

# FY 2017 Congressional Justification

## Table of Contents

### Budget Overview

A Message from the Commissioner.....	1
Our Programs .....	3
FY 2015 Accomplishments.....	4
FY 2017 Budget Request .....	5
FY 2017 President’s Budget Request - Funding.....	7
FY 2017 President’s Budget Request - Performance.....	8
Bipartisan Budget Act of 2015 .....	9
Providing a Superior Customer Experience.....	9
Supporting Our Exceptional Employees.....	14
Moving Forward as an Innovative Organization .....	15
Enhancing Program Integrity .....	16
Conclusion .....	18
Appendix A - Our Extramural Research Budget .....	19
Appendix B – FY 2017 Legislative Proposals.....	20

### Technical Material

Summary Table of Appropriation Request and Key Tables

### Payments to Social Security Trust Funds

Appropriation Language.....	15
General Statement .....	16
Annual Appropriation.....	16
Permanent Indefinite Authority.....	16
Budgetary Resources.....	19

Analysis of Changes .....	20
Budget Authority and Obligations by Activity .....	21
Obligations by Object Class .....	23
Background .....	24
Authorizing Legislation.....	24
Appropriation History .....	25
Pension Reform.....	27
Purpose and Method of Operation.....	27
Rationale for Budget Request.....	28
Unnegotiated Checks.....	29
Purpose and Method of Operation.....	29
Rationale for Budget Request.....	30
Coal Industry Retiree Health Benefits.....	31
Purpose and Method of Operation.....	31
Progress to Date .....	32
Military Service Wage Credits .....	33
Purpose and Method of Operation.....	33

## **Supplemental Security Income**

Contents .....	35
Tables .....	37
Appropriation Language.....	38
Supplemental Security Income Program .....	38
Language Analysis.....	39
General Statement .....	41
Program Overview .....	41
FY 2017 President’s Budget Request.....	43
Key Initiatives .....	44
Budgetary Resources.....	49

Analysis of Changes .....	50
New Budget Authority and Obligations by Activity .....	53
New Budget Authority and Obligations by Object .....	54
Background .....	55
Authorizing Legislation.....	55
Appropriation History .....	56
Federal Benefit Payments.....	59
Purpose and Method of Operation.....	59
Rationale for Budget Request.....	59
SSI Recipient Population.....	60
Benefit Payments.....	62
Administrative Expenses .....	64
Purpose and Method of Operation.....	64
Rationale for Budget Request.....	65
Beneficiary Services.....	66
Purpose and Method of Operation.....	66
Rationale for Budget Request.....	67
Muscular Dystrophy and the SSI and SSDI Programs .....	68
Research, Demonstration Projects, and Outreach .....	71
Purpose and Method of Operation.....	71
Research Investment Criteria .....	72
Rationale for Budget Request.....	73
Major Research and Outreach Projects .....	75
Related Funding Sources.....	90
Early Intervention Mental Health Demonstration (EIMHD).....	91

## **Limitation on Administrative Expenses**

Appropriation Language.....	96
Language Analysis.....	99
Significant Items in Appropriations Committee Reports.....	102
General Statement.....	108
Limitation on Administrative Expenses Overview.....	108
FY 2017 President’s Budget.....	108

Funding Request .....	113
Performance Targets .....	114
Recent Accomplishments .....	115
Priority Goals.....	115
National Support Center .....	116
Major Building Renovations and Repair Costs .....	118
SSA-Related Legislation.....	122
Medicare Access and CHIP Reauthorization Act (MACRA).....	123
Implementation of the Bipartisan Budget Act of 2015 .....	123
Budgetary Resources .....	128
Amounts Available for Obligation .....	128
Budget Authority and Outlays .....	129
Program Integrity.....	131
Key Assumptions and Cost Drivers.....	132
Analysis of Changes .....	133
Budgetary Resources by Object.....	136
Background.....	139
Authorizing Legislation .....	139
Appropriation History.....	140
Additional Budget Detail.....	144
Size and Scope of SSA’s Programs .....	144
Full Time Equivalents and Workyears .....	145
Social Security Advisory Board .....	145
IT Fund Tables.....	146
ITS Budget Authority .....	147
Information Technology Costs by Type .....	158

Digital Services Team.....	158
SSA E-Gov Contributions .....	159
Cybersecurity.....	161
Employment.....	163
Physicians’ Comparability Allowance.....	166
Maximum Physician’s Comparability Allowances .....	168
FY 2015 Disability Workload.....	169
Legislative Proposals .....	170

**Office of the Inspector General**

Appropriation Language.....	179
General Statement.....	180
Overview.....	180
Ongoing Initiatives.....	181
SSA’s Significant Management Issues.....	184
Monetary Benefits.....	194
Strategic Planning.....	194
Transfer Authority.....	195
Budgetary Resources.....	196
Analysis of Changes.....	197
Budget Authority by Activity.....	200
Budget Resources by Object.....	201
Background.....	202
Authorizing Legislation.....	202
Appropriation History.....	203
OIG’s Organizational Structure and Mission.....	206
General Purpose.....	206

Rationale for the Budget Request.....208

## **Annual Performance Plan**

Table of Contents.....2

Acting Commissioner’s Message.....3

Chief Strategic Officer’s Message.....4

Making our Vision a Reality.....5

Our Mission.....6

Our Programs.....7

Our Organization.....9

Summary of Our Goals and Objectives.....10

Cross-Agency Priority Goals.....11

Agency Priority Goals.....13

Performance Measures at a Glance.....17

Agency Plans and Performance.....34

Appendix A: Our Management and Performance Challenges..... 125

Appendix B: Program Evaluations..... 129

Appendix C: How We Ensure Our Data Integrity..... 137

Appendix D: Changes to Performance Measures..... 140

Appendix E: Summary of Key Management Officials’ Responsibilities..... 143

Appendix F: Glossary of Acronyms..... 145

## **Anti-Fraud Report**

# **FY 2017 BUDGET OVERVIEW**

## **TABLE OF CONTENTS**

A Message from the Commissioner.....	1
Our Programs .....	3
FY 2015 Accomplishments.....	4
FY 2017 Budget Request .....	5
FY 2017 President’s Budget Request - Funding.....	7
FY 2017 President’s Budget Request - Performance .....	8
Bipartisan Budget Act of 2015 .....	9
Providing a Superior Customer Experience.....	9
Supporting Our Exceptional Employees.....	14
Moving Forward as an Innovative Organization .....	15
Enhancing Program Integrity .....	16
Conclusion .....	18
Appendix A – Our Extramural Research Budget .....	19
Appendix B – FY 2017 Legislative Proposals.....	20

## **A MESSAGE FROM THE ACTING COMMISSIONER**

As the Acting Commissioner, it is rewarding to know that our services continue to play a critical role in the lives of millions of people. We are the face of the Federal Government for many, and over the past eight decades, generations of Americans have relied on our programs and compassionate employees to help them navigate through life's personal challenges and during times of change. Today, over 65,000 dedicated Social Security employees make up our great agency and provide exemplary service to the public. Thanks to these dedicated employees, America's hardworking citizens, and support from the Administration and the Congress, Social Security will continue to provide an economic safety net that has kept millions of our citizens from indigence in their old age and disability-prone years.

While we have endured funding constraints, sequestration, and a Government shutdown at the beginning of this decade, the funding we received for fiscal years (FY) 2014 and 2015 provided much-needed relief and allowed for critical service improvements. Our current state of service remains fragile, though, as the demands of balancing service and stewardship responsibilities continue to strain our resources. Our FY 2016 budget will not allow us to sustain our recent gains, unfortunately, as the FY 2016 funding level does not cover all inflationary growth in our fixed costs (e.g. payroll, benefits, guard services, and rent). The FY 2017 President's Budget of \$13.067 billion will keep us on the right path. While we continue to look for efficiencies and ways to work better and smarter, especially in light of our service challenges, it is essential that we receive the full budget request to ensure our ability to execute critical service delivery efforts, modernize our IT infrastructure, and expedite implementation of important SSA provisions in the Bipartisan Budget Act (BBA) of 2015.

The FY 2017 President's Budget will allow us to balance our important service and stewardship work, and address the critical agency priorities outlined in Vision 2025. Specifically, we will execute our Compassionate and Responsive Services (CARES) plan, a multiyear plan to eliminate the hearings backlog; implement many of the provisions in the BBA; significantly increase our cost-effective program integrity work; reduce National 800 Number wait times; and invest in our IT infrastructure.

The FY 2017 President's Budget will fully fund administrative law judge (ALJ) and support staff hiring to implement our CARES plan to tackle our hearings backlog. With sustained funding, our goal is to get to a 270-day hearings wait time by FY 2020, down from over 500 days today. Our plan, which is built on people and quality, combines a number of immediate, tactical, and strategic initiatives to increase hearings adjudication and disposition capacity, improve ALJ support and staff efficiency, and strengthen personnel oversight and policy compliance without sacrificing our commitment to quality.

Vision 2025, our long-range strategic plan, is shaping the future of Social Security service delivery and will provide a framework to tackle our current challenges. With full funding of the FY 2017 President's Budget request, we can ensure high-quality service and address the critical agency priorities outlined in Vision 2025.

**Providing a Superior Customer Experience:** We are committed to providing superior customer service, whether it is in-person, online, or on the telephone. Starting with our direct service areas, we are focused on providing relief to our frontline staff by expanding our use of alternate service delivery methods. We are also leveraging increased demand for our online services to allow for additional flexibility in our field offices.

**Supporting Our Exceptional Employees:** We are focused on attracting, training, and retaining employees who can provide superior service to the public now and in the future. With nearly 20 percent of our workforce currently eligible for retirement, employee development and engagement, and improving succession management are critical priorities for our agency. We will equip our employees with the skills and tools they need to do their jobs more efficiently by providing training opportunities and investing in technology.

**Moving forward as an Innovative Organization:** We are committed to accelerating our use of data-driven decisions to improve processes and deliver faster and more accurate service to our customers. In addition, we will provide greater oversight and project management expertise to increase the success of mission-critical projects. We will also begin the process of modernizing our IT to bring our legacy systems up to current standards.

**Enhancing Program Integrity:** We continue to increase our efforts to reduce improper payments and to combat fraud, waste, and abuse. In FY 2015, we expanded to 36 Cooperative Disability Investigation (CDI) units across 31 States and the Commonwealth of Puerto Rico, and our Budget request will allow us to continue to expand these important anti-fraud units. We will harness the benefits of data analytics to guard against new and developing fraud schemes. In addition, we propose to process more than one million full medical continuing disability reviews (CDR) in FY 2017, which will save billions of taxpayer dollars and allow us to achieve CDR currency by the end of FY 2019.

Our FY 2017 budget is pivotal to strengthening the tenuous state of our services and positioning the agency for the future. With the requested funding, we can move forward on a path to providing quality services and position the agency to best serve the public both now and in the future.

Carolyn W. Colvin  
Acting Commissioner

## OUR PROGRAMS

Whether it is after the loss of a loved one, at the onset of disability, or during the transition from work to retirement, we touch the life of virtually every person in America. We administer three key programs that serve the public.

- Old-Age and Survivors Insurance: Created in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their family members. In FY 2017, we will pay a total of about \$813 billion in OASI benefits to a monthly average of approximately 52 million beneficiaries, including 89 percent of the population aged 65 and over.
- Disability Insurance: Established in 1956, the Disability Insurance (DI) program provides benefits for disabled workers and their families. In FY 2017, we will pay a total of about \$149 billion in DI benefits to a monthly average of approximately 11 million disabled workers and their family members per month.
- Supplemental Security Income: Established in 1972, the Supplemental Security Income (SSI) program provides financial support to aged, blind, and disabled adults and children who have limited income and resources. In FY 2017, we will pay a total of nearly \$59 billion in Federal benefits and State supplementary payments to a monthly average of approximately 8.4 million recipients.

We also increasingly contribute in important ways to furthering other national priorities, including activities related to: the Employees Retirement Income Security Act of 1974, the Coal Act, Supplemental Nutrition Assistance Program (formerly Food Stamps), Social Security Number (SSN) verifications for a wide-range of non-SSA program purposes, the Help America Vote Act, the State Children's Health Insurance Program, and Federal Benefits for Veterans.

Our ongoing workloads include the following:

- Claims: We take claims, evaluate evidence, and determine benefit eligibility and payment amounts. In FY 2017, we will handle over 5.7 million retirement, survivors, and Medicare claims; over 2.8 million Social Security and SSI initial disability claims; and nearly 216,000 SSI aged claims.
- Appeals: We have three levels of administrative appeals for claimants who disagree with our decisions:
  - 1) Reconsideration, which entails a complete review of the claim by an employee who did not take part in the initial determination;
  - 2) Hearing before an ALJ; and
  - 3) Request for review by the Appeals Council. If a claimant disagrees with the Appeals Council's decision or if the Appeals Council decides not to review the case, a claimant may file a lawsuit in a Federal district court.

In FY 2017, we will complete approximately 715,000 reconsiderations, 784,000 hearings, and 140,000 Appeals Council reviews.

- Program Integrity: Our stewardship responsibility includes conducting non-medical SSI redeterminations and full medical CDRs. These reviews save significant program dollars by avoiding improper payments. In FY 2017, we will conduct 2.822 million SSI redeterminations and 1.1 million full medical CDRs.
- Social Security Numbers: We complete applications for and assign SSNs to all Americans. In FY 2017, we will complete requests for approximately 16 million new and replacement Social Security cards.
- Earnings Records: We receive regular updates from employers on the earnings of the working population. We post the reported earnings to workers' records. We link these earnings records to the appropriate workers' SSN and resolve any discrepancies. In FY 2017, we will post 265 million earnings items to workers' records.
- Social Security Statements: We provide information on earnings as well as estimates of future benefits workers and their families may receive based on those earnings. We will process 44 million paper Social Security Statements in FY 2017 in accordance with our plan to mail a paper statement to workers attaining ages 25, 30, 35, 40, 45, 50, 55, and 60 and older who are not receiving Social Security benefits and who are not registered for *my Social Security*. Individuals may access their Social Security Statement at any time through their personal online *my Social Security* account.
- Services After Individuals Become Eligible for Benefits: In FY 2017, we will complete more than 100 million post-entitlement actions for beneficiaries, including issuing emergency payments, recomputing payments, and completing address and status changes.
- Medicare Administration Assistance: For over four decades, we have assisted the Centers for Medicare and Medicaid Services in administering the Medicare Hospital Insurance and Supplementary Medical Insurance programs. In addition to determining Medicare eligibility, in FY 2017, we will handle about 1 million Medicare prescription drug subsidy applications.
- Data Exchanges: We provide and verify data for many purposes such as employment, voting, and eligibility for Federal and State programs, including the Affordable Care Act and the Department of Veterans Affairs.

## **FY 2015 ACCOMPLISHMENTS**

We are pleased that we ended FY 2015 with nearly all of the employees we added in the previous year. As our new employees completed training and gained on-the-job experience, we were able to make some improvements in our direct service areas. Most notably, we reduced busy signals and wait times on our National 800 Number. The employees we added also allowed us to restore some service hours to the public that we previously cut because of insufficient

resources. Our online services continued to provide relief to our frontline positions, as more than 50 percent of all retirement and disability claims were filed online. In addition, the public used our website to complete nearly 87 million other transactions.

Our FY 2015 funding allowed us to make considerable progress in our ongoing fight against fraud, waste, and abuse. Starting with our important program integrity work, we completed 50 percent more CDRs than we did in FY 2014 and maintained our high volume of SSI redeterminations. We continued our commitment to prevent and deter fraud by establishing the Office of Anti-Fraud Programs to centralize our anti-fraud efforts. We also expanded our CDI program to 36 units covering 31 states and the Commonwealth of Puerto Rico.

In FY 2015, we:

- paid over \$930 billion to more than 67 million beneficiaries;
- handled approximately 37 million calls on our National 800 Number;
- served over 40 million visitors in over 1,200 field offices nationwide;
- received over 66 million calls to field offices nationwide;
- completed over 8 million claims for benefits and more than 660,000 hearing dispositions;
- handled over 35 million changes to beneficiary records;
- issued about 16 million new and replacement Social Security cards;
- posted about 266 million wage reports;
- handled over 18,000 cases in Federal District Courts;
- completed 799,000 full medical CDRs; and
- completed over 2.2 million non-medical redeterminations of SSI eligibility.

## **FY 2017 BUDGET REQUEST**

Our FY 2017 President's Budget of \$13.067 billion will allow us to balance our important service and stewardship work, and address the critical agency priorities outlined in Vision 2025. Specifically, we will build a workforce to execute our multiyear plan to eliminate the hearings backlog, increase our cost-effective program integrity work, implement many of the provisions in the BBA, and invest in our IT infrastructure. We will work to reverse the service deterioration that will result from constrained funding in FY 2016, and we will build additional capacity in key areas to address specific challenges. This level of funding will allow us to:

- Execute our CARES plan, which includes aggressive hiring of ALJs and support staff, as well as other initiatives, to increase the number of hearings completed by nearly 20 percent;
- Improve frontline service to the public, such as in our field offices and on our National 800 Number;

- Significantly increase CDRs and SSI redeterminations, by nearly 40 percent and 25 percent, respectively;
- Provide additional resources to our State disability determination services (DDS), to support implementing BBA-related changes including the elimination of single decision maker (SDM) authority, completing higher levels of continuing disability reviews, and processing high levels of initial disability claims.
- Expand our efforts to prevent and deter fraud by adding new units to our CDI program, and continue to support our SSA fraud prosecutors;
- Provide our employees with training opportunities to ensure successful knowledge transfer and leadership development;
- Continue to enhance our online services and promote them as a safe and convenient service option;
- Make more data-driven decisions to improve processes throughout the agency;
- Strengthen support for mission-critical projects to increase chances of success; and
- Implement a more efficient IT investment strategy and begin modernizing our IT infrastructure.

The following charts provide the FY 2017 President's Budget request for our administrative expenses, including funding amounts, associated workyears, and key performance goals. The first chart, the FY 2017 Funding Table, provides amounts for our key appropriations and the associated workyears. The second chart, the FY 2017 Performance Table, includes the actual performance for FY 2015 and anticipated targets for FYs 2016 and 2017 for our key performance measures.

## FY 2017 PRESIDENT’S BUDGET REQUEST – FUNDING

The funding table below provides actual dollar figures and workyears expended for FY 2015, our estimated spending for FY 2016 based upon Public Law 114-113, and our FY 2017 budget request.

FY 2017 Funding Table	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
<b>Budget Authority</b> (in millions)			
<b>Limitation on Administrative Expenses (LAE)</b>	\$11,806	\$12,162	\$13,067
<b>Research and Demonstrations</b>	\$83	\$101	\$58
<b>Office of the Inspector General (OIG)</b>	\$103	\$106	\$112
<b>Total Budget Authority</b> <sup>1</sup>	<b>\$11,992</b>	<b>\$12,368</b>	<b>\$13,237</b>
<b>Workyears</b>			
Full-Time Equivalents	63,394	64,860	66,140
Overtime	2,831	674	2,200
Lump Sum	<u>246</u>	<u>298</u>	<u>298</u>
<b>Total SSA Workyears</b> <sup>2</sup>	<b>66,471</b>	<b>65,832</b>	<b>68,638</b>
Disability Determination Services (DDS) Workyears	<u>14,925</u>	<u>15,270</u>	<u>16,000</u>
<b>Total SSA/DDS Workyears</b>	<b>81,396</b>	<b>81,102</b>	<b>84,638</b>
OIG Workyears	<u>533</u>	<u>543</u>	<u>564</u>
<b>Total SSA/DDS/OIG Workyears</b>	<b>81,929</b>	<b>81,645</b>	<b>85,202</b>

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

<sup>2</sup> Totals do not include MACRA workyears.

## FY 2017 PRESIDENT’S BUDGET REQUEST – PERFORMANCE

The performance table below reports our actual performance for FY 2015, our estimate for what we can achieve in FY 2016 based upon P.L.114-113, and what we can achieve with our FY 2017 budget request.

FY 2017 Performance Table	FY 2015 Actual	FY 2016 Enacted <sup>1</sup>	FY 2017 Request
<b>Selected Workload Measures</b>			
Retirement and Survivors Claims Completed (thousands)	5,327	5,586	5,732
Initial Disability Claims Completed (thousands)	2,759	2,695	2,810
Disability Reconsiderations Completed (thousands)	723	702	715
Hearings Completed (thousands)	663	703	784
National 800 Number Calls Handled (millions)	37	34	38
Average Speed of Answer (ASA) (seconds)	617	945	675
Agent Busy Rate (percent)	7.5	9.5	7.0
Social Security Numbers (SSN) Completed (millions)	16	16	16
Annual Earnings Items Completed (millions)	266	264	265
Social Security Statements Issued (millions) <sup>2,3</sup>	50	38	44
<b>Selected Outcome Measures</b>			
Initial Disability Claims Receipts (thousands)	2,756	2,807	2,817
Hearings Receipts (thousands)	746	730	729
Initial Disability Claims Pending (thousands)	621	733	740
Disability Reconsiderations Pending (thousands)	144	136	137
Hearings Pending (thousands)	1,061	1,087	1,033
Average Processing Time for Initial Disability Claims (days)	114	113	113
Average Processing Time for Disability Reconsiderations (days) <sup>4</sup>	113	N/A	109
Annual Average Processing Time for Hearings Decisions (days)	480	540	555
Disability Determination Services Production per Workyear	307	307	314
Office of Disability Adjudication and Review Production per Workyear	95	94	98
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(2,000)	(2,700)
<b>Selected Program Integrity Performance Measures</b>			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,972	1,950	2,200
Full Medical CDRs (included above, thousands)	799	850	1,100
Supplemental Security Income (SSI) Non-Medical Redeterminations Completed (thousands)	2,267	2,522	2,822

<sup>1</sup> FY 2016 is a 53-week year for management information purposes. After the close of the year, we will report both 52 and 53-week actual performance data. Our budgeted performance goals are full-year goals based on the workyears we are able to support with funds available in FY 2016.

<sup>2</sup> The Social Security Statements Issued measure includes paper statements only; does not include electronic statements issued.

<sup>3</sup> The original estimate for Social Security Statements (SSS) Issued measure in the FY 2016 President’s Budget was 45 million. This has been reduced by ~6.6 million, as a result of the agency sending out the scheduled SSS for FY 2016 October in FY 2015 September. Therefore, the FY 2016 Enacted number has been adjusted to ~38 million.

<sup>4</sup> We developed management information for Average Processing Time for Disability Reconsiderations in FY 2013. FY 2014 is the first full fiscal year for which data are available for this measure. Now that we have had the opportunity to analyze at least two years of actual data, this year we developed a performance target for FY 2017.

## **BIPARTISAN BUDGET ACT OF 2015 (BBA)**

We are pleased with the BBA's support to protect and strengthen our programs, and we will work to implement the provisions in the Act as expeditiously as possible. The BBA will help us address critical priorities, such as reducing improper payments and ensuring we have an adequate pool of ALJ candidates to successfully execute our hearings reduction plan. In addition, the BBA increases the annual spending caps for program integrity purposes through FY 2021, as well as expands use of the cap adjustment funds to include cooperative disability investigation units and fraud prosecutions. The BBA also included critically important provisions to bolster the financing of the Social Security Disability Insurance Program (SSDI), ensuring that the program can continue to provide workers with serious disabilities and their families the full benefits they have earned. For a summary of all of the SSA provisions included in the BBA, please see our exhibit in the Limitations on Administrative Expenses technical materials.

### **❖ PROVIDING A SUPERIOR CUSTOMER EXPERIENCE**

A vast majority of the public continues to complete their business with us in person at a field office or with one of our customer service representatives on our National 800 Number, either out of necessity or preference. As such, we rely heavily on an adequate and experienced workforce to deliver timely and accurate service. With increasing workloads, it is critical to ensure sufficient funding for FY 17. Our online services and other self-service options have alleviated some of the pressure our frontline staff is facing, but much of the work we do to serve the public still requires human interaction.

#### ***Field Offices***

With more than 160,000 visitors on a daily basis, our more than 1,200 field offices nationwide are the cornerstone of our operation. As such, we remain committed to maintaining a field office structure for those customers who need or prefer face-to-face service. We were pleased to restore some of the field office hours that we previously reduced because of insufficient resources. Effective March 16, 2015, field offices nationwide opened for an additional hour every weekday except for Wednesday.

To improve efficiency in our field offices, we are focused on redirecting internet claims to 16 sites called Workload Support Units (WSU) to free up field office employee time for direct face-to-face service. These units processed approximately 84 percent of all internet retirement claims in FY 2015, which would have otherwise had to be processed by field office representatives. While internet retirement claims continue to be WSU's primary workload, we are building the capacity to increase their intake of internet disability claims.

We continue to expand our use of alternate methods of service delivery to our customers, such as video service, self-help computers, and express customer service stations while also providing high-quality face-to-face field office services for individuals who need or prefer them.

- *Video Service Delivery (VSD)*: The use of VSD is helping us balance workloads, save on travel costs, provide services to our deaf and hard of hearing population, and reduce customer wait times in busier field offices. VSD allows customers who live in remote locations to see a field office representative via live-streaming video. We have VSD units in 670 sites, and conducted approximately 130,000 interviews in FY 2015. Our next step is to explore more cost-efficient technology that will allow us to expand VSD to new locations.
- *Self-Help Personal Computers (SHPC)*: SHPC allows our customers to access our online services using computers located inside our field offices, enabling customers to complete some transactions without needing to speak with a representative. However, a field office representative is available to provide assistance, if necessary, to ensure customers complete their business. These stations now run on a virtual desktop infrastructure, which is more secure and cost efficient. Currently, SHPC is available in 790 field offices nationwide. In FY 2016, we plan to add 200 SHPCs in new or existing sites.
- *Social Security Express Desktop Icons*: These icons allow users to access most of our online services from a public computer or website. Available at external partner sites, such as libraries and senior centers, these icons offer the same services as the SHPCs in our field offices. In FY 2015, we designed and implemented a process allowing partner sites to download the desktop icon directly to a PC or website. Visits to Social Security Express through our icons more than tripled from 19,343 visits in FY 2014 to 61,470 visits in FY 2015.
- *Express Customer Service Stations*: Currently in the proof-of-concept (POC) phase, Customer Service Stations (CSS) offer customers a streamlined menu of service options geared towards the needs of individuals already conducting business in external partner locations (e.g., libraries and senior centers) or in our field offices. These stations support one-stop online access to some of Social Security's most popular quick online services – and improve service delivery for customer communities such as Veterans and those without home internet access. We currently have seven CSSs installed – one is in a Social Security field office and the other six are in external partner locations. This POC began on July 2, 2014 and is expected to continue through February 2017. After the POC ends, we will use the data collected to decide whether to move into a pilot expansion and potentially purchase additional units.

### ***National 800 Number***

Our National 800 Number allows customers to speak with a Social Security representative between 7 a.m. and 7 p.m. local time, Monday through Friday. The National 800 Number also offers a menu of automated services 24 hours a day.

The telephone agents we have across the country handle more than 2.6 million calls every month. Similar to the representatives who work in our field offices, the customer service representatives on our National 800 Number are knowledgeable of all the programs we administer, including Medicare and Medicaid, and customers rely heavily on this personal service to conduct business with us. As such, our National 800 Number faces similar challenges to our field offices in keeping pace with customer demand.

While we have worked diligently to improve National 800 Number service, the funding we received for FY 2016 will increase wait times and busy signals. With full funding of the FY 2017 Budget request, we will once again reverse the service deterioration on our National 800 Number, improving wait times from nearly 16 minutes at the end of FY 2016 to just over 11 minutes at the end of FY 2017. Busy signals will also improve from 9.5 percent at the end of FY 2016 to 7 percent by the end of FY 2017.

### ***Initial Disability Claims***

Our State DDSs make the time-intensive medical determinations for both initial disability claims and CDRs. While initial disability claims receipts have decreased since FY 2010, receipts are projected to increase again in FY 2016 and FY 2017. In FY 2015, the DDSs handled over 2.7 million initial disability claims while completing over 790,000 CDRs with the Budget Control Act level of program integrity funding. At the same time, our DDSs are keeping processing times relatively stable. With the FY 2017 President's Budget, we will increase the number of initial disability claim decisions by 4.3 percent from FY 2016. At the same time, we will significantly increase CDRs from 850,000 in FY 2016 to a record 1.1 million in FY 2017, and stay on track to eliminate the CDR backlog by the end of FY 2019.

*Health Information Technology (HIT)*: We use an application that allows us to request, receive, and analyze electronic medical records in a fully automated manner using HIT. HIT automates the medical records request and receipt process, as well as gives adjudicators access to medical records within seconds of transmitting the request, as opposed to days or weeks. In FY 2015, over 6 percent of our initial disability claims received HIT medical records. Our FY 2017 goal is to increase HIT medical records to 11 percent of initial disability claims.

*Disability Case Processing System (DCPS)*: DCPS will replace 54 independent legacy systems currently used throughout the DDS offices nationwide. The new system will allow for faster and more accurate case processing, reduce administrative costs, and provide structured data that will support our fraud analytics efforts. We plan to develop and deploy the core product to initial sites in FY 2016, adding additional functionality to process all types of disability cases throughout FY 2016 and FY 2017.

### **Hearings**

Our CARES plan presents a sustained, comprehensive, multiyear, and multi-layered approach for eliminating our hearings backlog. If we continue to receive adequate funding, and support from the Office of Personnel Management (OPM), we believe that through our innovative and engaging CARES plan, geared towards quality and people, we will facilitate the decrease in the backlog by FY 2017 and eliminate the hearings backlog by FY 2020. The CARES plan will reduce the current average wait time for a hearing decision from over 500 days currently to 270 days in FY 2020, and we expect to cut the number of pending cases in half.

Examples of initiatives currently underway in the CARES plan include:

- *Increased Staffing*: We will likely need to expand our hearings workforce by a few thousand employees between now and FY 2018, including 250 ALJs per year, if we are to eliminate the backlog by the end of FY 2020. In order to meet our hiring goals, we

need OPM to provide an adequate pool of ALJ candidates. OPM recently provided 50 additional candidates, but we need many more. The BBA included an important provision to ensure another exam will be administered this year, which is critical to ensuring an adequate pool of ALJs in future years. If we meet our hiring goals, we will increase our hearing decisions in FY 2017 to approximately 784,000, nearly 20 percent more than our FY 2015 levels, and begin to reduce pending levels.

- *National Adjudication Team*: This team allows our most experienced attorney advisors to issue fully favorable, on-the-record decisions, freeing up our ALJ resources to concentrate on the more complex cases that require hearings. These senior attorney adjudicators either reverse the DDS determination through an on-the-record decision or prepare an explanation as to why they were unable to reverse the determination.
- *Video Expansion and Improvement*: Expanding the use of video hearings will help us balance workloads across the country, reduce ALJ travel to remote sites, and offer claimants a more convenient and timely way to have their case heard. Currently, we hold more than 25 percent of hearings via videoconference. Our goal is to hold at least 170,000 hearings via video in FY 2016 and FY 2017.
- *Pre-Hearing Conference Pilot Program*: We implemented a program that allows senior attorneys to conduct pre-hearing conferences with unrepresented claimants. The purpose of the pilot is to reduce the number of delayed or rescheduled hearings by developing the record, explaining the hearing process to the claimant, and advising the claimant of his or her right to representation. Currently, more than 11 percent of scheduled hearings do not take place because claimants fail to appear or ask to postpone so they can seek representation.
- *Inline Quality Review*: Under this program, we conduct independent, random reviews to ensure that the laws, and our regulations and policies are applied equally and fairly to each individual who has filed a request for a hearing.
- *Contractor Access to eFolders*: Following the success of online services for representatives, we are developing a similar service for medical and vocational experts to access and view the electronic folder. A pilot is scheduled for release in April 2016. Additional functionality and national rollout are expected in December 2016.
- *Appointed Representative Services (ARS)*: ARS provides representatives with the ability to access their claimant's electronic folders via a secure SSA website. It also allows representatives to upload evidence and highlight pertinent information within the document. ARS reduces our costs for burning, encrypting, packaging, and mailing evidence on compact discs to representatives.
- *Electronic Bench Book (eBB)*: eBB allows ALJs and decision writers to perform pre-hearing file reviews and capture hearing notes. Post hearing, eBB guides the ALJ through each step of the sequential evaluation process while documenting the decisional instructions. Currently, ALJs are using eBB to process decisional instructions on 1,500 cases per week. A recent software release automatically generates a draft decisional notice.

### **Enhancing Online Customer Service**

In FY 2015, customers continued to increase their use of our online services to conduct business with us as they completed nearly 87 million transactions via our website. Customer satisfaction with our online services also continues to shine, as five of the top ten ranked federal websites were SSA online customer service products, according to the Foresee e-Government Report Card 2015. We will continue to enhance our online services and promote them as a safe and convenient service option to increase usage and reduce unnecessary field office visits. Our goal is to increase the volume of online transactions by 25 million each year, which would result in a total of 112 million transactions in FY 2016 and 137 million in FY 2017. With increased usage of online services, we can free-up more time for customers that need or prefer to complete business with us in person.

We are exploring and developing ways we can expand our online customer base. For example, we are enhancing *my Social Security* to include services for representative payees and to allow people with a foreign address to register. In addition, we are developing new customer engagement tools including Click-to-Chat, Click-to-Video, and a Message Center for relaying informational messages and promotional content to *my Social Security* users. Our 2015 releases of Dynamic Help and Click-to-Callback are also scheduled for enhancements. Expanding and enhancing our communication channels will allow customers to complete their online transactions within the method they prefer.

In November 2015, we released the internet Social Security Number Replacement Card (iSSNRC) application, which allows eligible customers to apply for their replacement SSN card online. Currently, we are slowly rolling out iSSNRC to a few States at a time but will continue releasing to additional States in the future.

Other services include adding an SSI application to the current iClaim process; and the development of a Smart Claim application that will allow our customers to file for retirement, disability, and Medicare within the same online service tool. We will later expand Smart Claim to include online service options for SSI claimants as well.

The internet appeals (iAppeals) application will allow customers to complete their non-medical appeals online; and we are developing applications to allow appointed representatives to complete all of their business via the internet, including expanding services at the initial claim level.

To promote our current and new online services, we use public service announcements on television, radio, printed leaflets, billboards, bus posters, displays in airport terminals, and social media. We also engage with the public on Facebook and Twitter, and we recently launched a new blog to enhance our social media outreach. We are collaborating with the Internal Revenue Service and TaxACT, a large tax preparation software company, to promote *my Social Security*.

### **Educate the Public about Social Security Programs**

We strive to educate the public, as well as our employees, about all the benefits and services we provide, to create a better customer experience. We are working with youth groups, faith-based groups, labor unions, and senior citizen and disability advocates to leverage their resources to reach both local and national audiences. At the end of FY 2016, we will deploy an employee

education program that will enable all of our employees to better understand and convey agency messages to those they meet, both at work and in their personal lives.

## ❖ **SUPPORTING OUR EXCEPTIONAL EMPLOYEES**

The level of service we provide to the public relies heavily on a workforce equipped with the knowledge, skill, and leadership to apply the complex rules of our programs. One of our greatest challenges is replacing the loss of our most experienced employees, especially in our current leadership ranks. More than 50 percent of our senior executives and 30 percent of our frontline supervisors are eligible to retire. Without leadership development and succession planning, this loss will result in both a lack of experience and institutional knowledge.

### **Employee Development and Engagement**

We plan to continue to invest in our employees by bolstering our leadership programs, offering opportunities to more employees, and continuing to offer and support mentoring opportunities, such as in our newly piloted National Mentoring Program.

Employee engagement is vital in recruitment, retention, and satisfaction. It can improve organizational performance while also contributing to individual performance. Therefore, it is paramount that we continue to promote an engaged and satisfied workforce and to improve our Federal Employment Viewpoint Survey scores on employee satisfaction.

### ***Altmeyer Building Renovation Project***

The well-being of our employees is also an agency priority, which includes, among other things, providing a work environment that is safe, comfortable, and energy efficient. As such, our budget request supports the renovation and repair of several office buildings to bring them up to current health and safety codes.

Our FY 2016 appropriation included \$150 million to fund the renovation of the Altmeyer Building on SSA's Woodlawn, MD main campus. The renovation includes full interior and exterior renovations of the existing building including infrastructure, electrical system, and space. The improved space utilization will create space for about 300 to 350 additional staff. We expect to award a contract for design services sometime in FY 2017 and estimate occupancy of the renovated building in FY 2021.

### **Succession Planning**

Our FY 2016-2018 Succession Plan promotes the assessment of competencies essential to leadership succession. The updated plan includes expanded training and developmental programs that support continual learning and close competency gaps. Organizational components will identify critical positions to serve as the foundation of the plan's strategies and activities. Our leaders will use the FY 2015-2024 *Retirement Wave Report* to make data-driven human capital and financial management decisions. This approach further enhances the goal of data-driven operations to ensure a continuation of a strong leadership pipeline of talent to meet the changing needs of our customers.

## ❖ MOVING FORWARD AS AN INNOVATIVE ORGANIZATION

Our investments in technology will allow us to obtain and use information in a more efficient manner, and provide fast and accurate service to our customers. This Budget request also supports our efforts to ensure the success of mission-critical projects and strengthens our investment planning for IT systems. In addition, this Budget reflects what we need to build and maintain effective cybersecurity programs.

### **Transforming the IT Investment Process**

We developed a new IT investment process that will provide a better way to select, track, and manage IT investments, as well as help us deliver the high quality IT services necessary to move the agency towards our Vision 2025 goals.

In FY 2015, we documented inefficiencies in our current IT investment process and began developing the framework for a new approach. The new process will focus on up-front project planning with outcomes tied to specific agency goals. Improved project planning and documentation will allow us to assess project costs and timelines with greater accuracy. An independent executive IT investment board will meet throughout the year to make informed funding decisions on projects that provide the greatest benefit to our agency's mission. As a result, we will be better able to deliver the right project on time and within budget, and provide the best tools for our employees and superior service to the American public.

### ***IT Modernization***

The database systems our agency uses today are 40 years old and are no longer the best solution to administer our programs. For several years, we worked to modernize our IT in small pieces at a time, but we have exhausted nearly all of these small efforts. We are now at a point where we must undertake a larger, multiyear effort.

The FY 2017 President's Budget requests multiyear funding of \$300 million, spread over four years, to undertake an IT modernization project that will bring our systems into the modern world. In FY 2017, \$60 million is included as part of the FY 2017 President's Budget. The FY 2017 President's Budget also contains a mandatory proposal for additional IT modernization funding - \$80 million each year in FYs 2018-2020. The project will require effort and investment in several areas including modernization in computer language, database, and infrastructure.

### ***Digital Services Team***

Our FY 2017 Budget request includes funding for staffing costs to build a Digital Services Team. We will recruit digital service experts from among America's leading technology enterprises and startups to help us effectively build and deliver important digital services. This team will focus on transforming our digital services with the greatest impact to citizens and businesses, making them easier to use and more cost-effective to build and maintain.

### ***Cybersecurity***

Our cybersecurity program continues to evolve our detection, protection, and intelligence capabilities for strengthening the agency's defenses against evolving threats and cyber-attacks. Our program incorporates these security capabilities into a comprehensive, multi-layered defensive approach for ensuring the confidentiality, integrity, and availability of the public's sensitive personal identifiable information. As we continue to provide new opportunities for better customer service through new online services, we must remain vigilant in continuing to strengthen our cybersecurity program capabilities.

Our cybersecurity program compares well against other Federal departments and agencies in key performance standards. To remain strong, we need to continue to evolve our cybersecurity program to reflect changes in technology, changes to business processes, and changes in the complexity of internal or external threats. Continued investments in cybersecurity projects and initiatives will ensure we have the resources needed to accomplish our agency's mission and thus maintain public confidence in the agency's ability to protect their privacy.

### **Establishing a Program Management Office**

We are implementing an Enterprise Program Management Office that will increase the opportunity for success of our mission-critical projects. Through the efforts of this new office, critical agency projects will have additional oversight and project management expertise, increasing the chance of project success.

### **Accelerating the Use of Data-Driven Decision Making**

Our new Analytics Center of Excellence (ACE) will execute analytical projects, develop agency advanced analytics capacity and capabilities, improve data sharing between intra-agency components, and co-operate with analytics practitioners to identify best practices and improve skills. We will continue to increase our use of data-driven decision making to improve quality and efficiencies in our business processes.

## **❖ ENHANCING PROGRAM INTEGRITY**

The American public expects and deserves for us to be outstanding stewards of the Social Security Trust Funds and general revenues that finance our programs – and as such, we are committed to ensuring that program rules and eligibility standards are fully enforced. The program integrity workloads we have in place help us make such determinations, which include conducting reviews to ensure beneficiaries are still entitled to benefits. We also work aggressively to prevent and detect fraud and recover improper payments whether fraudulent or not. While program integrity workloads consume valuable time and resources, we must continue to invest in these efforts to protect our programs.

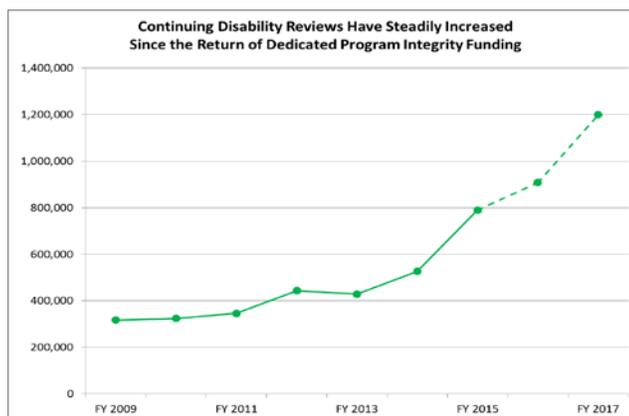
### **Program Integrity Workloads**

The program integrity work we perform saves billions of taxpayer dollars. CDRs and SSI redeterminations use a small investment of administrative funds to ensure that beneficiaries continue to meet the eligibility requirements to receive payments. However, annual appropriations bills have not always provided the full amount of funding for these activities.

Recently, recognizing the significant benefits to program activities, the BBA of 2015 increased authorized cap adjustments for these activities by a net \$484 million over the FY 2017 to FY 2021 period.

With the Budget Control Act program integrity funding provided to us in FY 2015, we exceeded our goal of 790,000 CDRs and 2.255 million SSI redeterminations by completing 799,000 CDRs and 2.267 redeterminations. The BBA increased such adjustments for Social Security programs by a net \$484 million over the FY 2017-2021 period. It also expanded the activities that may be funded by this funding source to include cooperative disability investigation units, and special attorneys for fraud prosecutions. In FY 2016, we will conduct 850,000 and 2.5 million, respectively. With our FY 2017 Budget request of \$13.067 billion, we will complete a record 1.1 million CDRs and 2.8 million redeterminations.

Current estimates indicate that medical CDRs conducted in FY 2017 will yield a return on investment (ROI) of about \$8 on average in net Federal program savings over 10 years per \$1 budgeted for dedicated program integrity funding. This ROI includes Old-Age, Survivors, and Disability Insurance (OASDI), SSI, Medicare, and Medicaid program effects. Similarly, we estimate that non-medical redeterminations conducted in FY 2017 will yield a ROI 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.



### Other Stewardship Activities

In addition to our key program integrity workloads, we have an aggressive strategy, through a variety of initiatives, to reduce improper payments and combat fraud. We recently established an Improper Payments Community of Practice to increase interagency collaboration and leverage ideas and best practices of other benefit-paying agencies. The Office of Anti-Fraud Programs (OAFP) is providing centralized oversight of and accountability for our efforts to prevent, deter, and detect fraud. OAFP increases our efficiency and enhances our ability to combat fraud by sharing knowledge, using data analytics and industry-standard business processes, and centralizing our deployment of training and communications. Our National Anti-Fraud Committee works with all of the Regional Anti-Fraud Committees to enhance existing fraud prevention efforts and implement new mitigation strategies, while also providing guidance and support to OAFP.

The FY 2017 President's Budget funds our stewardship initiatives such as:

- Continuing to expand our CDI program, which is highly successful at detecting fraud before we make a disability determination;

- Supporting our centralized fraud prevention units, which are comprised of disability examiners dedicated to reviewing and analyzing fraud cases;
- Strengthening and modernizing our representative payee program to ensure we appoint suitable representative payees for our beneficiaries and that representatives managing funds use these funds appropriately;
- Exploring data analytics to detect and prevent fraud by determining common characteristics and patterns of anomalous activity; and
- Improving death data processing by working to centralize and capture all death information in one system to prevent erroneous payments.

We will support reducing improper payments by continuing to use the Access to Financial Institutions (AFI) process. AFI, which is an electronic process that verifies bank account balances with financial institutions for purposes of determining SSI eligibility. The BBA expands the use of AFI and grants us the ability to verify financial information for all overpaid individuals (Title 2 or Title 16). The BBA requires the Commissioner to obtain an individual’s authorization to obtain financial institution records before determining whether recovery of such individual’s overpayment may be waived under the “defeats the purpose” provision. Additionally, in order to protect citizens who have been victims of identity theft, provide more secure authentication for our online services, and comply with Executive Order 13681, “Improving the Security of Consumer Financial Transactions,” issued in October 2014, we are currently in the process of implementing multifactor authentication for *my Social Security* users. Multifactor authentication is a security process that requires more than a single method (e.g., user ID/password) to verify the user's identity. Initially, *my Social Security* users will need to also enter a code that is sent via text message to their cellphone as a second factor during registration and login. Following the initial implementation, we plan to enhance the service in FY 2017 to allow additional multifactor options as governed by NIST/OMB guidelines for customers. By offering more multi-factor options, we can improve usability and lower the chances of online fallout, thus helping us move towards the Agency goal to increase *my Social Security* usage.

## CONCLUSION

Full funding of the FY 2017 President’s Budget will allow us to advance our efforts to improve service delivery and address critical priorities to provide a superior customer experience, sustain a workforce of exceptional employees, and move forward as an innovative organization.

This budget lays out a plan to address our most pressing problems and allows us to move closer to realizing our Vision 2025. Most notably, we will be able to fully execute our CARES plan to eliminate the hearings backlog by FY 2020 and eliminate our CDR backlog by the end of FY 2019.

For 80 years, we have provided caring and compassionate service to hardworking Americans and our most vulnerable citizens. As an economic lifeline for millions, we remain focused on making improvements to deliver timely and accurate services. We need continual support to stay on track and provide the service the public expects and deserves.

## **APPENDIX A – OUR EXTRAMURAL RESEARCH BUDGET**

In FY 2017, we are requesting \$58 million in new budget authority as part of our SSI appropriation to support extramural research projects. These projects will continue to test changes to the disability programs to improve program administration and reduce dependency on our programs. The broad-based SSI, OASI, and DI projects funded in this budget include projects in the areas of disability policy research, employment support programs, retirement policy research, financial literacy and education, and evaluations of proposed or newly enacted legislation.

Our FY 2017 budget request continues to support ongoing rigorous evaluations, such as our evaluation of the interagency Promoting Readiness of Minors in SSI (PROMISE) effort. The Departments of Education, Labor, and Health and Human Services created the PROMISE initiative to foster improved outcomes for children who receive SSI by facilitating positive changes in health status, physical and emotional development, completion of education and training, and eventually, employment opportunities. In addition to conducting surveys of participants, in FY 2017, we will conduct project site visits and produce site-specific process analyses.

The budget also includes continued funding for our Occupational Information System (OIS) project, which will allow us to make consistent, better-informed disability decisions. We often need information about work to make a disability determination, but the types of jobs in the workforce, as well as job requirements, change over time. The occupational resources we currently use to adjudicate claims have not been updated in more than 20 years. To support the development of new occupational data, we entered into an interagency agreement with the Department of Labor's Bureau of Labor Statistics (BLS). Starting in FY 2016 and continuing through FY 2018, BLS will collect occupational data related to the requirements of work. We expect to roll out the use of the new occupational data in stages and we are working to develop testing and training plans.

The Consolidated Appropriations Act, 2016, includes \$50 million in additional funding for our planned Early Intervention Demonstration. Early Intervention measures – such as supportive employment services for individuals with mental impairments– have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities. By providing medical and vocational services prior to receiving benefits as part of the demonstration, we can test whether such services help individuals with these impairments remain active in the workforce, and perhaps avoid or delay a need for disability benefits. We anticipate awarding a contract for this project in FY 2016, and the project will continue through FY 2022. We will not need additional funding for this demonstration in FY 2017.

In FY 2017, we will continue to support the Benefit Offset National Demonstration and the new demonstration outlined in the BBA testing a benefit offset after an allowance for impairment-related work expenses. We are currently designing this demonstration and are still developing cost estimates and a project plan.

## APPENDIX B – FY 2017 LEGISLATIVE PROPOSALS – SUMMARIES

### Prevent Improper Payments and Improve Debt Collection

- 1. Hold Fraud Facilitators Liable for Overpayments.** In a few recent high profile cases of fraud against SSA's disability programs, third parties, such as representatives and doctors, facilitated fraudulent applications for benefits by submitting false statements or evidence purporting to show that the individuals were disabled, when in fact some of those individuals had no disabling conditions. Under current law, such facilitators may be subject to criminal prosecution and penalties, but they are not required to repay the benefits improperly paid to a person who was not eligible for them. This proposal would hold fraud facilitators liable for overpayments by allowing SSA to recover the overpayment, with interest, from a third party if the third party was responsible for making fraudulent statement(s) or providing false evidence that allowed the beneficiary to receive payments they should not have received. Furthermore, a facilitator would be ineligible for a waiver of recovery of such an overpayment.
- 2. Government-Wide Use of CBP Entry and Exit Data to Prevent Improper Payments.** The U.S. Customs and Border Protection (CBP) maintains data on when individuals enter and exit the United States. This entry and exit information may be useful in preventing improper payments in Federal programs, such as the Supplemental Security Income (SSI) program, that require U.S. residency to receive benefits. This proposal would provide for access to and use by federal agencies of CBP entry and exit data to prevent improper payments.
- 3. Use the Death Master File to Prevent Federal Improper Payments.** SSA receives about 2.5 million reports of death each year from many sources, such as family members, funeral homes, financial institutions, and the States. SSA is authorized to share all of the death information it maintains with Federal and State agencies that administer Federally-funded benefits, State agencies administering State-funded programs, and Federal and State agencies using the information for statistical and research activities. Currently, the Department of the Treasury's (Treasury) Do Not Pay Portal only receives a limited file, which excludes State death information. This proposal would increase the amount of death information available to Federal agencies for use in preventing improper payments by authorizing SSA to share all of the death information it maintains with Do Not Pay.
- 4. Authorize SSA to Conduct a New Continuing Disability Review when Fraud Is Involved in a Prior Continuing Disability Review.** SSA is required to redetermine an individual's entitlement to disability benefits if there is reason to believe that fraud or similar fault were involved in the individual's application for benefits. During this redetermination, SSA must disregard any evidence where there is reason to believe that fraud or similar fault were involved in the providing of such evidence. This proposal would apply a similar requirement if SSA believes that fraud or similar fault were involved in a prior continuing disability review (CDR). This proposal would authorize SSA to conduct immediately a new CDR to determine continuing eligibility if there is reason to believe that fraud or similar fault was involved in a prior CDR. During this review, SSA would be authorized to disregard any

evidence if there is reason to believe that fraud or similar fault was involved in the providing of such evidence.

5. **Authorize SSA to Use All Collection Tools to Recover Funds in Certain Scenarios, Such as When Someone Improperly Cashes a Beneficiary's Check or Removes a Benefit from a Joint Account.** Current law provides SSA only limited authority to recover certain incorrect payments that do not meet the statutory definition of an overpayment. Such incorrect payments include when someone improperly cashes a beneficiary's check or improperly removes benefit funds from a joint account after a beneficiary's death. For example, payments in excess of the amount due or paid after death are considered overpayments. Specifically, if a benefit payment of this nature is made to a joint account of the deceased worker and the other account holder is entitled to a spousal benefit, based on the deceased worker's record, it is considered an overpayment. However, if the other joint account holder is entitled to benefits on his/her own record or not entitled to benefits, the improper payment is deemed an incorrect payment; a designation which limits SSA's recovery tools. The Budget proposes a consistent treatment, deeming them both as overpayments and subjecting them to the same broader range of collection procedures. This proposal would authorize SSA to use all of its overpayment collection tools, such as credit bureau reporting and administrative wage garnishment, to recover these incorrect payments.
6. **Allow SSA to Use Commercial Databases to Verify Real Property Data in the SSI Program.** This proposal would reduce improper payments by authorizing SSA to conduct data matches with private commercial databases that maintain data on ownership of real property (i.e., land and buildings), which can be a countable resource for SSI beneficiaries. The proposal would authorize SSA to use that information to automatically determine eligibility for benefits, after proper notification. Beneficiaries would be required to consent to allow SSA to access these databases as a condition of benefit receipt. All other current due process and appeal rights would be preserved.
7. **Increase from \$10 to 10 Percent the Minimum Amount SSA Can Withhold from a Monthly Old-Age, Survivors, and Disability Insurance Benefits to Recover an Overpayment.** When a beneficiary receives more Old-Age, Survivors, and Disability Insurance (OASDI) benefits than he or she should have, SSA can recover this overpayment by reducing the beneficiary's monthly benefit going forward. Depending on the beneficiary's financial circumstances, SSA may decide to recover less than the full amount of the monthly benefit until the overpayment is repaid in full. However, SSA is required to recover at least \$10 per month. This proposal would require SSA to recover at least 10 percent of the monthly OASDI benefit when recovering an overpayment. The SSI program already uses the 10 percent rule to recover overpayments.
8. **Exclude SSA Debts from Discharge in Bankruptcy.** Debts due to an overpayment of OASDI or SSI benefits, and certain Medicare-related debts that SSA also collects, are generally dischargeable in bankruptcy. This proposal would exclude such debts from discharge in bankruptcy, except when it would cause an undue hardship.
9. **Lower Electronic Wage Reporting Threshold to Five Employees.** SSA processes W-2 forms for Treasury. Currently, Treasury requires businesses that file 250 or more W-2s per

calendar year to file electronically. This proposal would modify the Internal Revenue Code so that Treasury can require businesses that employ five or more employees to file electronically. This change would be phased-in over three years and would increase the efficiency and accuracy of this process, because electronic returns are completed more rapidly, and are generally more accurate, than scanned or keyed returns.

10. **Move from Annual to Quarterly Wage Reporting.** Employers report wages annually to SSA. However, from 1939 to 1977, SSA received wage reports on a quarterly basis. Increasing the frequency of wage reporting could enhance tax administration. More frequent reporting would also facilitate implementation of automated enrollment of employees in existing workplace pensions and be the foundation for the creation of a system of automatic workplace retirement accounts for workers who do not currently have access to a retirement plan. Furthermore, more frequent reporting may improve program integrity by providing timelier wage data for use by Federal, income-tested programs. This proposal would restructure the Federal wage reporting process by requiring employers to report wages on a quarterly basis<sup>1</sup>.
11. **Modify the treatment of certain debt referrals to the Treasury Offset Program:** The Budget proposal has two parts. First, the proposal would forgive a limited group of older debts that would have been impacted by implementation of the Food, Conservation, and Energy Act of 2008 provision (section 14219 of Public Law 110-246), which eliminated the prior 10-year statute of limitations for collection of legally enforceable, non-tax debts through TOP. This group includes debts from both former childhood beneficiaries and others. For similar debts that would not have been immediately impacted by the implementation of the regulation, SSA will continue to consider forgiveness on a case-by-case basis using its existing administrative authority. Second, going forward SSA will only be able to refer debts for former childhood beneficiaries to TOP if SSA has initiated collections within 10 years of an overpayment being incurred. This is intended to ensure that individuals are not surprised by a TOP collection that occurs years after a debt was incurred when individuals may have difficulty remembering the circumstances of the error.

The Budget proposals ensure that the Administration maintains its commitment to reducing improper payments, while preventing former debtors from being surprised by the abrupt seizure of their tax refunds, sometimes decades after the original overpayments were made. While Congress considers the legislative proposals, SSA will begin the gradual process of restarting TOP referrals for those debts not impacted by the Administration's proposals.<sup>2</sup>

12. **Strengthening Child Support Enforcement and Establishment.** SSA reduces a child's monthly SSI benefit by up to two thirds of any monthly child support payment he or she also receives. The President's Budget includes several proposals aimed at increasing and

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<sup>1</sup> This proposal would have no effect on the reporting of self-employment income.

<sup>2</sup> The budget assumes the proposal costs \$50 million over 10 years. The Office of the Chief actuary is working on a detailed estimate of this proposal.

improving child support collections and program efficiency. By increasing the amount of child support collected, these proposals would result in savings to the SSI program.

## **Improve Efficiency**

- 13. Improve Collection of Pension Information and Transition after ten years to an Alternative Approach based on Years of Non-Covered Earnings.** Current law requires SSA to reduce OASDI benefits when someone also receives a pension based on work that was not covered by Social Security. SSA currently has a matching agreement with the Office of Personnel Management (OPM) to obtain information on Federal government retirees who receive a pension from work not covered by Social Security. However, SSA generally lacks a way to receive similar information from State and local governments. As a result, many of these pensions go unreported, leading to improper payments. The Budget re-proposes legislation that would improve reporting for non-covered pensions by including up to \$70 million for administrative expenses, \$50 million of which would be available to the States, to develop a mechanism so that the Social Security Administration could enforce the offsets for the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). This proposal would require State and local government pension payers to report information on pensions paid for non-covered work to SSA through an automated data exchange. In addition, the Budget proposes to transition after ten years to an alternative approach, which would adjust Social Security benefits based on the extent to which workers have non-covered earnings. SSA now collects data on non-covered employment and could calculate the offset without any disclosure from the individual.
- 14. Establish Workers' Compensation Information Reporting.** Current law requires SSA to reduce an individual's Disability Insurance (DI) or SSI benefit if he or she receives workers' compensation (WC) or public disability benefits (PDB). SSA currently relies upon beneficiaries to report when they receive these benefits. This proposal would improve efficiency and program integrity by requiring States, local governments, and private insurers that administer WC and PDB to provide this information to SSA. Furthermore, this proposal would also provide for the development and implementation of a system to collect this information from States, local governments, and insurers.
- 15. Eliminate Dedicated Accounts.** Under current law, if the retroactive SSI benefits due a child exceed six times the maximum monthly SSI benefit, plus any optional State SSI supplement, then SSA must deposit the benefits into a special account, called a "dedicated account." The child's representative payee—who is typically a parent—can expend funds from such an account only for education, health care, and certain other expenses. These restrictions are often considered intrusive and confusing, and oversight of these accounts is labor-intensive for both SSA and representative payees. This proposal would eliminate dedicated accounts.
- 16. Provide Mandatory Funding Dedicated to Modernizing SSA's Information Technology.** This proposal would provide SSA with \$240 million in mandatory funding over fiscal years 2018, 2019, and 2020 dedicated to modernizing SSA's information technology (IT), specifically its core databases, programming languages, and IT infrastructure. These systems are becoming antiquated, and the staff experienced in maintaining these systems are

approaching retirement and are difficult to replace. SSA would use the proposed funds to invest in complex, multi-year IT projects necessary to update these systems in accordance with modern design principles.

### **Improve Benefits and Promote Work Opportunity**

- 17. Extend SSI Time Limits for Qualified Refugees.** Refugees and certain other humanitarian immigrants who are disabled or elderly are potentially eligible for SSI benefits for up to seven years from the date they attained their immigration status, and without time limit if they become naturalized. Congress acknowledged that humanitarian immigrants might be unable to attain citizenship within the seven-year period of SSI eligibility, even if they apply for naturalization as soon as they are eligible. Accordingly, Congress temporarily extended the time-limited SSI eligibility period from seven years to nine years for fiscal years 2009-2011. However, effective October 2011, the SSI eligibility period for refugees and other humanitarian immigrants reverted to seven years. This proposal would underscore the nation's commitment to refugees, asylees, and other humanitarian immigrants—who come to America with very little and frequently have nowhere else to go—by again extending the time limit from seven to nine years during fiscal years 2017 and 2018.
- 18. Conform Treatment of State and Local Government Earned Income Tax Credits and Child Tax Credits for SSI.** When determining someone's eligibility for, and benefit amounts under, the SSI program, SSA excludes Federal earned income tax credits (EITC) and child tax credits (CTC). However, the law requires SSA to count State EITCs and CTCs for SSI purposes. This proposal would simplify administration of the SSI program by excluding State EITCs and CTCs, in the manner in which similar, Federal tax payments are excluded.
- 19. Terminate Step Child Benefits in the Same Month as His or Her Parent's Benefits Terminate.** A parent and stepchild may receive benefits on the record of a worker, but if the marriage terminates by divorce, they are no longer eligible for benefits. When a stepchild's parent is divorced, spousal benefits terminate in the month before the month of the final divorce. However, benefits for the stepchild terminate one month later, in the month of the final divorce. This proposal would fix this discrepancy by ending benefits for the stepchild in the same month as the parent, in the month before the final divorce.
- 20. Create an Interagency Coordinating Council on Workforce Attachment.** This proposal would create and fully fund an interagency council comprising Federal agencies involved in improving the well-being of people with health impairments and disabilities, including the Office of Management and Budget; the Departments of Education, Health and Human Services, Labor, and the Treasury; and the Social Security Administration. The council's mission would be to improve workforce attachment for people with health impairments and disabilities, and its duties would include developing and maintaining a strategic plan to improve work outcomes, evaluating and recommending improvements to Federal programs, designing and overseeing demonstration projects, and improving interagency coordination.

# SOCIAL SECURITY ADMINISTRATION

## FY 2017 PRESIDENT'S BUDGET

### Key Tables

Table i.1 - Summary Table of SSA's Appropriation Request

FY 2017	FTE	Amount
Payments to Social Security Trust Funds		\$ 11,400,000
Supplemental Security Income Program	-	-
FY 2017 Request	-	\$ 43,824,868,000 <sup>1</sup>
FY 2018 First Quarter Advance	-	\$ 15,000,000,000
Limitation on Administrative Expenses	66,140 <sup>2</sup>	\$ 13,067,000,000 <sup>3</sup>
Office of the Inspector General	560	\$ 112,000,000

<sup>1</sup> Excludes \$14,500,000,000, previously appropriated as a first quarter advance for FY 2017.

<sup>2</sup> Figure includes workyears for LAE, reimbursable work, LIS, SCHIP. Excludes workyears associated with Medicare Access and CHIP Reauthorization Act of 2015 funding.

<sup>3</sup> Includes \$126,000,000 for SSI State Supplementary user fees and up to \$1,000,000 for non-attorney user fees.

**Table i.2 – Administrative Budget Authority and Other Planned Obligations<sup>1</sup> (in millions)**

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate</b>	<b>Change FY 16/FY 17</b>
<b><u>Budget Authority</u></b>				
Base Limitation on Administrative Expenses (LAE)	\$10,285	\$10,599	\$11,121	\$522
Program Integrity Base Level	\$273	\$273	\$273	\$0
Program Integrity Cap Adjustment	\$1,123	\$1,153	\$1,546	\$393
User Fees <sup>2</sup>	\$125	\$137	\$127	-\$10
<b>Subtotal, LAE Appropriation</b>	<b>\$11,806</b>	<b>\$12,162</b>	<b>\$13,067</b>	<b>\$905</b>
Percent change from FY 2016				7.44%
Research	\$83	\$101	\$58	-\$43
Office of the Inspector General (OIG)	\$103	\$106	\$112	\$6
<b>Subtotal, Budget Authority</b>	<b>\$11,992</b>	<b>\$12,369</b>	<b>\$13,237</b>	<b>\$868</b>
Percent change from FY 2016				7.02%
<b><u>Other Planned Obligations</u></b>				
No-year Information Technology	\$438	\$180	\$125	-\$55
MIPPA – Low-Income Subsidy (LIS)	\$0	\$6	\$6	\$0
Medicare Access and Chip	\$0	\$5	\$5	\$0
Reauthorization Act of 2015 (MACRA)				
Recovery Act <sup>3</sup>				
Workload Processing	\$0	\$0	\$0	\$0
Economic Recovery Payments	\$0	\$0	\$0	\$0
National Computer Center	\$43	\$53	\$0	-\$53
OIG Oversight	\$0	\$0	\$0	\$0
<b>Subtotal, Other Planned Obligations</b>	<b>\$481</b>	<b>\$244</b>	<b>\$136</b>	<b>-\$108</b>
<b>TOTAL BUDGET AUTHORITY AND PLANNED OBLIGATIONS</b>	<b>\$12,473</b>	<b>\$12,613</b>	<b>\$13,373</b>	<b>\$760</b>

<sup>1</sup> Totals may not equal sums of component parts due to rounding.

<sup>2</sup> Includes SSI user fees and Social Security Protection Act user fees.

<sup>3</sup> Funds provided in the American Recovery and Reinvestment Act of 2009 (Recovery Act) (P.L. 111-5).

**Table i.3 – SSA Full Time Equivalents and Workyears**

	<b>FY 2015 Actual</b>	<b>FY 2016 Estimate</b>	<b>FY 2017 Estimate</b>	<b>Change FY 16/FY 17</b>
SSA Full Time Equivalents <sup>1</sup>	63,394	64,860	66,140	1,280
SSA Overtime/Lump Sum Leave	3,077	972	2,498	1,526
<b>Subtotal, SSA Workyears</b>	<b>66,471</b>	<b>65,832</b>	<b>68,638</b>	<b>2,806</b>
Disability Determination Services	14,925	15,270	16,000	730
<b>Subtotal, SSA and DDS Workyears</b>	<b>81,396</b>	<b>81,102</b>	<b>84,638</b>	<b>3,536</b>
OIG Full Time Equivalents	528	540	560	20
OIG Overtime/Lump Sum Leave	5	3	4	1
<b>Subtotal, OIG Workyears</b>	<b>533</b>	<b>543</b>	<b>564</b>	<b>21</b>
<b>TOTAL SSA/DDS/OIG WORKYEARS</b>	<b>81,929</b>	<b>81,665</b>	<b>85,202</b>	<b>3,557</b>

<sup>1</sup>Excludes workyears associated with Medicare Access and CHIP Reauthorization Act of 2015 funding

Table i.4 – SSA Outlays by Program (in millions)

	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate	Change FY 16/FY 17
<b><u>Trust Fund Programs</u></b>				
Old-Age and Survivors Insurance (OASI)	\$741,461	\$779,476	\$820,022	\$40,546
Disability Insurance (DI)	\$146,306	\$150,010	\$152,678	\$2,668
<b>Subtotal, Trust Fund Programs</b>	<b>\$887,767</b>	<b>\$929,486</b>	<b>\$972,700</b>	<b>\$43,214</b>
<b><u>Proposed OASDI Legislation:</u></b>				
Increase Minimum Overpayment Withholding	\$0	\$0	-\$8	-\$8
Exclude Debts from Discharge in Bankruptcy	\$0	\$0	-\$9	-\$9
<b>Subtotal, Proposed OASDI Legislation</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$17</b>	<b>-\$17</b>
<b>Medicare Access and Chip Reauthorization Act of 2015 (MACRA)</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>	<b>\$0</b>
<b><u>General Fund Programs</u></b>				
Supplemental Security Income (SSI)	\$58,901	\$64,675	\$61,624	-\$3,051
Special Benefits for Certain World War II	\$3	\$4	\$3	-\$1
Recovery Act: National Support Center	\$63	\$47	\$44	-\$3
<b>Subtotal, General Fund Programs</b>	<b>\$58,967</b>	<b>\$64,726</b>	<b>\$61,671</b>	<b>-\$3,055</b>
<b><u>Proposed General Fund Legislation:</u></b>				
SSI Refugee Extension	\$0	\$0	\$44	\$44
WEP/GPO Enforcement	\$0	\$0	\$70	\$70
W/C Enforcement	\$0	\$0	\$10	\$10
Federal Wage Reporting	\$0	\$0	\$140	\$140
Eliminate Dedicated Accounts	\$0	\$0	\$5	\$5
Verify Real Property Data	\$0	\$0	-\$12	-\$12
Strengthen Child Support Enforcement	\$0	\$0	-\$3	-\$3
<b>Subtotal, Proposed General Fund Legislation</b>	<b>\$0</b>	<b>\$0</b>	<b>\$254</b>	<b>\$254</b>
<b>TOTAL SSA Outlays, Current Law</b>	<b>\$946,734</b>	<b>\$994,217</b>	<b>\$1,034,376</b>	<b>\$40,159</b>
Percent change from FY 2015				4.04%
<b>TOTAL SSA Outlays, Proposed Law</b>	<b>\$0</b>	<b>\$0</b>	<b>\$237</b>	<b>\$237</b>
<b>TOTAL SSA Outlays, Current &amp; Proposed Law</b>	<b>\$946,734</b>	<b>\$994,217</b>	<b>\$1,034,613</b>	<b>\$40,396</b>

**Table i.5 – Current Law- OASDI Outlays and Income (in millions)**

	<b>FY 2015 Actual</b>	<b>FY 2016 Estimate</b>	<b>FY 2017 Estimate</b>	<b>Change FY 16/FY 17</b>
<b><u>Outlays</u></b>				
OASI Benefits	\$ 733,713	\$ 771,988	\$ 812,596	\$ 40,608
DI Benefits	\$ 142,846	\$ 146,448	\$ 149,215	\$ 2,767
Other <sup>1</sup>	\$ 11,208	\$ 11,050	\$ 10,889	-\$ 161
<b>TOTAL OUTLAYS, Current Law</b>	<b>\$ 887,767</b>	<b>\$ 929,486</b>	<b>\$ 972,700</b>	<b>\$ 43,214</b>
<b><u>Income</u></b>				
OASI <sup>2</sup>	\$795,335	\$789,363	\$806,719	\$17,356
DI	\$118,039	\$148,391	\$165,051	\$16,660
<b>TOTAL INCOME, Current Law</b>	<b>\$913,374</b>	<b>\$937,754</b>	<b>\$971,770</b>	<b>\$34,016</b>

**Table i.6 – Current Law- OASDI Beneficiaries and Average Benefit Payments (in thousands)**

	<b>FY 2015 Actual</b>	<b>FY 2016 Estimate</b>	<b>FY 2017 Estimate</b>	<b>Change FY 16/FY 17</b>
<b><u>Average Number of Beneficiaries</u></b>				
OASI	48,338	50,060	51,766	1,706
DI	10,899	10,888	11,006	118
<b>TOTAL BENEFICIARIES</b>	<b>59,237</b>	<b>60,948</b>	<b>62,772</b>	<b>1,824</b>
<b><u>Average Monthly Benefit</u></b>				
Retired Worker	\$ 1,326	\$ 1,346	\$ 1,369	\$ 23
Disabled Worker	\$ 1,160	\$ 1,166	\$ 1,176	\$ 10
Projected COLA Payable in January	1.7%	0.0%	0.8%	0.8%

<sup>1</sup> “Other” includes SSA & non-SSA administration expenses, beneficiary services, payment to the Railroad Retirement Board, and demonstration projects.

<sup>2</sup> The FY 2016 SECA number does not match the MAX input, which contained an incorrect transposition.

**Table i.7 – Current Law- Supplemental Security Income Outlays<sup>1</sup> (in millions)**

	<b>FY 2015 Actual</b>	<b>FY 2016 Estimate</b>	<b>FY 2017 Estimate</b>	<b>Change FY 16/FY 17</b>
Federal Benefits <sup>2</sup>	\$54,647	\$59,610	\$56,166	-\$3,444
Other <sup>3</sup>	\$4,256	\$4,852	\$5,458	\$606
<b>Subtotal, Federal Outlays</b>	<b>\$58,903</b>	<b>\$64,462</b>	<b>\$61,624</b>	<b>-\$2,838</b>
State Supplementary Benefits	\$2,632	\$2,870	\$2,680	-\$190
State Supplementary Reimbursements	-\$2,634	-\$2,657	-\$2,680	-\$23
<b>Subtotal, Net State Supplementary Payments<sup>4</sup></b>	<b>-\$2</b>	<b>\$213</b>	<b>\$0</b>	<b>-\$213</b>
<b>TOTAL OUTLAYS, Current Law</b>	<b>\$58,901</b>	<b>\$64,675</b>	<b>\$61,624</b>	<b>-\$3,051</b>

<sup>1</sup> Totals may not equal sums of component parts due to rounding.

<sup>2</sup> There are 12 payments per year in FY 2015 and FY 2017. There are 13 payments in FY 2016.

<sup>3</sup> “Other” includes beneficiary services, research, administrative costs and \$2M for Special Immigrant Visa in FY 2017.

<sup>4</sup> States must reimburse SSA in advance for State Supplementary Payments. There will always be 12 state reimbursements in each fiscal year, but there can be 11, 12, or 13 benefit payments per fiscal year because a monthly payment is advanced into the end of the previous month anytime the due date falls on a weekend or holiday. Hence, the “Net State Supplementary Payment” numbers vary from year-to-year depending on the timing of the October benefit payments at the beginning and end of each fiscal year.

**Table i.8 – SSI Recipients and Benefit Payments<sup>1</sup> (Recipients in thousands)**

	<b>FY 2015 Actual</b>	<b>FY 2016 Estimate</b>	<b>FY 2017 Estimate</b>	<b>Change FY 16/FY 17</b>
<b><u>Average Number of SSI Recipients</u></b>				
Federal Recipients				
Aged	1,100	1,106	1,111	5
Blind or Disabled	7,073	7,113	7,126	13
<b>SUBTOTAL, FEDERAL RECIPIENTS</b>	<b>8,173</b>	<b>8,219</b>	<b>8,237</b>	<b>18</b>
State Supplement Recipients (with no Federal SSI payment)	171	170	173	3
<b>TOTAL SSI RECIPIENTS, Current Law</b>	<b>8,344</b>	<b>8,389</b>	<b>8,410</b>	<b>21</b>
<i>SSI Federal Recipients Concurrently Receiving OASDI Benefits (included above)</i>				
	2,614	2,629	2,636	7
<b><u>Average Monthly Benefit</u></b>				
Aged	\$ 390	\$ 396	\$ 402	\$ 6
Blind and Disabled	\$ 576	\$ 580	\$ 586	\$ 6
<b>AVERAGE, All SSI Recipients</b>	<b>\$ 551</b>	<b>\$ 556</b>	<b>\$ 561</b>	<b>\$ 5</b>
Projected COLA Payable in January	1.7%	0.0%	0.8%	0.8%

<sup>1</sup> Totals may not equal sums of component parts due to rounding

**Table i.9 – Special Benefits for Certain WWII Veterans Overview  
(Outlays in millions)**

	<b>FY 2015 Actual</b>	<b>FY 2016 Estimate</b>	<b>FY 2017 Estimate</b>	<b>Change FY 16/FY 17</b>
Federal Benefits	\$ 3	\$ 3	\$ 2	-\$ 1
Administration	\$ 0 <sup>1</sup>	\$ 1	\$ 1	\$ 0
<b>TOTAL OUTLAYS</b>	<b>\$ 3</b>	<b>\$ 4</b>	<b>\$ 3</b>	<b>-\$ 1</b>
Average Number of Beneficiaries (in thousands)	1	1	0 <sup>2</sup>	-1
Average Monthly Benefit	\$ 341	\$ 378	\$ 380	\$ 2

<sup>1</sup> Less than \$500,000.

<sup>2</sup> Estimated average number of recipients less than 500.

**Table i.10 – Administrative Outlays as a Percent of Trust Fund Income and Benefit Payments - FY 2017**

	<b>Percent of Income</b>	<b>Percent of Benefit Payments</b>
OASI	0.3%	0.3%
DI	1.8%	2.0%
OASDI (combined)	0.6%	0.6%
SSI (Federal and State)	N/A	9.2%
<b>TOTAL SSA <sup>1</sup></b>		<b>1.3%</b>

<sup>1</sup> Includes Hospital Insurance (HI) and Supplemental Medical Insurance (SMI) administrative outlays. SSA’s calculation of discretionary administrative expenses excludes Treasury Administrative expenses which are mandatory outlays.”

**Table i.11 – Tax Rates, Wage Base and Economic Assumptions**

	CY 2015	CY 2016	CY 2017	Change CY 16/CY 17
<b><u>Employer/Employee Rates (each)</u></b>				
OASDI (Social Security)	6.20%	6.20%	6.20%	0.0%
Hospital Insurance (HI) (Medicare)	1.45%	1.45%	1.45%	0.0%
<b>EMPLOYEE TOTAL</b>	<b>7.65%</b>	<b>7.65%</b>	<b>7.65%</b>	<b>0.0%</b>
<b><u>Self-Employment Rates</u></b>				
OASDI (Social Security)	12.40%	12.40%	12.40%	0.0%
HI (Medicare)	2.90%	2.90%	2.90%	0.0%
<b>TOTAL</b>	<b>15.30%</b>	<b>15.30%</b>	<b>15.30%</b>	<b>0.0%</b>
<b><u>Cost of Living Adjustments (COLAs)</u></b>				
January	1.7%	0.0%	0.8%	0.8%
<b><u>Contribution and Benefit Base</u></b>				
OASDI	\$ 118,500	\$ 118,500	\$ 126,000 <sup>1</sup>	\$ 7,500
HI	(no cap)	(no cap)	(no cap)	
<b><u>Annual Retirement Test</u></b>				
Year Individual Reaches Full Retirement Age	\$ 41,880	\$ 41,880	\$ 44,520 <sup>1</sup>	\$ 2,640
Under Full Retirement Age	\$ 15,720	\$ 15,720	\$ 16,680 <sup>1</sup>	\$ 960
<b><u>Wages Required for a Quarter of Coverage</u></b>	<b>\$ 1,220</b>	<b>\$ 1,260</b>	<b>\$ 1,290<sup>1</sup></b>	<b>\$ 30</b>

<sup>1</sup> Estimate.

**Table i.12 – Selected Performance Measures**

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted<sup>1</sup></b>	<b>FY 2017 Request</b>
<b><u>Selected Workload Measures</u></b>			
Retirement and Survivors Claims Completed (thousands)	5,327	5,586	5,732
Initial Disability Claims Completed (thousands)	2,759	2,695	2,810
Disability Reconsiderations Completed (thousands)	723	702	715
Hearings Completed (thousands)	663	703	784
National 800 Number Calls Handled (millions)	37	34	38
Average Speed of Answer (ASA) (seconds)	617	945	675
Agent Busy Rate (ABR)	7.5%	9.5%	7.0%
Social Security Numbers Completed (millions)	16	16	16
Annual Earnings Items Completed (millions)	266	264	265
Social Security Statements Issued (millions) <sup>2,3</sup>	50	38	44
<b><u>Selected Outcome Measures</u></b>			
Initial Disability Claims Receipts (thousands)	2,756	2,807	2,817
Hearings Receipts (thousands)	746	730	729
Initial Disability Claims Pending (thousands)	621	733	740
Disability Reconsiderations Pending (thousands)	144	136	137
Hearings Pending (thousands)	1,061	1,087	1,033
Average Processing Time for Initial Disability Claims (days)	114	113	113
Average Processing Time for Disability Reconsiderations (days) <sup>4</sup>	113	N/A	109
Annual Average Processing Time for Hearings Decisions (days)	480	540	555
Disability Determination Services Production per Workyear	307	307	314
Office of Disability Adjudication and Review Production per Workyear	95	94	98
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(2,000)	(2,700)
<b><u>Selected Program Integrity Performance Measures</u></b>			
Periodic Continuing Disability Reviews (CDRs) Completed (thousands)	1,972	1,950	2,200
Full Medical CDRs (included above, thousands)	799	850	1,100
Supplemental Security Income Non-Disability Redeterminations Completed (thousands)	2,267	2,522	2,822

<sup>1</sup> FY 2016 is a 53-week year for management information purposes. After the close of the year, we will report both 52 and 53-week actual performance data. Our budgeted performance goals are full-year goals based on the workyears we are able to support with funds available in FY 2016.

<sup>2</sup> The Social Security Statements Issued measure includes paper statements only; does not include electronic statements issued.

<sup>3</sup> The original estimate for Social Security Statements (SSS) Issued measure in FY 2016 President's Budget was 45 million. This has been reduced by ~6.6 million, as a result of the agency sending out the scheduled SSS for FY 2016 October in FY 2015 September. Therefore, the FY 2016 Enacted number has been adjusted to ~38 million.

<sup>4</sup> We developed management information for Average Processing Time for Disability Reconsiderations in FY 2013. FY 2014 was the first full fiscal year for which data was available for this measure. Now that we have had the opportunity to analyze at least two years of actual data, this year we developed a performance target for FY 2017.

**CONTENTS**

**APPROPRIATION LANGUAGE..... 15**

**GENERAL STATEMENT..... 16**

    Annual Appropriation ..... 16

    Permanent Indefinite Authority ..... 16

**BUDGETARY RESOURCES ..... 18**

    Analysis of Changes..... 20

    Budget Authority and Obligations by Activity ..... 21

    Obligations by Object Class..... 23

**BACKGROUND ..... 24**

    Authorizing Legislation ..... 24

    Appropriation History ..... 25

**PENSION REFORM..... 27**

    Purpose and Method of Operation ..... 27

    Rationale for Budget Request ..... 28

**UNNEGOTIATED CHECKS..... 29**

    Purpose and Method of Operation ..... 29

    Rationale for Budget Request ..... 30

**COAL INDUSTRY RETIREE HEALTH BENEFITS ..... 31**

    Purpose and Method of Operation ..... 31

    Progress to Date ..... 32

**MILITARY SERVICE WAGE CREDITS ..... 33**

    Purpose and Method of Operation ..... 33

**TABLES**

Table 1.1—Annual Appropriation and Obligations.....	16
Table 1.2—Amounts Available for Obligation .....	19
Table 1.3—Summary of Changes.....	20
Table 1.4—New Budget Authority & Obligations, Current Authority .....	21
Table 1.5—Budget Authority and Obligations, Permanent Indefinite Authority.....	22
Table 1.6—Obligations by Object .....	23
Table 1.7—Authorizing Legislation .....	24
Table 1.8—Appropriation History Table.....	25
Table 1.9—Pension Reform: Budget Authority .....	27
Table 1.10—Pension Reform: Obligations.....	28
Table 1.11—Receipts from Pension Coverage Reports .....	28
Table 1.12—Unnegotiated Checks: Budget Authority .....	29
Table 1.13—Unnegotiated Checks: Obligations .....	29
Table 1.14—Direct Deposit Participation Rate .....	30
Table 1.15—Unnegotiated Checks: Budget Authority by Trust Fund .....	30
Table 1.16—Coal Industry Retiree Health Benefits: Obligations .....	31

## APPROPRIATION LANGUAGE

### PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

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For payment to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as provided under sections 201(m)[, 228(g),] and 1131(b)(2) of the Social Security Act, \$11,400,000.<sup>1</sup> (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2016.*)

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<sup>1</sup> Social Security checks, like those issued by other federal agencies, are negotiable for only 12 months from their date of issue. Under the "Limited Payability" procedure, the value of unnegotiated checks issued on or after October 1, 1989 are credited directly to the trust funds from Treasury's general fund when the checks are canceled. These funds do not pass through the Payments to Social Security Trust Funds account, but the interest adjustments do pass through this account.

Section 1131 of the Social Security Act requires the Commissioner of Social Security to furnish information regarding deferred vested pension rights to pension plan participants (and their dependents or survivors). It permits the administrative expenses of carrying out this pension reform work to be funded initially from the OASI Trust Fund through SSA's Limitation on Administrative Expenses and authorizes an annual appropriation of federal funds to reimburse the OASI Trust Fund.

## GENERAL STATEMENT

The Payments to Social Security Trust Funds (PTF) account provides federal fund payments to the Social Security trust funds for several distinct activities. The purpose of each requested payment is to put the trust funds in the same financial position they would have been in had they not borne the cost of certain benefits or administrative expenses chargeable to general revenues. This account includes payments requiring an annual appropriation and payments made to the trust funds under permanent indefinite authority.

## ANNUAL APPROPRIATION

The annual PTF appropriation provides reimbursement to the Social Security trust funds for non-trust fund activities. These activities include pension reform and interest on unnegotiated checks<sup>1</sup>. Listed below is the estimated annual appropriation and resulting obligations for FY 2017.

**Table 1.1—Annual Appropriation and Obligations**

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate	FY16 to FY17 Change
<b>Appropriation</b>	\$ 16,400,000	\$ 11,400,000	<b>\$ 11,400,000</b>	<b>\$ 0</b>
<b>Obligations</b>	\$ 3,870,255	\$ 11,450,000	<b>\$ 11,450,000</b>	<b>\$ 0</b>

## PERMANENT INDEFINITE AUTHORITY

Amounts not subject to the annual appropriation include: (1) receipts from federal income taxation of Social Security benefits, (2) Federal Insurance Contribution Act (FICA) and Self-Employment Contribution Act (SECA) tax credits, (3) reimbursement for federal employee union administrative expenses, (4) transfers to offset the financial effects of the Food, Conservation, and Energy Act of 2008, and (5) reimbursements for the loss in FICA tax revenue resulting from the payroll tax holiday provided by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 and extended by the Temporary Payroll Tax Cut Continuation Act of 2011. The permanent appropriation provides that the trust funds are credited for each of these revenue items.

### **Taxation of Social Security Benefits**

The Social Security Amendments of 1983 provide for taxation of up to one-half of Social Security benefits in excess of certain income thresholds. The Omnibus Reconciliation Act of

<sup>1</sup> This account used to include the quinquennial adjustment for military service wage credits that was authorized to be appropriated every five years. Section 842 of the Bipartisan Budget Act, 2015 (Public Law 114–74) amends section 217(g)(2) of the Social Security Act ending trust fund/general fund Quinquennial Military Service Credit adjustments effective retroactively to 2010, the date of the last such adjustment.

1993, P.L. 103-66, amended this provision so that up to 85 percent of benefits could be subject to taxation. The additional amounts collected from this 1993 provision are paid to the Hospital Insurance Trust Fund; no additional income is due the Social Security trust funds as a result of the enactment of the 1993 law.

The taxes are collected as federal income taxes; subsequently, an equivalent payment to the Social Security trust funds is made from the general funds of the Treasury. Transfers of estimated aggregate tax liabilities arising from Social Security benefits of U.S. citizens are made quarterly and then adjusted as actual receipts are known. The estimated income from these taxes is \$32,383 million in FY 2016 and \$39,007 million in FY 2017 from U.S. citizens; the monthly transfer of taxes imposed on aliens are transferred monthly and will generate estimated income of \$203 million in FY 2016 and \$214 million in FY 2017. The estimates for taxation of benefits reflect normal growth related to benefit levels and the beneficiary population.

Section 733 of the Uruguay Round Agreements Act, P.L. 103-465, also increased the taxable portion of nonresident aliens' Social Security benefits from 50 percent to 85 percent. The Offices of the General Counsel at SSA and at the Centers for Medicare and Medicaid Services, Department of Health and Human Services, agreed that the additional income resulting from the law should go to the OASDI trust funds as opposed to the HI trust fund.

### **FICA and SECA Tax Credits**

The Social Security Amendments of 1983 also provided for the granting of FICA and SECA tax credits to individuals. The tax credits are granted at the time the individual is taxed and are funded by the general funds of the Treasury through reimbursement to the trust funds. The FICA tax credit applies only to wages earned in calendar year 1984. The SECA tax credit applies from calendar year 1984 through calendar year 1989. There are small periodic adjustments made due to tax credits being applied retroactively.

### **Reimbursement for Employee Union Expenses**

In addition to taxation of benefits and tax credits, the PTF account includes reimbursement to the trust funds from general funds, including interest, for certain administrative expenses incurred in support of federal employee union activities. This \$11 million reimbursement is included in SSA's Limitation on Administrative Expenses appropriation.

### **Transfers to Offset Two Coverage Provisions**

Section 15361 of P.L. 110-246, the Food, Conservation, and Energy Act of 2008, provides for annual transfers from the general fund of the Treasury to the OASDI trust funds in FYs 2009 through 2017 to roughly offset the financial effects of the law's two coverage provisions. Section 15301 of P.L. 110-246 excludes Conservation Reserve Program payments from SECA coverage for OASDI beneficiaries, and Section 15352 increases the limit for the optional method for computing earnings from self-employment. The transfers will be \$6 million in FY 2016 and \$7 million in FY 2017.

### **Reimbursement for Payroll Tax Holiday**

P.L. 111-312, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, reduced employees' payroll contributions from 6.2 percent to 4.2 percent for calendar year 2011. P.L. 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011, amended

## Payments to Social Security Trust Funds

P.L. 111-312 to extend the reduced payroll contributions through February 29, 2012. On February 22, 2012, a new law, the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) extended the reduced rate through December 31, 2012. The general funds continue to reimburse the trust funds for this loss in tax revenue. The estimated reimbursement from the general fund for the payroll tax holiday is \$118 million in FY 2016.

**BUDGETARY RESOURCES**

The PTF annual appropriation request for FY 2017 is \$11,400,000. SSA expects to make \$39,250,450,000 in payments to the trust funds in FY 2017, including amounts appropriated under permanent indefinite authority.

**Table 1.2—Amounts Available for Obligation**

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate</b>
<b>Annual Appropriation</b>	<b>\$ 16,400,000</b>	<b>\$ 11,400,000</b>	<b>\$ 11,400,000</b>
<b>Permanent Appropriation</b>	<b>\$ 30,922,939,039</b>	<b>\$ 32,721,000,000</b>	<b>\$ 39,239,000,000</b>
Total Appropriation	\$ 30,939,339,039	\$ 32,732,400,000	\$ 39,250,400,000
Unobligated Balance, Start-of-Year	\$ 12,852,343	\$ 12,829,664	\$ 12,779,664
<b>Subtotal Budgetary Resources</b>	<b>\$ 30,952,191,382</b>	<b>\$ 32,745,229,664</b>	<b>\$ 39,263,179,664</b>
<b>Obligations</b>	<b>(\$ 30,926,809,294)</b>	<b>(\$ 32,732,450,000)</b>	<b>(\$ 39,250,450,000)</b>
Unobligated Balance, End-of-Year	\$ 12,829,664	\$ 12,779,664	\$ 12,729,664
Unobligated Balance, Lapsing	\$ 12,552,424	\$ 0	\$ 0

The unobligated balances represent funds appropriated for the Coal Industry Retiree Health Benefits Act (CIRHBA) in FY 1996 and FY 1997 and made available until expended. The lapsed unobligated balances represent the amount of the annual appropriation not obligated in the current year.

**ANALYSIS OF CHANGES**

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The FY 2017 annual appropriation request is the same as the FY 2016 enacted level. The obligations reported below include CIRHBA activity, funded from unobligated balances carried forward from prior years. These funds, provided in FY 1996 and FY 1997, remain available until expended.

**Table 1.3—Summary of Changes**

	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate</b>	<b><i>FY16 to FY17 Change</i></b>
<b>Appropriation</b>	<b>\$ 11,400,000</b>	<b>\$ 11,400,000</b>	<b>\$ 0</b>
<b>Obligations</b>	<b>\$ 11,450,000</b>	<b>\$ 11,450,000</b>	<b>\$ 0</b>

**BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY**

The table below displays the budget authority and obligations for each of the PTF activities funded by the annual appropriation. Coal Industry Retiree Health Benefit obligations are funded from prior year unobligated balances.

**Table 1.4—New Budget Authority & Obligations, Current Authority  
(In thousands)**

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate</b>
<b><u>Appropriation</u></b>			
Pension Reform	\$ 6,400	\$ 6,400	\$ 6,400
Unnegotiated Checks	\$ 10,000	\$ 5,000	\$ 5,000
Coal Industry Retiree Health Benefits	\$ 0	\$ 0	\$ 0
<b>Total Annual Appropriation</b>	<b>\$ 16,400</b>	<b>\$ 11,400</b>	<b>\$ 11,400</b>
<b><u>Obligations</u></b>			
Pension Reform	\$ 858	\$ 6,400	\$ 6,400
Unnegotiated Checks	\$ 2,989	\$ 5,000	\$ 5,000
Coal Industry Retiree Health Benefits	\$ 23	\$ 50	\$ 50
<b>Total Obligations</b>	<b>\$ 3,870</b>	<b>\$ 11,450</b>	<b>\$ 11,450</b>

## Payments to Social Security Trust Funds

The table below displays budget authority and obligations for the PTF activities not subject to the annual appropriation. This includes taxation of benefits, FICA and SECA tax credits, reimbursement for certain union administrative expenses, transfers to offset the financial effects of the Food, Conservation, and Energy Act of 2008, and reimbursements for the employee payroll tax holiday. The actual amount appropriated for these activities is determined by the actual amount collected from, or to be reimbursed for, each activity.

**Table 1.5—Budget Authority and Obligations,  
Permanent Indefinite Authority  
(In thousands)**

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
<b><u>Appropriation</u></b>			
Reimb. for Union Administrative Expenses	\$ 9,634	\$ 11,000	\$ 11,000
Food, Conservation, and Energy Act, 2008 <sup>1</sup>	\$ 8,000	\$ 6,000	\$ 7,000
Employee Payroll Tax Holiday <sup>2</sup>	\$ 242,520	\$ 118,000	\$ 0
Taxation of Benefits, U.S.	\$ 30,469,744	\$ 32,383,000	\$ 39,007,000
Taxation of Benefits, Nonresident Alien	\$ 193,000	\$ 203,000	\$ 214,000
FICA Tax Credits	\$ 0	\$ 0	\$ 0
SECA Tax Credits	\$ 41	\$ 0	\$ 0
<b>Total Permanent Appropriation</b>	<b>\$ 30,922,939</b>	<b>\$ 32,721,000</b>	<b>\$ 39,239,000</b>
<b><u>Obligations</u></b>			
Reimb. for Union Administrative Expenses	\$ 9,634	\$ 11,000	\$ 11,000
Food, Conservation, and Energy Act, 2008	\$ 8,000	\$ 6,000	\$ 7,000
Employee Payroll Tax Holiday	\$ 242,520	\$ 118,000	\$ 0
Taxation of Benefits, U.S.	\$ 30,469,744	\$ 32,383,000	\$ 39,007,000
Taxation of Benefits, Nonresident Alien	\$ 193,000	\$ 203,000	\$ 214,000
FICA Tax Credits	\$ 0	\$ 0	\$ 0
SECA Tax Credits	\$ 41	\$ 0	\$ 0
<b>Total Obligations</b>	<b>\$ 30,922,939</b>	<b>\$ 32,721,000</b>	<b>\$ 39,239,000</b>

<sup>1</sup> P.L. 110-246, the Food, Conservation, and Energy Act of 2008 (H.R. 6124) provided that SSA's trust funds would be reimbursed for lost income resulting from enacted changes to the reporting of self-employment income (SECA taxes). The bill established that SSA would be reimbursed from FY 2009 to FY 2017.

<sup>2</sup> P.L. 111-312, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (H.R. 4853), reduced employees' payroll contributions from 6.2 percent to 4.2 percent for calendar year 2011. P.L. 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011 (H.R. 3765) amended P.L. 111-312 to extend the reduced payroll contributions through February 29, 2012. On February 22, 2012, a new law, the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) extended the reduced rate through December 31, 2012. The general funds reimburse the trust funds for the loss in tax revenue (Title VI, Sec 601).

**OBLIGATIONS BY OBJECT CLASS**

The table below displays the obligations by object class for the total PTF account (annually and permanently appropriated funds).

**Table 1.6—Obligations by Object  
(In thousands)**

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate</b>
<b>Other Services</b>	\$ 21,545	\$ 28,450	\$ 29,450
<b>Financial Transfers</b>	\$ 30,662,744	\$ 32,586,000	\$ 39,221,000
<b>Financial Transfers: Employee Payroll Tax Holiday</b>	\$ 242,520	\$ 118,000	\$ 0
<b>Total Obligations</b>	<b>\$ 30,926,809</b>	<b>\$ 32,732,450</b>	<b>\$ 39,250,450</b>

**BACKGROUND**

**AUTHORIZING LEGISLATION**

The PTF account is authorized by the sections of the Social Security Act described below.

**Table 1.7—Authorizing Legislation (In thousands)**

	<b>Amount Authorized</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate</b>
Pension Reform: S.S. Act, Section 1131(b)(2)	Indefinite	\$ 6,400	\$ 6,400	\$ 6,400
Unnegotiated Checks: S.S. Act, Section 201(m); Social Security Amendments of 1983, Section 152	Indefinite	\$ 10,000	\$ 5,000	\$ 5,000
Coal Industry Retiree Health Benefits: Internal Revenue Code of 1986, Sections 9704 and 9706; Energy Policy Act of 1992, Section 19141	Indefinite	\$ 0	\$ 0	\$ 0
<b>Subtotal Annual PTF Appropriation</b>		<b>\$ 16,400</b>	<b>\$ 11,400</b>	<b>\$ 11,400</b>
Reimbursement for Union Administrative Expenses: FY 2002 Social Security Appropriations Act	Permanent Indefinite	\$ 9,634	\$ 11,000	\$ 11,000
Food, Conservation, and Energy Act, 2008: P.L. 110-246, Section 15361	Permanent	\$ 8,000	\$ 6,000	\$ 7,000
Employee Payroll Tax Holiday: P.L. 111-312, Section 601, As Amended By Temporary Payroll Tax Cut Continuation Act: P.L. 112-78	Permanent Indefinite	\$ 242,520	\$ 118,000	\$ 0
Taxation of Benefits, U.S.: Social Security Amendments of 1983, Section 121	Permanent Indefinite	\$ 30,469,744	\$ 32,383,000	\$ 39,007,000
Taxation of Benefits, Nonresident Aliens: Social Security Amendments of 1983, Section 121	Permanent Indefinite	\$ 193,000	\$ 203,000	\$ 214,000
FICA/SECA Tax Credits: Social Security Amendments of 1983, Section 124(b)	Permanent Indefinite	\$ 41	\$ 0	\$ 0
<b>Subtotal Permanent PTF Appropriation</b>		<b>\$ 30,922,939</b>	<b>\$ 32,721,000</b>	<b>\$ 39,239,000</b>
<b>Total Appropriation</b>		<b>\$ 30,939,339</b>	<b>\$ 32,732,400</b>	<b>\$ 39,250,400</b>

**APPROPRIATION HISTORY**

The table below displays the annual appropriation requested by SSA, amounts approved by the House and Senate, and the amount ultimately appropriated by Congress. This does not include amounts appropriated under permanent indefinite authority. The FY 2007 appropriation included a one-time reimbursement to the trust funds for an overpayment made from the trust funds to the IRS. The quinquennial adjustment for Military Service Wage Credits is included in the FY 2008 and FY 2011 enacted appropriations. The FY 2008 appropriation also included funds to administer economic recovery payments to beneficiaries.

**Table 1.8—Appropriation History Table**

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2007 <sup>1</sup>	\$ 27,756,000	\$ 27,756,000 <sup>2</sup>	\$ 27,756,000 <sup>3</sup>	\$ 20,416,000 <sup>4</sup>
Trust Funds Restoration Act <sup>5</sup>				\$ 1,297,614,000
2008 <sup>6</sup>	\$ 28,140,000	\$ 28,140,000 <sup>7</sup>	\$ 28,140,000 <sup>8</sup>	\$ 28,140,000 <sup>9</sup>
Economic Stimulus Act <sup>10</sup>				\$ 31,000,000
2009	\$ 20,406,000	-- <sup>11</sup>	\$ 20,406,000 <sup>12</sup>	\$ 20,406,000 <sup>13</sup>
2010	\$ 20,404,000	\$ 20,404,000 <sup>14</sup>	\$ 20,404,000 <sup>15</sup>	\$ 20,404,000 <sup>16</sup>
2011 <sup>17</sup>	\$ 21,404,000	-- <sup>18</sup>	\$ 21,404,000 <sup>19</sup>	\$ 21,404,000 <sup>20</sup>
2012	\$ 20,404,000	-- <sup>21</sup>	\$ 20,404,000 <sup>22</sup>	\$ 20,404,000 <sup>23</sup>
2013	\$ 20,402,000	-- <sup>24</sup>	\$ 20,404,000 <sup>25</sup>	\$ 20,404,000 <sup>26</sup>
2014	\$ 16,400,000	-- <sup>27</sup>	\$ 16,400,000 <sup>28</sup>	\$ 16,400,000 <sup>29</sup>
2015	\$ 16,400,000	\$ 16,400,000 <sup>30</sup>	--- <sup>31</sup>	\$ 16,400,000 <sup>32</sup>
2016	\$ 20,400,000	\$ 20,400,000 <sup>33</sup>	\$ 20,400,000 <sup>34</sup>	\$ 11,400,000 <sup>35</sup>
<b>2017</b>	<b>\$ 11,400,000</b>			

<sup>1</sup> The FY 2007 request included \$7,340,000 for the quinquennial adjustment to the Federal Disability Insurance Trust Fund for the costs of granting noncontributory credit for military service. This was not appropriated for FY 2007.

<sup>2</sup> H.R. 5647.

<sup>3</sup> S. 3708.

<sup>4</sup> Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

<sup>5</sup> Appropriation provided by the Social Security Trust Funds Restoration Act of 2006 (P.L. 109-465), to repay the Social Security trust funds for an overpayment to the Internal Revenue Service for Voluntary Income Tax Withholding.

<sup>6</sup> Includes \$7,727,000 for the quinquennial adjustment to the Federal Disability Insurance Trust Fund for the costs of granting noncontributory credit for military service.

<sup>7</sup> H.R. 3043.

<sup>8</sup> S. 1710.

## Payments to Social Security Trust Funds

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- <sup>9</sup> Consolidated Appropriations Act, 2008 (P.L. 110-161).
- <sup>10</sup> Appropriation provided by the Economic Stimulus Act of 2008, P.L. 110-185, for agency administrative costs related to stimulus payments to Social Security beneficiaries.
- <sup>11</sup> The House Committee on Appropriations did not report a bill.
- <sup>12</sup> S. 3230.
- <sup>13</sup> Omnibus Appropriations Act, 2009 (P.L. 111-8).
- <sup>14</sup> H.R. 3293.
- <sup>15</sup> H.R. 3293, reported from Committee with an amendment.
- <sup>16</sup> Consolidated Appropriations Act, 2010 (P.L. 111-117).
- <sup>17</sup> Requested \$1 million in FY 2011 for the quinquennial adjustment for military service wage credits from the general funds to the Federal Disability Insurance Trust Fund. However, we later determined that transfers should be made from the trust funds to the general fund in FY 2011.
- <sup>18</sup> The House Committee on Appropriations did not report a bill.
- <sup>19</sup> S. 3686.
- <sup>20</sup> Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).
- <sup>21</sup> The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$20,404,000.
- <sup>22</sup> S. 1599.
- <sup>23</sup> Consolidated Appropriations Act, 2012 (P.L. 112-74).
- <sup>24</sup> The House Committee on Appropriations did not report a bill.
- <sup>25</sup> S. 3295.
- <sup>26</sup> Department of Defense, Military Construction and Veterans Affairs, and Full-Year Continuing Appropriations Act, 2013 (P.L. 113-6).
- <sup>27</sup> The House Committee on Appropriations did not report a bill.
- <sup>28</sup> S. 1284.
- <sup>29</sup> Consolidated Appropriations Act, 2014 (P.L. 113-76).
- <sup>30</sup> H.R. 83.
- <sup>31</sup> The Senate Committee on Appropriations did not report a bill.
- <sup>32</sup> Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).
- <sup>33</sup> H.R. 3020.
- <sup>34</sup> S. 1695.
- <sup>35</sup> Consolidated Appropriations Act, 2016 (P.L. 114-113).

**PENSION REFORM**

**Authorizing Legislation:** Section 1131(b)(2) of the Social Security Act.

**PURPOSE AND METHOD OF OPERATION**

The purpose of this payment is to reimburse the OASI Trust Fund for the cost of certain pension reform activities chargeable to Federal funds.

**Table 1.9—Pension Reform: Budget Authority**

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate</b>	<b>FY16 to FY17 Change</b>
<b>Budget Authority</b>	\$ 6,400,000	\$ 6,400,000	<b>\$ 6,400,000</b>	<i>\$ 0</i>

The Employee Retirement Income Security Act of 1974, P.L. 93-406 (Pension Reform Act, also known as ERISA) established section 1131 of the Social Security Act. This requires the Commissioner of Social Security to furnish information regarding deferred vested pension rights to pension plan participants (and their dependents or survivors), either upon request or automatically upon application for retirement, survivors, or disability insurance benefits.

Each time an employee leaves employment that earned him or her vested rights to a pension, SSA or its contractor representative receives related information from the IRS in either paper or electronic format. SSA or its contractor representative controls, scans (using optical character recognition), and, if necessary, keys the paper forms and transfers the data to the ERISA mainframe system. This data, along with electronic data received from the IRS, is added to the ERISA Master Files after name verification against the NUMIDENT (SSN record) database takes place. Each month, an activity file of new benefit applications is compared to the ERISA Master Files. SSA sends an ERISA notice of pension plan eligibility to individuals included in both the activity file and the ERISA Master Files. This notice includes the information the worker needs to contact the pension plan administrator. SSA staff also resolves exceptions and responds to inquiries from employers and the public.

Section 1131(b)(1) permits the administrative expenses of carrying out this pension reform work to be funded initially from the OASI Trust Fund through SSA's Limitation on Administrative Expenses. Section 1131(b)(2) authorizes an annual appropriation of federal funds to reimburse the OASI Trust Fund. To the extent that resources needed to process this workload exceed the budget authority available for reimbursement in the current year, reimbursement is made to the OASI Trust Fund at the beginning of the subsequent year, including interest as appropriate. SSA began to incur pension reform administrative expenses in FY 1977.

**Table 1.10—Pension Reform: Obligations**

<b>Fiscal Year</b>	<b>Obligations</b>
FY 2008	\$ 1,200,000
FY 2009	\$ 813,000
FY 2010	\$ 2,022,000
FY 2011 <sup>1</sup>	\$ 3,802,000
FY 2012	\$ 6,400,000
FY 2013	\$ 2,521,092
FY 2014	\$ 1,010,592
FY 2015	\$ 858,477
FY 2016 Estimate	\$ 6,400,000
<b>FY 2017 Estimate</b>	<b>\$ 6,400,000</b>

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**RATIONALE FOR BUDGET REQUEST**

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The FY 2017 budget requests \$6,400,000 to reimburse the OASI Trust Fund for the cost of carrying out SSA’s responsibilities under the Pension Reform Act. The FY 2017 request is the same as the FY 2016 enacted level. The table below summarizes the recent trend of pension coverage report receipts:

**Table 1.11—Receipts from Pension Coverage Reports**

<b>Fiscal Year</b>	<b>Pension Coverage Report Receipts</b>
FY 2004	5,621,371
FY 2005	5,363,409
FY 2006	6,003,014
FY 2007	5,397,935
FY 2008	5,554,314
FY 2009	6,073,898
FY 2010	6,334,329
FY 2011 <sup>2</sup>	68,159
FY 2012	10,454,215
FY 2013	3,810,675
FY 2014	8,074,160
<b>FY 2015</b>	<b>6,310,851</b>

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<sup>1</sup> Despite a downturn in report receipts, due to costs incurred to support the conversion of ERISA microfilm to computer images, as well as other IT-related costs, obligations for Pension Reform increased in FY 2011.

<sup>2</sup> Because IRS created a new form (IRS Form 8955-SSA) for filers and a new electronic filing system, in addition to granting a filing deferral during this timeframe, most of the pension coverage report receipts were input into the system in FY 2012 (i.e., FY 2012 receipts essentially represent 2 years of receipts).

**UNNEGOTIATED CHECKS**

**Authorizing Legislation:** Section 201(m) of the Social Security Act and Section 152 of P.L. 98-21.

**PURPOSE AND METHOD OF OPERATION**

The purpose of this payment is to reimburse the OASI and DI Trust Funds for the value of interest on benefit checks cashed after 6 months or subsequently cancelled.

**Table 1.12—Unnegotiated Checks: Budget Authority**

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate</b>	<b>FY16 to FY17 Change</b>
<b>Budget Authority</b>	\$ 10,000,000	\$ 5,000,000	<b>\$ 5,000,000</b>	\$ 0

This activity was originally established to reimburse the trust funds for uncashed benefit checks and accrued interest. Beginning October 1, 1989, Social Security checks, like those issued by other federal agencies, are negotiable for only 12 months from their date of issue under the provisions of the Competitive Equality Banking Act (CEBA) of 1987 (P.L. 100-86). In the 14<sup>th</sup> month after issue, the Department of the Treasury prepares a listing of checks outstanding from each agency, cancels those checks, and refunds the value of checks canceled to the authorizing agencies. Under this "Limited Payability" procedure, the value of unnegotiated checks issued on or after October 1, 1989 are credited directly to the trust funds from Treasury's general fund when the checks are canceled, pursuant to P.L. 100-86. These funds do not pass through the Payments to Social Security Trust Funds account. However, the interest adjustment must be paid through this account because CEBA made no provision for it.

This appropriation funds the estimated ongoing level of activity and represents the value of interest for unnegotiated OASDI benefit checks.

**Table 1.13—Unnegotiated Checks: Obligations**

<b>Fiscal Year</b>	<b>Obligations</b>
FY 2009	\$ 8,756,319
FY 2010	\$ 7,435,351
FY 2011	\$ 7,471,475
FY 2012	\$ 5,910,374
FY 2013	\$ 3,082,985
FY 2014	\$ 2,698,386
FY 2015	\$ 2,989,099
FY 2016 Estimate	\$ 5,000,000
<b>FY 2017 Estimate</b>	<b>\$ 5,000,000</b>

## Payments to Social Security Trust Funds

The actual interest reflects the ongoing shift of beneficiaries away from the paper check method of benefit payment to direct deposit. On December 21, 2010, the Department of Treasury published a final rule amending 31 Code of Federal Regulations Part 208 to require recipients of federal benefits and nontax payments to receive their payments by electronic funds transfer. People who apply for Social Security benefits on or after May 1, 2011 receive their payments electronically. Many people who previously received federal benefit checks before May 1, 2011 have switched to an electronic payment. As a result, the final rule has decreased the volume of unnegotiated benefit checks, and we expect this trend to continue. Benefits paid via direct deposit bypass the mechanism in which there is the possibility of an uncashed check. However, the effect of the growth in direct deposit participation on unnegotiated check interest is somewhat offset by increases in the number of beneficiaries and in the average monthly benefit payments. The following table summarizes the recent trend in the percentage of OASDI beneficiaries enrolled in the direct deposit payment program.

**Table 1.14—Direct Deposit Participation Rate**

	<u>Direct Deposit Participation Rate</u>
December 2006	84%
December 2007	85%
December 2008	86%
December 2009	87%
December 2010	88%
December 2011	91%
December 2012	95%
December 2013	98%
December 2014	99%
<b>December 2015</b>	<b>99%</b>

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## RATIONALE FOR BUDGET REQUEST

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The FY 2017 request is for \$5,000,000 to reimburse the OASDI Trust Funds for the value of interest on unnegotiated checks. The FY 2017 request is equal to the FY 2016 enacted.

**Table 1.15—Unnegotiated Checks: Budget Authority by Trust Fund**

	<u>FY 2017 Estimate</u>
OASI Trust Fund	\$ 3,000,000
DI Trust Fund	\$ 2,000,000
<b>Total</b>	<b>\$ 5,000,000</b>

## COAL INDUSTRY RETIREE HEALTH BENEFITS

**Authorizing Legislation:** Sections 9704 and 9706 of the Internal Revenue Code of 1986 as amended by section 19141 of the Energy Policy Act of 1992.

### PURPOSE AND METHOD OF OPERATION

The purpose of this payment is to reimburse the OASDI Trust Funds for work carried out under section 19141 of the Energy Policy Act of 1992 (Public Law 102-486), which established the Coal Industry Retiree Health Benefit Act of 1992 (CIRHBA).

**Table 1.16—Coal Industry Retiree Health Benefits: Obligations**

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate	FY16 to FY17 Change
<b>New Budget Authority</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Obligations</b>	\$ 22,679	\$ 50,000	<b>\$ 50,000</b>	\$ 0

CIRHBA combined two existing United Mine Workers of America (UMWA) pension plans into a single fund and required that certain existing coal mine operators pay health benefit premiums for the new combined plan. The law directed the Commissioner of Social Security to:

- Search the earnings records of the group of retired coal miners covered by the combined plan;
- Determine which retirees should be assigned to which mine operators;
- Notify the involved mine operators of the names and Social Security numbers of eligible beneficiaries who have been assigned to them;
- Process appeals from operators who believe that assignments have been made incorrectly; and
- Compute the premiums based on a formula established in the Act.

## PROGRESS TO DATE

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SSA has completed initial decisions and reviews on all of the retired miners covered under the provisions of the 1992 CIRHBA. In addition, SSA implemented the Coal Act provisions of the Tax Relief and Health Care Act of 2006 (P.L. 109-432), which significantly affected and restructured CIRHBA. SSA carefully reviewed the legislation, obtained legal advice, and assessed how P.L. 109-432 affected existing policies and procedures. SSA complied with the provision that specifically directed the Commissioner to “revoke all assignments to persons other than 1988 agreement operators for purposes of assessing premiums for plan years beginning on or after October 1, 2007.”

SSA devoted considerable time and resources to comply with P.L. 109-432. All court cases challenging SSA’s involvement in the Coal Act are now closed. There is no active litigation. SSA has also completed its obligation to provide yearly data on miner assignments to the UMWA Combined Benefit Fund. However, SSA’s Office of the Actuary continues to compute the per beneficiary premiums on a yearly basis.

This account provides general fund reimbursement to the trust funds to the extent that the Limitation on Administrative Expenses account advances funds for SSA to carry out this work. Additional funds are not requested for FY 2017 because the balance of the \$10,000,000 per year appropriated in FY 1996 and in FY 1997 remains available until expended to reimburse the trust funds.

## MILITARY SERVICE WAGE CREDITS

**Prior Authorizing Legislation:** Section 217(g) of the Social Security Act.

**Terminating Legislation:** Section 842 of the Bipartisan Budget Act of 2015.

### PURPOSE AND METHOD OF OPERATION

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The purpose of this payment was to reimburse the OASDI trust funds, as necessary, for the costs of granting noncontributory wage credits for pre-1957 military service, as authorized by Section 217(g). Section 842 of the 2015 Bipartisan Budget Act made 2010 the final year for adjustments/transfers.

Pre-1957 Military Service: The 1946 Social Security Amendments provided for payment of Social Security benefits to World War II veterans and their survivors based upon noncontributory wage credits of \$160 for each month of the veteran's active military service. Subsequent amendments extended the period for which these credits were granted through December 1956. For that period, the Social Security Act did not require contributions to the trust funds based on the wages of individuals in the military service. To finance the additional costs incurred in paying benefits, which are based on periods of military service before 1957 for which no contributions were made, the Social Security Act provides for reimbursement to the OASI and the DI trust funds from the general fund of the Treasury.

The Social Security Amendments of 1983 modified section 217(g) to reimburse the trust funds in a lump sum for the present value of all future benefits arising from the gratuitous credits granted for military service before 1957. This provision directed the Secretary of the Treasury to transfer the pre-1957 wage credit lump sum to the trust funds within 30 days after enactment of the legislation. Section 217(g) required that the Commissioner adjust this lump sum transfer every fifth year beginning in 1985. This adjustment was required to be done on the basis of the actual benefit payment and administrative expense data available at the time of the determination, as well as the relevant actuarial assumptions in the Social Security Trustees Report issued in the year of the adjustment. Under the 1983 amendments, the only costs of pre-1957 military service credits included in the determination of this adjustment were additional benefit payments and associated administrative expenses incurred as a result of the granting of these non-contributory wage credits. This adjustment amount was required by section 217(g) to be transferred within 30 days of the date of the determination.

Following the initial transfers from the general fund to the trust funds in 1983 and 1985, the quinquennial adjustments resulted in the transfer of funds from SSA's trust funds to the general fund of the Treasury each time until the 2000 determination was prepared. In that year, it was determined that the general fund owed a payment to the OASI trust fund instead. The FY 2002 appropriation for this transfer, including interest, was \$414,000,000. Appropriations were not needed whenever quinquennial transfers were determined to be due from the trust funds to the general fund.

## **Payments to Social Security Trust Funds**

The 2010 quinquennial adjustment took place December 30, 2010 and included a \$113 million transfer from the OASI trust fund to the general fund and a \$3 million transfer from the DI trust fund to the general fund.

**CONTENTS**

**CONTENTS ..... 35**

**TABLES..... 37**

**APPROPRIATION LANGUAGE..... 38**

    Supplemental Security Income Program..... 38

    Language Analysis..... 39

**GENERAL STATEMENT ..... 41**

    Program Overview ..... 41

    FY 2017 President’s Budget Request ..... 43

    Key Initiatives ..... 44

**BUDGETARY RESOURCES ..... 49**

    Analysis of Changes..... 50

    New Budget Authority and Obligations by Activity..... 53

    New Budget Authority and Obligations by Object ..... 54

**BACKGROUND ..... 55**

    Authorizing Legislation ..... 55

    Appropriation History ..... 56

**FEDERAL BENEFIT PAYMENTS ..... 59**

    Purpose and Method of Operation ..... 59

    Rationale for Budget Request ..... 59

    SSI Recipient Population ..... 60

    Benefit Payments ..... 62

**ADMINISTRATIVE EXPENSES..... 64**

    Purpose and Method of Operation ..... 64

    Rationale for Budget Request ..... 65

**BENEFICIARY SERVICES ..... 66**

    Purpose and Method of Operation ..... 66

    Rationale for Budget Request ..... 67

**MUSCULAR DYSTROPHY AND THE SSI AND SSDI PROGRAMS ..... 68**

**RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH ..... 71**

    Purpose and Method of Operation ..... 71

    Research Investment Criteria ..... 72

**Supplemental Security Income Program**

Rationale for Budget Request ..... 73  
Major Research and Outreach Projects ..... 75  
Related Funding Sources ..... 90  
Early Intervention Mental Health Demonstration (EIMHD) ..... 91

**TABLES**

Table 2.1—Appropriation Language Analysis ..... 39

Table 2.2—Summary of Appropriations and Obligations ..... 41

Table 2.3—Appropriation Detail ..... 43

Table 2.4—Amounts Available for Obligation ..... 439

Table 2.5—Summary of Changes ..... 51

Table 2.6—Explanation of SSI Budget Changes from FY 2016 to FY 2017..... 52

Table 2.7—New Budget Authority and Obligations by Activity ..... 53

Table 2.8—New Budget Authority and Obligations by Object..... 54

Table 2.9—Authorizing Legislation ..... 55

Table 2.10—Appropriation History ..... 56

Table 2.11—Federal Benefit Payments: New Budget Authority and Obligations ..... 59

Table 2.12—SSI Recipients, Actual ..... 60

Table 2.13—SSI Recipients, Projected ..... 60

Table 2.14—Blind or Disabled Recipients as a Percentage of Total ..... 61

Table 2.15—Maximum Benefit Rates ..... 62

Table 2.16—Average Monthly Benefit Payments..... 62

Table 2.17—Check Payments by Fiscal Year ..... 63

Table 2.18—Administrative Expenses: New Budget Authority and Obligations ..... 65

Table 2.19—Beneficiary Services: New Budget Authority and Obligations ..... 66

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments ..... 67

Table 2.21—Beneficiaries with Muscular Dystrophy ..... 68

Table 2.22—Age at First Benefit, Child Recipients, Ages 0-17, with Muscular Dystrophy ..... 69

Table 2.23— Research, Outreach, and Early Intervention Demonstration Projects:  
     Budget Authority and Obligations ..... 71

Table 2.24—Major Research Areas and Outreach ..... 74

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, [\$46,305,733,000] \$43,824,868,000 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 [\$101,000,000] \$58,000,000 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] 2019.

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 [2017] 2018, [\$14,500,000,000] \$15,000,000,000, to remain available until expended. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2016.)

## LANGUAGE ANALYSIS

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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 2017 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 2018 to ensure the timely payment of benefits in case of a delay in the FY 2018 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, \$43,824,868,000, 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 \$58,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2019.	Specifies that not more than \$58 million of the SSI appropriation is available for research and demonstration projects. SSA may carryover unobligated balances through September 30, 2019.

## 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 2018, \$15,000,000,000, 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 2018 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 2015 Actual	FY 2016 Enacted	FY 2017 Estimate	<i>Change</i>
Appropriation	\$ 60,932,978	\$ 64,429,733 <sup>1</sup>	<b>\$ 58,324,868</b>	-\$ 6,104,865
Obligations	\$ 59,422,736	\$ 64,512,412	<b>\$ 61,646,258</b>	- \$ 2,866,154
First Quarter Advance Appropriation for Subsequent Fiscal Year	\$ 19,200,000	\$14,500,000	<b>\$ 15,000,000</b>	+ \$ 500,000

## PROGRAM OVERVIEW

### Eligibility Standards

As a means-tested program, individuals must have income and resources below specified levels to be eligible for benefits. Rules allow some specific categories of income and resources to be either totally or partially excluded. Recently, the ABLE Act of 2014 created a new type of tax-advantaged account that has a 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.

<sup>1</sup> Reflects the most recent Federal benefit estimate from SSA's Office of the Chief Actuary.

### **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 \$11.56 per SSI check payment in FY 2016 and is expected to increase to \$11.69 in FY 2017. The Department of Treasury receives the first \$5.00 of each fee and SSA retains the amount over \$5.00.

### **Coordination with Other Programs**

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

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

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

### **Benefit Payments**

SSA estimates it will pay \$56.2 billion in Federal benefits to an estimated 8.2 million SSI recipients in FY 2017. Including state supplementary payments, SSA expects to pay a total of \$58.8 billion and administer payments to a total of over 8.4 million recipients.

Federal benefit payments represent approximately 91 percent of Federal SSI spending. Administrative expenses represent nearly 9 percent of spending; beneficiary services and research and demonstration projects make up the remaining less than one percent.

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**FY 2017 PRESIDENT'S BUDGET REQUEST**


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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 2017 is \$58,324,868,000. However, this includes \$14,500,000,000 made available for the first quarter of FY 2017 in the FY 2016 appropriation. The appropriation language provides SSA with its remaining appropriation for FY 2017, \$43,824,868,000—the total amount requested for FY 2017 less the advance already received.

Similarly, in addition to the amount above, the request includes an advance appropriation of \$15,000,000,000 for Federal benefit payments in the first quarter of FY 2018. 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 <sup>1</sup>**  
(in thousands)

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted<sup>2</sup></b>	<b>FY 2017 Estimate</b>	<b>Change</b>
Advance for Federal Benefits <sup>3</sup>	\$ 19,700,000	\$ 19,200,000	\$ 14,500,000	
Regular for Federal Benefits	\$ 36,501,000	\$ 40,410,000	\$ 38,441,736	
<b>Subtotal Federal Benefits</b>	<b>\$ 56,201,000</b>	<b>\$ 59,610,000</b>	<b>\$52,941,736</b>	<b>- \$ 6,668,264</b>
Administrative Expenses	\$ 4,578,978	\$ 4,648,733	\$ 5,234,132	+\$ 585,399
Beneficiary Services	\$ 70,000	\$ 70,000	\$ 89,000	+ \$ 19,000
Research and Demonstration	\$ 48,000	\$ 51,000	\$ 58,000	+ \$ 7,000
Early Intervention Demonstrations	\$ 35,000	\$ 50,000	\$ 0	- \$50,000
Special Immigrant Visa- Afghani	\$ 0	\$ 0	\$ 2,000	+\$ 2,000
<b>Subtotal Advanced Appropriation</b>	<b>\$ 19,700,000</b>	<b>\$ 19,200,000</b>	<b>\$ 14,500,000</b>	
<b>Subtotal Regular Appropriation</b>	<b>\$ 41,232,978</b>	<b>\$ 45,229,733</b>	<b>\$ 43,824,868</b>	
Total Appropriation	\$ 60,932,978	\$ 64,429,733	\$ 58,324,868	- \$ 6,104,865
<b>Advance for Subsequent Year</b>	<b>\$ 19,200,000</b>	<b>\$ 14,500,000</b>	<b>\$ 15,000,000</b>	<b>+ \$ 500,000</b>

<sup>1</sup> 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.

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

<sup>3</sup> Amount provided or requested in the previous year's appropriation bill.

## KEY INITIATIVES

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

### **Payment Accuracy**

For more than 80 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 2014, 93.0 percent of SSI benefit payments were free of overpayment errors and 98.5 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 2017 President's Budget request includes \$1,342 million specifically for conducting SSI CDRs and redeterminations, which would allow SSA to conduct about 621,000 SSI CDRs<sup>1</sup> and 2,822,000 redeterminations. For details on the estimated program savings resulting from the PI proposal, please refer to the Budget Process chapter in the Analytical Perspectives volume of the Budget.

### **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

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<sup>1</sup> The total estimated CDR volume is 1,100,000. We expect to complete about 479,000 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 2016 account verifications to be cost effective, we continue to evaluate aspects of AFI to see if further enhancements would be beneficial.

Additionally, as part of the Bipartisan Budget Act of 2015, AFI will help us to make informed decisions on overpayment waiver requests. The change in the law grants us the ability to verify financial information for all overpaid individuals who request waivers to determine whether they have the ability to repay their overpayment. We must obtain authorization from the overpaid individual to request the financial records. If an individual refuses to provide or revokes any authorization to obtain financial records, we may determine that they do not meet one of the requirements for granting a waiver.

### **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 2015, SSA's Office of the Inspector General (OIG) received almost 90,000 fraud-related allegations via telephone, correspondence, fax, or email. Of those allegations, almost 21,100 were related to SSI fraud. As allegations are received, they are carefully reviewed to determine the most appropriate course of action, such as referral to OIG's Office of Investigations Field Divisions, other components of OIG, outside law enforcement agencies, or other program or policy components in SSA. In addition to matching the law enforcement data received pursuant to the matching program, Federal law authorizes OIG and SSA to release information back to law enforcement regarding beneficiaries and recipients who have unsatisfied felony arrest warrants or who are violating a condition of probation or parole imposed under Federal or State law. Individuals are identified by using an automated data matching process which compares warrant information at the State and Federal levels with the SSI rolls.

### SSI Simplification

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

### Debt Collection

SSA currently makes use of the following debt collection tools that are authorized by law: benefit withholding; cross-program recovery; repayment by installment agreements; Credit Bureau Reporting; Administrative Wage Garnishment; and the Treasury Offset Program (TOP), which includes Tax Refund Offset (TRO), Administrative Offset (e.g., Federal travel and expense reimbursements), and Federal Salary Offset. Using these debt collection tools, SSA collected \$1.2 billion in SSI overpayments, including Federally-administered state supplement overpayments, in FY 2015. Also in FY 2015, SSA eliminated an additional \$123.4 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<sup>1</sup> 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 2015, TOP enabled the agency to collect \$71.5 million in delinquent SSI overpayments.

In FY 2002, SSA implemented Credit Bureau Reporting and Cross Program Recovery. In FY 2015, Credit Bureau Reporting contributed to the voluntary repayment of almost \$30 million and the Agency recovered \$123.8 million via Cross Program Recovery.

In FY 2005, SSA implemented Administrative Wage Garnishment, which has collected \$27 million in SSI debt through FY 2015. 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.

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<sup>1</sup> In April 2014, some members of the public alleged that they received no prior notice that the Department of Treasury would offset their eligible payments to recover their delinquent overpayments. In response to the allegations, effective April 14, 2014, our Acting Commissioner ordered a halt of TOP referrals for debts 10 years or more delinquent, pending a thorough review of our responsibility and discretion under the law. Please refer to the legislative proposals section on page 170 of the LAE section for our proposed actions moving forward.

## Computer Matching Programs

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

SSA's computer matching operations include matches with:

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

## Supplemental Security Income Program

refugees, asylees, and other humanitarian immigrants by again extending the time limit from 7 to 9 years during fiscal years 2017 and 2018.

Additional legislative proposals would:

- Hold facilitators liable for overpayments
- Authorize SSA to establish a computer match with the Department of Homeland Security's Customs and Border Protection data for purposes of enforcing lawful presence provisions
- Restore quarterly reporting of wages for individuals
- Conform treatment of state and local government earned income tax credits and child tax credits
- Develop a process to collect workers' compensation information from states and private insurers
- Authorize SSA to conduct a new CDR when fraud was involved in a prior CDR
- Authorize SSA to use all collection tools to recover funds
- Allow SSA to use commercial databases to verify real property
- Exclude SSA's debts from discharge in bankruptcy proceedings
- Eliminate SSI dedicated accounts
- Increase child support enforcement collections and expand their distribution
- Absolve older delinquent debts and prohibit use of the Treasury Offset Program for certain debts

For additional information regarding these proposals, refer to the legislative proposal summaries on page 170 of the LAE section.

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

The FY 2017 President's budget includes \$2 million for a discretionary change in a mandatory program (CHIMP) from the State Department's 2-year Special Immigrant Visa extension for Afghans. Please see the State Department's 2017 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 2017 is \$58,324,868,000, including \$14,500,000,000, provided in advance by the FY 2016 enacted appropriation.

**Table 2.4—Amounts Available for Obligation<sup>12</sup>**  
(in thousands)

	FY 2015 Actual	FY 2016 Enacted <sup>3</sup>	FY 2017 Estimate
Regular Appropriation	\$ 41,232,978	\$ 45,229,733	\$ 43,824,868
Advanced Appropriation	\$ 19,700,000	\$ 19,200,000	\$ 14,500,000
<b>Total Annual Appropriation</b>	<b>\$ 60,932,978</b>	<b>\$ 64,429,733</b>	<b>\$ 58,324,868</b>
Federal Unobligated Balance	\$ 1,793,163	\$ 3,623,669	\$ 3,603,990
Recovery of Prior-Year Obligations	\$ 319,553	\$ 0	\$ 0
Offsetting Collections	\$ 711	\$ 0	\$ 0
Transfer from LAE <sup>4</sup>	\$ 0	\$ 63,000	\$ 44,000
<b>Subtotal Federal Resources</b>	<b>\$ 63,046,405</b>	<b>\$ 68,116,402</b>	<b>\$ 61,972,858</b>
State Supp. Reimbursements	\$ 2,634,456	\$ 2,657,000	\$ 2,680,000
State Supp. Unobligated Balance	\$ 218,842	\$ 220,968	\$ 7,968
<b>Total Budgetary Resources</b>	<b>\$ 65,899,703</b>	<b>\$ 70,994,371</b>	<b>\$ 64,660,826</b>
<b>Federal Obligations</b>	<b>\$ 59,422,736</b>	<b>\$ 64,512,412</b>	<b>\$ 61,646,258</b>
State Supp. Obligations	\$ 2,632,329	\$ 2,870,000	\$ 2,680,000
<b>Total Obligations</b>	<b>\$ 62,055,066</b>	<b>\$ 67,382,412</b>	<b>\$ 64,326,258</b>
Federal Unobligated Balance	\$ 3,623,669	\$ 3,603,990	\$ 326,600
State Supp. Unobligated Balance <sup>5</sup>	\$ 220,968	\$ 7,968	\$ 7,968
<b>Total Unobligated Balance</b>	<b>\$ 3,844,638</b>	<b>\$ 3,611,959</b>	<b>\$ 334,569</b>

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

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

<sup>3</sup> Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

<sup>4</sup> 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.

<sup>5</sup> 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.

## Supplemental Security Income Program

The SSI annual appropriation was \$60.9 billion in FY 2015. The FY 2016 appropriation is \$64.4 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; FY 2016 balances can be used through September 30, 2018. SSA carried over approximately \$3.6 billion in Federal unobligated balances into FY 2016. SSA expects to carry over approximately the same amount into FY 2017, and use over \$3.2 billion in federal benefit carryover in that year.

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.

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### ANALYSIS OF CHANGES

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The FY 2017 request represents a decrease of approximately \$6 billion from the FY 2016 level. The majority of this decrease results from fewer Federal benefit payments in FY 2017 and carryover funds from FY 2016.

SSA plans to use unobligated balances to partially fund beneficiary services, early intervention projects and research and demonstration projects in FY 2016. In FY 2017, SSA plans to use unobligated balances to partially fund federal benefit payments, administrative expenses and research and demonstration projects. SSA plans to use approximately \$68 million in unobligated balances and recoveries in FY 2016 and approximately \$3,277 million in FY 2017.

#### **Federal Benefit Payments**

The decrease in the FY 2017 request for Federal benefit payments is a result of one fewer benefit payment and carryover funding from FY 2016, stemming from no FY 2016 COLA and lower beneficiary estimates. There is a slight increase in estimated payments due to the estimated FY 2017 cost of living adjustment (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 2017 request for administrative expenses is \$585 million more than the FY 2016 level. SSA expects to transfer \$63 million from the no-year LAE Information Technology Systems budget in FY 2016 for information technology needs. We expect to transfer an additional \$44 million in FY 2017. This transfer will not alter the overall spending levels in FY 2017, as reflected in the Limitation on Administrative Expenses section.

#### **Beneficiary Services**

SSA is requesting \$89 million in new authority for FY 2017. Our estimate reflects a steady level of payments to Employment Networks under the Ticket to Work program. In FY 2015, SSA

used \$70 million in budget authority and \$18.1 million in carryover for beneficiary services. SSA expects to use the remaining \$21 million of carryover funds in FY 2016, and no carryover funds in FY 2017 to cover our estimated obligations.

### Research and Demonstration

The FY 2017 combined request for research and early intervention demonstration projects is \$43 million less than the FY 2016 level; \$50 million less for Early Intervention Demonstration projects and an increase of \$7 million for other research and demonstration projects. SSA expects to use \$16.9 million of prior year unobligated balances in FY 2016, and \$5.2 million in FY 2017 to cover our estimated obligations.

In addition, our 2016 appropriation included \$50 million in funding for the Early Intervention Demonstration projects. SSA expects to use \$35 million of prior year unobligated balances in FY 2016 to cover our estimated obligations. We are not requesting any additional funding for Early Intervention Demonstration projects in FY 2017.

**Table 2.5—Summary of Changes<sup>1</sup>**

	<b>FY 2016 Enacted<sup>2</sup></b>	<b>FY 2017 Estimate</b>	<b>Change</b>
<b>Appropriation</b>	<b>\$ 64,429,733,000</b>	<b>\$ 58,324,868,000</b>	<b>- \$ 6,104,865,000</b>
Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation	+\$ 67,679,000	+\$ 53,126,000	- \$ 14,553,000
Reduction in Federal Benefits Request Due to Estimated Carryover from FY 2016	\$ 0	+\$ 3,224,264,000	+ \$ 3,224,264,000
Transfer from LAE <sup>3</sup>	+\$ 63,000,000	+\$ 44,000,000	- \$ 19,000,000
Administrative Expenses Unobligated Balances Carried Forward into FY 2017	-\$ 48,000,000	\$ 0	+ \$ 48,000,000
<b>Estimated Federal Obligations</b>	<b>\$ 64,512,412,000</b>	<b>\$ 61,646,258,000</b>	<b>- \$ 2,866,154,000</b>

<sup>1</sup> 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.

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

<sup>3</sup> 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.

Supplemental Security Income Program

**Table 2.6—Explanation of SSI Budget Changes from FY 2016 to FY 2017**  
(in thousands)

	<b>FY 2016 Obligations</b>	<b>Change from FY 2016</b>
		<b>Increases</b>
<b>Federal Benefit Payments</b>	\$ 59,610,000	
• COLA—0.8% beginning January 2017		+\$ 435,000
• Net increase due to adjustment for October 1, 2018 payment paid in FY 2017		+\$ 4,198,000
<b>Administrative Expenses</b>	\$ 4,648,733	
• Additional base funding		+ \$ 585,399
• Increase in amount of carryover funding planned for obligation in FY 2017		+ \$ 96,000
<b>Beneficiary Services</b>	\$ 70,000	
• Increase in base funding planned for obligation in FY 2017		+ \$ 19,000
<b>Research and Demonstrations</b>	\$ 51,000	
• Increase in base funding		+\$ 7,000
<b>Early Intervention</b>	\$ 50,000	
<b>CHIMP – New funding</b>		+ \$ 2,000
<b>Total Increases</b>		<b>+\$ 5,342,399</b>
		<b>Decreases</b>
<b>Federal Benefit Payments</b>		
• Effect of OASDI COLA for concurrent SSI/OASDI recipients		-\$ 102,000
• Net decrease in SSI recipients due to annualized closings		-\$ 7,975,000
<b>Administrative Expenses – Transfer from LAE</b>	\$ 15,000	
• Decrease in amount transferred from LAE in 2017		-\$ 19,000
<b>Beneficiary Services – Carryover</b>	\$21,000	
• Decrease in amount of carryover funding planned for obligation in FY 2017		-\$ 21,000
<b>Research &amp; Demonstration – Net Carryover</b>	\$ 11,679	
• Decrease in amount of carryover funding planned for obligation in FY 2017		-\$ 6,553
<b>Early Intervention – Carryover</b>	\$ 35,000	
• Decrease in amount of carryover funding planned for obligation in FY 2017		-\$ 85,000
<b>Total Decreases</b>		<b>- \$ 8,208,553</b>
<b>Total Obligations Requested, Net Change</b>	<b>\$ 64,512,412</b>	<b>- \$ 2,866,154</b>

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**NEW BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY**


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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 Activity**<sup>1</sup>  
(in thousands)

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted<sup>23</sup></b>	<b>FY 2017 Estimate<sup>4</sup></b>
<b><u>Federal Benefit Payments</u></b>			
Appropriation	\$ 56,201,000	\$ 59,610,000	\$ 52,941,736
Obligations	\$ 54,706,388	\$ 59,610,000	\$ 56,166,000
Monthly Check Payments	12	13	12
<b><u>Administrative Expenses<sup>5</sup></u></b>			
Appropriation	\$ 4,578,978	\$ 4,648,733	\$ 5,234,132
Obligations	\$ 4,579,570	\$ 4,663,733	\$ 5,326,132
<b><u>Beneficiary Services</u></b>			
Appropriation	\$ 70,000	\$ 70,000	\$ 89,000
Obligations	\$ 88,126	\$ 91,000	\$ 89,000
<b><u>Research and Demonstration</u></b>			
Appropriation	\$ 48,000	\$ 51,000	\$ 58,000
Obligations	\$ 48,653	\$ 62,679	\$ 63,126
<b><u>Special Immigrant Visas</u></b>			
Appropriation	\$ 0	\$ 0	\$ 2,000
Obligations	\$ 0	\$ 0	\$ 2,000
<b><u>Early Intervention Demonstrations</u></b>			
Appropriation	\$ 35,000	\$ 50,000	\$ 0
Obligations	\$ 0	\$ 85,000	\$ 0
<b>Total Appropriation</b>	<b>\$ 60,932,978</b>	<b>\$ 64,429,733</b>	<b>\$ 58,324,868</b>
<b>Total Federal Obligations</b>	<b>\$ 59,422,736</b>	<b>\$ 64,512,412</b>	<b>\$ 61,646,258</b>

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

<sup>2</sup> SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2016 obligations as follows: beneficiary services, \$21 million; early intervention demonstration projects, \$35 million; and research and demonstration projects, \$11.7 million.

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

<sup>4</sup> In addition to the FY 2017 President’s Budget request, SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2017 obligations as follows: federal benefits, \$3,224 million; administrative expenses, \$48 million; and research and demonstration projects, \$5.1 million.

<sup>5</sup> 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.

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**NEW BUDGET AUTHORITY AND OBLIGATIONS BY OBJECT**


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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 <sup>1</sup>**  
(in thousands)

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted<sup>2</sup></b>	<b>FY 2017 Estimate</b>
<u>Other Services<sup>3</sup></u>			
Appropriation	\$ 4,648,978	\$ 4,718,733	\$ 5,325,132
Obligations	\$ 4,667,695	\$ 4,754,733	\$ 5,417,132
<u>Federal Benefits and Research</u>			
Appropriation	\$ 56,284,000	\$ 59,711,000	\$ 52,999,736
Obligations	\$ 54,755,041	\$ 59,757,679	\$ 56,229,126
<b>Total Appropriation</b>	<b>\$ 60,932,978</b>	<b>\$ 64,429,733</b>	<b>\$ 58,324,868</b>
<b>Total Obligations</b>	<b>\$ 59,422,736</b>	<b>\$ 64,512,412</b>	<b>\$ 61,646,258</b>

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

<sup>2</sup> Federal benefit numbers reflect the most recent estimates from SSA’s Office of the Chief Actuary

<sup>3</sup> 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 2015 Actual	FY 2016 Enacted <sup>1</sup>	FY 2017 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	\$ 60,932,978,000	\$ 64,429,733,000	<b>\$ 58,324,868,000</b>	<i>Indefinite</i>
First Quarter Advance Appropriation for Subsequent Fiscal Year	\$ 19,200,000,000	\$ 14,500,000,000	<b>\$ 15,000,000,000</b>	---

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

## APPROPRIATION HISTORY

The table below displays the President's Budget request, amounts passed by the House and Senate, and the actual amount appropriated, for the period FY 2007 to FY 2018. 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	\$ 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 <sup>1</sup>	\$ 29,023,000,000 <sup>2</sup>	\$ 29,071,169,000 <sup>3</sup>
<b>2007 Total</b>	<b>\$ 40,235,000,000</b>	<b>\$ 40,175,000,000</b>	<b>\$ 40,133,000,000</b>	<b>\$ 40,181,169,000</b>
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 <sup>4</sup>	\$ 26,959,000,000 <sup>5</sup>	\$ 27,000,191,000 <sup>6</sup>
<b>2008 Total</b>	<b>\$ 43,721,000,000</b>	<b>\$ 43,758,525,000</b>	<b>\$ 43,769,000,000</b>	<b>\$ 43,810,191,000</b>
Q1 Advance	\$ 14,800,000,000	\$ 14,800,000,000	\$ 14,800,000,000	\$ 14,800,000,000
Current Year	\$ 30,414,000,000	-- <sup>7</sup>	\$ 30,429,875,000 <sup>8</sup>	\$ 30,471,537,000 <sup>9</sup>
<b>2009 Total</b>	<b>\$ 45,214,000,000</b>	<b>---</b>	<b>\$ 45,229,875,000</b>	<b>\$ 45,271,537,000</b>
<i>2009 Indefinite</i>				<b>\$ 1,602,935,179</b>
Q1 Advance	\$ 15,400,000,000	---	\$ 15,400,000,000	\$ 15,400,000,000
Current Year	\$ 34,742,000,000	\$ 34,742,000,000 <sup>10</sup>	\$ 34,742,000,000 <sup>11</sup>	\$ 34,742,000,000 <sup>12</sup>
<b>2010 Total</b>	<b>\$ 50,142,000,000</b>	<b>---</b>	<b>\$ 50,142,000,000</b>	<b>\$ 50,142,000,000</b>
<i>2010 Indefinite</i>				<b>\$ 458,465,781</b>
Q1 Advance	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000
Current Year	\$ 40,513,000,000	-- <sup>13</sup>	\$ 40,513,000,000 <sup>14</sup>	\$ 39,983,273,000 <sup>15</sup>
<b>2011 Total</b>	<b>\$ 56,513,000,000</b>	<b>---</b>	<b>\$ 56,513,000,000</b>	<b>\$ 55,983,273,000</b>
Q1 Advance	\$ 13,400,000,000	No Data	\$ 13,400,000,000	\$ 13,400,000,000
Current Year	\$ 38,083,000,000 <sup>16</sup>	No Data	\$ 37,922,543,000 <sup>18</sup>	\$ 37,582,991,000 <sup>19</sup>
<b>2012 Total</b>	<b>\$ 51,483,000,000<sup>20</sup></b>	<b>---</b>	<b>\$ 51,322,543,000</b>	<b>\$ 50,982,991,000</b>
<i>2012 Indefinite</i>	No Data	No Data	No Data	<b>\$ 560,000,000</b>
Q1 Advance	\$ 18,200,000,000	No Data	\$ 18,200,000,000	\$ 18,200,000,000
Current Year	\$ 40,043,000,000 <sup>21</sup>	No Data	\$ 40,043,000,000 <sup>23</sup>	\$ 32,782,991,000 <sup>24</sup>
<b>2013 Total</b>	<b>\$ 58,243,000,000<sup>25</sup></b>	<b>---</b>	<b>\$ 58,243,000,000</b>	<b>\$ 50,982,991,000</b>
2013 Rescission				\$ 32,779,347,000
2013 Sequester <sup>26</sup>				
Q1 Advance	\$ 19,300,000,000		\$ 19,300,000,000	\$ 19,300,000,000
Current Year	\$ 40,737,000,000 <sup>27</sup>		\$ 40,568,741,000 <sup>28</sup>	\$ 41,249,064,000 <sup>29</sup>
<b>2014 Total</b>	<b>\$ 60,037,000,000<sup>30</sup></b>		<b>\$ 59,868,741,000</b>	<b>\$ 60,549,064,000</b>

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	\$ 19,700,000,000		\$ 19,700,000,000	\$ 19,700,000,000
Current Year	\$ 40,927,000,000	No Data	No Data	\$ 41,232,978,000 <sup>31</sup>
<b>2015 Total</b>	<b>\$ 60,627,000,000</b>			<b>\$ 60,932,978,000<sup>32</sup></b>
Q1 Advance	<b>\$ 19,200,000,000</b>			<b>\$ 19,200,000,000</b>
Current Year	\$ 46,422,000,000	\$46,232,978,000 <sup>33</sup>	\$ 46,110,777,000 <sup>34</sup>	\$ 46,305,733,000 <sup>35</sup>
<b>2016 Total</b>	<b>\$ 65,622,000,000</b>	<b>\$ 65,432,978,000</b>	<b>\$ 65,310,777,000</b>	<b>\$ 65,505,733,000<sup>36</sup></b>
Q1 Advance	<b>\$ 14,500,000,000</b>	\$ 14,500,000,000	\$ 14,500,000,000	
Current Year	\$ 43,824,868,000			
<b>2017 Total</b>	<b>\$ 58,324,868,000</b>			
Q1 Advance	<b>\$ 15,000,000,000</b>			
Current Year				
<b>2018 Total</b>				

<sup>1</sup> H.R. 5647.

<sup>2</sup> S. 3708

<sup>3</sup> Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5). Of this amount, \$2,937,000,000 was available for administrative expenses.

<sup>4</sup> H.R. 3043.

<sup>5</sup> S. 1710.

<sup>6</sup> 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.

<sup>7</sup> The House Committee on Appropriations did not report a bill.

<sup>8</sup> S. 3230.

<sup>9</sup> Omnibus Appropriations Act, 2009 (P.L. 111-8).

<sup>10</sup> H.R. 3293.

<sup>11</sup> H.R. 3293, reported from Committee with an amendment.

<sup>12</sup> Consolidated Appropriations Act, 2010 (P.L. 111-117).

<sup>13</sup> The House Committee on Appropriations did not report a bill.

<sup>14</sup> S. 3686.

<sup>15</sup> The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). Of this amount, \$3,493,273,000 was available for administrative expenses. The amount does not include a rescission of \$6,987,000 for SSI administrative expenses and \$72,000 for research and demonstration projects in accordance with P.L. 112-10.

<sup>16</sup> Of this amount, not to exceed \$10,000,000 was for Supplemental Security Income Program-related performance-based awards for Pay for Success projects and not more than \$10,000,000 was to provide incentive payments and

## Supplemental Security Income Program

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to conduct a rigorous evaluation of a demonstration project designed to improve the outcomes for SSI child recipients and their families.

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

<sup>18</sup> S. 1599.

<sup>19</sup> Consolidated Appropriations Act, 2012 (P.L. 112-74). Of this amount, not more than \$8,000,000 was made available for research and demonstrations under sections 1110 and 1144 of the Social Security Act. The amount does not include a rescission of \$6,377,000 for SSI administrative expenses and \$2,000 for research and demonstration projects in accordance with P.L. 112-74.

<sup>20</sup> The President's Budget proposed to provide \$140 million in cap adjustment funding in FY 2012, consistent with section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. Of the \$140 million, the SSI portion totaled \$46 million.

<sup>21</sup> Of this amount, not more than \$48,000,000 was for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

<sup>22</sup> The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$39,335,614,000 for fiscal year 2013. Of this amount, not more than \$8,000,000 was made available for research and demonstrations under sections 1110 and 1144 of the Social Security Act and to remain available until the end of fiscal year 2014. In addition, the draft bill included \$19,300,000,000 for benefit payments for the first quarter of fiscal year 2014.

<sup>23</sup> S. 3295.

<sup>24</sup> Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).

<sup>25</sup> The President's Budget proposed to provide \$266 million in mandatory administrative funding in FY 2013. Of the \$266 million, the SSI portion totals \$106 million.

<sup>26</sup> SSI was exempt from sequestration in FY 2013.

<sup>27</sup> Of this amount, not more than \$54,000,000 is for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

<sup>28</sup> S. 1284.

<sup>29</sup> Consolidated Appropriations Act, 2014 (P.L. 113-76).

<sup>30</sup> The President's Budget proposed to provide \$1.2 billion in mandatory administrative funding in FY 2014. Of the \$1.2 billion, the SSI portion totals \$587 million.

<sup>31</sup> Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

<sup>32</sup> Of 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.

<sup>33</sup> H.R. 3020.

<sup>34</sup> S. 1695

<sup>35</sup> Consolidated Appropriations Act, 2016 (P.L. 114-113).

<sup>36</sup> Of this amount, not more than \$101,000,000 is for research and 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 2017, SSA estimates benefit payments will total approximately \$56.2 billion for more than 8.2 million Federal SSI recipients.

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

	FY 2015 Actual	FY 2016 <sup>1</sup> Enacted	FY 2017 Estimate	FY 16 to FY 17 Change
<b>Appropriation</b>	\$ 56,201,000	\$ 59,610,000	\$ 52,941,736	- \$ 6,668,264
<b>Obligations</b>	\$ 54,706,388	\$ 59,610,000	\$ 56,166,000	- \$ 3,444,000
Advance for subsequent fiscal year	\$ 19,200,000	\$ 14,500,000	\$ 15,000,000	+ \$ 500,000

### RATIONALE FOR BUDGET REQUEST

SSA is requesting \$52.9 billion in new budget authority for Federal benefit payments in FY 2017.

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.

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

## SSI RECIPIENT POPULATION

The number of Federal SSI recipients has increased from 7.9 million in FY 2012 to 8.2 million in FY 2015 and is expected to remain at 8.2 million through FY 2017. The estimated increase in Federal recipients in FY 2017 represents a 0.02 percent increase over the FY 2016 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, Actual<sup>1</sup>**  
(average over fiscal year, in thousands)

	FY 2012	FY 2013	FY 2014	FY 2015
Aged	1,094	1,089	1,094	1,100
Blind or Disabled	6,846	7,000	7,076	7,073
<b>Total Federal</b>	<b>7,940</b>	<b>8,089</b>	<b>8,171</b>	<b>8,173</b>
<b>Year-to-Year Change</b>	<b>2.4%</b>	<b>1.9%</b>	<b>1.0%</b>	<b>0.0%</b>
State Supplement Only	234	220	217	171
<b>Total Federally Administered</b>	<b>8,173</b>	<b>8,309</b>	<b>8,388</b>	<b>8,344</b>

In addition to Federal SSI recipients, SSA currently administers state supplementary payments for 20 states and the District of Columbia. SSA administers payments for approximately 1.6 million state supplement recipients, of which approximately 170,000 do not receive a Federal SSI benefit and only receive the state supplementary payment.

**Table 2.13—SSI Recipients, Projected<sup>1</sup>**  
(average over fiscal year, in thousands)

	FY 2016 Estimate	FY 2017 Estimate	FY 16 FY 17 Change
Aged	1,106	1,111	+ 0.5%
Blind or Disabled	7,113	7,126	+ 0.2%
<b>Total Federal</b>	<b>8,219</b>	<b>8,237</b>	<b>+ 0.2%</b>
State Supplement only	170	173	+ 1.8%
<b>Total Federally Administered</b>	<b>8,389</b>	<b>8,410</b>	<b>+ 0.3%</b>

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

### SSI Disabled vs. Aged Recipient Population

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

**Table 2.14—Blind or Disabled Recipients as a Percentage of Total <sup>1</sup>**  
(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%
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	8,173	1,100	7,073	86.5%
<b>2016 Estimate</b>	<b>8,219</b>	<b>1,106</b>	<b>7,113</b>	<b>86.5%</b>
<b>2017 Estimate</b>	<b>8,237</b>	<b>1,111</b>	<b>7,126</b>	<b>86.5%</b>

### 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 33 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.

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

## BENEFIT PAYMENTS

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### Maximum Monthly Federal Payments

The maximum monthly federal benefit rate (FBR) is increased each January when there are increases in the cost-of-living. There is no cost of living increase in 2016. An increase of 0.8 percent is projected for January 2017. The FBR remained \$733 for an individual and \$1,100 for a couple for calendar years (CY) 2015 and 2016. SSA estimates the FBR will increase to \$739 for an individual and \$1,109 for a couple in CY 2017. The COLA will be effective in January 2017, raising the maximum benefit rate to higher levels than the first 3 months of the fiscal year.

**Table 2.15—Maximum Benefit Rates**

	FY 2016		FY 2017	
	First 3 Months	Last 9 Months	First 3 Months	Last 9 Months
Individual	\$ 733	\$ 733	\$ 733	\$ 739
Couple	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,109

### 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 \$551 in FY 2015 to \$556 in FY 2016 and \$561 in FY 2017. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

**Table 2.16—Average Monthly Benefit Payments**

	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Aged	\$ 390	\$ 396	\$ 402
Blind or Disabled	\$ 576	\$ 580	\$ 586
All SSI Recipients	\$ 551	\$ 556	\$ 561

### 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 2017 estimate assumes SSA receives the proposed administrative funding to conduct almost 621,000 SSI CDRs and 2,822,000 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 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	\$ 54,706,388,000
<b>FY 2016</b>	<b>13</b>	<b>\$ 59,610,000,000</b>
<b>FY 2017</b>	<b>12</b>	<b>\$ 56,166,000,000</b>

## ADMINISTRATIVE EXPENSES

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

### PURPOSE AND METHOD OF OPERATION

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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)**

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate<sup>1</sup></b>	<b>FY 16 to FY 17 Change</b>
<b>Total Appropriation</b>	<b>\$ 4,578,978</b>	<b>\$ 4,648,733</b>	<b>\$ 5,234,132</b>	<b>+ \$ 585,399</b>
Obligations Funded from Prior-Year Unobligated Balance	+ \$ 592	+ \$ 0	+ \$ 48,000	+ \$ 48,000
Altmeyer Renovation Carryover Funds		-\$ 48,000	+ \$ 0	+ \$ 48,000
Transfer from LAE	+ \$ 0	+ \$ 63,000	+ \$ 44,000	- \$ 19,000
<b>Obligations</b>	<b>\$ 4,579,570</b>	<b>\$ 4,663,733</b>	<b>\$ 5,326,132</b>	<b>+ \$ 662,399</b>

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#### RATIONALE FOR BUDGET REQUEST

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The FY 2017 request for SSI administrative expenses is \$5,234,132,000. This appropriation is used to reimburse the trust funds for the SSI program's share of administrative expenses. This amount includes additional funding of \$1,342 million specifically for FY 2017 SSI program integrity activities.

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 \$136,000,000 for SSI state supplementary user fees in FY 2016 and up to \$126,000,000 in FY 2017.

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<sup>1</sup> Based on our latest estimates, obligations exceed budget authority in FY 2017 by \$92 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 2015 Actual	FY 2016 Enacted	FY 2017 Estimate	FY 16 to FY 17 Change
<b>Appropriation</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>	<b>\$ 89,000</b>	<b>+ \$ 19,000</b>
Obligations Funded from Prior-Year Unobligated Balances	\$ 18,126	\$ 21,000	\$ 0	- \$ 21,000
<b>Obligations</b>	<b>\$ 88,126</b>	<b>\$ 91,000</b>	<b>\$ 89,000</b>	<b>- \$ 2,000</b>
Vocational Rehabilitation	\$ 79,303	\$ 82,000	\$ 79,000	- \$ 3,000
Ticket to Work	\$ 8,823	\$ 9,000	\$ 10,000	+ \$ 1,000

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 \$89 million in new budget authority for beneficiary services in FY 2017. SSA will use prior-year unobligated balances to cover a portion of FY 2016 obligations.

In the Ticket to Work program, the estimate for FY 2017 assumes a total of 5,600 Ticket beneficiaries with payments to an EN, an increase from 5,000 in FY 2016.

In the VR Reimbursement program, the estimate for FY 2017 assumes a total of 6,900 distinct beneficiaries with significant work and for which reimbursement are paid, a decrease from 7,300 in FY 2016. For SSI-only recipients, the FY 2017 average cost per VR reimbursement payment is \$17,800 for an estimated 3,500 payments. For recipients concurrently receiving SSI and DI, the FY 2017 average SSI cost per VR reimbursement payment is \$5,000 for an estimated 3,400 payments. In FY 2016, the average cost per VR reimbursement to SSI-only recipients is \$17,300 for an estimated 3,700 payments. For SSI and DI concurrent recipients, the FY 2016 average SSI cost per VR reimbursement is \$5,000 for an estimated 3,600 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 2015 Actual	FY 2016 Estimate	FY 2017 Estimate	FY 16 to FY 17 Change
Number of SSI-Only Awards	3,843	3,700	3,500	- 200
SSI-Only Cost per Payment	\$ 16,991	\$ 17,300	\$ 17,800	+ \$ 500
Number of SSI/DI Concurrent Awards	3,070	3,600	3,400	- 200
SSI/DI Concurrent Payment (SSI portion of costs only)	\$ 4,657	\$ 5,000	\$ 5,000	+ \$ 0
<b>Total Number of SSI VR Reimbursement Awards</b>	<b>6,913</b>	<b>7,300</b>	<b>6,900</b>	<b>- 400</b>
<b>Total SSI VR Reimbursement Payments (in thousands)<sup>1</sup></b>	<b>\$ 79,593</b>	<b>\$ 82,000</b>	<b>\$ 79,000</b>	<b>- \$ 3,000</b>
<b>Ticket Beneficiaries with Payments (SSI-Only &amp; SSI/DI Concurrent Beneficiaries for whom we served and paid an EN)</b>	<b>4,755</b>	<b>5,000</b>	<b>5,600</b>	<b>+ 600</b>
<b>Total Ticket Payments (in thousands)<sup>1</sup></b>	<b>\$ 8,543</b>	<b>\$ 9,000</b>	<b>\$ 10,000</b>	<b>+ \$ 1,000</b>

<sup>1</sup> Payments shown do not necessarily equal outlays due to reporting lags.

## MUSCULAR DYSTROPHY AND THE SSI AND SSDI PROGRAMS

This section provides statistics on SSDI and SSI recipients who have a diagnosis code indicating muscular dystrophy as a primary or secondary impairment. Not all individuals with muscular dystrophy will be on SSA's rolls because some may not meet the child or adult definitions of disability in the law or may not meet other program requirements such as sufficient work in Social Security covered employment or having income or resources below the SSI thresholds.

Data on the number of individuals with muscular dystrophy in the overall United States population is incomplete, according to components within the Department of Health and Human Services (HHS). However, for context, we note that Duchenne muscular dystrophy is the most common form among children and, thus, most likely reflected in statistics on SSI children. In addition, Duchenne and Becker (which is similar to but less severe than Duchenne) muscular dystrophy primarily affect males. The Centers for Disease Control estimates one in every 5,600 to 7,700 males ages 5 through 24 in the United States has Duchenne or Becker muscular dystrophy. Finally, for adults, we note the most common form of muscular dystrophy is myotonic muscular dystrophy.<sup>1</sup>

In December 2013, there were a total of 38,313 SSDI and SSI beneficiaries ages 0 to 66 with a primary or secondary diagnosis of muscular dystrophy who were in current payment status in that month (the data do not allow us to break out the type of muscular dystrophy). Among this group, 35,152 are adult beneficiaries. See Table 2.21.<sup>2</sup>

**Table 2.21 – Beneficiaries with Muscular Dystrophy by Beneficiary Type in Current Pay Status, December 2013**

Beneficiary Type	Number	Percent
Adult SSDI only	22,636	59.1
Adult SSI only	9,249	24.1
Adult concurrent	3,267	8.5
SSI child	3,161	8.3
<b>Total</b>	<b>38,313</b>	<b>100.0</b>

There are 3,161 children on SSI with a diagnosis of muscular dystrophy or about one out of every 420 child recipients on SSI. Most of these children are male (74 percent); one out of every 376 male children on SSI have an impairment code indicating muscular dystrophy.

<sup>1</sup> Please see <https://www.nichd.nih.gov/health/topics/musculardys/conditioninfo/pages/types.aspx> and <http://www.cdc.gov/ncbddd/muscular dystrophy/data.html>.

<sup>2</sup> Source: Program statistics are based on SSA tabulations of administrative records.

Table 2.22 provides additional information on the child population. Most begin receiving benefits at a very young age. The average age for the start of benefits is five. Twenty-five percent of child recipients are receiving benefits by age two and 50 percent are receiving benefits by age four. Nearly 80 percent of child recipients with muscular dystrophy were receiving benefits by age eight.

**Table 222 – Age at First Benefit, Child Recipients, Ages 0-17 with Muscular Dystrophy in December 2013**

Child Age	Number	Percent
0-1	803	25.4
2-4	811	25.7
5-8	844	26.7
9-17	703	22.2
<b>Total</b>	<b>3,161</b>	<b>100.0</b>

The average age of child recipients is 10 (not shown in Table 2.22). One-quarter of child recipients were under the age of seven in December 2013, and three-quarters were under the age of 14.

*Employment activities of Adult beneficiaries with Muscular Dystrophy*

For this section of the note, we expand the population under study to include not only adults who are in current pay in December 2013, but also adults that have had benefits suspended or terminated due to work. There are 36,116 such beneficiaries with an impairment code indicating muscular dystrophy.

Among such individuals:

- 3,868 (11%) have participated in the Ticket To Work (TTW) program, receiving services from either an Employment Network (EN) or a State Vocational Rehabilitation Agency (VR).
  - The vast majority of this group (94%) received services through VR. For this population, VR may be in the best position to offer needed and intensive educational and work supports.
- 964 (3%) had benefits suspended due to work in December 2013 or had their SSDI or SSI benefits terminated in the past due to work.

*Allowance rates for Child and Adult beneficiaries with Muscular Dystrophy*

We also examined application records since 2008 and found 1,563 cases with Muscular Dystrophy listed as the impairment, and “Duchenne” included under the claim’s allegation description. These cases had a very high allowance rate at 88%. Allowance rates were highest for the very young and those older than age 10. Among this group:

## Supplemental Security Income Program

- Those less than age 1 at the time of application were allowed at a rate of 87%.
- Those older than age 10 were allowed at a rate of 96%.
- The allowance rate for those between the ages of 1 and 10 was 80%.

## 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 23 - Research, Outreach, and Early Intervention Demonstration Projects:  
Budget Authority and Obligations  
(in thousands)**

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate	FY 16 to FY 17 Change
Research Appropriation	\$ 48,000	\$ 51,000	\$ 58,000	+ \$ 7,000
Early Intervention Appropriation	\$ 35,000	\$ 50,000	\$ 0	- \$ 50,000
<b>Total Appropriation</b>	<b>\$ 83,000</b>	<b>\$101,000</b>	<b>\$58,000</b>	<b>- \$ 43,000</b>
Unobligated Balance	\$ 16,702	\$ 51,882	\$ 5,203	- \$46,679
Recovery of Prior-Year Obligations	\$ 833	\$ 0	\$ 0	
Offsetting Collections	\$ 0	\$ 0	\$ 0	
<b>Total Budgetary Resources</b>	<b>\$100,535</b>	<b>\$ 152,882</b>	<b>\$ 63,203</b>	<b>- \$ 89,679</b>
<b>Total Obligations</b>	<b>\$ 48,653</b>	<b>\$ 147,679</b>	<b>\$63,126</b>	<b>- \$ 84,553</b>
Total Unobligated Balance	\$ 51,882	\$ 5,203	\$ 77	- \$5,126

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.

## Supplemental Security Income Program

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.

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### RESEARCH INVESTMENT CRITERIA

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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 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 meetings, on the Web, and through a variety of publications, workshops, and conferences. 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.

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## RATIONALE FOR BUDGET REQUEST

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We are requesting \$58 million in new budget authority in FY 2017 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 2017, we plan to continue our efforts to ensure that policymakers and the public have access to objective, scientific and methodologically sound data and analysis as the dialogue on how to strengthen and reform Social Security continues. In support of this effort, we plan to continue funding the RRC, which will continue to maintain our capability to produce policy-relevant research on retirement, and the DRC, which will continue to address a shortage of disability policy research and foster collaborative research with other federal agencies that serve individuals with disabilities.

The table and discussion that follow present the research and outreach efforts we plan to fund in FY 2017 in more detail.

**24—Major Research Areas and Outreach:  
Obligations and New Budget Authority  
(in thousands)<sup>1,2</sup>**

	Obligations <sup>3</sup>		
	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
<b>Serve the Public through a Stronger and more Responsive Disability Program</b>	<b>\$ 30,211</b>	<b>\$ 46,890</b>	<b>\$ 47,602</b>
Advisory Services to Assist. SSA with Disability Issues	\$ 1,424	\$ 4,440	\$ 1,380
Disability Analysis File (DAF)	\$ 769	\$ 810	\$ 800
Disability Determination Process Small Grants	\$ 300	\$ 300	\$ 300
Disability Research Consortium (DRC)	\$ 5,000	\$ 5,500	\$ 4,400
National Beneficiary Survey (NBS)	\$ 300	\$ 3,324	\$ 1,500
New and Emerging Research – Disability	\$ 0	\$ 668	\$ 500
NIH IAA for Data Analytics/FAB Development	\$ 2,040	\$ 3,060	\$ 5,478
Occupational Information Systems (OIS)	\$ 16,540	\$ 24,709	\$ 30,008
Promoting Readiness of Minors in SSI (PROMISE)	\$ 3,838	\$ 4,079	\$ 3,236
<b>Deliver Innovative Quality Services</b>	<b>\$ 4,304</b>	<b>\$ 5,495</b>	<b>\$ 5,305</b>
Understanding Americans Study (UAS) Enhancements	\$ 1,488	\$ 1,490	\$ 2,000
Collaboration with Other FLEC Members	\$ 0	\$ 960	\$ 480
Enterprise Business Platform	\$ 1,071	\$ 1,000	\$ 1,000
New and Emerging Research – Retirement	\$ 314	\$ 300	\$ 250
Medicare Outreach	\$ 1,431	\$ 1,745	\$ 1,575
<b>Strengthen the Integrity of Our Programs</b>	<b>\$ 14,138</b>	<b>\$ 10,295</b>	<b>\$10,219</b>
Census Surveys	\$ 3,375	\$ 0	\$ 0
Data Development	\$ 339	\$ 365	\$ 364
Health & Retirement Study (HRS)	\$ 2,655	\$ 2,655	\$ 2,655
Health & Retirement Study Supplement	\$ 1,300	\$ 1,500	\$ 1,500
Retirement Income Modeling	\$ 0	\$ 0	\$ 1,000
Retirement Research Consortium (RRC)	\$ 5,994	\$ 5,500	\$ 4,400
Social Security Programs Throughout the World	\$ 275	\$ 298	\$ 300
Subtotal Research Obligations	\$ 48,653	\$ 62,679	\$ 63,126
<b>Early Intervention Obligations</b>	<b>\$ 0</b>	<b>\$ 85,000</b>	<b>\$ 0</b>
<b>Total Research Obligations</b>	<b>\$ 48,653</b>	<b>\$147,679</b>	<b>\$ 63,126</b>
<b>New Budget Authority</b>	<b>\$ 83,000</b>	<b>\$101,000</b>	<b>\$ 58,000</b>

<sup>1</sup> Does not include funding authorized under section 234.

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

<sup>3</sup> This amount includes obligations funded from prior-year unobligated balances.

## MAJOR RESEARCH AND OUTREACH PROJECTS

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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 2017:

### **Serve the Public through a Stronger, more Responsive Disability Program**

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

#### *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 at step 3 (Listing of Impairments--see below), step 4, and step 5 of the sequential evaluation process. Having independent medical experts involved in our process helps to further maintain the objectivity of our policy and procedures. Additionally, the current contract also provides for Federal Advisory Committee Act (FACA)-compliant IOM consensus committees of medical and other experts.

In FY 2013, we awarded a task order that provided for a consensus study committee tasked with describing past and current trends in the prevalence and persistence of mental disorders for the general U.S. population under age 18, and providing a comparison between those trends and trends in the SSI childhood disability population. We received this committee's final report in October 2015. The committee concluded that the number of children that receive SSI benefits for mental disorders has remained relatively stable. The committee found that, after taking child poverty into account, the increase in the percentage of poor children receiving SSI benefits for mental disorders (from 1.88 percent in 2004 to 2.09 percent in 2013) is consistent with and proportionate to trends in prevalence of mental disorders among children in the general population.

In FY 2014, we awarded a task order that provided for a consensus study committee tasked with performing a critical review of selected psychological testing, including symptom validity testing (SVT), that could contribute to our disability determinations. We received this committee's final report on psychological testing in June 2015. The committee verified that, where appropriate, there is value in standardized psychological testing, including both non-cognitive measures and cognitive tests. The committee also concluded that validity tests alone do not provide information about whether or not an individual is disabled. These findings support our current practice of considering the results of standardized psychological tests when they are part of the record, but not ordering validity tests alone.

In FY 2014, we also awarded a task order that provided for a consensus study committee tasked with describing past and current trends in the prevalence and persistence of speech disorders and

## Supplemental Security Income Program

language disorders for the general U.S. population under age 18, and providing a comparison between those trends and trends in the SSI childhood disability population. We expect to receive this committee's final report in April 2016. Lastly in FY 2014, we awarded a task order that provided for an IOM-established FACA-compliant consensus study committee tasked with providing recommendations to improve the accuracy and efficiency of our policy and procedures for capability determinations for adult beneficiaries. We expect to receive this committee's final reports in May 2016.

In FY 2015, we awarded a task order that provides for a consensus study committee to provide an overview of assistive devices that relate to physical and mental disorders and functioning for adults (including young adults as they transition from high school to the workplace); and provide a comprehensive review of selected assistive devices that relate to physical and mental disorders and functioning for adults (including young adults as they transition from high school to the workplace). The selected assistive devices that the committee will study include wheeled/seated mobility devices and upper extremity prostheses. SSA addresses, to some extent, the use of assistive devices, such as canes, crutches, walkers, lower extremity prostheses, and eyeglasses, and how these devices affect a person's ability to perform basic work activities (for example standing or walking) in its current disability determination process.

In FY 2016, we plan to use an IOM-established FACA-compliant consensus study committee to provide a comprehensive list of programs, services, and treatments available (nationally, regionally, and locally) for improving health outcomes among SSI children (of all ages) with mental, speech, and language disorders; provide a comprehensive, analytical review of effective and evidence-based programs, services, and treatments that improve health outcomes for SSI children and youth while in school and as they transition from high school to the workplace or higher education; and provide findings and conclusions for SSA involvement, policy development, and future research.

### List of Impairments

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 2020. Comprehensive revisions pending include:

Mental disorders (final rule in agency clearance process), neurological (final rule in agency clearance process), respiratory system (final rule in agency clearance process), and musculoskeletal system (proposed rule in agency internal review process).

For combinations of impairments, our current regulations state that, if we find that a person has a severe, medically determinable combination of impairments, then we consider the combined effect of the impairments throughout the disability determination process. In FY 2017, we plan to use a consensus study committee to identify listing criteria (symptoms, signs, and laboratory findings) for disabling combinations of impairments, and identify medical profiles that result in an inability to sustain a baseline of work functioning.

Disability Analysis File (DAF)

The DAF has been previously funded under the former “other research” line item. 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. The DAF proved to be an essential tool in FY 2015 for providing disability data and analysis in response to inquiries from Congress and other Federal agencies, including the Office of Management and Budget. Using the DAF allowed us to make data-driven policy recommendations and changes. In FY 2016, we will continue to build the DAF and use this tool for quick turnaround inquiries and analysis.

Disability Determination Process Small Grants Program

This grant program provides 1-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; variability across states and regions of disability determination and the diary date for periodic medical review; 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 5-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 eight stipend awards for the first cohort, 10 stipend awards for the second cohort, 11 stipend awards for the third cohort, six stipend awards for the fourth cohort, and 11 stipend awards for the fifth cohort. Applications for the sixth cohort are due to PRI by March 1, 2016.

Please see the following PRI website for a list of the awarded projects and accepted final reports: <http://ddp.policyresearchinc.org/completed-projects/>. We will re-compete the grant in FY 2016. The re-competed grant will focus on rehabilitation, work and the disability program.

Disability Research Consortium (DRC)

We awarded the fourth year of the DRC cooperative agreements with the Mathematica Policy Research center and the National Bureau of Economic Research center in September 2015. This funding supports the production and dissemination of program and policy-relevant research to assist policymakers in improving services and benefits from the DI and SSI programs. The DRC

## Supplemental Security Income Program

supports research to better understand how programs that provide services and benefits to people with disabilities (Federal and nonfederal) intersect and interact with each other. This will help develop policy 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.

An analysis conducted using the RAND American Life Panel (ALP) explored the population where a health-related workplace accommodation would increase ability to work, as well as the volume of these accommodations. The study has five key findings. First, 35 percent of people between the ages of 18 to 70 report health problems that affect their work performance. Second, a sizeable group of people report receiving health-related accommodations from their employers, but do not report work limitations per se. The authors' interpretation of this finding is that these individuals do not experience work limitations precisely because their health problems are fully accommodated. Third, the order of the questions in disability surveys matters. The authors found evidence that people understate accommodations when first asked about very severe disabilities. Fourth, when all respondents were asked about health-related workplace accommodations (not just those reporting work limitations), the measured accommodation rate was substantially higher. The ALP estimates that the rate of accommodation among accommodation-sensitive individuals who are employed is about 60 percent, two to three times higher than existing estimates in the literature. Finally, they find that 54 to 59 percent of accommodation-sensitive individuals (both employed and not employed) would benefit from some kind of employer accommodation to either sustain or commence work. This estimate of unmet need for accommodation is substantially lower than previous estimates, though still economically large.

Other recent DRC studies have provided descriptive information on the DI/SSI populations. These studies address questions about the economic resources, consumption, and poverty of beneficiaries; the characteristics of beneficiaries who work; and geographic differences in disability claiming.

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 2017. In addition, the DRC will continue to train future experts on disability issues and policy through summer research training fellowships, dissertation support, and pre- and post-doctoral fellowships.

### *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 four rounds of the NBS in 2004, 2005, 2006, and 2010. We completed 27,000 interviews across the first four rounds of the NBS. 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, new questions focus on the home, community, employer, and SSA policies that influence successful work attempts. In 2015, we completed interviews for the first of three rounds of the redesigned NBS, including 4,000 interviews of the national sample of SSI and DI beneficiaries and 90 in-depth interviews of the most successful working beneficiaries. From the information we learned from the in-depth interviews, we developed the new questions and the design of the larger sample of the most successful working beneficiaries. We plan to conduct the second and third rounds of the national sample and the sample of the most successful working beneficiaries 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: <http://www.ssa.gov/disabilityresearch/nbs.html>. The report of the in-depth interviews will be available in March 2016. The draft findings, data, and documentation for the 2015 national sample will also be available in March 2016.

### *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 2016, we plan to pursue a collaboration with the Department of Education to encourage disability-related research at minority serving colleges and institutions.

## Supplemental Security Income Program

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

Under an agreement with their Office of Extramural Research, NIH provides in-depth analysis of our existing data and contracts with Boston University (BU) in developing a work disability functional assessment battery (FAB). The FAB will provide accurate and uniform information about individuals' self-reported functional ability that we can use to inform our data collection and determination processes.

In FY 2015, NIH continued an analysis of potential Compassionate Allowances (CAL) conditions using an expanded and updated database. The CAL initiative identifies diseases and other medical conditions that invariably qualify for allowance under our 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. Likewise, BU furthered development of the FAB's functional domains, and conducted a national calibration study of the entire FAB item pool. Functional domains organize body function into areas descriptive of what a person can do in their usual environment. The item pool consists of statements that elicit responses to indicate limitations in specific functional domains. To date, our partnership has resulted in a productive cross-governmental relationship, significant cost-sharing, and scientifically and legally defensible research.

In FY 2016, BU will finalize the basic domain structure of the FAB, conclude the national calibration study, and initiate a predictive validity study of the FAB instrument. In addition, NIH will finish development of an empirical method for nominating new candidates for our CAL list.

In FY 2017 NIH will continue to explore data-driven methods to inform our data collection and determination processes, and will work with BU to replenish and scientifically enhance the rigor of the existing FAB instrument.

### Occupational Information System (OIS)

We are developing a new OIS that will replace the Dictionary of Occupational Titles (DOT) as the primary source of occupational information in our disability adjudication process. The Department of Labor has not updated the DOT since 1991. In 2012, the Bureau of Labor Statistics (BLS) began conducting feasibility tests to determine whether they could collect the type of occupational information we need, using the platform of the National Compensation Survey (NCS). BLS calls this data collection effort the Occupational Requirements Survey (ORS). In September 2015, after three years of successful testing, BLS began collecting production data that our adjudicators will eventually use to make disability decisions. The first production collection cycle will take 3 years. We hope that disability adjudicators can begin using the new data in 2019. In the future, we intend to update the data annually under an agreement with BLS to ensure we use current occupational data to adjudicate our disability claims.

Once completed, the new OIS will include many occupational descriptors similar to those adjudicators currently use in the DOT. However, the OIS will expand on DOT information by describing the basic mental and cognitive requirements of work. The OIS will incorporate ORS

data, elements from DOL's Occupational Information Network (O\*NET), and will crosswalk to the Military Occupational Classification (MOC). The new OIS will combine these data in a web-based, publicly available information technology (IT) platform that will filter and sort the data as needed to adjudicate disability claims and will eventually integrate with our internal electronic case processing systems.

We signed yearly IAAs with BLS for FY 2013 through FY 2015 to continue testing. In FY 2013, BLS tested collecting the physical and skill requirements of occupations and workers' environmental exposure. After each of three test phases, 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. BLS also contracted with an expert to evaluate internal research regarding the methods of occupational data collection and approaches for testing the validity and reliability of the data. In accordance with the report recommendations, BLS conducted a job observation test during the summer of 2015 to compare the data collected during pre-production to those collected through direct job observation. The testing indicates high levels of agreement across most elements. For elements with lower levels of agreement, the testing can be used to provide additional guidance to both field economists and the respondent to aid in estimating. BLS will consider continuing to select a subsample of occupations for direct observation as a quality assurance measure. The complete report can be found on the BLS website at [http://www.bls.gov/ncs/ors/preprod\\_job\\_ob.pdf](http://www.bls.gov/ncs/ors/preprod_job_ob.pdf).

In FY 2014, we also began working with Northrop Grumman through our Information Technology Support Services Contract. We started developing the requirements for the front-end instrument that will pull together the occupational data BLS is collecting, the O\*NET data, and the Military Occupation Code crosswalks.

In early FY 2015, BLS started the nationwide pre-production test to prepare for production data collection. During pre-production testing, we continued working with BLS to evaluate and refine the survey elements describing the mental and cognitive requirements of work to ensure this information meets the needs of our adjudicators. BLS released the pre-production test data in September 2015. BLS also applied for clearance from OMB to implement production data collection, which began in September 2015. BLS also started researching the rate at which occupations change in order to inform decisions about the OIS lifecycle. We continued working with Northrop Grumman to outline system requirements for the OIS IT platform, developed an OIS prototype, and outlined a plan to test the platform using pre-production data.

In FY 2016, BLS will complete the first round of production data collection, and start the second year. In the last quarter of FY 2016, Northrop Grumman will complete the development of an IT application that will allow us to conduct a usability test using pre-production data. We will work with the Office of Disability Policy to develop training and roll out plans, and consider policy changes that will allow us to use the new data more efficiently.

In the first quarter of FY 2017, BLS will release estimates from the first year of collection. BLS will release the second year of production data to us by the end of 2017 and the third year by the

## Supplemental Security Income Program

end of 2018. Before the end of this first 3-year cycle of production data collection, we will work with BLS to identify the best method to update data into the future to capture requirements of occupations important to disability adjudication.

The current IAA with BLS ends at the end of FY 2016, 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 and for the development of the platform that will house the OIS data. More information regarding this project is available at our OIS website: [https://www.ssa.gov/disabilityresearch/occupational\\_info\\_systems.html](https://www.ssa.gov/disabilityresearch/occupational_info_systems.html).

### 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 continued random assignment and technical assistance, conducted site visits and focus groups, and delivered early assessments of the recruitment and enrollment process. In FY 2016, we have begun collecting data for the first national evaluation survey and will conduct additional site visits and focus groups. Enrollment and random assignment into PROMISE will end in April 2016. Our contractor will also begin work on the process analyses, the first of which will be due in early FY 2017. In FY 2017, our contractor will continue conducting surveys, conduct the final site visits, and finish the site-specific process analyses.

### **Deliver Innovative Quality Service**

#### Understanding Americans Study (UAS) Enhancements

The UAS is an innovative, nationally representative longitudinal internet panel. Through a jointly financed cooperative agreement with National Institute on Aging (NIA), our support will

maintain the 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 so that we can conduct more robust retirement security research on the American public to inform SSA's targeted outreach efforts to specific populations, including young workers and those nearing retirement; and
- Maintaining a Quick Turnaround Project fund for directly testing and answering emerging research questions from internal and external policy makers.

The UAS enhancements allow SSA to make more informed decisions about initiating new policies, procedures, and educational products designed to enhance retirement security. The UAS 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 Society of Actuaries have used the information in the UAS to help inform their research efforts to better understand families with income in the middle quartiles so they can possibly create products that will make this segment of the population less reliant on Social Security retirement benefits in old age. In addition, the Financial Literacy and Education Commission (FLEC) has used data from the UAS in their publications about the public's knowledge of Social Security programs and from whom the public seeks financial advice. With the exception of our staff time related to administering the funding agreement, the cost associated with our UAS enhancement is charged to our Section 1110 appropriation.

#### *Collaboration with Other FLEC Members*

In FY 2016, 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 other 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 2017, 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 [Executive Order 13532](#) which supports 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. This research has been submitted to academic journals, such as the Elder Law Journals, and to conferences, such as Society of Business and Industry Conference and the Public Management and Political Pedagogy Annual Conference. In addition, one grantee is testing a culturally-sensitive mobile app to improve that segment of the public's retirement security.

## Supplemental Security Income Program

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 UAS 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.

With FY 2015 funding, we began automating current processes, building a web portal where authorized staff can access structured, cleansed, and validated datasets based on SSA administrative data. Enhanced processes and access points will allow for:

- greater efficiency in the production of the Agency's program statistics;
- on-demand access to large quantities of data, as well as customized reports by policy developers, policy makers, and researchers; and
- easier and timelier dissemination of data analysis findings to support data based decisions.

These 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.

With FY 2016 funding, we plan to continue automation and development of the web portal for OASDI and SSI data. With FY2017 funding, we plan to complete the automation and web portal for earnings related data.

### New and Emerging Research- Retirement

In FY 2017, 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 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 for both younger and older workers, 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 who were previously notified of their potential eligibility and still meet the appropriate test.

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.

In FY 2015, we mailed approximately 3 million outreach letters to those who potentially qualified for MSP or Medicare prescription drug coverage and in FY 2016 we anticipate approximately the same number of mailings.

### **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 21<sup>st</sup> century workforce. The following project summaries highlight the external efforts we plan to fund in FY 2017 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

## Supplemental Security Income Program

programs and to determine how changes to our programs affect individuals, the economy, and program solvency. Some of the important data elements required for our modeling and analysis efforts are not contained in the Census Bureau's re-engineered SIPP. In recent years, we have provided funding and worked with Census to design a supplementary data collection to the re-engineered SIPP to meet our research and evaluation needs. Our FY 2015 funding completed our support of the supplemental data collection effort and data processing. The data are due to be released in December 2016 according to the Census Bureau.

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.

*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 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 2017:

- 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 to 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.

## Supplemental Security Income Program

- 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 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.

The HRS minority samples expansion allows 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 populations. 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 HRS 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 reports by CBO, GAO, the Council on Economic Advisors, and the President's Commission to Strengthen Social Security.

### 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. In FY 2017, we will enter year four of the current 5-year cooperative agreements, which run through FY 2018.

Some recent studies funded through the RRC examine how behavioral and psychological factors affect individuals' financial and claiming decisions. These studies are looking at the roles of personality traits and biases, such as the tendency to underestimate exponential growth, which could lead to decisions that may put future retirees' financial security at risk.

Other recent RRC studies have looked at the role of occupations and their characteristics on the work choices of older workers. These studies are looking at how job demands influence retirement plans and whether changes to working conditions, either through job change or workplace accommodations, could lead older workers to delay leaving the workforce.

Finally, additional studies through the RRC assess the relationship between age and cognitive decline as they relate to financial decision making. This research is important to establish the size and the characteristics of the population of future retirees who will require representative payees to manage their Social Security benefits. Recent RRC papers are available at the following link: <http://www.ssa.gov/policy/rrc/>.

### *Retirement Income Modeling*

Fundamental changes to the Social Security program can have a significant effect on the distribution of benefits, total retirement income, and incidence of poverty. Econometric and simulation models can provide policy makers with detailed information on the effects of changes in government programs on individuals, with projections for years into the future. SSA's MINT model is an important tool for such evaluations. MINT's projections of the aged population have been extended well into the 21<sup>st</sup> 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.

## Supplemental Security Income Program

The MINT project provides quality and productivity improvements that go beyond SSA's staffing resources and expertise. 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 by the Office of International Programs in the preparation of totalization agreements and for determining a country's eligibility under section 202(t) of the Social Security Act; to prepare for international meetings and for internal research activities (e.g. 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 including the World Bank, International Labor Organization, 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 2017, we plan to continue to fund this effort.

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## RELATED FUNDING SOURCES

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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. These demonstration projects, authorized under the 1999 Ticket to Work Act and the Bipartisan Budget Act (BBA) of 2015, P.L. 114-74, are funded from the trust funds, and are not part of the annual research appropriation request. OMB directly apportions section 234 funds. The BBA provides authorization to initiate such projects until December 31, 2021 and to carry out such projects through December 31, 2022. We are currently considering potential demonstration projects that would support the employment efforts of individuals with disabilities, and reduce their dependence on disability benefits. Our Benefit Offset National Demonstration (BOND) requires continued section 234 funding in FY 2017. The BBA also directs SSA to conduct a new demonstration testing a benefit offset

after an allowance for impairment-related work expenses. We are currently developing this demonstration and do not yet have estimates of the FY 2017 costs.

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### EARLY INTERVENTION MENTAL HEALTH DEMONSTRATION (EIMHD)

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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. This demonstration will test early-intervention methods with a focus on workers with mental illness under the age of 50 who have recently applied for SSI or DI disability benefits and been denied.

Denied applicants often 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.<sup>1</sup> With the appropriate health care and employment supports, some of those individuals may remain in the labor market.

The EIMHD will 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. Additionally, long-term employment services following the evidence-based Individual Placement and Support (IPS) model will be used to help participants remain in or return to the labor market rather than seek SSA disability benefits.<sup>2</sup> 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 will follow an IPS service model similar to that successfully implemented for SSA's MHTS.

The health-related treatment may include behavioral health and related services, medication, and disease management services. The employment-related services could include job placement, and pre- and post-placement support services. We will require service providers to have strong employer contacts and the ability to place participants in sustainable jobs with reasonable wages. Support services may include help with incidentals necessary to secure and maintain employment (such as work clothes or transportation) and low-intensity, long-term services that focus on employment retention once a job is secured (e.g., providing an employment retention coach).

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

In FY 2015, we released the Request for Proposals for the EIMHD and plan to award a contract in FY 2016. We plan to begin the 1-year design refinement, obtain OMB clearance for surveys, and finalize site selection in FY 2016 and start recruitment in FY 2017.

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

<sup>2</sup> 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.

**CONTENTS**

**APPROPRIATION LANGUAGE..... 96**

    Language Analysis ..... 99

    Significant Items in Appropriations Committee Reports ..... 102

**GENERAL STATEMENT..... 108**

    Limitation on Administrative Expenses Overview ..... 108

    FY 2017 President’s Budget ..... 108

    Funding Request ..... 113

    Performance Targets ..... 114

    Recent Accomplishments ..... 115

    Priority Goals ..... 115

    National Support Center ..... 116

    Major Building Renovations and Repair Costs ..... 118

    SSA-Related Legislation ..... 122

    Medicare Access and CHIP Reauthorization Act (MACRA) ..... 123

    Implementation of the Bipartisan Budget Act of 2015 ..... 123

**BUDGETARY RESOURCES ..... 128**

    Amounts Available for Obligation ..... 128

    Budget Authority and Outlays ..... 129

    Program Integrity ..... 131

    Key Assumptions and Cost Drivers ..... 132

    Analysis of Changes ..... 133

    Budgetary Resources by Object ..... 136

**BACKGROUND ..... 139**

    Authorizing Legislation ..... 139

    Appropriation History ..... 140

**ADDITIONAL BUDGET DETAIL ..... 144**

    Size and Scope of SSA’s Programs ..... 144

    Full Time Equivalents and Workyears ..... 145

    Social Security Advisory Board ..... 145

    IT Fund Tables ..... 146

    ITS Budget Authority ..... 147

    Information Technology Costs by Type ..... 158

    Digital Services Team ..... 158

    SSA E-Gov Contributions ..... 159

    Cybersecurity ..... 161

    Employment ..... 163

    Physicians' Comparability Allowance ..... 166

    Maximum Physician's Comparability Allowances ..... 168

    FY 2015 Disability Workload ..... 169

**LEGISLATIVE PROPOSALS ..... 170**

## TABLES

Table 3.1—Appropriation Language Analysis .....	99
Table 3.2— Consolidated and Continuing Appropriations Act, 2016: Joint Committee Report (H.R. 2029)—Significant Items .....	102
Table 3.3—Budgetary Request .....	113
Table 3.4—Key Performance Targets .....	114
Table 3.5—Actual and Planned Obligations for the New NSC.....	117
Table 3.6—Amounts Available for Obligation .....	128
Table 3.7—Budget Authority and Outlays .....	129
Table 3.8—Program Integrity.....	131
Table 3.9—FY 2015 PI Spending by Program.....	131
Table 3.10—Summary of Changes from FY 2016 to FY 2017.....	133
Table 3.11—Explanation of LAE Budget Changes from FY 2016 to FY 2017.....	134
Table 3.12—Budgetary Resources by Object.....	136
Table 3.13—FY 2015 Physical Infrastructure Costs by Component.....	137
Table 3.14—FY 2015 Physical Infrastructure Costs by Region.....	138
Table 3.15—Authorizing Legislation .....	139
Table 3.16—Appropriation History Table.....	140
Table 3.17—Federal Benefit Outlays .....	144
Table 3.18—Beneficiaries .....	145
Table 3.19—SSA Supported Federal and State Workyears .....	145
Table 3.20— LAE Expired Balances & No-Year IT Account .....	146
Table 3.21—ITS Budget by Activity.....	147
Table 3.22—FY 2015 ITS Costs by Type.....	158
Table 3.23—SSA E-Gov Contributions .....	159
Table 3.24—Other SSA Expenses/Service Fees Related to E-Gov Projects.....	160
Table 3.25—Cybersecurity Costs.....	161
Table 3.26—Detail of Full-Time Equivalent Employment .....	163
Table 3.27—Average Grade and Salary .....	163
Table 3.28—FY 2015 Personnel Costs by Grade.....	164
Table 3.29—Historical Staff-On-Duty by Major SSA Component .....	165
Table 3.30—FY 2015 Personnel Costs by Region.....	165

Table 3.31—Physicians Comparability Allowance Worksheet..... 166

Table 3.32—Maximum Physician’s Comparability Allowances- 1-Year Contract ..... 168

Table 3.33—Maximum Physician’s Comparability Allowances - 2-Year Contract ..... 168

Table 3.34—FY 2015 Workload Data Disability Appeals..... 169

## APPROPRIATION LANGUAGE

For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed \$20,000 for official reception and representation expenses, not more than [\$10,598,945,000] *\$11,121,000,000* may be expended, as authorized by section 201(g)(1) of the Social Security Act, *and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111-148*, from any one or all of the trust funds referred to in such section: *Provided*, That not less than [\$2,300,000] *\$2,500,000* shall be for the Social Security Advisory Board: *Provided further*, That, [\$116,000,000 may] *not less than \$59,000,000 shall* be used for the costs associated with conducting continuing disability reviews under titles II and XVI of the Social Security Act and conducting redeterminations of eligibility under title XVI of the Social Security Act: *Provided further*, That, *upon a determination that part of the funds specified in the preceding proviso is not necessary for such reviews and redeterminations, such amounts may be used for other purposes provided herein:* [Provided further, That the Commissioner may allocate additional funds under this paragraph above the level specified in the previous proviso for such activities but only to reconcile estimated and actual unit costs for conducting such activities and after notifying the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any such reallocation: *Provided further*, That the acquisition of services to conduct and manage representative payee reviews shall be made using full and open competition procedures: *Provided further*: That, \$150,000,000 to remain available until expended, shall be for necessary expenses for the renovations and modernization of the Arthur J. Altmeyer Building:] *Provided further*, That unobligated balances of funds provided under this paragraph at the end of fiscal

year [2016] 2017 not needed for fiscal year [2016] 2017 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: *Provided further*, That the Commissioner of Social Security shall notify the Committees on Appropriations of the House of Representatives and the Senate prior to making unobligated balances available under the authority in the previous proviso: *Provided further*, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to 5 U.S.C. 7131, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise appropriated, as soon as possible after such expenditures are made.

In addition, for the costs associated with continuing disability reviews under titles II and XVI of the Social Security Act [and], *including work related continuing disability reviews to determine whether earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity*, for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, *for the cost of co-operative disability investigation units, and for the cost associated with the prosecution of fraud in the programs and operations of the Social Security Administration by Special Assistant United States Attorneys*, [\$1,426,000,000] \$1,819,000,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That, of such amount, \$273,000,000 is provided to meet the terms of section 251(b)(2)(B)(ii)(III) of the

Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and [\$1,153,000,000] \$1,546,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: *Provided further*, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these funds, similar to the reports that were required by section 103(d)(2) of Public Law 104–121 for fiscal years 1996 through 2002.

In addition, [\$136,000,000] \$126,000,000 to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93–66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [2016] 2017 exceed [\$136,000,000] \$126,000,000, the amounts shall be available in fiscal year [2017] 2018 only to the extent provided in advance in appropriations Acts.

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

*(Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2016.)*

**LANGUAGE ANALYSIS**

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

SSA is requesting a total of \$1,819,000,000 in dedicated program integrity funding, including funding for full medical Continuing Disability Reviews (CDR), SSI non-medical redeterminations of eligibility (redeterminations), work related CDRs, cooperative disability investigation (CDI) units, and fraud prosecutions by Special Assistant United States Attorneys (SAUSAs). The FY 2017 program integrity request is comprised of \$273,000,000 in base funding to meet the terms of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and \$1,546,000,000 in additional new budget authority. This funding level is consistent with the Bipartisan Budget Act of 2015 (P.L. 114-74).

In addition to the appropriated amounts, SSA is requesting to spend up to \$126,000,000 in SSI State Supplement user fees and up to \$1,000,000 in non-attorney representative fees.

**Table 3.1—Appropriation Language Analysis**

Language Provision	Explanation
<i>“...and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111–148,…”</i>	The language allows SSA to use LAE resources for some Affordable Care Act activities.
<i>Provided further, That, not less than \$59,000,000 shall be used for the costs associated with conducting continuing disability reviews under titles II and XVI of the Social Security Act and conducting redeterminations of eligibility under title XVI of the Social Security Act: Provided further, That, upon a determination that part of the funds specified in the preceding proviso is not necessary for such reviews and redeterminations, such amounts may be used for other purposes provided herein:</i>	This language carves out funding to support the fully loaded costs of performing 1.1 million CDRs and approximately 2.8 million redeterminations.

Language Provision	Explanation
<p>“<i>Provided further</i>, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2016] 2017 not needed for fiscal year [2016] 2017 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: <i>Provided further</i>, That the Commissioner of Social Security shall notify the Committees on Appropriations of the House of Representatives and the Senate prior to making unobligated balances available under the authority in the previous proviso...”</p>	<p>The language allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.</p>
<p>“In addition, for the costs associated with continuing disability reviews under titles II and XVI of the Social Security Act [and], <i>including work related continuing disability reviews to determine whether earnings derived from services demonstrate an individual’s ability to engage in substantial gainful activity</i>, for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, <i>for the cost of cooperative disability investigation units, and for the cost associated with the prosecution of fraud in the programs and operations of the Social Security Administration by Special Assistant United States Attorneys</i>, [\$1,426,000,000] \$1,819,000,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: <i>Provided</i>, That, of such amount, \$273,000,000 is provided to meet the terms of section 251(b)(2)(B)(ii)(III) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and [\$1,153,000,000] \$1,546,000,000 is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: <i>Provided further</i>, That the Commissioner</p>	<p>The language appropriates \$1,819,000,000 of dedicated program integrity funding for SSA’s full medical CDRs, redeterminations, work related CDRs, CDI units, and fraud prosecutions. That amount comprises a base of \$273,000,000 and additional new budget authority of \$1,546,000,000 for the purposes of an adjustment to the discretionary spending limit as provided in section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985.</p>

Language Provision	Explanation
<p>shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these funds, similar to the reports that were required by section 103(d)(2) of Public Law 104–121 for fiscal years 1996 through 2002.</p>	
<p>“In addition, [\$136,000,000] <i>\$126,000,000</i> to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93–66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [2016] <i>2017</i> exceed [\$136,000,000] <i>\$126,000,000</i>, the amounts shall be available in fiscal year [2017] <i>2018</i> only to the extent provided in advance in appropriations Acts.”</p>	<p>The language makes available up to \$126,000,000 collected from states for administration of their supplementary payments to the SSI program. This assumes the fee will increase from \$11.56 per check in FY 2016 to \$11.69 in FY 2017 according to increases established by statute. SSA receives the amount collected above \$5.00 from each fee.</p>
<p>“In addition, up to \$1,000,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended.”</p>	<p>The language provides for the use of up to \$1,000,000 derived from fees charged to non-attorneys who apply for certification to represent claimants.</p>

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**SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS**


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The table below includes the significant items in the FY 2016 Joint Committee Report, H.R. 2029, as well as items set forth in House Report 114-195 and Senate Report 114-74.

**Table 3.2— Consolidated Appropriations Act, 2016: Joint Committee Report (H.R. 2029)—  
Significant Items**

<b>Disability Early Intervention Initiative/Functional Assessment of Battery</b>	<b>Actions Taken or To Be Taken</b>
<p>The Disability Early Intervention Initiative will test innovative and evidence-based approaches to improve outcomes for individuals with disabilities who are not yet receiving Social Security disability benefits, but who are likely to be eligible for benefits in the future. The intent of this initiative is to provide a multi-pronged approach, focusing on helping them remain in the workforce. The Social Security Administration (SSA) has partnered with the National Institutes of Health to create a functional assessment tool that is reliable and objective and may inform the disability determination process. One of the major projects of this partnership is the: Functional Assessment Battery. The agreement directs the Social Security Administration (SSA) to provide a report to the Committees on Appropriations of the House of Representatives and the Senate, Committee on Finance of the Senate, and Committee on Ways and Means of the House of Representatives on how the SSA might use the National Institutes of Health's Functional Assessment Battery (FAB) as part of the disability determination process; how it would ensure the validity and accuracy of the FAB before using it for this purpose; and how it would obtain public comment and ensure transparency if the FAB is incorporated into the determination process.</p>	<p>SSA is working to satisfy the requirement.</p>

<b>Disability Early Intervention Initiative/Functional Assessment of Battery</b>	<b>Actions Taken or To Be Taken</b>
<b>Work Incentives Planning and Assistance (WIPA) and Protection and Advocacy for Beneficiaries of Social Security (PABSS)</b>	<b>Actions Taken or To Be Taken</b>
The bill includes not less than \$23,000,000 for the WIPA program and \$7,000,000 for the PABSS program.	We issued PABSS awards notices in October 2015. We plan to issue WIPA award notices in June 2016.
<b>Fraud Risk Performance</b>	<b>Actions Taken or To Be Taken</b>
The Committee strongly encourages SSA to fully implement the recommendations found within the SSA Inspector General report on Fraud Risk Performance Audit. Specifically, the Committee urges SSA to take a risk-based approach to combatting fraud, be more proactive in addressing and mitigating new fraud schemes, and improve the design operating effectiveness of anti-fraud measures. Additionally, the Committee directs SSA to provide a breakout within 60 days of enactment of the funding spent in fiscal year 2015 and the anticipated amount to be spent in fiscal year 2016 on anti-fraud activities. This breakout should include activities that SSA is working on in concert with the SSA Office of Inspector General.	SSA is reviewing the requirement. The agency is including some of this information as part of the 2015 Bipartisan Budget Act Section 845a Report. The report is included in our FY 2017 Congressional Justification – please see last tab.
<b>Report on Medical Listings</b>	<b>Actions Taken or To Be Taken</b>
SSA employs medical listings to make disability determinations, many of which have not been updated for decades. The Committee directs SSA to provide a report within 60 days of enactment to the House Appropriations Subcommittee on Labor, Health and Human Services and Education and the House Ways and Means Subcommittee on Social Security regarding the number of years since the last update and when the agency expects to conduct all of the updates.	SSA is working to satisfy the requirement.
<b>Medical Vocational Guidelines</b>	<b>Actions Taken or To Be Taken</b>
The Committee is encouraged that SSA plans to issue an Advanced Notice of Proposed Rulemaking on the need to update the medical-vocational guidelines, including seeking input	SSA is working to provide a report on its plan for updating the medical vocational guidelines.

**Disability Early Intervention****Initiative/Functional Assessment of Battery****Actions Taken or To Be Taken**

from the Disability Research Consortium; the Institute of Medicine; and other medical, aging, employment, and disability experts. These guidelines play a key role in SSA's disability determination process but have not been updated since they were established in 1978. The Committee directs SSA to provide a report to the Committees on Appropriations of the House of Representatives and the Senate, no later than 60 days after the enactment of this act, on its plan for updating the medical vocational guidelines.

**Report on LAE Expenditures****Actions Taken or To Be Taken**

The Committee directs SSA to provide a report to the House Appropriations Subcommittee on Labor, Health and Human Services, and Education and the House Ways and Means Subcommittee on Social Security within 60 days of enactment detailing how much funding was expended on the following categories in fiscal year 2015:

- Personnel costs by General Schedule grade, Administrative Law Judge personnel costs, Senior Executive Service personnel costs, reemployed annuitant personnel costs, and personnel costs by region
- Information technology costs broken out by hardware/software technology and upgrade/maintenance costs
- Physical infrastructure costs by region and office function
- Overall costs for personnel, time and dollars for the following:
  - OASI, DI and SSI
  - Other SSA missions, including return to work efforts
  - Program Integrity work broken out by OASI, DI and SSI as well as types of spending (data matching, predictive data work and data analytics)
  - Disability Determination Services State costs and federal staff costs

For Personnel costs by General Schedule grade, Administrative Law Judge personnel costs, Senior Executive Service personnel costs, and reemployed annuitant personnel costs, please see Table 3.28 on page 163. For personnel costs by region, please see Table 3.30 on page 165. For Information Technology costs broken out by hardware/software technology and upgrade/maintenance costs, please see Table 3.22 on page 158. For Physical infrastructure costs by region and office function, please see Table 3.13 on page 137 and Table 3.14 on page 138. For Overall costs for personnel, time and dollars for OASI, DI, SSI, and other SSA missions, please see Table 3.7 on page 129. For Program Integrity work broken out by OASI, DI and SSI as well as types of spending, please see Table 3.9 on page 131. For Disability Determination Services State costs and federal staff costs, please see Table 3.12 on page 136.

<b>Disability Early Intervention Initiative/Functional Assessment of Battery</b>	<b>Actions Taken or To Be Taken</b>
<p data-bbox="354 262 646 304"><b>Huntington’s Disease</b></p> <p data-bbox="186 304 803 963">The Committee urges the Social Security Administration to work with the National Institutes of Health to immediately revise the Huntington’s disease (HD) SSDI guidelines, used to determine disability for individuals with the disease, to reflect the most up-to-date medical understandings of the physical, cognitive, and behavioral symptoms. The Committee understands that some believe the current guidelines do not fully recognize the emotional and psychological symptoms of Huntington’s disease. Some research sources indicate that the emotional and psychological symptoms appear years before physical symptoms are exhibited. The Committee urges SSA to work with NIH to ensure the SSDI HD guidelines reflect the most current scientific data.</p>	<p data-bbox="922 262 1344 304"><b>Actions Taken or To Be Taken</b></p> <p data-bbox="836 304 1443 963">The agency is working to implement the recommendations to revise the HD guidelines used to determine disability for individuals with the disease.</p>

<b>Muscular Dystrophy</b>	<b>Actions Taken or To Be Taken</b>
<p data-bbox="186 1039 803 1480">The Committee is aware that SSA was added to the Muscular Dystrophy Coordinating Committee through the Muscular Dystrophy CARE Act Amendments enacted in September 2014. The Committee requests that the agency provide relevant data within the fiscal year 2017 budget request on the rate at which persons with Duchenne and Becker Muscular Dystrophy utilize SSA programs, particularly those focused on promoting employment and community independence such as the Ticket to Work Program.</p>	<p data-bbox="836 1039 1443 1480">Please see page 68 within the SSI section of the CJ for this information.</p>

<b>Continuing Disability Reviews and SSI Redeterminations of Eligibility</b>	<b>Actions Taken or To Be Taken</b>
<p data-bbox="186 1585 803 1887">The agreement includes a total of \$1,542,000,000 for SSA to conduct Continuing Disability Reviews (CDRs) under the Disability Insurance and Supplemental Security Income (SSI) programs, and redeterminations of eligibility under the SSI program. This includes \$1,426,000,000 specified for the base and cap adjustment amounts included in the Budget</p>	<p data-bbox="836 1585 1443 1887">SSA will complete program integrity work in FY 2016 in line with this limitation. We plan to complete 850,000 CDRs and 2.522 million redeterminations. As the year progresses, we will continue to analyze our cost assumptions for program integrity work in FY 2016 based on current experience and will report to Congress as appropriate.</p>

**Disability Early Intervention**

**Initiative/Functional Assessment of Battery**

**Actions Taken or To Be Taken**

Control Act of 2011, and \$116,000,000 in additional funding provided under SSA's Limitation on Administrative Expenses (LAE) account. The Commissioner may allocate more or less than \$116,000,000 from SSA's regular LAE account for CDRs and redeterminations but only for reconciling estimated and actual unit costs for conducting such activities, and after notifying the Committees on Appropriations of the House of Representatives and the Senate at least 15 days prior to any such reallocation. If less funding is allocated for such activities, the funding will be available for regular activities within the LAE account.

Please see Table 3.8 on page 131 within this section of the CJ for accompanying data on the total costs associated with CDRs and redeterminations for FY 2015 - FY 2017.

**Representative Payee Reviews**

**Actions Taken or To Be Taken**

The agreement includes funding for SSA to continue efforts to improve oversight of the representative payee process. In the acquisition of services to conduct and manage representative payee reviews, an eligible entity shall include, but not be limited to, any national organization with significant and demonstrable experience monitoring representative payees, identifying and preventing fraud and abuse, and addressing problems found among individuals with different types of disabilities and among different types of service providers.

SSA's acquisition of services to conduct and manage representative payee reviews will be made using full and open competition procedures.

**Medical Improvement Review Standard**

**Action Taken or To Be Taken**

The Committee commends SSA for its work to improve program integrity. However, the Committee is concerned about GAO's testimony to Congress that confusion still exists about the Medical Improvement Review Standard [MIRS] and its exceptions. The Committee directs SSA to submit a report no later than 60 days after the enactment of this act to the Committees on Appropriations of the House of Representatives and the Senate, on its progress in educating Disability Determinations Services in the proper application of the MIRS and its exceptions.

SSA is working to satisfy the reporting requirements.

<b>Disability Hearing Pilot Program</b>	<b>Actions Taken or To Be Taken</b>
<p>The Committee notes that SSA has made positive statements to Congress about its pilot program in Region I that requires administrative law judges to give claimants a 75 day notice before their hearing and requires claimants to submit all evidence 5 days before the hearing subject to good cause exception (also known as "soft" closing of the record). This policy promotes a smoother hearing process, reducing the time it take to hear and adjudicate disability appeals, while still providing assurances that individuals are able to provide all evidence in support of their case. The Committee directs SSA to provide to the Committees on Appropriations of the House of Representatives and the Senate, no later than 60 days after the enactment of this act, an update on this pilot program and any plans to expand the pilot to other regions.</p>	<p>SSA is working to satisfy the reporting requirements.</p>

<b>Vocational Expert (VE) Fees</b>	<b>Actions Taken or To Be Taken</b>
<p>The Committee notes that SSA's OIG has recommended that SSA periodically determine whether VE fees are appropriate to obtain the required level of VE service, which could include benchmark studies with VE fees paid in the national economy or elsewhere by government entities. The Committee strongly encourages SSA to conduct such a review, including comparing fees paid by SSA to those paid by other governmental and non-governmental organizations. The Committee directs SSA to brief the Committees on Appropriations of the House of Representatives and the Senate on its plan to comply with these OIG recommendations.</p>	<p>The agency plans to brief the Appropriations Committees on its plan to comply with OIG recommendations regarding VE fees in March 2016.</p>

<b>Advertising Fees</b>	<b>Actions Taken or To Be Taken</b>
<p>The agreement includes a provision requiring agencies to disclose on advertising materials that such communication is produced at U.S. taxpayer expense.</p>	<p>Please see Table 3.12 on page 136 for this information.</p>

## GENERAL STATEMENT

### LIMITATION ON ADMINISTRATIVE EXPENSES OVERVIEW

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The LAE account funds the operating expenses of the Social Security Administration and its programs: the OASI and DI programs, the SSI program, certain health insurance and Medicare prescription drug functions, and the Special Benefits for Certain World War II Veterans program. With these funds, SSA provides service to millions of Americans in our field offices, via telephone, or through the Internet at [the Social Security Website](#). The LAE account provides the funds SSA needs to perform its core responsibilities, including completing claims and applications for benefits, conducting hearings to review disputed decisions, ensuring benefits continue to be distributed properly, and maintaining the integrity of the trust funds.

SSA currently employs about 65,000 dedicated public service employees through a national network of 1,500 offices. Combined with over 16,000 state employees in the Disability Determination Services (DDS), they demonstrate their commitment to the American public daily by providing the best service possible. SSA's employees take pride in administering agency programs, realizing that the work they do affects the lives of many Americans.

### FY 2017 PRESIDENT'S BUDGET

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#### SSA's Programs

For FY 2017, SSA is requesting LAE budget resources of \$13.067 billion. We will continue to handle high volumes of work and focus on providing quality services, while significantly increasing program integrity efforts. Our budget also ensures that we can invest in technology to be as efficient as possible and effectively serve the public.

As the Baby Boomers continue to retire, it is essential that we have the resources to complete their applications, as well as to handle the ongoing work once they begin receiving benefits. We expect to complete over 5.7 million applications for retirement benefits in FY 2017. We will administer about \$813 billion in OASI benefit payments to a monthly average of approximately 52 million beneficiaries including 89 percent of the population aged 65 and over.

We continue to process stable, but high volumes of initial disability claims. Enactment of the FY 2017 President's Budget will enable us to continue to reduce backlogs in program integrity reviews and stabilize initial disability claims pending. This budget will fund the staff at the 54 State Disability Determination Services (DDS) who will complete over 2.8 million initial disability claims in FY 2017. This budget, combined with our improvements to the hearings process, will enable us to complete 784,000 hearings, with an annual average processing time of 555 days in FY 2017. See Table 3.34 in the back of this section for more details on the disability appeal workload. In FY 2017, SSA will pay about \$149 billion in Disability Insurance benefits

to a monthly average of approximately 11 million disabled workers and their family members per month.

The SSI program is a Federal assistance program administered by SSA that guarantees a minimum level of income for aged, blind, or people with disabilities. It is a safety net for individuals with little or no Social Security or other income and limited resources. We estimate we will pay about \$56 billion in Federal benefits to approximately 8.2 million SSI recipients in FY 2017. Including State supplementary payments, SSA expects to pay a total of about \$59 billion and administer payments to over 8.4 million recipients.

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

In FY 2009, Congress appropriated funding through the Medicare Improvements Patients and Providers Act (MIPPA) to SSA for activities related to the implementation of changes to the Low-Income Subsidy (LIS) Prescription Drug program. This funding is available until expended, and we estimate we will spend \$6 million for LIS work in FY 2017.

In FY 2015, Congress passed the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). This bill prohibits displaying, coding, or embedding Social Security numbers on a beneficiary's Medicare card. In order to fund implementation costs to comply with this provision, SSA will receive \$98 million funded incrementally from FY 2015 to FY 2018.

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

### **Program Integrity**

SSA receives special dedicated funding for two types of program integrity work: CDRs, which are periodic reevaluations to determine if beneficiaries continue to meet SSA's standards of disability or have returned to work and no longer qualify for benefits, and SSI redeterminations, which are periodic reviews of non-medical factors of eligibility, such as income and resources.

The Budget Control Act of 2011 (BCA) allows increases to the Federal Government's annual spending caps through FY 2021 for program integrity purposes. If Congress appropriates funds for our program integrity work, the discretionary spending limit may increase by a corresponding amount up to a specified level. The Bipartisan Budget Act of 2015 (BBA) increased the cap adjustments proposed in the BCA by a net \$484 million between FY 2017 – FY 2021. The BBA also expanded the uses of the cap adjustment funds to include cooperative disability units and fraud prosecutions. It also clearly defines the use of funds for work related CDRs. In FY 2017, the BBA allows a maximum cap adjustment of \$1,546 million for program integrity funding

above a \$273 million base. With a \$1,819 million total appropriation for program integrity, we would conduct 1,100,000 full medical CDRs and 2,822,000 SSI redeterminations in FY 2017. At these volumes, we would complete over 250,000 more medical CDRs compared to FY 2016. In FY 2016, we plan to complete 850,000 CDRs and 2,522,000 redeterminations. See Table 3.8 for information on the consolidated accounting of the total funding required for CDRs and redeterminations for FY 2015 through FY 2017.

Our CDRs and SSI redeterminations ensure that beneficiaries continue to meet the eligibility requirements to receive payments. These reviews save billions of program dollars with only a comparatively small investment of administrative funds. Our current estimates indicate that medical CDRs conducted in FY 2017 will yield a return on investment (ROI) of about \$8 on average in net Federal program savings over 10 years per \$1 budgeted for dedicated program integrity funding, including Old-Age, Survivors, and Disability Insurance (OASDI), SSI, Medicare and Medicaid program effects. Similarly, our estimates indicate that non-medical redeterminations conducted in 2017 will yield a ROI of about \$3 on average of net Federal program savings over 10 years per \$1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects.<sup>1</sup>

The Budget assumes the full cost of performing CDRs in 2017 and beyond, to ensure that sufficient resources are available to account for spending on these activities.

The increased cap funding authorized through 2021 in the BBA, if fully provided in the appropriations process, is estimated to eliminate our backlog of CDRs by the end of 2019. The Budget assumes additional legislation will be passed that continues the cap adjustment through 2026 in order to avoid developing a backlog of reviews during the budget window. Please refer to the Budget Process chapter in the Analytical Perspectives volume for a more details.

## **Anti-Fraud**

SSA engages in a variety of activities to prevent, detect, and prosecute fraudulent activity. We established an Office of Anti-Fraud Programs (OAFP) in FY 2015. This office provides

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<sup>1</sup> ROI calculations for the President's budget use estimates and projections that precede the start of the actual budget year by at least eight months. These assumptions are subsequently refined based on the actual appropriation and actual costs incurred through the year for the CDR and non-medical redetermination workloads. For CDRs, the numerator represents the estimated program savings resulting from completion of all planned medical CDRs. The estimated savings do not include any assumption of program savings resulting from work CDRs. The denominator includes that portion of the dedicated PI administrative funding projected for CDRs, including any PI funds that may be needed for work CDRs. (For FY 2017, the CDR ROI is:  $\$8,618\text{M}/\$1,068\text{M}=8.07$ ) For SSI non-medical redeterminations, the numerator represents the estimated program savings resulting from completion of all planned reviews. The denominator includes that portion of the dedicated PI administrative funding projected for SSI non-medical redeterminations. (For FY 2017, the SSI non-medical redetermination ROI is:  $\$2,280\text{M}/\$726\text{M}=3.14$ ) For reports to Congress after the close of a fiscal year, the ROIs are based on the actual work accomplished. For the numerator, program savings for the ten-year budget window still rely on actuarial models that project future savings and may include cases worked that still have appeals pending. For the denominator, we look to our Cost Analysis System for details on the total administrative dollars expended. For SSI non-medical redeterminations, the denominator is all administrative costs incurred for the work completed. For medical CDRs, the denominator includes administrative expenses for all medical reviews conducted, both full medical reviews as well as our CDR mailers. This also includes the costs for hearings and appeals of medical CDR decisions in the subject year.

centralized oversight of and accountability for our efforts to prevent, deter, and detect fraud. OAFP increases our efficiency and enhances our ability to combat fraud by sharing knowledge, using data analytics and industry-standard business processes, and centralizing our deployment of training and communications. Our National Anti-Fraud Committee works with all of the Regional Anti-Fraud Committees to enhance existing fraud prevention efforts and implement new mitigation strategies, while also providing guidance and support to OAFP.

Our efforts include continuing to bolster our Cooperative Disability Investigation (CDI) program. CDI units are highly successful at detecting fraud before we make a disability decision. The CDI program links our Office of the Inspector General and local law enforcement with Federal and State workers who handle disability cases. In FY 2015, the program consisted of 36 units covering 31 states and the Commonwealth of Puerto Rico. We will continue to expand this program in FY 2016 and FY 2017. The BBA requires SSA to expand the CDI program to cover all States and Territories no later than October 1, 2022. This requirement will be subject to the availability of funding and participation of local law enforcement agencies.

Another anti-fraud activity includes Access to Financial Institutions (AFI), which is a program that identifies excess resources in financial accounts - a leading cause of SSI payment errors. AFI verifies bank account balances with financial institutions for purposes of determining SSI eligibility. In addition to verifying alleged accounts, AFI detects undisclosed accounts by using a geographic search to generate requests to other financial institutions. We currently use the AFI system in all 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands 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. The BBA expands the use of AFI and grants us the ability to verify financial information for all overpaid individuals (Title 2 or Title 16). The BBA requires the Commissioner to obtain an individual's authorization to obtain financial institution records before determining whether recovery of such individual's overpayment may be waived under the "defeats the purpose" provision.

In addition to these efforts, we will continue to support our centralized fraud prevention units, which are comprised of disability examiners dedicated to reviewing and analyzing fraud cases. We are also strengthening and modernizing our representative payee program to ensure we appoint suitable representative payees for our beneficiaries and that representatives managing funds use these funds appropriately. We will continue to explore data analytics to detect and prevent fraud by determining common characteristics and patterns of anomalous activity, and we will improve death data processing by working to centralize and capture all death information in one system to prevent erroneous payments.

### **Information Technology (IT) Modernization**

IT plays a critical role in our day-to-day operations. Most of our IT funding is used for ongoing operational costs such as our National 800 Number service and our online services, both of which help us keep pace with the recent increases in claims. In FY 2015, our IT infrastructure supported the payment of more than \$930 billion in benefits to nearly 67 million people and the

maintenance of hundreds of millions of Social Security numbers and related earnings records for nearly every American.

However, the database systems our agency uses today are 40 years old and are no longer the best solution to administer our programs. For several years, we worked to modernize our IT in small pieces at a time, but we have exhausted nearly all of these small efforts. We are now at a point where we must undertake a larger, multiyear effort. Our FY 2017 Budget requests multiyear funding of \$300 million, spread over four years, to undertake an IT modernization project that will bring our systems into the modern world.

### **Disability Case Processing System**

By enhancing the technological infrastructure that supports disability case processing nationwide, SSA aims to improve both efficiency and effectiveness by rendering timely and accurate disability decisions. The Disability Case Processing System (DCPS) will replace 54 independently operated, outdated systems across the DDSs, which are the state agencies that make disability determinations for SSA.

The new system will allow for faster and more accurate case processing, reduce administrative costs, and provide structured data that will support our fraud analytics efforts. Implementation will look different in the various sites and does not mean that 100 percent of their staffs will be using DCPS. Our tentative phased implementation schedule includes two early adopters of DCPS in FY 2016. In FY 2017, 12 to 18 of the remaining DDSs will implement DCPS, and in FY 2018 approximately 40 to 46 of the remaining DDSs will implement DCPS. We have not finalized our implementation plan, which is an agile based approach.

## FUNDING REQUEST

Our FY 2017 LAE budget request of \$13.067 billion will allow us to balance our important service and stewardship work, and address the critical agency priorities outlined in Vision 2025. The table below provides dollars and workyears funded by this budget:

**Table 3.3—Budgetary Request**

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
<b>Budget Authority (in millions)</b>			
<b>Limitation on Administrative Expenses (LAE)</b>	\$11,806	\$12,162	\$13,067
<b>Research and Demonstrations</b>	\$83	\$101	\$58
<b>Office of the Inspector General (OIG)</b>	\$103	\$106	\$112
<b>Total Budget Authority<sup>1</sup></b>	<b>\$11,992</b>	<b>\$12,368</b>	<b>\$13,237</b>
<b>Workyears</b>			
Full-Time Equivalents <sup>2</sup>	63,394	64,860	66,140
Overtime	2,831	674	2,200
Lump Sum	246	298	298
<b>Total SSA Workyears</b>	<b>66,471</b>	<b>65,832</b>	<b>68,638</b>
<b>Total Disability Determination Services (DDS) Workyears</b>	<b>14,925</b>	<b>15,270</b>	<b>16,000</b>
<b>Total SSA/DDS Workyears</b>	<b>81,396</b>	<b>81,102</b>	<b>84,638</b>
OIG Workyears	533	543	564
<b>Total SSA/DDS/OIG Workyears</b>	<b>81,929</b>	<b>81,645</b>	<b>85,202</b>

When states choose to take over administration of their own SSI state supplementation payments, SSA loses some user fee revenue. Over the last 5 years, three states have either fully or partially opted out of SSA's administration of their supplementation payments. Rhode Island partially opted out in January 2011, leaving us with the more difficult categories to administer. Massachusetts and Utah fully opted out in April 2012 and January 2014, respectively. Most recently, New York began administering its own state supplementation program beginning on October 1, 2014. The user fee estimates for FY 2016 and FY 2017 reflect this change. New York represented about 30 percent of the federally-administered SSI state supplementation benefits paid by SSA. The offsetting collections from other LAE funding sources are adjusted to accommodate the user fee revenue changes within our total LAE request.

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

<sup>2</sup> FY 2016 and FY 2017 FTE totals do not include FTEs for MACRA implementation.

## PERFORMANCE TARGETS

The President's FY 2017 request will allow SSA to achieve the following key performance targets:

**Table 3.4—Key Performance Targets**

FY 2017 Performance Table	FY 2015 Actual	FY 2016 Enacted <sup>1</sup>	FY 2017 Request
<b>Selected Workload Measures</b>			
Retirement and Survivors Claims Completed (thousands)	5,327	5,586	5,732
Initial Disability Claims Completed (thousands)	2,759	2,695	2,810
Disability Reconsiderations Completed (thousands)	723	702	715
Hearings Completed (thousands)	663	703	784
National 800 Number Calls Handled (millions)	37	34	38
Average Speed of Answer (ASA) (seconds)	617	945	675
Agent Busy Rate (percent)	7.5%	9.5%	7.0%
Social Security Numbers (SSN) Completed (millions)	16	16	16
Annual Earnings Items Completed (millions)	266	264	265
Social Security Statements Issued (millions) <sup>2,3</sup>	50	38	44
<b>Selected Outcome Measures</b>			
Initial Disability Claims Receipts (thousands)	2,756	2,807	2,817
Hearings Receipts (thousands)	746	730	729
Initial Disability Claims Pending (thousands)	621	733	740
Disability Reconsiderations Pending (thousands)	144	136	137
Hearings Pending (thousands)	1,061	1,087	1,033
Average Processing Time for Initial Disability Claims (days)	114	113	113
Average Processing Time for Disability Reconsiderations (days) <sup>4</sup>	113	N/A	109
Annual Average Processing Time for Hearings Decisions (days)	480	540	555
Disability Determination Services Production per Workyear	307	307	314
Office of Disability Adjudication and Review Production per Workyear	95	94	98
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(2,000)	(2,700)
<b>Selected Program Integrity Performance Measures</b>			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,972	1,950	2,200
Full Medical CDRs (included above, thousands)	799	850	1,100
Supplemental Security Income (SSI) Non-Medical Redeterminations Completed (thousands)	2,267	2,522	2,822

<sup>1</sup> FY 2016 is a 53-week year for management information purposes. After the close of the year, we will report both 52 and 53-week actual performance data. Our budgeted performance goals are full-year goals based on the workyears we are able to support with funds available in FY 2016.

<sup>2</sup> The Social Security Statements (SSS) Issued measure includes paper statements only; it does not include electronic statements issued.

<sup>3</sup> The original estimate for Social Security Statements Issued measure in FY 2016 President's Budget was 45 million. This has been reduced by ~6.6 million, as a result of the agency sending out the scheduled SSS for FY 2016 October in FY 2015 September. Therefore, the FY 2016 Enacted number has been adjusted to ~38 million.

<sup>4</sup> We developed management information for Average Processing Time for Disability Reconsiderations in FY 2013. FY 2014 was the first full fiscal year for which data was available for this measure. Now that we have had the opportunity to analyze at least two years of actual data, this year we developed a performance target for FY 2017.

SSA's budget is fully integrated with its Annual Performance Plan (APP), which is included as the second to last tab in this *Justification of Estimates for Appropriations Committees*, and online at [our website](#). The budget estimates are linked to key performance above and support all of the more detailed measures outlined in the APP.

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## RECENT ACCOMPLISHMENTS

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We continue to be an efficient organization; in FY 2016, our administrative costs are about 1.3 percent of the benefit payments we pay each year. We are proud to have maintained our efficiency. In FY 2015, we:

- Paid over \$930 billion to more than 67 million beneficiaries;
- Handled approximately 37 million calls on our National 800 Number;
- Served about 40 million visitors in our 1,200 field offices nationwide;
- Completed over 8 million claims for benefits and more than 660,000 hearing dispositions;
- Handled over 35 million changes to beneficiary records;
- Issued over 16 million new and replacement Social Security cards;
- Performed almost 2 billion automated Social Security number verifications;
- Posted about 266 million wage reports;
- Handled over 18,000 cases in Federal District Courts;
- Completed over 2.2 million SSI non-medical redeterminations;
- Completed 799,000 full medical CDRs; and
- Completed approximately 3 million overpayment actions.

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## PRIORITY GOALS

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We serve the American people in a wide variety of ways. In support of the Administration's performance improvement efforts, we have embraced the power of goal setting as a way to improve our performance and accountability to the American people.

As required by the GPRA Modernization Act of 2010, we established the following ambitious and outcome-focused Agency Priority Goals (APG), linked directly to our overarching strategic goals and objectives set forth in our Fiscal Year 2014-2018 Agency Strategic Plan.

- **Improve customer service and convenience by increasing online services.**
  - In 2016, we will increase the number of transactions by 25 million over 2015. This increase will result in 112.1 million transactions.
- **Increase customer satisfaction with our services.**
  - In 2016, our combined customer satisfaction score for our internet services will remain above the excellent threshold (over 80 points) on average, with an average score of at least 84.5.
  - In 2016, our combined customer satisfaction rating (as Excellent, Very Good, or Good) for our office and telephone services will average at least 80.

- **Reduce the disability hearings pending.**
  - In FY 2016, we will decide 99% of cases that begin the fiscal year at 430 days old or older (our 252,000 oldest cases).
- **Reduce the percentage of improper payments made under the SSI program.**
  - In FY 2016, ensure that 95 percent of our payments are free of overpayment.

We have specific measures and milestones to monitor our progress. Additionally, through our quarterly internal review process, our executives have candid discussions regarding progress, any challenges we must overcome, and strategies that will support goal achievement. APGs are two-year goals to advance progress toward achieving longer-term strategic goals and objectives.

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### NATIONAL SUPPORT CENTER

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

#### **Projected Milestone Schedule**

On December 28, 2012, we received a Presidential waiver allowing us to retain and continue to obligate funds appropriated for expenses for the replacement of our NCC. As of September 30, 2015, we have obligated \$447 million and we expect to spend the remaining ARRA funds by the end of FY 2016. The General Services Administration and the Social Security Administration provided the following schedule of key milestones.

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

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

**Actual and Planned Obligations for the New NSC**

The following table provides actual and planned obligations for the NSC as of January 7, 2016.

**Table 3.5—Actual and Planned Obligations for the New NSC****(Dollars in thousands)**

<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Planned</u></b>
\$1,330.4	\$1,850.8	\$387,699.5	(\$30,856.2) <sup>1</sup>	\$39,191.0	\$59,797.7 <sup>2</sup>	(\$12,451) <sup>3</sup>	\$53,437.8

<sup>1</sup> In FY 2012, there were \$27.5 million in obligations and a recovery from previous construction obligations of \$58.4 million, resulting in a net recovery of \$30.9 million.

<sup>2</sup> In FY 2014, there were \$69.8 million in obligations and a recovery from previous construction obligations of \$10 million, resulting in a net obligation of \$59.8 million.

<sup>3</sup> In FY 2015, there were \$42.7 million in obligations and a recovery from previous construction obligations of \$55.1 million, resulting in a net recovery of \$12.5 million. Numbers don't add due to rounding.

## MAJOR BUILDING RENOVATIONS AND REPAIR COSTS

A number of SSA facilities need renovation or repair to comply with current building codes, including health and safety standards to ensure a safe work environment. SSA is also actively pursuing opportunities to reduce our real estate footprint by reconfiguring and consolidating space for optimal space utilization. This exhibit describes our major building renovations, repairs, and other associated costs in support of these goals.

Building	FY 2016 (in millions)	FY 2017 (in millions)	FY 2018 (in millions)
Altmeyer (Woodlawn, MD)	\$13	\$137	
NCC Third Floor (Woodlawn, MD)	\$22.5	\$3.85	
Security West (Woodlawn, MD)	\$24		\$20.4
Frank Hagel Building (Richmond, CA)		\$12.7	
Addabbo (New York, NY)		\$13.7	
MATSSC (Philadelphia, PA)		\$9.045	

### **Altmeyer Building**

The Arthur J. Altmeyer federal office building is over 55 years old and requires major upgrades to address health and safety issues, meet current accessibility standards, improve space utilization, and provide a comfortable, energy efficient working environment that meets 21<sup>st</sup> century standards. The Altmeyer renovation project involves full interior and exterior renovation of the existing building including infrastructure, electrical system, and space. The improved space utilization would create space for about 300 to 350 additional staff, for a total of 800 occupants.

The renovation for which we received \$150 million in fiscal year 2016 includes the following:

- Taking the building down to the support structure (concrete columns and floor slabs),
- Full abatement of hazards (asbestos, lead paint, etc.),
- Building systems modernizations, and
- Space reconfiguration to achieve an office space utilization rate of 149 square feet per person for post-renovation occupancy.

### *Timeline and Costs*

Timeline	Milestones	Cost (in millions)
FY 2016	Funding appropriated; GSA begins solicitation for design services contractor	\$13
FY 2017	GSA awards contract for design services and begins solicitation for construction contractor	\$137
FY 2019	GSA awards contract for construction services; executives and staff vacate the building; construction begins	N/A
FY 2021	Occupy renovated building	N/A

### **National Computer Center – Third Floor Renovation**

The National Computer Center (NCC) Third Floor Renovation Project follows the 2016 migration of SSA's primary data center operations from that space to the National Support Center. The planned renovation involves approximately 75,000 Usable Square Feet (USF).

The SSA Headquarters Master Plan, completed in September 2013, identified this project as integral to the goal of creating a dense campus and reducing leased space. The renovation will provide office space for approximately 500 people and free up swing space on campus for staff from the Altmeyer Building during that renovation. The office configuration identified in the NCC Feasibility Study provides for a more efficient layout that achieves a utilization rate of approximately 160 USF per person.

GSA accepted an FY 2015 RWA for \$1.7 million from SSA for the design phase of the project and is working with one of their IDIQ Architecture and Engineering firms, WRA, to complete the design. This phase is projected to be completed in August 2016.

#### *Timeline and Costs*

Timeline	Milestones	Cost (in millions)
FY 2016	Construction funding	\$22.5
FY 2017	Furniture design and acquisition and move cost funding needed	\$3.85
FY 2018	Construction and furniture installation completed; occupy renovated space	N/A

### **Security West**

We plan to optimize space for the Office of Disability Operations (ODO) components housed in the Security West building and consolidate with the Office of Central Operations training center when the Security West lease expires in 2020. This consolidation will reduce our real estate footprint, improve operational efficiency, allow greater flexibility for functional groups, and enhance security. This effort supports the vision of the SSA Headquarters Campus Master Plan, completed in September 2013, to make more efficient use of leases and house, and staff more efficiently on the Main Campus and in the surrounding Woodlawn, Maryland area.

A recently completed Program of Requirements (POR) recommends housing staff in multiple leases to provide strategic flexibility and accommodate a limited real estate market. The POR achieves a 40 percent reduction in space; we currently lease 759,222 usable square feet (USF), and the new requirement is 444,300 USF.

*Timeline and Costs*

Timeline	Milestones	Cost (in millions)
FY 2016*	Funding needed for tenant improvements and construction management services.	\$24
FY 2018	GSA awards lease; funding needed for furniture design and acquisition. (\$19.1) Complete design and begin construction; funding needed for move costs. (\$1.3)	\$20.4
FY 2019	Occupy new leased space	N/A

\*Timeline and milestones for FY 2016 are tentative, dependent on available funding

**Frank Hagel Federal Building**

The six-story Frank Hagel Federal Building (FHFB), Richmond, CA, was completed and occupied in 1975. Over time, modifications to the interior space to accommodate staffing and work process changes adversely affected fire egress, heating, ventilation and air conditioning (HVAC) operation, electrical and lighting distribution, resulting in health, safety, and code compliance issues, which potentially expose employees to an unsafe work environment. GSA identified these deficiencies as high risk in a feasibility study/Building Evaluation Report completed in FY 2014.

We initiated a Space Utilization Analysis and Feasibility Study to identify and analyze efficient and cost effective options for housing SSA staff in the area. Study findings document needed renovations.

To address immediate, pressing issues, we plan to renovate two floors, updating the electrical and lighting distribution, HVAC, and fire safety systems, and realigning space. The renovations will bring these systems in compliance with current building and life safety codes. We expect to need similar amounts in future years until we complete renovations.

*Timeline and Costs*

Timeline	Milestones	Cost (in millions)
FY 2017	Renovations	\$12.7

**Addabbo Building**

The Addabbo Federal Building, Jamaica/Queens, NY, which is over 27 years old, needs FY 2017 funding for five repair line items to address issues with aging infrastructure. These include repairing or upgrading main electrical switchgear, step-down transformers, and windows on the

ground and second floors. The emergency control center project improves security by renovating a dysfunctional space, improving lines of sight, and increasing threat protection. The child care center window project adds blast resistant glass to the recently renovated indoor child playground area. These needs were identified through ongoing building evaluations.

*Timeline and Costs*

Timeline	Milestones	Cost (in millions)
FY 2017	Repairs	\$13.7

**Midatlantic Social Security Center (MATSSC)**

The MATSSC, Philadelphia, PA, which is over 40 years old, needs FY 2017 funding for two repair line items to address water intrusion issues. The building has experienced water intrusions from the plaza for many years resulting in numerous leaks in the basement areas, some causing problems with the electrical infrastructure and potential beginnings of structural damage. The other project will address ground water drainage, which places increasing burden on aging and failing sump pumps. Failure to address and resolve these deficiencies could result in building closure.

*Timeline and Costs*

Timeline	Milestones	Cost (in millions)
FY 2017	Repairs	\$9.045

**SSA-RELATED LEGISLATION ENACTED FEBRUARY 3, 2015 – FEBRUARY 9, 2016**

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**FY 2016**

***The Federal Improper Payments Coordination Act of 2015 (P.L. 114-109, enacted December 18, 2015)***

- The bill provides that Federal agencies shall review, as appropriate, SSA's death records through the Do Not Pay (DNP) initiative. However, the bill does not amend section 205(r) of the Social Security Act, and thus does not permit the use of SSA's full file of death information by the DNP system.

***The Bipartisan Budget Act of 2015 (P.L. 114-74, enacted November 2, 2015)***

- The act reallocates funds from the Old-Age and Survivors Insurance (OASI) trust fund to the Disability Insurance (DI) trust fund to ensure payment of full disability benefits into 2022.
- The act also suspends the debt limit until March 15, 2017; partially rolls back the sequester of discretionary spending scheduled for FY 2016 and FY 2017; and reduces the amount of increase in Medicare Part B premiums for certain beneficiaries in 2016.
- The bill provides adjustments to civil monetary penalties (CMPs) and makes reforms to the Social Security Program.

**FY 2015**

***The Medicare Access and CHIP Reauthorization Act of 2015 (P.L. 114-10 enacted April 16, 2015)***

- The law reauthorizes the Children's Health Insurance Program (CHIP) and repeals the Medicare sustainable growth rate.
- The act also requires the Secretary of Health and Human Services (the Secretary), in consultation with the Commissioner of Social Security (Commissioner) to establish procedures to ensure that a Social Security Number (SSN) or an SSN-derivative is not displayed, coded, or embedded on the Medicare card.

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## MEDICARE ACCESS AND CHIP REAUTHORIZATION ACT (MACRA)

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On April 16, 2015, the President signed the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) (Public Law 114-10). Title V, section 501, prohibits displaying, coding, or embedding Social Security numbers (SSN) on beneficiaries' Medicare cards. The Centers of Medicare and Medicaid Service (CMS) will issue Medicare cards with a new Medicare Beneficiary Identifier (MBI) that replaces SSNs. CMS plans to issue the new cards in a phased approach from May 2018 to April 2019.

Congress appropriated the Social Security Administration (SSA) \$98 million to fund the implementation costs to comply with the provisions of MACRA. Beginning fiscal year (FY) 2015, we receive the funding incrementally through FY 2018. The funding is available in the following amounts:

- FY 2015 - \$27 million (available through FY 2018);
- FY 2016 - \$22 million (available through FY 2018);
- FY 2017 - \$22 million (available through FY 2018); and
- FY 2018 - \$27 million (available until expended).

SSA does not anticipate intensive systems changes to support CMS in the SSN Removal Initiative and implementation of MACRA. However, we expect a significant impact on our workload processing components due to undeliverable mail, inquiries from the public, and requests for replacement cards. CMS outreach activities and phased Medicare card issuance will not begin until 2018. Therefore, we do not foresee an impact to our field operations or major costs incurred until that same year. SSA will have limited spending in FY 2015-2017 for planning, inquires, and system updates.

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## IMPLEMENTATION OF THE BIPARTISAN BUDGET ACT OF 2015

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The Bipartisan Budget Act of 2015 (P.L. 114-74) (BBA) was enacted on November 2, 2015. The BBA contained numerous provisions affecting SSA. Below is a brief summary.

### 301. Debt Collection Improvements

This provision amends the Communications Act of 1934 to authorize the use of automated telephone equipment to call cellular telephones for the purpose of collecting debts owed to the U.S. Government. In addition, it authorizes the Federal Communications Commission, in consultation with the Department of the Treasury, to issue regulations to limit the number and duration of any such calls.

### 601. Maintaining 2016 Medicare Part B Premium and Deductible Levels Consistent with Actuarially Fair Rates

This section establishes the 2016 monthly Part B premium for enrollees not subject to the "hold harmless" provision. It requires these enrollees to pay an additional \$3 to cover the cost of

setting the premium rate, requires enrollees subject to an Income-Related Monthly Adjustment Amount to pay an additional charge that is higher than \$3, and extends those provisions through 2017 if there is no Social Security cost-of-living-allowance increase that year.

#### 701. Civil Monetary Penalty (CMP) Inflation Adjustments

Section 701 requires the head of each Federal agency to adjust CMPs within its jurisdiction for inflation each year, based on the cost-of-living increase in the Consumer Price Index (CPI). By July 1, 2016, affected agencies are to establish the first inflation adjustment based on the percentage by which the CPI for 2015 exceeds the CPI of the year the CMP was first established, or last adjusted. The provision also requires affected agencies to include information about CMPs and adjustments in their Agency Financial Report.

#### 811. Expansion of Cooperative Disability Investigations Units (CDIUs)

This provision requires SSA to establish CDIUs to cover all 50 States, D.C., Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa, subject to funding and participation of local law enforcement agencies. SSA is to submit annual progress reports to the House Committee on Ways and Means and the Senate Finance Committee until nationwide coverage is achieved.

#### 812. Exclusion of Certain Medical Sources of Evidence

Section 812 excludes evidence provided by people convicted of certain felonies, excluded from participation in Federal health care programs, or assessed with a civil monetary penalty for submission of false evidence. The provision also includes a good cause exception as determined by SSA.

#### 813. New and Stronger Penalties

This provision increases the penalty for conspiracy to commit Social Security fraud and certain offenses committed by people violating positions of trust. It also requires SSA to add new language to applications for benefits, and to update language in publications.

#### 814. References to Social Security and Medicare in Electronic Communications

Section 814 includes electronic and internet communications in the prohibitions from misusing Social Security or Medicare symbols, emblems, or names, and treats each dissemination, viewing, or accessing of a communication as a separate violation. Conforming amendments to regulations at 20 CFR Part 498 are required to reflect this modification.

#### 815. Change to Cap Adjustment Authority

This provision adjusts discretionary spending limits for FY2017 - FY2021. It contains additional specifications on the activities covered by the discretionary spending limits and have specifically included the costs of Cooperative Disability Investigations Units and fraud prosecutions by U.S.

Attorneys. It also clearly defines the use of the fund for work related continuing disability reviews.

#### 821. Temporary Reauthorization of Disability Insurance Demonstration Project Authority

Section 821 extends authority to initiate disability insurance demonstration projects through December 31, 2021, and continues such projects through December 31, 2022.

#### 822. Modification of Demonstration Project Authority

This section requires SSA to ensure all participation in demonstration projects is voluntary, and to obtain informed written consent from all participants. It also revises reporting requirements for demonstration projects, and amends the annual reporting deadline to the House Committee on Ways and Means and the Senate Committee on Finance to September 30, 2016 (formerly June 9).

#### 823. Promoting Opportunity Demonstration Project

This provision requires SSA to establish a five-year demonstration project to test a benefit offset of \$1 for every \$2 of earnings in excess of a specific threshold.

#### 824. Use of Electronic Payroll Data to Improve Program Administration

Section 824 permits SSA to establish exchanges with payroll data providers to obtain wage data to administer the disability and SSI programs and prevent improper payments. It authorizes SSA to require claimants to provide authorization to obtain payroll data. The agency is to publish a Federal Register notice describing exchanges with payroll providers created under this section, and publish regulations implementing SSA's access to and use of information held by payroll providers.

#### 825. Treatment of Earnings Derived from Services

For purposes of an initial determination of Title II disability, this section establishes a rebuttable presumption that earnings were earned in the month in which the services were performed; in any other case, it establishes the rebuttable presumption that earnings were earned in the month in which such earnings were paid.

#### 826. Electronic Reporting of Earnings

This provision requires SSA to establish and implement a system permitting disability insurance beneficiaries to report their earnings electronically.

#### 831. Closure of Unintended Loopholes (Aggressive Claiming)

Section 831 automatically deems a claimant who applies for retirement benefits to have applied for any spousal benefit for which he or she is eligible, and automatically deems a claimant who

applies for a spousal benefit based on age to have applied for his or her retirement benefit if he or she is eligible. It also prohibits a person from receiving retroactive benefits for a period of voluntary suspension or benefits based on the earnings of an individual who has suspended his or her benefits during the suspension, and prohibits an individual whose benefits are suspended from receiving benefits on any other record during the suspension.

#### 832. Requirement for Medical Review

This section requires SSA to make every reasonable effort to ensure that a qualified physician (or psychiatrist or psychologist in mental cases) has completed the medical portion of the case review unless good cause is shown. This provision also removes single decision maker (SDM) authority in all disability processing sites, requiring licensed physicians review all disability determinations.

#### 833. Reallocation of Payroll Tax Revenue

This provision increased the portion of the payroll tax on wages and self-employment income allocated to the DI Trust Fund by 0.57 percent, effective January 1, 2016 through December 31, 2018.

#### 834. Access to Financial Information for Waivers and Adjustments of Recovery

Section 834 requires SSA to obtain a claimant's authorization to obtain financial institution records before waiving overpayment recovery under the "defeats the purpose" provision, and permits SSA to refuse the waiver if the claimant refuses to grant such authorization.

#### 841. Interagency Coordination to Improve Program Administration

This section requires SSA and the Office of Personnel Management to enter into an agreement that will allow SSA to withhold past-due disability benefits to offset any Federal Employee Retirement System disability annuity overpayment caused by such disability benefits.

#### 842. Elimination of Quinquennial Determinations Relating to Wage Credits for Military Service Prior to 1957

This provision eliminates the requirement for quinquennial determinations for pre-1957 military service wage credits after the 2010 determination.

#### 843. Certification of Benefits Payable to a Divorced Spouse of a Railroad Worker to the Railroad Retirement Board

Section 843 allows SSA to electronically certify to the Railroad Retirement Board benefits due to a divorced spouse of a railroad worker.

844. Technical Amendments to Eliminate Obsolete Provisions

This section removes two obsolete provisions of the Social Security Act related to Medicare, the former §226(i) and §226A(c).

845. Reporting Requirements to Congress

This provision requires SSA to submit three new annual reports to Congress: Fraud and Improper Payment Prevention Report, to be submitted with the agency's annual budget; Work-Related Continuing Disability Review Report, to be submitted to the House Committee on Ways and Means and the Senate Committee on Finance; and Overpayment Waiver Report, to be submitted to the House Committee on Ways and Means and the Senate Committee on Finance.

846. Expedited Examination of Administrative Law Judges (ALJs)

Section 846 allows SSA to request additional examinations for ALJs from the Office of Personnel Management, the first exams would be held by April 1, 2016, and other exams no later than December 31, 2022. SSA will pay all costs associated with ALJ exams.

## BUDGETARY RESOURCES

The LAE account represents SSA's administrative budget for carrying out its responsibilities under the Social Security Act. This includes administering the OASI, DI, SSI and Special Benefits for Certain WWII Veterans programs and supporting the Centers for Medicare and Medicaid Services in administering the HI, SMI, and Medicare Part D programs. The President's Budget for the LAE account in FY 2017 is \$13.067 billion.

### AMOUNTS AVAILABLE FOR OBLIGATION

**Table 3.6—Amounts Available for Obligation<sup>1,2</sup>**  
(dollars in thousands)

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
<b>LAE</b>			
LAE Appropriation	\$11,805,945	\$12,161,945	\$13,067,000
<b>Unobligated Balance, start-of-year</b>	\$469,609	\$180,208	\$262,000
Recoveries and Transfers	\$39,754	\$25,308	\$25,308
Unrealized Non-Attorney User Fees	-\$811	\$0	\$0
<b>Subtotal LAE Resources</b>	<b>\$12,314,496</b>	<b>\$12,367,461</b>	<b>\$13,354,308</b>
Unobligated Balance, lapsing	-\$91,277	\$0	\$0
Unobligated Balance, end-of-year (LAE Carryover) <sup>3</sup>	-\$56,625	-\$162,308	-\$25,308
<b>Total Obligations, LAE</b>	<b>\$12,166,594</b>	<b>\$12,205,153</b>	<b>\$13,329,000</b>
<b>American Recovery and Reinvestment Act Resources (ARRA)<sup>4</sup></b>			
<b>National Support Center Unobligated Balances, start-of-year</b>	\$40,987	\$53,438	\$0
National Support Center Estimated Recovery	\$55,127	\$0	\$0
National Support Center Unobligated Balances, end-of-year	-\$53,438	\$0	\$0
<b>Obligations, Recovery Act</b>	<b>\$42,676</b>	<b>\$53,438</b>	<b>\$0</b>
<b>MIPPA – LIS</b>			
<b>Unobligated Balances, start-of-year</b>	<b>\$11,820</b>	<b>\$11,744</b>	<b>\$5,872</b>
Unobligated Balances, end-of-year	-\$11,744	-\$5,872	\$0

Table Continues on the Next Page

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

<sup>2</sup> Totals do not include reimbursables.

<sup>3</sup> The majority of the FY 2016 unobligated balance, end-of-year (LAE Carryover), comprises funding for the Altmeyer renovation (\$137M). Please refer to the Major Building Renovations exhibit on page 118 for additional information.

<sup>4</sup> SSA received a Presidential waiver from rescission allowing for the use of ARRA NSC funds until expended.

<b>Obligations, MIPPA – LIS</b>	<b>\$77</b>	<b>\$5,872</b>	<b>\$5,872</b>
<b>State Children’s Health Insurance Program (SCHIP)</b>			
<b>Unobligated Balances, start-of-year</b>	<b>\$2,074</b>	<b>\$2,051</b>	<b>\$1,026</b>
Unobligated Balances, end-of-year	-\$2,051	-\$1,026	\$0
<b>Obligations, SCHIP</b>	<b>\$23</b>	<b>\$1,026</b>	<b>\$1,026</b>
<b>Medicare Access and CHIP Reauthorization Act (MACRA)<sup>1</sup></b>			
<b>Unobligated Balances, start-of-year</b>	<b>\$0</b>	<b>\$26,983</b>	<b>\$44,150</b>
Expenditure Transfers from Trust Funds	\$27,000	\$22,000	\$22,000
Unobligated Balances, end-of-year	-\$26,983	-\$44,150	-\$61,317
<b>Obligations, MACRA</b>	<b>\$17</b>	<b>\$4,833</b>	<b>\$4,833</b>

**BUDGET AUTHORITY AND OUTLAYS**

The LAE account is funded by the Social Security Trust Funds, the General Fund, the Medicare Trust Funds, and applicable user fees. Section 201(g) of the Social Security Act provides that SSA determine the share of administrative expenses that should have been borne by the appropriate trust funds for the administration of their respective programs and the General Fund for administration of the SSI program. SSA calculates the administrative costs attributable to each program using its Government Accountability Office approved cost analysis system. In FY 2009, SSA received additional funds from the General Fund of the Treasury, provided by the Recovery Act and the MIPPA. SSA will also receive \$98 million funded incrementally from FY 2015 to FY 2018 for implementation costs associated with the MACRA provisions.

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

	<b>FY 2015<sup>3</sup> Actual</b>	<b>FY 2016<sup>4</sup> Enacted</b>	<b>FY 2017<sup>5</sup> Estimate</b>
OASI and DI Trust Funds <sup>6</sup>	\$5,344,291 <sup>7</sup>	\$5,596,112 <sup>8</sup>	\$5,702,038 <sup>9</sup>
HI and SMI Trust Funds	\$1,755,376	\$1,777,800	\$2,001,330
SSA Advisory Board	\$2,300	\$2,300	\$2,500

**Table Continues on the Next Page**

<sup>1</sup> Congress appropriated SSA \$98 million to fund the implementation costs to comply with the provisions of the Medicare Access and CHIP Reauthorization Act of 2015. SSA will receive the funding incrementally. The available funding amount for each fiscal year is as follows: FY 2015 - \$27 million (available through FY 2018); FY 2016 - \$22 million (available through FY 2018); FY 2017 - \$22 million (available through FY 2018); and FY 2018 - \$27 million (available until expended).

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

<sup>3</sup> In FY 2015 our administrative costs were about 1.3 percent of the benefit payments we paid.

<sup>4</sup> In FY 2016 our administrative costs are about 1.3 percent of the benefit payments we plan to pay.

<sup>5</sup> In FY 2016 our administrative costs are about 1.3 percent of the benefit payments we plan to pay.

<sup>6</sup> OASDI includes funding for administration of the Special Benefits for Certain World War II Veterans.

<sup>7</sup> The total includes \$2,785,301 in DI and \$2,558,990 in OASI costs.

<sup>8</sup> The total includes \$2,924,160 in DI and \$2,671,952 in OASI costs.

<sup>9</sup> The total includes \$2,964,663 in DI and \$2,737,375 in OASI costs.

Limitation on Administrative Expenses

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
SSI Administrative Expenses	\$4,578,978	\$4,648,733	\$5,234,132
SSI State Supplement User Fees	\$124,000	\$136,000	\$126,000
Non-Attorney Representative User Fees	\$1,000	\$1,000	\$1,000
MIPPA – LIS	N/A	N/A	N/A
MACRA	\$27,000	\$22,000	\$22,000
Recovery Act	N/A	N/A	N/A
<b>Total Budget Authority</b>	<b>\$11,832,945</b>	<b>\$12,183,945</b>	<b>\$13,089,000</b>
OASI and DI Trust Funds <sup>1</sup>	\$5,387,876 <sup>2</sup>	\$5,680,158 <sup>3</sup>	\$5,771,443 <sup>4</sup>
HI and SMI Trust Funds	\$1,771,000	\$1,806,100	\$2,026,600
SSI Administrative Expenses	\$4,809,424	\$4,708,042	\$5,282,857
SSI State Supplement User Fees	\$124,000	\$136,000	\$126,000
Non-Attorney Representative User Fees	\$1,000	\$1,000	\$1,000
MIPPA – LIS	\$77	\$5,872	\$5,872
MACRA	\$0	\$4,833	\$4,833
Recovery Act - Workload Processing	\$0	\$0	\$0
Recovery Act - Economic Recovery	\$0	\$0	\$0
Recovery Act - New NSC	\$63,131	\$47,100	\$43,600
<b>Total Administrative Outlays</b>	<b>\$12,156,508</b>	<b>\$12,389,105</b>	<b>\$13,262,205</b>

<sup>1</sup> OASDI includes funding for administration of the Special Benefits for Certain World War II Veterans.

<sup>2</sup> The total includes \$2,750,176 in DI and \$2,637,700 in OASI costs.

<sup>3</sup> The total includes \$2,963,158 in DI and \$2,717,000 in OASI costs.

<sup>4</sup> The total includes \$2,996,443 in DI and \$2,775,000 in OASI costs.

## PROGRAM INTEGRITY

The following table provides a consolidated account of the total funding required for CDRs and redeterminations for FY 2015 through FY 2017. For more information about SSA's program integrity efforts, please refer to page 107.

**Table 3.8—Program Integrity  
(dollars in millions)**

	FY 2015 Actual <sup>1</sup>	FY 2016 Estimate <sup>2</sup>	FY 2017 Estimate <sup>3</sup>
Full Medical CDRs Completed	799,013	850,000	1,100,000
SSI Non-Medical Redeterminations Completed	2,266,992	2,522,000	2,822,000
<b>Funding</b>			
Dedicated Program Integrity Funding	\$1,396	\$1,426	\$1,819
Related LAE Funding <sup>4</sup>	\$9	\$100 <sup>5</sup>	\$59

The following table satisfies SSA's requirement directed by the House Report.

**Table 3.9 - FY 2015 SSA Program Integrity (PI) Spending  
(dollars in thousands)**

	<b>Total PI Obligations<sup>6</sup></b>
OASI	\$ 139,700
DI	\$ 241,100
SSI	\$ 912,600
HI	\$ 52,900
SMI	\$ 59,100
<b>Total</b>	<b>\$ 1,405,400</b>

<sup>1</sup> FY 2015 actual represents the combined costs of CDRs and SSI redeterminations in FY 2015, including the \$1.396 billion in the base and cap adjustment (as authorized by the Budget Control Act) and an additional \$9 million from LAE. The FY 2015 Omnibus authorized the use of up to \$131 million from LAE for Program Integrity activities.

<sup>2</sup> FY 2016 estimate represents \$1.426 billion in the base and cap adjustment (as authorized by the Bipartisan Budget Act) for dedicated program integrity funding and an additional \$116 million from LAE. We estimate needing \$100 million of the \$116 million to fully fund the PI workload.

<sup>3</sup> FY 2017 estimate represents \$1.819 billion in the base and cap adjustment (as authorized by the Bipartisan Budget Act) for dedicated program integrity funding and an additional \$59 million from LAE.

<sup>4</sup> Funding reflects the fully loaded costs of performing CDRs and SSI redeterminations.

<sup>5</sup> The FY 2016 Omnibus authorizes the use of up to \$116 million from LAE; SSA estimates using \$100 million from LAE.

<sup>6</sup> Represents the full cost of completing Continuing Disability Reviews and SSI Redeterminations as authorized by the Budget Control Act of 2011 (PL 112-25). Continuing Disability Review (CDR) costs include the cost of processing Medical and Work CDRs and excludes the cost of Medical CDR appeals, which is not consistent with costs reported in the CDR Report to Congress. For a description of anti-fraud activities, please see the Budget Overview.

## KEY ASSUMPTIONS AND COST DRIVERS

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We continue to do everything we can to reduce our operating costs. Nevertheless, as our beneficiary population increases each year, our costs continue to rise. While some of our programs have discrete cost-drivers associated with them, the majority of cost-drivers affect all programs.

We formulated this budget to address the following challenges:

- High demand for services due to the aging population, see [Social Security Beneficiary Statistics](#);
- Disability appeals hearings backlog;
- Complex disability process, see [Social Security Disability](#);
- Growth in non-traditional SSA workloads (e.g., Medicare, ACA, and verifications for other programs);
- Combatting waste, fraud and abuse;
- Reducing improper payments and completing cost-effective program integrity work, see [Social Security Improper Payments](#);
- Finding additional efficiencies and streamlining business processes;
- Modernizing our service delivery;
- Modernizing computer systems;
- Cyber threats; and
- Rising infrastructure costs.

Please see the performance table 3.4 for clarity for projected work completed for our major workloads, as well as our productivity numbers.

## ANALYSIS OF CHANGES

The FY 2017 request for the LAE account represents a \$1.1 billion increase over the FY 2016 level. The following tables provide a summary of the changes from the FY 2016 level to the FY 2017 President's Budget.

**Table 3.10—Summary of Changes from FY 2016 to FY 2017<sup>1</sup>**  
(dollars in thousands)

	FY 2016 Enacted	FY 2017 Estimate	FY16 to FY17 Change
<b>Total LAE</b>	<b>\$12,367,461</b>	<b>\$13,354,308</b>	<b>+ \$986,847</b>
Appropriation	\$12,161,945	\$13,067,000	+ \$905,055
Amounts Available From Prior Year Unobligated Balances	\$205,516	\$287,308	- \$81,792
<b>Obligations, LAE</b>	<b><u>\$12,205,153</u></b>	<b><u>\$13,329,000</u></b>	<b>+ <u>\$1,123,847</u></b>
Unobligated Balance, end-of- year <sup>2,3</sup>	\$162,308	\$25,308	-\$137,000
<b>Recovery Act Obligations</b>	<b><u>\$53,438</u></b>	<b><u>\$0</u></b>	<b>- <u>\$53,438</u></b>
National Support Center	\$53,438	\$0	- \$53,438
<b>MIPPA - LIS Obligations</b>	<b><u>\$5,872</u></b>	<b><u>\$5,872</u></b>	<b><u>\$0</u></b>
<b>SCHIP Obligations</b>	<b><u>\$1,026</u></b>	<b><u>\$1,026</u></b>	<b><u>\$0</u></b>
<b>MACRA<sup>3</sup></b>	<b><u>\$4,833</u></b>	<b><u>\$4,833</u></b>	<b><u>\$0</u></b>
<b>Obligations, Total</b>	<b><u>\$12,270,321</u></b>	<b><u>\$13,340,731</u></b>	<b>+ <u>\$1,070,410</u></b>

<sup>1</sup> Totals do not include reimbursables and may not add due to rounding.

<sup>2</sup> Unobligated Balance end-of-year reflects \$25,308,063 in FY 2015 Delegated Buildings carryover.

<sup>3</sup> The majority of the FY 2016 unobligated balance, end-of-year comprises funding for the Altmeyer renovation (\$137M). Please refer to the Major Building Renovations exhibit on page 118 for additional information.

<sup>3</sup> Congress appropriated SSA \$98 million to fund the implementation costs to comply with the provisions of the Medicare Access and CHIP Reauthorization Act of 2015. SSA will receive the funding incrementally. The available funding amount for each fiscal year is as follows: FY 2015 - \$27 million (available through FY 2018); FY 2016 - \$22 million (available through FY 2018); FY 2017 - \$22 million (available through FY 2018); and FY 2018 - \$27 million (available until expended).

**Table 3.11—Explanation of LAE Budget Changes from FY 2016 to FY 2017  
(dollars in thousands)<sup>1</sup>**

	FY 2016		Change from FY 2016	
	Federal WYs <sup>2</sup>	Obligations	Federal WYs <sup>2</sup>	Obligations
<b><u>BUILT-IN INCREASES</u></b>				
<b><u>Payroll Expenses</u></b>	65,832	\$6,896,741		\$220,824
Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System				125,093
Three-month effect of assumed Federal pay increase effective January 2016 – 1.3%				20,326
Nine-month effect of assumed Federal pay increase effective January 2017 – 1.6%				75,406
<b><u>Non-Payroll Costs</u></b>				
Mandatory growth in non-payroll costs, including higher costs of rent, security, and guard services		\$1,874,854		\$69,114
<b><u>State Disability Determination Services</u></b>				
Mandatory growth in State DDS costs, including pay raises and the cost of medical evidence		\$2,372,662		\$29,667
<b>Subtotal, Built-In Increases</b>				<b>+\$319,605</b>
<b><u>PROGRAM INCREASES</u></b>				
<b><u>Net Increase in WYs<sup>3</sup></u></b>			2,806	\$301,370
<b><u>Non-Payroll Costs</u></b>		\$125,037		\$16,063
<b><u>Net Increase in State Disability Determination Services</u></b>				\$111,670
<b><u>Social Security Statements Mailed</u></b>		\$22,237		\$2,696

Table Continues on the Next Page

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

<sup>2</sup> Excludes workyears associated with MACRA funding.

<sup>3</sup> The FY 2017 WYs increase is largely due to the necessary overtime needed to process Program Integrity.

Limitation on Administrative Expenses

	FY 2016		Change from FY 2016	
	Federal WYs	Obligations	Federal WYs	Obligations
<b><u>Funding for IT<sup>1</sup></u></b>		\$720,413		\$352,196
<b>Subtotal, Program Increases</b>			2,806	<b>+\$783,995</b>
<b>Total Increases</b>			<b>+2,806</b>	<b>\$1,103,600</b>
<b><u>BUILT-IN DECREASES</u></b>				
<b><u>Payroll Expenses</u></b>				
Decrease due to two fewer paid days				-\$48,545
<b><u>PROGRAM DECREASES</u></b>				
<b><u>Decreases in Obligations Funded from Other Prior-Year Unobligated Balances</u></b>				
<b><u>Recovery Act – New NSC Resources</u></b>		\$180,208		-\$55,208
Non-personnel Costs		\$53,438		-\$53,438
<b>Total Decreases</b>				<b>-\$157,191</b>
<b><u>OTHER OBLIGATIONS</u></b>				
<b><u>MIPPA – LIS</u></b>		\$5,872		\$0
<b><u>State Children’s Health Insurance Program (SCHIP)</u></b>		\$1,026		\$0
<b><u>Altmeyer</u></b>		\$13,000		\$124,000
<b><u>Medicare Access &amp; CHIP Reauthorization Act<sup>2</sup> (MACRA)</u></b>		\$4,833		\$0
<b>Total LAE Obligations, Net Change</b>	<b>65,832</b>	<b>\$12,270,321</b>	<b>+2,806</b>	<b>+\$1,070,410</b>

<sup>1</sup> Planned obligations for Information Technology also include obligations funded from prior-year unobligated balances in the amounts of \$180 million in FY 2016 and \$125 million in FY 2017. The FY 2017 IT funding increase represents the amount needed to bring our agency spending to historical levels, and also includes funding for IT Modernization and Cyber Security.

<sup>2</sup> Congress appropriated SSA \$98 million to fund the implementation costs to comply with the provisions of the Medicare Access and CHIP Reauthorization Act of 2015. SSA will receive the funding incrementally. The available funding amount for each fiscal year is as follows: FY 2015 - \$27 million (available through FY 2018); FY 2016 - \$22 million (available through FY 2018); FY 2017 - \$22 million (available through FY 2018); and FY 2018 - \$27 million (available until expended).

## BUDGETARY RESOURCES BY OBJECT

Table 3.12—Budgetary Resources by Object<sup>1,2,3,4</sup>

(dollars in thousands)

	FY 2016	FY 2017	Change
Personnel Compensation			
Permanent positions	\$4,940,108	\$5,167,063	\$226,955
Positions other than permanent	\$139,150	\$145,111	\$5,961
Other personnel compensation	\$104,929	\$203,647	\$98,718
Special personal service payments	\$5,387	\$5,509	\$122
Subtotal, personnel compensation	\$5,189,573	\$5,521,330	\$331,757
Personnel Benefits	\$1,718,899	\$1,860,791	\$141,892
Travel and transportation of persons	\$24,096	\$24,372	\$277
Transportation of things	\$5,751	\$5,816	\$65
Rent, communications, and utilities			
Rental payments to GSA	\$716,412	\$714,659	-\$1,753
Rental payments to others	\$438	\$440	\$1
Communications, utilities, misc.	\$446,651	\$516,724	\$70,072
Printing and reproduction	\$22,386	\$22,633	\$247
Other services (DDS, guards, etc.)	\$3,803,312	\$4,138,146	\$334,835
Supplies and materials	\$28,305	\$28,617	\$312
Equipment	\$197,640	\$252,430	\$54,790
Land and structures	\$73,141	\$210,777	\$137,636
Grants, subsidies and contributions	\$17,305	\$17,495	\$191
Insurance claims and indemnities	\$26,208	\$26,497	\$289
Interest and dividends	\$4	\$4	\$1
<b>Total Obligations</b>	<b>\$12,270,321</b>	<b>\$13,340,731</b>	<b>\$1,070,409</b>
Resources not being obligated in the current year (carrying over or lapsing)	\$213,355	\$86,625	-\$126,731
<b>Total Budgetary Resources</b>	<b>\$12,483,677</b>	<b>\$13,427,355</b>	<b>\$943,679</b>
Payments to State DDS (funded from other services and communications, utilities, and misc.)	\$2,372,662	\$2,514,000	\$141,338

<sup>1</sup> Totals do not include reimbursables and may not add due to rounding.

<sup>2</sup> The obligations include the base LAE appropriation, LIS, SCHIP, NSC, MACRA, and the Altmeyer Renovation. Total budgetary resources in the table reflect FY 2016 and FY 2017 projections of spending by object class. Resources are not managed at the object class level and SSA has the flexibility within the LAE account to modify projected spending during the budget execution process.

<sup>3</sup> As required by the FY 2016 Omnibus Report provisions, we note that the total FY 2015 DDS obligations are \$2.262B, which includes personnel costs as well as medical and other workload support costs.

<sup>4</sup> As required by FY 2016 Omnibus General Provision 524, the Office of Communications estimates \$4 million of FY 2016 funds to be obligated for advertising.

The following tables satisfy SSA's requirement directed by the House Report.

**Table 3.13 — FY 2015 Physical Infrastructure Costs by Component**  
(dollars in thousands) <sup>1</sup>

Components	LAE One Year				Total Physical Infrastructure
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities <sup>2</sup>	Operations & Maintenance of Equipment	
Office of Operations	\$517,858	\$26,742	\$180,623	\$45	\$725,268
Office of Systems	\$0	\$0	\$1	\$0	\$1
Office of Disability Adjudication and Review	\$106,096	\$3,781	\$41,143	\$17	\$151,037
Office of Human Resources	\$0	\$2	\$335	\$1	\$337
Office of Retirement and Disability Policy	\$0	\$29	\$1	\$0	\$30
Office of the Chief Strategic Officer	\$0	\$1	\$0	\$0	\$1
Office of Budget, Finance, Quality and Management	\$4,454	\$103	\$545	\$0	\$5,103
Office of Budget, Finance, Quality and Management – Agency Level	\$79,974	\$155,280	\$84,394	\$499	\$320,147
Office of General Counsel	\$2,237	\$61	\$248	\$1	\$2,548
Office of General Counsel – Agency Level	\$0	\$48	\$0	\$0	\$48
Disability Determination Services	\$0	\$36,158	\$183	\$0	\$36,341
Information Technology Systems	\$0	\$245,496	\$0	\$378,661	\$624,158
Social Security Advisory Board	\$280	\$8	\$6	\$0	\$294
<b>Subtotal LAE One Year</b>	<b>\$710,899</b>	<b>\$467,710</b>	<b>\$307,480</b>	<b>\$379,225</b>	<b>\$1,865,314</b>
	LAE No Year				
Delegated Buildings	\$0	\$20,300	\$30,357	\$0	\$50,657
Information Technology Systems	\$0	\$0	\$0	\$438,292	\$438,292
National Support Center	\$0	\$4,100	\$11,950	\$16,661	\$32,710
<b>Subtotal LAE No Year</b>	<b>\$0</b>	<b>\$24,399</b>	<b>\$42,307</b>	<b>\$454,953</b>	<b>\$521,659</b>
<b>Grand Total <sup>3</sup></b>	<b>\$710,899</b>	<b>\$492,109</b>	<b>\$349,787</b>	<b>\$834,178</b>	<b>\$2,386,973</b>

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

<sup>2</sup> Includes guard services.

<sup>3</sup> Includes reimbursables.

**Table 3.14 — FY 2015 Physical Infrastructure Costs by Region  
(dollars in thousands) <sup>1</sup>**

Regions	LAE One Year and No Year				
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities <sup>2</sup>	Operations & Maintenance of Equipment	Total Physical Infrastructure
Boston	\$25,456	\$1,928	\$9,823	\$6	\$37,213
New York	\$85,446	\$5,959	\$34,878	\$16	\$126,299
Philadelphia	\$53,441	\$5,084	\$34,177	\$21	\$92,724
Atlanta	\$117,873	\$13,446	\$34,396	\$18	\$165,734
Chicago	\$94,321	\$8,298	\$38,981	\$39	\$141,640
Dallas	\$65,735	\$4,607	\$21,544	\$22	\$91,908
Kansas City	\$30,097	\$3,042	\$5,536	\$14	\$38,689
Denver	\$14,003	\$1,241	\$6,914	\$5	\$22,164
San Francisco	\$100,034	\$7,156	\$36,289	\$31	\$143,509
Seattle	\$24,896	\$1,444	\$8,372	\$3	\$34,716
Headquarters <sup>3</sup>	\$99,596	\$439,903	\$118,877	\$834,002	\$1,492,378
<b>Total <sup>4</sup></b>	<b>\$710,899</b>	<b>\$492,109</b>	<b>\$349,787</b>	<b>\$834,178</b>	<b>\$2,386,973</b>

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

<sup>2</sup> Includes guard services.

<sup>3</sup> Includes State DDSs, Social Security Advisory Board, ITS, NSC, and Delegated Buildings.

<sup>4</sup> Includes reimbursables.

**BACKGROUND**

**AUTHORIZING LEGISLATION**

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

**Table 3.15—Authorizing Legislation  
(dollars in thousands)**

	<b>2015 Amount Authorized</b>	<b>2015 Actual<sup>1</sup></b>	<b>2016 Amount Authorized</b>	<b>2016 Enacted<sup>2</sup></b>	<b>2017 Amount Authorized</b>	<b>2017 Estimate<sup>3</sup></b>
<b>Title II, Section 201(g)(1) of the Social Security Act</b>	Indefinite	\$11,805,945	Indefinite	\$12,161,945	Indefinite	\$13,067,000

<sup>1</sup> The FY 2015 appropriation included \$1,396 million in dedicated funding for program integrity, \$124 million for SSI State Supplement user fees, and up to \$1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

<sup>2</sup> The FY 2016 appropriation included \$1,426 million in dedicated funding for program integrity, \$136 million for SSI State Supplement user fees, and up to \$1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

<sup>3</sup> The FY 2017 request includes \$1,819 million in dedicated funding for program integrity, \$126 million for SSI State Supplement user fees, and up to \$1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

## APPROPRIATION HISTORY

The table below includes the amount requested by the President, passed by the House and Senate Committees on Appropriations, and ultimately appropriated for the LAE account, including any rescissions and supplemental appropriations, for the last 10 years. The annual appropriation includes amounts authorized from SSI State Supplement user fees and, beginning in FY 2007, non-attorney representative user fees.

**Table 3.16—Appropriation History Table**

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
<b>2007</b>	\$9,496,000,000 <sup>1</sup>	\$9,293,000,000 <sup>2</sup>	\$9,093,000,000 <sup>3</sup>	<b>\$9,297,573,000</b> <sup>4</sup>
<b>2008</b>	\$9,596,953,000 <sup>5</sup>	\$9,696,953,000 <sup>6</sup>	\$9,721,953,000 <sup>7</sup>	\$9,917,842,000 <sup>8</sup>
Rescission <sup>9</sup>				-\$173,264,731
Final				<b>\$9,744,577,269</b>
Economic Stimulus Act <sup>10</sup>				\$31,000,000
<b>2009</b>	\$10,327,000,000 <sup>11</sup>	- - - <sup>12</sup>	\$10,377,000,000 <sup>13</sup>	<b>\$10,453,500,000</b> <sup>14</sup>
MIPPA – Low Income Subsidy <sup>15</sup>				\$24,800,000
Recovery Act <sup>16</sup>				\$1,090,000,000
<b>2010</b>	\$11,451,000,000 <sup>17</sup>	\$11,446,500,000 <sup>18</sup>	\$11,446,500,000 <sup>19</sup>	\$11,446,500,000 <sup>20</sup>
Rescission <sup>21</sup>				-\$47,000,000
<b>2011</b>	\$12,378,863,280 <sup>22</sup>	- - - <sup>23</sup>	\$12,377,000,000 <sup>24</sup>	\$11,446,500,000 <sup>25</sup>
Rescission <sup>26</sup>				-\$22,893,000
Final				<b>\$11,423,607,000</b>
<b>2012</b>	\$12,522,000,000 <sup>27</sup>	- - - <sup>28</sup>	\$11,632,448,000 <sup>29</sup>	\$11,474,978,000 <sup>30</sup>
Rescission <sup>31</sup>				\$21,688,000
Final				<b>\$11,453,290,000</b> <sup>32</sup>
<b>2013</b>	\$11,760,000,000 <sup>33</sup>	- - - <sup>34</sup>	\$11,736,044,000 <sup>35</sup>	\$11,453,290,000 <sup>36</sup>
Rescission				-\$21,394,476 <sup>37</sup>
Sequestration				-\$386,329,494 <sup>38</sup>
Final				<b>\$11,045,566,321</b> <sup>39</sup>
<b>2014</b>	<u>\$12,296,846,000</u>	- - - <sup>40</sup>	\$11,697,040,000 <sup>41</sup>	<b>\$11,697,040,000</b> <sup>42</sup>
LAE	\$11,069,846,000 <sup>43</sup>			
PIAE	\$1,227,000,000 <sup>44</sup>			
<b>2015</b>	\$12,024,000,000 <sup>45</sup>	- - - <sup>46</sup>	- - - <sup>47</sup>	<b>\$11,805,945,000</b> <sup>48</sup>
<b>2016</b>	\$12,513,000,000 <sup>49</sup>	\$11,817,945,000 <sup>50</sup>	\$11,620,945,000 <sup>51</sup>	<b>\$12,161,945,000</b> <sup>52</sup>
<b>2017</b>	\$13,067,000,000 <sup>53</sup>			

<sup>1</sup> Includes a total of \$490,000,000 in funding designated for continuing disability reviews in FY 2007. Total consists of \$289,000,000 in base funding and \$201,000,000 in additional funds. Includes up to \$119,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

<sup>2</sup> H.R. 5647.

<sup>3</sup> S. 3708.

<sup>4</sup> Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

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- <sup>5</sup> Includes a total of \$477,000,000 in funding designated for SSI redeterminations and continuing disability reviews (CDRs). The base and cap adjustment requests for 2008 include both CDRs and SSI redeterminations, whereas previous cap adjustment requests were for CDRs only. Total consists of \$264,000,000 in base funding and \$213,000,000 in additional funds. Includes up to \$135,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>6</sup> H.R. 3043.
- <sup>7</sup> S. 1710.
- <sup>8</sup> Consolidated Appropriations Act, 2008 (P.L. 110-161). Includes up to \$132,641,550 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$982,530 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>9</sup> A total of \$173,264,731 was rescinded by the Consolidated Appropriations Act, 2008 (P.L. 110-161).
- <sup>10</sup> Economic Stimulus Act (P.L. 110-185) provides funds for work related to rebate checks for Title II beneficiaries and disabled veterans.
- <sup>11</sup> Total includes \$504,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$264,000,000 in base funding and \$240,000,000 in additional funds. Includes up to \$145,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>12</sup> The House Committee on Appropriations did not report a bill.
- <sup>13</sup> S. 3230.
- <sup>14</sup> Omnibus Appropriations Act, 2009 (P.L. 111-8). Total includes \$504,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$264,000,000 in base funding and \$240,000,000 in additional funds. After enactment of the FY 2009 appropriation, \$1,378,700 was transferred from LAE to OIG.
- <sup>15</sup> From the General Fund of the Treasury, the Medicare Improvements for Patients and Providers Act (MIPPA) (P.L. 110-275) provides \$24,800,000 for activities related to the implementation of changes to the Low-Income Subsidy program. The MIPPA total does not include \$24,100,000 for Medicare Savings Program outreach and transmittal of data to states. Also not included is the Children’s Health Insurance Program Reauthorization Act (P.L. 111-3), which appropriated to SSA \$5,000,000 to provide states the option to verify citizenship or nationality for the purposes of determining Medicaid or Children’s Health Insurance Program eligibility.
- <sup>16</sup> The American Recovery and Reinvestment Act (Recovery Act) (P.L. 111-5) provides SSA \$500,000,000 to process growing disability and retirement workloads, \$500,000,000 to replace the National Computer Center, and \$90,000,000 to administer the \$250 economic recovery payments for eligible Social Security and Supplemental Security Income beneficiaries.
- <sup>17</sup> Total includes \$758,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$273,000,000 in base funding and \$485,000,000 in additional funds. Includes up to \$165,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to \$500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>18</sup> H.R. 3293.
- <sup>19</sup> H.R. 3293, reported from Committee with an amendment.
- <sup>20</sup> Consolidated Appropriations Act, 2010 (P.L. 111-117). Total includes \$758,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$273,000,000 in base funding and \$485,000,000 in additional funds. The enacted amount matches the President’s request, after accounting for a technical adjustment resulting from CBO’s scoring of user fees. Total includes up to \$160,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments, and \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

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- <sup>21</sup> \$47,000,000 of Recovery Act Economic Recovery Payment administration funds rescinded by section 318 of P.L. 111-226.
- <sup>22</sup> Total includes \$796,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$283,000,000 in base funding and \$513,000,000 in additional funds. Includes up to \$185,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Includes \$1,863,280 to increase SSA’s acquisition workforce capacity and capabilities.
- <sup>23</sup> The House Committee on Appropriations did not report a bill.
- <sup>24</sup> S. 3686.
- <sup>25</sup> Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).
- <sup>26</sup> A total of \$22,893,000 was rescinded by the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). The table does not display a \$200,000,000 rescission of no-year IT funds enacted in the Additional Continuing Appropriations Amendments, 2011 (P.L. 112-6) or a \$75,000,000 rescission of no-year IT funds enacted in the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).
- <sup>27</sup> Total includes \$938,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$315,000,000 in base funding and \$623,000,000 in additional funds. Includes up to \$163,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Includes \$1,863,000 to increase SSA’s acquisition workforce capacity and capabilities.
- <sup>28</sup> The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$12,041,494,000.
- <sup>29</sup> S. 1599.
- <sup>30</sup> Consolidated Appropriations Act, 2012 (P.L. 112-74). Total includes \$483,484,000 for continuing disability reviews and SSI redeterminations appropriated in the Disaster Relief Appropriations Act (P.L. 112-77).
- <sup>31</sup> A total of \$21,688,000 was rescinded by the Consolidated Appropriations Act, 2012 (P.L. 112-74).
- <sup>32</sup> The FY 2012 enacted LAE Budget Authority is \$11,453 million. However, effective April 1, 2012, Massachusetts will assume control of its State Supplementary payments reducing the estimated SSI user fees by approximately \$7.1 million. The resulting available SSI user fee funding for FY 2012 is approximately \$154 million. The available LAE funding for FY 2012 is approximately \$11,446 million.
- <sup>33</sup> Total includes \$1,024,000,000 in funding designated for SSI redeterminations and continuing disability reviews – \$273,000,000 in base funding and \$751,000,000 in additional funds. Includes up to \$170,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>34</sup> The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$10,684,414,000 for LAE.
- <sup>35</sup> S. 3295.
- <sup>36</sup> At the time the Budget was formulated we had not received a full year appropriation for FY 2013. We were operating under a six month CR (P.L. 112-175) that funded agency operations at \$11,520,000,000 if annualized. This represents a 0.612 percent increase from the FY 2012 enacted level. Funding was reduced to the FY 2012 enacted level of \$11,453,290,000 under a full year CR (P.L. 113-6).
- <sup>37</sup> As per BDR 13-19, SSA was subject to an Across-the-Board (ATB) Reduction/Rescission of .2% of LAE. Both Base and Cap Program Integrity funds were exempt from this reduction.
- <sup>38</sup> Under P.L. 112-175, all non-SSI funding was reduced by 5% after sequestration was triggered by Congress.
- <sup>39</sup> Agency funding post sequestration (P.L. 112-175) and ATB reduction (BDR 13-19) was \$407,723,000 lower than the original CR funding level (P.L. 113-6).

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- <sup>40</sup> The House Committee on Appropriations did not report a bill. The LAE appropriation of \$11,697,040,000 for FY 2014 was incorporated into H.R. 3547.
- <sup>41</sup> S. 3533.
- <sup>42</sup> Consolidated Appropriations Act, 2014 (P.L. 113-76). Total includes \$1,197,000,000 for continuing disability reviews and SSI redeterminations. Includes up to \$171,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>43</sup> Total includes \$273,000,000 in funding designated for SSI redeterminations and continuing disability reviews. Includes up to \$173,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>44</sup> The FY 2014 President's Budget included a legislative proposal to create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request was \$1,227,000,000. With the addition of \$273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 was \$1,500,000,000.
- <sup>45</sup> Total includes \$1,396,000,000 in dedicated funding designated for SSI redeterminations and continuing disability reviews – \$273,000,000 in base funding and \$1,123,000,000 in funds outside the discretionary caps as authorized by the BCA, as well as \$131,000,000 from LAE to assist in program integrity work. Includes up to \$124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>46</sup> The House Committee on Appropriations did not report a bill. .
- <sup>47</sup> The Senate Committee on Appropriations did not report a bill.
- <sup>48</sup> Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). Total includes \$1,396,000,000 for continuing disability reviews and SSI redeterminations. Includes up to \$124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>49</sup> Total includes \$1,439,000,000 in dedicated funding designated for SSI redeterminations and continuing disability reviews – \$273,000,000 in base funding and \$1,166,000,000 in funds outside the discretionary caps as authorized by the BCA. Includes up to \$136,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>50</sup> H.R. 3020.
- <sup>51</sup> S.1695.
- <sup>52</sup> Consolidated Appropriations Act, 2016 (P.L. 114-113). Total includes \$1,426,000,000 for continuing disability reviews and SSI redeterminations. Includes up to \$124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- <sup>53</sup> The FY 2017 request includes \$1,819 million in dedicated funding for program integrity - \$273,000,000 in base funding and \$1,546,000 in funds outside the discretionary caps as authorized by the BCA. Additionally, the LAE account carves out funding to support the fully loaded costs of performing 1.1 million CDRs and approximately 2.8 million redeterminations, \$126 million for SSI State Supplement user fees, and up to \$1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

## ADDITIONAL BUDGET DETAIL

### SIZE AND SCOPE OF SSA'S PROGRAMS

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

Between the three major programs SSA administers—OASI, DI, and SSI—Federal benefit payment outlays totaled \$931.2 billion in FY 2015; under current law, Federal benefit payment outlays are expected to increase to \$978.0 billion in FY 2016 and \$1,018 billion in FY 2017. At approximately 1.3 percent of total outlays, SSA's administrative expenses<sup>1</sup> continue to be a small fraction of overall program spending, demonstrating the agency's cost-conscious approach to managing its resources.

**Table 3.17—Federal Benefit Outlays**<sup>2,3</sup>  
(dollars in billions)

	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Old-Age and Survivors Insurance	\$733.7	\$772.0	\$812.6
Disability Insurance	\$142.8	\$146.4	\$149.2
Supplemental Security Income	\$54.6	\$59.6	\$56.2
<b>Total Outlays</b>	<b>\$931.2</b>	<b>\$978.0</b>	<b>\$1,018.0</b>

Paralleling the growth in benefit payment outlays, the number of Federal beneficiaries of the three major programs SSA administers is expected to increase from 64.8 million in FY 2015 to 66.5 million in FY 2016 and 68.4 million in FY 2017.

<sup>1</sup> SSA's calculation of discretionary administrative expenses excludes Treasury administrative expenses which are mandatory outlays.

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

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

**Table 3.18—Beneficiaries<sup>1,2,3</sup>**  
(average in payment status, in millions)

	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Old-Age and Survivors Insurance	48.3	50.1	51.8
Disability Insurance	10.9	10.9	11.0
Supplemental Security Income <sup>2</sup>	8.2	8.2	8.2
Concurrent Recipients <sup>4</sup>	-2.6	-2.6	-2.6
<b>Total Beneficiaries</b>	<b>64.8</b>	<b>66.5</b>	<b>68.4</b>

### FULL TIME EQUIVALENTS AND WORKYEARS

The following table summarizes the LAE Federal and State workyears requested for FY 2017.

**Table 3.19—SSA Supported Federal and State Workyears<sup>5,6</sup>**

	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Federal Full-Time Equivalents (FTEs)	63,394	64,860	66,140
Federal Overtime/Lump Sum Leave	3,077	972	2,498
<b>Total SSA Workyears (excludes OIG)</b>	<b>66,471</b>	<b>65,832</b>	<b>68,638</b>
Total State DDS Workyears	14,925	15,270	16,000
<b>Total SSA/DDS Workyears (excludes OIG)</b>	<b>81,396</b>	<b>81,102</b>	<b>84,638</b>

### SOCIAL SECURITY ADVISORY BOARD

This budget includes \$2.5 million for the Social Security Advisory Board in FY 2017. The *Social Security Independence and Program Improvements Act of 1994* mandated the creation of a seven-member Advisory Board to make recommendations on policies and regulations relating to SSA's major programs: OASDI and SSI. The Board is required by law to meet at least four times per year. For more information about the Social Security Advisory Board, please see their website: [Social Security Advisory Board](#).

<sup>1</sup> Totals do not include recipients of Special Benefits for World War II Veterans.

<sup>2</sup> Does not include recipients who only receive a Federally Administered State supplementary payment and no Federal benefit.

<sup>3</sup> Totals may not add due to rounding.

<sup>4</sup> Recipients receiving both DI and SSI benefits.

<sup>4</sup> Recipients receiving both DI and SSI benefits.

<sup>5</sup> Includes all workyears funded by MIPPA and the Children's Health Insurance Program (CHIP) Reauthorization Act of 2009.

<sup>6</sup> Excludes workyears associated with Medicare Access and CHIP Reauthorization Act of 2015 funding.

## IT FUND TABLES

**Table 3.20— LAE Expired Balances & No-Year IT Account  
(in thousands)**

<b><u>LAE Expired Accounts</u></b>	<b><u>Amounts</u></b>
LAE unobligated balance from FY 2011-2014	\$187,400
LAE unobligated balance available from FY 2015	\$91,300
Total LAE unobligated balance from FY 2011-2015	\$278,700 <sup>1</sup>
Amounts projected for prior year adjustments	-\$128,000 <sup>22</sup>
<b>Total LAE unobligated balance available for transfer from FY 2011-2015</b>	<b>\$150,700</b>
<b>No-Year ITS Account</b>	
Carryover from funds transferred in FY 2014 for FY 2015	\$255,000
Carryover from FY 2014 (Unobligated Balances)	\$8,601
Total carryover from FY 2014 to FY 2015	\$263,601
Funds transferred in FY 2015 for FY 2015	\$205,800
Total FY 2015 no-year ITS funding available	\$469,401
FY Est. 2015 Obligations	-\$438,292
Recoveries in FY 2015	\$0
<b>Total carryover into FY 2016</b>	<b>\$31,109</b>
Funds available for transfer in FY 2016 for FY 2016	\$150,700
<b>Total FY 2016 no-year ITS funding available</b>	<b>\$181,809<sup>3</sup></b>

<sup>1</sup> Reflects adjustments to the unobligated balances for these years. Balances as of 9/30/2015.

<sup>2</sup> We believe it is essential that these funds remain in the expired LAE accounts (FY 2011-2015) to cover potential upward adjustments. Otherwise, SSA could face an anti-deficiency violation.

<sup>3</sup> \$181.8 million is available based on actual carryover, however we have only allocated \$180.3 million to date.

## ITS BUDGET AUTHORITY

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SSA's FY 2017 Information Technology Systems (ITS) budget provides resources for the acquisition and maintenance of automated data processing (ADP) and telecommunications hardware and software, as well as ADP support services and related contractual services. SSA reviews all information technology (IT) spending to ensure it includes only those projects and activities that are most crucial for the agency's operations and/or have the highest payback. No-year funding is an essential portion of the total annual IT budget.

The SSA CFO and CIO affirm that the CIO had a significant role in reviewing planned IT support for program objectives and significant increases and decreases in IT resources; and the SSA CIO and CFO affirm that the IT Portfolio includes appropriate estimates of all IT resources included in the budget request.

The table below displays ITS budget authority, split by type of funding, and obligations from FY 2015 through FY 2017.

**Table 3.21—ITS Budget by Activity<sup>1</sup>**

<b>Limitation of Administrative Expenses</b>	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate</b>
One-Year	\$867,582,552	\$720,113,900	\$1,072,609,500
No-Year	\$438,291,745	\$180,300,000	\$125,000,000
Subtotal	\$1,305,874,297	\$900,413,900	\$1,197,609,500
<b>Recovery Act (National Support Center)</b>	\$27,838,363	\$53,437,800	\$0
<b>Total</b>	<b>\$1,333,712,660</b>	<b>\$953, 851,200</b>	<b>\$1,197,609,500</b>

<sup>1</sup> Includes base and cap Program Integrity. Excludes Reimbursable Authority. One-year funds include regular one-year, base CDRs, and additional CDRs.

Below are some of our significant accomplishments during FY 2015:

- **Annual Benefit Change and Annual Benefit Statements (COLA and BRI):** On November 21, 2014, the agency implemented Cost of Living Adjustment (COLA) Adjustment and Medicare premium rate changes, and generated Annual Benefit Statements (SSA-1099) for beneficiaries' tax purposes. These changes are made annually and in FY 2015, the 1.7% COLA change alone involved over 58 million accounts.
- **Notices and Special Notice Option (SNO):** Beginning in November 2014, all SSA produced Medicare notices deemed in scope of the *American Council of the Blind v. Astrue* court decision are now available to claimants in different SNO formats. The notices offered are:
  - Target Notice Architecture Automated Notices (TNA) create automated personalized notices for the public in a format similar to MS Word, with customized mainframe fonts for bolding, underlining, special characters and character height. The notice application programs provide the text and fill-in data to TNA's processes in a consistent format. In addition to supplying the notice content, the application programs pass the language of preference to TNA. Most TNA notices are available in both English and Spanish.
  - Central Image Print Architecture Notices (CIPA) enable the personnel in the Office of Disability Adjudication and Review (ODAR) Hearings Offices to send a variety of notice types through an automated print process.
  - AURORA PSC Notices uses a manual notice system that creates and completes Title II notices for the Program Service Centers (PSC) that could not be completed in an automated fashion by batch processing operations.
  - NOTICE.DLL Notices allow the submission of notices in MS Word format to a VSAM file and then subsequently upload and store the notice in ORS (the Online Retrieval System).
  - Document Processing System Notices (DPS) is a manual notice system and a web-based intranet application. Field Offices, Teleservice Centers and some units in Program Service Centers utilize National, Regional and Local templates and UTIs (Universal Text Identifier) to create custom notices to claimants and beneficiaries.
  - Public Information Request System (PIRS) pamphlets utilize a web-based intranet application that provides SSA field office (FO) employees with user-friendly screens for entering requests from the public for SSA's forms and pamphlets.
  - Special Notice Options (SNO) provide formats that are accessible to the blind or visually impaired in a manner other than first-class print mail.
  - Record Specifications (RecSpec) are notices SSA sends only in data streams to a print vendor/SNO vendor. The vendor then disburses the data to the locations specified on the SSA notices.

For fiscal year 2015, this budget supported the printing of over 136 million notices. Included is a summary of the notice counts:

<b>System / Type</b>	<b>FY 2015 Notice Totals</b>
TNA Automated Notices	117,769,859
CIPA Notices	6,503,908
AURORA PSC Notices	2,194,682
NOTICE.DLL Notices	1,272,179
DPS Notices	6,596,685
PIRS Pamphlets	782,208
SNO Notices:	863,680 (total)
Braille	28,112
Data CD	25,525
Audio CD	35,227
Large Print	774,816
RecSpec Notices:	228,560 (total)
Braille	11,617
Data CD	16,852
Audio CD	12,413
Large Print	187,678
<b>Total:</b>	<b>136,211,761</b>

- **Public Facing Integrity Review (PFIR):** On 11/01/14, released Public Facing Integrity Review (PFIR) Release 2.1 into production. This release provided a new web front end for PFIR users who are reviewing and managing cases. Seven (7) new criteria sets were implemented to aid in detecting potential fraud in the Electronic Access process. Existing criteria for My Direct Deposit internet transactions were enhanced. PFIR supports the agency's ability to deter, detect, and investigate instances of internet fraud and abuse.
- **B Stop Fraud Indicator:** Implemented the B-Stop Fraud Identifier. This project developed a fraud indicator that enables SSA to classify alleged Electronic Funds Transfer (EFT) fraud cases via the existing B Stop non-receipt process. This indicator provides the Bureau of Fiscal Service (BFS) with a way to distinguish and prioritize the alleged fraud cases from other non-receipt cases. In addition, for the "B-Stop" Fraud Identifier project, the Payment History (PHUS) Query was updated to display this new fraud indicator.
- **Records Management System for Media Neutral Claims 2:** In compliance with National Archives and Records Administration (NARA) requirements and agency record retention schedules, DCS successfully implemented their destruction software for three systems, Modernized Integrated Disability Adjudicative System (MIDAS), Case Processing Management System (CPMS), and Case Processing Management System Management Information CPMS MI). The agency changed its claims file disposition strategy in May 2015 to simplify the disposition rules and implement big bucket scheduling using simplified categories. Under the new strategy, these systems will implement their destruction software under their projects. This multi-component effort aligns with the National Archives and Records Administration (NARA) General Records Schedule 20 rule 2B.
- **Automated Publishing of Public Information (APPI):** In October 2015, the APPI project was implemented in production. This project provides an automated mechanism whereby SSA-approved data for public consumption is automatically published on SSA.gov, and is accessible via Data.gov. The APPI project continues the Agency's efforts to comply with the President's Open Government Directive as outlined in SSA's 2010 Open Government Plan, which stipulates the agency's goals and objectives to increase openness in its programs and operations. SSA is committed to increasing transparency through information sharing and accountability.
- **Electronic Records Express (ERE):** Effective May 2015, this redesigned project provided a consistent user experience. It reduced the cost of burning and mailing CDs to the Appointed Representatives community and implemented functionality supporting the Digital Recording Acquisition Project (DRAP). This effort also improved support for Management Information (MI) processing and reporting. It allows us to process additional document types for Disability Determination Services (DDS).
- **Legal Automated Workflow System (LAWS):** In March 2015, we released a modernized matter (case) management system that provides an automated electronic workflow for the Office of the General Counsel (OGC). This functionality allows OGC

to share and transfer its workloads between offices and gives them the ability to integrate with agency systems including Appeals Review Processing System (ARPS), Claims File Record Management System (CFRMS), the electronic folder, and Document Management Architecture (DMA). Additionally, in June another release allowed processing without updating the notice of suit date in the Appeals Review Processing System (ARPS).

- **Electronic Bench Book (eBB):** In April, we released eBB 5.0, allowing a printable summary of case information (Case Information Summary) to be used by an Administrative Law Judge (ALJ) during a hearing. Changes were also implemented to support Internet Explorer 11.
- **Annual Wage Reporting and AccuWage TY14:** On 10/24/2014, we released a new version of AccuWage 2014 into production. This release incorporated options allowing users to test both W-2 (Initial) and W-2C (Correction) submissions through one unified interface. AccuWage is a downloadable SSA application that is used by employers and submitters of wage reports to check the file against the specifications for electronically filing forms W2 and W2c. This enhancement will aid in increasing the accuracy of wage files being sent to the agency. On 01/10/2015, we implemented the major architectural release of the multi-year Annual Wage Reporting (AWR) Redesign into production. This release included software to increase processing capability to 100 million W-2s per week and up to 20 million W-2's per day. Core earnings processes written in COBOL (Common Business Oriented Language) were redesigned and replaced with newer technology.
- **Social Security Online Accounting and Reporting System (SSOARS):** On 10/03/2015, we provided an eWork release that supports Benefit Offset National Demonstration (BOND) beneficiaries' transition into normal Work Continuing Disability Review (W-CDR) rules without the need for a final closing Work Review. This release adds new fraud language to notices SSA-3033, SSA-2708, and L725. Corrections were made for a defect that looks up the office address of beneficiaries who have a foreign address.
- **Human Resources Services Portal:** On 11/22/2014, we implemented Human Resources Portal Release 2.0 into production. This release included the implementation of the Minority Serving Institutions Reporting System (MSIRS), which is the first application within the HR Portal. MSIRS is a web-based application used for tracking agency contributions to organizations including colleges and universities. The data collected in MSIRS will generate the agency's Minority Serving Institutions Report. In addition, the HR Portal release included additional hyperlinks related to Human Resources websites.
- **iAppeals Revitalization and Attachment Utility:** We successfully implemented a release on March 14, 2015 to revise and improve the language throughout the iAppeals application. This release provided a look and feel similar to newer eService applications. It revised the introductory pages and consolidated information, providing a central location for navigation instructions and requirements to complete the iAppeal. It also included the development of a new checklist and tutorial video.

The Attachment Utility was successfully implemented on March 14, 2015. This release developed an attachment allowing users to upload supporting documents and house them in a repository. Additionally, Claims Representatives (CR) will be notified of documents pending in the repository they can send to the electronic folder, print, or print and delete. The CR will also be able to change the document type. The attachment utility should be reusable with other Internet Disability Reports (IDR).

- **Dynamic Help - Customer Engagement Tools:** On August 1, 2015 we implemented Dynamic Help which provides a context-aware help application (contact SSA menu) for facilitating mySSA user interactions with agency staff over multiple online communication channels while visiting SSA.gov or using an SSA online application. The first iteration will offer Web Callback and may be limited to authenticated [my Social Security](#) users.
- **Web Callback – Customer Engagement Tools:** This Agile development project was successfully implemented on September 19, 2015. Web Callback provides architecture and screen(s) to support a web feature that allows [my Social Security](#) user requests for return phone calls from agency technicians. Users can access this tool through the Dynamic Help Menu application interface.
- **MySSA Internet 1099/1042S Application (1099):** - To improve the Social Security Benefit Statement (SSA-1099-R/SSA-1042S) process, SSA implemented a new web application that allows immediate online viewing, printing, saving, mailing and downloading of the 1099 and 1042S through the [my Social Security](#) portal. Effective January 31, 2015, the Internet 1099/1042S application was migrated to operate behind eAccess and within the [my Social Security](#) portal. This improvement resulted in improved service to beneficiaries, reduced cost to the agency for mailings, and reduced workloads for operational personnel.
- **Machine-Readable Downloadable Social Security Statement:** This project was successfully implemented on July 25, 2015, releasing code to create a machine-readable, downloadable Social Security (SS) Statement that the public can access. It is housed on the [my Social Security](#) portal. The statement contains the same information in the current statement (estimated benefits, earnings history, etc.), but is in a format that is easily read by software applications.
- **MySSA Internet Replacement Card (iMRC):** We successfully implemented iMRC in May 2015. The key objective of this release was placement of the existing Internet Medicare Replacement Card (IMRC) functionality within the [my Social Security](#) portal. It entailed application screen changes, Management Information (MI) report changes, and added Google Analytics functionality. This release will allow Medicare beneficiaries to request a Medicare Replacement Card via their [my Social Security](#) portal account. The beneficiary will receive the card by mail. Placing IMRC within the [my Social Security](#) portal supports the Agency Priority Goal to increase the number of MySSA registrations.

- **Title II Treasury Report on Receivables Rel 2:** In September 2015, we implemented the Treasury Report on Receivables Phase II (TROR II) project for FY 2015. The TROR report will replace the existing Aging Report and automatically generate data for Title II Accounts Receivables balances. DCBFQM will use the TROR report to supply data to the Department of Treasury on T2 overpayments. This project will help meet some of the legislative requirements outlined in the DATA Act of 2014.
- **Terminate T2 Beneficiaries Age 115 in Long-Term Suspense-Phase 2:** In September 2015, we released software for Phase 2, which reduces opportunities to commit fraud by resuming and redirecting benefits on suspended claims through automation for beneficiaries that do not have a date of death reported on the Master Beneficiary Record (MBR) and there are no additional beneficiaries in non-terminated payment status on the MBR. Phase 2 also supports the recommendation set forth in the Office of the Inspector General (OIG) audit A-09-09-29111 titled, “Aged Beneficiaries Whose Benefits Have Been Suspended for Address or Whereabouts Unknown.” This project is automating monthly identification, selection and processing of Title II Master Beneficiary Records (MBR) with long-term benefit suspensions (seven years or more) for address or whereabouts unknown. In addition, the beneficiary must be age 115 or older. The nightly batch processes will manage the selected records. These processes will change the suspension status (S) to a termination status (T9) with a reason for termination of “AgeTRM”.
- **International Payments -68 South Korea and Indonesia:** On 05/15/2015, we successfully implemented International Payments for South Korea and Indonesia by adding Routing and Transmittal Number (RTN) 68 to the Daily Update Master Accounting System (DUMAS). This enhancement provided International Direct Deposit (IDD) to beneficiaries in all countries utilizing RTN ‘68’ -- including South Korea and Indonesia.
- **Rep Payee System Redesign Enhancements:** On 09/12/2015, we successfully implemented an override option that allows technicians to post full or partial repayment of misused funds during the 45-day period after release of the Advance Notification for Repayment of the Misused Funds. On 09/30/2015, we successfully improved Electronic Representative Payee Accounting (eRPA) search/display functionality and eRPA management information (MI) to allow users to access all pending records to allow for timely case processing and better fraud detection and prevention.
- **Ticket Operations Provider Support System (iTOPSS):** On 01/17/2015, a new Web application for iTOPSS was implemented. The Employer Network (EN) Portal was updated to request payments, view payments already made, and it added a beneficiary earnings display. We utilize the Global Functions Web application allows the system to assign a ticket and open a Vocational Rehabilitation (VR) case. Among database changes to accommodate new functionality, the new Ticket Rate has been added to the application. On 02/28/2015, the Employer Networks (EN)s were given the capability to use the Portal to update Timely Progress Review (TPR), check which beneficiaries are

assigned to them, request payments, assign and unassign tickets. This release is another milestone in agency's migration from the MaxStar system.

- **Ensuring Release of Withheld Benefits:** In September 2015, we successfully completed the release of a new MI system. The system captures and stores detailed information on Title 2 transactions that could lead to a beneficiary being entitled to retroactive benefits (back pay). For the release, several new software modules and new database tables were created to capture and store the back pay transactions. By implementing the Management Information System for Ensuring the Release of Withheld benefits, Field Office and Processing Service Center management will be able to better manage this workload and ensure and improve the timely payment of Social Security retroactive benefits. On 09/23/2015, we implemented enhancements to support Representative Payee control and tracking and several new Regular Transcript Attainment and Selection (RETAP) alerts were successfully moved into production. New Management Information (MI) was provided via the Management Information Services Facility (MISF), which allows updated tracking reports to include cases processed by the Office of International Operations (OIO). As a result of the release, OIO is provided with data categorized by the regional Federal Benefit Officer's (RFBO) region and reporting Federal Benefit Units (FBUs)."
- **Social Security Electronic Remittance System (SERS):** In December 2014, the national rollout of SERS Release 1.0 was completed. SERS provides field offices with an automated solution to collect, track, record and report fees collected for providing various non-programmatic services to individuals and third parties. The fee for services is paid by check or credit card and is passed in real time to the Social Security Online Accounting and Reporting System (SSOARS). Credit card information is processed in an encrypted manner without storing any credit card information in any SSA system. SERS replaces manual business processes and promotes standardized electronic business practices and fee collection procedures in field offices by providing a streamlined remittance process and an automated system solution to collect fees for services. SERS addresses the agency's vision to eliminate cash transactions, use card swipe and check scanner technology, and adopt processes that are prevalent throughout the banking and retail sectors. In addition, SERS sufficiently addresses OIG audit recommendations and complies with the requirements of OMB Circular A-25, pertaining to user charges.
- **Certificate of Coverage (COC)/WebCOC:** In December 2014, changes were implemented to the COC and WebCOC application to support the addition of the Slovak Republic. These certificates are legal documents which exempt U.S. employees from paying foreign Social Security taxes when temporarily working overseas. Each determination involves research on country-specific provisions of the Totalization agreements.
- **Health Information Technology (HIT) Release 11.0:** SSA's Health IT provides health care organizations the ability to share medical information with us electronically. It streamlines the disability determination process by allowing us to request and obtain medical records electronically, and it enables computerized decision support. HIT has demonstrated the potential to increase efficiencies in the disability program and

dramatically improve service to the public. During the 1st quarter of FY2015, we provided a combination of software releases and partner expansion to further the HIT initiative. The following sites went into the production environment:

10/01/2014 - University of Iowa  
10/10/2014 - Presbyterian HealthCare – New Mexico  
10/24/2014 - Carilion Clinic - Virginia  
11/10/2014 - Sentara Healthcare – Virginia and North Carolina  
12/01/2014 - Memorial Care - California  
12/18/2014 – Martin Health – Florida  
12/19/2014 – Legacy Health – Oregon and Washington

Using the Medical Evidence Gathering and Analysis through Health IT (MEGAHIT) application allows SSA to request, receive, and analyze electronic medical records in a fully automated manner, resulting in faster decisions on disability claims. During the 1st quarter of FY 2015, DCS provided a combination of software releases and partner expansion to further the HIT initiative. The following sites went into the production environment:

01/29/2015 - Mercy Health  
02/17/2015 - Essentia Health  
03/11/2015 - Oregon Health & Science SSM Health.

During the 3rd quarter of FY2015 , we again provided a combination of software releases and partner expansion to further the Health Information Technology (HIT) initiative. The following sites went into the production environment: 04/09/2015 - Stanford Hospital and Clinics; 05/04/2015 - Cedars-Sinai Health System Legacy Health. On 05/02/2015, HIT successfully implemented software release 10.2 into their production environment. This release makes Document Conversion Enterprise (DCE) the default document conversion mechanism. It includes changes to support the removal of Windows 2003 servers as required by the Office of Telecommunications and Systems Operations (OTSO).

- **Affordable Care Act (ACA) Release 3.0:** In October 2014, we successfully implemented and modified operational procedures necessary to allow mainframe architecture to be available 24 x 7 for the Affordable Care Act (ACA) application. The implementation of the 24 x 7 mainframe architecture will improve the availability of the verification portion of the ACA application by 25% compared to FY2014. On 11/1/2014, we implemented a release of the Affordable Care Act (ACA)-High Availability Project into production. This release established a new web service process between the Centers for Medicare and Medicaid Services (CMS) and the Social Security Administration (SSA) location in Durham, NC. The web service is used by CMS to receive SSN verifications, citizenship data, death data, and incarceration data at the SSA Durham Location, when the SSA Baltimore, Maryland facility is unavailable. CMS will use this data during the eligibility and enrollment to help determine if an individual qualifies for programs and benefits such as Advanced Premium Tax Credits, Cost Sharing Reductions, Medicaid, Children’s Health Insurance Program, and Basic Health

Plans. On 11/15/2014, the agency successfully processed ACA transactions at both the Baltimore and Durham data centers, around the clock without issue. This improved availability allows CMS to continue the ACA application process without interruption.

- **Providing Current Prisoner Information to Do Not Pay (DNP):** On 02/11/2015, SSA successfully transferred a Do Not Pay (DNP) “Gap” file to the Treasury’s Bureau of Fiscal Service (BFS), The Gap file contained an extraction of prisoner data from the Prisoner Update Processing System (PUPS) from 9/23/2014 through 2/6/2015 and contained 771,609 records. The agency previously sent an initial transfer of prisoner data to BFS on 9/24/2014.

Below is a list of our agency portfolios and their vision statements:

- **Administrative and Mission Support:** The Administrative and Missions Support portfolio aims to develop IT capabilities that support and enable core business functions across the agency. The investments in the Administrative and Missions Support portfolio will improve our responsiveness to the American public through enhancing our services and programs, modernizing our information technology, and building a model workforce.
- **Core Services:** The Core Services Portfolio will provide Innovative Quality Service to the public, Strengthen the Integrity of Our Programs, and Partner with Other Agencies and Organizations to Improve the Customer’s Experience and Align with the Administration’s One-Government Approach. We will transform the way we deliver service to the public and Enhance the Customer’s Experience by striving to Complete the Customer’s Business at the First Point of Contact. Core Services Portfolio investments will enhance and execute plans to modernize our legacy systems and streamline workloads for our frontline employees, maintain system performance, and Continuously Strengthen our Cyber Security Program and IT services.
- **Disability and Appeals:** The Disability and Appeals Process portfolio promotes efficient and effective IT systems that increase the quality, timeliness and consistency of disability decisions and services. These systems will facilitate the accurate collection, processing, and flow, of data and information that will allow our employees to provide quality service to disabled applicants and beneficiaries. The portfolio will help ensure we make the correct disability decision at the correct time, and apply disability policy and procedures consistently across all adjudicative levels.
- **IT Infrastructure:** The Infrastructure Portfolio provides us with the information technology stability and flexibility that we need in order to meet and sustain current operational requirements, adapt to changes in business operations, and plan for future growth and demand in our workloads.

Our reliance on information technology and electronic data continues to increase with each new workload and each new service delivery channel. The portfolio seeks to address the rising demands on our infrastructure by not only continuing to deliver high levels of end-to-end availability, stability, security and performance but also by instituting new and/or enhanced technologies to remain current with industry standards.

Through anticipation of the technology demands of our strategic objectives and investments, the portfolio strives to ensure a ready environment with each application delivery as well as improvements and enhancements to application portfolios.

- **IT Program Integrity:** The Program Integrity Portfolio supports SSA's goals to strengthen the integrity of the Social Security programs, deliver innovative quality services, and ensure reliable, secure and efficient Information Technology (IT) services. We seek to continually improve our comprehensive quality review and financial management programs in accordance with all laws and regulations. This includes accurately and timely paying benefits to our recipients and beneficiaries, detecting and preventing fraud wherever it may occur, and minimizing improper payments.

In January 2015, SSA introduced a chief technology officer to lead SSA's technology change, and balance change with service delivery reliability.

The agency currently manages 14 major OMB 300 exhibits. They are:

- Customer Engagement Tools (CET)
- Disability Case Processing System (DCPS)
- DDS Automation (DDSA)
- Earnings Redesign
- Electronic Services
- Financial Accounting System (FACTS)
- Infrastructure Operations and Maintenance (O&M)
- Infrastructure Modernization
- Intelligent Disability (iDib)
- IT Modernization
- National Support Center (NSC)
- Smart Claims
- SSI Modernization
- Title II

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**INFORMATION TECHNOLOGY COSTS BY TYPE**


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The following table satisfies SSA's requirement directed by the House Report.

**Table 3.22 — FY 2015 Information Technology Costs  
(Actual dollars)**

ITS	Costs
Maintenance & Lease	\$317,600,780
Contractor Support	\$503,997,154
Inter Agency Agreements	\$12,869,077
Software	\$44,656,327
Hardware	\$217,757,074
Telecommunications	\$244,532,887
<b>Total<sup>1</sup></b>	<b>\$1,341,413,299</b>

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**DIGITAL SERVICES TEAM**


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SSA is working with OMB to provide exceptional digital services. The success rate of government digital services improves when agencies have digital service experts on staff with modern design, software engineering, and product management skills. To ensure the agency can effectively build and deliver important digital services, the Budget includes \$5,500,000 for staffing costs to build a Digital Service team that will focus on transforming the agency's digital services with the greatest impact to citizens and businesses so they are easier to use and more cost-effective to build and maintain.

These digital service experts will bring private sector best practices into the disciplines of design, software engineering, and product management to maximize the agency's most important services. The positions will be term-limited, to encourage a continuous influx of up-to-date design and technology skills to the agency. The digital service experts will be recruited from among America's leading technology enterprises and startups, and will join with the agency's top technical and policy leaders to deliver meaningful and lasting improvements to the services the agency provides to citizens and businesses.

This digital service team will build on the success of the United States Digital Service team inside of OMB, created in 2014. Since launching, this small OMB team has collaborated with Federal agencies to implement cutting edge digital and technology practices on the nation's highest impact programs.

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<sup>1</sup> Does not include personnel costs.

## SSA E-GOV CONTRIBUTIONS

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

**Table 3.23 – SSA E-Gov Contributions (in thousands)<sup>1</sup>**

	FY 2015 Actuals	FY 2016 Estimate	FY2017 Estimate
Disaster Assistance Improvement Plan	\$56	\$56	\$56
E-Federal Health Architecture LoB	\$100	\$100	\$100
E-Rulemaking	\$17	\$24	\$34
Financial Management LoB	\$67	\$67	\$67
Geospatial LoB	\$25	\$25	\$25
GovBenefits.gov	\$209	\$381	\$378
Grants.gov	\$27	\$26	\$25
Grants Management LoB	\$345	\$353	\$400
Human Resources Management LoB	\$130	\$130	\$130
Integrated Acquisition Environment (IAE)	\$104	\$104	\$857
Budget Formulation LoB	\$55	\$55	\$55
<b>Total</b>	<b>\$1,135</b>	<b>\$1,321</b>	<b>\$2,127</b>

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

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

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

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

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

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

<sup>1</sup> In FY 2015 and FY 2016, funds were paid from LAE. In FY 2017, funds are paid in the IT budget.

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

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

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

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

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

**Budget Formulation LoB** supports the Federal Government’s effort to improve agency budgeting through collaboration and information sharing.

**Table 3.24 – Other SSA Expenses/Service Fees Related to E-Gov Projects (in thousands)**

	FY 2015	FY 2016	FY 2017
	Actual	Estimate	Estimate
Recruitment One-Stop	\$368.2	\$368.0	\$406.0
Enhanced Human Resource Integration	\$1,022.3	\$1,074.1	\$1,127.7
E-Payroll	\$16,510.1	\$16,727.2	\$16,867.1
E-Travel	\$772.2	\$850.0	\$850.0
<b>Total</b>	<b>\$18,672.8</b>	<b>\$19,019.3</b>	<b>\$19,250.8</b>

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

**Recruitment One-Stop** provides an online portal ([USAJobs](#)) through which citizens can easily search for employment opportunities throughout the Federal Government.

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

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

**E-Travel** provides a government wide standard set of world-class travel management services to consolidate Federal travel, minimize cost, and improve customer satisfaction.

## CYBERSECURITY

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To address cyber threats, we collaborate with the White House National Security staff, the Federal Chief Information Officer, the Department of Homeland Security's (DHS) United States Computer Emergency Response Team, and various law enforcement agencies.

**Table 3.25 – Cybersecurity Costs (in millions)<sup>1</sup>**

	<b>FY 2017</b>
Detect, Analyze and Mitigate Intrusions	\$21.4
Protecting Networks and Information	\$41.9
Continuous Monitoring	\$22.7
Shaping the Cyber Environment	\$0.9
<b>Total</b>	<b>\$86.9</b>

Our cybersecurity program continues to evolve our detection, protection, and intelligence capabilities for strengthening the agency's defenses against evolving threats and cyber-attacks. Our program incorporates these security capabilities into a comprehensive, multi-layered defensive approach for ensuring the privacy of the American public and proper issuance of nearly a trillion dollars in benefits. For FY 2017, our cybersecurity program plans to focus on the following key areas.

1. **Detect, Analyze, and Mitigate intrusions** – For FY 2017, our budget is focused on improving our incident detection capabilities through the detection, analysis, and mitigation of risky user behavior.
  - **User Behavior Analysis Solution** – In FY 2017, SSA plans to evaluate and procure a User Behavior Analysis (UBA) solution that will improve the agency's ability to detect threats to SSA's network based on suspicious behavior. UBA solution determines risk behavior by analyzing information in several log repositories that regularly monitor computer, user, and network activities. UBA solution will assist the agency with detecting threats such as unusual network activities, and unauthorized user access activities. Finally, the UBA solution will assist the agency by assessing the risk associated with each detected anomalous behavior. UBA solution will accomplish this by providing customized risk scoring and risk thresholds in detected activity.

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<sup>1</sup> Does not include non-IT cybersecurity related costs.

2. **Protecting Networks and Information** – For FY 2017, our agency continues to invest in protection of our networks and information through the enhancement of our agency’s internal network access control capabilities.
  - **Network Access Control (NAC)** – In FY 2017, SSA plans to further its internal network protection capabilities for detecting and protecting against unauthorized network devices, and strengthening agency devices by enforcing security compliance to existing agency standards. SSA plans to leverage funding through Department of Homeland Security (DHS) funding for continuous monitoring program development, but our agency plans to prioritize the development of network protections to meet our unique business needs.
3. **Continuous Monitoring** – Our agency continues to mature its continuous monitoring program capabilities by focusing on endpoint security for 2017.
  - **Desired State Software Solution** – In FY 2017, SSA plans to procure a desired state software solution for ensuring the integrity of our endpoints. The desired state solution will actively prevent against threats such as malicious software (e.g. viruses, worms, etc.), and from malicious and improper configuration changes. This desired state solution should actively prevent unauthorized software from installing or executing, and rollback any unauthorized security configuration changes.
4. **Shaping the Cybersecurity environment** – Our agency seeks to strengthen its own cybersecurity workforce by improving access to quality cybersecurity training.
  - **Cyber Training Academy Program – Cyber Academy** – In a continuing effort to evolve the agency’s Information Security Training Program, SSA plans to establish a Cyber Academy designed to meet the training needs of our diverse cybersecurity workforce. The Cyber Academy seeks to provide a broad curriculum of abilities, allowing them to fulfill their required security functions. In addition to enhancing specialized role-based security training for individuals with significant information security responsibilities, the Cyber Academy will provide a better alignment of security training courses with individual’s roles, consistent cybersecurity training throughout the agency, and ensure we support current Federal laws, policies and regulations.

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**EMPLOYMENT**


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

**Table 3.26—Detail of Full-Time Equivalent Employment<sup>1,2</sup>**

	<b>FY 2015 Actual</b>	<b>FY 2016 Estimate</b>	<b>FY 2017 Estimate</b>
Limitation on Administrative Expenses Accounts	63,170	64,560	64,840
Reimbursable Work	224	300	300
	<b>63,394</b>	<b>64,860</b>	<b>66,140</b>

The following table lists the Average Grade and Salary for SSA employees for FY 2015. It includes averages for Executive Service (ES) and General Service (GS) employees.

**Table 3.27—Average Grade and Salary**

	<b>FY 2015 Actual</b>
Average ES Salary	<b>\$172,300</b>
Average GS/WG Grade	<b>11</b>
Average GS/WG Salary	<b>\$69,400</b>

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<sup>1</sup> Includes all workyears funded by MIPPA and the Children's Health Insurance Program (CHIP) Reauthorization Act of 2009.

<sup>2</sup> Excludes workyears associated with Medicare Access and CHIP Reauthorization Act of 2015 funding.

The following table satisfies SSA's requirement directed by the House Report.

**Table 3.28 — FY 2015 Personnel Costs by Grade  
(Actual dollars – Table Continues on Next Page)**

<b>General Schedule (GS) Grade</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Total</b>
GS – 1	\$54,865	\$6,171	\$61,036
GS – 2	\$200,828	\$48,209	\$249,037
GS – 3	\$892,208	\$211,359	\$1,103,567
GS – 4	\$10,193,278	\$3,231,083	\$13,424,362
GS – 5	\$114,857,461	\$36,801,767	\$151,659,228
GS – 6	\$88,363,250	\$28,915,018	\$117,278,268
GS – 7	\$171,713,244	\$55,670,791	\$227,384,035
GS – 8	\$507,098,815	\$177,746,920	\$684,845,735
GS – 9	\$318,079,680	\$102,174,938	\$420,254,618
GS – 10	\$31,486,157	\$9,089,048	\$40,575,205
GS – 11	\$1,196,574,979	\$384,972,165	\$1,581,547,143
GS – 12	\$1,055,771,146	\$315,315,140	\$1,371,086,287
GS – 13	\$752,503,392	\$223,406,915	\$975,910,307
GS – 14	\$344,780,854	\$97,887,417	\$442,668,272
GS – 15	\$109,122,817	\$28,851,212	\$137,974,029
<b>Subtotal GS Grades<sup>1</sup></b>	<b>\$4,701,692,976</b>	<b>\$1,464,328,153</b>	<b>\$6,166,021,129</b>
<b>Administrative Law Judge (ALJ)</b>	<b>\$232,875,700</b>	<b>\$63,610,135</b>	<b>\$296,485,835</b>
<b>Senior Executive Services (SES)</b>	<b>\$25,578,455</b>	<b>\$5,879,339</b>	<b>\$31,457,794</b>
<b>Grand Total<sup>2</sup></b>	<b>\$4,960,147,131</b>	<b>\$1,533,817,627</b>	<b>\$6,493,964,757</b>

<sup>1</sup> Includes \$48,213,193 for Reemployed Annuitant (RA) Personnel Costs.

<sup>2</sup> Does not include all payroll costs. Only includes GS Grades (including RAs), ALJs, and SES personnel costs requested in the report language.

**Table 3.29—Historical Staff-On-Duty by Major SSA Component<sup>1</sup>**

	<b>FY 2014 Actual</b>	<b>FY 2015 Actual</b>
Field Offices	29,682	29,400
Teleservice Centers	4,535	4,604
Processing Centers	10,674	10,521
Regional Offices	1,797	1,853
<b>Operations Subtotal<sup>1</sup></b>	<b>46,688</b>	<b>46,378</b>
Office of Disability Adjudication and Review	10,473	11,032
Systems	3,177	3,197
Headquarters <sup>2</sup>	4,764	5,089
<b>SSA Total</b>	<b>65,102</b>	<b>65,696</b>

The following table satisfies SSA's requirement directed by the House Report.

**Table 3.30 — FY 2015 Personnel Costs by Region  
(Actual dollars)**

<b>Regions</b>	<b>Salaries</b>	<b>Benefits</b>	<b>Total</b>
Boston	\$161,911,411	\$50,157,666	\$212,069,077
New York	\$405,118,301	\$118,946,045	\$524,064,346
Philadelphia	\$470,256,210	\$145,397,961	\$615,654,171
Atlanta	\$797,700,116	\$257,084,761	\$1,054,784,877
Chicago	\$592,478,176	\$184,229,422	\$776,707,598
Dallas	\$427,743,457	\$141,023,761	\$568,767,217
Kansas City	\$235,379,130	\$76,383,728	\$311,762,858
Denver	\$92,201,634	\$29,722,486	\$121,924,120
San Francisco	\$569,974,312	\$177,595,803	\$747,570,114
Seattle	\$155,368,013	\$49,687,732	\$205,055,746
Headquarters	\$1,052,016,371	\$303,588,262	\$1,355,604,632
<b>Total<sup>3</sup></b>	<b>\$4,960,147,131</b>	<b>\$1,533,817,627</b>	<b>\$6,493,964,757</b>

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

<sup>2</sup> Headquarters includes counts for Operations Support Staff, Disability Case Processing System, Office of Appellate Operations, GSA Delegations, and the Social Security Advisory Board.

<sup>3</sup> Does not include all payroll costs. Only includes GS Grades (including RAs), ALJs, and SES personnel costs requested in the report language.

**PHYSICIANS' COMPARABILITY ALLOWANCE**

Physicians' Comparability Allowance (PCA) permits agencies to provide allowances to certain eligible Federal physicians who enter into service agreements with their agencies to address recruitment and retention problems (5 U.S.C. 5948). The following worksheet provides details on usage of PCA within SSA from FY 2015-2017.

**Table 3.31—Physicians' Comparability Allowance Worksheet**

		<b>PY 2015 (Actual)</b>	<b>CY 2016 (Estimates)</b>	<b>BY 2017<sup>1</sup> (Estimates)</b>
1) Number of Physicians Receiving PCAs		2	2	2
2) Number of Physicians with One-Year PCA Agreement		0	0	0
3) Number of Physicians with Multi-Year PCA Agreements		2	2	2
4) Average Annual PCA Physician Pay (without PCA payment)		158,700	158,700	158,700
5) Average Annual PCA Payment		30,000	30,000	30,000
6) Number of Physicians Receiving PCAs by Category (non-add)	Category I Clinical Position			
	Category II Research Position			
	Category III Occupational Health			
	Category IV-A Disability Evaluation			
	Category IV-B Health and Medical Admin.	2	2	2

Maximum annual PCA amount paid to each category of physician:

See tables 3.32 and 3.33 for the maximum annual PCA amount paid to each category of SSA physicians. The amounts shown on the tables have allowed us to successfully recruit and retain our medical officers.

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

SSA has had no medical officer (MO) accessions and 1 MO separation in fiscal year 2015.

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

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

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

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

<sup>1</sup> FY 2017 data will be approved during the FY 2018 budget cycle.

## Limitation on Administrative Expenses

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

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

**MAXIMUM PHYSICIAN'S COMPARABILITY ALLOWANCES**

**Table 3.32 Maximum Physician's Comparability Allowances- 1-Year Contract**

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

**Table 3.33—Maximum Physician's Comparability Allowances - 2-Year Contract**

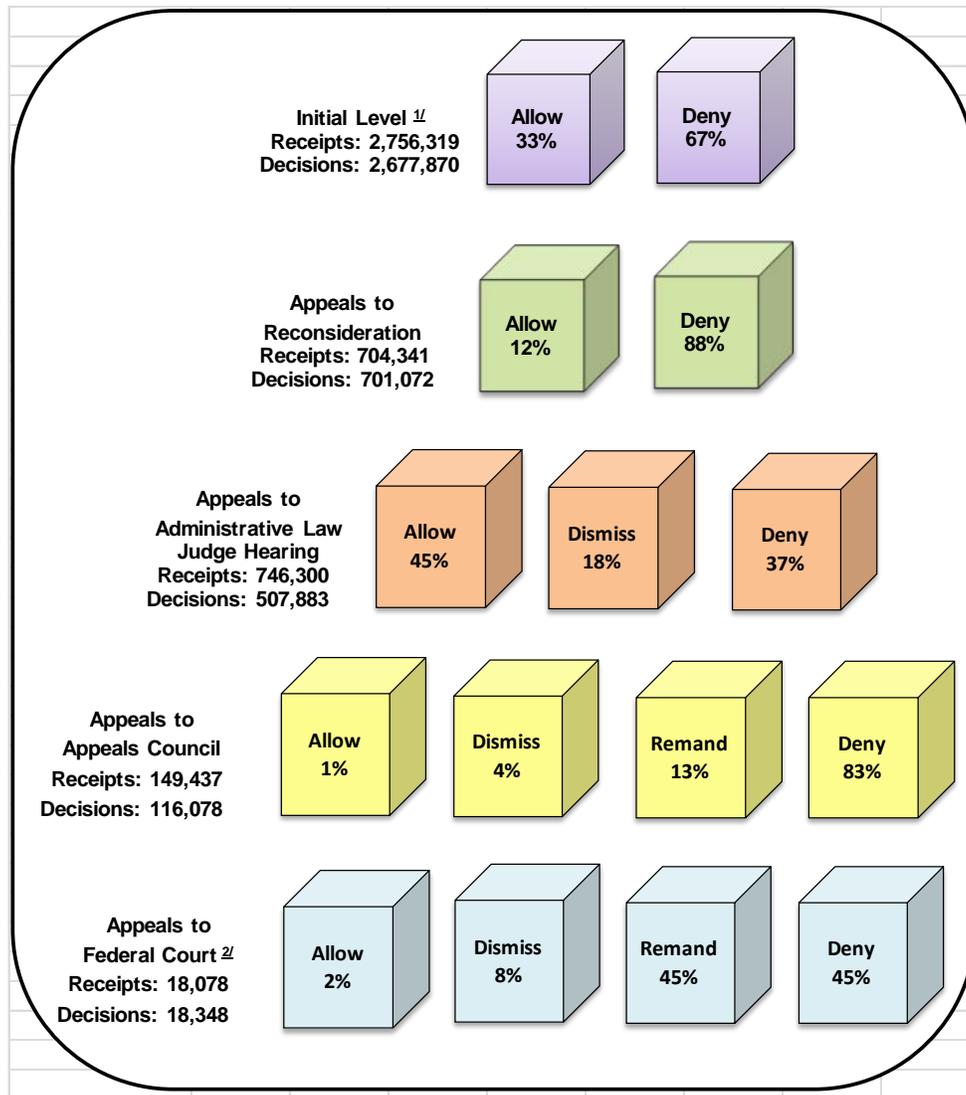
CATEGORY	PHYSICIANS WITH 24 MONTHS OR LESS OF SERVICE			PHYSICIANS WITH MORE THAN 24 MONTHS OF SERVICE		PHYSICIANS WITH MORE THAN 24 MONTHS BUT NOT MORE THAN 48 MONTHS OF SERVICE	PHYSICIANS WITH MORE THAN 48 MONTHS OF SERVICE
	GS-13	GS-14	GS-15/SES	GS-13	GS-14	GS-15/SES	GS-15/SES
1. Occupational Health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

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

FY 2015 DISABILITY WORKLOAD

The following table provides data on the FY 2015 disability claims and appeals workload.

**Table 3.34—FY 2015 Workload Data Disability Appeals\***



\*Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2015, regardless of the year in which the initial claim was filed, and regardless of whether the claimant ever received benefits (in a small number of cases with a favorable disability decision benefits are subsequently denied because the claimant does not meet other eligibility requirements.) Does not include claims where an eligibility determination was reached without a determination of disability. If a determination or appeals decision was made on Title II and Title XVI claims for the same person, the results are treated as one concurrent decision.

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

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

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

Prepared by: SSA, ODPMI (Office of Disability Program Management Information) January 14, 2014; Office of Budget, January 29, 2014  
Data Sources:

A) Initial and Reconsideration Data: SSA State Agency Operations Report

B) Administrative Law Judge and Appeals Council data: SSA Office of Disability Adjudication and Review (ODAR)

C) Federal Court data: SSA Office of General Counsel

## LEGISLATIVE PROPOSALS

- 1. Use the Death Master File to Prevent Federal Improper Payments.** SSA receives about 2.5 million reports of death each year from many sources, such as family members, funeral homes, financial institutions, and the States. SSA is authorized to share all of the death information it maintains with Federal and State agencies that administer Federally-funded benefits, State agencies administering State-funded programs, and Federal and State agencies using the information for statistical and research activities. Currently, the Department of the Treasury's (Treasury) Do Not Pay Portal only receives a limited file, which excludes State death information. This proposal would increase the amount of death information available to Federal agencies for use in preventing improper payments by authorizing SSA to share all of the death information it maintains with Do Not Pay.
- 2. Authorize SSA to Conduct a New Continuing Disability Review when Fraud Is Involved in a Prior Continuing Disability Review.** SSA is required to redetermine an individual's entitlement to disability benefits if there is reason to believe that fraud or similar fault were involved in the individual's application for benefits. During this redetermination, SSA must disregard any evidence where there is reason to believe that fraud or similar fault were involved in the providing of such evidence. This proposal would apply a similar requirement if SSA believes that fraud or similar fault were involved in a prior continuing disability review (CDR). This proposal would authorize SSA to conduct immediately a new CDR to determine continuing eligibility if there is reason to believe that fraud or similar fault was involved in a prior CDR. During this review, SSA would be authorized to disregard any evidence if there is reason to believe that fraud or similar fault was involved in the providing of such evidence.
- 3. Authorize SSA to Use All Collection Tools to Recover Funds in Certain Scenarios, Such as When Someone Improperly Cashes a Beneficiary's Check or Removes a Benefit from a Joint Account.** Current law provides SSA only limited authority to recover certain incorrect payments that do not meet the statutory definition of an overpayment. Such incorrect payments include when someone improperly cashes a beneficiary's check or improperly removes benefit funds from a joint account after a beneficiary's death. For example, payments in excess of the amount due or paid after death are considered overpayments. Specifically, if a benefit payment of this nature is made to a joint account of the deceased worker and the other account holder is entitled to a spousal benefit, based on the deceased worker's record, it is considered an overpayment. However, if the other joint account holder is entitled to benefits on his/her

own record or not entitled to benefits, the improper payment is deemed an incorrect payment; a designation which limits SSA's recovery tools. The Budget proposes a consistent treatment, deeming them both as overpayments and subjecting them to the same broader range of collection procedures. This proposal would authorize SSA to use all of its overpayment collection tools, such as credit bureau reporting and administrative wage garnishment, to recover these incorrect payments.

4. **Allow SSA to Use Commercial Databases to Verify Real Property Data in the SSI Program.** This proposal would reduce improper payments by authorizing SSA to conduct data matches with private commercial databases that maintain data on ownership of real property (i.e., land and buildings), which can be a countable resource for SSI beneficiaries. The proposal would authorize SSA to use that information to automatically determine eligibility for benefits, after proper notification. Beneficiaries would be required to consent to allow SSA to access these databases as a condition of benefit receipt. All other current due process and appeal rights would be preserved.
5. **Increase from \$10 to 10 Percent the Minimum Amount SSA Can Withhold from a Monthly Old-Age, Survivors, and Disability Insurance Benefits to Recover an Overpayment.** When a beneficiary receives more Old-Age, Survivors, and Disability Insurance (OASDI) benefits than he or she should have, SSA can recover this overpayment by reducing the beneficiary's monthly benefit going forward. Depending on the beneficiary's financial circumstances, SSA may decide to recover less than the full amount of the monthly benefit until the overpayment is repaid in full. However, SSA is required to recover at least \$10 per month. This proposal would require SSA to recover at least 10 percent of the monthly OASDI benefit when recovering an overpayment. The SSI program already uses the 10 percent rule to recover overpayments.
6. **Exclude SSA Debts from Discharge in Bankruptcy.** Debts due to an overpayment of OASDI or SSI benefits, and certain Medicare-related debts that SSA also collects, are generally dischargeable in bankruptcy. This proposal would exclude such debts from discharge in bankruptcy, except when it would cause an undue hardship.
7. **Lower Electronic Wage Reporting Threshold to Five Employees.** SSA processes W-2 forms for Treasury. Currently, Treasury requires businesses that file 250 or more W-2s per calendar year to file electronically. This proposal would modify the Internal Revenue Code so that Treasury can require businesses that employ five or more employees to file electronically. This change would be phased-in over three years and would increase the efficiency and accuracy of this process, because electronic returns are completed more rapidly, and are generally more accurate, than scanned or keyed returns.

8. **Move from Annual to Quarterly Wage Reporting.** Employers report wages annually to SSA. However, from 1939 to 1977, SSA received wage reports on a quarterly basis. Increasing the frequency of wage reporting could enhance tax administration. More frequent reporting would also facilitate implementation of automated enrollment of employees in existing workplace pensions and be the foundation for the creation of a system of automatic workplace retirement accounts for workers who do not currently have access to a retirement plan. Furthermore, more frequent reporting may improve program integrity by providing timelier wage data for use by Federal, income-tested programs. This proposal would restructure the Federal wage reporting process by requiring employers to report wages on a quarterly basis<sup>1</sup>.
  
9. **Modify the treatment of certain debt referrals to the Treasury Offset Program:** The Budget proposal has two parts. First, the proposal would forgive a limited group of older debts that would have been impacted by implementation of the Food, Conservation, and Energy Act of 2008 provision (section 14219 of Public Law 110-246), which eliminated the prior 10-year statute of limitations for collection of legally enforceable, non-tax debts through TOP. This group includes debts from both former childhood beneficiaries and others. For similar debts that would not have been immediately impacted by the implementation of the regulation, SSA will continue to consider forgiveness on a case-by-case basis using its existing administrative authority. Second, going forward SSA will only be able to refer debts for former childhood beneficiaries to TOP if SSA has initiated collections within 10 years of an overpayment being incurred. This is intended to ensure that individuals are not surprised by a TOP collection that occurs years after a debt was incurred when individuals may have difficulty remembering the circumstances of the error.

The Budget proposals ensure that the Administration maintains its commitment to reducing improper payments, while preventing former debtors from being surprised by the abrupt seizure of their tax refunds, sometimes decades after the original overpayments were made. While Congress considers the legislative proposals, SSA will begin the gradual process of restarting TOP referrals for those debts not impacted by the Administration's proposals.<sup>2</sup>

10. **Strengthening Child Support Enforcement and Establishment.** SSA reduces a child's monthly SSI benefit by up to two thirds of any monthly child support payment he or she also receives. The President's Budget includes several proposals aimed at increasing and improving child support collections and program efficiency. By

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<sup>1</sup> This proposal would have no effect on the reporting of self-employment income.

<sup>2</sup> The budget assumes the proposal costs \$50 million over 10 years. The Office of the Chief actuary is working on a detailed estimate of this proposal.

increasing the amount of child support collected, these proposals would result in savings to the SSI program.

## **Improve Efficiency**

- 11. Improve Collection of Pension Information and Transition after ten years to an Alternative Approach based on Years of Non-Covered Earnings.** Current law requires SSA to reduce OASDI benefits when someone also receives a pension based on work that was not covered by Social Security. SSA currently has a matching agreement with the Office of Personnel Management (OPM) to obtain information on Federal government retirees who receive a pension from work not covered by Social Security. However, SSA generally lacks a way to receive similar information from State and local governments. As a result, many of these pensions go unreported, leading to improper payments. The Budget re-proposes legislation that would improve reporting for non-covered pensions by including up to \$70 million for administrative expenses, \$50 million of which would be available to the States, to develop a mechanism so that the Social Security Administration could enforce the offsets for the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). This proposal would require State and local government pension payers to report information on pensions paid for non-covered work to SSA through an automated data exchange. In addition, the Budget proposes to transition after ten years to an alternative approach, which would adjust Social Security benefits based on the extent to which workers have non-covered earnings. SSA now collects data on non-covered employment and could calculate the offset without any disclosure from the individual.
- 12. Establish Workers' Compensation Information Reporting.** Current law requires SSA to reduce an individual's Disability Insurance (DI) or SSI benefit if he or she receives workers' compensation (WC) or public disability benefits (PDB). SSA currently relies upon beneficiaries to report when they receive these benefits. This proposal would improve efficiency and program integrity by requiring States, local governments, and private insurers that administer WC and PDB to provide this information to SSA. Furthermore, this proposal would also provide for the development and implementation of a system to collect this information from States, local governments, and insurers.
- 13. Eliminate Dedicated Accounts.** Under current law, if the retroactive SSI benefits due a child exceed six times the maximum monthly SSI benefit, plus any optional State SSI supplement, then SSA must deposit the benefits into a special account, called a "dedicated account." The child's representative payee—who is typically a parent—can expend funds from such an account only for education, health care, and certain other expenses. These restrictions are often considered intrusive and confusing, and oversight

of these accounts is labor-intensive for both SSA and representative payees. This proposal would eliminate dedicated accounts.

14. **Provide Mandatory Funding Dedicated to Modernizing SSA's Information Technology.** This proposal would provide SSA with \$240 million in mandatory funding over fiscal years 2018, 2019, and 2020 dedicated to modernizing SSA's information technology (IT), specifically its core databases, programming languages, and IT infrastructure. These systems are becoming antiquated, and the staff experienced in maintaining these systems are approaching retirement and are difficult to replace. SSA would use the proposed funds to invest in complex, multi-year IT projects necessary to update these systems in accordance with modern design principles.

### **Improve Benefits and Promote Work Opportunity**

15. **Extend SSI Time Limits for Qualified Refugees.** Refugees and certain other humanitarian immigrants who are disabled or elderly are potentially eligible for SSI benefits for up to seven years from the date they attained their immigration status, and without time limit if they become naturalized. Congress acknowledged that humanitarian immigrants might be unable to attain citizenship within the seven-year period of SSI eligibility, even if they apply for naturalization as soon as they are eligible. Accordingly, Congress temporarily extended the time-limited SSI eligibility period from seven years to nine years for fiscal years 2009-2011. However, effective October 2011, the SSI eligibility period for refugees and other humanitarian immigrants reverted to seven years. This proposal would underscore the nation's commitment to refugees, asylees, and other humanitarian immigrants—who come to America with very little and frequently have nowhere else to go—by again extending the time limit from seven to nine years during fiscal years 2017 and 2018.
16. **Conform Treatment of State and Local Government Earned Income Tax Credits and Child Tax Credits for SSI.** When determining someone's eligibility for, and benefit amounts under, the SSI program, SSA excludes Federal earned income tax credits (EITC) and child tax credits (CTC). However, the law requires SSA to count State EITCs and CTCs for SSI purposes. This proposal would simplify administration of the SSI program by excluding State EITCs and CTCs, in the manner in which similar, Federal tax payments are excluded.
17. **Terminate Step Child Benefits in the Same Month as His or Her Parent's Benefits Terminate.** A parent and stepchild may receive benefits on the record of a worker, but if the marriage terminates by divorce, they are no longer eligible for benefits. When a stepchild's parent is divorced, spousal benefits terminate in the month before the month of the final divorce. However, benefits for the stepchild terminate one month later, in the month of the final divorce. This proposal would fix this discrepancy by ending

benefits for the stepchild in the same month as the parent, in the month before the final divorce.

18. **Create an Interagency Coordinating Council on Workforce Attachment.** This proposal would create and fully fund an interagency council comprising Federal agencies involved in improving the well-being of people with health impairments and disabilities, including the Office of Management and Budget; the Departments of Education, Health and Human Services, Labor, and the Treasury; and the Social Security Administration. The council's mission would be to improve workforce attachment for people with health impairments and disabilities, and its duties would include developing and maintaining a strategic plan to improve work outcomes, evaluating and recommending improvements to Federal programs, designing and overseeing demonstration projects, and improving interagency coordination.

## CONTENTS

<b>APPROPRIATION LANGUAGE.....</b>	<b>179</b>
<b>GENERAL STATEMENT.....</b>	<b>180</b>
Overview.....	180
Ongoing Initiatives.....	181
SSA’s Significant Management Issues .....	184
Monetary Benefits.....	194
Strategic Planning .....	194
Transfer Authority .....	195
<b>BUDGETARY RESOURCES .....</b>	<b>196</b>
Analysis of Changes .....	197
Budget Authority by Activity .....	200
Budget Resources by Object.....	201
<b>BACKGROUND .....</b>	<b>202</b>
Authorizing Legislation .....	202
Appropriation History.....	203
<b>OIG’S ORGANIZATIONAL STRUCTURE AND MISSION.....</b>	<b>206</b>
General Purpose.....	206
Rationale for the Budget Request .....	208

**TABLES**

Table 4.1—Justification..... 181

Table 4.2—2015 Performance Measure Results ..... 195

Table 4.3—Amounts Available for Obligation ..... 196

Table 4.4—Summary of Changes..... 197

Table 4.5—Explanation of OIG Budget Changes ..... 198

Table 4.6—Budget Authority by Activity ..... 200

Table 4.7—Budget Resources by Object..... 201

Table 4.8—Authorizing Legislation ..... 202

Table 4.9—Appropriation History Table..... 203

Table 4.10—Detail of Full-Time Equivalent Employment and Workyears..... 208

Table 4.11—Average Grade and Salary ..... 208

**APPROPRIATION LANGUAGE**

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, [\$29,787,000] \$31,000,000, together with not to exceed [75,713,000] \$81,000,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the “Limitation on Administrative Expenses,” Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: *Provided*, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any transfer. (*Departments of Labor, Health, and Human Services, and Education, and Related Agencies Appropriations Act, 2016*).

## GENERAL STATEMENT

### OVERVIEW

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The FY 2017 President's Budget for the SSA Office of the Inspector General (OIG) is \$112,000,000 in total budget authority and 560 FTE. This is \$6,500,000 above the funding received from the Consolidated Appropriations Act, 2016 (P.L. 114-113).

The FY 2017 budget request will support spending at an operating level that will allow our auditors and investigators to meet their productivity goals. The budget request will provide funding for a 560 FTE staffing level, the President's proposed pay raise, payroll increases (e.g., within-grade increases, scheduled promotions, health benefits, etc.), and other related support costs.

OIG employees on duty have dropped from 610 in FY 2006 to 526 at the end of FY 2015, a decrease of 84 employees. Our current budget request assumes OIG will add additional staff in support Cooperative Disability Investigations (CDI) unit expansion, and provides ongoing support for the major initiatives already in place. OIG will continue to meet its homeland security responsibilities through audit and investigative activities that focus on strengthening the enumeration process and combating SSN misuse.

This FY 2017 budget includes \$727,000 for training, which satisfies all FY 2017 training requirements for OIG. OIG will contribute to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) in FY 2017, and \$253,000 has been requested for that purpose.

Table 4.1—Justification

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate	FY16 to FY17 Change
FTE	528	540	560	+20
Appropriation	\$ 103,350,000	\$ 105,500,000	\$ 112,000,000	+ \$ 6,500,000
Total Obligations	\$ 102,830,115	\$ 105,500,000	\$ 112,000,000	+ \$ 6,500,000
Unobligated balance lapsing	\$ 773,878	\$ 0	\$ 0	\$ 0

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## ONGOING INITIATIVES

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### Computer Forensic Cyber-Related Investigations

Our *Digital Forensics Team* (DFT) provides forensic support to investigations involving at least one computer, network, electronic data storage, communication, mobile device or other form of digital media; as well as the collection, examination, analysis and reporting of the data acquired. The DFT provides much needed forensic assistance to the field in support of ongoing investigations. In FY 2015, the DFT implemented the initial infrastructure of a “private cloud” based forensics network that will allow the DFT to be at the forefront of digital forensics and provide an overall better solution for the OIG. This infrastructure allows the DFT to maintain a secure central repository for all forensic evidence and DFT case work. Furthermore, it provides an isolated network in support of the newly formed *Intelligence and Analysis Division* (IAD). Moving forward, the DFT will need additional funds to maintain, secure and expand the forensic network to meet the growing demands as they relate to the ever evolving cyber-crime movement. Additional funds will also allow the DFT to increase its infrastructure and data storage capabilities. Data storage is vital to a computer forensics program so we can provide adequate support as components request it.

In addition to traditional forensic services, the DFT works hand-in-hand with SSA to protect SSA’s network and Personally Identifiable Information (PII). With the issuance of *National Security Presidential Directive 54* and the emphasis placed on the *Government’s Trusted Internet Connection* initiative, protecting government networks has become a priority. There has been an increase in cyber based attacks on networks, to include government maintained electronic data; therefore, the potential for computer-based fraud against SSA systems and programs is growing exponentially. Techniques used to compromise computer systems are on the rise nationally, as computer crimes become more prevalent. To be effective, we must keep pace with technological advances. Our FY 2017 budget request includes funds to provide our computer forensic investigators with the equipment, training, and software needed to combat computer crimes.

DFT personnel received basic network intrusion training in FY 2013. In FY 2017, DFT will receive additional skills training. FY 2017 funding will allow DFT to adequately staff the *Computer Security Incident Response Team* and for members to attend additional cyber training, better preparing them to handle cyber-attack situations. It is the goal of the DFT to become

well trained in this area to keep the investigations in-house and protect the PII held within SSA's network.

### **Cooperative Disability Investigations**

The Cooperative Disability Investigations (CDI) Program is a key SSA anti-fraud initiative that plays a vital role in combating fraud, similar fault, and abuse within SSA's disability programs. CDI units, consisting of personnel from SSA, OIG, State disability determination agencies, and local law enforcement investigate initial disability claims and post-entitlement events involving suspected fraud. CDI units investigate claimants as well as third parties who are potentially facilitating disability fraud.

CDI investigations help SSA:

- prevent claimants who do not meet eligibility requirements from receiving benefits;
- terminate the benefits of those who have concealed medical improvement or failed to disclose substantial gainful activity; or
- revisit administrative determinations of claimants who may never have been eligible for benefits.

In FY 2015, the program consisted of 36 units covering 31 states and the Commonwealth of Puerto Rico. We will continue to expand this program in FY 2016 and FY 2017. The *Bipartisan Budget Act of 2015* requires SSA to expand the CDI program to cover all States and Territories no later than October 1, 2022. This requirement will be subject to the availability of funding and participation of local law enforcement agencies. During FY 2016, the CDI Program operated 38 units in 32 states, the District of Columbia, and Puerto Rico. As the CDI program expands, we will add OIG staff to support the CDI mission both in the field and at headquarters, and to replace those resources shifted away from our other investigative priorities.

### **Allegation Management and Fugitive Enforcement**

The Allegation Management and Fugitive Enforcement Division (AMFED) is responsible for receiving, analyzing, and referring allegations of fraud, waste, and abuse in Social Security programs and operations. AMFED is also responsible for managing the fugitive warrant verification and referral process for Social Security's fugitive enforcement operations.

In FY 2015, these processes contributed significantly to the mission of OIG and SSA. AMFED received 89,801 allegations. Through the development of referred allegations, SSA identified \$3,029,573 in benefit overpayments. AMFED matched 160,375 fugitive subjects from incoming Federal, State, and local warrant files and referred them to law enforcement for apprehension and warrant verification. AMFED referred 1,646 fugitive subjects for benefit suspension. Through these data-sharing efforts, law enforcement report that 442 fugitives were apprehended.

## Civil Monetary Penalty Program

Section 701 of the Bipartisan Budget Act of 2015, PL 114-74 (BBA of 2015) amended the Federal Civil Penalties Inflation Adjustment Act of 1990 (the Inflation Adjustment Act) (Public Law 104-410), to improve the effectiveness of civil monetary penalties and to maintain their deterrent effect. The provision requires agencies to: (1) adjust the level of civil monetary penalties with an initial “catch-up” adjustment through an interim final rulemaking; and (2) make subsequent annual adjustments for inflation. Inflation adjustments will be based on the percent change in the Consumer Price Index for all Urban Consumers (CPI-U) for the month of October preceding the date of the adjustment, relative to the October CPI-U in the year of the previous adjustment. The law requires agencies to publish interim final rules with the initial penalty adjustment amounts by July 1, 2016, and the new penalty levels must take effect no later than August 1, 2016. Penalties under the Social Security Act, which were previously excluded by a 1996 amendment to the Inflation Adjustment Act, are now subject to the catch-up and annual inflation increases. SSA penalty levels updated pursuant to section 701 of the BBA of 2015 will apply for 2016 and be subject to annual increase as will all other penalties subject to the Inflation Adjustment Act as amended in 2015.

We continue our emphasis on enforcing Section 1129 of the *Social Security Act*, which authorizes Civil Monetary Penalties (CMPs) against those who make false statements or representations in connection with obtaining or retaining payments under Titles II, VIII, or XVI of the *Social Security Act*. We can also penalize representative payees for wrongful conversion of payments and penalize individuals who knowingly withhold a material fact from SSA. After consultation with the Department of Justice, we are authorized to impose penalties of up to \$5,000 for each false statement, representation, conversion, or omission. A person may also be subject to an assessment, in lieu of damages, of up to *twice* the amount of any resulting overpayment. In addition to providing for an initial catch up adjustment for all CMPs imposed under section 1129 of the *Social Security Act*, the BBA of 2015, amended section 1129 to specifically increase the maximum CMP that may be imposed against an individual who violates their position of trust with an applicant for Social Security benefits from up to \$5,000 to up to \$7,500. A person is considered to be in a position of trust if they receive a fee or other income with respect to benefits under the *Social Security Act*, including a claimant representative, translator, or current or former SSA employee or who is a physician or other health care provider who submits, or causes the submission of, medical or other evidence in connection with an application for benefits.

Our CMP authority allows us to recover fraud losses from those responsible, when prosecutors decline to pursue OIG investigations for criminal prosecution. Many times, our investigations of individuals result in fraud losses below financial thresholds set by U.S. Attorneys’ offices. The Section 1129 program is an effective supplemental tool to prevent and deter fraud, and recover fraud losses, thereby strengthening public trust in the agency. Thus, we remain committed to aggressive enforcement, and we are committed to increasing the number of cases we resolve each year. Thus, we anticipate the number of hearing requests to increase. The increase in Section 1129 cases going to hearings before administrative law judges will likely require additional attorney travel. Also, using authority delegated by the Commissioner of Social Security, we aggressively enforce Section 1140 of the Social Security Act. Section 1140, the consumer protection prong of the agency’s civil monetary penalty program, prohibits people or

companies from misleading consumers by giving the false impression that they are associated with, or endorsed by, SSA when they advertise, solicit services, or otherwise communicate with the public. These communications can take many forms, including mailed or televised advertisements, Internet sites, social media accounts, and mobile applications. Section 1140 also prohibits the reproduction and sale of Social Security publications and forms without authorization. We can impose CMPs of up to \$5,000 for each violation and \$25,000 for each violative broadcast/telecast aired. We continually explore outreach opportunities to educate the public on how to recognize and avoid scams, and we welcome the opportunity to work with companies to develop innovative approaches to combat Section 1140 violations.

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## SSA'S SIGNIFICANT MANAGEMENT ISSUES

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OIG annually identifies the most significant management issues facing SSA based on congressional mandates and its audit and investigative work. These issues are:

1. Reduce the Hearings Backlog and Prevent its Recurrence
2. Improve the Timeliness and Quality of the Disability Process
3. Reduce Improper Payments and Increase Overpayments Recoveries
4. Improve Customer Service
5. Invest in Information Technology Infrastructure to Support Current and Future Workloads
6. Strengthen the Integrity and Protection of the Social Security Number
7. Strengthen Planning, Transparency, and Accountability

A summary of each management issue is discussed below:

### **Issue #1: Reduce the Hearings Backlog and Prevent its Recurrence**

While SSA continues focusing on the quality and consistency of hearing decisions, it is facing worsening average processing times and increasing pending hearings.

One part of the disability program, the hearings process, has experienced worsening timeliness and growing backlogs. For instance, the average processing time for a hearing increased from 426 days in FY 2010 to 480 days in FY 2015. In addition, the number of pending hearings grew from about 705,000 cases at the end of FY 2010 to over 1 million cases at the end of FY 2015.

In a September 2015 report on the hearings backlog, we stated SSA had not published a long term, multi-year strategy to address the growing backlog and worsening timeliness; however, SSA had begun implementing 35 initiatives to address these issues. In a separate September report on hearing office average processing times, we discussed large variances in timeliness among hearing offices. For instance, the Miami Hearing Office had an average processing time that was 300 days longer than the average processing time in the Orange, California Hearing Office.

Four factors contributed to the increase in the number of pending claims: (1) an increase in the number of hearing requests, (2) a decrease in the number of available administrative law judges (ALJ), (3) a decrease in ALJ productivity, and (4) a decrease in senior attorney adjudicator

decisions. SSA received about 600,000 hearing requests in FY 2008, over 800,000 hearing requests in each of FYs 2011 through 2014, and about 746,000 hearing requests in FY 2015. Between FYs 2012 and 2015, the number of available ALJs declined about 5 percent. ALJ productivity declined approximately 13 percent between FYs 2012 and 2015. Increased Agency emphasis on decisional quality has led to ALJs spending more time on cases. The Agency has also reduced the number of senior attorney adjudicator decisions due to quality concerns.

## **Issue #2: Improve the Timeliness and Quality of the Disability Process**

SSA needs to address receipt of millions of initial disability and reconsideration claims and backlogs of initial disability claims and continuing disability reviews (CDR), while also protecting its disability programs from fraud and encouraging beneficiaries to return to work.

**Disability Claims Backlog:** SSA completed over 2.8 million initial and 757,000 reconsideration disability claims in FY 2014 and more than 2.75 million initial and 723,000 reconsideration claims in FY 2015. While initial claims have declined in recent years, SSA had over 621,000 initial disability claims pending at the end of FY 2015. Similarly, SSA expects to have approximately 733,000 initial disability claims pending at the end of FY 2016.

**CDR Backlog:** According to SSA, at the end of FY 2015, there was a backlog of more than 726,000 full medical CDRs, down from over 906,000 cases backlogged at the end of FY 2014. As we stated in our August 2014 report on *The Social Security Administration's Completion of Program Integrity Workloads*, SSA had a backlog because it had not completed all full medical CDRs when they became due. Although SSA increased the number of full medical CDRs completed in recent years, it was still lower than needed to eliminate the backlog. As a result, SSA missed potential savings. Had SSA conducted full medical CDRs at historic levels, we estimated it would have identified billions of dollars in additional Federal benefit savings.

**Disability Fraud:** High-profile fraud schemes in New York, Puerto Rico, and West Virginia highlighted how vulnerable SSA's disability programs are to fraud. In New York, criminal facilitators conspired with disability applicants to feign disabilities and submit disability applications with fabricated and/or exaggerated ailments, which led to many individuals receiving disability benefits to which they were not eligible. Similarly, in Puerto Rico, third-party facilitators conspired with claimants to submit medical documentation that fabricated or exaggerated disabilities. In addition, it was alleged that an ALJ in Huntington, West Virginia, conspired with an attorney to grant favorable decisions to disability claimants who were potentially ineligible for benefits.

The fraud schemes revealed that numerous individuals, with the assistance of the same attorney, claimant representative, or other facilitator, could apply for disability benefits, allege similar physical and/or mental impairments, provide similar fabricated or exaggerated medical documentation certified by a common physician or medical facility, and receive disability benefits. These cases highlighted SSA's lack of the information technology (IT) infrastructure and front-end analytical tools necessary to screen applications for "potential fraud warnings" and review or investigate further before approving. For example, SSA was not systematically flagging a string of disability claims from applicants in the same geographic area with a common

claimant representative and similar alleged disabilities. Watchful SSA and Disability Determination Services (DDS) employees caught the patterns in the fraudulent claims in New York and Puerto Rico, but not before the Agency approved those claims and made millions of dollars in payments to the beneficiaries.

**Return to Work:** Historically, about one-half of 1 percent of disabled beneficiaries leave the rolls annually because of a return to work. *The Ticket to Work and Self Sufficiency Program* was created to assist beneficiaries return to work. However, an evaluation of the program concluded that, “. . . rigorous impact analysis failed to provide strong evidence of its impact on employment.” The Ticket program’s lack of strong evidence of improved employment outcomes among beneficiaries, is representative of the various other return to work demonstration projects and programs. As a result, the Agency needs to continue exploring policies that reduce administrative barriers for beneficiaries to return to work, simplify existing work incentives and create new opportunities to facilitate beneficiaries return to work efforts. Furthermore, according to SSA, when medical CDRs result in beneficiaries losing eligibility for SSDI, approximately 20 percent of these individuals return to SSDI within 8 years of the cessation determination.

### **Issue #3: Reduce Improper Payments and Increase Overpayment Recoveries**

SSA is one of several Federal agencies that have a high amount of improper payments. In FY 2014, the last fiscal year for which data was available, SSA reported about \$9.8 billion in over- or underpayments and incurred an administrative cost of \$0.07 for every overpayment dollar it collected. Further, SSA needs to adhere to the requirements in *Executive Order 13520, Reducing Improper Payments and Eliminating Waste in Federal Programs, the Improper Payments Elimination and Recovery Act of 2010* (IPERA) (Pub. L. No. 111-204), and the *Improper Payments Elimination and Recovery Improvement Act of 2012* (IPERIA) (Publ. L. No. 112-248).

**Improper Payment Rates:** Workers, employers, and taxpayers who fund SSA’s programs deserve to have their tax dollars effectively managed. As a result, SSA must be a responsible steward of the funds entrusted to its care and minimize the risk of making improper payments. SSA strives to balance its service commitments to the public with its stewardship responsibilities. However, given the size and complexity of the programs the Agency administers, some payment errors will occur.

For example, according to SSA, in FY 2014,

- The Old-Age, Survivors, and Disability Insurance (OASDI) overpayment error was \$4.6 billion or 0.5 percent of program outlays, and the underpayment error was \$472 million or 0.05 percent of program outlays; and
- The SSI overpayment error was \$3.9 billion or 7 percent of program outlays, and the underpayment error was \$840 million or 1.5 percent of program outlays.

For FYs 2015 through 2017, SSA’s goal was to maintain OASDI payment accuracy at 99.8 percent for both over- and underpayments; and for SSI, the Agency’s goal was to achieve

over- and underpayment accuracy rates of 95 and 98.8 percent, respectively. The Agency only met one of its payment accuracy targets in the last 5 years

**Executive Order 13520, Improper Payments Elimination and Recovery Act (IPERA), and Improper Payments Elimination and Recovery Improvement Act (IPERIA):** In November 2009, the President issued Executive Order 13520 on reducing improper payments. IPERA and IPERIA were enacted in July 2010 and January 2013, respectively, to refine steps agencies should take to address improper payments. As a result, all agencies with high-risk programs—those with significant improper payments—are required to intensify their efforts to eliminate payment errors. The Office of Management and Budget designated SSA’s programs as high-risk.

**Overpayment Recoveries:** Once SSA determines an individual has been overpaid, it attempts to recover the overpayment. According to SSA, in FY 2015, it recovered \$3.4 billion in overpayments at an administrative cost of \$0.07 for every dollar collected and ended the fiscal year with an uncollected overpayment balance of \$18.5 billion.

#### **Issue #4: Improve Customer Service**

SSA faces several challenges, such as increasing workloads and representative payee oversight, as it pursues its mission to deliver services that meet the public’s changing needs.

**Increased Workload with Reduced Staff:** SSA stated that the population aged 65 and older will grow by more than 18 million from 2015 to 2025, and an additional 8 million by 2030, thereby dramatically increasing the demand for its services. In FY 2015, SSA received approximately 5 million retirement, survivors, and Medicare applications; completed 2.7 million initial disability claims; and completed over 663,000 requests for hearings.

In addition to these workloads, in FY 2015, SSA

- completed 723,000 reconsiderations and 150,000 Appeals Council requests for review;
- issued over 16 million new and replacement Social Security number (SSN) cards;
- posted over 275 million earnings items to workers’ records;
- handled nearly 37 million calls to its national 800-Number;
- assisted 41 million visitors in field offices; and
- mailed nearly 350 million notices.

SSA faces a challenge of losing its institutional knowledge because of steady losses of employees through retirement. As of August 2015, approximately 16 percent of SSA employees was eligible for retirement. SSA estimates that 28 percent of its permanent employees will be eligible to retire by 2020, and their retirement could result in various mission-critical skills gaps.

In its February 2015 High-Risk Series report, the Government Accountability Office noted that agencies had taken important steps to better position the Government to close current and emerging critical skills gaps, but agencies will need to implement specific strategies and evaluate their results to demonstrate progress on addressing critical skill gaps. SSA recognizes that identifying and reducing skill gaps at all organizational levels are important to the Agency. SSA developed a long-term vision, expanded the use of online services, improved telephone services, and continued video services expansion during FY 2015. In April 2015, SSA released its Vision 2025 publication, which states where SSA would like to be in 10 years with its workforce, technology, and customer service. Vision 2025 identifies three priorities: a superior customer experience, exceptional employees, and an innovative organization to guide its service delivery efforts today and in the future. SSA has developed milestones in its revised FY 2014 – 2018 Agency Strategic Plan that support Vision 2025 goals.

**Customer Service Expectations:** The dramatic increase in mobile and broadband Internet access is driving public expectation for instantaneous service through multiple delivery channels. Rapid advances in technology introduce new opportunities for service delivery as well as requiring that SSA remain vigilant about potential security and fraud vulnerabilities. Furthermore, customers who seek benefits from SSA also interact with other agencies and private organizations. SSA acknowledges it could improve its customer service through partnerships with these organizations to learn from each other, share data, and develop processes that help customers access services more quickly and easily.

**Representative Payment Program:** SSA appoints representative payees to manage the benefits of incapable beneficiaries and recipients because of their age or mental or physical impairment. SSA acknowledges that representative payees play a significant role in many beneficiaries' lives, and it consistently explores ways to better identify, screen, and appoint representative payees. In January 2015, SSA reported that approximately 6 million representative payees were managing about \$76.8 billion in payments for 8.7 million beneficiaries and recipients. SSA continues finding problems with representative payees who improperly use and account for beneficiaries' payments during their reviews. Likewise, our audits continue to find problems with SSA's *Representative Payment Program*. Our January 2016 report, *Volume Individual Representative Payees*, summarized previous volume individual payee review findings. Of significance, our reviews noted several payees with prior financial liens and judgments or bankruptcy filings of which SSA had not previously been aware. We also identified several recurring findings, including representative payees collecting unallowable and/or excessive fees. We made two recommendations that SSA enhance its continuous monitoring program to help identify the issues consistently found by the Office of the Inspector General in its audits of high-volume individual representative payees.

#### **Issue #5: Invest in IT Infrastructure to Support Current and Future Workloads**

Federal agencies must ensure they wisely invest their scarce resources. SSA faces the challenge of determining how best to use technology to accomplish its mission within its budget and resource constraints, while ensuring its information systems are secure and sensitive data are protected.

**Cyber-security:** Federal information systems—and the information they hold—are increasingly becoming targets of cyber-attacks. Recent breaches at several Federal agencies have underscored the importance of securing Federal systems and protecting sensitive information. The information SSA houses on nearly every U.S. citizen is invaluable to would-be hackers and potential identity thieves. Consequently, the Agency’s information systems may be at particular risk of attack. Given the highly sensitive nature of the personal information in its systems, it is imperative that SSA have a robust information security program.

Our prior audit and investigative work has revealed a number of concerns with the security of SSA’s information systems. Since FY 2012, auditors have concluded that the risk and severity of SSA’s information security weaknesses identified constituted a significant deficiency under the *Federal Information Security Management Act of 2002* (Pub. L. No. 107-347). Those security deficiencies, when aggregated, created a weakness in SSA’s overall information systems security program that the auditors concluded significantly compromised the security of the Agency’s information and information systems. Additionally, other recent audits and evaluations have identified serious concerns with SSA’s information security program.

To address ever-increasing security challenges, it is crucial that SSA implement a well-designed, continuous monitoring strategy to monitor and assess security controls. SSA has issued its *Continuous Monitoring Strategy* but is still implementing it. The Office of Management and Budget and National Institute of Standards and Technology require near real-time, continuous monitoring for risk management and risk-based decision-making.

**IT Physical Infrastructure:** One of SSA’s major IT investments in recent years has been replacing its existing National Computer Center (NCC). The NCC has been in continuous operation as a data center since it opened in 1980 and, while its computing capacity has been expanded over the years, increasing workloads and expanding telecommunication services severely strained its ability to support the Agency’s business. SSA received \$500 million from the *American Recovery and Reinvestment Act* to replace the NCC with a new National Support Center (NSC). SSA must diligently monitor migration activities to ensure a successful transition from the NCC to the new NSC.

**Development and Implementation of Secure Electronic Services:** According to SSA, in FY 2015, the Agency’s field offices saw about 41 million visitors, and it handled over 37 million calls to its national 800-number. To support its increasing workloads, SSA has developed and implemented over 30 electronic services to the public, businesses, and other government agencies. With these expanded services, SSA reported it processed more than 85 million transactions online in FY 2015.

While expanding its inventory of electronic services, the Agency needs to ensure those services are secure. Prior investigative and audit work have identified multiple incidents of fraud committed through SSA’s electronic services.

**Implementation of Major IT Projects:** SSA faces challenges in executing and implementing major IT projects and delivering expected functions on-schedule and within budget.

To simplify system support and maintenance, improve the speed and quality of the disability process, and reduce the overall growth rate of infrastructure costs, SSA is developing the *Disability Case Processing System* (DCPS), which, once implemented, will be used by all disability determination services (DDS). However, despite investing more than \$344 million in DCPS over 7 years, SSA has not yet fully developed and implemented a system. The project has faced schedule delays and increasing stakeholder concerns.

In response to a request from the Chairman of the House Subcommittee on Social Security, Committee on Ways and Means, we evaluated the DCPS project in FY 2015. Our November 2014 report recommended that SSA suspend the development of certain custom-built components of DCPS until the Agency evaluated and determined whether off-the-shelf or modernized SSA-owned software are viable alternatives. In May 2015, we initiated a review to examine SSA's efforts to evaluate those alternatives.

In May 2015, we issued a report with our observations and recommendations for DCPS. In that review, we found that previous Beta versions of DCPS had significant functionality limitations. Those limitations caused delays in processing and required that the DDSs develop various "workarounds" to process claims through the system. DDS personnel expressed many concerns with the efficiency and effectiveness of the rollout as well as SSA management's communication with users.

In 2015, SSA partnered with the United States Digital Service to evaluate the Beta application and concluded that, as built, it would not meet the Agency's needs. SSA discontinued developing the Beta application and began developing a new DCPS system using Agile software development practices. The Agency expects to deliver the first version of the new product by the end of 2016.

## Issue #6: Strengthen the Integrity and Protection of the Social Security Number

SSA issued over 16 million original and replacement social security number (SSN) cards in FY 2015. In addition, the Agency received and processed about 275 million wage items in FY 2015. Protecting the SSN and properly posting the wages reported under SSNs are critical to ensuring SSN integrity and eligible individuals receive the full benefits due them.

**SSN Use:** The SSN is heavily relied on as an identifier in U.S. society and is valuable as an illegal commodity. Additionally, the SSN is critical in accurately recording workers' earnings on which future benefit payments are based. For these reasons, properly assigning SSNs only to those individuals authorized to obtain them, protecting SSN information once the Agency assigns the numbers, and accurately posting the earnings reported under SSNs are critical SSA missions.

**SSN Misuse:** While SSA has improved its enumeration process, given the preponderance of SSN misuse and identity theft in U.S. society, we continue to believe protection of this critical number is a considerable challenge for SSA as well as its millions of stakeholders. Unfortunately, once SSA assigns an SSN, it has no authority to control how other entities collect, use, and protect it. Our audit and investigative work have shown that the more SSNs are unnecessarily used, the higher the probability individuals could use them to commit crimes. For example, some educational institutions unnecessarily collect and use SSNs as a primary student identifier. A March 2015 study revealed that 12.7 million consumers were victims of identity fraud in 2014. Two-thirds of these victims had received a data breach notification in the same year.

We remain concerned about SSN misuse by noncitizens who are not authorized to work in the United States. We are also concerned that some individuals misuse SSNs for identity theft purposes. In addition, recent audit work determined that over 6 million number holders age 112 or older had no death information on their Numident records. The accuracy and integrity of death information is critical because Federal benefit paying entities, the Department of Homeland Security, the Internal Revenue Service, State and local governments, and private industry customers rely on the Death Master File to detect unreported deaths and prevent fraud.

**Earnings:** SSA's programs depend on earnings information to determine whether an individual is eligible for benefits and to calculate the amount of benefit payments. Properly posting earnings ensures eligible individuals receive the full retirement, survivors, and/or disability benefits due them. If employers report earnings information incorrectly or not at all, SSA cannot ensure all individuals entitled to benefits are receiving the correct payment amounts.

SSA spends scarce resources correcting earnings data when employers report incorrect information. The *Earnings Suspense File* (ESF) is the Agency's repository of wage reports on which wage earners' names and SSNs fail to match SSA's records. Per the latest available data, the ESF had accumulated over \$1.2 trillion in wages and 333 million wage items for Tax Years 1937 through 2012. In Tax Year 2012 alone, SSA posted 6.9 million wage items, representing \$71 billion, to the ESF. From Tax Years 2003 to 2012, the ESF grew by approximately \$749 billion in wages and 90 million wage items, representing about two-thirds of the total wages in the ESF and one-third of the total wage items.

## Issue #7: Strengthen Planning, Transparency, and Accountability

Planning, transparency, and accountability are critical factors in effective management. Failure to plan properly to meet its mission and challenges will lessen the Agency's ability to provide its services efficiently and effectively now and in the future. Similarly, mismanagement and waste as well as a lack of transparency for citizens in Government operations, can erode trust in SSA's ability to tackle the challenges it faces.

**Planning:** In the past, the Agency developed multiple-year strategic plans, which included general descriptions of the programs, processes, and resources needed to meet its mission and strategic objectives. SSA has also produced other strategic plans, like the *Information Resources Management Strategic* and *Human Capital Operating Plans*, which covered periods of only a few years. While planning for the next few years is important, a longer term vision is critical to ensuring the Agency has the programs, processes, staff, and infrastructure required to provide needed services 10 to 20 years from now and beyond.

**Transparency:** While the Agency has many performance measures and goals on which it publicly reports, we have questioned the usefulness of some of the measures and goals. We have recommended that SSA develop more outcome-based performance measures and goals, including performance targets based on SSA's long-term outcomes instead of annual budgets.

Similar to our previous comments on the Agency's metrics, SSA's FY 2015 performance measures could be more outcome-based. While many appear to measure outcomes because of the manner in which they are worded, they still mostly measure outputs. For example, one performance measure, *Enhance Our Security Features and Business Processes to Prevent and Detect Fraud*, appears to measure the prevention and detection of fraud. However, the data definition for the measure reveals that SSA is only measuring public fraud referrals. While fraud referrals may help detect and prevent fraud, the fraud referrals are steps in the process, not the desired outcome. The fraud referrals could be erroneous reports of fraud that SSA spends its resources investigating without achieving what it intended to achieve. SSA should measure the percentage of referrals that actually detect or prevent fraud to show the true outcome of the process being implemented. Measuring outputs, or steps in a process, does not inform the public whether SSA is managing towards the outcomes it needs to efficiently and effectively provide its services and meet its mission.

**Independent Auditor's Report:** The FY 2015 *Independent Auditor's Report* contained three significant deficiencies in internal control (the full text of the report can be found in SSA's FY 2015 *Agency Financial Report*). First, the auditor identified three deficiencies in internal control that, when aggregated, were considered to be a significant deficiency in internal controls related to calculation, recording, and prevention of overpayments. Specifically, the auditor noted calculation errors in 24 percent of the overpayment items selected in a statistical sample. In addition, SSA has a systems limitation where overpayment installments extending past 2049 are not tracked and reported. Further, SSA was not reconciling data between systems to detect discrepancies, which could lead to payment errors.

Second, the auditor identified deficiencies in internal control that, when aggregated, were considered to be a significant deficiency in internal controls related to redeterminations. Testing

identified instances where redetermination interviewers did not comply with established control policies, and results were not appropriately recorded.

Third, the auditor identified information systems control deficiencies in four areas that, when aggregated, were considered to be a significant deficiency over information systems controls. The areas included:

- Threat and Vulnerability Management;
- IT Oversight and Governance;
- Change Management; and
- Access Controls.

**SSA's Anti-Fraud Programs:** SSA is under increased scrutiny after a number of highly publicized cases of fraud became the subject of congressional hearings. OIG hired a contractor to complete a fraud risk assessment of SSA's anti-fraud activities and found that SSA did not track all instances of fraud or use a risk-based approach for combatting fraud. The contractor also concluded that the Agency could be more proactive in addressing and mitigating new fraud schemes and improving the design and operating effectiveness of anti-fraud measures.

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## MONETARY BENEFITS

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In FY 2015, OIG issued 89 audit reports with recommendations, identifying over \$4.1 billion in questioned costs and over \$3.6 billion in Federal funds that could be put to better use. OIG also received over 121,000 allegations of fraud, effected almost 1,300 criminal convictions, and obtained a return of over \$551 million in monetary accomplishments, comprised of over \$138 million in SSA recoveries, restitutions, fines, settlements, and judgments, and over \$413 million in projected SSA savings. Our FY 2017 funding will enable us to issue timely reports, provide training required by Government Auditing Standards, and cover mission-critical travel.

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## STRATEGIC PLANNING

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FY 2015 was the fifth year under OIG's 5-year Strategic Plan (FY 2011-FY 2015). OIG operates within a framework set by three general goals: the *Impact* OIG's investigations, audits, and legal activities have on SSA's effectiveness and efficiency; the *Value* OIG brings to SSA, Congress, and the public; and the strategies OIG uses to cultivate the talents of its *People*. These general goals are further broken down into 15 separate performance measures. All of these measures are designed to support OIG's core mission to inspire public confidence by detecting and preventing fraud, waste, and abuse in SSA's programs and operations. For FY 2015, OIG successfully met or exceeded all 15 of its performance measures. The specific results for FY 2015 are as follows:

**Table 4.2—2015 Performance Measure Results**

Goal	Target	Result
<b>Impact</b>		
1. Maintain an annual acceptance rate of at least 88% for all audit recommendations.	88%	96%
2. Achieve a 5-year average implementation rate of 85% for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.	85%	88%
3. Ensure at least 80% of all cases opened during the FY directly relate to improper payments within SSA's Title II and Title XVI Programs.	80%	96%
4. Achieve a successful conclusion on at least 75% of all Title II and Title XVI cases closed during the FY.	75%	89%
<b>Value</b>		
5. Generate a positive return of \$8 for every tax dollar invested in OIG activities.	\$8 to 1	<b>\$82 to 1</b>
6. Evaluate and respond to 90% of all allegations received within 45 days.	90%	96%
7. Complete investigative fieldwork on 75% of all cases within 180 days.	75%	91%
8. Respond to 95% of constituent-based congressional inquiries within 21 days.	95 %	98%
9. Take action on 90% of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.	90%	97%
10. Achieve a positive external user assessment rating of 85% for product service quality.	85%	94%
11. Issue 85% of final audit reports within 1 year of the entrance conference with SSA.	85%	91%
12. Complete 85% of requests for legal advice and review within 30 days.	85%	99%
<b>People</b>		
13. Achieve an annual attrition rate of 5% or less.	≤ 5 %	1%
14. Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvements are needed. (Improvement is indicated when the score of any of the 12 questions relating to job satisfaction is ≤ 75%.)	75%	82%
15. Ensure that 90% of OIG staff receives 40 or more hours of appropriate developmental and skill enhancement training annually.	90%	99%

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### TRANSFER AUTHORITY

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The budget request includes language providing authority to transfer an amount of up to 3 percent of the total OIG appropriation from SSA's LAE appropriation. This language provides the flexibility to meet unanticipated funding requirements and to ensure that adequate resources are available to meet program objectives. The request is consistent with similar authority to transfer funds between appropriations provided to other departments and agencies in appropriation language.

## BUDGETARY RESOURCES

The OIG annual appropriation consists of appropriations from both the general fund and the trust funds. The President's budget request for FY 2017 consists of \$31,000,000 appropriated from the general fund and \$81,000,000 which will be transferred and expended as authorized by Section 201(g) (1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

**Table 4.3—Amounts Available for Obligation**

	(In thousands)		
	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
General Funds Annual Appropriation	\$ 28,829	\$ 29,787	\$ 31,000
Trust Funds Annual Transfer	\$ 74,521	\$ 75,713	\$ 81,000
<b>Total Appropriation</b>	<b>\$ 103,350</b>	<b>\$ 105,500</b>	<b>\$ 112,000</b>
<b>Total Budgetary Resources</b>	<b>\$ 103,350</b>	<b>\$ 105,500</b>	<b>\$ 112,000</b>
Total Obligations	\$ 102,576	\$ 105,500	\$ 112,000
Unobligated balance lapsing	\$ 774	\$ 0	\$ 0

## ANALYSIS OF CHANGES

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The FY 2017 request represents a \$6,500,000 increase over the FY 2016 estimate. These increases can be attributed to an increase in base expenses for employee salaries and benefits, to include a proposed pay increase and for related support costs.

**Table 4.4—Summary of Changes**

	<b>FY 2016 Enacted</b>	<b>FY 2017 Estimate</b>	<b><i>FY16 to FY17 Change</i></b>
General Fund Appropriation	\$ 29,787,000	\$ 31,000,000	+ \$ 1,000,000
Trust Fund Appropriation	\$ 75,713,000	\$ 81,000,000	+ \$ 5,500,000
<b>Total Appropriation</b>	<b>\$ 105,500,000</b>	<b>\$ 112,000,000</b>	<b>+ \$ 6,500,000</b>
<b>Total Obligations</b>	<b>\$ 105,500,000</b>	<b>\$112,000,000</b>	<b>+ \$ 6,500,000</b>

Table 4.5—Explanation of OIG Budget Changes

	FY 2016 Base		Change from Base	
	WYs (FTEs)	Budgetary Resources	WYs (FTEs)	Budgetary Resources
<b><u>BUILT-IN INCREASES</u></b>				
<b>Base Payroll Expenses</b>	<b>543</b>		<b>+21</b>	
	<b>(540)</b>		<b>(+20)</b>	
<ul style="list-style-type: none"> <li>Change in base payroll expenses related to career ladder promotions and within-grade increases</li> </ul>	---	\$ 67,482,000	---	+\$ 2,657,000
<ul style="list-style-type: none"> <li>Change in base expenses for employee benefits including health benefits and new employees hired under the Federal Retirement Employees System</li> </ul>	---	\$ 24,959,000	---	+\$ 983,000
<ul style="list-style-type: none"> <li>All other payroll changes, including overtime and awards</li> </ul>	---	---	---	---
<b>Non-Payroll Costs</b> - All other built-in nonpayroll changes, travel management support and equipment	---	\$ 8,024,000	---	+\$3,020,000
<ul style="list-style-type: none"> <li>Rent</li> </ul>	---	\$ 4,787,000	---	---
<ul style="list-style-type: none"> <li>CIGIE Contribution</li> </ul>	---	\$248,000	---	+\$5,000
<b>Subtotal, Built-in increases</b>	<b>543</b>	<b>\$ 105,500,000</b>	<b>+21</b>	<b>+\$6,665,000</b>
	<b>(540)</b>		<b>(+20)</b>	
<b><u>PROGRAM INCREASES</u></b>				
Increase for operations and maintenance of facilities and equipment	---	---	---	\$ 0
<b>Subtotal, Program Increases</b>	---	---	---	\$ 0
<b>Total Increases</b>	<b>543</b>	<b>\$ 105,500,000</b>	<b>+21</b>	<b>+\$6,665,000</b>
	<b>(540)</b>		<b>(+20)</b>	

Table Continues on the Next Page

	FY 2016 Base		Change from Base	
	WYs (FTEs)	Budgetary Resources	WYs (FTEs )	Budgetary Resources
<b><u>BUILT-IN DECREASES</u></b>				
<b>Base Payroll Expenses</b> —Decrease in all other payroll costs	<b>543 (540)</b>	<b>\$ 92,441,000</b>	<b>+2 1</b>	<b>---</b>
<b>Non-Payroll Costs</b>	<b>---</b>	<b>\$ 8,024,000</b>	<b>--</b>	<b>---</b>
<b>Rent</b>	<b>---</b>	<b>\$ 4,787,000</b>	<b>--</b>	<b>-\$165,000</b>
<b>CIGIE Contribution</b>	<b>---</b>	<b>\$ 248,000</b>	<b>--</b>	<b>---</b>
<b>Subtotal, Built-in decreases</b>	<b>---</b>	<b>\$ 105,500,000</b>	<b>--</b>	<b>-\$165,000</b>
<b><u>PROGRAM DECREASES</u></b>				
<b>Decrease in costs for training, other support, services, and supplies</b>	<b>---</b>	<b>---</b>	<b>--</b>	<b>---</b>
<b>Subtotal, Program Decreases</b>	<b>---</b>	<b>---</b>	<b>--</b>	<b>---</b>
<b>Total Decreases</b>	<b>---</b>	<b>\$ 105,500,000</b>	<b>--</b>	<b>-\$165,000</b>
<b>Net Change</b>	<b>543 (540)</b>	<b>\$ 105,500,000</b>	<b>+2 1 (+2)</b>	<b>+\$ 6,500,000</b>

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**BUDGET AUTHORITY BY ACTIVITY**


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The table below displays budget authority, split by type of funding, and obligations. This table also includes FTEs.

**Table 4.6—Budget Authority by Activity**

	(In thousands)		
	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
General Funds	\$ 28,829	\$ 29,787	\$31,000
OASDI Trust Fund Transfers	\$ 74,521	\$ 75,713	\$ 81,000
<b>Total Appropriation</b>	<b>\$ 103,350</b>	<b>\$ 105,500</b>	<b>\$ 112,000</b>
<b>Total Budgetary Authority</b>	<b>\$ 103,350</b>	<b>\$ 105,500</b>	<b>\$ 112,000</b>
Obligations	\$ 102,576	\$ 105,500	\$ 112,000
Unobligated balance lapsing	\$ 774	\$ 0	\$ 0
FTEs	528	540	560

## BUDGET RESOURCES BY OBJECT

The table below displays the breakdown of budget resources by object class.

**Table 4.7—Budget Resources by Object**

	FY 2015	FY 2016	FY 2017	<i>FY16 to FY17 Change</i>
Full-time permanent	\$ 62,982,000	\$ 66,884,000	\$ 69,541,000	+ \$ 2,657,000
Other than full-time permanent	\$ 395,000	\$ 400,000	\$ 400,000	\$ 0
Other compensation	\$ 197,000	\$ 198,000	\$ 198,000	\$ 0
Subtotal, Personnel Compensation	\$ 64,574,000	\$ 67,482,000	<b>\$ 70,139,000</b>	+ \$ 2,657,000
Civilian personnel benefits	\$ 26,147,000	\$ 24,959,000	\$ 25,942,000	+ \$ 983,000
Total, Compensation and Benefits	\$ 89,721,000	\$ 92,441,000	<b>\$ 96,081,000</b>	+ \$ 3,640,000
Travel	\$ 2,598,000	\$ 2,293,000	\$ 3,010,000	+ \$ 717,000
Transportation of things	\$ 32,000	\$ 50,000	\$ 60,000	+ \$ 10,000
Rental payments to GSA	\$ 4,631,000	\$ 4,563,000	\$ 4,354,000	- \$ 209,000
Rental payments to others	\$ 77,000	\$ 100,000	\$ 144,000	+ \$ 44,000
Communications, utilities, and others	\$ 266,000	\$ 124,000	\$ 124,000	\$ 0
Printing and reproduction	\$ 13,000	\$ 6,000	\$ 6,000	\$ 0
Other services	\$ 3,260,000	\$ 4,923,000	\$ 6,136,000	+ \$ 1,213,000
Supplies and materials	\$ 245,000	\$ 519,000	\$ 1,070,000	+ \$ 551,000
Equipment	\$ 1,988,000	\$ 747,000	\$ 1,281,000	+ \$ 534,000
Insurance Claims	\$ 0	\$ 1,000	\$ 1,000	\$ 0
Adjustments	-\$ 254,000	-\$ 267,000	-\$ 267,000	\$ 0
<b>Total Budgetary Resources</b>	<b>\$ 102,576,000</b>	<b>\$ 105,500,000</b>	<b>\$ 112,000,000</b>	<b>+ \$ 6,500,000</b>

# BACKGROUND

## AUTHORIZING LEGISLATION

The Office of the Inspector General is authorized necessary expenses to carry out the provisions of the Inspector General Act of 1978, as amended.

**Table 4.8—Authorizing Legislation**

	<b>FY 2016 Authorized</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Authorized</b>	<b>FY 2017 Estimate</b>
<b>Office of the Inspector General (P.L. 114-113)</b>	<b>\$ 105,500,000</b>	<b>\$ 105,500,000</b>	<b>Indefinite</b>	<b>\$ 112,000,000</b>

## 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 2004 to FY 2016.

**Table 4.9—Appropriation History Table**

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
General Funds	\$ 25,000,000	\$ 24,500,000	\$ 20,863,000	<b>\$ 24,355,400</b>
Trust Funds	\$ 65,000,000	\$ 63,700,000	\$ 61,597,000	<b>\$ 63,324,200</b>
2004 Total	\$ 90,000,000	\$ 88,200,000 <sup>1</sup>	\$ 82,460,000 <sup>2</sup>	<b>\$ 87,679,600<sup>3</sup></b>
General Funds	\$ 26,000,000	\$ 25,748,000	\$ 26,000,000	<b>\$ 25,542,000</b>
Trust Funds	\$ 66,000,000	\$ 65,359,000	\$ 66,000,000	<b>\$ 64,836,100</b>
2005 Total	\$ 92,000,000	\$ 91,107,000 <sup>4</sup>	\$ 92,000,000 <sup>5</sup>	<b>\$ 90,378,100<sup>6</sup></b>
General Funds	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	<b>\$ 25,740,000</b>
Trust Funds	\$ 67,000,000	\$ 66,805,000	\$ 67,000,000	<b>\$ 65,736,000</b>
2006 Total	\$ 93,000,000	\$ 92,805,000 <sup>7</sup>	\$ 93,000,000 <sup>8</sup>	<b>\$ 91,476,000<sup>9</sup></b>
General Funds	\$ 27,000,000	\$ 26,435,000	\$ 25,740,000	<b>\$ 25,902,000</b>
Trust Funds	\$ 69,000,000	\$ 67,976,000	\$ 65,736,000	<b>\$ 66,149,000</b>
2007 Total	\$ 96,000,000	\$ 94,411,000 <sup>10</sup>	\$ 91,476,000 <sup>11</sup>	<b>\$ 92,051,000<sup>12</sup></b>
General Funds	\$ 27,000,000	\$ 27,000,000	\$ 28,000,000	<b>\$ 25,988,901</b>
Trust Funds	\$ 68,047,000	\$ 68,047,000	\$ 68,047,000	<b>\$ 65,926,000</b>
2008 Total	\$ 95,047,000	\$ 95,047,000 <sup>13</sup>	\$ 96,047,000 <sup>14</sup>	<b>\$ 91,914,901<sup>15</sup></b>
General Funds	\$ 28,000,000	--	\$ 28,000,000	<b>\$ 28,000,000</b>
Trust Funds	\$ 70,127,000	---	\$ 70,127,000	<b>\$ 70,127,000</b>
2009 Total	\$ 98,127,000	---	\$ 98,127,000 <sup>17</sup>	<b>\$ 98,127,000<sup>18</sup></b>
ARRA <sup>19</sup>	N/A	N/A	N/A	<b>\$ 2,000,000</b>
General Funds	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000	<b>\$ 29,000,000</b>
Trust Funds	\$ 73,682,000	\$ 73,682,000	\$ 73,682,000	<b>\$ 73,682,000</b>
2010 Total	\$ 102,682,000	\$ 102,682,000 <sup>20</sup>	\$ 102,682,000 <sup>21</sup>	<b>\$ 102,682,000<sup>22</sup></b>
General Funds	\$ 30,000,000	---	\$ 30,000,000	<b>\$ 28,942,000</b>
Trust Funds	\$ 76,122,000	---	\$ 76,122,000	<b>\$ 73,535,000</b>
2011 Total	\$ 106,122,000	---	\$ 106,122,000 <sup>24</sup>	<b>\$ 102,477,000<sup>25</sup></b>
General Funds	\$ 30,000,000	---	\$ 28,942,000	<b>\$ 28,887,000</b>
Trust Funds	\$ 77,113,000	---	\$ 73,535,000	<b>\$ 73,396,000</b>
2012 Total	\$ 107,113,000	---	\$ 102,477,000 <sup>27</sup>	<b>\$ 102,283,000<sup>28</sup></b>
General Funds	\$ 30,000,000	---	\$ 28,887,000	<b>\$ 27,376,000</b>
Trust Funds	\$ 77,600,000	---	\$ 73,396,000	<b>\$ 72,557,000</b>
2013 Total	\$ 107,600,000	---	\$ 102,283,000 <sup>30</sup>	<b>\$ 99,933,000<sup>31</sup></b>
General Funds	\$ 30,000,000	---	\$ 29,689,000	<b>\$ 28,829,000</b>
Trust Funds	\$ 75,733,000	---	\$ 74,972,000	<b>\$ 73,249,000</b>
2014 Total	\$ 105,733,000	---	\$ 104,670,000 <sup>32</sup>	<b>\$ 102,078,000<sup>33</sup></b>

<b>Fiscal Year</b>	<b>Budget Estimate to Congress</b>	<b>House Committee Passed</b>	<b>Senate Committee Passed</b>	<b>Enacted Appropriation</b>
General Funds	\$29,000,000	\$28,829,000		<b>\$ 29,000,000</b>
Trust Funds	\$75,622,000	\$74,249,000		<b>\$ 74,350,000</b>
<b>2015 Total</b>	<b>\$104,622,000</b>	<b>\$103,078,000<sup>34</sup></b>		<b>\$103,350,000<sup>35</sup></b>
General Funds	\$31,000,000	\$30,000,000	\$28,829,000	<b>\$ 29,787,000</b>
Trust Funds	\$78,795,000	\$78,795,000	\$74,521,000	<b>\$ 75,713,000</b>
<b>2016 Total</b>	<b>\$109,795,000</b>	<b>\$108,795,000<sup>36</sup></b>	<b>\$103,350,000<sup>37</sup></b>	<b>\$105,500,000<sup>38</sup></b>
General Funds	\$31,000,000			
Trust Funds	\$81,000,000			
<b>2017 Total</b>	<b>\$112,000,000</b>			

<sup>1</sup> H.R. 2660.

<sup>2</sup> S. 1356.

<sup>3</sup> Consolidated Appropriations Act, 2004 (P.L. 108-199). The \$24,500,000 in general funds and \$63,700,000 in trust funds included in the language for this account for FY 2004 were reduced by \$144,600 and \$375,800, respectively, in accordance with P.L. 108-199.

<sup>4</sup> H.R. 5006.

<sup>5</sup> S. 2810.

<sup>6</sup> Consolidated Appropriations Act, 2005 (P.L. 108-447). The \$25,748,000 in general funds and \$65,359,000 in trust funds included in the language for this account for FY 2005 were reduced by \$206,000 and \$522,900, respectively, in accordance with P.L. 108-447.

<sup>7</sup> H.R. 3010.

<sup>8</sup> H.R. 3010, reported from Committee with an amendment.

<sup>9</sup> Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149). The \$26,000,000 in general funds and \$66,400,000 in trust funds included in the language for this account for FY 2006 were reduced by \$260,000 and \$664,000, respectively, in accordance with the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

<sup>10</sup> H.R. 5647.

<sup>11</sup> S. 3708.

<sup>12</sup> Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

<sup>13</sup> H.R. 3043.

<sup>14</sup> S. 1710.

<sup>15</sup> Consolidated Appropriations Act, 2008 (P.L. 110-161). The \$26,451,000 in general funds and \$67,098,000 in trust funds included in the language for this account for FY 2008 were reduced by \$462,099 and \$1,172,000 respectively, in accordance with P.L. 110-161.

<sup>16</sup> The House Committee on Appropriations did not report a bill.

<sup>17</sup> S. 3230.

<sup>18</sup> Omnibus Appropriations Act, 2009 (P.L. 111-8).

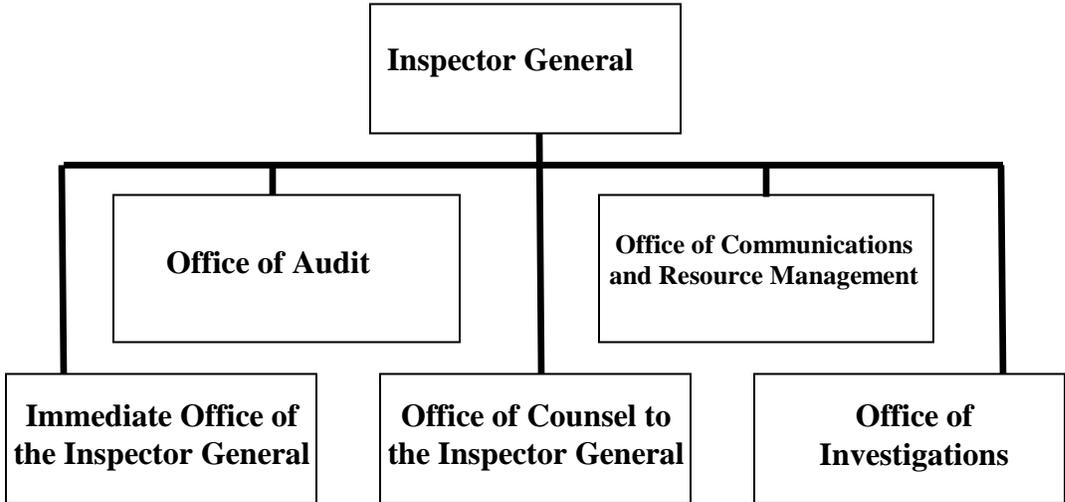
<sup>19</sup> OIG received \$2,000,000 through the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). OIG will conduct necessary oversight and audit of SSA programs, projects, and activities, assessing whether SSA used the resources as intended by the Act, and will identify any instances of fraud, waste, error, and abuse.

<sup>20</sup> H.R. 3293.

- <sup>21</sup> H.R. 3293, reported from Committee with an amendment.
- <sup>22</sup> Consolidated Appropriations Act, 2010 (P.L. 111-117).
- <sup>23</sup> The House Committee on Appropriations did not report a bill.
- <sup>24</sup> S. 3686.
- <sup>25</sup> Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). The \$29,000,000 in general funds and \$73,682,000 in trust funds included in the language for this account for FY 2011 were reduced by \$58,000 and \$147,000 respectively, in accordance with P.L. 112-10.
- <sup>26</sup> The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$30,000,000 from general funds and \$77,113,000 from trust funds, totaling \$107,113,000.
- <sup>27</sup> S. 1599.
- <sup>28</sup> Consolidated Appropriations Act, 2012 (P.L. 112-74). The \$28,942,000 in general funds and \$73,535,000 in trust funds included in the language for this account for FY 2012 were reduced by \$55,000 and \$139,000 respectively, in accordance with P.L. 112-74.
- <sup>29</sup> The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$28,887,000 from general funds and \$77,600,000 from trust funds, totaling \$106,487,000.
- <sup>30</sup> S. 3295.
- <sup>31</sup> Consolidated Appropriations Act, 2013 (P.L. 113-6). The \$69,557,000 in trust funds included in the language for this account for FY 2013 were increased by \$3,000,000 to \$72,557,000 as a transfer from SSA to OIG.
- <sup>32</sup> S. 1284.
- <sup>33</sup> Consolidated Appropriations Act, 2014 (P.L. 113-76).
- <sup>34</sup> H.R. 5464.
- <sup>35</sup> Consolidated Appropriations Act, 2015 (P.L. 113-235).
- <sup>36</sup> H.R. 3020
- <sup>37</sup> S. 1695.
- <sup>38</sup> Consolidated Appropriations Act, 2016 (P.L. 114-113).

# OIG'S ORGANIZATIONAL STRUCTURE AND MISSION

## GENERAL PURPOSE



As mandated by the *Inspector General Act of 1978*, as amended, OIG’s mission is to protect the integrity of SSA's programs. By conducting independent and objective audits, evaluations, and investigations, OIG works to ensure public confidence in the integrity and security of SSA’s programs and operations, and works to protect them against fraud, waste, and abuse. OIG provides timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

OIG is comprised of five components: The Immediate Office of the Inspector General (IO), Office of Audit (OA), Office of Counsel to the Inspector General (OCIG), Office of Communications and Resource Management (OCRM), and the Office of Investigations (OI).

### Immediate Office of the Inspector General

IO provides the Inspector General (IG) and the Deputy IG with staff assistance on the full range of their responsibilities. IO also administers a comprehensive Quality Assurance and Professional Responsibility program, and conducts Quality Control reviews that ensure the adequacy of OIG compliance with its policies and procedures, internal controls, and professional standards. In addition, IO oversees the Organizational Health Committee (OHC). The purpose of the OHC is to be an agent of positive change by discussing, evaluating, and presenting to senior management employee issues and proposed solutions that affect the operations, administration, and efficiency of OIG. In doing this, the committee acts as a representative of all OIG employees.

## **Office of Audit**

OA conducts and/or supervises comprehensive financial and performance audits of SSA's programs and operations and makes recommendations to ensure that program objectives and operational functions are achieved effectively and efficiently. Financial audits, required by the *Chief Financial Officers' Act of 1990*, assess whether SSA's financial statements fairly present the agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program and operational fraud, waste, and abuse, as well as inefficiency and ineffectiveness.

## **Office of Counsel to the Inspector General**

OCIG provides independent authoritative legal advice, guidance, and counsel to the IG and senior staff on a wide range of issues, including regulatory strategy, policy directives, and interpretation of new and emerging authorities and agency responsibilities. OCIG reviews materials to ensure sufficiency and compliance with regulatory and statutory requirements. OCIG advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. OCIG is also responsible for the CMP program, including imposition of penalties and assessments and the settlement and litigation of CMP cases.

## **Office of Communications and Resource Management**

OCRM provides administrative and management support to OIG by providing information resource management; systems security and software development; and the coordination of budget, procurement, telecommunications, facilities, equipment, and human resources activities. OCRM also administers the Fugitive Felon Program and the OIG Fraud Hotline. OCRM also manages OIG's public affairs programs, develops OIG's media and public information policies, and serves as the primary contact for those seeking information about OIG. In addition, OCRM is responsible for strategic planning, organizational performance management, and reporting.

## **Office of Investigations**

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations, including wrongdoing by individuals such as applicants, grantees, or contractors perpetrating criminal activity against SSA programs and operations. OI is responsible for managing DFT and administering the CDI Program. OI also investigates allegations of employee misconduct in the performance of their official duties. This office serves as the OIG liaison to the Department of Justice on all matters relating to investigations of SSA programs and personnel. OI works with other investigative agencies and organizations on special projects and assignments.

## RATIONALE FOR THE BUDGET REQUEST

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The budget request for FY 2017 is \$112,000,000 and 560 FTEs, which reflects an increase of \$6,500,000 from the FY 2016 annual appropriations level. The FY 2017 funding increase will provide funding for a 560 FTE staffing level, mandatory payroll increases (such as within-grade increases and benefit-rate increases), and for related support costs.

**Table 4.10—Detail of Full-Time Equivalent Employment and Workyears**

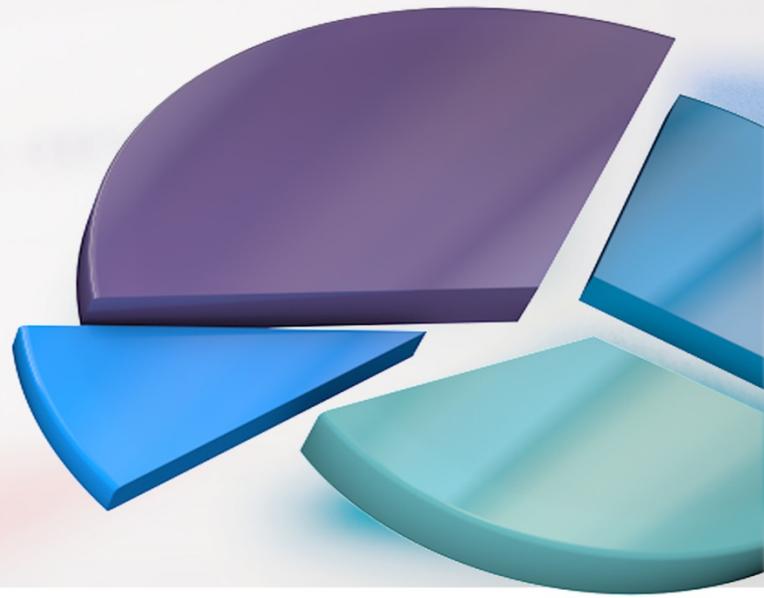
	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
FTEs	528	540	560
Overtime/Lump Sum Leave	5	3	4
<b>Total</b>	<b>533</b>	<b>543</b>	<b>564</b>

**Table 4.11—Average Grade and Salary**

	FY 2015 Actual
Average ES Salary	\$ 173,107
Average GS Grade	13
Average GS Salary	\$ 103,979



Social Security Administration  
**Annual  
Performance  
Report**  
2015-2017



**Annual Performance Plan** for Fiscal Year 2017  
**Revised Performance Plan** for Fiscal Year 2016  
**Annual Performance Report** for Fiscal Year 2015

# Table of Contents

Table of Contents.....	2
Acting Commissioner’s Message .....	3
Chief Strategic Officer’s Message .....	4
Making our Vision a Reality .....	5
Our Mission.....	6
Our Programs .....	7
Our Organization.....	9
Summary of Our Goals and Objectives .....	10
Cross-Agency Priority Goals .....	11
Agency Priority Goals .....	13
Performance Measures at a Glance.....	17
Agency Plans and Performance .....	34
Appendix A: Our Management and Performance Challenges.....	125
Appendix B: Program Evaluations.....	129
Appendix C: How We Ensure Our Data Integrity .....	137
Appendix D: Changes to Performance Measures .....	140
Appendix E: Summary of Key Management Officials’ Responsibilities .....	143
Appendix F: Glossary of Acronyms .....	145

# Acting Commissioner's Message



Transformation and reflection marked this year as we released [Vision 2025](#) and celebrated our 80<sup>th</sup> anniversary. We asked ourselves, “How do we take the best of our past and weave it into an agile, innovative organization capable of meeting our customers’ needs now and into the future?”

Throughout this *Annual Performance Plan for Fiscal Year 2017, Revised Performance Plan for Fiscal Year 2016, and Annual Performance Report for Fiscal Year 2015*, we detail the specific actions underway to transform our agency to meet our future demands. These actions support the goals and objectives defined in our [Agency Strategic Plan for Fiscal Years 2014 – 2018](#) and align with our three vision priorities: providing a superior customer experience, developing and retaining exceptional employees, and building an innovative organization.

As we move into the future, our customers remain our number one priority. Our customers often seek our help when they are most vulnerable. It is our responsibility to provide them with compassionate, accurate service as quickly as we can. We rely on our outstanding employees to provide that service. Every day, I see evidence of their commitment, and I thank these amazing, dedicated public servants for all that they do to serve the public.

Looking toward the future, technology offers us extraordinary opportunities to improve our decision-making processes. To help ensure we are gathering and interpreting the vast array of data available to us, I have established a new Analytics Center of Excellence. We will staff the new center with highly skilled business and data analytics staff that will provide critical analysis as we accelerate data driven-decision making throughout our agency.

As our employees work to meet our customers’ needs, we also face the reality that some individuals seek to commit fraud or breach our computer systems for personal gain. We will not tolerate these actions and will prosecute those responsible. We aggressively combat fraud, and this year, we centralized our efforts by establishing the Office of Anti-Fraud Programs. This office uses various approaches, including data analytics, to help us detect and prevent fraud. We also continue to invest heavily in our cyber security programs, further demonstrating our commitment to protecting our customers’ personal data by meeting or exceeding federal cyber security standards.

Over the past year, we made great strides to move our agency forward. I am proud to report that we met or made significant progress toward all 40 of our fiscal year (FY) 2015 performance measures. Last year, I challenged our leadership to be aggressive in their goal setting. While not all targets were met, I am pleased with our progress and with the hard work employees at all levels demonstrated in doing their best to meet those goals.

We established new agency priority goals for FY 2016-2017, which focus on agency issues:

- Improving customer service and convenience by increasing online services;
- Increasing customer satisfaction with our services;
- Improving the integrity of our programs; and
- Improving customer service by reducing the wait time for a hearing decision.

We have also faced challenges, which we explain in our [Major Management Challenges](#) section. This report also details our progress, notes any changes made to our FY 2016 plans, provides our new measures and initiatives for FY 2017, and notes our risks and mitigation efforts.

In closing, based on internal evaluations, I assure you the performance data in this report is complete, reliable, and accurate.



Carolyn W. Colvin  
Acting Commissioner

# Chief Strategic Officer's Message



What will a customer's experience be with Social Security in 2025? Imagining the possibilities excited our customers, employees, and other stakeholders over the past year as we sought their input in developing our vision. Released in April 2015, [Vision 2025](#) describes the agency we aspire to be, and now we are developing a roadmap to guide our transformation into the bold, innovative agency we aspire to be.

Our current performance goals, defined in our [Agency Strategic Plan for Fiscal Years 2014 – 2018](#), guide us through 2018. To achieve our vision, we are fine-tuning the initiatives supporting our objectives by focusing our resources on several actions we are referring to as major management priorities. These priorities are enhancing online customer service, reducing the hearings pending, educating the public about Social Security programs, improving succession management, promoting employee development and engagement, transforming the information technology investment process, establishing a program management office, and accelerating the use of data-driven decision-making. Progress in these areas builds a strong foundation for achieving our vision.

Throughout this *Annual Performance Report*, we detail the progress we have achieved toward meeting our goals and objectives, which also supports our major management priorities. Last year, Acting Commissioner Colvin challenged us to set aggressive targets for FY 2015, and we did. I am pleased to say that we met the target for 23 of our 40 performance measures. Results for three of our performance measures were unavailable at the time we published this report. We came very, very close to meeting the targets for the remaining 14 performance measures. Our targets reflect the level of progress we strive to make, not the progress we know we can easily make.

Highlights of our FY 2015 performance include:

- Improved and expanded service delivery options for customers to conduct business in person, by phone, through video interviews and hearings, or online, as evidenced by increased usage of all delivery channels;
- Developed additional aggressive program integrity and fraud prevention efforts, including setting up a new office overseeing our anti-fraud programs;
- Increased the quality of our disability decisions and received our second prestigious Deming Award – again, for specialized training we developed for our hearings staff;
- Exceeded our FY 2015 systems availability target of 99.5 percent;
- Helped our veterans and wounded warriors by delivering medical evidence to the Department of Veterans Affairs faster;
- Continued to dominate the top five positions in the Federal Government's customer satisfaction rankings with our online tools: Retirement Estimator and Extra Help with Medicare, which tied for first place ranking; and
- Continued to exceed our targets for hiring veterans and disabled veterans.

As we look to our future, *Vision 2025* paints a picture of a responsive, highly efficient, and streamlined organization. Becoming that organization requires an aggressive approach to gathering and analyzing agency data, then acting on those findings. By leveraging the power of data analytics, we can assess our progress, identify performance gaps, and allocate our resources effectively to make our vision a reality.

A handwritten signature in black ink that reads "Ruby Burrell".

Ruby Burrell  
Chief Strategic Officer

# Making our Vision a Reality

As the Nation's largest safety net, providing benefits to millions of Americans – and the sole income for many – we are entrusted with an enormous responsibility. We face many challenges as we look to the future – increasing numbers of retirees and disabled workers, an aging employee base, increased employee turnover, technological advances, budget uncertainty, and increased customer expectations. We must change the way we operate to meet and exceed our customers' needs in the future.

Over the past several months, we have actively sought out our customers and stakeholders, asking them to help shape the Social Security Administration of the future. The result is [Vision 2025](#), the framework guiding our strategic decisions over the next ten years. Since *Vision 2025's* release in April 2015, we have been developing the action plans needed to make our vision a reality.

We will address our challenges by focusing on our three vision priorities:



**Superior Customer Experience:** Our customer relationships span a lifetime and are supported by accurate, real-time, and secure online services;



**Exceptional Employees:** Empowered, knowledgeable, compassionate, and engaged employees are proud to contribute in a flexible and rewarding environment; and



**Innovative Organization:** The Social Security Administration is a national model of organizational transformation, agility, and service excellence, built on continuous improvement and forward-thinking strategy.

In fiscal year (FY) 2015, we took the following steps to achieve *Vision 2025*:

- Aligned our current [Agency Strategic Plan](#) with *Vision 2025*;
- Drafted our critical path roadmap defining the activities and initiatives we will undertake over the coming years to lay the foundation for achieving *Vision 2025*; and
- Began implementing initiatives supporting our major management priorities:
  - Enhance Online Customer Services;
  - Reduce the Wait for a Hearing Decision;
  - Educate the Public about Social Security Programs;
  - Improve Succession Management;
  - Promote Employee Development and Engagement;
  - Transform the IT Investment Process;
  - Establish Program Management Office; and
  - Accelerate the Use of Data-Driven Decision-Making.

In FY 2016, we expect to:

- Update our critical path roadmap, as needed;
- Begin developing our change management plan; and
- Continue implementing our initiatives.

In FY 2017, we expect to:

- Begin drafting our new agency strategic plan, based on our strategic roadmap.

Through careful strategic planning and continued dialog with our stakeholders, we will create a more agile, responsive organization, ready to meet the changing needs of our customers throughout their lifetimes.

# Our Mission

## Our Vision

Proudly serving Social Security customers through their lifetime, when and where they need us.

## Vision Priorities

- Superior Customer Experience
- Exceptional Employees
- Innovative Organization

## Our Mission

Deliver Social Security services that meet the changing needs of the public

## Our Motto

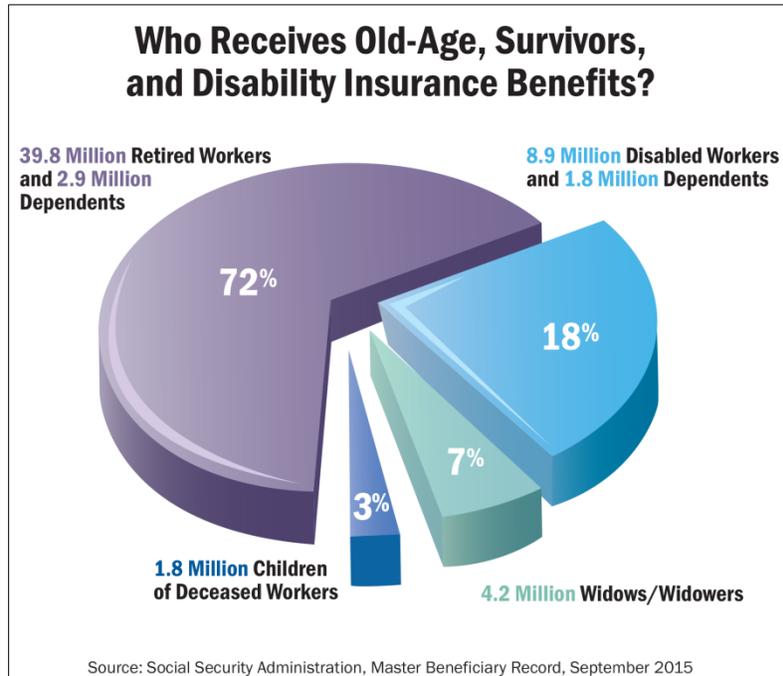
Social Security Benefits America

# Our Programs

## Americans Rely on Social Security

Considered by many to be one of the most successful large-scale federal programs in our Nation's history, the programs we administer provide a financial safety net for millions of Americans. In fact, 9 out of 10 individuals age 65 and older receive Social Security benefits. During fiscal year 2015, we paid more than \$932 billion to approximately 65 million beneficiaries.

## Old-Age, Survivors, and Disability Insurance Programs



## Old-Age and Survivors Insurance Program

Today, most retirees plan their retirement dates based on when they can receive their Social Security benefits. Created in 1935, the Old-Age and Survivors Insurance program (which provides what most people think of as their Social Security benefit) provides retirement and survivors benefits to qualified workers and their families. Workers earn credit toward Social Security benefits by working and paying Social Security taxes. Most people need 40 credits, or 10 years of covered work, to qualify for retirement benefits.

A worker qualifies for full retirement benefits between the ages of 65 and 67, depending on the year he or she was born. Reduced retirement benefits are payable as early as age 62. Certain members of retired workers' families may also receive benefits. Spouses (including divorced spouses), minor children, and children who became disabled before age 22 may also be eligible for benefits.

Social Security also provides income for families of workers who die. Survivors benefits were added in 1939, and benefits for disabled widows and widowers were added in 1968. Widows, widowers (and divorced widows and widowers), dependent parents, and children may be eligible for survivors benefits. In fact, 98 of every 100 children could get benefits if a working parent dies. Social Security pays more benefits to children than any other federal program.

## Disability Insurance Program

Becoming disabled before reaching full retirement age is not something most people consider. However, studies show that a 20-year-old worker has more than a 1-in-4 chance of becoming disabled before reaching full retirement age.

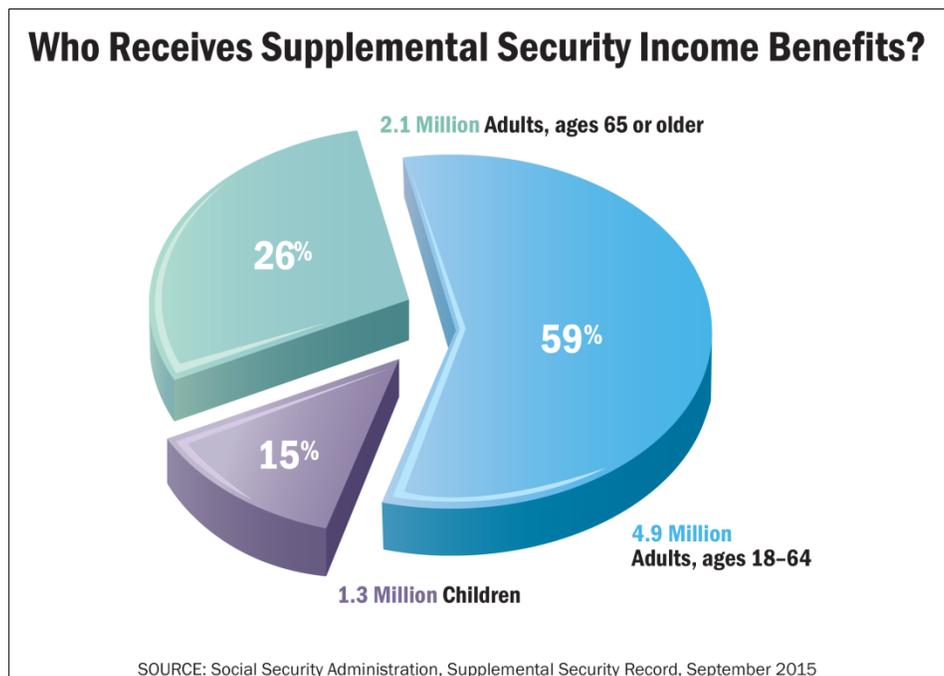
People who have worked long enough and paid Social Security taxes and certain members of their families can qualify for Social Security Disability Insurance benefits.

The disability program began in 1956 to provide benefits for workers with disabilities between the ages of 50 and full retirement. The program expanded in 1960 to include workers with disabilities of all ages. Social Security Disability Insurance provides benefits to people who cannot work because they have a medical condition expected to last at least one year or result in death.

## Supplemental Security Income Program

The Supplemental Security Income program, established in 1972, is a federal program providing monthly payments to people with limited incomes and resources who are aged, blind, or disabled. Adults and children under the age of 18 can receive payments based on disability or blindness.

General tax revenue, not workers' Social Security taxes, funds the Supplemental Security Income program.



# Our Organization

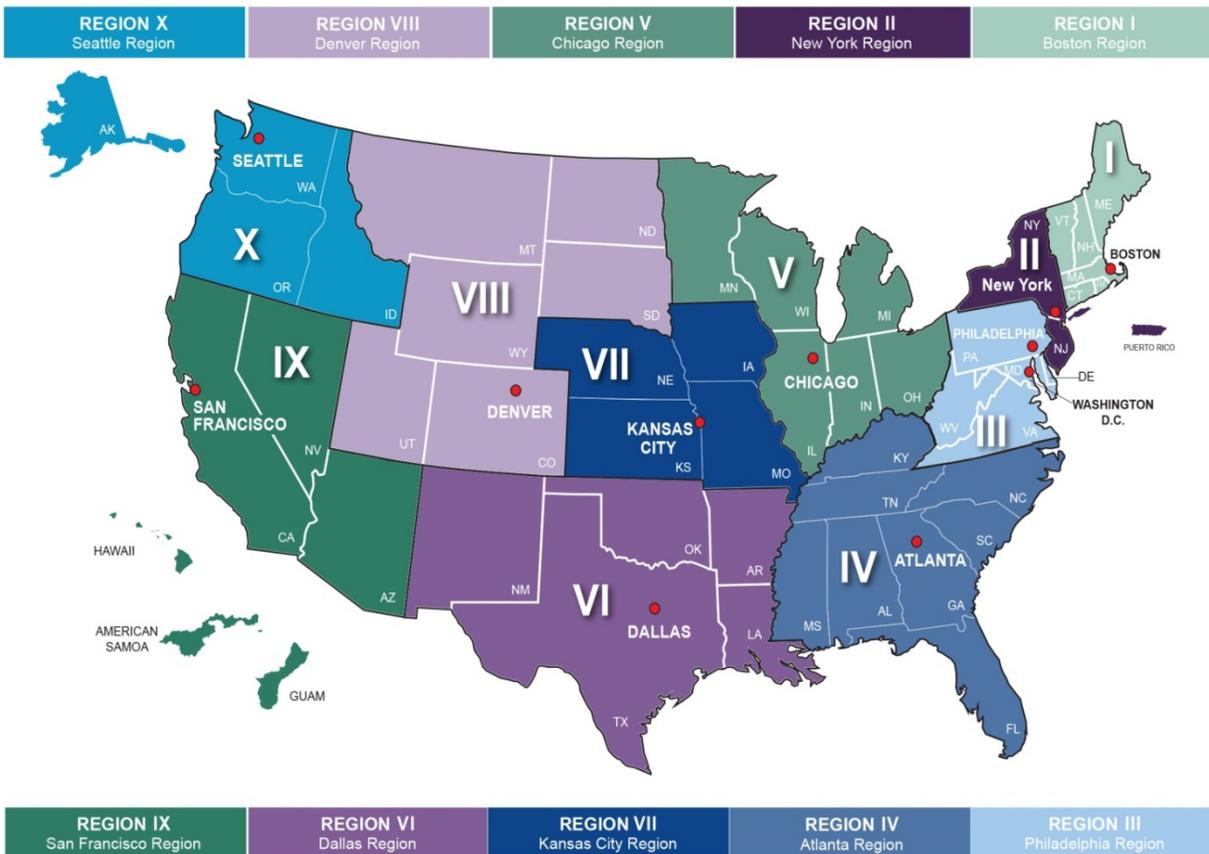
Serving the American public requires a vast network of facilities, technology, and skilled staff. Every day more than 65,000 employees provide a full range of services to our customers. Nationwide, we have a network of more than 1,500 offices, which includes regional offices, field offices, Social Security card centers, teleservice centers, processing centers, National Hearing Centers, the Appeals Council, and our headquarters in Baltimore, Maryland.

Additionally, more than 16,000 state employees at disability determination services (DDS) offices work in 54 jurisdictions and provide services in about 100 offices across the country and U.S. territories. Internationally, we deliver services in the U.S. embassies in more than a hundred countries.

Customers receive in-person service primarily at our field offices and Social Security card centers. Our teleservice centers primarily handle calls to our National 800 Number. Employees in our processing centers typically handle Social Security retirement, survivors, and disability payments. These employees also provide a wide range of other services, including handling telephone calls to our National 800 Number.

We have created strong partnerships with state agencies, and we depend on state employees in DDS offices to make disability determinations. Administrative law judges in our hearing offices and the administrative appeals judges at our Appeals Council decide appeals involving Social Security and Supplemental Security Income issues.

We generally organize our operations into the 10 regions shown on the map below. For more information about our components and their functions, visit our [organizational structure webpage](#).



# Summary of Our Goals and Objectives

## Goal 1: Deliver Innovative, Quality Services

- Strategic Objective 1.1: Develop and Increase the Use of Self-Service Options
- Strategic Objective 1.2: Enhance the Customer Experience by Completing Customers' Business at the First Point of Contact
- Strategic Objective 1.3: Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach
- Strategic Objective 1.4: Evaluate Our Physical Footprint to Incorporate Improved Service Options

## Goal 2: Strengthen the Integrity of Our Programs

- Strategic Objective 2.1: Transform the Way We Record Earnings to Enhance Data Accuracy
- Strategic Objective 2.2: Protect the Public's Data and Provide Secure Online Services
- Strategic Objective 2.3: Increase Payment Accuracy

## Goal 3: Serve the Public through a Stronger, More Responsive Disability Program

- Strategic Objective 3.1: Improve the Quality, Consistency, and Timeliness of Our Disability Decisions
- Strategic Objective 3.2: Maximize Efficiencies throughout the Disability Program
- Strategic Objective 3.3: Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work

## Goal 4: Build a Model Workforce to Deliver Quality Service

- Strategic Objective 4.1: Attract and Acquire a Talented and Diverse Workforce that Reflects the Public We Serve
- Strategic Objective 4.2: Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public
- Strategic Objective 4.3: Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement
- Strategic Objective 4.4: Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs

## Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services

- Strategic Objective 5.1: Maintain System Performance and the Continuity of Information Technology Services
- Strategic Objective 5.2: Enhance and Execute Plans to Modernize Our Systems
- Strategic Objective 5.3: Incorporate Innovative Advances in Service Delivery
- Strategic Objective 5.4: Continuously Strengthen Our Cyber Security Program

# Cross-Agency Priority Goals

Established by the Government Performance and Results (GPRA) Modernization Act of 2010, Cross-Agency Priority (CAP) goals accelerate progress on presidential priority areas. Multiple agencies actively collaborate to achieve results in these areas.

The Office of Management and Budget established CAP goals based on input from federal agencies and congressional committees. These goals reflect the President’s second-term priorities. The goals were announced in the FY 2015 budget and have a four-year timeframe. There are 15 CAP goals: 7 mission-oriented and 8 management-focused goals. Each CAP goal has two senior leaders – one within the Executive Office of the President and one within key delivery agencies. The Social Security Administration and Office of Management and Budget co-lead the Customer Service CAP goal.

GPRA Modernization Act of 2010 requires us to address CAP goals in the agency strategic plan, the annual performance plan, and the annual performance report. Below, we note examples showing our efforts supporting specific CAP goals. A listing of all CAP goals, plus additional information about the progress all agencies are making toward achieving the CAP goals is available at [performance.gov](http://performance.gov).

Mission-Oriented Goals	
Cybersecurity	<ul style="list-style-type: none"> <li>• Continued to meet or exceed all target goals related to:               <ul style="list-style-type: none"> <li>○ Trusted Internet Connection consolidation and capabilities;</li> <li>○ Information security continuous monitoring;</li> <li>○ Strong authentication; and</li> <li>○ Phishing and malware defense.</li> </ul> </li> <li>• Expanded use of automation to identify security vulnerabilities, deviations, and inappropriate use.</li> </ul>
Climate Change (Federal Actions)	<ul style="list-style-type: none"> <li>• Developed and implemented a comprehensive plan to meet renewable energy and federal efficiency targets; and</li> <li>• Took appropriate actions to ensure we mitigate our agency’s effect on climate change.</li> </ul>
Insider Threat and Security Clearance	<ul style="list-style-type: none"> <li>• Developed and implemented our insider threat plan; and</li> <li>• Created additional oversight mechanisms to ensure data access is limited to authorized personnel.</li> </ul>

Management-Oriented Goals	
Customer Service	<ul style="list-style-type: none"> <li>• Co-led federal efforts on customer service improvements, including:               <ul style="list-style-type: none"> <li>○ Creating a Federal Government-wide customer service award program;</li> <li>○ Piloting a tool to gather customer feedback in select federal offices, including Social Security card centers; and</li> <li>○ Developing a Washington, DC-based Community of Practice to drive progress on key milestones.</li> </ul> </li> <li>• Supported agency-level efforts, including:               <ul style="list-style-type: none"> <li>○ Piloting a regional Customer Service Community of Practice in Denver, CO;</li> <li>○ Developing and Implementing an online request for a Social Security number replacement card;</li> <li>○ Launching a viewable/printable replacement Form 1099; and</li> <li>○ Leveraging leadership from across government to bring best practices, collaboration, and shared problem solving to our agency.</li> </ul> </li> </ul>
Smarter IT Delivery	<ul style="list-style-type: none"> <li>• Launched efforts to expand hiring authority for digital service experts;</li> <li>• Held events targeting small businesses to facilitate communications and information exchange with industry partners;</li> <li>• Began transition to an Agile-based systems development approach;</li> <li>• Expanded project management processes to integrate additional best practices; and</li> <li>• Conducted additional Stat reviews and implemented lessons learned.</li> </ul>

## Management-Oriented Goals

Strategic Sourcing	<ul style="list-style-type: none"> <li>● Used the Federal Strategic Sourcing Initiatives to decrease costs for a variety of items, including:               <ul style="list-style-type: none"> <li>○ Office supplies;</li> <li>○ Domestic delivery services;</li> <li>○ Laptops;</li> <li>○ Workstations; and</li> <li>○ Cell phone services.</li> </ul> </li> </ul>
Benchmark and Improve Mission-Support Operations	<ul style="list-style-type: none"> <li>● Established cost or efficiency benchmarks for:               <ul style="list-style-type: none"> <li>○ Acquisition;</li> <li>○ Financial management;</li> <li>○ Human capital;</li> <li>○ Information technology management; and</li> <li>○ Real property.</li> </ul> </li> <li>● Worked with Chief Executive Officer Councils to:               <ul style="list-style-type: none"> <li>○ Define and refine individual efficiency benchmarking metrics and collect agency-level data; and</li> <li>○ Collect and validate efficiency and effectiveness metrics.</li> </ul> </li> </ul>
Open Data	<ul style="list-style-type: none"> <li>● Developed and maintained an enterprise data inventory;</li> <li>● Made data easily available to the public;</li> <li>● Prioritized and released valuable data to the public;</li> <li>● Prevented inappropriate disclosure of sensitive information;</li> <li>● Added specific roles and responsibilities for certain types of open data deliverables; and</li> <li>● Regularly reached out to stakeholders to identify their data needs.</li> </ul>
People and Culture	<ul style="list-style-type: none"> <li>● Focused efforts on improving employee engagement including requiring all our components to develop and maintain action plans;</li> <li>● Implemented an Employee Engagement Community of Practice to share best practices and address challenges; and</li> <li>● Participated in several Office of Personnel Management projects, including:               <ul style="list-style-type: none"> <li>○ Senior Executive Service reforms;</li> <li>○ Hiring reform forums;</li> <li>○ GovConnect (piloting our “SkillsConnect” under GovProject); and</li> <li>○ Interagency Rotation Program.</li> </ul> </li> </ul>

# Agency Priority Goals

In support of the Government Performance and Results Act (GPRA) Modernization Act of 2010, we established four Agency Priority goals (APG). The APGs are 24-month goals and reflect performance improvement priorities of our executive leadership, as well as those of the Administration.

Our APGs support our overarching strategic goals set forth in our [Agency Strategic Plan for Fiscal Years 2014 – 2018](#). Below, and on the following pages, are the APGs for fiscal years (FY) 2014 - FY 2015 and our new APGs for FY 2016 – FY 2017.

## Agency Priority Goals for FY 2014-FY 2015

FY 2014-FY 2015 Agency Priority Goals	Strategies to Achieve Priority Goals	External Factors	Goal Leader
Improve access to our services by increasing the number of citizens who complete their business with us online.	<p>Migrate existing online services to the <a href="#">my Social Security</a> portal.</p> <p>Work with external partners to promote direct access to online services.</p> <p>Conduct a national marketing campaign targeted toward people approaching retirement age and current beneficiaries.</p>	<p>Availability of information technology resources to add additional services to the <a href="#">my Social Security</a> portal and expand direct access through external partners.</p> <p>Stakeholder and advocacy groups acceptance of the <a href="#">my Social Security</a> portal.</p>	Robin Sabatino Associate Commissioner, Office of Electronic Services and Technology, Office of Operations
Deliver a world-class customer experience by expanding the use of video technology to hold hearings.	<p>Update systems and infrastructure to improve the quality of video hearings.</p> <p>Increase marketing and educational information.</p> <p>Pursue policy and business process changes to maximize efficiency.</p>	<p>Availability of information technology resources.</p> <p>Stakeholder acceptance of video hearings.</p> <p>Public reaction to regulatory changes regarding video hearings.</p>	Donna Calvert Assistant Deputy Commissioner, Office of Disability Adjudication and Review
Provide the public with access to personalized information by increasing the number of established <a href="#">my Social Security</a> accounts.	<p>Enhance services provided online through the <a href="#">my Social Security</a> portal.</p> <p>Increase marketing and educational activities to promote <a href="#">my Social Security</a>.</p> <p>Pilot quick-service customer service stations in field offices.</p> <p>Increase number of customer service stations in external partner sites that provide the full suite of Social Security online services.</p>	Budget constraints could affect our ability to migrate additional services to the <a href="#">my Social Security</a> portal and impede our ability to implement new features.	Robin Sabatino Associate Commissioner, Office of Electronic Services and Technology, Office of Operations

FY 2014-FY 2015 Agency Priority Goals	Strategies to Achieve Priority Goals	External Factors	Goal Leader
<p>Reduce the percentage of improper payments made under the Supplemental Security Income (SSI) program.</p>	<p>Increase the volume of our program integrity workloads.</p> <p>Enhance and expand use of technology to reduce improper payments.</p> <p>Pursue new initiatives and program improvements to the extent funding is available.</p> <p>Ensure that we design new initiatives to produce measurable outcomes through well-developed evaluation plans.</p>	<p>Dependence upon SSI recipients and deemors (i.e., those whose income and assets are considered for SSI eligibility and payment amount) timely reporting changes in income and resources.</p> <p>Increase in job growth may result in more SSI recipients working and not reporting their wages timely.</p> <p>Budgetary constraints determine the number of redeterminations we may conduct.</p>	<p>Shirleeta Stanton Associate Commissioner, Office of Income Security Programs, Office of Retirement and Disability Policy</p>

## Agency Priority Goals for FY 2016-FY 2017

FY 2016-FY 2017 Agency Priority Goals	Strategies to Achieve Priority Goals	External Factors	Goal Leader/Deputy Goal Leader
<p>Improve customer service and convenience by increasing online services.</p>	<p>Release new electronic services within the <i>my Social Security</i> portal, including enhanced customer engagement tools to assist users while they are in the online service channel.</p> <p>Work with external partner sites like VA hospitals and state agencies to promote direct access to online services.</p> <p>Develop and implement a strategic marketing plan to increase online services.</p> <p>Continue to pilot a quick self-service kiosk model in our field offices, expanding upon the initial effort (subject to budgetary approval).</p>	<p>Additional authentication steps required by Executive Order 13681 may reduce use due to increased complexity of registration and log in.</p>	<p>Nancy Berryhill Deputy Commissioner, Office of Operations</p> <p>Rob Klopp Deputy Commissioner, Office of Systems</p>
<p>Increase customer satisfaction with our services.</p>	<p>Regularly evaluate our Internet Customer Satisfaction survey results to identify improvements opportunities and take appropriate actions.</p> <p>Regularly evaluate our Field Office, Hearing Office, Social Security Card Center, and telephone customer satisfaction survey results to identify improvement opportunities and take appropriate actions.</p> <p>Conduct Post-Call Surveys for customers of our National 800 Number, collect and analyze customer feedback, and take appropriate actions.</p> <p>Implement the Federal Feedback Button Pilot in Card Centers.</p>	<p>Additional authentication steps required by Executive Order 13681 may affect satisfaction both positively and negatively.</p> <p>Customers may be more satisfied knowing that we have enhanced security features, but the additional complexity in registering and logging in may lower satisfaction.</p>	<p>Nancy Berryhill Deputy Commissioner, Office of Operations</p> <p>Michelle King <i>Acting</i> Deputy Commissioner, Office of Budget, Finance, Quality, and Management</p>

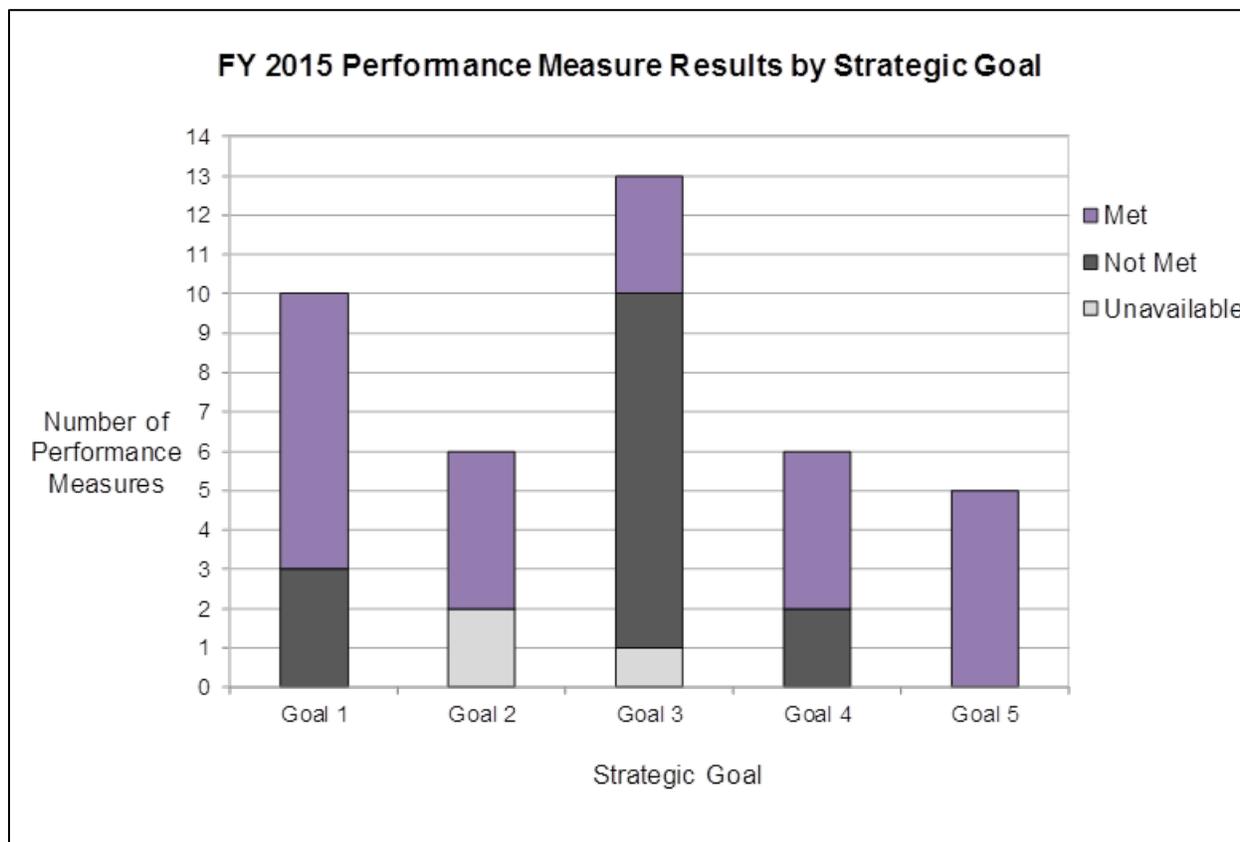
FY 2016-FY 2017 Agency Priority Goals	Strategies to Achieve Priority Goals	External Factors	Goal Leader/Deputy Goal Leader
<p>Improve the integrity of our programs by increasing our Supplemental Security Income (SSI) payment accuracy rate to 95%.</p>	<p>Conduct periodic reviews (redeterminations).</p> <p>Maximize the use of data to detect assets like undisclosed bank accounts and non-home real property.</p> <p>Offer a variety of SSI wage reporting tools.</p> <p>Use behavior science insights to improve recipient reporting.</p> <p>Explore additional data exchanges to verify eligibility and payment amount.</p>	<p>Self-reporting by beneficiaries is not always accurate.</p> <p>Increased fraud detection activities may find more overpayments.</p>	<p>Marianna LaCanfora Assistant Deputy Commissioner, Office of Retirement and Disability Policy</p> <p>Erik Jones Assistant Deputy Commissioner, Office of Operations</p>
<p>Improve customer service by reducing the wait time for a hearing decision.</p>	<p>Increase decision-making capacity.</p> <p>Process and decisional quality Improvements.</p> <p>Increase employee engagement.</p> <p>Leverage technology innovations.</p>	<p>Inability to hire sufficient judges and other staff.</p> <p>Declination of video hearings.</p>	<p>Donna Calvert Assistant Deputy Commissioner, Office of Disability Adjudication and Review</p> <p>Mary Horne Assistant Deputy Commissioner, Office of Operations</p>

# Performance Measures at a Glance

## Our FY 2015 Performance Results

We set aggressive targets for our fiscal year (FY) 2015 measures. We met 23 of the 36 measures with available data. While we made significant progress in many areas, we also faced a number of challenges. We did not meet 14 of the 36 measures with available data.

Below is an assessment of our performance results by strategic goal in FY 2015.



## Our Performance Measures

These tables are a summary of our FY 2016 and FY 2017 performance measures and FY 2015 performance results. We organized the measures based on the strategic goals and objectives they support in the [Agency Strategic Plan for Fiscal Years 2014 – 2018](#) and indicated which measures are Agency Priority Goals (APG). While budgeted workload measures support our strategic goals and objectives, their targets and outcomes are budget dependent. We identify our budgeted workload measures as BWM. We identify newly established measures for FY 2016 and FY 2017 as NEW. We identify the measures we discontinued this year by the purple shading in the FY 2016 target and FY 2017 target. A listing of acronyms for the responsible officials is in [Appendix E, Summary of Key Management Officials' Responsibilities](#).

## Strategic Goal 1: Deliver Innovative, Quality Services

### Strategic Objective 1.1: Develop and Increase the Use of Self-Service Options

Strategic Objective 1.1 Lead: DCO

Vision 2025 Priority: Superior Customer Experience

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
1.1a APG	Improve access to our services by increasing the number of citizens who complete their business with us online	87 million transactions	Increase the number of citizens completing business online by 10% over FY 2014  (77.8 million transactions)			DCO	40
		Met					
1.1b APG NEW	Improve customer service and convenience by increasing online transactions by 25 million each year	87 million online transactions		112 million online transactions	137 million online transactions	DCO DCS	40

### Strategic Objective 1.2: Enhance the Customer Experience by Completing Customers' Business at the First Point of Contact

Strategic Objective 1.2 Lead: DCO

Vision 2025 Priority: Superior Customer Experience

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
1.2a APG	Deliver a world-class customer experience by expanding the use of video technology to hold hearings	27%	30% of hearings conducted by video			DCDAR	43
		Not Met					

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
1.2b	Expand the services available under <i>my Social Security</i> by implementing an online Social Security Number Replacement Card application	The online Social Security Number Replacement Card application was released in November 2015 Met	Complete development and begin testing of the online Social Security Number Replacement Card application			DCO	43
1.2c	Maintain high customer satisfaction with our online services	84 Met	Maintain an average customer satisfaction score of at least 80			DCO	44
1.2d APG	Provide the public with access to personalized information by increasing the number of established <i>my Social Security</i> accounts	6.64 million new accounts Not Met	Increase the number of customers who sign up for <i>my Social Security</i> by 15% over FY 2014 (7.06 million new accounts)			DCO	45
1.2e APG NEW	Increase customer satisfaction with our services	84 satisfaction rating with online services 79% satisfaction rating for office and telephone services		84.5 satisfaction rating with online services 80% satisfaction rating for office and telephone services	85 satisfaction rating with online services 82% satisfaction rating for office and telephone services	DCO DCBFQM	46
1.2f BWM	Complete the budgeted number of retirement, survivors, and Medicare claims	5,327,221 Met	5,247,000	5,586,000	5,732,000	DCO	46

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
1.2g BWM	Achieve the target speed in answering National 800 Number calls	617 seconds (10 minutes, 17 seconds)	700 seconds (11 minutes, 40 seconds)	945 seconds (15 minutes, 45 seconds)	675 seconds (11 minutes, 15 seconds)	DCO	47
		Met					
1.2h BWM	Achieve the target busy rate for National 800 Number calls	7.5%	8%	9.5%	7.0%	DCO	48
		Met					

**Strategic Objective 1.3: Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach**

Strategic Objective 1.3 Lead: DCO

*Vision 2025* Priority: Superior Customer Experience

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
1.3a	Minimize the average response time to deliver medical evidence to the Department of Veteran Affairs (VA) for wounded warriors and veterans	Delivered medical evidence in 4.2 business days	Deliver medical evidence to the VA within an average of 5 business days	Continue to deliver medical evidence to the VA within an average of 5 business days	Continue to deliver medical evidence to the VA within an average of 5 business days	DCO	53
		Met					

## Strategic Objective 1.4: Evaluate Our Physical Footprint to Incorporate Improved Service Options

Strategic Objective 1.4 Lead: DCBFQM

Vision 2025 Priority: Innovative Organization

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
1.4a	Evaluate our physical footprint as described in our OMB-approved Real Property Cost Savings and Innovation Plan	Reduced our physical footprint by 1.34 million usable square feet  Not Met	Reduce our physical footprint from our FY 2012 level by 1.86 million usable square feet			DCBFQM DCO DCDAR	56
1.4b NEW	Assess field and hearing office lease expirations and increase colocation of our field and hearing offices to reduce our physical footprint			Colocate at least 4 permanent remote site hearing offices with field offices	Colocate at least 7 permanent remote site hearing offices with field offices	DCO DCDAR	56

## Strategic Goal 2: Strengthen the Integrity of Our Programs

### Strategic Objective 2.1: Transform the Way We Record Earnings to Enhance Data Accuracy

Strategic Objective 2.1 Lead: DCS

Vision 2025 Priority: Innovative Organization

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
2.1a	Improve the accuracy and timeliness of the earnings data used to calculate benefits	Implemented the redesigned software to process Forms W-2 within the Annual Wage Reporting system Met	Implement the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system by 09/30/2015	Implement the redesigned functionality to process Forms W-2c (Corrections) within the Annual Wage Reporting system	Implement Annual Wage Reporting software to provide earnings data to the IRS earlier in the tax season	DCS	60

## Strategic Objective 2.2: Protect the Public’s Data and Provide Secure Online Services

Strategic Objective 2.2 Lead: DCBFQM

Vision 2025 Priority: Superior Customer Experience

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
2.2a	Enhance our security features and business processes to prevent and detect fraud	The fraud referral process was transferred to the newly established Office of Anti-Fraud Programs. We use Public Facing Integrity Review data to create and implement the routing transit number blocking process <sup>1</sup>	Increase <i>my Social Security</i> potential fraud referrals through the Public Facing Integrity Review system to the Office of Operations by 10% (10,295) (10,295 referrals)	Identify and investigate at least 500 claims presenting characteristics indicative of fraud	Identify and investigate at least 750 claims presenting characteristics indicative of fraud	DCBFQM	63
		Met					

## Strategic Objective 2.3: Increase Payment Accuracy

Strategic Objective 2.3 Lead: DCRDP

Vision 2025 Priority: Innovative Organization

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
2.3a APG	Reduce the percentage of improper payments made under the SSI program	Data available April 2016	No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayments and underpayments)			DCRDP	69

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<sup>1</sup> Due to the sensitivity of this information, we cannot include exact numbers.

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
2.3b	Maintain a high accuracy rate of payments made through the Old-Age, Survivors, and Disability Insurance program to minimize improper payments	Data available April 2016	99.8% (O/P)	99.8% (O/P)	99.8% (O/P)	DCRDP	70
		Data available April 2016	99.8% (U/P)	99.8% (U/P)	99.8% (U/P)		
2.3c APG NEW	Improve the integrity of the SSI program by ensuring that 95% of our payments are free of overpayment	Data available April 2016		95% accuracy rate	95% accuracy rate	DCRDP DCO	70
2.3d BWM	Complete the budgeted number of full medical continuing disability reviews (CDR)	799,013	790,000	850,000	1,100,000	DCO	70
		Met					
2.3e BWM	Complete the budgeted number of Supplemental Security Income (SSI) non-medical redeterminations	2,266,993	2,255,000	2,522,000	2,822,000	DCO	71
		Met					

## Strategic Goal 3: Serve the Public through a Stronger, More Responsive Disability Program

### Strategic Objective 3.1: Improve the Quality, Consistency, and Timeliness of Our Disability Decisions

Strategic Objective 3.1 Lead: DCRDP

Vision 2025 Priority: Innovative Organization

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
3.1a	Ensure the quality of our decisions by achieving the disability determination services (DDS) net accuracy rate for initial disability decisions	98% net accuracy	97% net accuracy	97% net accuracy	97% net accuracy	DCO	76
		Met					
3.1b	Increase our ability to provide timely decisions by reducing the percentage of pending Appeals Council requests for review 365 days old or older	82%	80% of cases pending less than 365 days	81% of cases pending less than 365 days	82% of cases pending less than 365 days	DCDAR	76
		Met					
3.1c APG NEW	Improve customer service by reducing the wait time for a hearing decision			Decide 99% of the cases that begin the fiscal year at 430 days old or older	Decide 99% of the cases that begin the fiscal year at 365 days old or older	DCDAR DCO	77
3.1d BWM	Complete the budgeted number of initial disability claims	2,759,432	2,767,000	2,695,000	2,810,000	DCO	77
		Not Met					
3.1e BWM	Complete the budgeted number of disability reconsideration claims	723,485	739,000	702,000	715,000	DCO	78
		Not Met					

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
3.1f BWM	Complete the budgeted number of hearing requests	663,129	727,000	703,000	784,000	DCDAR	78
		Not Met					
3.1g BWM	Achieve the target number of initial disability claims pending	621,315	621,000			DCO	78
		Not Met					
3.1h BWM	Achieve the target number of disability reconsiderations pending	143,540	143,000			DCO	79
		Not Met					
3.1i BWM	Average processing time for initial disability claims	114 days	109 days	113 days	113 days	DCO	79
		Not Met					
3.1j BWM	Average processing time for reconsiderations <sup>2</sup>	113 days			109 days	DCO	80
3.1k BWM	Average processing time for hearings decisions	480 days	470 days	540 days	555 days	DCDAR	80
		Not Met					
3.1l BWM	Achieve the budgeted goal for disability determination services (DDS) case production per workyear	307	313			DCO	81
		Not Met					

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<sup>2</sup>We developed management information for Average Processing Time for Disability Reconsiderations in FY 2013. FY 2014 was the first full fiscal year for which data was available for this measure. Now that we have had the opportunity to analyze at least two years of actual data, this year we developed a performance target for FY 2017.

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
3.1m BWM	Achieve the budgeted goal for hearing case production per workyear	95	104			DCDAR	81
		Not Met					

### Strategic Objective 3.2: Maximize Efficiencies throughout the Disability Program

Strategic Objective 3.2 Lead: DCS

Vision 2025 Priority: Innovative Organization

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
3.2a	Improve the disability determination process by increasing the percentage of initial disability claims using electronically transmitted health records and medical evidence (Health IT)	6.1% (167,626 initial claims)	6% of processed initial disability claims with health IT medical evidence (164,820 initial claims)	8% of processed initial disability claims with electronically transmitted health records and medical evidence (Health IT) (222,000 initial claims)	11% of processed initial disability claims with electronically transmitted health records and medical evidence (Health IT) (308,000 initial claims)	DCS	84
		Met					

### Strategic Objective 3.3: Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work

Strategic Objective 3.3 Lead: DCRDP

Vision 2025 Priority: Innovative Organization

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
3.3a	Increase the number of beneficiaries returning to work by achieving the target number of Social Security Disability Insurance and Supplemental Security Income disability beneficiaries with Tickets assigned and in use, who work above a certain level	Data available April 2016	50,000 beneficiaries	55,000 beneficiaries	60,000 beneficiaries	DCRDP	88

### Strategic Goal 4: Build a Model Workforce to Deliver Quality Service

#### Strategic Objective 4.1: Attract and Acquire a Talented and Diverse Workforce that Reflects the Public We Serve

Strategic Objective 4.1 Lead: DCHR

Vision 2025 Priority: Exceptional Employees

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
4.1a	Maintain the target veteran and disabled veteran new hire percentage to improve their representation in our workforce	39.32%	25.0% Veterans			DCHR	92
		Met					
		18.57%	17.5% Disabled Veterans				
		Met					

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
4.1b	Strengthen workforce diversity by maintaining the representation of employees with targeted disabilities	2%	2%	2%	2%	DCHR	93
		Met					

### Strategic Objective 4.2: Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public

Strategic Objective 4.2 Lead: DCHR

Vision 2025 Priority: Exceptional Employees

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
4.2a	Strengthen workforce competence by improving our talent management index score	59%	Increase the talent management index score to 60%	Increase the talent management index score to 61%	Increase the talent management index score to 63%	DCHR	98
		Not Met					

### Strategic Objective 4.3 Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement

Strategic Objective 4.3 Lead: DCHR

Vision 2025 Priority: Exceptional Employees

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
4.3a	Become one of the Top 5 Best Places to Work among large agencies in the Federal Government	Top 10 Ranking	Achieve a Top 10 Ranking	Achieve a Top 5 Ranking	Achieve a Top 5 Ranking	DCHR	103
		Met					

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
4.3b	Increase workplace flexibilities by expanding telework opportunities for employees	13,514 employees participating in telework	Increase the number of employees participating in telework to 16,400 by the end of the fiscal year			DCHR	104
		Not Met					
4.3c NEW	Increase employee engagement as measured by the employee engagement index score	68%		69%	70%	DCHR	105

**Strategic Objective 4.4: Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs**

Strategic Objective 4.4 Lead: DCHR

*Vision 2025* Priority: Exceptional Employees

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
4.4a	Lay the foundation for building a 21st century workforce by meeting or exceeding targeted Human Resources measures	83%	Achieve 75% of the human capital metrics	Achieve 78% of the human capital metrics	Achieve 80% of the human capital metrics	DCHR	109
		Met					

## Strategic Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services

### Strategic Objective 5.1: Maintain System Performance and the Continuity of Information Technology Services

Strategic Objective 5.1 Lead: DCS

Vision 2025 Priority: Innovative Organization

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
5.1a	Provide uninterrupted access to our systems during scheduled times of operation	99.96% availability Met	99.5% availability	99.5% availability	99.5% availability	DCS	112

### Strategic Objective 5.2: Enhance and Execute Plans to Modernize Our Systems

Strategic Objective 5.2 Lead: DCS

Vision 2025 Priority: Innovative Organization

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
5.2a	Enhance systems performance and reliability by upgrading the telecommunications infrastructure in our offices	Refreshed 100% of our network connection devices Met	Refresh 50% of our network connection devices by September 30, 2015			DCS	115
5.2b NEW	Improve customer service by using information technology to provide new online services to users of <i>my Social Security</i>			Implement new fraud and authentication capabilities to enable customers to obtain replacement Social Security Cards securely through the <i>my Social Security</i> portal	Modernize the <i>my Social Security</i> portal framework to speed the integration of service offerings and to better group available functions together to focus on targeted user groups	DCS	116

### Strategic Objective 5.3: Incorporate Innovative Advances in Service Delivery

Strategic Objective 5.3 Lead: DCS

Vision 2025 Priority: Innovative Organization

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
5.3a	Enhance our IT infrastructure by implementing innovative systems accessibility and performance capabilities	Reduced our open systems infrastructure size to 1,000 servers	Reduce open systems infrastructure size from 1,500 servers to 1,000 servers by September 2015	Deploy new applications with a modern look and feel, accessible from the web or over mobile devices	Develop and implement our plan (strategy, policy, business model, and security requirements) for the establishment of an agency cloud service	DCS	119
		Met					
5.3b	Explore the use of emerging technologies by establishing a testing lab to promote research and development of innovative technology solutions that provide more effective and flexible ways for the public to conduct business with us online and for our employees to complete their work	Conducted three new research projects	Conduct three new research projects in emerging technologies such as predictive analytics, cloud, shared services, self-help personal computers, real-time chat, digital analytics, and cognitive computing by September 30, 2015			DCS	120
		Met					

## Strategic Objective 5.4: Continuously Strengthen Our Cyber Security Program

Strategic Objective 5.4 Lead: DCS

Vision 2025 Priority: Superior Customer Experience

Performance Measure		FY 2015 Performance	FY 2015 Target	FY 2016 Target	FY 2017 Target	Responsible Official	Page
5.4a	Provide secure and effective services to the public by improving cyber security performance	<p>Hardware Asset Management – result 100%</p> <p>Software Asset Management – result 100%</p> <p>Vulnerability and Weakness Management – result 100%</p> <p>Unprivileged Network Users – result 86%</p> <p>Privileged Network Users – result 99%</p> <p>Anti-Phishing Defense – result 100%</p> <p>Malware Defense – result 100%</p> <p>Blended Defense – result 100%</p>	<p>Meet the performance requirements of the Department of Homeland Security’s Federal Network Security Compliance and Assurance Program and the Cybersecurity Cross-Agency Priority Goals</p>	<p>Achieve an average of 97% for the following Cyber Security Cross-Agency Priority Goals:</p> <p>Anti-phishing defense; Malware defense; Blended defense (anti-phishing and malware defense measures); Hardware asset management; Software asset management; and Vulnerability and weakness management</p>	<p>Achieve an average of 99% for the following Cyber Security Cross-Agency Priority Goals:</p> <p>Anti-phishing defense; Malware defense; Blended defense (anti-phishing and malware defense measures); Hardware asset management; Software asset management; and Vulnerability and weakness management</p>	DCS	123
		Met					

# Agency Plans and Performance

Setting goals and measuring our achievements are vital to our success. This annual performance report reflects the goals, objectives, and strategies defined in our [Agency Strategic Plan for Fiscal Years 2014 – 2018](#).

We organized this section by our five strategic goals, and the strategic objectives and strategies supporting each goal. The key initiatives under each strategic objective support our strategic goals, objectives, and strategies. We evaluate our performance results by the performance measures and targets following each strategic objective.

We based our FY 2017 plans on full funding of the FY 2017 President’s Budget.

## Strategic Goal 1: Deliver Innovative, Quality Services

We have a long history of exemplary customer service marked by high customer satisfaction. Our high level of customer satisfaction is, in part, the result of our success using technology to improve and expand the services we offer the American public.

We serve the public through multiple channels: in person, telephone, online, and by mail. In FY 2015, we assisted about 41 million field office visitors, handled nearly 37 million calls through our National 800 Number and 60 million calls in our field offices, registered over 6.64 million users for [my Social Security](#), processed over 87 million online transactions, and mailed nearly 350 million notices.

Technology will not replace our employees or in-person service for customers who require or prefer more personalized service. Our goal is to provide high quality and timely services while offering customers the convenience of interacting with us from anywhere. At the same time, we will continue providing telephone and field office options for situations requiring personalized service.

## Strategic Objective 1.1: Develop and Increase the Use of Self-Service Options

### *Vision 2025 Priority: Superior Customer Experience*

Over the past few decades, advances in technology have revolutionized the business world, changing the pace of our business processes and increasing our ability to offer innovative service options. In 2007, less than 10 percent of claims were filed online – in FY 2015, more than 54 percent of claims were filed online.

The public expects to complete more business online, and we continue meeting those expectations with new and improved technologies. As we increase the number and types of self-service solutions, paperless processes, and electronic workflows, we will improve our overall efficiency. As we expand our online options, we will ensure our customers’ information remains secure.

We are working to increase customer satisfaction by expanding personalized self-service delivery options, which enable customers to access our services at their convenience. We will continue meeting our customers’ needs by providing them with choices, offering service online, in person, or by telephone.

### Strategies

- Expand personal services available under [my Social Security](#) to include high-volume workloads, such as Social Security number replacement cards;
- Move our online applications under a single customer account registration;
- Accelerate development of additional online products;
- Expand the availability of online applications using responsive design and the use of self-help personal computers available in our offices or community locations;
- Provide direct access to information and notices for individuals and designated third parties;
- Offer electronic delivery of notices and an option to opt out of paper notices; and
- Increase the public’s use of self-service options by aggressively promoting and marketing our online applications and services.

## Progress Update

We took the following steps in FY 2015 to develop and increase our self-service options (see Key Initiatives and Performance Measures for more details):

- Launched Social Security Benefit Statement (i1099) online, reducing mail requests by more than 60 percent;
- Streamlined the online disability application, eliminating 25 duplicate data fields;
- Replaced self-help personal computers with virtual desktop infrastructure and expanded service to 300 new offices, bringing the total 1,684 computers in 790 offices;
- Released the online Social Security Number Replacement Card application in November 2015;
- Continued [my Social Security](#) marketing campaign; and
- Made the following progress on our Social Security Express initiatives:
  - Installed 7 customer service stations and answered 2,102 video calls to assist customer service station users in real time;
  - About 135,000 iClaims were filed using self-help personal computers;
  - Partnered with 93 additional sites to add desktop icons, bringing our total to 261 partner sites with desktop icons; and
  - Designed a website so that third-party sites can download the desktop icon directly, minimizing user error and streamlining the process.

## Next Steps

- Enhance [our website](#) with responsive web design to support access by personal computer, mobile devices, and tablets;
- Expand i1099 application to include an option for beneficiaries to opt out of mailed Social Security Benefit Statements and add downloadable functionality; and
- Continue planning, analysis, and development of new applications to put behind the [my Social Security](#) portal, including:
  - Message center functionality, which will enable secure communications online; and
  - SMART Claim application, which will enable customers to file for retirement, disability, and Medicare benefits at the same time.

## Risks and External Factors

In addition to general privacy, legal, and budget concerns, the following risks or external factors may affect our efforts to develop and increase the use of self-service options:

- Demand for new technologies and online services is greater than our ability to provide them;
- Implementing stronger fraud prevention protocols for [my Social Security](#) account authentication, as called for in Executive Order 13681, could result in increased in-person visits to field offices;
- Adequate training to ensure employees are comfortable with new technologies; and
- Implementation problems with new technologies.

## Key Initiatives

### Expanding Online Access through Social Security Express

Customers without access to a computer might think they cannot use our online services, but our new service options expand access to our online services. Our Social Security Express initiative provides access to our online services, including [my Social Security](#), in our field offices and in external locations. Using these services helps minimize wait times for visitors who must complete their business with us in person.

Currently, we have three major Social Security Express projects underway:

- **Self-help personal computers** are available in 790 offices nationwide. These computers allow our customers to access our online services using computers inside our offices, enabling customers to complete some transactions without waiting to see a representative.

In FY 2014, we purchased a new virtual desktop infrastructure technology, which enables us to troubleshoot these computers remotely. The new technology reduces the amount of staff time required to maintain our current self-help personal computers.

In FY 2015, we added 150 locations. We will continue expanding the program in FY 2016 and FY 2017, adding new locations and additional equipment as needs are defined.

- **Social Security Express Desktop Icons** provide a direct link from a public computer or website to most of the agency's online services. These icons are available to external partner sites, such as libraries and senior centers. Users can access the same services that are available through the self-help personal computers in our field offices. If customers have questions or require assistance accessing online services through the icon links, they can call our National 800 Number or visit a field office for help completing their tasks.

In FY 2015, we designed a process allowing partner sites to download the desktop icon directly to a PC or website and launched the site nationally on May 15, 2015. The installation process is now more efficient, and we have added 134 new partners. Visits to Social Security Express through our icons more than tripled from 19,343 visits in FY 2014 to 61,470 visits in FY 2015.

- **Customer service stations** are stand-alone units, containing a computer with a touch screen monitor and video access, enabling the user to have real-time contact with a representative, if needed. The unit also contains the following features:
  - A scanner, enabling customers to scan and upload identification documents (up to passport size);
  - A printer, enabling customers to print verification letters. (If the customer does not take the document within 15 seconds, the printer retracts the document and stores it for employees to destroy);
  - A signature tablet, enabling customers to write confidential information to video agents rather than speaking it out loud; and
  - A pressure sensitive floor mat that begins the computer session when a person steps on it. If the customer steps away without personally ending the session, the system will begin a 10-second countdown and end the session automatically.



### Enhancing Delivery Options for the Replacement Social Security Benefit Statement

In FY 2014, our i1099 online application only allowed beneficiaries to request a mailed copy of their SSA-1099 or SSA-1042s tax form, or Social Security Benefit Statement. Beginning in February 2015, people who receive benefits and have a *my Social Security* account can view, print, and save their Social Security Benefit Statement immediately. In FY 2015, beneficiaries accessed their statements online more than 624,000 times, reducing mail requests by more than 60 percent.

Additional planned features include a downloadable Social Security Benefit Statement and the ability for users to opt out of having their statements delivered by mail.

## Leveraging **my Social Security**

To date, we have over 45,000 web pages, 20 online services, information in 18 languages, and a presence on several social media sites. We host over 12 million visits to our website each month. Our customers are demanding more online services, and we are responding as quickly as possible, while ensuring **my Social Security** remains secure and easy to use.



Current features enable Social Security disability and Supplemental Security Income beneficiaries to access their benefit verification letters, payment histories, and earnings records instantly. Beneficiaries can also change their addresses and direct deposit information online. Since it launched in 2012, **my Social Security** has more than 21 million registered users and consistently ranks as one of the top 10 in customer satisfaction for all federal websites.

Work is now underway on a new feature called SMART Claim that will allow our customers to file a claim for retirement, disability, Medicare, and Supplemental Security Income benefits using a single application within **my Social Security** by the end of FY 2016.

Additional features planned for **my Social Security** and SMART Claim in FY 2015 and into FY 2016 include:

- Social Security number replacement card requests;
- New secure customer engagement tools, including enhancements to click-to-callback, dynamic help assistance, a secure message center, and alerts and notifications;
- An alternate path allowing customers to complete their applications online, if they are unable to register for or do not have a **my Social Security** account;
- Online continuing disability review notification and response options for beneficiaries; and
- A claims appeal path.

We are planning additional enhancements that will allow users to view certain notices online in FY 2017.

## Educating the Public about Our Programs

Ensuring the public understands our programs is part of our social responsibility. Our national marketing campaign uses a wide variety of media channels to tell the public how to access and use our programs. As more of our customers move toward a preference and expectation for online services, we are focusing significant resources on promoting our online options.

We promote our online services through public service announcements on television, radio, billboards, bus posters, and displays in airport terminals, as well as through social media. We engage with the public on our Facebook page, responding to questions, and promoting our services. Over the next several years, we will continue expanding our social media efforts using search engine marketing, paid Facebook advertising, and blogs promoting our online service options.

We encourage people to create **my Social Security** accounts through a variety of communications channels, including our mailed *Social Security Statements*. Additionally, our local offices find creative and cost-effective ways to inform the community about the advantages of using our secure online services.

We also work with a broad network of national organizations, advocacy groups, and other stakeholders to promote our online services. Additionally, we produce webinars and webcasts to increase our customers' awareness of our online services and the benefits of using these services.

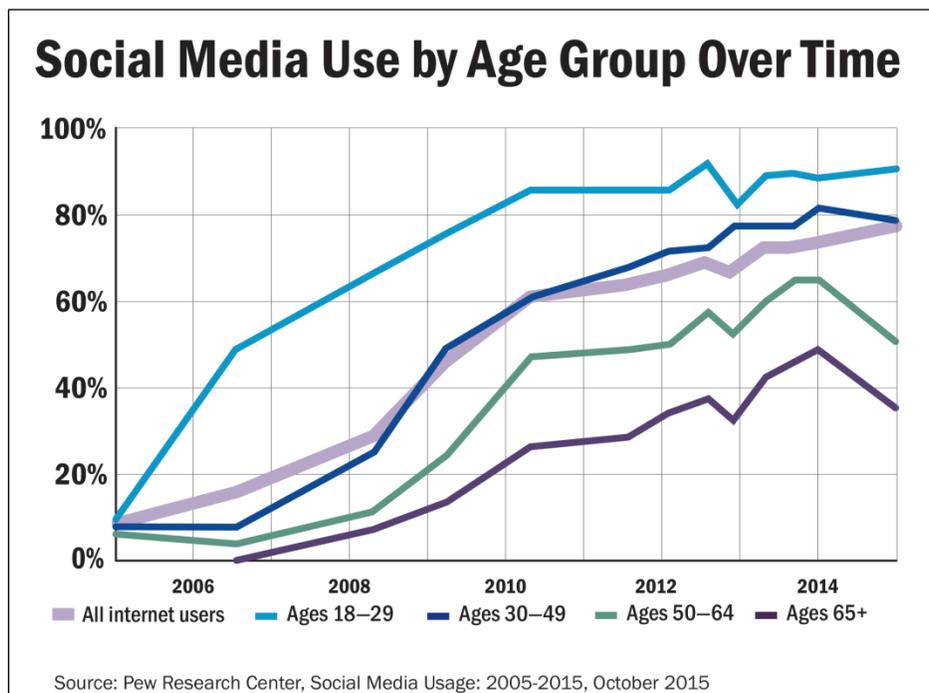
Since **my Social Security** provides quick access to documents used in tax preparation, we focused our FY 2015 promotional efforts on tax preparers. We partnered with the Internal Revenue Service (IRS) to include **my Social Security** information in its publications and on its website. We also participated in IRS tax forums. We also worked with TaxACT, a tax preparation software company to provide information to its six million customers. TaxACT plans to place **my Social Security** banner ads and other content throughout its website this year. TaxACT is also working with us to incorporate **my Social Security** into its tax preparation software next year.

Together with the U.S. Department of the Treasury, the Women’s Institute for a Secure Retirement, the American Savings Education Council, and America Saves, we launched the Campaign for a Secure Retirement. The campaign ran from late February 2015 through the conclusion of National *my Social Security* week in July 2015. This nationwide campaign encouraged retirement planning and saving and promoted the online *Social Security Statement* as an important retirement planning tool.

We continued to build relationships with other organizations throughout FY 2015. We participated in approximately 40 national conferences, and we will continue to coordinate *my Social Security* signup events. In the first half of FY 2015, we participated in 981 signup events with over 116,072 individuals attending. These events assisted the public in creating 16,781 *my Social Security* accounts.

As we move into FY 2016 and FY 2017, we will continue marketing our online services. Other plans include:

- Launching an employee education program in FY 2016, focusing on preparing and providing employees with the information and tools they need to communicate our messages;
- Communicating key information related to the disability solvency trust fund issue;
- Simplifying the *Social Security Statement* in FY 2016; and
- Launching the simplified *Social Security Statement* in FY 2017.



## Enhancing Online Appeals

Since 2007, claimants or their representatives have been able to request a reconsideration or hearing for a denied disability claim online. In FY 2015, we improved the existing application to simplify the user experience and enable users to complete the full application online. We also streamlined the application process by reducing redundant keying and providing clearer navigation.

Users can now submit additional forms and documents online. These changes allow users to submit a complete hearing request online, making the process more efficient.

We will work to expand online appeals in FY 2016 and FY 2017 to allow users to request an appeal on a nonmedical claim.

## Implementing Online Social Security Number Replacement Card Application

Replacing Social Security number cards is one of our most requested services. In FY 2015, we issued 11 million replacement cards in field offices and Social Security card centers across the country.

In FY 2014, we began work to enable certain *my Social Security* users to apply online for a replacement Social Security number card. We expect to launch this new feature to select states in FY 2016, enabling users to avoid travel time, wait time, and in-person interviews. In FY 2017, we will continue to expand to additional states.

The application will provide users with a secure way to request replacement Social Security number cards online and will allow our employees more time to process other workloads.



## Appeal Online

If you recently applied for Social Security or Supplemental Security Income disability benefits and were denied for medical reasons, you can file an appeal online.

[www.socialsecurity.gov/disability/appeal](http://www.socialsecurity.gov/disability/appeal)



## Performance Measures – Strategic Objective 1.1

### 1.1a APG: Improve access to our services by increasing the number of citizens who complete their business with us online (Agency Priority Goal)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	13.5 million	16.0 million	21.8 million	46.3 million	70.8 million	87 million		
<b>Target</b>					Increase the number of citizens completing business online by 10% over FY 2013 (50.9 million transactions)	Increase the number of citizens completing business online by 10% over FY 2014 (77.8 million transactions)		
<b>Target Met</b>					Met	Met		

**Results:** We exceeded our target in FY 2015, processing 87 million online transactions. We increased the number of citizens completing their business online by 23 percent over FY 2014.

**Data Definition:** Online services usage for *my Social Security* suite, *my Social Security* Help Desk-Call Back, Pre-entitlement – Informational Services (excludes visits to Social Security Online, Frequently Asked Questions, and Field Office Locator), Entitlement – Claims & Appeals, and Post Entitlement.

**Data Source:** [Social Security, Office of Electronic Services and Technology Intranet site: eServices Statistics](#)

### 1.1b APG NEW: Improve customer service and convenience by increasing online transactions by 25 million each year (Agency Priority Goal)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	13.5 million	16.0 million	21.8 million	46.3 million	70.8 million	87 million		
<b>Target</b>							112 million transactions	137 million transactions
<b>Target Met</b>								

**Data Definition:** Online services usage for *my Social Security* suite, *my Social Security* Help Desk-Call Back, Pre-entitlement – Informational Services (excludes visits to Social Security Online, Frequently Asked Questions, and Field Office Locator), Entitlement – Initial Claims and Supporting Info, and Post Entitlement.

**Data Source:** [Social Security, Office of Electronic Services and Technology](#)

## Strategic Objective 1.2: Enhance the Customer Experience by Completing Customers' Business at the First Point of Contact

### *Vision 2025 Priority: Superior Customer Experience*

Whether customers call, visit us in person, or use our website, they expect to get accurate information and quickly complete their business without the need to recontact us. As more customers expect to complete their business online or through other self-service channels, we are focusing on improved call routing, video service delivery, and ongoing employee training to ensure we complete transactions efficiently and accurately at the first point of contact.

### Strategies

- Implement online support options, including click-to-talk, screen sharing, and instant messaging;
- Integrate our online applications, such as the streamlined online disability application; and
- Increase the use of video service.

### Progress Update

We took the following steps in fiscal year (FY) 2015 to help ensure our customers can complete their business during their first contact with us (see Key Initiatives and Performance Measures for more details):

- Completed the nationwide rollout of the Social Security Electronic Remittance System in December 2014;
- Installed 122 of the 133 desktop video units we purchased in FY 2014 in third-party locations;
- Implemented dynamic help and click-to-call back customer service features within the *my Social Security* portal; and
- Implemented a proof of concept to determine if we can use less expensive hardware to provide video service.

### Next Steps

- Continue planning and analysis for customer engagement tools for click-to-chat, click-to-video chat, screen sharing, secure messaging, and online notices within the *my Social Security* portal;
- Continue the planning and analysis phase of SMART claim, allowing customers to apply for all benefits with a single application, including Supplemental Security Income; and
- Expand video service delivery to new locations.

### Risks and External Factors

In addition to general privacy, legal, and budget concerns, the following risks or external factors may affect our efforts to enhance the customer experience by completing customers' business at the first point of contact:

- Upgrading bandwidth for video connections is expensive and time consuming; and
- Hardware for video service delivery is expensive.

## Key Initiatives

### Establishing the Social Security Electronic Remittance System

In early FY 2015, we launched the Social Security Electronic Remittance System nationwide. Previously, customers could only pay for preapproved standard service fees, such as those for copying electronic or paper folders, by check or money order. Our new electronic remittance system also enables payment by credit and debit card. The credit card machines used by the system are equipped with the latest chip-and-PIN technology. Because we must receive payment before we can complete the customer's request, the new system allows us to process transactions immediately. Customers can request service, make payment, and receive service promptly in cases where the files are readily accessible.

In a later phase of this project, we plan to handle other types of collections through this system.

### Expanding Video Service Delivery

Some of our customers live in areas with limited public transportation and have difficulty getting to our field offices. Video service delivery allows us to provide services to our customers at convenient third-party sites, such as hospitals, libraries, community centers, American Indian tribal centers, and homeless shelters. Video services reduce time and costs for traveling to remote locations.

To support a projected increase in disability determination services (DDS) disability hearing workloads (i.e., appeals of continuing disability review decisions), we are relocating 35 existing video units to offices where there is a greater need. In FY 2015, we installed 122 of the 133 desktop units that we purchased in FY 2014. The units will increase our capacity for conducting video hearings, expand video remote interpreting services, and provide video support for other work efforts. In FY 2016, we will explore more cost-efficient technology.

### Providing Real-Time Assistance to Online Users

Delivering world-class customer service to all of our customers, including our online users, is one of our highest priorities. In May 2014, we celebrated 20 years of providing online services.

Our newest service addition to *my Social Security* is a suite of online information and help tools. In FY 2015, we launched a new dynamic help tool and an enhanced click-to-call back option.



- **Dynamic help** presents users with three responses, based on the task the user is performing when he or she requests help. If the user still has questions, he or she can type the question into a specialized search feature that will return related information.
- If the user selects the **call back option**, our enhanced feature displays the user's phone number and allows the user to submit that number or provide an alternate. The user also receives an approximate call back time.

In FY 2016, we plan to release our new secure Message Center, enabling *my Social Security* users to receive alerts, messages, and agency announcements. Later enhancements will enable users to contact us directly through the Message Center.

## Performance Measures – Strategic Objective 1.2

### 1.2a APG: Deliver a world-class customer experience by expanding the use of video technology to hold hearings (Agency Priority Goal)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	20.3%	20.1%	22.8%	26.1%	28%	27%		
Target					28% of hearings conducted by video	30% of hearings conducted by video		
Target Met					Met	Not Met		

**Results:** We did not meet our target for FY 2015. Out of 563,893 hearings, we held 152,880 of those hearings by video.

**Data Definition:** The percentage of total hearings held during the fiscal year that were video hearings. We derived the percentage by dividing the total number of video hearings held during the fiscal year by the total number of hearings held during the fiscal year.

**Data Source:** Case Processing Management System

### 1.2b: Expand the services available under **my Social Security** by implementing an online Social Security Number Replacement Card application

Fiscal Year	2014	2015	2016	2017
Performance	Project timeline was adjusted to accommodate pending changes to regulations and contract	The online Social Security Number Replacement Card application was released in November 2015		
Target	Complete planning and analysis for implementing an online Social Security Number Replacement Card application	Complete development and begin testing of the online Social Security Number Replacement Card application		
Target Met	Not Met	Met		

**Results:** We expanded services available under **my Social Security** by releasing the online Social Security Number Replacement Card application in November 2015. Additionally, we implemented an online Medicare Replacement Card application. We released this application in May 2015.

**Data Definition:** Completion of the planning and analysis portion of the project as defined by the System Development Lifecycle on the Project Resource Guide Intranet website.

**Data Source:** Completed Project Scope Agreement and System Development Plan

### 1.2c: Maintain high customer satisfaction with our online services

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	81	81	82	82	83	84		
Target					Maintain an average customer satisfaction score of at least 80	Maintain an average customer satisfaction score of at least 80		
Target Met					Met	Met		

**Results:** One of our highest priorities is delivering world-class customer service to all of our customers, including our online users. We exceeded our target for FY 2015. A score of 80 or higher is considered to be the threshold for excellence.

**Data Definition:** Average ForeSee Customer Satisfaction scores for the Social Security Administration’s (SSA) online services. Note that ForeSee Customer Satisfaction reports their data quarterly, based upon the calendar year. For this measure to be consistent with the fiscal year, we deviate from the ForeSee Customer Satisfaction scores time-period and use the fiscal year quarters. As a result, there may be some deviation from ForeSee Customer Satisfaction scores published documents and the measure reported here.

**Data Source:** Table entitled “SSA Average Satisfaction Score” found on the [Office of Electronic Services and Technology Intranet site](#)

**1.2d APG: Provide the public with access to personalized information by increasing the number of established *my Social Security* accounts (Agency Priority Goal)**

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>				6.32 million new accounts	6.14 million new accounts	6.64 million new accounts		
<b>Target</b>					Increase the number of customers who sign up for <i>my Social Security</i> by 15% over FY 2013 (7.27 million new accounts)	Increase the number of customers who sign up for <i>my Social Security</i> by 15% over FY 2014 (7.06 million new accounts)		
<b>Target Met</b>					Not Met	Not Met		

**Results:** In FY 2015, we increased the number of customers who signed up for *my Social Security* by 8.14 percent over FY 2014. We did not meet our goal.

**Data Definition:** The target is calculated as a percentage increase over the previous year’s actual results. Thus, the FY 2015 target was calculated by taking the FY 2014 actual registrations (6.14 million) and increasing it by 15%, resulting in a target of 7.06 million new accounts.

**Data Source:** Social Security Administration, Office of Electronic Services and Technology, Division of Authentication

## 1.2e APG NEW: Increase customer satisfaction with our services (Agency Priority Goal)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	81 satisfaction rating with online services  78% satisfaction rating for office and telephone services	81 satisfaction rating with online services  81% satisfaction rating for office and telephone services	82 satisfaction rating with online services  81% satisfaction rating for office and telephone services	82 satisfaction rating with online services  80% satisfaction rating for office and telephone services	83 satisfaction rating with online services  Data is not available for office and telephone services	84 satisfaction rating with online services  79% satisfaction rating for office and telephone services		
<b>Target</b>							84.5 satisfaction rating with online services  80% satisfaction rating for office and telephone services	85 satisfaction rating with online services  82% satisfaction rating for office and telephone services
<b>Target Met</b>								

**Data Definition:** Online services satisfaction rating comes from ForeSee’s e-Government Report Card. The satisfaction rating is calculated by averaging the scores of the following online services: SSA Main Website, iClaim, iClaim Disability, Retirement Estimator, iAppeals, Extra Help with Medicare Prescription Drug Plans, Business Services Online, and [my Social Security](#). The average is weighted based on the number of surveys completed on each of the above online services.

For office and telephone services, we define “satisfaction” as an overall service rating of excellent, very good, or good (E/VG/G) on a six-point scale: excellent, very good, good, fair, poor, or very poor. We determine the percent “satisfied” by dividing the number of responders who rate overall service as E/VG/G by the total number of responders providing a rating. We weight the overall satisfaction rate for both office and telephone services to reflect the annual population of customers served through that type of service. We then combine the weighted results for the individual surveys to compute the overall customer satisfaction rate.

**Data Source:** Social Security Administration, Office of Electronic Services and Technology and Office of Quality Review

## 1.2f: Complete the budgeted number of retirement, survivors, and Medicare claims (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	4,700,990 <sup>1</sup>	4,877,955	5,001,092	5,006,855 <sup>1</sup>	5,023,533 <sup>1</sup>	5,327,221		
<b>Target</b>	4,718,000 (4,658,124 rec'd)	4,590,000	4,918,000	5,269,000 (4,952,591 rec'd)	5,131,000 (4,990,259 rec'd)	5,247,000	5,586,000	5,732,000
<b>Target Met</b>	Met	Met	Met	Met	Met	Met		

**Results:** We met our FY 2015 target, completing 5,327,221 retirement, survivors, and Medicare claims.

**Data Definition:** The number of retirement, survivors, and Medicare claims completed in the current fiscal year.

**Data Source:** Social Security Administration's Cost Analysis System

## 1.2g: Achieve the target speed in answering National 800 Number calls (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	203 seconds (3 minutes, 23 seconds)	180 seconds (3 minutes)	294 seconds (4 minutes, 54 seconds)	617 seconds (10 minutes, 17 seconds)	1,323 seconds (22 minutes, 3 seconds)	617 seconds (10 minutes, 17 seconds)		
<b>Target</b>	269 seconds (4 minutes, 29 seconds)	267 seconds (4 minutes, 27 seconds)	285 seconds (4 minutes, 45 seconds)	535 seconds (8 minutes, 55 seconds)	1,020 seconds (17 minutes)	700 seconds (11 minutes, 40 seconds)	945 seconds (15 minutes, 45 seconds)	675 seconds (11 minutes, 15 seconds)
<b>Target Met</b>	Met	Met	Not Met	Not Met	Not Met	Met		

**Results:** We met our FY 2015 target by answering our National 800 Number calls one minute, 23 seconds quicker than our target speed.

**Data Definition:** We calculate the speed of answering by dividing the wait time of all National 800 Number calls answered by agents by the number of all National 800 Number calls answered by agents in the fiscal year. Wait time begins from the time we transfer the caller to the agent queue (waiting for an agent) and continues until an agent answers the call.

**Data Source:** Data generated by Cisco Intelligent Contact Management system

<sup>1</sup> Performance results are based on actual receipts because actual receipts were lower than the target.

## 1.2h: Achieve the target busy rate for National 800 calls (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	5.0%	3.0%	5.0%	11.9%	13.5%	7.5%		
Target	8.0%	6.0%	6.0%	16.0%	14%	8%	9.5%	7.0%
Target Met	Met	Met	Met	Met	Met	Met		

**Results:** In FY 2015, our busy rate for National 800 calls was below that of our target of 8 percent. We exceeded our target.

**Data Definition:** We calculate the agent busy rate as the number of National 800 Number busy messages divided by the number of National 800 Number calls requesting agent service in the fiscal year. The caller receives a busy message when the number of calls offered exceeds the number of telephone lines available or when the agent queue has reached its maximum capacity of waiting calls.

**Data Source:** Data generated by Cisco Intelligent Contact Management system

## Strategic Objective 1.3: Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach

### *Vision 2025 Priority: Superior Customer Experience*

Many people seeking benefits from us also interact with other agencies and private organizations. By partnering with other agencies, community-based organizations, tribal governments, and the private sector, we can improve our customers' experiences. We can learn from each other, share data, and develop processes that help our customers access services more quickly and easily.

### Strategies

- Implement Social Security Express to provide service using self-service customer service stations in community locations;
- Provide Social Security services through other government agencies, community-based organizations, tribal governments, and private organizations that serve our customers;
- Increase collaboration with the Department of Defense (DoD) and Department of Veterans Affairs (VA) to improve processes for veterans and service members; and
- Improve information sharing among other government agencies for records, data, and other information.

### Progress Update

We took the following steps in fiscal year (FY) 2015 to improve customers' experience through partnerships with other agencies (see Key Initiatives and Performance Measures for more details):

- Installed three additional customer service stations in the New York and Philadelphia regions, bringing the total to seven;
- Completed 4,274 transactions on our Customer Service Stations (CSS), including answering 2,102 video calls to assist customers in real time;
- Partnered with over 50 community locations to provide video service delivery; and
- Partnered with organizations affiliated with the VA and Health and Human Services to expand our Social Security Express Projects;
- Partnered with the Internal Revenue Service (IRS) to promote each other's online services. The IRS added the SSA Express icon link to 100 of its kiosks in 37 locations across the country; and
- Partnered with the Alaska Online with Libraries to provide 125 video locations across remote Alaska, areas to reduce travel time for claimants and representatives attending hearings before an administrative law judge.

### Next Steps

- Evaluate the customer service station project and, if successful, obtain agreements with additional third-party sites for installation;
- Issue additional desktop icons to local government and private organizations;
- Partner with additional veterans organizations to provide access to our online services;
- Expand data exchanges with the VA and DoD;
- Determine system requirements to exchange information with the VA to receive medical information quicker;
- Increase federal data exchange partnerships from 18 federal agencies to 22 federal agencies;
- Develop and publish the types of data commonly shared among federal agencies; and
- Add links to the IRS web site on our self-help personal computers in up to 16 pilot locations.

## Risks and External Factors

In addition to general privacy, legal, and budget concerns, the following risks or external factors may affect our efforts to partner with other agencies and organizations to improve our customers' experience and align with the Administration's one-government approach:

- The DoD and VA have their own mission-critical work, priorities, and resource limitations;
- Lack of buy-in from potential partners; and
- Problems with new technologies.

## Key Initiatives

### Expanding Our Partnerships with External Organizations

Our Social Security Express initiative currently includes two self-service options that allow the public to complete their business from external partner locations (local, state, or Federal Government agencies such as the VA or the Department of Housing and Urban Development). Those self-service options are:

- A Social Security Express icon installed on the partner sites' desktop computers, enabling access to our online services; and
- A customer service station, containing a desktop computer and a printer, offering limited online services and video assistance from one of our employees.

In FY 2013, we launched the program, and 25 partner sites downloaded the Social Security Express icon to the desktops of their public computers. In FY 2014, we expanded our partnership to 168 sites. We partnered with 93 additional sites in FY 2015. In total, 261 partner sites have installed the Social Security Express icon.

In FY 2014, we installed one customer service station in a field office as a proof of concept and implemented three additional customer service stations in three external partner sites. In FY 2015, we added three additional customer service stations, bringing the total to seven.

The customer service stations allow us to offer our services in locations other than field offices, providing an additional vehicle for service delivery to our customers and reducing foot traffic in our field offices. We will evaluate usage levels and customer satisfaction from our proof of concept. If the proof of concept is successful, we will make modifications based on customer feedback and proceed with a pilot.

We also have partnerships with over 50 community locations to provide video service delivery. We plan to identify new video service delivery sites in FY 2016 focused on serving the Native American population, Wounded Warriors, veterans, and people who are disabled.

### Launching a Federal Data Exchange Community of Practice

We initiated and now lead the Federal Data Exchange Community of Practice, facilitating records, data, and other information exchanges across federal agencies. Our collaborative efforts will help build a larger knowledge base, find solutions for data exchange challenges, identify cross-organizational solutions, prioritize and resolve problems, harmonize policy and processes where possible, share best practices, and build a network of federal data exchange partners.

In FY 2015, we developed a list of the most common types of data regularly shared among federal agencies and the best sources for each type. We plan to share the list through the Federal Data Exchange Community of Practice in FY 2016. We created a site on MAX.gov, hosted by OMB, to share documents, agendas, presentations, and contact lists. Our site has a 94 percent enrollment rate. In FY 2015, we added 11 new agencies to the group, expanding the network by 69 percent. In FY 2016, we will develop a list of prioritized activities and objectives. We plan to implement at least two of those prioritized activities in FY 2017.

## Establishing a State Data Exchange Community of Excellence

Since Congress passed the Affordable Care Act in 2010, the Administration has led efforts to standardize public health program eligibility policies, data use, and information technology tools. The standardization will streamline states' public health business processes, improve service delivery, and enhance data accuracy.

In FY 2015, we established a public-private partnership called the State Data Exchange Community of Excellence whose goal is to advance the Administration's one-government approach. The State Data Exchange Community of Excellence will include federal, state, and private stakeholders, including the Department of Health and Human Services, the Administration of Children and Families, the Centers for Medicare and Medicaid Services, the United States Department of Agriculture, Food and Nutritional Services, the American Public Health Services Administration, and Governor-appointed human service administrators. We are finalizing a tri-agency agreement with Health and Human Services and the Department of Agriculture to share our data through a hub that will help states determine a person's eligibility for certain benefits.

In FY 2016, we will work with federal agencies and the American Public Health Services Association to survey and evaluate data exchange needs in each state. We will also help to develop a prioritized list of activities for the State Data Exchange of Excellence. We plan to implement at least two of those activities in FY 2017.

## Expanding the Virtual Lifetime Electronic Record

In April 2009, the DoD and VA launched the [Virtual Lifetime Electronic Record](#) initiative to create a unified lifetime electronic health record for members of the Armed Services. We are working closely with both agencies to ensure we address service members' and veterans' needs as seamlessly as possible when applying for Social Security benefits by fully automating access to medical records.

In FY 2015, we worked with the DoD and VA to:

- Enhance the clinical content available for health information technology (IT) exchange;
- Implemented eAuthorization, an electronic signature on our Authorization to Disclose Information, Form SSA-827, with all health IT partners; and
- Pilot a health IT exchange.

The health IT exchange will provide our veterans, service members, and their families with a high level of customer service and will enable greater decision support for examiners, thereby improving the overall case processing time. The national rollout plan is scheduled for implementation in FY 2016 in collaboration with the DoD.

## Strengthening the Social Security Number Application Process

Enumeration is our process of assigning Social Security numbers and issuing Social Security cards. Each year we receive approximately 16 million applications for original and replacement Social Security cards. Our employees use the Social Security number application process, a web-based system, to record information and evidence submitted with a Social Security number application. This system is available in all field offices (including Social Security card centers) and Foreign Service posts. It also enables employees to correct individuals' Social Security number records.

As resources permit, we will develop and implement the following enhancements to help us enforce enumeration policy:

- Continue to partner with other Federal agencies to ensure the immigration systems and forms we use are up-to-date and in line with policy;
- Increase Social Security number integrity by improving citizenship documentation when appropriate; and
- Enhance policy and procedure enforcement.

These enhancements ensure accuracy in our Social Security number records, which in turn enables us to make proper payments. Further, in line with the Administration's one-government approach, we partnered with the Department of Homeland Security and Department of State to enumerate noncitizens accurately and consistently.

In FY 2015, we will provide additional processing statistics to help track our performance and improve our enumeration workload. In FY 2016, we plan to expand the Social Security number application process to allow for processing under special circumstances or in emergencies.

In FY 2017, we will provide support and updates to the system as needed, based on discussions we have with the Department of Homeland Security and Department of State. Additionally, we will continue to request enhancements to help ensure the system aligns with policy changes. We will provide faster application processing and stronger information security by enabling Foreign Service Posts to transfer applications electronically. Additionally, we will ensure the system continues to align with policy changes.

## Performance Measures – Strategic Objective 1.3

### 1.3a: Minimize the average response time to deliver medical evidence to the VA for wounded warriors and veterans

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	9.7 days	7.3 days	5.6 days	7.2 days	5.9 days	4.2 business days		
<b>Target</b>					Deliver medical evidence to the VA within an average of 5 days	Deliver medical evidence to the VA within an average of 5 business days	Deliver medical evidence to the VA within an average of 5 business days	Deliver medical evidence to the VA within an average of 5 business days
<b>Target Met</b>					Not Met	Met		

**Results:** We exceeded our FY 2015 target by delivering medical evidence to the VA within an average of 4.2 days.

**Data Definition:** We currently track requests received from the VA for medical evidence. We also track how long it takes us to respond to the request.

**Data Source:** Office of Operations

## Strategic Objective 1.4: Evaluate Our Physical Footprint to Incorporate Improved Service Options

### *Vision 2025 Priority: Innovative Organization*

Our facility maintenance costs continue to increase despite staff losses. We are concerned about the high upfront costs for facilities and associated services (e.g., rent, utilities, security guard services), especially as more cost-effective and reliable alternatives to in-person service exist. As building maintenance costs continue to increase and customer preferences move to electronic service channels, we are reassessing our facility needs, while still ensuring that we have appropriate levels of in-person service options available.

We are fully committed – now and in the future – to keeping a field office structure providing in-person service for those customers who need or prefer it. Additionally, as technology drives the realignment of our physical footprint, we see opportunities to scale back and colocate some large brick-and-mortar facilities.

### Strategies

- Design space, maintain offices, and reassess the structure of internal facilities to optimize cost and maximize opportunities for improved service delivery; and
- Explore solutions that optimize the operational efficiencies of offices, including colocations.

### Progress Update

We took the following steps in fiscal year (FY) 2015 to evaluate our physical footprint to incorporate improved service options:

- Reduced our usable square feet by 1.34 million from our FY 2012 level.

### Next Steps

- Assess 100 percent of all field office and hearing office new lease actions for possible colocation opportunities;
- Create shared services-claimant only video rooms in field offices to increase hearing capacity without increasing the footprint;
- Continue building judge only video rooms in existing hearing offices to increase hearing capacity without the need to build additional hearing rooms; and
- Increase the number of colocations between hearing offices and field offices.

### Risks and External Factors

The following risks or external factors may affect our efforts:

- The universe of colocation opportunities is limited to the number of lease expirations in any given year:
  - Long-term lease commitments are a barrier to short-term implementation; and
  - Significant lead-time needed to secure new leases.
- Space availability and labor relations issues:
  - Availability of space large enough to colocate in a given market;
  - Compatibility of the Office of Disability Adjudication and Review and Operations service areas; and
  - Complexity of accommodating the different Bargaining Unit agreements with the three separate labor unions representing our field office and hearing office employees.

## Key Initiatives

### Reduce Our Real Estate Footprint

Under guidance issued by the Office of Management and Budget (OMB), agencies are required to create and implement a plan to reduce their real estate footprint. We are committed to adhering to the established baselines while providing excellent customer service.

We will create a five-year plan in FY 2015 to make the most efficient use of our real estate property assets. We will update and submit our plan to OMB each fiscal year. As part of our planning, we will assess all new space actions for colocation opportunities and plan to make the following colocations:

- In FY 2016, we will colocate at least four permanent remote site hearing offices with field offices; and
- In FY 2017, we will colocate at least seven permanent remote site hearing offices with field offices.

## Performance Measure – Strategic Objective 1.4

### 1.4a: Evaluate our physical footprint as described in our OMB-approved Real Property Cost Savings and Innovation Plan

Fiscal Year	2014	2015	2016	2017
<b>Performance</b>	We have issued colocation guidelines to the regions. In FY 2015, we will evaluate each space action for potential colocation opportunities for offices within the same local area whose leases are ending at the same time	Reduced our physical footprint by 1.34 million usable square feet		
<b>Target</b>	Evaluate potential opportunities for collocating and consolidating our public service facilities within and outside of SSA	Reduce our physical footprint from our FY 2012 level by 1.86 million usable square feet		
<b>Target Met</b>	Met	Not Met		

**Results:** While we did not meet our FY 2015 target, we exceeded the Office of Management and Budget requirements to freeze our footprint as of FY 2012. We reduced our physical footprint by 5 percent from our FY 2012 level.

**Data Definition:** Completing the targeted milestones.

**Data Source:** Social Security Administration, Office of Budget, Finance, Quality, and Management

### 1.4b NEW: Assess field and hearing office lease expirations and increase colocation of our field and hearing offices to reduce our physical footprint

Fiscal Year	2015	2016	2017
<b>Performance</b>			
<b>Target</b>		Colocate at least 4 permanent remote site hearing offices with field offices	Colocate at least 7 permanent remote site hearing offices with field offices
<b>Target Met</b>			

**Data Definition:** Completing the targeted milestones.

**Data Source:** Social Security Administration, Office of Disability Adjudication and Review

## Strategic Goal 2: Strengthen the Integrity of Our Programs

Currently, we pay \$78 billion each month in benefits across all our programs. Paying the right person the right amount at the right time is critical, and we take this responsibility very seriously. The payment accuracy rate for our retirement and survivors programs has been over 99 percent for the past several years.

Our disability programs are much more complex to administer, potentially resulting in both overpayments and underpayments:

- **Social Security Disability Insurance** provides benefits to people who cannot work because they have medical conditions expected to last at least one year or result in death. The laws governing this program are complex, and we may not always have timely or accurate information about a beneficiary's medical or work status. Changes in either status may affect continued eligibility for benefits.
- **Supplemental Security Income (SSI)** provides cash assistance to people with limited incomes and resources who are aged, blind, or disabled. A beneficiary's eligibility for payment or the amount of payment can change when his or her living arrangements or income changes. Beneficiaries self-report changes, and reporting delays can result in improper payments.

We are taking a multifaceted approach to ensure we receive accurate information and provide proper payments:

- Using the latest technology to identify fraud and improve debt collection;
- Providing beneficiaries with easy ways to report changes;
- Investing in and enhancing partnerships with our beneficiaries;
- Actively seeking opportunities to share information with other federal and state agencies; and
- Using experts in evaluation methods to review implementation plans for each improper payment initiative.

We want our initiatives to produce clear and measurable outcomes that lead to actionable efforts reducing improper payments and reclaiming overpaid funds.

### Strategic Objective 2.1: Transform the Way We Record Earnings to Enhance Data Accuracy

#### **Vision 2025 Priority: Innovative Organization**

A worker's lifetime earnings determine the amount of his or her Social Security benefits, making it vital that we have accurate earnings records on file. We devote a significant amount of resources to ensure earnings records are accurate.

In fiscal year (FY) 2015, we posted over 275 million earnings items to individuals' records. When we provide workers, employers, and government agencies with the tools they need to accurately report wages, our records are more accurate.

In 2015, employers filed over 89 percent of Forms W-2 electronically. We also received nearly 26 million paper Forms W-2. As we migrate to a more fully electronic earnings record process, we anticipate increased accuracy through fewer manual entries and a more stringent electronic editing process.

We have a multiyear initiative underway that will further modernize our earnings reporting system. This initiative will increase processing capacity and post information faster. In addition, we are working with the Internal Revenue Service (IRS) to enhance earnings data exchanges. Both initiatives will improve wage reporting and make our earnings process more efficient and accurate.

We are also encouraging our customers to verify their earnings information when they review their *Social Security Statements* online or when they receive mailed copies.

## Strategies

- Modernize our earnings system;
- Encourage electronic wage reporting; and
- Encourage workers to review their *Social Security Statements* for earnings accuracy.

## Progress Update

We took the following steps in FY 2015 to transform the way we record earnings to enhance data accuracy (see Key Initiatives and Performance Measures for more details):

- Redesigned software to process Forms W-2 within the Annual Wage Reporting system (AWS);
- Processed larger volumes of earnings data through redesigned AWS:
  - Over 22 million wage items per day;
  - Over 81 million wage items per week; and
  - Exceeded prior tax year volumes of 15 million per day and 72.3 million per week.
- Implemented redesign, platform changes, and business processes into earnings systems resulting in:
  - More efficiency and consistency in service;
  - Improved flow and speed of earnings processes; and
  - Improved accuracy.
- Implemented systems enhancements that are expected to decrease the number of wage reports filed on paper and reduce manual workloads.

## Next Steps

- Continue to modernize and streamline other major components of the Earnings Systems; and
- Continue marketing efforts encouraging people to review their earnings for accuracy.

## Risks and External Factors

The following risk or external factor may affect our efforts to enhance data accuracy:

- Legal restrictions on disclosure of wage reporting data between federal agencies.

## Key Initiatives

### Continue Earnings Redesign

We are redesigning our systems to make our earnings process more efficient and accurate. In addition, we are enhancing earnings data exchanges, improving wage reporting, modernizing our systems, and modifying our software to handle increasing record volumes.

Beginning in FY 2014 and throughout FY 2015, we released several enhancements to the earnings redesign program, continuing our multiyear effort to improve our detection and prevention of potential wage reporting fraud. We replaced outdated technology, streamlined automated business processes, and consolidated and streamlined our earnings reconciliation processes. We also redesigned functionality to process Forms W-2 within the Annual Wage Reporting system.

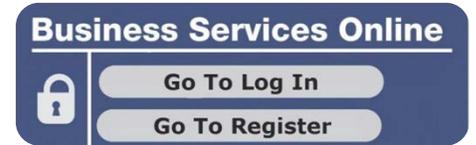
Increased system processing capacity allows the system to post more data to the Master Earnings File (the administrative file used to store earnings data and to determine an individual's eligibility and benefits payment). The increased capacity also enables posting the data earlier in the year and sharing data with the IRS sooner. In addition, earlier rejection of invalid data improves the quality of data used both internally for benefit calculations and externally by the IRS for tax reconciliation.

## Increasing Electronic Wage Report Filing

Annually, we receive more than 3 million paper wage reports from employers containing nearly 26 million paper Forms W-2. Paper wage reports are more error-prone, labor intensive, and expensive to process. Electronic wage reporting is more accurate, but we must update our electronic applications frequently to reflect IRS tax code and tax form revisions.

Planned enhancements for FY 2015 include a self-registration, self-testing process for all new electronic wage reporting web service users. In FY 2016, we are planning a phased expansion of the electronic wage reporting web service, including expanding the electronic wage reporting status function and allowing submitters to find out why a submission was returned. The phased web service expansion will continue in FY 2017.

We will continue using promotional materials, trade publications, and direct contact with employers and third-party submitters (people who submit wages to us on behalf of employers) to encourage electronic wage reporting. Our market tactics for online wage reporting include promotions at conferences and meetings attended by the wage reporting community.



## Performance Measure – Strategic Objective 2.1

### 2.1a: Improve the accuracy and timeliness of the earnings data used to calculate benefits

Fiscal Year	2014	2015	2016	2017
<b>Performance</b>	We released the Annual Wage Reporting system on 02/08/2014	Implemented the redesigned software to process Forms W-2 within the Annual Wage Reporting system		
<b>Target</b>	Complete construction of at least 50% of the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system	Implement the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system by 09/30/2015	Implement the redesigned functionality to process Forms W-2c (Corrections) within the Annual Wage Reporting system	Implement Annual Wage Reporting software to provide earnings data to the IRS earlier in the tax season
<b>Target Met</b>	Met	Met		

**Results:** In FY 2015, we applied the redesigned annual wage reporting software to process Forms W-2.

**Data Definition:** Construction of the redesigned Annual Wage Reporting functionality is defined as the development of the software to meet the high-level requirements for processing Forms W-2.

**Data Source:** The data source is the aggregate of the base-lined, high-level requirements for the redesigned Form W-2 processing within the Annual Wage Reporting system. The software release certification process will document the software implementation.

## Strategic Objective 2.2: Protect the Public's Data and Provide Secure Online Services

### Vision 2025 Priority: Superior Customer Experience

Our mission is to provide the public with high quality, convenient service while maintaining the confidentiality of the public's information. We are committed to safeguarding the information used in our online services as we keep up with increasing service demands. We take the public's trust seriously and take great pride in securing their personal information. We continually strengthen our record protection systems to combat emerging identity threats.

### Strategies

- Ensure strong authentication technologies and appropriate access to information and services;
- Ensure online services have appropriate security features; and
- Join with other federal agencies to aggressively combat identity theft to prevent unauthorized transactions.

### Progress Update

We took the following steps in fiscal year (FY) 2015 to protect the public's data and provide secure online services (see Key Initiatives and Performance Measures for more details):

- Expanded the use of data analytics and technology to detect and prevent online fraud;
- Applied analytical tools to our online services to determine common characteristics and patterns of anomalous behavior based on data from past allegations and known cases of fraud;
- Built a fraud business process and developed new analytical models to support the online Social Security Replacement Card application (limited release in November 2015);
- Established the Office of Anti-Fraud Programs to provide centralized oversight of and accountability for the agency's initiatives to prevent, detect, and deter fraud; and
- Partnered with other Federal agencies to detect, deter, and prevent fraud.

### Next Steps

- Continue to protect the public's data as we expand and continue secure online services; and
- Continue to design a business plan and procure an enterprise-automated solution (tool), which will enable us to identify patterns of fraud, improve functionality with additional data-driven fraud triggers and real time risk analysis, and further integrate technology into our anti-fraud business processes.

### Risks and External Factors

The following risks or external factors may affect our efforts to protect the public's data and provide secure online services:

- Budgetary concerns;
- Unanticipated workload increases; and
- New and emerging threats.

### Key Initiatives

#### Deploy Management System for Personally Identifiable Information and Federal Tax Information

We developed the Enterprise Test Data Management System to manage and purge personally identifiable information and federal tax information in our test and training systems. Our test and training systems are well controlled and have low risk of exposing sensitive public data. While individuals accessing the data are authorized to view it, when fully implemented, the Enterprise Test Data Management System will provide sanitized test data (data modified to conceal a person's identity) to our test environments (development, validation, integration, and training), further minimizing our risk of unnecessary exposure.

When fully implemented, the system will sanitize the Social Security number, Employer Identification Number, telephone number, email, and bank account data consistently across all validation databases.

We released the basic infrastructure in FY 2013, and in FY 2014, we:

- Developed code to sanitize name fields;
- Developed requirements for enhancing a third-party tool we will use to help sanitize names and addresses;
- Designed, developed, and implemented enhancements to the existing Enterprise Test Data Management System to improve performance and usability; and
- Began requirements analysis and design for future enhancements.

In FY 2015, we implemented the code for sanitizing the name and address information. We expect full implementation in FY 2016.

### **Established the Office of Anti-Fraud Programs**

We take our responsibility for detecting, deterring, and preventing fraud very seriously. We have zero tolerance for fraud, and we work tirelessly to protect the American taxpayers and their investment in Social Security.

In November 2014, we established the Office of Anti-Fraud Programs to provide centralized oversight of and accountability of initiatives to prevent, detect, and deter fraud, such as:

- Centralizing anti-fraud data analytics;
- Monitoring and supporting our anti-fraud initiatives;
- Formulating new anti-fraud initiatives;
- Developing consistent anti-fraud policies and processes;
- Aligning our anti-fraud efforts with industry standards; and
- Supporting the Office of the Inspector General's efforts to investigate fraud.

We continue to expand the use of data analytics and technology to detect and prevent fraud. Specifically, we apply analytical tools to our business processes and use models to determine common characteristics and patterns of anomalous behavior based on data we collect from past allegations and known cases of fraud.

Additionally, we developed numerous analytical models to help us identify fraud. We run our analytical models against our data in online services. These models assist in identifying attempted fraud before we make a payment. Our goal is to avoid the "pay and chase" that has plagued benefit-paying agencies for years by being proactive in preventing fraud. We are currently working with a federally funded research development center on an enterprise-based, automated solution to expand the use of anti-fraud analytics to additional agency programs.

## Performance Measures – Strategic Objective 2.2

### 2.2a: Enhance our security features and business processes to prevent and detect fraud

Fiscal Year	2014	2015	2016	2017
<b>Performance</b>	Using Public Facing Integrity Review data, we were able to create and implement the routing transit number blocking process	The fraud referral process was transferred to the newly established Office of Anti-Fraud Programs. We use Public Facing Integrity Review data to create and implement the routing transit number blocking process. <sup>2</sup>		
<b>Target</b>	Expand the Public Facing Integrity Review system to more rapidly detect a greater variety of fraudulent Internet transactions	Increase <i>my Social Security</i> potential fraud referrals through the Public Facing Integrity Review system to the Office of Operations by 10% (10,295 referrals)	Identify and investigate at least 500 claims presenting characteristics indicative of fraud	Identify and investigate at least 750 claims presenting characteristics indicative of fraud
<b>Target Met</b>	Met	Met		

**Results:** In November 2015, we established the Office of Anti-Fraud Programs. The Office of Anti-Fraud Programs now receives potential fraud referrals through the Public Facing Integrity Review system.

**Data Definition:** Expand functionality by planning, developing, and implementing new or additional reviews for fraud in existing online applications and new online services, as they are made available to the public.

**Data Source:** Public Facing Integrity Review system

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<sup>2</sup> Due to the sensitivity of this information, we cannot include exact numbers.

## Strategic Objective 2.3: Increase Payment Accuracy

### Vision 2025 Priority: Innovative Organization

The American public expects outstanding stewardship of general revenues and the Social Security Trust Funds – and as stewards, we are committed to protecting our programs from waste, fraud, and abuse.

Our most important program integrity tools are continuing disability reviews (CDR), which are periodic reevaluations to determine if Social Security Disability Insurance and Supplemental Security Income (SSI) beneficiaries are still disabled, and SSI redeterminations, which are periodic reviews of non-medical eligibility factors such as income and resources.

We estimate that CDRs conducted in 2016 will yield net Federal program savings over the next ten years of roughly \$9 on average per \$1 budgeted for dedicated program integrity funding, including Old-Age and Survivors Insurance, SSI, Medicare, and Medicaid program effects. Similarly, we estimate that nonmedical redeterminations conducted in 2016 will yield a return on investment of about \$4 on average of net Federal program savings over ten years per \$1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects.

We will continue to perform CDRs and SSI redeterminations, and enhance our program integrity efforts in other areas to improve payment accuracy for our programs. We will:

- Simplify our work incentive policies and procedures;
- Continue to partner with financial institutions to expand on the success of our Access to Financial Institutions initiative to identify financial resources that often go unreported;
- Implement new guidance and expand existing programs to recover more debt;
- Pilot new computer technologies and data searches; and
- Use new computer technologies to analyze agency data in new ways, focusing on the most error-prone aspects of our programs.

Representative payees (people or organizations who receive payments on behalf of beneficiaries who cannot manage their own benefits) play a significant role in many beneficiaries' lives. We are always exploring ways to better identify, screen, and appoint representative payees. We will improve how we monitor representative payees to prevent benefit misuse. We will also coordinate research and initiatives with other federal agencies that serve similar populations.

### Strategies

- Collaborate with other federal agencies, such as the Department of Veterans Affairs and Centers for Medicare and Medicaid Services, to find innovative ways to prevent and reduce improper payments;
- Increase efforts to recover overpayments;
- Enhance predictive models and automation tools to help identify error-prone aspects of benefit eligibility;
- Expand use of data analytics to detect fraud and payment errors; and
- Streamline the representative payee program to better identify potential misuse of benefits.

### Progress Update

We took the following steps in FY 2015 to increase payment accuracy (see Key Initiatives and Performance Measures for more details):

- Expanded the use of data analytics and improved technology to:
  - Identify patterns of fraud in our programs; and
  - Prevent payment errors by identifying missed entitlements to benefits.
- Through data exchange partnerships with the Centers for Medicare and Medicaid Services, we have:
  - Identified over \$49 million in estimated incorrect payments;
  - Referred 1,334 cases to the Office of Inspector General for investigation; and
  - Uncovered 272 out-of-country cases.
- Implemented improvements to the Pre-effectuation Review (PER) model to help identify the most error-prone adult SSI DDS allowances for review;

- Identified 1,352 previously unreported deaths of U.S. beneficiaries abroad, resulting in potential overpayment savings of almost \$7 million;
- Implemented a change to our address verification business process, allowing us to notify more delinquent debtors of a potential offset; and
- Expanded the payee monitoring program to better identify potential benefit misuse – expected to net an increase of 300 additional reviews over FY 2014.

### Next Steps

- Monitor PER workloads on a weekly basis to ensure models and associated business processes are working correctly and as intended;
- Research the use of quarterly reported earnings data in the CDR predictive model to prioritize CDRs that are likely to result in suspension or termination;
- Develop systems, policy, and training to support the non-home real property process;
- Expand automated reciprocal death data exchanges to as many partner countries as possible; and
- Publish agency operating instructions to improve the business process for transmitting information to and from the Department of Veterans Affairs.

### Risks and External Factors

The following risks or external factors may affect our efforts to increase payment accuracy:

- Relying on SSI recipients to timely report changes in their financial circumstances that may change their benefit amounts;
- The inherent complexity of our Title II and Title XVI programs; and
- Balancing high workload demands and program integrity activities with staffing resources.

### Key Initiatives

#### Promoting Use of the Supplemental Security Income Telephone Wage Reporting System and the Supplemental Security Income Mobile Wage Reporting

Unreported and untimely reported wages continue to be a major source of payment error in the SSI program. To improve timely reporting, we implemented the SSI Telephone Wage Reporting system. SSI telephone wage reporting increases efficiency because it reduces unnecessary visits to the field office, lessens manual keying errors, and allows us to automatically process wage reports.

Beneficiaries, their spouses and parents, and their representative payees can report monthly wages directly into the SSI system via a combination of touch-tone entry and voice-recognition software.

During recruitment activities for the SSI Telephone Wage Reporting system and the SSI Mobile Wage Reporting program, we encourage people to sign up for monthly email or text reminders to report monthly wages. We also include this reminder option in our online public information materials. We continue to increase the field office recruiting efforts during claims, redetermination interviews, pre-effectuation reviews, or other wage-related post-eligibility contacts.



In FY 2014, we began allowing people to report wages at any time during the month rather than just the first six days of the month and began using GovDelivery as a means for SSI wage reporters to sign up for email or text reminders. GovDelivery is a web-based public sector communications platform that sends notices, emails, and reminders to customers. As a result, we processed 30 percent more reports using the SSI Telephone Wage Reporting system and SSI Mobile Wage Reporting system than we processed in calendar year 2013. Much of this increase was due to the nationwide implementation of the SSI Mobile Wage Reporting program.

In September 2015, we received 78,970 automated wage reports, an approximately 23% increase over September 2014.

### **Conducting Supplemental Security Income Redeterminations**

Changes in beneficiaries' living arrangements or the amount of their income and resources can affect both their eligibility for SSI and the amount of their payments. To ensure the accuracy of SSI payments, we conduct redeterminations. In FY 2015, we plan to conduct 2.25 million redeterminations and 2.62 million redeterminations in FY 2016.

### **Using Predictive Modeling in the Continuing Disability Review Enforcement Operation**

The Continuing Disability Review Enforcement Operation identifies Social Security disability beneficiaries whose earnings put them at risk of receiving overpayments.

We developed and piloted a predictive model to identify cases that have a high likelihood of receiving overpayments. We prioritize these cases for work-related continuing disability reviews. These reviews determine if the beneficiary's eligibility for benefits has changed.

By prioritizing the work-related continuing disability reviews, we identified and avoided potential overpayments more quickly. In FY 2015, within the first six months of processing, we completed approximately 256,000 work-related continuing disability reviews, resulting in 47,500 cessations or suspensions with overpayments.

We plan to update and re-estimate the predictive model with more recent information so the model parameters capture any recent demographic, program, and economic changes. In addition, we are considering including quarterly earnings data from the Office of Child Support and Enforcement in our model to shorten the response time.

### **Using Predictive Modeling in the Redetermination Process**

We use a statistical scoring model to identify and prioritize redetermination cases having a high likelihood of error. The statistical model uses income, resources, and living arrangement variables to predict likely SSI overpayments.

In FY 2014, the cases we completed resulted in the prevention and recovery of an estimated \$3.9 billion in expected retroactive and five-year future recurring SSI overpayments. If we had relied on a random selection for 2014 cases, rather than using a predictive model, projections indicate that the corresponding savings would be only \$2.4 billion for this period. Results for FY 2015 will be available in February 2016.

We continue to improve our predictive statistical modeling and data mining techniques to determine the potential value of such data in our SSI redetermination modeling and selection process. We will use these advanced analytical techniques to focus on ways to enhance our current redetermination selection model and potentially the redetermination process.

### **Expanding the Access to Financial Institutions**

Excess resources in financial accounts are a leading cause of SSI payment errors. Access to Financial Institutions (AFI) uses an electronic process to verify bank account balances with financial institutions to help determine SSI eligibility and payment amount. In addition to verifying alleged accounts, the process may detect undisclosed accounts by using a geographic search to generate requests to other financial institutions. Along with preventing overpayments, the AFI process will help us eliminate ineligible applicants at the beginning of the application process and reduce the workload in the disability determination services (DDS) offices.

We currently use the AFI system in all 50 states, the District of Columbia, and the Commonwealth of the Northern Mariana Islands. In FY 2013, we lowered the AFI liquid resources (e.g., cash or bank accounts) threshold from \$750 to

\$400 and increased the number of bank searches. This program has proven very cost effective and useful in identifying undisclosed accounts.

We have not yet fully implemented the AFI process. We define full implementation as using AFI on every potential SSI application and redetermination, conducting bank searches, and fully integrating the process with our systems.

### **Expanding Our Cooperative Disability Investigations Program**

Our Cooperative Disability Investigations units work collaboratively with the Office of Inspector General, DDS offices, and state and local law enforcement agencies to resolve allegations of fraud in our disability programs. Cooperative Disability Investigations units help prevent payments to people who are not disabled and reduce improper payments to beneficiaries who have failed to report medical improvement or work activity.

The units have proven to be vital tools in identifying fraud and preventing incorrect disability payments. Since their inception in 1998 through FY 2015, our Office of the Inspector General estimates Cooperative Disability Investigations efforts nationwide generated \$3.2 billion in projected savings to our Social Security disability and SSI programs and \$2.1 billion to non-SSA programs, such as Medicare and Medicaid.

In FY 2014, we opened Cooperative Disability Investigations units in Baltimore, Maryland and Detroit, Michigan. In FY 2015, we expanded the program by adding another nine units in Providence, RI; Little Rock, AK; Milwaukee, WI; Des Moines, IA; Miami, FL; Birmingham, AL; Charleston, WV; St. Paul, MN; and Raleigh, NC. We currently have 37 Cooperative Disability Investigations units covering 31 states, Washington, DC, and the Commonwealth of Puerto Rico.

We plan to add up to three additional units in FY 2016, including the unit that opened in Washington, DC in October 2015.

In FY 2017, we plan to expand the program as need and funding permits.

### **Improving the Death Reporting System Process**

We are enhancing and streamlining our death reporting system to ensure we comply with applicable laws and policies, reduce improper payments, prevent improper release of personally identifiable information, and improve consistency of data in our records. Ultimately, our goal is to have one official agency source of death information available to all our systems.

In FY 2014, we provided a new user interface for death reporting and collecting new, comprehensive management information.

We are on schedule to complete the following by the end of FY 2015:

- Evaluate policies used in our current batch processing to determine priority, matching criteria for identity, error messaging and editing;
- Redesign the batch processing approach based on the evaluation;
- Begin consolidating external death data we receive into a central entry point and update the data into our NUMIDENT database before it is used by other systems; and
- Produce management information reports using production data to evaluate data quality and identify actions needed to improve quality.

Our plans for FY 2016 include:

- Streamline inputting and collecting internal death information from multiple sources into one person-centered path;
- Use the NUMIDENT database as the authoritative source of death data; and
- Provide additional management information reporting.

In FY 2017, we will evaluate the work completed and determine if further enhancements are needed.

### **Implementing Data Exchange and Verification Online**

We have a mission-critical need to share data with partners such as federal, state, local, and foreign government agencies, as well as court systems, the medical community, and employers to help ensure we have correct information. We maintain over 2,500 electronic information exchanges. We provide and receive data essential in making eligibility and entitlement decisions for us and other federal and state agencies.

We implemented the Data Exchange and Verification Online application in FY 2013 to modernize our existing data exchange and verification systems into a new centralized application. The new system is more efficient and enables us to respond more quickly to customized requests and legislative mandates.

During FY 2015, we implemented enhancements begun in FY 2014, as well as began planning and analysis for additional enhancements to the Social Security number verification process. We also redesigned our architecture to support web services, an enhancement that improves access for partnering agencies and supports the one-government approach.

In FY 2016 and 2017, we will continue our planning and implementation of additional data exchanges and enhancements.

### **Implementing Direct Deposit Auto-Enrollment Fraud Prevention**

In an effort to prevent redirection of beneficiaries' payments to another account without their knowledge, we created the direct deposit auto-enrollment fraud prevention service. This service allows beneficiaries who have been victims of fraud, or who think they may become victims in the future, to block changes to their payment information. People who block account changes must come into a field office to make direct deposit or address changes.

### **Implementing New Tools for Debt Collection**

Although we strive to pay benefits accurately and on time, the complexity of our programs and dependence on beneficiaries to report changes can lead to overpayments. When overpayments occur, we use different debt collection techniques (e.g. payment withholding, Treasury Offset Program, Credit Bureau Reporting, Cross Program Recovery) to recover these overpayments.

We continue to enhance our systems to recover program debt. In FY 2015, we improved our External Collection Operation system by implementing an address verification feature. As a result, we have the capability to notify more individuals of potential collection actions. We also are developing another feature that will allow us to store notices in our Online Retrieval System, enabling staff to access the notice during calls from the beneficiary.

### **Implementing Automatic Earnings Reappraisal Operation Delay Pilot**

Since FY 2013, we have used our predictive model to score all pending work-related continuing disability reviews to identify cases with a high risk of incurring large work-related overpayments. We implemented a pilot scoring approach, which showed that we processed the sampled cases more quickly, preventing an even larger overpayment, and properly prevented the release of an underpayment. In FY 2014, the pilot continued to be successful with nearly 15,000 sampled disability beneficiaries.

In FY 2016, the selection will include approximately 12,000 beneficiary records for a recomputation delay. We will evaluate this sample in spring 2016. We will also select a new sample based on an enhanced predictive model to prioritize work-related continuing disability reviews.

We expect an average overpayment exceeding \$20,000 for approximately 20 percent of the pilot cases. We expect to process the sampled cases more quickly, preventing an even larger overpayment. The expected outcomes include increased efficiency of operations and improved payment accuracy.

### **Adding Anti-Fraud Messages in Notices**

Over the past two years, we have been working to add new language to our notices to report suspected fraud and to publicize Office of the Inspector General's Fraud Hotline and website. The anti-fraud language will be included in nearly 300 million notices annually: our manually prepared and automated notices, retirement and disability cost-of-living adjustment notices, disability determination services notices, and most Office of Disability Adjudication and Review notices.

## Performance Measures – Strategic Objective 2.3

### 2.3a APG: Reduce the percentage of improper payments made under the SSI program (Agency Priority Goal)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	9.1%	9.1%	8.1%	9.3%	8.5%	Data available April 2016		
Target					No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayment and underpayments)	No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayment and underpayments)		
Target Met					Not Met	TBD		

**Results:** We did not meet our FY 2014 target. Our FY 2015 performance data is not available until April 2016. We will discuss our FY 2015 performance in next year's report.

**Data Definition:** We determine the SSI payments free of overpayment and underpayment error by an annual review of a statistically valid sample of all payments issued. We base the payment accuracy on a non-medical review of sampled individuals who received SSI payments during the fiscal year. We determine the overpayment accuracy rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. We determine the underpayment accuracy rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

**Data Source:** SSI Payment Accuracy (i.e., Stewardship) Report

### 2.3b: Maintain a high accuracy rate of payments made through the Old-Age, Survivors, and Disability Insurance program to minimize improper payments

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	99.6% (O/P) 99.8% (U/P)	99.7% (O/P) 99.9% (U/P)	99.8% (O/P) 99.9% (U/P)	99.8% (O/P) 99.9% (U/P)	99.5% (O/P) 99.9% (U/P)	Data available April 2016		
<b>Target</b>	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)		99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)
<b>Target Met</b>	Not Met Met	Not Met Met	Met Met	Met Met		TBD		

**Results:** Our FY 2015 performance data is not available until April 2016. We will discuss our FY 2015 performance in next year's report.

**Data Definition:** We determine Old-Age, Survivors, and Disability Insurance payment free of overpayment and underpayment error by an annual review of a statistically valid sample of the beneficiary rolls. We determine the overpayment accuracy rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. We determine the underpayment accuracy rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

**Data Source:** Old-Age, Survivors, and Disability Insurance Stewardship Report

### 2.3c APG NEW: Improve the integrity of the SSI program by ensuring that 95 percent of our payments are free of overpayment (Agency Priority Goal)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	93.3% accuracy rate	92.7% accuracy rate	93.7% accuracy rate	92.4% accuracy rate	93.0% accuracy rate	Data available April 2016		
<b>Target</b>							95% accuracy rate	95% accuracy rate
<b>Target Met</b>								

**Results:** Payment accuracy is one of our highest priorities. As a result, we established challenging stretch targets with the understanding that our historical results are lower than our goal.

**Data Definition:** We determine the overpayment accuracy rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. We determine the underpayment accuracy rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

**Data Source:** Title XVI Payment Accuracy (Stewardship) Report

### 2.3d: Complete the budgeted number of full medical continuing disability reviews (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	324,567	345,492	443,233	428,568	525,875	799,013		
Target			435,000	422,000	510,000	790,000	850,000	1,100,000
Target Met			Met	Met	Met	Met		

Results: We exceeded our FY 2015 target.

**Data Definition:** The number of full medical continuing disability reviews completed in the fiscal year. This number represents only full medical reviews completed by state DDS offices and other agency components and cases where we initiated a review but could not complete one because the individual failed to cooperate.

**Data Source:** Continuing Disability Review Tracking Files

### 2.3e: Complete the budgeted number of Supplemental Security Income (SSI) non-medical redeterminations (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	2,465,878	2,456,830	2,624,170	2,634,183	2,627,518	2,266,993		
Target	2,422,000	2,422,000	2,622,000	2,622,000	2,622,000	2,255,000	2,522,000	2,822,000
Target Met	Met	Met	Met	Met	Met	Met		

Results: We exceeded our FY 2015 target.

**Data Definition:** The number of non-disability SSI redeterminations completed in the fiscal year. This number includes scheduled (i.e., identified for review through profiling) and unscheduled reviews (i.e., reviewed because of changes that may affect payment), as well as targeted redeterminations (i.e., limited issue reviews).

**Data Source:** Integrated SSA Unified Measurement System Counts Report

## Strategic Goal 3: Serve the Public through a Stronger, More Responsive Disability Program

From fiscal year (FY) 2007 to FY 2015, initial disability claims increased about 10 percent, and our hearings workload increased over 30 percent. In FY 2015, our average processing time for hearing requests was 480 days, and the number of hearings pending was over one million. Although the agency made measurable progress through 2011 toward eliminating the hearings backlog, severe budget cuts combined with other key factors began to affect our progress adversely. Due to budget constraints, we were unable to open new hearings locations, and we continued to face difficulty in hiring a sufficient number of qualified administrative law judges. As a result, wait times for a disability hearing began to rise again.

While our customers expect us to make timely decisions, they also expect us to make the right decisions, appropriately and consistently applying our rules and regulations. We will continue to balance timeliness with an emphasis on quality and consistency in decision-making. We continue to look for ways to strengthen policies, improve processes, and increase the use of automation.

We recently received our second Deming Award for innovative training – this one for our data-driven, skills-based training program for administrative law judges, which focused on the critical thinking and analytical skills involved in applying our policies. To ensure the special training achieved the desired results, we developed a detailed review of decisional quality, comparing the pre-training hearing decisions to post-training hearing decisions against 84 metrics. After training, we found a 5 percent or greater improvement in 35 of the 84 performance metrics and a 2 - 4.99 percent improvement in 14 of the 84 metrics. Statistically speaking, this training had a significant impact on improving our administrative law judges' performance.

We also strive to provide timely and appropriate services to beneficiaries. We plan to meet the needs of our disability beneficiaries by increasing opportunities for those who want to return to work and by collaborating with other federal agencies to coordinate our disability programs.

### Strategic Objective 3.1: Improve the Quality, Consistency, and Timeliness of Our Disability Decisions

#### *Vision 2025 Priority: Innovative Organization*

We continuously strive to improve the timeliness, quality, and consistency of our disability processing times and decisions. We need to make sure our decisions are accurate and made at the earliest possible point in our process. We also need to ensure our policies are applied consistently across the country.

#### Strategies

- Expand use of management information to identify training needs and areas for improvement;
- Broaden use of case-analysis tools;
- Expand use of predictive modeling;
- Simplify policies;
- Collaborate with Bureau of Labor Statistics to collect updated occupational information; and
- Formalize our pre-decisional quality review processes to increase national uniformity.

#### Progress Update

The Social Security Administration, in consultation with the Office of Management and Budget, has highlighted this objective as a **focus area for improvement**. We took the following steps in FY 2015 to improve the quality, consistency, and timeliness of our disability decisions (see Key Initiatives and Performance Measures for more details):

- Completed Administrative Law Judge (ALJ) focus reviews to provide ALJs with feedback and training resources to improve the quality of decisions;

- Added the ability for all sites to process electronic adult initial continuing disability review in the electronic case analysis tool;
- Released the Electronic Bench Book version 5.0;
- Established a medical experts committee to advise on advancements relevant to making disability decisions;
- Made the inline quality review process more comprehensive;
- Increased hearing capacity by adding additional video hearing sites;
- Completed deliverables on the Bureau of Labor Statistics project; and
- Prepared for the receipt of data collected by the Bureau of Labor Statistics in September 2015.

### Next Steps

- Examine opportunities to develop new applications to address existing and emerging management information needs;
- Continue leveraging management information to identify training needs;
- Add functionality to the Electronic Case Analysis Tool to support additional claim types;
- Develop more functionality in the Electronic Bench Book;
- Continue development and testing of predictive modeling projects in the Office of Disability Adjudication and Review;
- Update research base for the vocational factors considered in disability evaluations; and
- Develop and submit at least three rules for public comment, five final rules, and three Social Security Rulings to update the medical listing of impairments.

### Risks and External Factors

The following risks or external factors may affect our efforts to improve the quality, consistency, and timeliness of our disability decisions:

- Hiring sufficient ALJs;
- Sufficient resources to add new functionality to our electronic tools;
- Ability to recruit and retain qualified data analytics staff to fill predictive modeling and data analysis gaps;
- Balancing high workload demands and quality assurance activities with staffing resources; and
- Ability to recruit and retain a skilled staff to process workloads.

### Key Initiatives

#### Enhancing the Electronic Claims Analysis Tool

We continue to enhance our web-based Electronic Claims Analysis Tool, which guides adjudicators through the sequential evaluation process for determining disability. Throughout the application, there are links to the policy that support each step of the process. The tool produces a detailed, policy-compliant explanation of the determination and stores the supporting documentation. A subsequent reviewer can then review the explanation to understand the decision maker's analysis and conclusions throughout the adjudication processes.

All disability determination services sites use the tool for initial and reconsideration level disability claims. In FY 2015, we enhanced functionality for processing electronic adult initial level continuing disability reviews. In FY 2016, we plan to add functionality to process childhood continuing disability reviews, as well as add enhancements in response to policy changes and input from its users. In FY 2017, we plan to add functionality to process adult reconsideration continuing disability reviews.

#### Expanding Use of Electronic Bench Book

The Electronic Bench Book is a policy compliant, web-based application that aids in documenting, analyzing, and adjudicating disability hearing cases consistently with our regulations. The Electronic Bench Book allows users to perform file reviews, capture hearing notes, and document decisional instructions. The Electronic Bench Book guides users through each step of the sequential evaluation process. We expect the systematic process will reduce errors,

improve consistency, and reduce remands to the Appeals Council while helping enhance and execute agency plans to modernize our systems.

Approximately 2,200 unique hearing office users are accessing the Electronic Bench Book each week and administrative law judges are using it to process decisional instructions on approximately 1,500 cases per week. Enhancements released in April 2015 enabled users to generate a case information summary with a single click. Additional backend and performance enhancements were implemented in June 2015.

In FY 2016, we plan to deliver a decision writing feature that fully integrates with MS Word giving decision writers both pre-population of some of the decision language as well as full word processing and editing capabilities. We also plan to streamline the application for ease of use and work on adding more templates.

In FY 2017, we plan on adding more templates and implementing instruction refinements.

### **Developing an Occupational Information System**

Currently, we rely on occupational information found in the Department of Labor's Dictionary of Occupational Titles to determine whether adult disability applicants can do their past work or any other work. The Department of Labor no longer updates its Dictionary of Occupational Titles because a new job placement tool called the Occupational Information Network has replaced it.

We have been working with the Bureau of Labor Statistics to develop a new web-based occupational information system. Our new web-based system will be easier to use and will increase the quality of disability decisions by providing current information about specific job requirements. Unlike the old system, which was a job placement tool, the new system will contain information needed to help us determine disability.

The new system will contain information about occupations' specific vocational preparations, physical demands, and environmental conditions. Unlike the prior system, the new system will contain the mental and cognitive requirements of occupations, enabling more standardized decisions for claimants with mental impairments.

Our policy experts worked with the Bureau of Labor Statistics in 2013 to define current mental and cognitive work demands. In 2014, the Bureau of Labor Statistics started testing the collection of the mental and cognitive work demands.

In early FY 2015, we conducted a large-scale preproduction test that included all data elements. In the summer of 2015, testing included direct observation of several occupations to help determine if the data collection methodology is valid. In September 2015, we used production data in disability adjudication. Fully populating the new system with occupational data will take about three years.

In FY 2016, we will continue analyzing the data from the FY 2015 preproduction test. We will use the data to develop a new information technology platform. We are planning a limited implementation in FY 2017. Testing and further reviews will continue into FY 2019. Full implementation is scheduled for late FY 2019.

### **Updating the Medical Listing of Impairments**

The medical Listing of Impairments (Listings) is one of the most effective tools used to make disability decisions. The Listings allow us to find a claimant disabled when his or her impairment meets specified medical criteria, without the need to consider age, education, or work experience. The Listings improve the consistency and accuracy of our decisions throughout all levels of the disability process.

We update the Listings on a three-to-five year cycle. During each cycle, we seek input from medical experts and other stakeholders to ensure the Listings reflect current approaches in medicine, science, technology, and the work environment.

In FY 2014, we published four rules for public comment, one final rule, and three Social Security Rulings in an effort to update and revise medical policy. In FY 2015, we developed and submitted four final rules and one Social Security Rulings for the medical listings for publication in the Federal Register. In both FY 2016 and FY 2017, we plan to develop and submit four final rules, two Social Security Rulings, and targeted updates for the medical listings for publication in the Federal Register.

### **Conducting Inline Quality Reviews**

The inline quality review of hearing level claims promotes consistency and continuous improvement in case processing by ensuring that:

- Case files are properly prepared and scheduled;
- Records are adequately developed; and
- Draft decisions are legally sufficient.

We initially conducted inline quality reviews on cases where senior attorney adjudicators drafted fully favorable decisions and on cases where files were prepared and ready to be scheduled for a hearing. We began the review in 2010, and in November 2013, we expanded the reviews to include cases drafted by decision writers. We increased the number of inline quality reviews from 2,590 in FY 2013 (0.4 percent of all hearing decisions) to 13,258 in FY 2014 (2.4 percent of all hearing decisions).

In FY 2015, we expanded the list of questions reviewers must answer when deciding if errors exist. There are now more than 100 questions. Because the reviews are more comprehensive than before, we are able to address more issues proactively. In FY 2015, we conducted almost 13,000 reviews (2.4 percent of all hearing decisions). Additionally, analyzing the findings from the reviews enables us to identify trends and areas for targeted training.

In FY 2016 and FY 2017, we will continue to review support staff work for quality and policy compliance. We also plan to explore adding more quality review specialists, as budgets permit.

### **Reducing the Pending at the Appeals Council**

As we decide more cases at the hearing level, the Appeals Council receives more requests for review of hearing decisions. Historically, we received approximately 100,000 requests for review annually. However, from FY 2011 until FY 2013, requests for reviews grew to 175,000 annually. While we saw a reduction in requests to 155,000 in FY 2014 and 149,000 for FY 2015, we finished FY 2015 with more than 150,000 cases waiting for review.

The Appeals Council replaced staff losses in FY 2015, and we continue to seek resources to expand the Appeals Council to address customer wait times.

We are focusing on decreasing the percentage of pending Appeals Council requests for review over 365 days old. In FY 2014, we completed about 162,000 Appeals Council requests for review, and in FY 2015, we completed over 150,000 cases. We will continue to adjust Appeals Council staff levels to reduce the Appeals Council backlog and meet any changes in capacity at the DDS and the hearings levels.

### **Hire Sufficient Administrative Law Judges to Ensure Public Access to Agency Services**

From FY 2008 to FY 2010, the Office of Disability Adjudication and Review made significant progress in reducing the pending of claimants waiting for an Administrative Law Judge (ALJ) hearing. However, our inability to hire ALJs in sufficient numbers due to the Office of Personnel Management (OPM) delays coupled with the Federal Government shutdown and budget constraints caused a public service crisis. Now more than one million claimants are waiting for a hearing, more than any other time in history.

We received a new list of ALJ candidates from the OPM in March 2014, but the lengthy hiring process resulted in us beginning FY 2015 with 35 fewer judges than we had at the beginning of FY 2014. We hired more ALJs as FY 2015 progressed, though not as many as we had budgeted for due to hiring setbacks. We ended the year with nearly 1,530 ALJs on duty, about 85 more than we had at the beginning of the year.

We expect to bring our pending cases below one million by the end of FY 2017.

## Performance Measures – Strategic Objective 3.1

### 3.1a: Ensure the quality of our decisions by achieving the DDS net accuracy rate for initial disability decisions

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	98% net accuracy							
<b>Target</b>	97% net accuracy							
<b>Target Met</b>	Met	Met	Met	Met	Met	Met		

**Results:** We have consistently met the target for this measure since FY 2010.

**Data Definition:** Net accuracy is the percentage of correct initial state disability determinations and is based on the net error rate (i.e., the number of corrected deficient cases with changed disability decisions), plus the number of deficient cases not corrected within 90 days from the end of the period covered by the report, divided by the number of cases reviewed.

**Data Source:** Disability Quality Assurance Databases

### 3.1b: Increase our ability to provide timely decisions by reducing the percentage of pending Appeals Council requests for review 365 days or older

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>			88%	91.1%	84%	82%		
<b>Target</b>			80% of cases pending less than 365 days	81% of cases pending less than 365 days	79% of cases pending less than 365 days	80% of cases pending less than 365 days	81% of cases pending less than 365 days	82% of cases pending less than 365 days
<b>Target Met</b>			Met	Met	Met	Met		

**Results:** We exceeded our FY 2015 target. At the end of FY 2015, 82 percent of our cases were pending less than 365 days. We have consistently met the targets for this measure since FY 2012.

**Data Definition:** The percentage of Appeals Council cases that are pending less than 365 days at the end of the fiscal year. The percentage is derived by dividing the number of Appeals Council cases pending 365 days or more by the total number of Appeals Council cases pending.

**Data Source:** Appeals Review Processing System

### 3.1c APG NEW: Improve customer service by reducing the wait time for a hearing decision (Agency Priority Goal)

Fiscal Year	2015	2016	2017
Performance			
Target		Decide 99% of the cases that begin the fiscal year at 430 days old or older	Decide 99% of the cases that begin the fiscal year 365 days old or older
Target Met			

**Data Definition:** For FY 2016, we will decide 99 percent of those cases that are 430 days old or older at the beginning of the fiscal year. For FY 2017, we will decide 99 percent of those cases that are 365 days old or older at the beginning of the fiscal year. We derive the percentage by dividing the total number of those targeted cases disposed during the fiscal year by the total number of those targeted cases identified during the fiscal year.

**Data Source:** Case Processing and Management System

### 3.1d: Complete the budgeted number of initial disability claims (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	3,161,314	3,390,936	3,206,869	2,987,883	2,861,895	2,759,432		
Target	3,081,000	3,273,000	3,173,000	2,962,000	2,947,000	2,767,000	2,695,000	2,810,000
Target Met	Met	Met	Met	Met	Not Met	Not Met		

**Results:** We did not meet our FY 2015 target.

**Data Definition:** The number of Social Security and SSI initial disability claims that state DDS offices and other agency components complete in the current fiscal year up to the budgeted number.

**Data Source:** National DDS System and Disability Operational Data Store

### 3.1e: Complete the budgeted number of disability reconsideration claims (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	735,067	828,010	808,521	803,194	757,198	723,485		
Target			787,000	787,000	778,000	739,000	702,000	715,000
Target Met			Met	Met	Not Met	Not Met		

Results: We did not meet our FY 2015 target.

Data Definition: The number of Social Security and SSI disability claims completed at the reconsideration level in the state DDS offices and other agency components in the current fiscal year up to the budgeted number.

Data Source: National DDS System and Disability Operational Data Store

### 3.1f: Complete the budgeted number of hearing requests (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	737,616	795,424	820,484	793,580	680,963	663,129		
Target	725,000	815,000	875,000	793,000	735,000	727,000	703,000	784,000
Target Met	Met	Not Met	Not Met	Met	Not Met	Not Met		

Results: We did not meet our FY 2015 target.

Data Definition: The number of hearing requests completed in the current fiscal year.

Data Source: Case Processing Management System

### 3.1g: Achieve the target number of initial disability claims pending (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	842,192	759,023	707,700	698,127	632,656	621,315		
Target	1,041,000	845,000	861,000	804,000	642,000	621,000		
Target Met	Met	Met	Met	Met	Met	Not Met		

Results: We made very good progress in reducing initial disability claims pending.

Data Definition: The number of Social Security and SSI initial disability claims pending in state DDS offices and other agency components at the end of the fiscal year.

Data Source: National DDS System and Disability Operational Data Store

### 3.1h: Achieve the target number of disability reconsiderations pending (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	157,977	164,049	197,788	173,472	170,255	143,540		
Target			184,000	220,000	174,000	143,000		
Target Met			Not Met	Met	Met	Not Met		

Results: We came very close to meeting our target for FY 2015.

Data Definition: The number of Social Security and SSI disability claims pending at the reconsideration level in state DDS offices and other agency components at the end of the fiscal year.

Data Source: National DDS System and Disability Operational Data Store

### 3.1i: Average processing time for initial disability claims (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	111 days	109 days	102 days	107 days	110 days	114 days		
Target	132 days	118 days	111 days	109 days	109 days	109 days	113 days	113 days
Target Met	Met	Met	Met	Met	Not Met	Not Met		

Results: We did not meet our target for FY 2015.

Data Definition: The number of Social Security and SSI initial disability claims that state DDS offices and other agency components complete in the current fiscal year up to the budgeted number.

Data Source: Management Information Central

### 3.1j: Average processing time for reconsiderations (Budgeted Workload Measure)<sup>3</sup>

Fiscal Year	2014	2015	2016	2017
Performance	108 days	113 days		
Target				109 days
Target Met				

**Data Definition:** We count the average number of days it takes to process a reconsideration disability claim from the date a reconsideration claim is filed in a field office to the time the state DDS office makes a determination.

**Data Source:** Social Security Unified Management System Appeals/Management Information Central

### 3.1k: Average processing time for hearing decisions (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	426 days	360 days	353 days	396 days (September only)	422 days	480 days		
Target	485 days	373 days	321 days	389 days (September only)	415 days	470 days	540 days	555 days
Target Met	Met	Met	Not Met	Not Met	Not Met	Not Met		

**Results:** We did not meet our FY 2015 target.

**Data Definition:** The average processing time is the cumulative processing time for all hearing requests processed divided by the total number of hearing requests processed in the fiscal year.

**Data Source:** Case Processing Management System

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<sup>3</sup> We developed management information for Average Processing Time for Disability Reconsiderations in FY 2013. FY 2014 was the first full fiscal year for which data was available for this measure. Now that we have had the opportunity to analyze at least two years of actual data, this year we developed a performance target for FY 2017.

### 3.1l: Achieve the budgeted goal for disability determination service case production per workyear (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	273	287	324	322	311	307		
Target	268	275	322	320	319	313		
Target Met	Met	Met	Met	Met	Not Met	Not Met		

Results: We did not meet our FY 2015 target.

**Data Definition:** The average number of all state DDS cases produced per workyear expended. A workyear represents both direct and indirect time, including overhead (time spent on training, travel, leave, holidays, etc.). It includes the time of staff on the DDS payroll, including doctors under contract to the DDS. The DDS case production per workyear is a national target.

**Data Source:** National DDS System and Disability Operational Data Store

### 3.1m: Achieve the budgeted goal for hearing case production per workyear (Budgeted Workload Measure)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	105	109	111	109	102	95		
Target	108	107	114	111	106	104		
Target Met	Not Met	Met	Not Met	Not Met	Not Met	Not Met		

Results: We did not meet our FY 2015 target.

**Data Definition:** The average number of hearings completed per direct workyear used. A direct workyear represents actual time spent processing cases. It does not include time spent on training, ALJ travel, leave, holidays, etc.

**Data Source:** Office of Disability Adjudication and Review’s Monthly Activity Report, Case Processing and Management System, Payroll Analysis Recap Report, Travel Formula, and Training Reports (Regional reports on new staff training, ongoing training, and special training).

## Strategic Objective 3.2: Maximize Efficiencies throughout the Disability Program

### Vision 2025 Priority: Innovative Organization

We remain committed to meeting the public's needs by using technology and tools that are cost effective for the taxpayer and convenient for our customers. We have a history of finding smarter, more cost-effective ways of doing business. With workloads still at high levels, we continue to explore new technologies and business processes to help cut costs, operate more efficiently, and provide the service that our customers expect and deserve.

### Strategies

- Enhance our ability to share workloads among our offices to maximize resources;
- Increase process automation; and
- Expand the use of health information technology (IT).

### Progress Update

We took the following steps in FY 2015 to maximize efficiencies throughout the disability program (see Key Initiatives and Performance Measures for more details):

- Implemented Agile practices in developing the consolidated Disability Case Processing System;
- Implemented the national skills-based routing system to increase field office telephone answering capability;
- Implemented data analytics and predictive modeling to identify disability applicants with severe medical conditions; and
- Expanded our health IT partnerships.

### Next Steps

- Continue developing a Disability Case Processing System capable of processing all case types by the end of FY 2016 (additional enhancements planned for FY 2017);
- Continue our participation in national and federal health IT policy and standards workgroups, ensuring our requirements are included; and
- Continue expanding the use of health IT for disability claims processing to increase the amount of medical evidence received and the number of states with participating providers.

### Risks and External Factors

The following risks or external factors may affect our efforts to maximize efficiencies throughout the disability program:

- Medical community's response time to our request for records – not all providers have the same electronic capabilities, so we must continue to provide a full range of response options, including traditional methods of obtaining medical records;
- The industry does not have electronic health record policies and standards that provides the specific health information we need for disability determinations; and
- Developing DCPS has been more complex and challenging than initially anticipated.

### Key Initiatives

#### Developing the Disability Case Processing System

In an ongoing effort to improve our effectiveness and efficiency in making timely, accurate disability decisions, we are modernizing our disability case processing system technology. The Disability Case Processing System will replace 54 independent legacy systems currently used throughout the disability determination services (DDS) offices nationwide.

The Disability Case Processing System will yield substantial benefits to the government and citizens by providing:

- Faster and more accurate case processing;
- Improved service to citizens;
- Reduced administrative costs; and
- Structured data that will support our fraud analytics efforts.

Developing the new system has been more complex and challenging than initially anticipated. Based on feedback from users, increasing program cost estimates, and extended timelines, we conducted a review of the project in early 2014. We implemented corrective actions later that year, including appointing a single accountable executive, restructuring the organization, and increasing user engagement.

In FY 2015, we focused our efforts on planning and analysis activities and implemented an Agile development approach. The Agile methodology uses shorter development cycles with frequent checkpoints. These shorter cycles help us identify issues earlier and enable us to be more responsive to changing user needs and priorities. We plan to develop and deploy the core product in FY 2016, adding additional functionality to process all types of disability cases throughout FY 2016 and 2017.

### Using Health Information Technology to Expedite Disability Decisions

Obtaining medical records electronically from health care organizations increases efficiencies in our disability determination process and dramatically improves service to the public by:

- Reducing the time to obtain medical records;
- Decreasing the time to complete a disability claim;
- Helping offset increasing workloads and staffing constraints; and
- Enabling computerized decision support.

We request more than 15 million medical records from about 500,000 providers for approximately 3 million initial disability claims annually. Our primary goal is to increase the volume of medical evidence received via health IT by expanding existing partnerships and adding new partners.

In FY 2015, we expanded our health IT partnerships from 3,143 to more than 7,000 providers and increased the number of organizations from 28 to 48. We also increased the number of states, plus the District of Columbia, with participating health IT providers from 29 to 33. We increased the percentage of initial disability claims with health IT medical evidence to 6.1 percent, exceeding our performance goal of 6 percent.



## Performance Measure – Strategic Objective 3.2

### 3.2a: Improve the disability determination process by increasing the percentage of initial disability claims using electronically transmitted health records and medical evidence (Health IT)

Fiscal Year	2014	2015	2016	2017
<b>Performance</b>	3% (84,779 initial claims)	6.1% (167,626 initial claims)		
<b>Target</b>	2.5% of initial disability claims processed with health IT medical evidence (75,000 initial claims)	6% of processed initial disability claims with health IT medical evidence (164,820 initial claims)	8% of processed initial disability claims with electronically transmitted health records and medical evidence (Health IT) (222,000 initial claims)	11% of processed initial disability claims with electronically transmitted health records and medical evidence (Health IT) (308,000 initial claims)
<b>Target Met</b>	Met	Met		

Results: We met our FY 2015 target.

Data Definition: Percent of initial disability claims processed with health IT medical evidence.

Data Source: Health IT Management Information Database for number of initial level health IT cases, Performance Management Reports for number of initial level disability cases

## Strategic Objective 3.3: Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work

### Vision 2025 Priority: Innovative Organization

To increase the numbers of beneficiaries returning to work, we must create clear, consistent employment incentives. The complexity of our rules and the fear of incurring an overpayment (because of earnings) discourage beneficiaries' attempts to work. We continue to:

- Look for ways to simplify work incentives and minimize improper payments due to earnings;
- Strengthen our employment support programs, including the Ticket to Work program; and
- Provide help for beneficiaries who want to work through the Work Incentive Planning and Assistance program.

To encourage beneficiaries' work efforts and prevent potential work-related overpayments, we updated our Supplemental Security Income (SSI) work incentive notices in 2013 to provide more information on our work incentive policies and clearly explain beneficiaries' reporting responsibilities. We encourage young people who receive SSI benefits to work and reduce their dependency on disability benefits. Recent agency-funded research has found that policy changes and improved services to young adults who receive SSI can sharply improve employment outcomes.

We focus our employment support efforts on ensuring that people who use those supports not only work, but also work at their maximum capacity, reaching self-sufficient earnings whenever possible.

We are working with other federal agencies to develop early intervention demonstration proposals that would provide resources and support to workers with disabilities to help them stay in the labor force as long as possible.

### Strategies

- Partner with the Departments of Education, Labor, and Health and Human Services to implement Promoting Readiness of Minors on SSI (PROMISE);
- Simplify work incentive policies and improve programs such as Ticket to Work and Vocational Rehabilitation Cost Reimbursement program; and
- Develop return-to-work demonstration proposals.

### Progress Update

We took the following steps in FY 2015 to enhance employment support programs and create new opportunities for returning beneficiaries to work (see Key Initiatives and Performance Measures for more details):

- Initiated the national evaluation of the PROMISE project;
- Promoted the use of Ticket to Work program to disabled beneficiaries:
  - Enhanced marketing campaign;
  - Resumed targeted ticket mailings in April 2015; and
  - Designed virtual job fairs to connect beneficiaries with federal contractors.
- Held a technical panel to develop a process to identify individuals with mental illnesses who are at risk of becoming beneficiaries; and
- Implemented new real-time online services to employment support service providers to assist them in providing better service to beneficiaries returning to work.

### Next Steps

- Continue evaluating and overseeing work incentive programs:
  - PROMISE project; and
  - Ticket to Work.

## Risks and External Factors

The following risk or external factor may affect our efforts to enhance employment support programs and create new opportunities for returning beneficiaries to work:

- Failure to achieve the work incentive programs' target numbers.

## Key Initiatives

### Improving Employment Support Programs

Many disabled beneficiaries want to work and, with adequate support, some beneficiaries attain self-sufficiency. The Ticket to Work program and the Vocational Rehabilitation Cost Reimbursement program help beneficiaries transition to employment.

Employment networks coordinate and deliver employment services under the Ticket to Work program. In addition to helping beneficiaries find jobs, the employment network staff also helps beneficiaries stay employed, advance in their jobs, and remain off the disability rolls.

We monitor the business practices of employment networks to ensure they provide quality services. We continue to develop clear performance goals to ensure employment networks support beneficiaries in gaining and sustaining long-term employment, economic security, and financial independence. We survey beneficiaries who are working with employment networks annually and provide the satisfaction results on a website. Beneficiaries can use the survey results and other information on the website to evaluate and select an employment network that best meets their needs, interests, and employment goals.

In June 2015, we began to conduct comprehensive reviews of employment networks. We will use the results of these reviews to ensure the networks are providing quality service to beneficiaries.

We are expanding our Internet Ticket Operation Support System (iTOPSS) to centralize the systems support for various applications in our return to work programs. Our partners can use iTOPSS to assign Tickets, request payment, report on beneficiaries' progress, receive marketing files, and access reports about their programs. Many actions in iTOPSS are real time, enabling both our partners and our beneficiaries to have access to the most current information available.

We are improving our beneficiary outreach and education efforts by expanding our Ticket to Work call center, Internet information, and social media tools (e.g., YouTube, Facebook, and Twitter). All our work incentive seminar events are now available via webinars.

While there were 84,027 new Tickets assigned during FY 2014 (a 26 percent increase in new Ticket assignments over the prior year), the net number of Tickets assigned or in use dipped from 321,218 at the end of FY 2013 to 316,363 at the end of FY 2014. However, the number of beneficiaries using Tickets who were removed from the disability rolls because they successfully returned to work increased from 8,682 to 10,529.

In FY 2014, we reported how many participating beneficiaries earned at least at the trial work level (\$770 per month in FY 2014) within a year of starting the program. In FY 2015 and beyond, we will report the number of disability beneficiaries who use their Tickets and earn above trial work level, regardless of how quickly they did so. Our reporting will provide data on beneficiaries each year (not cumulative) and will tell us how many program participants have earnings at least at the trial work level or higher in the reporting year.



We joined with many other federal agencies to plan for and implement new regulations published by the Department of Labor in FY 2014. The regulation encourages businesses awarded federal contracts to hire people with disabilities. As part of that effort, we began using our outreach tools to link beneficiaries participating in our employment support programs with federal contractors seeking to hire people with disabilities.

In FY 2015, our marketing contractor developed plans to host virtual job fairs to connect beneficiaries participating in the Ticket to Work program with federal contractors seeking to hire people with disabilities. We will also work with other federal agencies to help keep more people with disabilities in the workforce and off disability benefits.

In FY 2016 and FY 2017, we will continue to improve our outreach and job matching activities, focusing on bringing more beneficiaries and potential beneficiaries into the federal contractor workforce. We will continue hosting virtual job fairs and expect to see an increase in the number of working Ticket participants. The history of the Ticket programs suggests that Ticket assignments lag behind the Ticket mailings by up to 18 months. Therefore, we expect a measurable increase in assignments in FY 2016 and FY 2017.

### **Improving Employment Support Outreach to Targeted Working-Age Beneficiaries**

Historically, we told our beneficiaries about our work incentive programs by mailing them a paper ticket and brochure when they began receiving benefits. We stopped the mailings in June 2011 and resumed them in April 2015. We expect these mailings will increase awareness of the program and result in an increase in participation in FY 2016 and FY 2017.

We also make automated telephone calls to beneficiaries we determine are the most likely to return to work. The calls tell individuals about their eligibility for the employment services and support available through the Ticket to Work program. In FY 2015, we expect to send tickets to 60,000 beneficiaries ages 18-56.



## Performance Measures – Strategic Objective 3.3

### 3.3a: Increase the number of beneficiaries returning to work by achieving the target number of Social Security Disability Insurance and Supplemental Security Income disability beneficiaries with Tickets assigned and in use, who work above a certain level

Fiscal Year	2015	2016	2017
Performance	Data available April 2016		
Target	50,000 beneficiaries	55,000 beneficiaries	60,000 beneficiaries
Target Met	TBD		

**Results:** Our data will not be available until April 2016. We will report our performance for FY 2015 in next year's report.

**Data Definition:** The total number of Social Security Disability Insurance, Supplemental Security Income, and concurrent beneficiaries who used their Ticket to sign up with an employment network or state vocational rehabilitation agency and who have recorded quarterly earnings in the Office of Child Support Enforcement database that are at or above three times the trial-work-level.

**Data Source:** Office of Child Support Enforcement earnings database

## Strategic Goal 4: Build a Model Workforce to Deliver Quality Service

Our employees are the cornerstone of our organization and are critical to fulfilling our public service mission. Their commitment, along with our partners in disability determination services (DDS) offices across the country, allows us to provide dedicated and compassionate services to the public. We provide consultation, products, and services that foster solutions to critical workforce issues.

It is critical we maintain a quality workforce by creating a work environment that supports excellent service. Especially with our economic challenges, our employees are our most vital and valued asset. Their training, developmental opportunities, and institutional knowledge-sharing are a high priority, and we continue to invest in these areas.

As our employees' expectations change, we continue to seek ways to be an employer of choice. We are expanding flexible workplace options, such as telework, and creating more opportunities for skills development.

### Strategic Objective 4.1: Attract and Acquire a Talented and Diverse Workforce that Reflects the Public We Serve

#### *Vision 2025 Priority: Exceptional Employees*

We have one of the most diverse workforces among agencies our size. We take great pride in knowing our employees reflect the diversity of the people we serve.

To remain an employer of choice for top talent, we are improving our hiring processes by using modernized recruitment strategies, such as social networking tools and virtual job fairs. We will retain this talent by updating our human resources programs, and equipping employees with the essential tools and support needed to complete their work and communicate with people of all ages, education levels, and cultural backgrounds.

#### Strategies

- Compete for top talent through modernized recruitment strategies;
- Use hiring flexibilities and programs to expand qualified applicant pools;
- Market and expand use of hiring authorities for veterans and individuals with disabilities; and
- Bridge knowledge gaps with core competencies for mission-critical positions.

#### Progress Update

We took the following steps in fiscal year (FY) 2015 to attract and acquire a talented and diverse workforce (see Key Initiatives and Performance Measures for more details):

- Implemented modernized recruitment strategies such as:
  - Social networking tools;
  - Virtual job fairs; and
  - Promoting workplace flexibilities like telework.
- Used the following Pathways Programs for recruitment:
  - The Internship program;
  - The Recent Graduates program; and
  - The Presidential Management Fellows program.
- Hired a recruitment manager to support agency recruitment efforts.

#### Next Steps

- Implement agency recruitment plan;
- Develop marketing strategies;
- Share employment opportunities with veteran service groups; and
- Share employment opportunities with vocational rehabilitation agencies, employment networks, and college and university service coordinators.

## Risks and External Factors

The following risk or external factors may affect our efforts to attract and acquire a talented and diverse workforce that reflects the public we serve:

- Competition with the private sector to attract and retain talented individuals; and
- Lack of knowledge about federal job opportunities.

## Key Initiatives

### Focusing on the Employment of Veterans and Individuals with Disabilities

We honor the courage and sacrifice the men and women in our armed forces made during their active service. We also respect the skills gained during their service. Offering veterans career opportunities provides us with experienced employees and allows us to honor their service.

We also recognize the rich talent pool that exists among individuals with disabilities. We benefit from their experience as we develop strategies to improve our service to the American people.

Each fiscal year we establish goals for recruiting veterans and individuals with disabilities. Despite recent hiring limitations and budget constraints, we achieved or exceeded our commitments to hiring veterans and disabled workers.

In FY 2015, veterans represented 39.32 percent of our total hiring. Disabled veterans represented 18.57 percent of our total hiring. In FY 2016 and FY 2017, our hiring goals are 25 percent for veterans and 17.50 percent for disabled veterans. We expect to meet or exceed those goals.



We also employ individuals with targeted disabilities at nearly twice the rate of the Federal Government as a whole. In FY 2015, employees with targeted disabilities represented 2.02 percent of our total workforce.

In FY 2015, to assist with hiring and retaining both veterans and individuals with disabilities, we:

- Developed resources to guide recruiters, hiring officials, and managers throughout the hiring process;
- Issued a reminder to all employees about the reasonable accommodation process and the benefits and protections of self-identifying as an employee with a disability;
- Collaborated with federal, state, and local veteran support networks to communicate employment and internship opportunities, including the:
  - **Non-Paid Work Experience program**, offered by the Department of Veterans Affairs (VA) for disabled veterans, and
  - **Operation War Fighter Internship program**, offered by the Department of Defense for injured service men and women who are still on active duty, but awaiting medical discharge.
- Continued to participate in the Vocational Rehabilitation Internship Program (VRIP), which provides unpaid work experience to clients of state vocational rehabilitation agencies;
- Enhanced our web tool used by staff nationwide to request reasonable accommodation for customers. Staff can now track the status of their requests;
- Hosted events during National Disability Employment Awareness Month highlighting contributions made by our employees with disabilities. Events were also held showcasing assistive technology and explaining the reasonable accommodation process;
- Participated in job fairs, meetings, and other events targeted to veterans and individuals with disabilities;
- Worked with the VA to establish a national approval for a GI Bill on-the-job training benefit for five front-line positions, including benefit authorizer, claims authorizer, claims representative, service representative, and teleservice representative.

By working with groups like the VA, the Wounded Warrior program, vocational rehabilitation agencies, college and university disability services offices, armed forces job fairs, disability advocacy organizations, and other employment

networks supporting veterans and individuals with disabilities, we aim to create awareness of our employment opportunities.

For FY 2016 and FY 2017, we plan to expand the existing initiatives and add more initiatives. We will focus on developing retention strategies to support our hiring efforts.

### Highlighting the Pathways Programs (for Students and Recent Graduates to Federal Careers)

Students and recent graduates infuse our workplaces with new enthusiasm, talents, and perspectives. Our Pathways programs offer opportunities through three specific programs:

- **The Internship program** provides students in high schools, colleges, trade schools, and other qualifying educational institutions with paid opportunities to explore federal careers while completing their educations;
- **The Recent Graduates program** provides developmental experiences to individuals who, within the previous two years, graduated from qualifying educational institutions; and
- **The Presidential Management Fellows program** provides entry-level positions and leadership development for advanced degree candidates and recent advanced degree graduates.



Hiring through these programs enables us to offer participants clear career paths, along with meaningful training and development opportunities. These programs enhance our ability to attract and hire a talented and diverse workforce that reflects the public we serve.

In FY 2015, we hired about 15 percent of our new employees through the Pathways programs. As our budget allows, we will continue participating in the Pathways program to attract new employees.

## Performance Measures – Strategic Objective 4.1

### 4.1a: Maintain the target veteran and disabled veteran new hire percentage to improve their representation in our workforce

Veterans Hiring

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	17.33%	26.72%	36.78%	46.60%	41.28%	39.32%		
Target			26.72%	18.00%	25.00%	25.00%		
Target Met			Met	Met	Met	Met		

Disabled Veterans Hiring

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	8.72%	13.59%	15.49%	18.10%	19.68%	18.57%		
Target			14.59%	15.00%	16.49%	17.50%		
Target Met			Met	Met	Met	Met		

Results: We have exceeded our target for both veteran and disabled veteran hiring over the past four years.

#### Data Definition:

**Veteran Hiring:** For a given fiscal year, the percentage of overall permanent hires who are veterans (e.g., an employee who has been discharged or released from active duty in the armed forces under honorable conditions, has a 5-point or 10-point Veterans' Preference, has creditable military service, has an annuitant indicator, or has an appointment under either the Veterans Recruitment Appointment, the Veterans Employment Opportunities Act of 1998, or the 30 percent or more disabled veteran hiring authorities).

**Disabled Veteran Hiring:** For a given fiscal year, the percentage of overall permanent hires who are disabled veterans (e.g., an employee who has been discharged or released from active duty in the armed forces under honorable conditions and has a 10-point preference due to a service-connected disability). This category is a subset of the overall veterans hiring statistic.

Data includes full-time permanent and part-time permanent employees only.

Data Source: Federal Personnel and Payroll System Datamart

#### 4.1b: Strengthen workforce diversity by maintaining the representation of employees with targeted disabilities

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	1.9%	1.9%	1.9%	1.9%	2.0%	2.0%		
Target			2%	2%	2%	2%	2%	2%
Target Met			Not Met	Not Met	Met	Met		

Results: We met our FY 2015 target.

**Data Definition:** The percentage of the on-duty workforce, as of the end of the fiscal year (September 30), who self-identified as an individual with a targeted disability (e.g., an employee who has self-identified with one or more of the following physical or mental impairments: deafness, blindness, missing extremities, partial paralysis, complete paralysis, epilepsy, severe intellectual disability, psychiatric disability, or dwarfism).

Data includes full-time permanent and part-time permanent employees only.

**Data Source:** Federal Personnel and Payroll System Datamart

## Strategic Objective 4.2: Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public

### Vision 2025 Priority: Exceptional Employees

No matter how much automation we use to help us work more efficiently, we must equip our employees with the information and tools they need to perform every task well. Providing our employees with ongoing training ensures our employees can deliver outstanding service and meet our customers' needs.

### Strategies

- Ensure effective use of the agency's performance management systems to manage employee performance;
- Expand supervisor proficiencies;
- Prepare employees for future leadership opportunities;
- Develop methods to share subject matter expertise;
- Reduce skills gaps in mission-critical positions; and
- Provide employees with continued access to training and developmental experiences.

### Progress Update

We took the following steps in FY 2015 to strengthen the competency, agility and performance of our workforce (see Key Initiatives and Performance Measures for more details):

- Enhanced employee-management communications:
  - Acknowledged employee work contributions through monetary and honor award recognitions;
  - Expanded program efforts for knowledge management, managerial, and leadership development; and
  - Implemented Skills Connect pilot as part of our GovConnect initiative.
- Launched National Mentoring Program pilot;
- Implemented supervisor proficiencies plans and leadership initiatives:
  - Established internal leadership development programs; and
  - Rolled out Leadership Essentials for New Supervisors.
- Procured an updated Learning Management System with competency modeling capability;
- Worked with Office of Personnel Management to develop a framework for competency/skills development and assessment;
- Implemented Equal Employment Opportunity (EEO) One Stop, a comprehensive online library of up-to-date, legally compliant, uniform information about EEO laws, policies, and procedures, for employees, managers, and EEO practitioners nationwide; and
- Launched wEEO Radio, an innovative mechanism to disseminate EEO training to managers nationwide via bi-monthly "radio broadcasts" (teleconferences) in a talk show format.

### Next Steps

- Evaluate Skills Connect pilot and prepare for agency-wide launch;
- Assess merit-based execution of the Performance Culture gauged by evaluation of performance and award actions;
- Continue to enhance Performance Assessment and Communications System training; and
- Develop continuous learning programs for experienced supervisors and managers that will include an assessment and job coaching.

## Risks and External Factors

The following risks or external factors may affect our efforts to strengthen the competency, agility, and performance of our workforce to align with the needs of the public:

- Inability to replace employees at or near the attrition rate in previous years has resulted in ongoing skills gaps;
- Limited training and developmental opportunities for interested employees; and
- Insufficient training and support provided to current management and leaders.

## Key Initiatives

### Creating Management Training

We are building a cadre of leaders whose skills are transferable throughout our organization. Our Leadership Essentials for New Supervisors training integrates technical skills with leadership competencies, while emphasizing performance management.

In FY 2015, we assigned new supervisors to the LENS training. Following training, we conducted competency gap assessments to target future training.

In FY 2016, we will revise the curriculum based on participant feedback. Participants also have access to online resources, including a management discussion forum. We expect the forum will improve communication and knowledge sharing. Further enhancements planned for FY 2017 include automatically enrolling new supervisors within a month of their promotions.

### Reducing Skills Gaps

Identifying and reducing skill gaps at all levels of the organization is important for our success.

In FY 2015, we began developing competency assessments for two mission critical occupations in our operations area: the 105 Series Social Insurance Specialists and the 962 Series Contact Representatives. Additionally, we worked to reduce skills gaps in three other positions throughout the organization:

- Human Resources Specialists throughout the nation;
- Legal Assistants in our Office of Disability Adjudication and Review; and
- Social Insurance Specialists in our Office of Retirement and Disability Policy.

In FY 2016 and FY 2017, we will reassess the new models, conduct gap reduction activities, and continue to develop new models for other mission critical occupations.

Our efforts also align with the Cross-Agency Priority goal “Create a Culture of Excellence and Engagement to Enable Higher Performance”. More information on Cross-Agency Priority goals is available on [performance.gov](http://performance.gov).

### Focusing on Career Development Programs

Our future depends on developing employees’ leadership and management skills throughout their careers. One way we identify and develop potential leaders, helping ensure we have a strong succession management pipeline, is through our National Career Development Programs:

- **The Leadership Development Program** prepares employees for General Schedule (GS)-11 through GS-13 leadership positions. We will announce and select employees for this program in FY 2016; and
- **The Advanced Leadership Development Program** prepares employees for GS-14 and GS-15 leadership positions. The 2014 class will end in FY 2017.

These programs target employees with proven leadership potential. We strengthen their leadership skills through developmental assignments and formal training.

To help our experienced managers prepare for senior-level positions, we offer the Senior Executive Service Candidate Development Program. This program is a key element of our succession management strategy for filling future executive-level leadership vacancies.

In addition to our formal leadership programs, many of our employees gain leadership skills through progressively higher positions requiring greater levels of responsibility, accountability, and employee interactions.

### **Using SkillsConnect to Share Talent Across Our Agency**

The Office of Personnel Management recently partnered with federal agencies to implement GovConnect. GovConnect is a federal initiative designed to create a culture of excellence based on collaboration and teamwork within and across agencies.

SkillsConnect is our GovConnect pilot. SkillsConnect enables employees to use their existing skills, establish networks, and gain exposure to opportunities outside their own work areas. Participating employees remain in their current positions, and may work on a project for up to 20 percent of their workday for up to six months, depending on the project.

Our SkillsConnect pilot began in January 2015. One-third of our agency, approximately 21,000 employees, participated in the pilot. Based on our evaluations, which we started at the end of July 2015, we will work with stakeholders and make updates needed before launching the initiative agency-wide in FY 2016.

### **Enhancing our Human Resources Services Portal**

Our Human Resources (HR) business processes rely on several standalone applications, most requiring separate security access. Our enhanced portal provides one-stop shopping for our managers, employees, and specialists to access HR information and applications. Access is role-based, and where possible, we have implemented single sign on.

In FY 2015, we added links to existing services and information. We are also building a nationally available version of a regional application that interfaces with the federal personnel and payroll system data.

We expect to release an electronic version of SSA-7B Employee Record, by the end of the FY 2016. This application will allow managers and supervisors to view information displays with interactive functionality for their employees. We are planning additional releases in FY 2017.

### **Marketing Availability of On-Demand Training and Development**

We continue to promote our electronic libraries, online and distance training, and just-in-time training for employees. Our comprehensive online library delivers agency-specific content and training on new skills. It provides over 3,500 interactive courses, 49,000 eBooks, 4,800 leadership videos, 13,940 information technology desktop application videos, and 480 audio books. Most of the training sessions are less than an hour long, and employees can choose the format and training pace that accommodates their job, work location, and personal commitments.

In FY 2015, we used infomercials to advertise, educate, and inform employees of our available human resource services, programs, and soft skills training offerings.

### **Supporting Employees through Mentoring**

Mentoring is a dynamic developmental and learning partnership through which one person (mentor) shares knowledge, skills, information, experience, perspective, and wisdom to foster the personal and professional development of another (mentee) through ongoing communication.

To support our employees and help prepare them for future job requirements, we piloted our National Mentoring Program, which is open to all employees. Mentoring programs increase morale and organizational productivity and help participants plan their career paths.

The primary goal of the National Mentoring Program is to foster relationships that enhance personal and professional growth and development. Through the mentoring relationship, mentors have the opportunity to coach, guide, and share experiences, knowledge, and skills, which will help to foster an inclusive culture that leads to greater retention of well-experienced and empowered employees.

Our goals for the mentoring program are to:

- **Promote a “Knowledge-sharing Culture” to Support Succession Planning Efforts** - Mentoring facilitates knowledge sharing, while developing top talent and a pipeline of well-qualified candidates;
- **Facilitate Skill and Competency Development to Support Employee Talent Development** - Mentoring facilitates self-improvement, serving as a conduit for employee development, career planning, and sustaining optimum skills, competencies, and performance; and
- **Increase Employee Engagement to Improve Employee Morale and Retention** - Mentoring helps foster an inclusive culture and can lead to a greater retention of well-qualified and empowered employees.

## Performance Measures – Strategic Objective 4.2

### 4.2a: Strengthen workforce competence by improving our talent management index score

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	61%	62%	59%	55%	57%	59%		
Target						Increase the talent management index score to 60%	Increase the talent management index score to 61%	Increase the talent management index score to 63%
Target Met						Not Met		

**Results:** We did not meet our FY 2015 target; however, our talent management score increased from 57 percent in FY 2014 to 59 percent in FY 2015.

**Data Definition:** During a given year, the Office of Personnel Management uses data from seven Federal Employee Viewpoint Survey questions to determine the extent to which employees perceived the organization has the talent necessary to achieve organizational goals. The seven survey questions follow:

Question 1 - I am given a real opportunity to improve my skills in my organization.

Question 11 - My talents are used well in the workplace.

Question 18 - My training needs are assessed.

Question 21 - My work unit is able to recruit people with the right skills.

Question 29 - The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals.

Question 47 - Supervisors/team leaders in my work unit support employee development.

Question 68 - How satisfied are you with the training you receive for your present job?

**Data Source:** Office of Personnel Management – Federal Employee Viewpoint Survey

## Strategic Objective 4.3: Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement

### *Vision 2025 Priority: Exceptional Employees*

We have consistently ranked among the Top 10 Best Places to Work among large agencies in the Federal Government. Our employees believe strongly in our mission and in the work that they do for the American people.

We care about the well-being of our workforce and support their engagement at work. We know that the more effort we place on employee safety, collaboration between management and labor representatives, and agency-wide communication, the better the opportunities we will have to generate creativity and innovation.

### Strategies

- Promote work-life balance and employee well-being through workplace flexibilities;
- Ensure access to employee services (e.g., financial literacy, career development, work-life resources) regardless of location;
- Provide employees and managers with support to navigate complex personnel matters (e.g., employee conduct, performance, reasonable accommodations);
- Promote safety of employees through ongoing safety training and emergency preparedness activities;
- Engage labor organizations to promote collaboration and transparency; and
- Develop practices that facilitate open communication and understanding in order to enhance employee engagement and appreciation of our diversity.

### Progress Update

We took the following steps in FY 2015 to foster an inclusive culture that promotes employee well-being, innovation, and engagement (see Key Initiatives and Performance Measures for more details):

- Expanded employee telework participation;
- Promoted work-life balance support offered to employees;
- Used Diversity and Inclusion Council to pilot the National Mentor Program;
- Established an Employee Engagement Community of Practice;
- Switched to new digital emergency radio system;
- Surveyed employees to find out their experiences with diversity and inclusion;
- Established a program to identify and overcome barriers hindering our diversity and inclusion efforts; and
- Collaborated with our three labor unions on workplace issues and held reoccurring forums.

### Next Steps

- Identify and market potential career paths for employees;
- Expand the number of eligible employees participating in telework;
- Research and develop plan for reducing realty costs through initiatives like hoteling and shared workplaces;
- Continue labor management and employee relations forums; and
- Establish a web-based platform and electronic message board for employees to collaborate on work topics and engage in idea sharing.

### Risks and External Factors

The following risks or external factors may affect our efforts to foster an inclusive culture that promotes employee well-being, innovation, and engagement:

- Some employees are unaware of work-life support options or unable to take advantage of them;
- Lack of computers available to support telework expansion;
- Varying expectations and needs of a multigenerational workforce;
- Low employee morale; and
- Reaching labor agreements.

## Key Initiatives

### Improving the Employee Satisfaction

Our employees are essential to meeting our challenges and achieving agency goals. Therefore, it is important that we foster an environment that embraces employee engagement. Employee satisfaction is a priority for our agency. The Office of Personnel Management's (OPM) Federal Employee Viewpoint Survey (FEVS) results allows us to gauge employee satisfaction in various categories, such as work environment, workloads, employee development, employee programs, and leadership.

In response our FEVS results, we conduct a comprehensive analysis and, as a result, developed the Improving Employee Satisfaction Plan. The Plan summarizes the FEVS results and identifies our strengths, areas for improvement, and includes action steps. We update the Plan annually, after we receive our FEVS results.

We develop our action steps using the following information:

- Comprehensive analyses of the survey results to identify strengths, trends, and areas for improvement;
- Action-planning guidance from OPM, the Partnership for Public Service, and the Corporate Executive Board;
- Extensive review of current research, benchmarking studies, and best practices; and
- Input collected from our components, labor unions, advisory councils, management associations, the Human Capital Executive Steering Committee, and previous Improving Employee Satisfaction-related workgroups.



Our 2015 FEVS results showed that we have talented, dedicated, and hardworking employees who understand how their work relates to our mission. The results also identified employee development, work-life balance, effective leadership, and communication as areas that need our attention.

Our Plan serves as a roadmap for agency-wide change and improvement in employee engagement and satisfaction.

### Creating Management and Labor Forum Meetings and Predecisional Involvement Opportunities

We are committed to fostering a collaborative labor-management relationship with our three unions (American Federation of Government Employees, International Federation of Professional and Technical Engineers, and National Treasury Employees Union) through discussions during forums. Working with our unions before we make decisions on workplace issues is crucial for strengthening the labor-management relationship. The input and support of employees and management are critical to meeting our long-term public service commitment. We will continue to work collaboratively with employee representatives to ensure we deliver the highest quality service to the American people.

In FY 2015, we:

- Coordinated joint labor-management events, developed forum improvement objectives, and are working on areas of improvement reflected by the Federal Employee Viewpoint Survey (FEVS) Results;
- Developed an Executive Steering Committee consisting of union and management co-chairs, under the direction of Federal Mediation and Conciliation Service. There is also a relationship by objective committee, which meets monthly to discuss National forum improvements, plan agendas, and brainstorm ideas for improving relationships at all levels in the Agency;
- Met quarterly at the regional level to discuss specific issues affecting the region. In addition, Office of Disability Adjudication and Review forums met bimonthly;
- Established labor-management workgroups to address complex issues, plan joint labor-management relationship training and develop actions plans to improve work processes and communication; and
- Met with labor and management forum members to get pre-decisional input on our Skills Connect pilot, Job Experience Learning Program, and National Mentoring Program. We entered into an agreement on

SkillsConnect, and we entered into a memorandum of understanding on the job experience program and on the mentoring program.

In FY 2016 and FY 2017, we will continue using labor-management committees, workgroups, and forums to foster collaborative labor-management relationship with our unions. We plan to build additional relationships across regions and increase our pre-decisional involvement sessions.

### Highlighting Diversity and Inclusion

We serve a diverse nation and strive to recruit, promote, and retain a workforce that draws from all segments of society. We have a long-standing history of being among the most diverse federal agencies – a goal we achieved through careful planning and recruitment efforts.

Our *Diversity and Inclusion Strategic Plan*, developed in FY 2012, highlights proven best practices for attracting, hiring, and retaining a diverse workforce. The plan also describes how we can foster a work environment that draws on our collective talents, respects individual differences, and leverages diversity.

To sustain our commitment, we instituted a Diversity and Inclusion Council with representation from all levels of the agency, including senior leadership, labor, management associations, and Advisory Councils. The Council's ongoing mission is to provide overarching guidance and support for our diversity and inclusion efforts by recognizing employees' unique perspectives and contributions.

Our human resources staff collaborates with the Council on training, marketing, employee engagement, and outreach. Council members serve as role models and champions on initiatives that promote inclusiveness and leverage the diversity of our workforce.

Our diversity and inclusion practices help ensure we have a workforce that is representative of our customers and that we support Executive Order 13583, *Establishing a Coordinated Government-Wide Initiative to Promote Diversity and Inclusion in the Federal Workforce*.

We celebrate our individual differences and encourage full employee engagement by supporting these diverse Employee Advisory Councils within our workforce:

- American Indian and Alaska Native Advisory Council;
- Black Affairs Advisory Council;
- Hispanic Affairs Advisory Council;
- National Lesbian, Gay, Bisexual, and Transgender Advisory Council;
- National Women's Advisory Council;
- Pacific Asian American Advisory Council; and
- Veterans and Military Affairs Advisory Council.

Our Advisory Councils work with our Diversity and Inclusion staff and our executive leadership through the Diversity and Inclusion Council to help create an inclusive environment for our employees and provide excellent customer service to the diverse public we serve. The Advisory Councils provide ideas on improving services and promoting our programs in their respective communities.

Each year, we hold up to 12 commemorative programs or exhibits, recognizing groups that are under-represented in the Federal Government. In FY 2015, we held the first Unity Celebration, honoring workforce diversity beyond the under-represented groups and featuring exhibits highlighting our employees' varied nationalities.

## Supporting Work-Life Balance

Our Work-Life programs help our employees balance the demands of the workplace and their personal lives.

Telework provides employees with more flexibility and lower commuting costs, while still meeting the agency's needs. In recruiting, we find telework is a sought-after option, helping make us an employer of choice.

We have also seen an upward trend in our FEVS results related to telework satisfaction. Additionally, telework helps us address workspace issues. We will continue to expand telework, as equipment and job functions allow.

We are actively making other efforts to increase our ranking to place within the Top 5 Best Places to Work in the Federal Government. We promote family friendly policies, work/life services, and employee seminars on personal topics like financial literacy, fitness, stress management, and career development. We have also increased career opportunities across components.

In FY 2014, the agency implemented a new telework policy allowing employees to work in alternate locations, other than their official work locations. In FY 2015 and FY 2016, we will continue to increase participation in the agency's telework program.

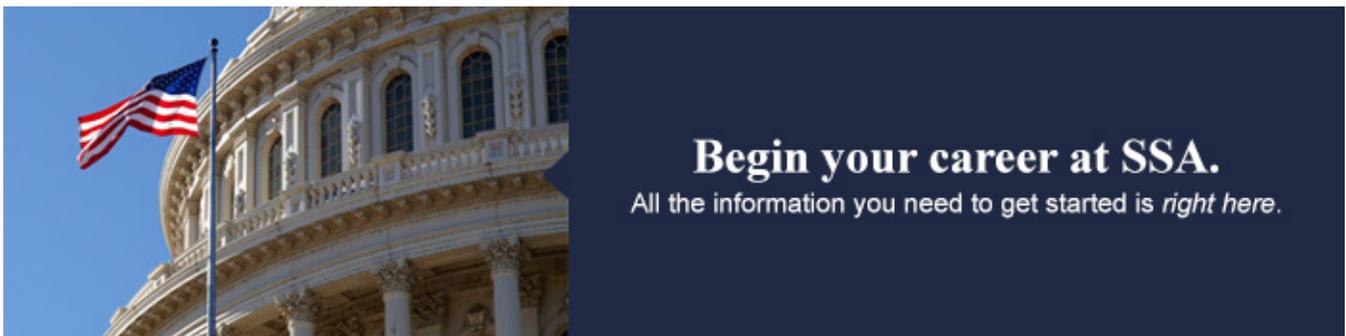
## Establishing an Employee Engagement Community of Practice

Developing and maintaining a strong partnership with our employees is essential to our success. Our new Employee Engagement Community of Practice helps strengthen our existing employee engagement and mission performance culture. The new Community of Practice will have representatives from each deputy commissioner-level office.

Our employee engagement score in the FEVS Engagement Index will be one of the measures we review to determine the Community of Practice's success.

To strengthen employee engagement, the Community of Practice group will focus on five key areas:

- **Discuss key FEVS/Improving Employee Satisfaction (IES) actions** from components and identify actions that could help other components;
- **Identify and share best practices** within components and work units with high engagement scores;
- **Identify areas needing attention** and help develop action steps;
- **Sustain successful approaches** by identifying supporting human capital policies and establishing strong outcome metrics; and
- **Monitor/update component IES plans** quarterly using HRStat, a quarterly, data-driven review of key performance metrics. Component-level IES plans will be tracked as part of the Community of Practice's work.



## Performance Measures – Strategic Objective 4.3

### 4.3a: Become one of the Top 5 Best Places to Work among large agencies in the Federal Government

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	Top 10 Ranking	Top 10 Ranking						
<b>Target</b>					Achieve a Top 10 Ranking	Achieve a Top 10 Ranking	Achieve a Top 5 Ranking	Achieve a Top 5 Ranking
<b>Target Met</b>					Met	Met		

**Results:** We met our FY 2015 target. Since 2007, our employees have ranked us in the top 10 [Best Places to Work in the Federal Government](#). In FY 2015, we ranked number 6 out of 19 large federal agencies.

**Data Definition:** During a given year, the Partnership for Public Service uses responses to three Federal Employee Viewpoint Survey questions to develop index scores. The Partnership for Public Service ranks Federal Government agencies based on the calculated index scores using a proprietary formula. The rankings provide a rating of employee satisfaction and commitment across government. The three Federal Employee Viewpoint Survey questions follow:

Question 40 - I recommend my organization as a good place to work.

Question 69 - Considering everything, how satisfied are you with your job?

Question 71 - Considering everything, how satisfied are you with your organization?

**Data Source:** The Partnership for Public Service

### 4.3b: Increase workplace flexibilities by expanding telework opportunities for employees

Fiscal Year	2014	2015	2016	2017
<b>Performance</b>	104% increase over FY 2013 levels (8,547 employees)	13,514 employees participating in telework		
<b>Target</b>	Increase the percentage of employees participating in telework by 100% over FY 2013 levels (8,200 employees)	Increase the number of employees participating in telework to 16,400 by the end of the fiscal year		
<b>Target Met</b>	Met	Not Met		

**Results:** In FY 2015, 13,514 employees participated in telework.

**Data Definition:** The agency is increasing the number of employees nationwide who telework (as reported to the Office of Personnel Management annually). We define telework as working arrangements in which employees work officially assigned duties at an alternative duty station.

**Data Source:** Office of Personnel Management, Annual Telework Data

### 4.3c NEW: Increase employee engagement as measured by the employee engagement index score

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
Performance	70%	72%	69%	67%	66%	68%		
Target							69%	70%
Target Met								

**Results:** Our Employee Engagement Index score increased from 66% in FY 2014 to 68% in FY 2015.

**Data Definition:** During a given year, the Office of Personnel Management uses responses from 15 Federal Employee Viewpoint Survey questions to develop the Employee Engagement Index scores. The Office of Personnel Management calculates the index scores by first determining the percent positive for each question in the subfactor indices. Then the unrounded percent positive scores are averaged across the questions in the index to get the index score. This subfactor index score is then rounded for reporting purposes. To create the overall Employee Engagement Index score, the unrounded subfactor index scores are averaged. This overall index score is then rounded for reporting purposes. The rankings provide a rating of employee satisfaction and commitment across government. The subfactor indices and Federal Employee Viewpoint Survey questions follow:

Subfactor Index: Leaders Lead (five items)

Question 53 - In my organization, leaders generate high levels of motivation and commitment in the workforce.

Question 54 - My organization’s leaders maintain high standards of honesty and integrity.

Question 56 - Managers communicate the goals and priorities of the organization.

Question 60 - Overall, how good a job do you feel is being done by the manager directly above your immediate supervisor/team leader?

Question 61 - I have a high level of respect for my organization’s senior leaders.

Subfactor Index: Supervisors (five items)

Question 47 - Supervisors/team leaders in my work unit support employee development

Question 48 - My supervisor/team leader listens to what I have to say.

Question 49 - My supervisor/team-leader treats me with respect.

Question 51 - I have trust and confidence in my supervisor.

Question 52 - Overall, how good a job do you feel is being done by your immediate supervisor/team leader?

Subfactor Index: Intrinsic Work Experience (five items)

Question 3 - I feel encouraged to come up with new and better ways of doing things.

Question 4 - My work gives me a feeling of personal accomplishment.

Question 6 - I know what is expected of me on the job.

Question 11 - My talents are used well in the workplace.

Question 12 - I know how my work relates to the agency’s goals and priorities.

**Data Source:** Office of Personnel Management – Federal Employee Viewpoint Survey

## Strategic Objective 4.4: Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs

### Vision 2025 Priority: Exceptional Employees

Large multilayered organizations often lack the agility to keep up with the frequent changes required to address public service needs. We will analyze our current workforce and develop strategies to meet our future organizational needs. Using workforce restructuring and reshaping programs, we will develop approaches to streamline and align our workforce. Our approaches will be supported by data analysis and forecasting to ensure we are prepared for the near term and for future service delivery needs.

### Strategies

- Use workforce restructuring and reshaping programs (e.g., Voluntary Early Retirement Authority) to adjust and align the workforce with agency needs;
- Use human resource management information and data analytics to conduct effective workforce planning and forecasting that assists leaders in making data-driven decisions;
- Conduct data-driven performance reviews to assess, monitor, and track alignment of human capital programs with service delivery needs; and
- Utilize effective management principles to optimize organizational structures and workforce composition as we automate processes and expand self-service.

### Progress Update

We took the following steps in FY 2015 to enhance planning and alignment of human resources to address current and future public service needs (see Key Initiatives and Performance Measures for more details):

- Drafted Retirement Wave report analysis to address workforce challenges;
- Restructured agency workforce;
- Held first integrated performance improvement officer/HRStat session;
- Approved analytics projects for the analytics hub pilot; and
- Released two video-on-demand training sessions on:
  - Performance management; and
  - The importance of communication for managers.

### Next Steps

- Continue transition to competency-based human capital management;
- Produce an annual workforce analysis performance report using HRStat;
- Integrate at least one process or program into HRStat Review process;
- Pilot at least one project for the analytics hub;
- Continue to hold quarterly HRStat data driven reviews;
- Conduct a comprehensive study of new hire population;
- Release third video installment on performance management for managers; and
- Use Federal Employee Viewpoint Survey for HR performance data analyses.

### Risks and External Factors

The following risks or external factors may affect our efforts to enhance planning and alignment of human resources to address current and future public service needs:

- Ability to recruit and retain subject matter expertise in data analytics;
- Insufficient human resources staff to align agency priorities with public needs; and
- Limited access to latest technology supporting data-driven performance.

## Key Initiatives

### Implementing HRStat Review Process

Our HRStat reviews provide the information we need to determine our strengths and weaknesses, monitor program implementation, and evaluate our performance of our human capital initiatives and metrics. HRStat also enables us to track interim results of our human capital planning.

As part of our HRStat approach, we conduct quarterly data-driven human capital reviews. Senior executives review each quarter's outcomes to monitor our human capital outcomes.

For our initial FY 2015 HRStat session, we reviewed metrics and developed goals. We expect to meet or exceed established targets in 75 percent of the measures.

We also integrated our Human Capital Operating Plan initiatives into our HRStat review process. During quarterly review sessions, we monitor progress and develop strategies to address challenges.

By FY 2016, we expect HRStat to be implemented as a core business process.

### Using Applicant Flow Data

We must attract, develop, and retain a world-class workforce that delivers results for the American people. We strive to provide a level playing field and the opportunity for employees to achieve their potential.

One tool we use to examine our recruitment efforts is Applicant Flow Data. Applicants using [USAJobs.gov](http://USAJobs.gov) can provide demographic information, including sex, ethnicity, and race, and how they learned about the position. Applicant Flow Data refers to the analysis of this information to determine selection rates among different groups for particular jobs.

We use this information to:

- Examine the fairness and inclusiveness of recruiting efforts;
- Determine whether recruitment efforts are reaching all segments of the population, consistent with federal equal employment opportunity laws;
- Identify barriers to employment and best practices at each stage of the hiring process: application, qualification, referral, and selection; and
- Target resources to address strategic challenges.

Collecting demographic data, including Applicant Flow Data, is an integral part of the process we use to identify barriers (in compliance with the policy guidance provided in the Equal Employment Opportunity Commission's Management Directive 715).

In FY 2016 and FY 2017, we will continue to analyze the data by components, regions, major occupations, and grade levels. As we identify differences in selection rates among different groups in a particular component or region, we will work to address those challenges.

### Implementing the Human Capital Operating Plan

Human capital is a major concern for leaders across the government. Federal leadership faces the challenge of recruiting, retaining, and developing a talented workforce in a tight fiscal climate. In the face of increasingly complex and demanding realities, we must have employees with the right skills, in the right places, at the right times to achieve our mission.

The Human Capital Operating Plan represents our commitment to renew our focus on human capital and succession management. The plan aligns with, and supports, the goals of our [Agency Strategic Plan for Fiscal Years 2014 – 2018](#) and [Vision 2025](#). Our plan includes a mandate to build a model workforce to deliver quality service as one of our five strategic goals.

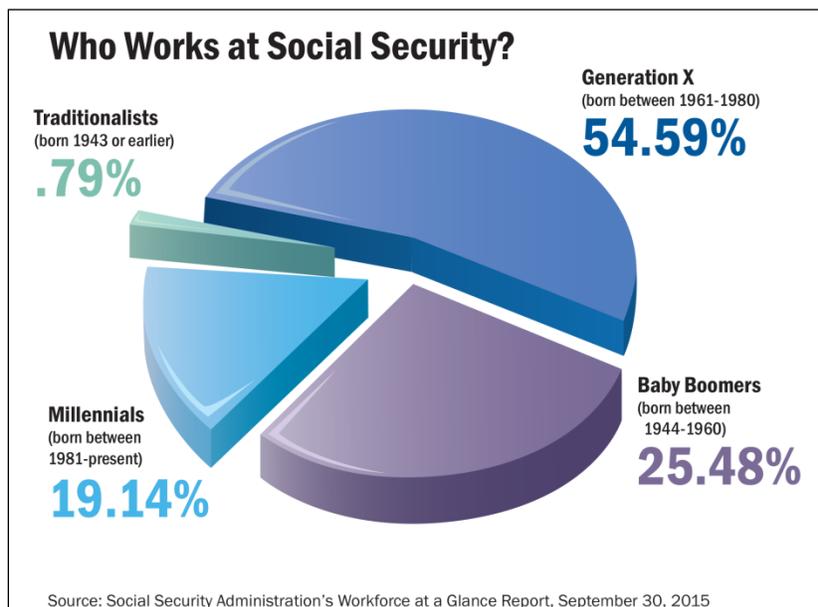
Our plan includes an analysis of our current and future workforce, identifies agency-specific initiatives, milestones, and outcome metrics, and focuses on the following key areas:

- Transform the agency into an employer of choice;
- Transition to competency-based human capital management;
- Expand leadership and core competency skill development; and
- Establish an integrated and collaborative human capital management framework.

Human capital management encompasses the process of managing how people are hired, developed, deployed, motivated, and retained. It builds upon the traditional model of HR by focusing on results. It also seeks to align HR decisions and investments more directly with our agency’s mission, goals, and objectives.

We must adopt a more proactive and data-driven approach toward managing human capital to meet the needs of our future workforce. Further, we must commit adequate training resources to ensure staff remains fully prepared to provide quality service both now and in the future.

This initiative, coupled with the resources and governance structure to monitor success, provides a solid foundation for achieving a reimagined, revitalized effort toward the attraction, acquisition, development, engagement, and retention of our greatest asset – our employees.



### Analyzing Retirement Wave Analysis

We continue to face the challenge of a workforce that is decreasing while service demands increase. Our employees are essential to providing outstanding service to the public. Steady losses of employees from retirements present a unique opportunity to reshape our workforce. With just over 16 percent of our workforce eligible to retire, we will continue to build generational bridges and create an environment that focuses on developing a culture of continuous learning.

In FY 2015, we developed the FY 2015-2024 *Retirement Wave Report*. This report provides valuable workforce data that our decision-makers can use for human capital and financial management decisions. We analyzed and provided information on actual retirements, retirement eligibility, and retirement projections. This analysis gives an outlook on how our workforce may change over time. We will look for ways to prevent gaps and build the succession bench to guarantee continuity of the quality of service to the American public.

## Performance Measures – Strategic Objective 4.4

### 4.4a: Lay the foundation for building a 21st century workforce by meeting or exceeding targeted Human Resources measures

Fiscal Year	2014	2015	2016	2017
Performance	77%	83%		
Target	Achieve 75% of the human capital metrics	Achieve 75% of the human capital metrics	Achieve 78% of the human capital metrics	Achieve 80% of the human capital metrics
Target Met	Met	Met		

**Results:** We achieved 83% of the human capital metrics, exceeding our goal of 75%.

**Data Definition:** After the end of the fiscal year, we determine the number of initiatives that met or exceeded the established target. We divide the number of metrics where we achieved the selected targets by the total number of initiatives that we monitored throughout the fiscal year.

**Data Source:** Office of Personnel Management’s Federal Employee Viewpoint Survey, Federal Personnel and Payroll System, Human Resources Operational Data Store, Office of Personnel Management’s Applicant Satisfaction Survey, Office of Personnel Management’s Manager Satisfaction Survey.

## Strategic Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services

As the demand for our agency's services increases, the American public expects to interact with us using every technology available to them. Online and mobile service options are in high demand for those who prefer electronic channels, yet some people and some services still require in-person assistance at a field office.

A robust and cost-effective information technology (IT) environment is at the core of every service our agency provides for the American public and for our employees. We support our mission-critical business and service operations by designing, deploying, and maintaining one of the Nation's most sophisticated IT infrastructures.

With advances in technology, come increased security risks. Ensuring information and systems security is vital, and enhancing our cyber security protection is an ongoing task. When fully operational, our new data center, the National Support Center, will serve as the hub for our information technology operations. The National Support Center opened in September 2014, and we expect to complete the full systems migration by the end of 2016. We have planned carefully to ensure there is no service interruption during the transition.

### Strategic Objective 5.1: Maintain System Performance and the Continuity of Information Technology Services

#### *Vision 2025 Priority: Innovative Organization*

Technology is essential to everything we do. If our systems experience a problem, our productivity and service immediately decline. Maintaining strong IT performance is vital, despite rising IT demands, increasing cyber security risks, and constant industry changes.

We rely on a large and complex technology infrastructure. Our infrastructure includes dual data centers, extensive national databases, hundreds of software applications, large supporting computing platforms, and thousands of networked computers, printers, telephones, and other devices. Change to our IT infrastructure is constant, and we will ensure responsive, reliable performance.

Our two data centers, the National Computer Center and the Second Support Center, maintain beneficiary demographic, wage, and benefit information, enabling us to promptly and accurately make benefits payments. The National Computer Center has been in continuous operation since 1980.

As part of the *American Recovery and Reinvestment Act of 2009*, Congress approved funding to build a new data center. All current production data center operations now housed in our aging National Computer Center will transition to the new National Support Center in 2015 and 2016. The new center will provide increased capacity and improved operational reliability and efficiency.

#### Strategies

- Successfully transition to the new National Support Center; and
- Maintain responsive, reliable system performance.

#### Progress Update

The Social Security Administration, in consultation with the Office of Management and Budget, has determined that performance toward this objective is making **noteworthy progress**. We took the following steps in FY 2015 to maintain system performance and the continuity of information technology services (see Key Initiatives and Performance Measures for more details):

- Set up new IT infrastructure at the National Support Center, as scheduled; and
- Maintained system continuity, as planned.

## Next Steps

- Continue transition plan to the National Support Center; and
- Maintain current systems reliability metrics throughout the transition to the National Support Center.

## Risks and External Factors

The following risk or external factor may affect our efforts to maintain system performance and the continuity of information technology services:

- New legislation, changing technology, and high volumes of workloads may affect planned activities.

## Key Initiatives

### Enhancing Our Infrastructure

Our new National Support Center will dramatically increase our computing power, reduce our energy consumption, and provide the foundation for future infrastructure enhancements. We completed the IT infrastructure set up in April 2015, and by August 2016, all IT services should be completely migrated to the new center.

We designed the facility to be Leadership in Energy and Environmental Design Gold certified. Minimal staffing, lighting most areas only when staff are present, and managing the infrastructure remotely will help reduce energy costs. Innovative heating and cooling systems will also help reduce costs. For example, when outside temperatures are below 55 degrees (about 145 days each year), there will be practically no cooling costs.

Over the next several years, we will implement several technologies including high-speed disc replication, dynamic load balancing with high bandwidth connectivity between data centers, additional data center capacity, and automatic failover and staging systems.

### Maintaining Systems Performance While Transitioning to the National Support Center

Moving our data infrastructure is no simple task. The transition is a complex process and the nature of our business requires continuous operation. Our goal is to provide uninterrupted service during the transition from our National Computer Center in Baltimore to the new National Support Center in Western Maryland.

Our service migration began in October 2014 and will continue until August 2016. Our multiyear strategy includes using the latest technological advances to enhance the capacity, flexibility, and performance of our IT environment and infrastructure.

Our migration project recently received the 2015 Project Management Excellence Award from the Government Information Technology Council. A panel of government and industry representatives selected the winner, based on six criteria: significant mission outcomes, cost savings, risk management, customer experience, innovative approach, and quality assurance.

### Improving Information Technology Cost and Performance

We use proven technologies to lower IT cost and improve performance. As part of our capital planning and investment control process, we evaluate the cost of IT projects in terms of their return on investment.

We adopt new technologies to provide stable and high-performing environments, like:

- **Server consolidation:** Buying fewer, larger servers;
- **Server virtualization:** Dividing one large server into smaller sections which operate as individual servers, running their own operating systems and applications;
- **Data deduplication:** A specialized data compression process used to identify data chunks and reference them, instead of repeat them;
- **Hot aisle containment:** Installing a physical barrier to direct hot air exhaust to the air conditioning return system, increasing cooling efficiency;
- **High density computing:** Maximizing a computer's performance as much as possible in the smallest amount of space possible with as little heat as possible; and
- **Cloud computing:** Internet-based, instead of hard-drive based.

## Performance Measures – Strategic Objective 5.1

### 5.1a: Provide uninterrupted access to our systems during scheduled times of operation

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017
<b>Performance</b>	99.84% availability	99.89% availability	99.9% availability	99.96% availability	99.97% availability	99.96% availability		
<b>Target</b>			99.5% availability	99.5% availability	99.5% availability	99.5% availability	99.5% availability	99.5% availability
<b>Target Met</b>			Met	Met	Met	Met		

**Results:** We have consistently exceeded this target since FY 2012. In FY 2015, we provided uninterrupted access to our systems 99.96 percent of the time during scheduled times of operation.

**Data Definition:** We define enterprise availability as a weighted total availability of service channel mission-critical applications for all our customers. We consider an application available when the end user can perform all business functions within the application with reasonable response times. The weighting takes into account the relative impact that an outage could have on our customers, considering both the functionality and the service hours that are potentially affected. Six different service channels (i.e., online, electronic disability process, Internet, telephone, data exchange, and weekend online services) and accompanying applications are included. Mission-critical services in our enterprise availability include:

- Self-service Internet benefits applications;
- Automated telephone menu data applications;
- Email and case processing systems used by our direct support staff or by our partnering disability determination services staff; and
- External business services, including application services between us and other federal agencies, as well as data exchange systems used by our governmental or business partners.

**Data Source:** Hewlett-Packard OpenView Service Center (data is limited to Critical Application Severity 1 outages)

## Strategic Objective 5.2: Enhance and Execute Plans to Modernize Our Systems

### Vision 2025 Priority: Innovative Organization

Our information technology (IT) solutions are constantly evolving as we meet our business needs with stable, modern technologies. We support and employ technologies championed by the Federal Chief Information Officer Council and the Federal Information Technology Reform Plan, such as:

- Digital government;
- Shared services;
- Modular development;
- Near 24/7 system availability; and
- Cloud (Internet-based) computing architecture.

We are revising our computer code, once dominated by older programming languages (e.g., Common Business Oriented Language and Assembler Language Code) to provide a better balance of more modern code while maintaining older, highly functioning code. Improving the presentation and usability of our older systems, while removing technical risks, continues to be our focus.

As funding permits, we invest in new business applications, while improving existing applications and infrastructure. We incrementally modernize our older software applications based on business opportunity and technical risk. We continue to enable newer, more adaptable technologies, when appropriate, while maintaining the code base and systems supporting the services we provide the American public every day.

### Strategies

- Refresh IT planning activities to effectively prioritize and manage IT investments;
- Employ technology to extend service, mitigate risk, and reduce cost; and
- Assess application portfolios, focusing on cost, business value, and technology sustainability.

### Progress Update

We took the following steps in FY 2015 to enhance and execute plans to modernize our systems (see Key Initiatives and Performance Measures for more details):

- Enhanced our annual application portfolio management review by combining data collection and detail analysis; and
- Implemented additional fraud detection algorithms to detect potential fraud.

### Next Steps

- Expand use of our application portfolio management process to applications developed outside the Office of Systems;
- Expand antifraud applications, identifying both internal and external threats; and
- Convert selected databases to relational database technology.

### Risks and External Factors

The following risks or external factors may affect our efforts to enhance and execute plans to modernize our systems:

- Modernization of some systems is delayed because they are currently stable and running smoothly;
- Subject matter experts who fully understand underlying business processes behind legacy systems are approaching retirement – thus we may lose institutional knowledge before those systems are migrated into new platforms; and
- Legislative changes and other federal mandates often require reallocation of scarce resources.

## Key Initiatives

### Modernizing Older Software Applications

We manage our IT application portfolio the same way individuals manage their investment portfolios. First, we evaluate existing software applications to ensure they meet our business goals while fitting into our overall IT plan. Then we use those evaluations to retire, modernize, or maintain the applications.

Our application portfolio management practice includes ongoing reviews of all our applications.

Modernization efforts include:

- Updating database designs by converting them to relational databases;
- Eliminating the use of Assembler Language Code;
- Replacing outdated user interfaces;
- Upgrading infrastructure; and
- Integrating our services more completely.

### Improving Information Technology Governance and Architectural Planning

IT governance and architectural planning covers a wide range of systems development and planning activities related to standards and regulations, systems management, life-cycle support, user groups, performance and availability, and new technologies. Governance helps ensure that we adhere to our policies and to federal IT requirements.

We provide IT governance and planning through our:

- Architecture Review Board;
- Infrastructure Review Board;
- Design Review Board;
- Enterprise data architects;
- Solutions architects;
- Security Architects; and
- Enterprise Architects.

These groups provide support for the design, installation, and maintenance of the hardware and software needed to ensure a reliable, efficient, and effective environment for all of our platforms.

### Enhancing the *my* Social Security Portal

We plan to redesign the *my* Social Security portal to enhance our customers' experience, provide greater protection for the public's data, and expand our secure online service options.

The redesign will provide critical enhancements to the *my* Social Security portal, allowing for new tabs for additional online services. The new tabs will group similar online services within the *my* Social Security portal, making the portal easier to navigate and enhancing our customers' experience.

The redesign will also add more robust anti-fraud and authentication capabilities to the *my* Social Security portal. The enhancements will provide users with a secure way to request replacement Social Security number cards online. As we expand our online service options, we are committed to providing secure online services both now and in the future.

Enhancing the *my* Social Security portal is vital to the success of our online services. We are adding responsive design so that our online services are available to our customers across a variety of devices (i.e. customer service stations, tablets, mobile devices, etc.). Enhancements will affect both current and future applications scheduled for release in FY 2016. Additionally, the redesign will plan for services coming behind the portal to ensure appropriate space is available.

In FY 2016 and FY 2017, the redesign project will include:

- Enhancing security for the online Social Security number replacement card functionality;
- Enhancing online fraud detection capabilities;
- Adding responsive design to the *my* Social Security portal; and
- Adding tabs within the portal to group services to improve the customer experience.

## Performance Measures – Strategic Objective 5.2

### 5.2a: Enhance systems performance and reliability by upgrading the telecommunications infrastructure in our offices

Fiscal Year	2014	2015	2016	2017
<b>Performance</b>	Upgraded infrastructure to better incorporate new technologies	Refreshed 100% of our network connection devices		
<b>Target</b>	Complete the infrastructure upgrade to incorporate modern technologies that support future Internet and network capacity needs and new capabilities	Refresh 50% of our network connection devices by September 30, 2015		
<b>Target Met</b>	Met	Met		

**Results:** We exceeded our goal by refreshing 100% of our network connection devices.

**Data Definition:** This target provides for the design, installation, implementation, monitoring, and maintenance of our Wide Area and Local Area Networks and the connectivity to these network services to end users nationwide. It also provides the communication medium through which our employees receive data such as voice and video, administers the Network’s services agency-wide, and the exchange of data with other federal and state agencies. The projects in this initiative involve the National 800 Number, Satellite and Wireless Communications Solutions, Video Teleconferencing, fax, Voice over Internet Protocol, Electronic Messaging, and the procurements of system hardware and software services.

**Data Source:** Our Wide Area and Local Area Networks and Connectivity Plan

**5.2b NEW: Improve customer service by using information technology to provide new online services to users of *my Social Security***

Fiscal Year	2015	2016	2017
Performance			
Target		Implement new fraud and authentication capabilities to enable customers to obtain replacement Social Security Cards securely through the <i>my Social Security</i> portal	Modernize the <i>my Social Security</i> portal framework to speed the integration of service offerings and to better group available functions together to focus on targeted user groups
Target Met			

**Data Definition:** This target improves access to our online services by providing citizens a way to request and obtain a Social Security replacement card through the *my Social Security* portal.

**Data Source:** Social Security Administration, Office of Systems

## Strategic Objective 5.3: Incorporate Innovative Advances in Service Delivery

### Vision 2025 Priority: Innovative Organization

Advances in computer technology, the increase of high-speed networks, and widespread use of mobile technology have reshaped our service channels. Our customers expect us to provide exceptional service, regardless of the technology they use.

We are constantly reviewing emerging technologies, and we are planning effective, efficient service delivery options based on our research. As we develop new options, we are targeting areas where reengineering is most needed.

We actively participate in the Federal Chief Information Officers Council and leverage the expertise of industry experts, as well as our own business and technical staffs, to develop the most effective solutions for our customers and our employees. Additionally, we are participating in the Federal Strategic Sourcing Initiative for Desktops and Laptops to support our infrastructure enhancement efforts.

### Strategies

- Deliver accurate, convenient, and flexible agency systems and services in a cost-conscious manner;
- Explore the use of emerging technologies to improve service and increase efficiency; and
- Engage and benchmark private and public IT communities to ensure the timely identification of important Key Initiatives.

### Progress Update

We took the following steps in fiscal year (FY) 2015 to incorporate innovative advances in service delivery (see Key Initiatives and Performance Measures for more details):

- Tested several new emerging technologies in our lab;
- Developed an agency-wide strategy for video service delivery; and
- Continued participation in the Federal Chief Information Officers Council.

### Next Steps

- Continue to support and maintain the testing lab with current devices based on trending internal and external usage patterns.

### Risks and External Factors

The following risks or external factors may affect our efforts to incorporate innovative advances in service delivery:

- The public demands more sophisticated, integrated service channels to supplement our traditional structure; and
- Implementing and maintaining customer service stations may not be cost effective.

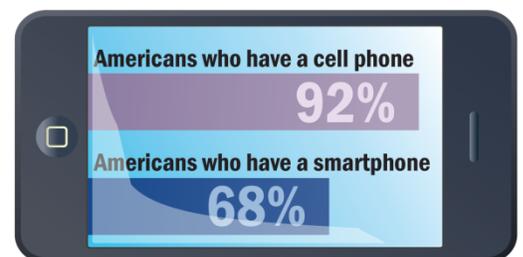
### Key Initiatives

#### Enhancing our National 800 Number Infrastructure

With our new National 800 Number infrastructure fully implemented, enhancements for FY 2014 focused on strategic planning and day-to-day management of our call centers to improve performance.

Those enhancements improved speech recognition, enabling callers to complete their business using our automated services.

In FY 2015, we implemented a set of standard indicators designed to help us gauge how our agents are performing. In addition, we developed tools to help managers work with agents to improve their customer interaction skills.



Source: Pew Research Center Internet Project Survey, October 2015.

By the end of FY 2016, under our new National 800 Number infrastructure, we plan to enhance customer service delivery with the use of post-call customer surveys, training, quality management, and performance monitoring.

Additionally, the enhancements will include speech analytics that will allow us to better manage customer expectations and help detect fraud.

### **Expanding Video Conferencing Capabilities throughout the Agency**

We expanded video conferencing throughout the agency, including hearing offices, field offices, disability determination services offices, and individual employee workstations. We currently use desktop video units to provide video conferencing between sites and in rural areas where there is no local office. These units reduce travel time and costs while improving case production and allowing for more flexible scheduling. We continue to explore cost saving alternatives in equipment, service, and software.

## Performance Measures – Strategic Objective 5.3

### 5.3a: Enhance our IT infrastructure by implementing innovative systems accessibility and performance capabilities

Fiscal Year	2014	2015	2016	2017
<b>Performance</b>	Bandwidth-on-Demand capabilities are operational at over 75% of agency sites	Reduced our open systems infrastructure size to 1,000 servers		
<b>Target</b>	Implement Bandwidth-on-Demand, which will provide the ability to increase telecommunications capacity to quickly meet the changing service needs of our offices and clients	Reduce open systems infrastructure size from 1,500 servers to 1,000 servers by September 2015	Deploy new applications with a modern look and feel, accessible from the web or over mobile devices	Develop and implement our plan (strategy, policy, business model, and security requirements) for the establishment of an agency cloud service
<b>Target Met</b>	Met	Met		

**Results:** We are down to 1,000 open system servers as of September 2015.

**Data Definition:** This target provides for the design, installation, implementation, software, monitoring, and maintenance of our Wide Area and Local Area Networks and the connectivity to these network services to end-users nationwide. It also provides the communication medium through which our employees receive data such as voice and video, administers the network's services agency-wide, and the exchange of data with other federal and state agencies. The projects in this initiative involve the National 800# Call Center, Satellite and Wireless Communications Solutions, Video Teleconferencing, Fax, Voice over Internet Protocol, Electronic Messaging, and the procurements of system hardware and software services.

**Data Source:** Our Wide Area and Local Area Networks and Connectivity Plan

**5.3b: Explore the use of emerging technologies by establishing a testing lab to promote research and development of innovative technology solutions that provide more effective and flexible ways for the public to conduct business with us online and for our employees to complete their work**

Fiscal Year	2104	2015	2016	2017
<b>Performance</b>	We are actively supporting new agency electronic initiatives such as customer service stations and an upgraded environment for self-help personal computers	Conducted three new research projects		
<b>Target</b>	Identify and implement new innovative tools to expand the capabilities of the testing lab to develop solutions that accommodate evolving customer preferences.	Conduct three new research projects in emerging technologies such as predictive analytics, cloud, shared services, self-help personal computers, real-time chat, digital analytics, and cognitive computing by September 30, 2015		
<b>Target Met</b>	Met	Met		

**Results:** We met our FY 2015 target.

**Data Definition:** Because of today’s volatile and unpredictable mobile, tablet, and personal computer environment, we must conduct compatibility testing with a multitude of devices, browsers and operating systems to ensure our online customers are able to conduct business successfully with us no matter what device they use. By monitoring the advances being made in delivery channels and by monitoring the use of these channels to access our services, we determine which devices to purchase and test in our testing lab, focusing on the devices with the highest percent of use.

**Data source:** Industry and national trends. Google Analytics

## Strategic Objective 5.4: Continuously Strengthen Our Cyber Security Program

### Vision 2025 Priority: Superior Customer Experience

Given the sensitive nature of the highly personal information and data within our systems, data integrity, security, and protecting individual privacy are critical to sustaining public trust in our services. New services and delivery channels expose us to modern threats. We must be vigilant and continue to strengthen our cyber security intelligence and protections.

We maintain a comprehensive, agency-wide information security program of controls that protect our information and communications assets. We continually review policies and processes, taking appropriate corrective action to prevent misuse and unauthorized access to assets and sensitive data, including personally identifiable information.

### Strategies

- Maintain information security preparedness;
- Continually adjust security processes and procedures to reflect changes in technology, the sensitivity of our data and systems, and awareness of actual and potential internal and external threats;
- Perform risk-based systems reviews to enhance continuous monitoring and data loss prevention strategies; and
- Enhance our audit trail, integrity review, and fraud prevention processes.

### Progress Update

We took the following steps in FY 2015 to strengthen our cyber security program (see Key Initiatives and Performance Measures for more details):

- Implemented several new processes and capabilities to strengthen our cybersecurity program, including:
  - Security awareness training campaign;
  - Continued implementation use of Personal Identity Verification credentials; and
  - Continuous dashboard monitoring.

### Next Steps

- Implement new technical architecture to strengthen our audit trail system capabilities and help prevent fraud; and
- Continued compliance (meet or exceed targets) with all applicable cyber security guidance, best practices, mandates, and requirements related to the Cross-Agency Priority goals.

### Risks and External Factors

The following risk and external factor may affect our efforts to strengthen our cybersecurity program:

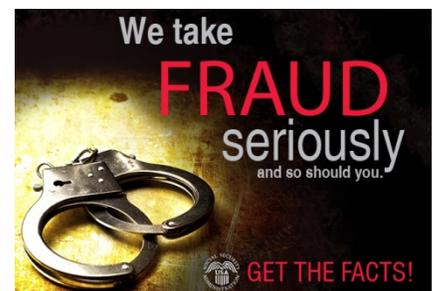
- As the agency continues to shift its business model to enable the public to use more online services, the potential for fraud will increase. Sufficient resources are essential to safeguard personal information and protect the public trust against online security threats.

### Key Initiatives

#### Protecting Our Systems and Data

We continue to strengthen our information security program to meet the standards and requirements of the *Federal Information Security Management Act of 2002*, as amended by the *Federal Information Security Modernization Act of 2014*, by training our employees and implementing effective cybersecurity technologies.

Our systems and data are constantly at risk from emerging threats and technology. We deploy new tools and techniques as threats are discovered. Software flaws pose an ongoing risk, potentially making our systems vulnerable



to malicious or accidental actions. In response, we have added additional licenses for a tool our developers use to scan their code and repair it before release if security flaws are found.

Threats to data and systems can also come from within an organization. We are rolling out an agency-wide automated access control system, replacing our current paper-based system. The new system will improve timeliness in granting and removing user access, improve accuracy in assigning access to information resources, and provide clearer audit records. We are also analyzing new technologies to review employee activity. Our changing service delivery channels and other system changes require ongoing updates to our monitoring systems.

Finally, employee security awareness and training remains a high priority. Agency-wide on-demand video training helps raise employee awareness on protecting our systems and data. Because our work often involves personal interactions, we must always be on guard against a threat known as social engineering, where people pretend to be coworkers, repair technicians, or any other role, where they could access our systems or data. We have invested heavily in special training for all of our employees to help them recognize and prevent social engineering activities and other types of activities that can cause system problems.

### **Implementing Audit Trail System New Architecture Phase II**

Our audit trail system ensures we protect our records and funds by collecting and maintaining detailed information about both internal and external transactions. The system stores data from programmatic and select Internet applications, allowing us to review transactions for signs of fraud and abuse.

The new audit trail system architecture will strengthen our fraud detection and prevention efforts by capturing details of transactions most vulnerable to fraud. The proposed architecture was approved in February 2014 and a WebSphere user interface was piloted in March 2015. Additional enhancements are planned before a full roll out in FY 2016.

### **Implementing an Information Security Program**

We maintain a comprehensive, agency-wide information security program to protect information and communications assets. We review our policies and processes continually to ensure adequate safeguards are in place to prevent misuse and unauthorized access to our systems and data. We are also strengthening the security of our systems by implementing consistent management controls at all of our data facilities.

We have completed the following activities supporting both the federal Cybersecurity Cross-Agency Priority Goals and the Department of Homeland Security's Federal Network Security Compliance and Assurance program:

- Established Trusted Internet Connection Access Provider designation through the Department of Homeland Security;
- Participated in the National Cyber Protection System, a collaboration between the Department of Homeland Security and other federal agencies to share security resources;
- Collaborated with the Department of Homeland Security to develop monthly security assessments of our public-facing network;
- Defined and implemented an information security continuous monitoring strategy to manage information security risks;
- Participated in the Department of Homeland Security's Continuous Diagnostics and Mitigation program to ensure we have an accurate view of our risks and the effectiveness of our controls. We share our computer security information across the federal civilian government agencies to help ensure they are aware of the threats to their infrastructures and can swiftly take corrective measures; and
- Implemented personal identity verification credentials, as defined in Homeland Security Presidential Directive 12, as a secure form of identification within our systems (with the exception of DDS systems, which are still in progress).

New services and delivery channels expose us to modern threats. We must be consistently diligent and continue to strengthen our cybersecurity intelligence and protections. We continually adjust our information security program to reflect changes in technology, the sensitivity of covered information and information systems, and internal or external threats to information and communications.

## Performance Measure – Strategic Objective 5.4

### 5.4a: Provide secure and effective services to the public by improving cyber security performance

Fiscal Year	2013	2014	2015	2016	2017
<b>Performance</b>	<p>Homeland Security Presidential Directive 12 Compliance – result 85%</p> <p>Information Security Continuous Monitoring – result 96%</p> <p>Trusted Internet Connections Consolidation – result 100%</p> <p>Trusted Internet Connections 2.0 Capabilities – result 96%</p>	<p>Homeland Security Presidential Directive 12 Compliance – result 87%</p> <p>Information Security Continuous Monitoring – result 98%</p> <p>Trusted Internet Connections Consolidation – result 100%</p> <p>Trusted Internet Connections 2.0 Capabilities – result 94%</p>	<p>Hardware Asset Management – result 100%</p> <p>Software Asset Management – result 100%</p> <p>Vulnerability and Weakness Management – result 100%</p> <p>Unprivileged Network Users – result 86%</p> <p>Privileged Network Users – result 99%</p> <p>Anti-Phishing Defense – result 100%</p> <p>Malware Defense – result 100%</p> <p>Blended Defense – result 100%</p>		
<b>Target</b>		<p>Meet the performance requirements of the Department of Homeland Security’s Federal Network Security Compliance and Assurance program and the Cyber Security Cross-Agency Priority Goals</p>	<p>Meet the performance requirements of the Department of Homeland Security’s Federal Network Security Compliance and Assurance program and the Cyber Security Cross-Agency Priority Goals</p>	<p>Achieve an average of 97% for the following Cyber Security Cross-Agency Priority Goals:</p> <p>Anti-phishing defense; Malware defense; Blended defense (anti-phishing and malware defense measures); Hardware asset management; Software asset management; and Vulnerability and weakness management.</p>	<p>Achieve an average of 99% for the following Cyber Security Cross-Agency Priority Goals:</p> <p>Anti-phishing defense; Malware defense; Blended defense (anti-phishing and malware defense measures); Hardware asset management; Software asset management; and Vulnerability and weakness management.</p>
<b>Target Met</b>		Met	Met		

**Results:** We met our FY 2015 target and are compliant in all areas of the Department of Homeland Security's Federal Network Security Compliance and Assurance program and the Cyber Security Cross-Agency Priority Goals.

**Data Definition:** Define and implement strong controls to continuously monitor the security status of network, systems, and information and ensure that individuals with access to our network resources are using strong authentication to connect.

Data Source: [Cybersecurity Cross-Agency Priority Goals on Performance.gov](https://www.performance.gov/cybersecurity-cross-agency-priority-goals)

# Appendix A:

## Our Management and Performance Challenges

As we strive to improve our performance, we face a variety of challenges. Each year the Office of the Inspector General (OIG) identifies what it sees as our top management and performance challenges. In addition, our management identifies challenges, which often overlap with the OIG report.

Below is a listing of the challenges we have collectively identified. To avoid redundancy, the OIG report findings are listed first, since they also reflect challenges our leadership has identified. The management challenges identified by our leadership follow. Key initiatives we are undertaking to address these challenges are listed below each item.

### Challenges Identified by OIG

In fiscal year (FY) 2015, OIG identified seven top management and Social Security Administration (SSA) Management Issues. (Responsible official acronyms are listed in [Appendix F, Summary of Key Management Official's Responsibilities.](#)) To read the full OIG report, please refer to the [Fiscal Year 2015 Inspector General Statement on SSA's Major Management and Performance Challenges.](#)

#### Improve the Responsiveness and Oversight of the Hearings Process (DCDAR)

**Challenge:** While SSA continues focusing on the quality and consistency of hearing decisions, it is facing worsening average processing times and increasing pending hearings.

Actions we are undertaking to address this challenge include:

- Expanding Video Service Delivery (pg. 42);
- Expanding Use of Electronic Bench Book (pg. 73); and
- Hiring Sufficient Administrative Law Judges to Ensure Public Access to Agency Services (pg. 75).

#### Improve the Timeliness and Quality of the Disability Process (DCO, DCORDP, DCBFQM)

**Challenge:** SSA needs to address receipt of millions of initial disability and reconsideration claims and backlogs of initial disability claims and continuing disability reviews, while also protecting its disability programs from fraud and encouraging beneficiaries to return to work.

Actions we are undertaking to address this challenge include:

- Expanding Video Service Delivery (pg. 42);
- Expanding the Virtual Lifetime Electronic Record (pg. 51);
- Establishing the Office of Anti-Fraud Programs (pg. 62);
- Enhancing the Electronic Claims Analysis Tool (pg. 73);
- Developing an Occupational Information System (pg. 74);
- Updating the Medical Listing of Impairments (pg. 74);
- Developing the Disability Case Processing System (pg. 82);
- Using Health Information Technology to Expedite Disability Decisions (pg. 83); and
- Improving Employment Support Programs (pg. 86).

## Reduce Improper Payments and Increase Overpayment Recoveries (DCRDP, DCBFQM, DCO, DCS, DCDAR, OCSO)

**Challenge:** SSA is responsible for issuing over \$932 billion in benefit payments annually, to approximately 65 million people.<sup>4</sup> Given the amount of overall dollars involved in SSA's payments, even the slightest error in the overall process can result in millions of dollars in over or underpayments.

Actions we are undertaking to address this challenge include:

- Expanding Our Cooperative Disability Investigation Program (pg. 67);
- Promoting the use of Supplemental Security Income Telephone Wage Reporting System and the Supplemental Security Income Mobile Wage Reporting (pg. 65);
- Using Predictive Modeling in the Continuing Disability Review Enforcement Operation (pg. 66);
- Using Predictive Modeling in the Redetermination Process (pg. 66);
- Expanding the Access to Financial Institutions Initiative (pg. 66);
- Improving the Death Reporting System Process (pg. 67);
- Implementing Data Exchange and Verification Online (pg. 68); and
- Implementing New Tools for Debt Collection (pg. 68).

## Improve Customer Service (DCDAR, DCO, DCBFQM, DCS)

**Challenge:** SSA faces several challenges, such as increasing workloads and representative payee oversight, as it pursues its mission to deliver services that meet the public's changing needs.

Actions we are undertaking to address this challenge include:

- Expanding Online Access through Social Security Express (pg. 35);
- Enhancing Delivery Option for the Replacement Social Security Benefit Statement (pg. 36);
- Implementing Online Social Security Number Replacement Card Application (pg. 39);
- Providing Real-Time Assistance to Online Users (pg. 42);
- Hire Sufficient Administrative Law Judges to Ensure Public Access to Agency Services (pg. 75);
- Modernizing Older Software Applications (pg. 114);
- Improving Information Technology Governance and Architectural Planning (pg. 114);
- Enhancing our National 800 Number Infrastructure (pg. 117); and
- Expanding Video Conferencing Capabilities throughout the Agency (pg. 118).

## Invest in Information Technology Infrastructure to Support Current and Future Workloads (DCS)

**Challenge:** SSA faces the challenge of determining how best to use technology to accomplish its mission within its budget and resource constraints, while ensuring its information systems are secure and sensitive data are protected.

Actions we are undertaking to address this challenge include:

- Developing the Disability Case Processing System (pg. 82);
- Using Health Information Technology to Expedite Disability Decisions (pg. 83);
- Enhancing Our Infrastructure, Improving Information Technology Cost and Performance (pg. 111);
- Modernizing Older Software Applications (pg. 114);
- Improving Information Technology Governance and Architectural Planning (pg. 114);
- Enhancing the *my Social Security* Portal (pg. 114)

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<sup>4</sup> The figures were updated to reflect FY 2015 data, and differ from the OIG report.

- Enhancing our National 800 Number Infrastructure (pg. 117); and
- Expanding Video Conferencing Capabilities throughout the Agency (pg. 118).

## **Strengthen the Integrity and Protection of the Social Security Number (DCS)**

**Challenge:** Protecting the Social Security number and properly posting the wages reported under Social Security numbers are critical to ensuring eligible individuals receive the full benefits they are due.

Actions we are undertaking to address this challenge include:

- Increasing Electronic Wage Reporting Filing (pg. 59); and
- Deploying Management System for Personally Identifiable Information and Federal Tax Information (pg. 61).

## **Strengthen Planning, Transparency, and Accountability (COSS, CSO, DCHR, DCS, DCBFQM, DCO)**

**Challenge:** Planning, transparency, and accountability are critical factors in effective management. Failure to plan properly to meet its mission and challenges will lessen the Agency’s ability to provide its services efficiently and effectively now and in the future. Similarly, mismanagement and waste, as well as a lack of transparency for citizens in Government operations, can erode trust in SSA’s ability to tackle the challenges it faces.

Actions we are undertaking to address this challenge include:

- Using Predictive Modeling in the Redetermination Process (pg. 66);
- Using Predictive Modeling in Continuing Disability Review Enforcement Operation (pg. 66);
- Protecting Our Systems and Data (pg. 121);
- Implementing Information Security Program (pg. 122); and
- Implementing Audit Trail System New Architecture Phase II (pg. 122).

## **Additional Challenges Identified by Our Leadership**

### **Prevent Waste, Fraud, and Abuse**

Waste, fraud and abuse erode the public’s trust in our ability to efficiently and effectively provide vital services. Prevention is critical to conserving valuable resources and meeting our mission to meet the changing needs of the public.

Actions we are undertaking to address this challenge include:

- Establishing the Office of Anti-Fraud Programs (pg. 62);
- Promoting Use of the Supplemental Security Income Telephone Wage Reporting System (pg. 65);
- Increasing Social Security Income Mobile Wage Reporting (pg. 65);
- Improving the Death Reporting System Process (pg. 67);
- Expanding the Access to Financial Institutions Initiative (pg. 66);
- Expanding Our Cooperative Disability Investigation Program (pg. 67);
- Implementing Direct Deposit Auto-Enrollment Fraud Prevention (pg. 68); and
- Adding Anti-Fraud Messages in Notices (pg. 68).

### **Have Enough Employees with the Right Skills in the Right Place at the Right Time**

Having exceptional employees with the right skills in the right place at the right time is critical to our vision for a superior customer experience and an innovative organization. Employee turnover challenges our ability to develop and retain empowered, knowledgeable, compassionate, and engaged employees.

Actions we are undertaking to address this challenge include:

- Highlighting the Pathways Programs (pg. 95);
- Reducing Skills Gaps (pg. 95);
- Using SkillsConnect to Share Talent Across Our Agency (pg. 96);

- Marketing Availability of On-Demand Training and Development (pg. 96); and
- Supporting Employees through Mentoring (pg. 96).

## **Innovate the Future of Service Delivery**

We must innovate the future of service delivery to better serve the American public. We are constantly improving current, and developing new service delivery options. Our customers expect exceptional customer service, regardless of the service delivery option they use to complete their business with us.

Actions we are undertaking to address this challenge include:

- Expanding Online Access through Social Security Express (pg. 35);
- Enhancing Delivery Option for the Replacement Social Security Benefit Statement (pg. 36);
- Implementing Online Social Security Number Replacement Card Application (pg. 39);
- Providing Real-Time Assistance to Online Users (pg. 42);
- Developing the Disability Case Processing System (pg. 82);
- Using Health Information Technology to Expedite Disability Decisions (pg. 83).
- Enhancing Our Infrastructure (pg. 111);
- Improving Information Technology Cost and Performance (pg. 111);
- Modernizing Older Software Applications (pg. 114);
- Improving Information Technology Governance and Architectural Planning (pg. 114);
- Enhancing our National 800 Number Infrastructure (pg. 117); and
- Expanding Video Conferencing Capabilities throughout the Agency (pg. 118).

## **Keep Pace in the Disability Program with Medicine, Technology, and World of Work**

Medicine, technology, and the world of work are constantly evolving. We must keep pace creating a more agile, responsive organization committed to meeting the public's needs and maximizing efficiencies throughout the disability program.

Actions we are undertaking to address this challenge include:

- Developing an Occupational Information System (pg. 74);
- Developing the Disability Case Processing System (pg. 82); and
- Using Health Information Technology to Expedite Disability Decisions (pg. 83).

# Appendix B:

## Program Evaluations

We routinely evaluate our programs by conducting a variety of studies and surveys to determine if our programs are effective. We continue to build on our collection of program data, research, and analyses to identify our program strengths and weaknesses. We use information from program evaluations to develop strategies to address the major challenges we face and to improve the day-to-day administration of our programs. We complete many of our evaluations annually while others may be one-time efforts.

We list the evaluations under the strategic goal they support from our [Agency Strategic Plan for Fiscal Years 2014 – 2018](#).

### Strategic Goal 1 – Deliver Innovative, Quality Services

#### Field Office Telephone Service Evaluation

We conduct an annual evaluation of the telephone service in our field offices. Each year, since 1999, we select a random sample of over 100 field offices across the country for the evaluation. We monitor about 2,000 randomly selected calls over the course of the year to assess the accuracy of the information representatives provide and the actions they take. The representatives do not know when we monitor their calls. We use the results of our Field Office Telephone Service Evaluation to identify training needs and clarify operating instructions for our representatives.

We assess the accuracy of the information representatives provide and the actions they take based on our program policies and operating guidelines. We use three measures of accuracy in our Field Office Telephone Service Evaluation:

- **Payment Accuracy** – indicates the percentage of calls free of payment error. A payment error occurs when a representative's information or action (or failure to give information or take action) has the potential to affect a caller's payment or eligibility for benefits adversely;
- **Service Accuracy** – reflects the percentage of calls free of service error. A service error occurs when a representative does not meet the caller's need for information, causes the caller inconvenience, or creates an unnecessary additional workload; and
- **Access and Disclosure Accuracy** – reflects the percentage of callers properly identified to permit release of personal information from our records. We previously included access and disclosure errors in the calculation of service accuracy.

Our latest published accuracy rates are for fiscal year (FY) 2014. Payment accuracy was 96.2 percent, which was comparable to the FY 2013 rate of 96.8 percent. Service accuracy was 89.2 percent, not significantly lower than the FY 2013 rate of 90.4 percent. Access and disclosure accuracy in FY 2014 was 64.8 percent. This rate was significantly lower than the FY 2013 rate of 70.3 percent by almost 6 percentage points, and reversed the improvement in access and disclosure accuracy that field offices (FO) had maintained from FY 2011 through FY 2013. The FY 2014 rate was not significantly different from the FY 2010 rate of 61.6 percent.

## National 800 Number Telephone Service Evaluation

We monitor calls to our National 800 Number to evaluate both the accuracy of the information our telephone agents provide and the actions they take. Each year, since 1989, we monitor about 3,000 calls handled by agents in our 35 call centers nationwide. We randomly select and monitor calls throughout the year based on a statistical sampling methodology. Our agents do not know when we monitor their calls. We use the results of our annual National 800 Number Service Evaluation to identify training needs and improve operating instructions for our agents.

This evaluation identifies the specific causes of error and the operating policies that our agents did not follow. It uses the same standards of payment, service, and access and disclosure accuracy as our Field Office Telephone Service Evaluation discussed above. Our latest published accuracy rates are for FY 2014. The payment accuracy rate rose significantly from 96 percent in FY 2013 to 97.8 percent in FY 2014, returning to the level sustained from FY 2011 to FY 2012. Service accuracy was 90.8 percent in FY 2014, significantly lower than the rate in FY 2013 (92.4 percent). The access and disclosure accuracy was 94.2 percent in FY 2014. This rate was significantly lower than the FY 2013 rate of 95.7 percent, but was in line with the FY 2012 rate of 94.5 percent. Updates expected in February/March 2016.

## Online Authentication Survey

The Online Authentication Survey (OAS) focused on the satisfaction of customers who visited a field office to complete their *my Social Security* account registrations after encountering a problem during the online process. The OAS measured satisfaction with key aspects of the service experience and obtained an overall rating of the online account registration process using our standard six-point rating scale: excellent, very good, good (E/VG/G), fair, poor, or very poor. In addition to addressing satisfaction with the online registration process, the survey also assessed satisfaction with service received during the field office visit or on the telephone.

Our FY 2015 results are not yet available. Our FY 2014 survey found that responder perceptions of the process for resolving an online registration problem and creating an account improved significantly compared with FY 2013. Responders gave a rating of 86 percent E/VG/G for their “start-to-finish” experience creating the account, up from 77 percent E/VG/G in FY 2013. Improved perceptions of telephone service in connection with the account registration contributed to the overall improvement. The rating of telephone service overall rose by 11 percentage points to 71 percent E/VG/G in FY 2014, following the introduction of the *my Social Security* 800 number Help Desk. Ratings of other aspects of the telephone experience, such as ease of access, also improved by a margin of 6 to 17 percentage points. Responders continued to report a high degree of satisfaction with the service they received when they visited the field office, rating the in-person service experience at 91 percent E/VG/G.

## Service Satisfaction Surveys

We measure satisfaction with our services by surveying people who use them. The Service Satisfaction Surveys we conduct reflect the public’s perception of the services we provide in person or by telephone at our National 800 Number, and in our FOs. In addition to obtaining ratings of various aspects of service, the surveys elicit factual information about customer experiences, and ask about their preferences for conducting future business, including the potential for Internet use. The surveys also address customers’ need for special accommodations due to medical condition. The feedback helps us identify strengths and weaknesses in our service delivery so we can make necessary improvements. In addition to reporting satisfaction rates from our surveys here, we make them available to the public on [Data.gov](http://Data.gov).

## Telephone Service

Results from our FY 2015 surveys of telephone callers showed that overall satisfaction with our FO telephone service remained stable, while satisfaction with our national 800 number service improved significantly. Callers rated the 800 number service overall at 71 percent excellent, very good, or good (E/VG/G), up from 66 percent E/VG/G in FY 2014. Callers rated FO telephone service overall at 77 percent E/VG/G, in line with the FY 2014 rating of 79 percent E/VG/G.

The rise in satisfaction with 800 number access (53 percent, up from 44 percent E/VG/G) contributed to improvement in callers' overall satisfaction in FY 2015. Satisfaction with access to FO telephone service held steady in FY 2015 at 72 percent E/VG/G.

Customers who conducted their business over the telephone were equally satisfied with the quality of service employees provided whether they called the 800 number or a FO, giving ratings ranging from 87 to 90 percent E/VG/G.

## In-person Service

The Office Visitor Survey (OVS) includes two separate segments, the FO and hearing office (HO) segment, and the Social Security Card Center (SSCC) segment.

FO visitors reported favorable impressions of in-person service, providing an overall rating of 90 percent E/VG/G. In addition to their office waiting time rating of 75 percent E/VG/G and their employee attribute ratings of 91 to 92 percent E/VG/G, FO visitors gave positive ratings for other key aspects of their experience. HO visitors were also highly satisfied with the service they received when they visited an HO. HO visitors rated both overall service and office waiting time at 85 percent E/VG/G. Rating of employee attributes from HO visitors ranged from 88 to 94 percent E/VG/G. We cannot compare the FY 2015 FO and HO visitors' satisfaction rates to the previous fiscal year because we were not able to conduct the FO and HO segment due to the Government furlough in October 2013.

Overall satisfaction with in-person service in SSCCs increased significantly in FY 2015, up from 86 percent to 91 percent E/VG/G. In FY 2015, SSCC visitor's waiting time rating of 74 percent E/VG/G also reflected significant improvement over their FY 2014 rating of 67 percent E/VG/G. In addition, SSCC visitor's already favorable ratings of employee courtesy and the clarity of their explanations both rose by 3 percentage points to 93 percent E/VG/G.

## Retirement Applicant Survey

We conducted the Retirement Applicant Survey (RAS) for the first time in FY 2014 as a complement to our biennial Prospect Client Survey. The RAS fills a gap in the agency's knowledge about customer perception of one of its core business processes. The survey measured satisfaction of retirement benefit applicants who filed online, in person, or on the telephone, and explored their future preferences for conducting Social Security business. The RAS found an exceptionally high level of satisfaction with the retirement application process, with respondents rating their overall experience at 96 percent E/VG/G. Applicants were pleased with the ease and speed of the process, regardless of the filing method they used, and gave high marks to agency staff.

About 7 out of 10 respondents indicated that they use the Internet, and over half (53 percent) of those Internet users said they had already created a [my Social Security](#) account. Among the remaining Internet users who had not yet created a [my Social Security account](#), the majority (62 percent) said they would be very or somewhat likely to create one, with 21 percent choosing the top response of very likely.

## Strategic Goal 2 – Strengthen the Integrity of Our Programs

### Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds

The Social Security Act requires the Board of Trustees of the Old-Age and Survivors Insurance and Disability Insurance Trust Funds to report annually to Congress on the actuarial status and financial operations of the Trust Funds. [The 2015 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds](#), issued in July 2015, includes projections for years 2015 to 2089. The 2015 report showed a slightly improved projected long-term financial status of the Social Security program as compared to the Trustees' 2014 report.

Highlights in the report included:

- Non-interest income fell below program costs in 2010 for the first time since 1983. Program costs are projected to exceed non-interest income throughout the remainder of the 75-year projection period;
- The combined Old-Age and Survivors Insurance and Disability Insurance Trust Fund reserves are still growing and will continue to do so through 2019. Beginning in 2020, the cost of the program is projected to exceed total income, and the trust fund reserves will begin to decline;
- The projected point at which the combined Trust Fund reserves will become depleted, if Congress does not act before then, comes in 2034 – extended one year from the estimate in last year’s report;
- The projected point at which the Disability Insurance Trust Fund reserves will become depleted is 2016 – unchanged from the estimate in last year’s report; and
- The projected actuarial deficit over the 75-year long-range period is 2.68 percent of taxable payroll – improved from 2.88 percent in last year’s report.

## Annual Report of the Supplemental Security Income Program

We report annually to the President and to Congress the status of the Supplemental Security Income (SSI) program. The report’s purpose is to provide the necessary data to manage the SSI program effectively. The [2015 SSI Annual Report](#), issued in August 2015, includes projections for years 2015 to 2039.

Major findings of the report included:

- By 2039, the end of the 25-year projection period, we estimate that the Federal SSI recipient population will reach 9.1 million. The projected growth in the SSI program over the 25-year period is largely due to the overall growth in the U.S. population, though the growth in the SSI recipient population is projected to be somewhat slower than the growth in the U.S. population.
- As a percentage of the total U.S. population, the number of Federal SSI recipients decreased slightly from 2.53 percent in 2013 to 2.51 percent in 2014. We project this percentage to gradually decline throughout the 25-year projection period, reaching 2.33 percent of the population in 2039.
- We estimate that Federal expenditures for SSI payments in calendar year 2015 will increase by \$1.0 billion to \$55.2 billion, an increase of 1.9 percent from 2014 levels.
- In dollars adjusted by the Consumer Price Index to 2015 levels, we project Federal expenditures for SSI payments will increase to \$60.8 billion in 2039, a real increase of 0.5 percent per year.
- Federal SSI expenditures expressed as a percentage of the Gross Domestic Product (GDP) were 0.31 percent in 2014. We project that expenditures, as a percentage of GDP will decrease to 0.30 percent of GDP in 2015, and continue to decline thereafter to 0.21 percent of GDP by 2039.

## Preeffectuation Review of Disability Determinations

Public Law 96-265, Public Health and Welfare, Section 221-c, requires us to review at least 50 percent of all Social Security Disability Insurance (SSDI) and concurrent SSDI/SSI adult disability favorable initial and reconsideration determinations made by the state disability determination services (DDS). In addition, Public Law 109-171, Deficit Reduction Act, requires we review at least 50 percent of all SSI adult initial and reconsideration favorable determinations made by the DDS.

We select Preeffectuation Review (PER) cases from all 54 DDS jurisdictions (the 50 states, plus U.S. territories) using a statistical model to identify allowances with a higher probability of containing substantive errors (i.e., potential to ultimately reverse the determination from allowance to denial).

Three agency components work in conjunction with the Centers for Medicare and Medicaid Services to produce a report to Congress on the lifetime savings resulting from PER.

The most recent PER Report to Congress for FY 2013 shows estimated program savings of \$668 million, which include Medicare and Medicaid savings. Preliminary data for FY 2014 indicates that more than 6,500 DDS determinations were reversed, but the program savings information is not yet available. We will make the FY 2014 and FY 2015 results available in a future Annual Performance Report.

## Retirement, Survivors, and Disability Insurance Stewardship Review

Stewardship findings provide the basic measure we use to report on the accuracy of the Old-Age, Survivors, and Disability Insurance (OASDI) payments. We base the FY 2014 report findings on non-medical reviews of monthly samples of OASDI payments issued from October 2013 through September 2014. We also provide payment accuracy rates for the current and previous reporting periods. We will publish the FY 2015 findings in the FY 2016 Annual Performance Report.

Overall, the OASDI accuracy rate was 99.5 percent for overpayments in FY 2014 based on improper payments totaling a projected \$4.6 billion (i.e., 99.5 percent of all dollars paid were free of overpayment errors).

Accuracy for OASDI underpayments was 99.9 percent in FY 2014, based on unpaid dollars projected at \$4.72 billion (i.e., underpayment dollar errors, as a percentage of total dollars paid, were 0.05 percent).

Comparable accuracy rates for FY 2013 were 99.8 percent for overpayments and 99.9 percent for underpayments. The changes in the overall OASDI overpayment and underpayment accuracy rates are not statistically significant.

## Supplemental Security Income Stewardship Review

The review evaluates non-medical factors of eligibility and measures the accuracy of payments made to people receiving SSI benefits. The primary objective is to measure the accuracy of payments we issued and to report these accuracy rates as required by the *Improper Payments Information Act of 2002* and the *Improper Payments Elimination and Recovery Act of 2010*.

We reviewed 4,015 SSI cases in FY 2014. Accuracy rates are derived using data from the review of SSI cases with a payment made in at least one month of the fiscal year under review. Any difference between what we actually paid and what the quality review determines we should have paid is expressed as an overpayment or underpayment error. The overpayment accuracy rate is the percentage of all dollars paid that are free of overpayment errors. The underpayment accuracy rate is the projected dollar value of underpayment errors represented as a ratio of all dollars paid. The overpayment and underpayment accuracy rates are calculated and reported separately.

In FY 2014, the overpayment accuracy rate was 93.0 percent based on overpaid dollars totaling a projected \$3.9 billion. This represents an increase of 0.6 of a percentage point from the FY 2013 overpayment accuracy rate of 92.4 percent, but this increase is not statistically significant.

In FY 2014, the underpayment accuracy rate was 98.5 percent based on underpaid dollars totaling a projected \$0.8 billion. This represents an increase of 0.2 of a percentage point from the FY 2013 underpayment accuracy rate of 98.3 percent. We will publish the FY 2015 findings in the FY 2016 Annual Performance Report.

## Strategic Goal 3 – Serve the Public through a Stronger, More Responsive Disability Program

### Office of Quality Review Denial Review

In FY 2015, we conducted an internal control review of medically denied disability applications adjudicated by the DDS and Federal Disability Case Processing Sites (FDCPS). We conducted this review to identify whether denial decisions by the DDS and the FDCPS were policy compliant and supported by the medical and vocational evidence in the case file.

We reviewed 52,165 cases from 52 DDS sites (all 50 states, the District of Columbia, and the Commonwealth of Puerto Rico) and 9 FDCPSs. To select the cases, we used a statistical model to identify cases that matched the profile for highly error-prone medically denied disability applications. Out of the 52,165 cases we reviewed, 4,935 (9.5 percent) contained a substantive error (i.e., an error that could result in a change in the determination of the case).

Our review of denials in FY 2015 resulted in the reversal of 2,849 DDS denial determinations to allowances. These reversals resulted in claimants receiving their benefits at an earlier stage in the process.

## Quality Review Assessment of Senior Attorney Advisor Disability Decisions

In our FY 2014 Quality Review Assessment of Senior Attorney Advisor (SAA) Disability Decisions, we agreed with 80 percent of the 627 sampled SAA decisions, because a preponderance of the evidence supported those decisions. We disagreed with 20 percent of the allowance decisions for two main reasons: there was not enough information in file to support the decision or there was conflicting information in file. We cannot compare the FY 2014 findings with prior year reports, because we made substantial changes to our review process.

## Disability Case Review of Administrative Law Judge Hearing Decisions

The disability case review is an ongoing, post-effectuation quality review of administrative law judge (ALJ) hearing decisions. The last year for which we have data is FY 2014.

For the FY 2014 Disability Case Reviews of ALJ decisions, we agreed with 84 percent of the 431 sampled ALJ allowance decisions because a preponderance of the evidence supported those decisions. This reflects improvement, but is not a statistically significant increase from the 82 percent agreement rate in FY 2014.

We agreed with 98 percent of the 433 sampled ALJ denial decisions based on a preponderance of evidence. When comparing this finding to the 94 percent agreement rate reported in FY 2013, the difference is statistically significant.

## Disability Scorecard Surveys

The disability scorecard surveys measure customer satisfaction with the disability application process at the initial and hearing levels. We conduct the initial and hearing level surveys in alternate years. Our survey samples include both SSDI and SSI claimants in the following groups that reflect different stages of the process:

- **Mid-process** – after an initial disability application is filed but before a decision is made;
- **Initial awards and denials** – after the initial level decision on the application; and
- **Hearing awards and denials** – after the hearing level decision on the application.

We ask those surveyed for an overall rating of the service we provided during the disability application process. Survey findings consistently show that respondent opinion is influenced greatly by the outcome of the application for disability benefits. Our latest results are for FY 2014, when we conducted the initial level segment of the disability scorecard surveys. The results of the Mid-Process Survey show that respondents are for the most part satisfied with the initial disability process at the time they file but before a decision is made, rating overall service 81 percent excellent, very good, or good (E/VG/G). In FY 2014, awarded responders were highly satisfied with the service they received rating overall service 91 percent E/VG/G. At just 51 percent E/VG/G, denied responders rated overall service the lowest of the three groups of responders, no doubt influenced by the unfavorable decision on the claim. In FY 2015, we are conducting the hearing level surveys. We anticipate publishing results in early FY 2017.

## Strategic Goal 4 – Build a Model Workforce to Deliver Quality Service

### Federal Employee Viewpoint Survey (formerly the Annual Employee Survey/Federal Human Capital Survey)

The U.S. Office of Personnel Management sent the 2015 Federal Employee Viewpoint Survey to approximately 19,000 of our employees. Our employees had from May 6, 2015 through June 12, 2015 to take the survey. Over half of our permanent employees completed the survey.

We use the Federal Employee Viewpoint Survey results as a tool for measuring employee satisfaction and engagement throughout our agency. We also use the results to develop both departmental and agency-wide action plans to address areas targeted for improvement. Traditionally, results demonstrate that employee job satisfaction is one of the strengths of our agency.

For more information about survey results, see the [Federal Employee Viewpoint Survey](#).

## Management Directive-715

The directive provides policy guidance and standards for establishing and maintaining effective affirmative action programs. The Equal Employment Opportunity Commission (EEOC) Management Directive-715 requires federal agencies to conduct an annual self-assessment of their Equal Employment Opportunity (EEO) program to ensure it meets the requirements for each of the six essential elements of a model program. The assessment occurs in the first quarter of a fiscal year, with the report due to the EEOC in the second quarter of the fiscal year.

Below, we present our FY 2014 results, which were not available when we published our *FY 2014 Annual Performance Report*.

The Equal Employment Opportunity Commission's (EEOC) evaluation of our EEO complaint process and anti-harassment programs and its Program Evaluation Report suggested additional opportunities for our leadership to demonstrate their commitment to EEO principles. The Acting Commissioner meets each month with the OCREO Associate Commissioner (SSA's EEO Director) to improve communications and oversight. The Acting Commissioner also designated a Senior Advisor from her immediate staff to monitor OCREO's actions toward becoming a model EEO program. The OCREO Associate Commissioner and the Senior Advisor meet regularly to keep the Senior Advisor apprised of OCREO's efforts to address each of the recommendations in the Program Evaluation Report.

The Acting Commissioner and our executives also support and encourage the following four cross-component workgroups created in FY 2014 to address several recommendations from the Program Evaluation Report:

- **Anti-Harassment Workgroup** – to clarify the existing Anti-Harassment Policy and prepare Standard Operating Procedures for processing harassment allegations;
- **Alternative Dispute Resolution Workgroup** – to increase management and employee use of mediation for early, reasonable resolution of EEO complaints;
- **Standard Operating Procedures Workgroup** – to create a process that will ensure the consistent use of legally compliant and universally applied EEO processes and procedures; and
- **Uniform EEO Training Workgroup** – to create a standardized package of EEO training materials for agency-wide use, to provide consistent, legally compliant EEO training to all agency managers and employees.

In response to our FY 2014 Management Directive-715 self-assessment, we took the following actions to strengthen our EEO program:

- Revised our anti-harassment policy and developed standard operating procedures to:
  - Implement and enforce uniform policy throughout the agency;
  - Assign oversight responsibility to the Office of Human Resources;
  - Designate harassment prevention officers, investigators, and independent reviewers;
  - Avoid conflict of interest; and
  - Establish a uniform tracking system to allow the Office of Human Resources to identify patterns or trends.
- Drafted a policy on the "Role of the Office of the General Counsel in the Equal Employment Opportunity Process" to clarify the role of the Office of the General Counsel at each stage of the EEO process;
- Initiated a benchmarking program to examine best practices, collaborate with other federal agencies, and improve our EEO program.
- Worked with a contractor to evaluate our vacancy announcement process. The contractor also created a survey to collect employee perceptions on diversity, inclusion, and EEO to ensure that our programs, initiatives, and outreach efforts are meeting our employees' needs; and
- Began training headquarters managers on Alternative Dispute Resolution (ADR) to resolve workplace disputes in a positive and constructive manner. We will offer training to field office managers and will refresh the ADR video on demand.

We will discuss the results of our FY 2015 assessment in our FY 2016 Annual Performance Report.

## Center for Section 504 Compliance

We ensure agency compliance with Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against individuals with disabilities and requires federal agencies to provide meaningful access to their programs and activities to individuals with disabilities. In FY 2014, we developed an Intranet application, iAccommodate, to track the accommodations that our employees provide to individuals with disabilities.

In FY 2015, we released iAccommodate 2.1, which improves our ability to track accommodations. iAccommodate 2.1 integrates with the Visitor Intake Process (VIP) and the Case Processing Management System (CPMS), offering quick links to document accommodations provided. Screen enhancements included in iAccommodate 2.1 improve usability and management information, allowing us to create detailed management information charts that analyze Section 504 accommodations by component, region, or specific office code.

## The Diversity and Inclusion Survey

The Diversity and Inclusion (D&I) Survey measures employee perceptions of diversity, inclusion, and equal employment opportunity (EEO) in the agency, allowing us to determine whether employee perceptions are supported by actual statistical data. The results will ensure that we are making informed decisions about our programs, training initiatives, and outreach efforts.

The Barrier Obliteration Program (BOP) will proactively identify and eliminate real and perceived barriers to EEO. Collaborating with a contractor, we are analyzing D&I Survey results; Workforce Profiles; and data on EEO complaints, awards, appraisals, promotions, hiring, and separations, among other EEO datasets. The analysis will identify any potential triggers or barriers to EEO in individual Deputy Commissioner-level components. If identified, we will work with the contractor and individual components to prepare an Action Plan to reduce and potentially eliminate them.

## Strategic Goal 5 – Ensure Reliable, Secure, and Efficient Information Technology Services

### Federal Information Security Management Act Report

The Federal Information Security Management Act (FISMA) is part of the E-Government Act of 2002. FISMA is a framework requiring federal agencies to ensure they provide adequate security and privacy protections for federal information systems and information. We must submit an annual FISMA status report to the Office of Management and Budget.

Our report summarizes the results from security and privacy reviews conducted on our major information systems and programs, progress on correcting identified weaknesses, and the results of other work performed during the reporting period using the Office of Management and Budget's performance measures. Several bills are pending in Congress intended to strengthen FISMA. As Congress considers new cybersecurity legislation, we will continue our efforts to meet and exceed existing information security requirements for protecting federal information systems and personally identifiable information.

For more information, please refer to the complete report, [\*FY 2011 Report to Congress on the Implementation of the Federal Information Security Management Act of 2002\*](#).

# Appendix C:

## How We Ensure Our Data Integrity

We are committed to providing clear, reliable, and valid data. We have internal controls to ensure that our data are quantifiable, verifiable, and secure. Our internal systems and controls include:

- Audit trails;
- Integrity reviews;
- Separation of duties;
- Restricted access to sensitive data;
- Reviews at all levels of management; and
- Validation and verification in our System Development Life Cycles.

We designed these controls to safeguard the integrity and quality of our vast data resources. These controls ensure that our data contain no material inadequacies. These same controls support the Commissioner's Federal Managers' Financial Integrity Act Assurance Statement.

### Data Integrity Systems and Controls

We gather performance data using automated management information and other workload measurement systems. In fiscal year (FY) 2010, we initiated a new data quality program designed to assess, measure, and monitor the quality of performance data.

We evaluate the data in terms of four quality dimensions:

- Accuracy – measuring how well data adheres to specification (e.g., definitions, rules, and policies);
- Consistency – measuring consistency in internal and external reporting of data;
- Completeness – measuring missing occurrences or attributions of the data; and
- Timeliness – measuring the currency of the data (i.e., data are up to date, and reporting occurs on time).

We conduct these quality evaluations based on established internal methodologies. As we introduce new performance measures, we perform a comprehensive data assessment using these four quality dimensions. From the assessment results, we establish a baseline. After the baseline, we automate continuous monitoring to sustain high-quality data. Continuous monitoring allows us to follow data trends and proactively remediate potential issues.

In FY 2013, we performed baseline assessments for the following performance measures:

- Increase the percentage of claims filed online;
- Net disability determination services accuracy by state;
- Medicare determinations by state; and
- Enumeration accuracy.

We conducted these assessments in addition to continuously monitoring previously base lined performance measures, thereby expanding data quality program.

In our data quality program, we also derive several accuracy and public satisfaction measures from surveys and work samples. These measures provide confidence levels of 95 percent or higher.

As part of our fiduciary responsibility to the public, we use an Audit Trail System (ATS) to protect our records and taxpayer funds from improper use. The Audit Trail System collects and maintains detailed information about SSA and public transactions. We store the data from programmatic and select internet applications, so we can review transactions for fraud and abuse.

## Audit of Our FY 2015 Financial Statements

The Chief Financial Officers Act of 1990 requires the Office of the Inspector General (OIG) or an independent external auditor that it selects to audit our financial statements. OIG selected Grant Thornton, LLP to conduct the FY 2015 audit. The auditor found we present fairly the basic financial statements, in all material respects, in conformity with accounting principles generally accepted in the United States of America for Federal entities. The auditor also found that management fairly stated that our internal control over our financial reporting was operating effectively.

The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit did not find instances of noncompliance with laws, regulations, or other materials tested.

## Role of the Office of the Inspector General

The Office of the Inspector General (OIG) plays a key role in protecting our programs and operations from waste, fraud, and abuse. OIG conducts independent and objective audits, evaluations, and investigations. OIG provides timely, useful, and reliable information and advice to agency officials, Congress, and the public.

OIG's Office of Audit conducts performance audits and makes recommendations to make sure we achieve our program objectives.

In late FY 2014, OIG issued an audit, evaluating two of our Government Performance and Results Act (GPRA) Modernization Act of 2010 performance indicators: (1) Recruit and hire veterans and disabled veterans, and (2) Employ individuals with targeted disabilities. In early FY 2015, OIG issued another audit evaluating one GPRA Modernization Act of 2010 performance indicator, Minimize average wait time for initial disability claims.

The reports are:

- [Performance Indicator Audit: Recruiting and Employment Indicators \(A-13-14-14033\)](#); and
- [Performance Indicator Audit: Minimize Average Wait Time for Initial Disability Claims \(A-07-14-24004\)](#).

The objectives of these audits were to:

- Document the sources of data collected to report on the performance indicators;
- Identify and test critical controls of systems from which the specified performance data were gathered;
- Test the adequacy, accuracy, reasonableness, completeness, and consistency of the underlying data for the specified performance indicators; and
- Recalculate the values reported for the indicators to verify accuracy.

For the performance indicators, recruit and hire veterans and disabled veterans, and employ individuals with targeted disabilities, OIG stated:

“Underlying data used for reporting SSA’s FY 2012 Recruiting and Hiring Veterans and Disabled Veterans was adequate, reasonable, complete, and consistent; and we were able to recalculate the performance reported for both PIs using data provided by SSA. However, we were unable to test the underlying data for Employing Individuals with Targeted Disabilities because updated employee disability status information replaced the previous disability data in the FPPS, and the Agency was not required to maintain the forms submitted by employees. Furthermore, the Agency did not include employees converted from temporary to permanent employment in its performance reporting for recruiting and hiring veterans and disabled veterans. However, starting in FY 2015, the Agency will adopt a new OPM performance model. Lastly, SSA incorrectly identified the data source for both PIs in certain performance reports.”

For the third performance indicator, minimize average wait time for initial disability claims, OIG stated:

“Underlying data used to report the PI were adequate, accurate, reasonable, complete, and consistent; and we were able to recalculate the performance reported for the PI using data provided by SSA. Our assessment of the PI did not identify any significant exceptions related to the accuracy of presentation or disclosure of the information related to the PI in the AFR or to the PI’s meaningfulness.

However, during our evaluation of the effectiveness of the control environment over the business process, we found claims representatives did not always ask the applicants all of the questions SSA policy requires to verify identity. Because not all of the required identity questions were asked, there is an increased risk of an individual using the identity of another person to file a fraudulent claim to obtain benefits.”

These and other OIG reports are located on [OIG's webpage](#).

# Appendix D: Changes to Performance Measures

## Results for Discontinued Fiscal Year 2014 Performance Measures

Results for these measures were not available until after we published our [Annual Performance Report 2014-2016](#).

### 2.3b: Maintain the low percentage of improper payments made under the Old-Age, Survivors, and Disability Insurance Program

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
<b>Performance</b>	0.5%	0.6%	0.4%	0.3%	0.3%	0.6%		
<b>Target</b>						No more than 0.4% of all payments made under the Old-Age, Survivors, and Disability Insurance program are improper payments (i.e., overpayment and underpayments)		
<b>Target Met</b>						Not Met		

**Results:** We did not meet our FY 2014 target. Our improper overpayment rate was 0.5 percent and our total improper underpayment rate was 0.1 percent.

**Data Definition:** We determine Old-Age, Survivors, and Disability Insurance payment free of overpayment and underpayment error by an annual review of a statistically valid sample of the beneficiary rolls. We determine the overpayment error rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year. We determine the underpayment error rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year.

**Data Source:** Old-Age, Survivors, and Disability Insurance Stewardship Report

### 3.3a: Achieve the target number of beneficiaries participating in the Ticket to Work program who begin earning above a certain level

Fiscal Year	2014	2015	2016
Performance	1,420 beneficiaries		
Target	1,300 beneficiaries		
Target Met	Met		

Results: We exceeded our target for FY 2014.

**Data Definition:** The number of Social Security Disability Insurance, Supplemental Security Income and concurrent beneficiaries who have achieved trial-work-level earnings for the first time within 12 months after assigning their Ticket to an employment network or to a state vocational rehabilitation agency operating as an employment network. Beneficiaries achieving trial-work-level earnings prior to Ticket assignment will not be counted in this measure, nor will beneficiaries who place their Ticket in use with vocational rehabilitation. Ticket assignments that occur in the previous fiscal year may be counted if trial-work-level earnings are first achieved within the reporting period.

**Data Source:** Office of Child Support Enforcement earnings database and the Disability Control File

## Performance Measures Established in Fiscal Year 2016

<b>1.1b APG NEW</b>	Improve customer service and convenience by increasing online transactions by 25 million each year
<b>1.2e APG NEW</b>	Increase customer satisfaction with our services
<b>1.4b NEW</b>	Assess field and hearing office lease expirations and increase colocation of our field and hearing offices to reduce our physical footprint
<b>2.3c APG NEW</b>	Improve the integrity of the SSI program by ensuring that 95 percent of our payments are free of overpayment
<b>3.1c APG NEW</b>	Improve customer service by reducing the wait time for a hearing decision
<b>4.3c NEW</b>	Increase employee engagement as measured by the employee engagement index score
<b>5.2b NEW</b>	Improve customer service by using information technology to provide new online services to users of <a href="#">my Social Security</a>

## Carryover Performance Measures with Title Changes

Fiscal Year 2016 New Title		Fiscal Year 2015 Old Title
<b>2.1a</b>	Improve the accuracy and timeliness of the earnings data used to calculate benefits	Redesign our earnings system to improve the accuracy and timeliness of the earnings data used to calculate benefits
<b>3.1a</b>	Ensure the quality of our decisions by achieving the DDS net accuracy rate for initial disability decisions	Ensure the quality of our decisions by achieving the DDS decisional accuracy rate for initial disability decisions
<b>3.2a</b>	Improve the disability determination process by increasing the percentage of initial disability claims using electronically transmitted health records and medical evidence (Health IT)	Improve the disability determination process by increasing the percentage of initial disability claims with health information technology (IT) medical evidence
<b>4.1b</b>	Strengthen workforce diversity by maintaining the representation of employees with targeted disabilities	Achieve the target on-board representation of employees with targeted disabilities
<b>4.2a</b>	Strengthen workforce competence by improving our talent management index score	Reduce skills gaps for leaders and potential leaders to improve leadership competencies
<b>4.4a</b>	Lay the foundation for building a 21 <sup>st</sup> century workforce by meeting or exceeding targeted human resources measures	Achieve target number of human capital metrics to ensure progress toward building a model workforce

# Appendix E:

## Summary of Key Management Officials' Responsibilities

**Commissioner of Social Security (COSS), Carolyn W. Colvin (Acting)**, manages all agency programs and staff. Also serves as the Chief Operating Officer, responsible for improving agency management and performance.

**Deputy Commissioner of Social Security (DCOSS), VACANT**, an appointed position, authorized to act on behalf of the COSS.

**Chief Strategic Officer (CSO), Ruby Burrell**, advises and assists the Commissioner to ensure that we achieve our mission and goals through strategic and performance planning, measurement, analysis, regular assessment of progress, and the use of performance information to improve the results achieved. The CSO also oversees our transparency efforts and serves as the **Performance Improvement Officer**.

**Chief Actuary (CAct), Stephen C. Goss**, plans and directs program actuarial estimates and analyses for our programs and for any proposed changes in programs and trust funds. The CAct provides technical and consultative services to the COSS, the Board of Trustees of the Social Security Trust Funds, Congress, and their respective staffs.

**General Counsel (GC), Andy Liu**, advises the COSS, DCOSS, and all subordinate organizational components (except the Inspector General) on legal matters.

**Inspector General (IG), Patrick P. O'Carroll Jr.**, promotes economy, efficiency, and effectiveness in administering our programs and operations, and prevents and detects fraud, waste, abuse, and mismanagement.

**Deputy Commissioner for Budget, Finance, Quality, and Management (DCBFQM), Michelle King (Acting)**, directs our comprehensive management programs including budget, quality reviews and studies, financial policy, acquisition, grants, facilities supply management, and security and emergency preparedness. The DCBFQM also serves as the **Chief Financial Officer**.

**Deputy Commissioner for Communications (DCCOMM), Douglas K. Walker**, conducts our national public information and outreach programs and fosters the transparency of our operations.

**Deputy Commissioner for Disability Adjudication and Review (DCDAR), Theresa L. Gruber**, administers our nationwide appeal and review program in accordance with relevant federal laws.

**Deputy Commissioner for Human Resources (DCHR), Reginald F. Wells, Ph.D.**, administers our human resources programs, including training, human capital initiatives, personnel and employee relations, labor management, and civil rights and equal opportunity. The DCHR also serves as the **Chief Human Capital Officer** and as the senior accountable official on employee engagement initiatives.

**Deputy Commissioner for Legislation and Congressional Affairs (DCLCA), Judy L. Chesser**, develops and conducts our legislative program, serves as our liaison to Congress, and analyzes legislative and regulatory initiatives.

**Deputy Commissioner for Operations (DCO), Nancy A. Berryhill**, directs our network of field offices, National 800 Number Teleservices Centers, and Processing Centers. The DCO oversees the disability determination services.

**Deputy Commissioner for Retirement and Disability Policy (DCRDP), Virginia P. Reno**, advises the COSS on the major policy issues and is responsible for all major activities in the areas of program policy planning, policy research and evaluation, statistical programs, and overall policy development, analysis, and implementation. The DCRDP serves as liaison with the Centers for Medicare and Medicaid Services. The DCRDP also serves as the accountable official for improper payments and leads our efforts to improve the clarity, tone, and readability of our notices.

**Deputy Commissioner for Systems (DCS), Robert W. Klopp**, directs the strategic management of our systems and databases, which includes the development, validation, and implementation of new systems. The DCS directs operational integration, strategic planning processes, and implementation of a systems configuration program. The DCS also serves as the **Chief Information Officer** and the **Chief Technical Officer**, responsible for managing our information technology (IT) investment process and assessing the performance of our major IT investments.

# Appendix F:

## Glossary of Acronyms

### A

AFI	Access to Financial Institutions
APG	Agency Priority Goals
ASA	Average Speed of Answer
ATS	Audit Trail System

### C

CAct	Chief Actuary
CAL	Compassionate Allowances
CAP	Cross-Agency Priority
CDR	Continuing Disability Review
CFO	Chief Financial Officer
CHO	Chief Human Capital Office
CIO	Chief Information Officer
COSS	Commissioner of Social Security
CSO	Chief Strategic Officer

### D

DCBFQM	Deputy Commissioner for Budget, Finance, Quality, and Management
DCCOMM	Deputy Commissioner for Communications
DCDAR	Deputy Commissioner for Disability Adjudication and Review
DCHR	Deputy Commissioner for Human Resources
DCLCA	Deputy Commissioner for Legislation and Congressional Affairs
DCO	Deputy Commissioner for Operations
DCOSS	Deputy Commissioner of Social Security
DCPS	Disability Case Processing System
DCRDP	Deputy Commissioner for Retirement and Disability Policy
DCS	Deputy Commissioner for Systems
DDS	Disability Determination Services
DoD	Department of Defense

### E

eCAT	Electronic Claims Analysis Tool
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
E/VG/G	Excellent/Very Good/Good

### F

FISMA	Federal Information Security Management
FPPS	Federal Personnel and Payroll System
FY	Fiscal Year

<b>G</b>	
GAO	Government Accountability Office
GC	General Counsel
GDP	Gross Domestic Product
GPRA	Government Performance and Results Act (GPRA) Modernization Act of 2010
GS	General Schedule
<b>H</b>	
HCAAF	Human Capital Accountability Framework
HCAS	Human Capital Accounting System
HHS	Department of Health and Human Services
HR	Human Resources
HRMA	Human Resources Management Assets
HRODS	Human Resources Operational Data Store
<b>I</b>	
IG	Inspector General
IT	Information Technology
iTOPSS	Internet Ticket Operations Support System
<b>O</b>	
OAS	Online Authentication Survey
OASDI	Old-Age, Survivors, and Disability Insurance
OIG	Office of the Inspector General
OMB	Office of Management and Budget
<b>P</b>	
PER	Pre-effectuation Review
PI	Performance Indicator
PPS	Partnership for Public Service
<b>Q</b>	
QDD	Quick Disability Determinations
<b>S</b>	
SAA	Senior Attorney Advisor
SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
SSN	Social Security Number
SSNAP	Social Security Number Application Process
<b>T</b>	
TBD	To Be Determined
TOP	Treasury Offset Program
TWL	Trial Work Level
<b>V</b>	
VA	Department of Veterans Affairs



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**Social Security Administration**  
**Fiscal Year 2015**  
**Bipartisan Budget Act of 2015 Section 845(a) Report**

**Bipartisan Budget Act Reporting Requirements**

Section 845(a) of the Bipartisan Budget Act of 2015 requires us to include in our annual budget a report on our activities to prevent fraud and improper payments for each (FY) fiscal year from 2016 through 2021. The report must contain:

- The total amount spent on fraud and improper payment prevention activities;
- The amount spent on cooperative disability investigation (CDI) units;
- The number of cases of fraud prevented by CDI units and the amount spent on such cases;
- The number of felony cases prosecuted under section 208 and the amount spent by our agency in supporting the prosecution of such cases;
- The number of such felony cases successfully prosecuted and the amount spent by our agency in supporting the prosecution of such cases;
- The amount spent on and the number of completed:
  - Continuing disability reviews (CDR) conducted by mail;
  - Redeterminations conducted by mail;
  - Medical CDRs conducted pursuant to section 221(i) of the Act and pursuant to 1614(a)(3)(H);
  - Redeterminations conducted pursuant to section 1611(c); and
  - Work-related CDRs to determine whether earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity;
- The number of cases of fraud identified for which benefits were terminated as a result of medical CDRs, work-related CDRs, and redeterminations, and the amount of resulting savings for each such type of review or redetermination; and
- The number of work-related CDRs in which a beneficiary improperly reported earnings derived from services for more than three consecutive months, and the amount of resulting savings.

Below we provide a brief overview of our programs and anti-fraud activities. Then, we provide the information required by section 845(a) of the Bipartisan Budget Act. This report also meets the requirements of the FY 2016 Omnibus Appropriations report provisions.

Currently, we do not have the data necessary to track the amount spent on the following:

- Fraud and improper payment prevention activities;
- Cooperative Disability Investigation (CDI) Unit investigations;
- Felony cases prosecuted under section 208 including the amount spent supporting these prosecutions;
- Cases of fraud identified by redeterminations, medical and work-related CDRs including the resulting savings of each; and
- Number of work-related CDRs in which a beneficiary improperly reported earnings for more than three consecutive months including the resulting savings

In FY 2016, we will begin discussing how to capture and track the information.

### **Overview of Our Programs**

Considered one of the most successful large-scale Federal programs in our Nation's history, the Old-Age, Survivors, and Disability Insurance (OASDI) programs provide social insurance for the vast majority of our population. Workers earn coverage for retirement, survivors, and disability benefits by working and paying Social Security taxes on their earnings. About 9 out of 10 individuals age 65 and older receive Social Security benefits. The disability insurance (DI) program provides benefits to people who cannot work, because they have a medical condition expected to last at least one year or result in death. Individuals who have worked long enough and paid Social Security taxes and certain members of their families can qualify for DI benefits.

We also administer the Supplemental Security Income (SSI) program, which provides monthly payments to people with limited income and resources who are aged, blind, or disabled. Adults and children under the age of 18 can receive payments based on disability or blindness. General tax revenues fund the SSI program.

During FY 2015, we paid a total of more than \$931 billion to a monthly average of almost 65 million OASDI and SSI beneficiaries.

### **Our Anti-Fraud Efforts**

As good stewards of our resources and the Social Security and SSI programs, it is our duty to work aggressively to prevent and detect fraud and recover improper payments whether fraudulent or not.

To efficiently and effectively detect, deter, and mitigate fraud, waste, and abuse in our programs, we established the Office of Anti-Fraud Programs (OAFP) in November 2014 to provide centralized oversight and accountability of our anti-fraud initiatives. This office drives our anti-fraud efforts by sponsoring new initiatives, supporting component anti-fraud efforts,

centralizing anti-fraud analytics capabilities, and supporting the Inspector General’s efforts to investigate fraud. OAFP is an integral and critical component in our efforts to implement a strategic plan that supports a comprehensive approach to fraud prevention and aligns anti-fraud efforts with the United States Government Accountability Office (GAO) report, [A Framework for Managing Fraud Risks in Federal Programs](#). The GAO report identifies leading practices for managing fraud risks and identifies control activities to prevent, detect, and respond to fraud in Federal programs.

In FY 2015, OAFP had several key accomplishments including: the use of data analytics to enhance fraud detection and the development of analytical tools to determine common characteristics and patterns; the delivery of two major national training programs: mandatory anti-fraud training and refresher training on fraud or similar fault, which supplemented local and regional anti-fraud initiatives; the coordination of a National Anti-Fraud Conference to bring together stakeholders from across the agency to share best practices and discuss FY 2016 priorities; and the successful partnership with the National Anti-Fraud Committee (NAFC), which is the focal point for SSA’s anti-fraud efforts.

## **Bipartisan Budget Act Reporting Requirements**

### Total Expenditures on our Fraud and Improper Payment Prevention Activities

In FY 2015, our operating expenses for our strategic goal to “Strengthen the Integrity of Our Programs” were \$2.007 billion. The expenditures under this goal include both our program integrity initiatives and our specific anti-fraud efforts. It is difficult to distinguish between specific efforts to reduce fraud and our overall efforts to reduce improper payments. While fraud may cause some improper payments, most improper payments are not fraud related. As a result, we do not currently have the data necessary to compute the expenditures specifically for only our anti-fraud-related activities. In 2016, we will begin discussing how we may track our anti-fraud expenditures and identify resource implications for developing separate tracking metrics. Since all fraud is improper, but not all improper payments is fraud, it is important that we have a clearly defined set of definitions and metrics.

### Total Expenditures on Cooperative Disability Investigation (CDI) Units, the Number of Cases of Fraud Prevented by CDI Units, and the Amount Spent on Such Cases

The CDI program is a key anti-fraud initiative that plays a vital role in combating fraud, similar fault, and abuse within our disability programs. CDI units, consisting of personnel from our agency as well as the Office of the Inspector General (OIG), disability determination services (DDS), and State and local law enforcement, investigate initial disability claims and post-entitlement events involving suspected fraud. CDI units investigate claimants as well as third parties who are potentially committing or facilitating disability fraud.

The mission of the CDI program is to investigate questionable statements and activities of claimants, medical providers, and other third parties to obtain material evidence that is sufficient to resolve questions of potential fraud in the agency’s disability programs.

We continue to expand our CDI program as resources allow. We currently have 37 units, covering 31 States, Washington, DC, and the Commonwealth of Puerto Rico. We plan to open additional units in FY 2016 and more in the following years.

In FY 2015, we spent approximately \$28 million<sup>1</sup> on CDI units, which includes personnel costs, training, travel, and equipment. CDI investigations resulted in 6,513 claims ceased or denied in FY 2015 with SSA savings of over \$406 million.<sup>2</sup>

We do not track CDI-related costs on a per investigation basis. Consequently, the amount spent on investigations resulting in the cessation or denial of a claim is not available at this time. Tracking such data will require enhancements to OIG's case management system, and we will work with OIG to assess the feasibility of tracking such expense data in the future.

For FY 2016, we plan to spend approximately \$31 million<sup>3</sup> on CDI units.

The Number of Felony Cases Prosecuted Under Section 208 and the Amount Spent by the Social Security Administration in Supporting the Prosecution of Such Cases; the Amount of Such Felony Cases Successfully Prosecuted and the Amount Spent by the Social Security Administration in Supporting the Prosecution of Such Cases

Our OIG examines and investigates allegations of fraud, waste, abuse, and mismanagement in our programs and operations. These allegations may involve issues such as benefit fraud, Social Security Number misuse, violations by our employees, or fraud related to grants and contracts. OIG's investigations often result in criminal or civil prosecutions or the imposition of civil monetary penalties (CMP) against offenders. These investigative efforts improve our program integrity by recovering funds and deterring those contemplating fraud against the agency in the future.

The determination as to whether to proceed with a criminal prosecution under section 208 of the Social Security Act [42 U.S.C. 408] based upon an OIG investigation rests with the appropriate United States Attorney's Office. The United States Attorney may decide to prosecute the case not under section 208 but another Federal Criminal statute applicable to the facts of the OIG investigation. If an OIG investigation is declined for prosecution by the appropriate United States Attorney's Office, it may be prosecuted in the appropriate State Court.

In FY 2015, OIG investigations resulted in the successful felony prosecution of 178 subjects under section 208, resulting in approximately \$8.2 million in restitution ordered to our agency. In FY 2015, OIG investigations also resulted in successful prosecution of 1,064 subjects

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<sup>1</sup> This figure includes OIG funds.

<sup>2</sup> The 6,513 claims ceased or denied do not represent the number of cases of fraud prevented by CDI units as defined by statute.

<sup>3</sup> This figure includes OIG funds.

under other statutes such as 42 U.S.C. 1383 – SSI fraud; 18 U.S.C. 641 – Theft of Government Property; and 18 U.S.C. 1001 – False Statements resulting in over \$44.7 million in additional restitution ordered to our agency.

Limiting the reporting of cases prosecuted to section 208 likely underrepresents the number of OIG cases involving fraud against our programs that resulted in a successful prosecution, as the prosecuting attorney has discretion when seeking criminal charges. A successful prosecution is prosecution that results in a conviction including pretrial diversions. In many investigations involving fraud against our programs, which a prosecutor could have charged under section 208, the subjects were convicted under other criminal statutes as noted above. Furthermore, OIG may seek other remedies related to Social Security fraud, such as CMPs or civil actions.

In total, OIG efforts during FY 2015 resulted in over \$224 million in investigative accomplishments, including over \$63 million (this figure includes the \$8.2 million in restitution stated above) in recoveries, restitution, fines, settlements, and judgments; and over \$167 million in projected savings from investigations resulting in the suspension or termination of benefits. The timeframe for savings are based on the type of investigation and whether the claim was in pay at the time of the investigation. We use a calculation of the monthly benefit amount or amount of reduction in benefits multiplied by 60 months for Title II and Title XVI program savings. For Title II and Title XVI initial claim disability cases, we use a set figure based on the program affected. For Title II and Title XVI in-pay disability cases, we use a calculation of the monthly benefit amount multiplied by 61.6.

Since the determination as to whether to proceed with a criminal prosecution based upon an OIG investigation rests with the appropriate United States Attorney's Office, we cannot quantify how many cases will be prosecuted and their resulting restitution.

In FY 2016, we will begin discussing the feasibility of capturing this information in the future. As noted previously, since all fraud is improper, but not all improper payments are fraud, it is important that we have a clearly defined set of definitions and metrics.

The Department of Justice (DOJ) is the Federal agency responsible for prosecuting defendants who have violated Federal law. However, due in part to a lack of prosecutorial resources, DOJ declines many cases for prosecution. For more than a decade, OGC has worked with OIG to develop the Fraud Prosecution Project. The goal of this initiative is to increase the number of prosecutions for crimes involving Social Security matters. To support this project, OGC has provided attorneys to serve as Special Assistant United States Attorneys (fraud prosecutors) in many of the Federal districts where we have regional offices and at our Headquarters in Baltimore, MD.

By early 2015, OGC hired fraud prosecutors in the new locations reflected in the chart below. Seattle, Puerto Rico, and Chicago were existing locations where we had to backfill. Kansas City was a part-time position that we converted to full-time and hired accordingly. With previously existing sites, OGC now has fraud prosecutors in 24 locations.

Location	Start Date / Entry on Duty
Alexandria, Virginia	Internal Hire – No Start Date Necessary
Chicago, Illinois	Internal Hire – No Start Date Necessary
Concord, New Hampshire	Internal Hire – No Start Date Necessary
San Juan, Puerto Rico	09/08/14
Boise, Idaho	09/21/14
Kansas City, Kansas	09/21/14
Los Angeles, California	09/21/14
Richmond, Virginia	09/21/14
Salt Lake City, Utah	09/21/14
San Antonio, Texas	09/21/14
San Diego, California	09/26/14
Detroit, Michigan	09/29/14
Baltimore, Maryland	10/27/14
Seattle, Washington	10/27/14
Albany, New York	11/03/14
Cleveland, Ohio	01/26/15

By early 2015, OGC accomplished all the hires provided. This effort doubled the number of fraud attorneys that were available at the start of 2014. With the new locations and new attorneys on board, OGC attorneys secured 171 convictions in FY 2015 resulting in total restitution of \$16,469,595. The estimated FY 2015 costs of these 25 Special Assistant United States Attorneys prosecuting fraud was \$3,953,000, which includes the salary and benefit costs of these attorneys. As the attorneys gain experience, the return on this investment will increase.

Program Integrity Expenditures and Numbers

***Periodic Continuing Disability Reviews***

The American public expects and deserves for us to be outstanding stewards of the Social Security Trust Funds and general revenues that finance our programs – and as such, we are committed to ensuring that program rules and eligibility standards are fully enforced. One of our

most important program integrity tools are CDRs, which are periodic reevaluations to determine if beneficiaries still qualify to receive benefits. We conduct periodic CDRs to ensure that only those beneficiaries who remain disabled, based on our strict standard of disability, continue to receive monthly benefits. Almost all medical CDRs are scheduled based on a beneficiary's likelihood of experiencing medical improvement rather than on suspicion or evidence of fraud. The primary purpose of a CDR is to determine if a beneficiary continues to be entitled to benefits because of his or her medical condition; a finding of medical improvement does not mean that the beneficiary committed fraud. However, our ability to perform additional CDRs may allow us to detect potentially fraudulent or suspicious activities. It should also be noted that there are no improper payments associated with the medical CDR process. Benefits for individuals who have medically improved are only improper if the agency fails to suspend payment after the CDR appeals process has been fully completed, or the individual had failed to cooperate with the CDR.

For case reviews that we initiate centrally when a medical review diary matures, we conduct periodic CDRs using one of two methods. We send some cases to the DDS for a full medical review; we complete others using the mailer process. We decide whether to initiate a full medical review or send a mailer after profiling all cases to identify the likelihood of medical improvement. We send cases with a higher likelihood of medical improvement to DDSs for full medical reviews. For those cases with a lower likelihood of medical improvement, we send mailers to obtain more information from the beneficiaries, which we evaluate to determine if there is any indication of medical improvement. If we find an indication of medical improvement, we send the case to a DDS for a full medical review. Otherwise, we set a new medical review diary and schedule the case for a future CDR. Each year, we refresh the case priority selections based on the results of a predictive statistical scoring model.

We conduct some CDRs outside the centralized process based on events such as voluntary or third party reports of medical improvement. We always send these CDRs to the DDSs for a full medical review. In addition, there is a subset of cases where the medical review diary matures, but we curtail further development for technical reasons, such as the suspension or termination of benefits for non-medical reasons. Our current estimates indicate that medical CDRs conducted in FY 2017 will yield a return of investment (ROI) of about \$8 on average in net Federal program savings over 10 years per \$1 budgeted for dedicated program integrity funding, including Old-Age, Survivors, and Disability Insurance (OASDI), SSI, Medicare and Medicaid program effects.

### ***Work-Related Continuing Disability Reviews***

We use the term "substantial gainful activity" (SGA) to describe a level of work activity and earnings. When a beneficiary is receiving disabled worker benefits from the SSDI program, we review his or her case to determine if the beneficiary is performing SGA, and if eligibility for benefits should continue. We commonly refer to this process as a "work CDR."

We learn about work activity through two primary ways. Some work CDRs are triggered when beneficiaries report their work or earnings as required by law. SSDI beneficiaries must report any changes in work activity, and we must determine whether such work constitutes SGA. We

are planning to expand the options for a SSDI beneficiary to report work activity by creating an internet reporting process. Currently SSDI beneficiaries generally report work activity through the local field office or by calling the national 800 number. An internet reporting application will also assist us by conveniently loading information about work activity directly into our work CDR systems and generating a receipt to the beneficiary. Providing a more convenient method for beneficiaries to report work will also reduce the burden on SSA staff to take reports and manually enter the data.

Other work CDRs are triggered through the Continuing Disability Review Enforcement Operation (CDREO). The CDREO is an automated process that identifies work activity by matching earnings reported to the Internal Revenue Service (IRS) and posted to our Master Earnings File with the information in our other records. We are working on a business process to incorporate more earnings data sources into the CDREO process. The recent Bipartisan Budget Act provides us the opportunity to contract with third party payroll providers to obtain payroll data. Third party payroll data is timelier than IRS data, and will allow us to learn about unreported work activity more quickly.

When we learn of work activity, we analyze the work activity to determine if we must investigate. After we review the earnings, we may screen out many work reports and CDREO alerts because they do not meet the requirements for a work CDR. In addition, many CDREO alerts may identify payments that are not earnings from work activity (e.g., sick pay or long-term disability benefits); these payments also do not require a work CDR.

Please see the below table for actual CDR workload volumes for FY 2015:

<b>FY 2015 Actual Volumes</b>	<b>Title II</b>	<b>Title XVI</b>	<b>TOTAL</b>
Full Medical CDRs	301,317	497,696	799,013
CDR Mailers	983,332	189,467	1,172,799
Work-Related CDRs	247,772	-	247,772

In FY 2015, we spent \$560 million<sup>4</sup> on Periodic CDRs, which includes the cost of CDR Mailers. We spent an additional \$215 million<sup>5</sup> on Work-Related CDRs.

Please see the below table for enacted CDR workload volumes for FY 2016:

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<sup>4</sup> Includes \$278 million in costs allocated to DI, retirement and survivors insurance (RSI), and hospital insurance/supplementary medical insurance (HI/SMI) and \$282 million in costs allocated to SSI

<sup>5</sup> Includes about \$105 million in costs allocated to DI, \$61 million in costs allocated to RSI, and \$49 million in costs allocated to HI/SMI

<b>FY 2016 Enacted Volumes</b>	<b>Title II</b>	<b>Title XVI</b>	<b>TOTAL</b>
Full Medical CDRs <sup>i</sup>	500,000	350,000	850,000
CDR Mailers	800,000	300,000	1,100,000
Work-Related CDRs (YTD) <sup>ii</sup>	55,569	-	55,569
<i>i/ Volumes above are based upon the funding provided in our FY 2016 appropriation (PL-114-113).  The FY 2016 workload estimates are 350,000 Title II CDRs and 500,000 Title XVI CDRs.  We have the authority to reallocate funds based upon Section 201 (g) of the Social Security Act.  ii/ We do not develop official volume projections for Work-Related CDRs, therefore we  have included our most recent FY 2016 YTD figures, which are through December.</i>			

In FY 2016, we anticipate spending a total of \$825 million<sup>6</sup> on Full Medical CDRs, CDR Mailers, and Work-Related CDRs. Since Work-Related CDRs are not an agency-controlled workload, we do not develop official volume projections for that workload in a given fiscal year. Historically, work CDR volumes are consistently 250,000 – 300,000 annually. However, in formulating the budget, we fully incorporated the projected costs of Work-Related CDRs into the total projected costs for CDRs.

### ***Redeterminations***

Another important program integrity tool is SSI redeterminations, which are periodic reviews of non-medical eligibility factors such as income and resources.

Changes in beneficiaries' living arrangements or the amount of their income and resources can affect both their eligibility for SSI and the amount of their payments. To ensure the accuracy of SSI payments, we conduct redeterminations. To select redeterminations, we use a predictive statistical model, which we implement each year to prioritize redeterminations to focus on reviews most likely to result in the correction of improper payments. Redeterminations are a key activity in ensuring the integrity of the SSI program and maintaining and improving payment accuracy. Our estimates indicate that non-medical redeterminations conducted in 2017 will yield a ROI of about \$3 on average of net Federal program savings over 10 years per \$1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects.

Effective October 2008, we ceased conducting redeterminations via mail, as we determined they were not cost effective.

In FY 2015, we spent \$630 million to conduct 2,266,993 redeterminations pursuant to section 1611(c).

In FY 2016, we plan to spend \$701 million to conduct 2,522,000 redeterminations pursuant to section 1611(c).

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<sup>6</sup> Includes \$496 million in costs allocated to DI, RSI, and HI/SMI and \$329 million in costs allocated to SSI

The Number of Cases of Fraud Identified for which Benefits were Terminated as a result of Medical CDRs, Work-Related CDRs, and Redeterminations, and the Amount of Resulting Savings for Each Such Type of Review or Redetermination

For 2015, OIG reported overall savings of \$475 million from all investigations resulting in the suspension or termination of benefits. This figure is reported in its Semiannual Report to Congress. However, OIG does not track the number of instances of fraud where benefits were terminated because of a medical CDR, work-related CDR, or redetermination. Neither our fraud referral form nor the OIG case management system captures this specific event. Therefore, we cannot provide FY 2015 volumes or resulting savings.

We plan to work with the OIG to assess our policies and procedures to determine if the tracking of such data is feasible and what requisite systems modifications would be needed.

The Number of Work-Related CDRs in which a Beneficiary Improperly Reported Earnings Derived from Services for More Than Three Consecutive Months, and the Amount of Resulting Savings

Because SSDI beneficiaries are not required to report monthly, the only way an SSDI beneficiary can “improperly” report earnings is to not report at all when there is a change in work activity. We use the CDREO process to learn of unreported work activity. As mentioned earlier, we plan to expand options for beneficiaries to report earnings electronically and pursue new sources of earnings data for the enforcement process.

**Other Reports of Interest**

We have provided below additional agency reports of interest.

- Fiscal Year 2015 Agency Financial Report  
(<https://www.socialsecurity.gov/finance/>)
- Annual Performance Report 2014 - 2016  
(<https://www.socialsecurity.gov/agency/performance/>)