
Vocational Rehabilitation	\$ 57,573	\$ 66,000	\$ 76,000	+ \$ 10,000
Ticket to Work	\$ 6,930	\$ 8,000	\$ 10,000	+ \$ 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 2016 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 2015 and 2016 obligations.

In the Ticket to Work program, the estimate for FY 2016 assumes a total of 5,300 Ticket beneficiaries with payments to an EN, an increase from 4,200 in FY 2015.

In the VR Reimbursement program, the estimate for FY 2016 assumes a total of 6,500 distinct beneficiaries with significant work and for which reimbursement are paid, an increase from 5,900 in FY 2015. For SSI-only recipients, the FY 2016 average cost per VR reimbursement payment is \$17,600 for an estimated 3,300 payments. For recipients concurrently receiving SSI and DI, the FY 2016 average SSI cost per VR reimbursement payment is \$5,300 for an estimated 3,200 payments. In FY 2015, the average cost per VR reimbursement to SSI-only recipients is \$17,100 for an estimated 3,000 payments. For SSI and DI concurrent recipients, the FY 2015 average SSI cost per VR reimbursement is \$4,800 for an estimated 2,900 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

SSI VR Reimbursement Payments	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 15 to FY 16 Change
Number of SSI-Only Awards	2,707	3,000	3,300	+ 300
SSI-Only Cost per Payment	\$ 16,900	\$ 17,100	\$ 17,600	+ \$ 500
Number of SSI/DI Concurrent Awards	2,649	2,900	3,200	+ 300
SSI/DI Concurrent Payment (SSI portion of costs only)	\$ 4,500	\$ 4,800	\$ 5,300	+ \$ 500
Total Number of SSI VR Reimbursement Awards	5,356	5,900	6,500	+ 600
Total SSI VR Reimbursement Payments (in thousands)¹	\$ 57,600	\$ 66,000	\$ 76,000	+ \$ 10,000
Ticket Beneficiaries with Payments (SSI-Only & SSI/DI Concurrent Beneficiaries for whom we served and paid an EN)	3,683	4,200	5,300	+ 1,100
Total Ticket Payments (in thousands)¹	\$ 7,012	\$ 8,000	\$ 10,000	+ \$ 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, Outreach, and Early Intervention Demonstration Projects: Budget Authority and Obligations (in thousands)

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	FY 15 FY 16 Change
Research Appropriation	\$ 47,000	\$ 48,000	\$ 51,000	+ \$ 3,000
Early Intervention Appropriation	\$ 0	\$ 35,000	\$ 50,000	+ \$ 15,000
Obligations funded from prior-year balances	\$ 0	\$ 7,604	\$ 19,498	+ \$ 11,894
Unobligated Balance Carry Forward	-\$ 2,952	-\$ 31,000	\$ 0	+ \$ 31,000
Obligations	\$ 44,048	\$ 59,604	\$ 120,498	+ \$ 60,894

Section 1110 of the Social Security Act provides authority for conducting broad-based cross-programmatic projects for 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.

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 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/or 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. Existing studies indicate a lack of effective retirement planning on the part of the public. 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).

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 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 relevant disciplines, such as statistics, economics, and survey design. They

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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 should. 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 the Survey of Income and Program Participation (SIPP), the 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

We are requesting \$51 million in new budget authority in FY 2016 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 (OIS), our rigorous evaluation of the Promoting Readiness of Minors in SSI (PROMISE) pilot, and the National Academy of Sciences/Institute of Medicine's independent evaluation of the disability program for adults and children. The request also provides funding for our Interagency Agreement (IAA) with the National Institutes of Health (NIH) to help quickly and efficiently identify individuals who should be awarded disability benefits.

In FY 2016, 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.

We are also requesting \$50 million in new budget authority in FY 2016 for early intervention demonstrations, as described beginning on page 86.

The table and discussion that follow present the research and outreach efforts we plan to fund in FY 2016 in more detail.

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

	Obligations ³		
	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Serve the Public through a Stronger and more Responsive Disability Program	\$ 27,769	\$ 37,281	\$ 38,933
Advisory Services to Assist. SSA with Disability Issues	\$ 4,092	\$ 3,900	\$ 2,700
Disability Analysis File (DAF)	\$ 755	\$ 755	\$ 1,000
Disability Determination Process Small Grants	\$ 300	\$ 300	\$ 300
Disability Research Consortium (DRC)	\$ 4,989	\$ 5,500	\$ 5,500
National Beneficiary Survey (NBS)	\$ 0	\$ 300	\$ 3,324
New and Emerging Research - Disability	\$ 287	\$ 2,000	\$ 700
NIH IAA for Data Analytics/FAB Development	\$ 1,500	\$ 2,041	\$ 2,100
Occupational Information Systems (OIS)	\$ 13,155	\$ 18,648	\$ 20,000
Promoting Readiness of Minors in SSI (PROMISE)	\$ 2,691	\$ 3,838	\$ 3,309
Deliver Innovative Quality Services	\$ 3,650	\$ 5,015	\$ 5,015
American Life Panel (ALP) Enhancements	\$ 1,477	\$ 1,490	\$ 1,490
Collaboration with Other FLEC Members	\$ 730	\$ 480	\$ 480
Enterprise Business Platform	\$ 0	\$ 1,000	\$ 1,000
New and Emerging Research - Retirement	\$ 11	\$ 300	\$ 300
Medicare Outreach	\$ 1,432	\$ 1,745	\$ 1,745
Strengthen the Integrity of Our Programs	\$ 12,629	\$ 13,307	\$10,550
Census Surveys	\$ 1,125	\$ 3,075	\$ 300
Data Development	\$ 299	\$ 302	\$ 320
Health & Retirement Study (HRS)	\$ 2,655	\$ 2,655	\$ 2,655
Health & Retirement Study Supplement	\$ 1,500	\$ 1,500	\$ 1,500
Retirement Income Modeling	\$ 0	\$ 0	\$ 0
Retirement Research Consortium (RRC)	\$ 6,775	\$ 5,500	\$ 5,500
Social Security Programs Throughout the World	\$ 275	\$ 275	\$ 275
Subtotal Research Obligations	\$ 44,048	\$ 55,603	\$ 54,498
Early Intervention Obligations	\$ 0	\$ 4,000	\$ 66,000
Total Research Obligations	\$ 44,048	\$ 59,604	\$ 120,498

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.

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
New Budget Authority	\$ 16,980	\$ 83,000	\$ 101,000

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 2016:

Serve the Public through a Stronger, more Responsive Disability Program

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:

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 surveys literature regarding clinical practices and 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 helps maintain the objectivity of our policy and procedures.

In FY 2014, the IOM established four Federal Advisory Committee Act (FACA) compliant consensus study committees to: (1) describe past and current trends in the prevalence and persistence of mental disorders for the general U.S. population under age 18, and provide a comparison between those trends and trends in the SSI childhood disability population; (2) perform a critical review of selected psychological testing, including symptom validity testing (SVT), that could contribute to our disability determinations; (3) describe past and current trends in the prevalence and persistence of speech disorders and language disorders for the general U.S. population under age 18, and provide a comparison between those trends and trends in the SSI childhood disability population; and (4) provide recommendations to improve the accuracy and efficiency of our policy and procedures for capability determinations for adult beneficiaries.

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 goals of the first and third consensus study committees, therefore, are to fill this gap by gathering data and information that will improve our understanding of disability in children with

mental disorders and speech and language disorders. This will help us ensure that the SSI disability program appropriately provides payments to children with these disabling conditions. The final reports of the first and third consensus study committees are due in August 2015 and April 2016, respectively.

When we evaluate a disability claim based on a physical or mental impairment, we require sufficient evidence to: (1) establish the presence of a medically determinable physical or mental impairment(s); (2) assess the degree of functional limitation the impairment(s) impose(s); and (3) project the probable duration of the impairment(s). We do not use test scores alone to determine whether an adult or a child is disabled. Our longstanding policy has been to consider all relevant evidence in a claimant's case record when making a disability determination. Our regulations say that a physical or mental impairment must be established by medical evidence consisting of signs, symptoms, and laboratory findings--which can include psychological test results--not only by the claimant's statement of symptoms. We also consider the extent to which the claimant's symptoms can reasonably be accepted as consistent with the objective medical evidence and other evidence. After we review all of the evidence relevant to the claim, including medical opinions, we make findings about what the evidence shows. The goal of the second consensus study committee is to provide guidance on the general relevance and applicability of psychological tests, including SVTs, in the context of other relevant evidence in claims involving physical and mental disorders. The committee will also provide guidance on how to use the results of psychological tests, including SVTs, in the context of disability determinations. The committee's final report is due in June 2015.

Regardless of an adult's legal competency, Sections 205(j) and 1631(a)(2) of the Social Security Act give us the authority to appoint a representative payee to receive DI benefits or SSI payments on behalf of an DI beneficiary or SSI recipient and to use those benefits for the beneficiary's needs. Generally, we appoint a representative payee if we determine that a beneficiary is not able to manage benefits in his or her interest. Every beneficiary has the right to manage his or her own benefits; however, some adult beneficiaries, due to a mental or physical condition, may be unable to do so. Under these circumstances, we may determine that the interests of the beneficiary would be better served if we appoint a representative payee. The goal of the fourth consensus study committee is to provide an overview of the capability determination processes in at least three similar benefit programs, compare our program to these other programs, and provide recommendations to improve the accuracy and efficiency of our policy and procedures for capability determinations. The committee's final report is due in May 2016.

In FY 2015, we plan to use IOM-established FACA compliant consensus study committees to: (1) determine how technology-driven assistive and adaptive products have improved functioning in the workplace for adults with disabilities, and provide recommendations for considering use of such products in the disability determination process for adults; and (2) provide recommendations for accurate and efficient methods to determine functioning for adults.

In FY 2016, we plan to use an IOM-established FACA compliant consensus study committee to: provide recommendations for methods to identify when impairments are no longer disabling for children, such as reviewing certain impairments more frequently or having certain child SSI

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recipients (based on disabling impairment) periodically report to SSA on their health status; and evaluate the merits of conducting preliminary “disability screenings” using the adult disability rules for children with certain impairments at a specific age (for example, age 15) to identify children who we believe may no longer receive SSI payments when they attain age 18 and provide them notice of the possibility of SSI payment cessation and referral to vocational assistance.

Since 2004, we have updated approximately 70 percent of the listings and we plan to propose revisions in the Federal Register for all listings by the end of 2015. Listings-related Federal Register Notices for the period from January 2009 thru December 2014 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)
- Genitourinary Disorders (10/10/2014)

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)
- Growth Disorders and Weight Loss in Children (05/22/2013)
- Hematological Disorders (11/19/2013)
- Cancer (12/17/2013)
- Neurological Disorders (02/25/2014)
- Human Immunodeficiency Virus (HIV) Infection and Functional Limitations in Immune System Disorders (02/26/2014)

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 in 2014
- Publication of Social Security Ruling, SSR-14-3p: Titles II and XVI: Evaluating Endocrine Disorders Other Than Diabetes Mellitus (06/02/2014)
- Publication of Social Security Ruling, SSR-14-2p: Titles II and XVI: Evaluating Diabetes Mellitus (06/02/2014)
- Publication of Social Security Ruling, SSR14-1p: Titles II and XVI: Evaluating Claims Involving Chronic Fatigue Syndrome (CFS) (04/03/2014)

Disability Analysis File (DAF)

The DAF has been previously funded under the former “other research” line item in prior submissions. The DAF is a composite of the ten most relevant SSA administrative files needed to answer questions about disability and work. The DAF pulls these files together into a meaningful whole that researchers can easily understand and use. The DAF also provides complete researcher-friendly documentation of the data for these files. As a result, having a standing DAF file eliminates the first 6-12 months of investigation and start-up assembly of the data for every new research project that uses it and is essential in providing quick responses to agency inquiries. In FY 2016, we will continue to build the DAF as we have done in years past.

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/Quick Disability Determination 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 last cohort had 18 applications. We will re-compete the grant in FY 2016. Please see the following PRI website for a list of the awarded projects and accepted final reports:

[Projects and Accepted Final Reports](#)*Disability Research Consortium (DRC)*

The DRC grants support the production and dissemination of program and policy-relevant research to assist policymakers in improving services and benefits from the DI and SSI programs. A major component of the mission is to support research to better understand how Federal programs for people with disabilities intersect and interact with each other and with other programs that provide services and benefits to people with disabilities. This will help to improve service delivery, enhance coordination of services across programs, build on complementarities across programs, eliminate duplication and waste, and advance cooperation across Federal agencies that serve people with disabilities. Under the DRC, we will support the development of research data sources using administrative records and data matches for use in research projects. We awarded the third year DRC grants in September 2014.

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In FY 2015, we enter year three of the cooperative agreements with the Mathematica Policy Research center and the National Bureau of Economic Research center. These centers contribute to disability and rehabilitation research, and they are widely recognized as having expertise in conducting empirical studies of disability programs and related issues.

The DRC centers will continue research activities across six broad priority research areas: demographics, economics, health, programmatic issues, work and education, and international comparisons. These topics will be guided by the agenda for the consortium's research projects for FY 2015. We will continue on-going interaction with the center directors and staff to ensure funding of projects that meet the DRC criteria and our agency's critical research needs.

National Beneficiary Survey (NBS)

The NBS collects data from a national sample of 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 DI 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 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. We plan to continue collecting information on a national sample of SSI and DI beneficiaries.

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 and less information on the TTW program. In the redesigned NBS, we will conduct in-depth interviews of the most successful working SSI and DI beneficiaries. The questions will focus on the home, community, employer, and SSA policies that influence successful work attempts. We have developed the new questions and the design of the sample of the most successful working beneficiaries.

The first round of the redesigned NBS will begin in February 2015, including 4,000 interviews of the national sample of SSI and DI beneficiaries and 90 in-depth interviews of the most

successful working beneficiaries. We plan to conduct the second and third rounds in FY 2017 and FY 2019.

Public use data files, documentation, and reports for the first four rounds of the NBS are available on our website at: [National Beneficiary Survey \(NBS\)](#).

New and Emerging Research - Disability

Our New and Emerging Research –Disability line item replaces the former “Other Research” category and 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 DI and SSI work incentives. Often, these projects address necessary but unforeseen requests for studies from Congress, OMB, the Administrative Conference of the United States, 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 DAF and other priority projects requested of SSA.

National Institutes of Health (NIH) IAA for Data Analytics and FAB Development

The CAL initiative identifies diseases and other medical conditions that invariably qualify for allowance under the Listing of Impairments. The initiative allows us to target the most obviously disabled individuals for allowances based on objective medical information that we can obtain quickly. We currently have 225 CAL conditions. Through the end of FY 2014, we approved claims filed by almost 300,000 people with severe disabilities through this fast-track disability process.

Under an agreement with their Office of Extramural Research that runs through FY 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 a work disability functional assessment battery (FAB) that utilizes computer-adaptive testing (CAT). The FAB 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 development of four FAB functional domains with the development of learning and applying knowledge and daily activities domains. To date, our partnership has resulted in a productive cross-governmental relationship, significant cost-sharing, and scientifically and legally defensible research.

In FY 2015, BU will conduct a national calibration and predictive validity study of the entire FAB item pool. NIH will continue to explore the nature of data analysis needed to improve evaluation of the disability adjudication process in FY 2016.

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

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decisions on the occupational information found in DOL's Dictionary of Occupational Titles (DOT) and its companion volume, the Selected Characteristics of Occupations. 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), a job placement tool which cannot facilitate disability adjudication 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. BLS field economists were already collecting information for the NCS that was conceptually similar to what we need. Under the IAA, the BLS will collect information about the physical, skill, environmental, and mental and cognitive requirements of occupations. This information will largely support our current disability policy, and will provide us with data about work in the current economy to inform future policy.

Since FY 2012, 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. Initially, BLS will classify occupations using O*NET's framework.

We signed yearly IAAs with the BLS for FY 2013 through FY 2015 to continue testing. In FY 2013, the BLS performed three phases of testing designed to improve collecting the physical and skill requirements of occupations and workers' environmental exposure. After each test phase, the BLS consulted with SSA, evaluated data collection issues, and refined the data collection protocols and processes.

In FY 2014, the BLS resolved outstanding issues identified in FY 2013 and tested collecting new data elements, such as the mental and cognitive requirements of work. In FY 2015, the BLS issued a Request for Proposal for a contractor to evaluate BLS internal research on existing literature regarding the methods of collection of occupational requirements data and approaches for testing validity and reliability of such data. The contractor will complete the literature review and provide recommendations regarding further research efforts centered on measuring data validity and reliability.

In FY 2014, we began working with Northrop Grumman through our Information Technology Support Services Contract. We are developing the requirements for the front-end instrument that will allow adjudicators to access and filter the occupational data BLS is collecting and the O*NET data we decide to incorporate. We have concluded that a web-based tool will best meet the needs of our adjudicators and OIS stakeholders. The web-based platform will allow us to regularly update the information with minimal disruption to users and to make the information accessible to the general public.

In early FY 2015, BLS started the nationwide pre-production test to prepare for production data collection. Later in FY 2015, BLS will release limited pre-production test data analysis and begin outlining policy changes that will be necessary for implementing the new occupational data. During pre-production testing, we will continue working with the BLS to evaluate and refine the collection of the mental and cognitive requirements of work to ensure this information

meets the needs of our adjudicators. Also in FY 2015, BLS will work to obtain approvals to implement production data collection, which should begin by early FY 2016. In FY 2015, we will continue working with Northrop Grumman to outline system requirements for the OIS IT platform, begin working with a contractor to develop the IT platform also under the ITSSC, and outline a plan to test the platform using pre-production data.

In FY 2016, pending the outcome of the pre-production test, BLS plans to complete the first round of production data collection, and release the first production estimates. We will continue meeting with DOL's ETA to discuss how O*NET data can benefit our OIS. Also, we will implement the plan to test the IT platform using the pre-production data and work with the Office of Disability Policy to consider policy changes that will allow us to use the new data more efficiently.

The current IAA with BLS ends at the end of FY 2015, and we plan to renew it annually, providing our collaboration continues to be successful.

We use Section 1110 funding for all OIS research and development contracts, while LAE funds the salaries and benefits of the SSA employees managing the project. For more information regarding the OIS project, please visit our OIS website at:

[Occupational Information System Project.](#)

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 children who receive SSI, including the completion of postsecondary education and employment. It is also intended 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 are using 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, 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 and in FY 2014, our evaluation contractor provided technical assistance to the state grantees and will begin randomly assigning youth into treatment and control groups. In FY 2015, our contractor is continuing to implement random assignment and technical assistance, conduct site visits and focus groups, and deliver early assessments of the recruitment and enrollment process. In FY 2016, we will begin collecting data for the first national evaluation survey and conduct additional site visits and focus groups.

Deliver Quality Services

American Life Panel (ALP) Enhancements

The ALP is a nationally representative longitudinal internet panel. Through a jointly financed cooperative agreement with National Institute on Aging (NIA), our support will maintain the increased bilingual and vulnerable population sample size we funded in prior fiscal years. It will also 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 so that we can conduct more robust retirement security research on this understudied group to inform SSA's targeted outreach efforts ([American Indians and Alaska Natives 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.

Collaboration with Other FLEC Members

In FY 2015, 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 2016, we plan to continue supporting jointly funded cooperative agreements 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 ([Executive Order Supporting HBCUs](#)). ED issued the initial awards under the program at the end of FY 2013. The four grantee institutions are now using this funding to produce research on retirement security issues and to build capacity and human capital for future research.

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 that 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.

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 (CBO), 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.

New and Emerging Research- Retirement

In FY 2016, we plan to continue our partnership with the NIA supporting the "Roybal Center for Decision Making to Improve Health and Financial Independence in Old Age" at the University of Southern California. Congress created the Roybal Centers Program in 1992 to help translate basic social and behavioral research into practical applications for improving the health and well-being of older Americans. We intend to use the Roybal Center project to address emerging research topics of value to the Agency and external stakeholders, such as the White House and Congress. We first contributed funding to this project in FY 2015. The initial set of pilot projects the grantee has proposed to NIA includes research on financial decisions, annuities, and other topics that could inform our outreach and messaging to improve retirement security.

We may also continue to address retirement topics using other research vehicles, such as Intergovernmental Personnel Act (IPA) scholars. Through the IPA program, we 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. Past 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.

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.

Supplemental Security Income Program

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.

Strengthen the Integrity of 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 2016 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 2016 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.

Data Development

One of the main objectives of our extramural research program is to provide information for decision-makers on the Social Security and SSI programs. A key ingredient to providing such information is having appropriate data to answer questions on a range of pending issues. As part of this effort, we develop and maintain a series of detailed statistical databases drawn from SSA's major administrative data systems, prepare a broad range of statistical tables, produce statistical compilations and publications, and develop information for research, evaluation, and models using survey data collected by SSA, other federal agencies, or federally-sponsored institutions.

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.

Projects that we are currently funding include:

- Workers' Compensation Statistics—provides support to produce an income series on Workers' Compensation that we publish on an ongoing basis in the Annual Statistical Supplement.
- Committee on National Statistics of the National Research Council—along with contributions from other federal statistical agencies, provides support to the committee to improve statistical methods and information on which public policy decisions are based. Recent Committee topics include survey options for estimating the illegal alien flow at the Southwest border; redesigning the Consumer Expenditure Surveys; improving healthcare cost projections for the Medicare population; formulating a research agenda for the future of social science data collection; the future of federal household surveys collecting pay information from U.S. employers by gender, race and national origin; and measuring financial vulnerability by analyzing spending on medical care spending.
- Joint Program in Survey Methodology—a project jointly sponsored by the Census Bureau and the Interagency Council on Statistical Policy to develop up-to-date research techniques and training programs to train the next generation of researchers on state of the art practices in the statistical and methodological aspects of surveys.
- 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 chart book with 37 key indicators about older Americans in five broad areas: population; economics; health status; health risks and behaviors; and healthcare, and related publications and workshops to identify and fill gaps and improve the quality of data on older Americans.

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

Supplemental Security Income Program

Health and Retirement Study (HRS)

The University of Michigan's HRS surveys more than 22,000 Americans over the age of 50 every 2 years and provides an ongoing source of longitudinal data for research on retirement and aging. The study paints an emerging portrait of an aging nation's transition from work to retirement and provides data on health and economic well-being after retirement. HRS data help us assess a wide range of issues, including pre-retirement saving, health insurance and pension coverage, retirement patterns, and projected benefits of disabled and retired workers. Through jointly financed cooperative agreements with the NIA, we have supported the HRS from its inception. HRS has become the premier source of data on the retirement-age population, especially when linked with our administrative records on benefits and earnings.

This project has five major components in FY 2016:

- Basic survey support that is targeted toward protecting against losses in sample size, improving data quality, assuring confidentiality of the data, and developing restricted access to administrative data on benefits and earnings,
- Production of user-friendly public-use HRS longitudinal data files with consistent imputations of missing data and simplified merging of observations across interview waves.
- Collection of longitudinal information from HRS respondents on consumption to understand how consumption changes through retirement and whether people have adequate retirement income to meet their consumption needs.
- Improvements to the consent rate among respondents to match HRS survey information wto SSA administrative records on benefits and earnings. This goal is largely achieved through increasing the proportion of HRS interviews in each wave that are conducted in person rather than by telephone. This effort will continue with the new cohort of respondents that will be added to the 2016 HRS.
- Updates of sample weights that account for attrition across waves of the HRS, longitudinal imputations of wealth and asset measures, and an integrated file to facilitate matching of HRS data to SSA administrative records.

HRS Supplement

The HRS is an important source of longitudinal data on retirement and aging, but sample sizes of minority and low-income populations are small, limiting research on these groups. Through a jointly financed cooperative agreement with the NIA, this project will maintain the increased sample size in the HRS for minority and low-income populations that we started supporting in FY 2009. The minority expansion will continue to have HRS data matched to agency administrative records. As subsequent waves of HRS data are collected, these activities entail initial development and on-going updates or maintenance.

The HRS minority samples expansion will allow researchers to complete subgroup analysis of vulnerable populations, which 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 and by SSA staff in conducting 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 outside researchers to use.

Since its inception in 1992, SSA has provided annual funding to support and improve data collection and linkage of these data to SSA administrative data. Among the things we fund are a user-friendly longitudinal HRS data file, which is heavily used by SSA analysts, academics and contractors; in-person interviews to improve consent rates to match to SSA records; and the collection of longitudinal data on consumption patterns of a subset of HRS respondents. This unique longitudinal dataset makes it possible to study the dynamics of retirement and the aging of the population and how this is changing in successive cohorts. Over 2,000 studies using HRS data are registered on the HRS website. SSA uses the HRS for both policy analysis and model development. HRS data have been used to estimate labor force participation, retirement transitions, financial wealth, and housing equity relationships in SSA's MINT model. The data are also extensively used for RRC-funded research and as the basis for analysis presented in reports by the CBO, GAO, and the Council on Economic Advisors, among others.

Retirement Research Consortium (RRC)

The RRC is one of our key tools for maintaining a strong capability to produce a large body of policy-relevant research on retirement and Social Security. The RRC comprises three competitively selected research centers based at the University of Michigan, Boston College, and the National Bureau of Economic Research. They are broadly charged with planning, initiating, and maintaining a high quality, multidisciplinary research program that covers retirement and Social Security program issues. The centers perform valuable research and evaluation of retirement policy, disseminate results, provide training and education awards, and facilitate the use of our administrative data by outside researchers. These centers have greatly expanded the amount of policy research on Social Security-related issues and have responded to our specific analytical needs.

The research results of the RRC are widely reported in professional journals and conferences and in leading newspapers, radio, and television programs. The centers also disseminate results, train students and practitioners, and facilitate the use of our administrative data by outside researchers.

Supplemental Security Income Program

In FY 2016, we will enter year three of the current five-year cooperative agreements, which run through FY 2018.

One recent study funded through the RRC was an analysis of the Social Security Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) provision, and the effect these provisions have on Social Security benefits received by individuals and households. The study helps us understand the distributional effects of the current provisions and the extent to which they meet the purposes for which they were designed.

Another recent RRC study looked at the effects of the Saver's Credit on savings in tax-deferred accounts such as 401(k)s and IRAs. The study found that responsiveness to the Saver's Credit varied substantially across small geographic areas and concluded that there is an important role for information and peer effects in how individuals respond to savings incentives. This study has contributed greatly to the policy debate around retirement savings policy.

A third recent RRC study looked at responses to tax subsidies and employer-provided pension plans in Denmark. They were researching whether retirement savings policies increase total savings or cause individuals to shift their savings across different types of accounts. The findings have been used in the U.S. policy debate around retirement savings policy.

Finally, two studies were recently completed through the RRC that look at the long-term relationship between real interest rates and economic growth. This relationship is important with respect to the development of the economic assumptions underlying the long-range projections in the OASDI Trustees Report and should be useful to SSA's OCACT.

Recent RRC papers are available at the following link: [Retirement Research Consortium](#) .

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.

Social Security Programs throughout the World

The Social Security Programs throughout the World (SSPTW) publication is the product of a cooperative effort between SSA and the International Social Security Association (ISSA). The ISSA is the principal international institution bringing together social security agencies and organizations around the world. The information contained in these volumes is crucial to our efforts and those of researchers in other countries to review different ways of approaching social security challenges that will enable us to adapt our social security systems to the evolving needs of individuals, households and families. These efforts are particularly important as each nation faces major demographic changes, especially the increasing number of aged persons, as well as economic and fiscal issues.

The Office of Research, Evaluation and Statistics has produced the SSPTW since 1937. It is the only source that provides reliable current country specific information on such a large number of foreign social security programs—currently more than 170 countries around the world. Internally, it is used extensively in the preparation of totalization agreements and for determining a country's eligibility under section 202(t) of the Social Security Act (Office of International Programs); to prepare for international meetings and for internal research activities (Social Security Bulletin articles, International Update and a monthly newsletter). Externally, it is used by Congress (such as the Senate Special Committee on Aging and the HELP Committee), across other Federal agencies (e.g., the GAO, DOL, and HHS) to prepare reports on a variety of social insurance topics, and by the State Department, which widely distributes copies to its embassies around the world. International Organizations, e.g., the World Bank, International Labor Organization (ILO), International Monetary Fund and the United Nations often include SSPTW data in their publications (e.g., the ILO relies on SSPTW for its series World Social Protection Report). In FY 2016, we plan to continue to fund this effort.

EARLY INTERVENTION DEMONSTRATIONS

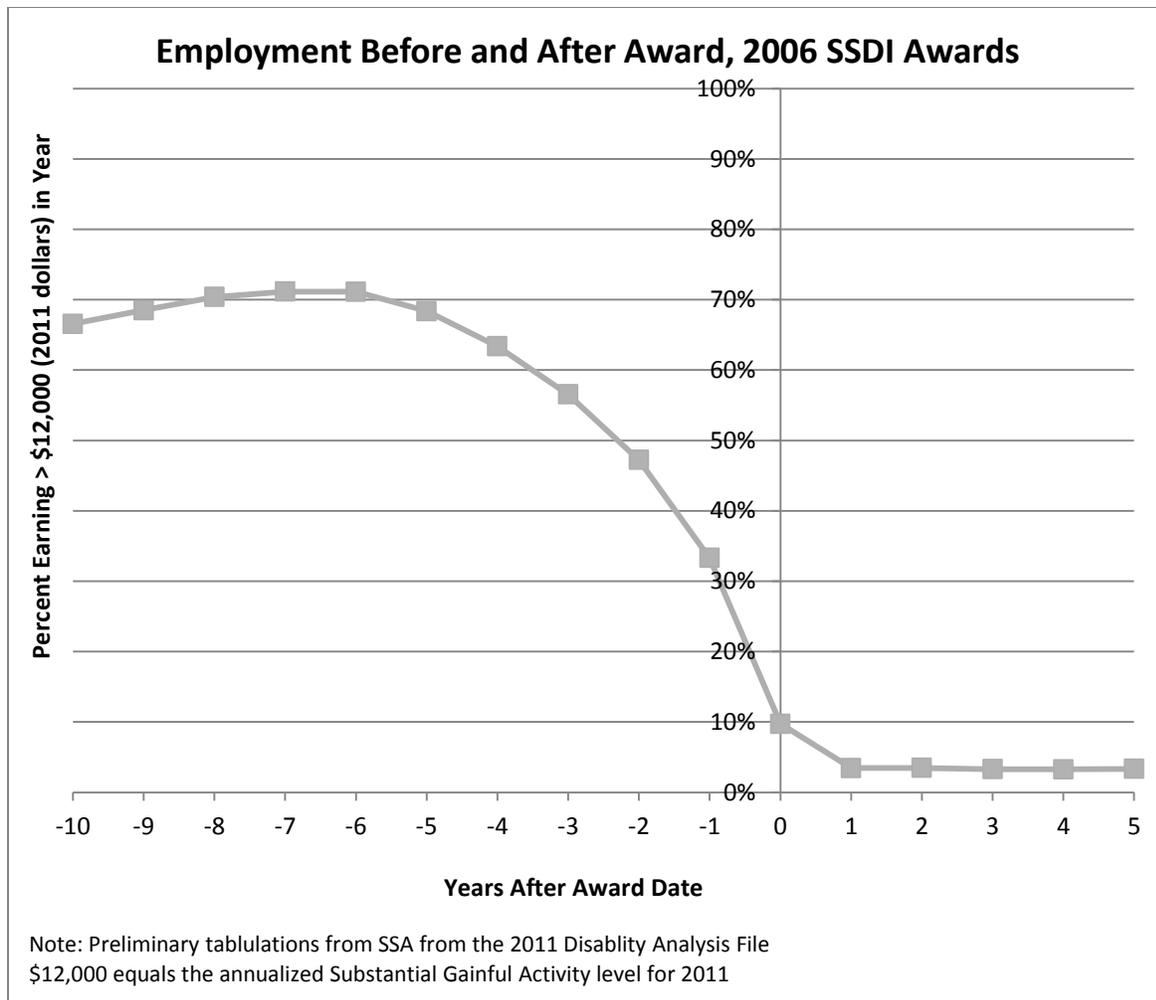
The DI program provides crucial financial support for individuals who are no longer able to support themselves through work due to a disability. The DI program provided benefits to over 11 million Americans with expenditures of over \$140 billion in 2014. Given the large number of individuals who ultimately rely on DI for income security and the overall costs of the program, it is critical for policymakers to have an evidence base to consider potential program innovations to improve the ability of individuals with disabilities to succeed in the workforce.

SSA has already tested various initiatives that support DI beneficiaries and a partial evidence base for policy innovation exists with respect to individuals already on the DI rolls. The Accelerated Benefits demonstration found that providing health benefits to uninsured DI beneficiaries in the 24-month Medicare waiting period sharply improved their self-reported health status, and providing employment services increased work and earnings. The Mental Health Treatment Study (MHTS) demonstration found that employment supports, along with medical support and coordinated care, were successful in improving health, lowering hospitalizations, and increasing employment for DI beneficiaries with schizophrenia and other affective disorders. Other initiatives, such as the Youth Transition Demonstration, have found that services can increase employment and earnings for younger beneficiaries. Most recently, SSA launched the Benefit Offset National Demonstration (BOND) in 2011, which informs policymakers as to whether financial incentives increase return to work efforts by DI recipients.¹

SSA's demonstrations have shown interventions *after* the point of complete disability onset can yield positive outcomes for beneficiaries, but earlier interventions, before an individual acquires DI benefits, may be more effective. While many demonstrations for existing DI beneficiaries have shown positive results, such as relatively increased earnings, they have not identified interventions that would return beneficiaries to substantial and sustained employment. Early interventions are likely warranted, in light of research indicating that health problems begin to materialize in advance of complete disability onset, and data showing that earnings begin to decline well before DI benefits are awarded (see figure below). Services or programs provided earlier in the disability process would prove cost-effective if they arrested sharp declines in health (leading to lower medical expenses) or prevented the loss of earnings capacity that can result from job separations or long periods out of the labor force (leading to fewer DI claims or other public expenditures). Practitioners have acted on this view, in some cases, by developing and structuring effective programs to help employers deal with health events of employees before they cause a separation from the workplace and an often irreversible path toward long-term cash benefit receipt.²

¹ For a detailed discussion of SSA's demonstrations, findings, and publications from its demonstrations, please see *Social Security Administration June 2013 Annual Report on Section 234 Demonstration Projects* at [Demonstration Projects](#).

² For example, in 2013 a forum by the Social Security Advisory Board (SSAB) and a hearing by the Ways and Means Social Security Subcommittee in the House of Representatives highlighted research and programs focused on early intervention. Presentations at the SSAB forum on pre-disability-onset earnings and health problems can be found at [Social Security Advisory Boards](#). Witness statements before the Social Security Subcommittee can be found at [Witness Statements](#).



A number of experts have noted that a first step in any effort to reform or improve programs for people with disabilities is to build a stronger evidence base on early interventions.¹ Despite this growing interest in early interventions, there has been a paucity of random assignment demonstrations or other strong evaluations in this area. One exception is the Demonstration to Maintain Independence and Employment (DMIE), which found that health and employment supports for working adults with potentially disabling conditions lowered the likelihood of receiving payments from SSA’s disability programs.² However, a broader, more extensive research base would improve policymakers’ ability to design programs and policies that improve outcomes for individuals and reduce program costs.

In FY 2015, SSA received \$35 million in section 1110 funds to begin the design and development of one early intervention demonstration to test innovative strategies to help people

¹ See Autor and Duggan, “Supporting Work: A Proposal for Modernizing the U.S. Disability Insurance System”, December 2010: [Disability Insurance](#); Burkhauser and Daly, “The Declining Work and Welfare of People with Disabilities”, September 2011; Liebman and Smalligan, “An Evidence-Based Path to Disability Insurance Reform, February 2013: [Disability Insurance Reform](#).

² See “Early interventions to prevent disability for workers with mental health conditions: Impacts from DMIE” at [Early Interventions to Prevent Disability for Workers](#).

with disabilities remain in the workforce. In FY 2016, SSA requests an additional \$50 million in section 1110 funds for this effort to fully fund the first demonstration, as well as an additional \$350 million in mandatory funding in FY 2017 through FY 2020 to implement additional demonstration projects in conjunction with reauthorized demonstration authority for SSDI.

The following pages highlight three examples of potential demonstration projects SSA could explore and implement with the requested funding, working in coordination with other Federal agencies. While SSA offers these projects as examples, SSA will continue to solicit feedback from other Federal agencies, congressional staff, and interested members of the public. The example projects focus on populations that may be at risk of ending up on disability benefits, and each seeks to prevent or delay the receipt of DI or SSI benefits by providing services or incentives to maintain or strengthen attachment to the labor market. Each project would build upon existing evidence, use rigorous demonstration methods, and include an independent evaluation. The goal of these efforts is to enhance understanding of the potential of certain interventions and produce estimates of impacts (including increased labor market attachment and reductions in benefit receipt). These efforts will also produce detailed cost-benefit analyses assessing gains to individuals, as well as savings in public programs relative to the cost of the intervention services.

Example Demonstration 1: Early Intervention Services to Keep Prime Working-Age People with Disabilities in the Labor Market

In the description below we detail an early intervention for workers with mental illness under the age of 50 who are on a path toward receiving DI or SSI benefits. SSA is consulting with other agencies and outside experts to identify similar approaches for individuals with other types of disabilities or demographic groups.

A key challenge for early-interventions is to identify individuals at risk of becoming long-term DI and SSI recipients who would also have the potential to benefit from the intervention methods. The first demonstration would test focusing early-intervention methods on two groups: (1) individuals receiving services from a State Vocational Rehabilitation (VR) agency who are not DI or SSI disability beneficiaries; and (2) unemployed and underemployed¹ individuals who have recently applied for SSI or DI disability benefits and were denied.

Both of these groups include individuals who are on the margin between employment and receiving disability benefits. Prior research estimates that 40 percent of DI claimants denied at the appeals level end up on the disability rolls within 10 years.² With the appropriate health care and employment supports, some of those individuals may remain in the labor market. People who seek VR services may hold an interest in employment despite a documented impairment. We would investigate the potential for screening workers for both their likelihood of receiving SSA disability benefits and their likelihood of responding to employment supports.

The demonstration could provide participants with an intensive set of behavioral health and related services above and beyond what is available through the individual's existing health plan

¹ We would define these individuals as those earning below substantial gainful activity level (SGA).

² See French and Song, "Effect of Disability Receipt on Labor Supply," July 1, 2011, Federal Reserve of Chicago.

and long-term employment services, for example following the evidence-based Individual Placement and Support (IPS) model, to help them remain in or return to the labor market rather than seek SSA disability benefits.¹ IPS services are delivered by supported employment teams that operate within community mental health agencies and other medical providers, with a key differentiator from other interventions being the linkage between employment and medical services. We could follow an IPS service model similar to that successfully implemented for SSA's MHTS. The MHTS is one of several studies using the IPS model to show increases in employment rates for persons with severe mental impairments.² The health-related treatment could include behavioral health and related services, medication, and disease management services. The employment-related services would include job placement, and pre- and post-placement support services. We would require service providers to have strong employer contacts and the ability to place participants in sustainable jobs with reasonable wages. Support services would include: help with incidentals necessary to secure and maintain employment (work clothes or transportation) and with navigating other available supports, such as systematic medication management and nurse-care coordinator services; and low-intensity, long-term services that would focus on employment retention once a job is secured (e.g., providing an employment retention coach). This demonstration could complement the state/community based approaches described under Demonstration #3 that focus on different populations.

The demonstration would include a 1-year design refinement phase and a 5-year implementation phase. Over that period, it would evaluate impacts on outcomes such as employment, earnings, health, and DI and SSI applications and benefit receipt.

Example Demonstration 2: Improving Employer Incentives through FICA Tax Offsets to Support Retention of Workers who are Injured or Develop a Disability

The disability management literature suggests that when employers maintain a relationship with employees who are injured on the job and assist them in returning to work, the employers incur lower workers' compensation costs and the employees have better employment outcomes.³ SSA is consulting with other agencies and outside experts to identify other approaches to work with employers and private disability insurers to test other interventions for workers with disabilities with an attachment to an employer.

One possible demonstration in this area could provide employers with an added incentive to retain workers with lost-time workers' compensation injuries and illnesses when possible. Employers who retain workers after a lost-time work-related injury or illness would receive a tax offset based on the length of time the employer retains the worker after he or she returns to work. The longer an individual remains out of work after disability onset, the lower his or her chances of returning to work, so the employer incentive would be larger for returning workers who were off the job for longer periods of time.

¹ The behavioral health and related services would be in addition to base services already available, such as including greater intensity and frequency of services and reimbursement for medication co-pays.

² See MHTS Final Report at [Disability Research](#)

³ See Reville, McLaren and Seabury, "How Effective are Employer Return to Work Programs?", RAND, March 1, 2010; Johnson, Butler, Baldwin and Cote, "Disability Risk Management and Post Injury Employment of Workers with Back Pain", Risk Management and Insurance Review, Vol 15, no. 1, 2012

Supplemental Security Income Program

The demonstration would allow employers to receive a tax offset payment from SSA equal to the FICA and Medicare taxes paid to returning workers for a period of time that would depend on the number of weeks the worker is off the job. These tax offsets would be available according to the following incentive structure:

For any employee out of work for a lost-time workers' compensation illness or injury lasting more than:

- 4 weeks, employers receive a tax offset payment equal to all employer FICA and Medicare taxes paid for up to 6 months of employment once the employee returns to work
- 8 weeks, employers receive a tax offset payment equal to all employer FICA and Medicare taxes paid for up to 12 months of employment once the employee returns to work
- 12 weeks, employers receive a tax offset payment equal to all employer FICA and Medicare taxes paid for up to 24 months of employment once the employee returns to work

In each case, the months need not be consecutive, but employers must claim all tax offset payments within 36 months after the end of the demonstration. Each of these tax offsets reduces employer costs by nearly 8% and is larger for longer periods of post-disability employment. The incentive is higher for higher paying jobs because it is a percent of wages paid, but automatically drops to just the Medicare percentage at the FICA cap.

There are no services provided to individuals under this demonstration. SSA will be responsible for notifying selected firms of their inclusion in the study, publicizing the demonstration, and explaining the incentive structure.

This demonstration is framed as working through the workers' compensation system, but we are also exploring how we might adopt a similar strategy to broaden the base of employers and employees covered. Two options are to work through the Temporary Disability Insurance system that is currently available in five states, or possibly working with private disability insurance providers. These systems would provide a validated means of identifying individuals with disabilities, broadly defined, who were recently employed and are at risk of moving out of the labor force and onto SSA disability benefits. Similar to working with the workers' compensation population, we could devise incentives to employers or insurance providers for the hiring and retention of these workers.

Key outcomes for this demonstration are an increase in the share of affected individuals maintaining employment with their original employer, an increase in the share maintaining employment at all, and a reduction in the share applying for and receiving DI/SSI benefits.

Example Demonstration 3: State/Local Community-based Programs to Return Young Workers with Disabilities to the Labor Market

Under this demonstration, SSA could partner with existing state programs to provide separate, wrap-around employment services for workers on a path toward SSA disability benefits. This demonstration is similar in many respects to the first demonstration in terms of additional services provided. However, this demonstration would utilize a different approach for identifying individuals at risk of becoming long-term DI and SSI recipients are who also have the potential to benefit from an early-intervention. In addition, this demonstration would work in partnership with state programs, such as Health Homes, that provide care for individuals with multiple chronic conditions. They would create partnerships through which SSA would offer long-term employment services designed by states to help participants remain in the labor market. SSA is consulting with other agencies and outside experts to identify potential state and provider-based approaches, including vocational rehabilitation service providers.

Results from the DMIE evaluation show that early provision of health and employment services can reduce the likelihood of receiving disability benefits. We do not have data on the proportion of this group that will eventually receive SSA disability benefits. We do note, however, that these kinds of chronic conditions are susceptible to slow deterioration over time, eventually leading to work cessation, if not properly managed. Additionally, the presence of multiple health conditions may put these individuals at higher risk of seeking disability benefits and make them a good group to target.

SSA could offer additional funds for employment services and channel these resources through vocational rehabilitation providers. The states could design employment services with a focus on long-term employment outcomes, and subject to basic design parameters and spending limits set by SSA. Employment services could be restricted to individuals who are not currently receiving SSA disability benefits (SSI or DI). We would work with the states to randomize enrollees into a treatment group that is eligible for employment services and a control group that is ineligible.

The employment-related services provided to this particular population would be similar to the services described in Demonstration #1, above. Supports would include help with incidentals necessary to secure and maintain employment (work-clothes or transportation), and navigating available supports, such as systematic medication management and nurse-care coordinator services. A key requirement of the employment services is that they include a long-term maintenance component to maximize job retention and continued participation in the labor market. We would expect the sites to partner with service providers who have employer contacts and the ability to place participants in sustainable jobs with reasonable wages.

SSA would evaluate the impact of the intervention on employment, earnings, and health outcomes, as well as DI and SSI applications and benefit receipt.

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 TTW 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 BOND will be the only project that requires continued section 234 funding in FY 2016. We currently estimate the cost of BOND for FY 2016 at \$9 million.