



## SOCIAL SECURITY ADMINISTRATION

Under the President's leadership, we have turned our economy around and created 14 million jobs. Our unemployment rate is below five percent for the first time in almost eight years. Nearly 18 million people have gained health coverage as the Affordable Care Act has taken effect. And we have dramatically cut our deficits by almost three-quarters and set our Nation on a more sustainable fiscal path.

Yet while it is important to take stock of our progress, this Budget is not about looking back at the road we have traveled. It is about looking forward and making sure our economy works for everybody, not just those at the top. It is about choosing investments that not only make us stronger today, but also reflect the kind of country we aspire to be – the kind of country we want to pass on to our children and grandchildren.

The Budget makes critical investments in our domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and it lifts sequestration in future years so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

The Budget shows that the President and the Administration remain focused on meeting our greatest challenges -- including accelerating the pace of innovation to tackle climate change and finding new treatments for devastating diseases; giving everyone a fair shot at opportunity and economic security; and advancing our national security and global leadership -- not only for the year ahead, but for decades to come.

The Social Security Administration is charged with implementing key programs including the Social Security Old Age, Survivors, and Disability Insurance Program (OASDI) and the Supplemental Security Income (SSI) Program. Social Security helps provide workers with a secure retirement, protects workers and their families from a loss of earnings due to a serious disability, and provides critical support to the families of workers who die, while SSI provides critical aid to low-income seniors and people with disabilities. To support this mission, the Budget provides \$13.230 billion in discretionary funding for the Social Security Administration. This funding will allow the agency to balance its important service and stewardship work, and test innovative strategies to help people with disabilities remain in the workforce.

### **Funding Highlights:**

The President's FY 2017 Budget provides \$13.230 billion in discretionary funding for the Social Security Administration to improve service and ensure that Social Security eligibility decisions and benefit provisions are accurate. This includes:

- Improving and modernizing customer service by providing the resources needed to reduce the National 800 number wait times, maintain field office service quality, and provide more online services.
- Investing in cost-effective program integrity efforts, such as continuing the path to eliminating the Continuing Disability Review (CDR) backlog by the end of 2019.
- Executing a plan for Compassionate and Responsive Service (CARES) to tackle the hearings backlog and begin to bring down hearings wait times.

### **Reforms:**

- The Bipartisan Budget Act of 2015 (BBA) addressed the funding shortfall in the Social Security Disability Insurance (SSDI) Program, ensuring that the program can continue to provide workers with disabilities and their families the full benefits they have earned. The BBA included other important program changes; the Budget provides the funding needed to implement these changes as well as the fully authorized level of program integrity funding called for by the legislation.

### **Improving Service for the American Public**

The Budget supports SSA field operations and provides the funding necessary to reduce the disability hearings backlog as well as ensure timely assistance to the public who call the SSA's National 800 number. SSA is continuing to improve on-line customer service with the addition of new services to the *my* Social Security portal including click-to-chat, secure messaging, and online Social Security Number replacement cards. According to the Foresee e-Government Report Card 2015, five of the top ten ranked federal websites were SSA on-line customer service products. Each year, more than six million customers sign up for eServices and in FY 2015, SSA conducted nearly 87 million transactions on-line.

At the same time, the Budget provides funding to ensure that SSA can provide high quality face-to-face and phone services to individuals who need or prefer them. SSA serves over 40 million customers in person at 1,200 field offices nationwide each year.

### **Investing in Cost-Effective Program Integrity Work**

The Budget proposes to fully fund program integrity (PI) efforts, as authorized in the Bipartisan Budget Act of 2015, which provides for increased discretionary “cap adjustment” levels for these activities that do not count against the discretionary caps that govern how much can be spent on non-defense discretionary programs.

PI activities include continuing disability reviews (CDRs), which focus on assessing whether a beneficiary has medically improved and is now capable of working, and redeterminations, which focus on an individual's eligibility for the means-tested Supplemental Security Income (SSI) program. These reviews save money because they can determine that an individual is no longer

eligible for benefits or is eligible for lower benefits. In some cases the reviews also determine that an individual is receiving benefits that are too low.

The Budget provides funding for SSA to handle 1.1 million CDRs and 2.8 million SSI non-medical redeterminations in FY 2017. SSA estimates that CDRs conducted in 2017 will yield net Federal program savings over the next ten years of roughly \$8 on average per \$1 budgeted for dedicated program integrity funding, including Old Age, Survivors, and Disability Insurance (OASDI), Supplemental Security Insurance (SSI), Medicare and Medicaid effects. Similarly, SSA estimates indicate that non-medical redeterminations conducted in 2017 will yield a return on investment of about \$3 on average of net Federal program savings over ten years per \$1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects. Full funding of the new cap adjustment amounts will allow SSA to eliminate its backlog of CDRs by the end of 2019 and prevent a new backlog from developing.

### **Bipartisan Budget Act of 2015 Achievements**

The President's FY 2016 Budget created the foundation for much of last fall's Bipartisan Budget Act (BBA) of 2015, including reforms to the Social Security Disability Insurance (SSDI) program. The BBA ensured that through 2022, the SSDI program is able to provide workers with disabilities and their families the full benefits they have earned. The BBA achieved this goal through a temporary reallocation of payroll taxes within the Social Security program to ensure funding is allocated between the SSDI and Old-Age and Survivors Insurance (OASI) Trust Funds based on the funding needs of the programs. This temporary reallocation will have no effect on the overall health of the combined Social Security Trust Fund, which continues to have adequate resources to provide the full disability, retirement, and survivors benefits through 2034. Without Congressional action, SSDI would have been unable to provide full benefits starting in December 2016, when funding in the SSDI Trust Fund would have fallen about 19 percent short of need.

The BBA also took steps to prevent burdensome overpayments, expedite the hiring of Administrative Law Judges (ALJ) who preside over disability hearings, ensure uniformity in the SSDI application review process across states, extend demonstration authority to reduce barriers for beneficiaries to return to work, and eliminate the backlog of the medical CDRs.

The Budget includes resources to ensure provisions of the BBA are implemented appropriately and in a timely manner.

### **Testing New Approaches to Helping People with Disabilities Remain in the Workforce**

The Budget builds on the BBA reauthorization of the SSDI demonstration authority that will enable SSA to test innovative strategies to help people with disabilities remain in the workforce. SSA can now test how changes to the SSDI benefit structure could impact employment and earnings among beneficiaries and has authority to conduct other demonstrations, including projects that seek to help those applying for or receiving SSDI to reengage in the labor market. The Budget proposes to build on these efforts by creating an Interagency Council on Workforce Attachment to better coordinate disability activities across

the Federal government, including \$200 million in funding to support a suite of demonstration projects aimed at improving employment outcomes for people with disabilities before individuals apply for SSDI. Early-intervention measures, such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and incentives and opportunities for States to better coordinate services, have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities. The proposed demonstrations will help build the evidence base for future program improvements.