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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>

SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS

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**

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

Disability Early Intervention Initiative/Functional Assessment of Battery	Actions Taken or To Be Taken
Work Incentives Planning and Assistance (WIPA) and Protection and Advocacy for Beneficiaries of Social Security (PABSS)	Actions Taken or To Be Taken
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.
Fraud Risk Performance	Actions Taken or To Be Taken
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.
Report on Medical Listings	Actions Taken or To Be Taken
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.
Medical Vocational Guidelines	Actions Taken or To Be Taken
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.

Disability Early Intervention Initiative/Functional Assessment of Battery	Actions Taken or To Be Taken
<p data-bbox="354 268 646 300">Huntington’s Disease</p> <p>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="922 268 1344 300">Actions Taken or To Be Taken</p> <p>The agency is working to implement the recommendations to revise the HD guidelines used to determine disability for individuals with the disease.</p>

Muscular Dystrophy	Actions Taken or To Be Taken
<p>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>Please see page 68 within the SSI section of the CJ for this information.</p>

Continuing Disability Reviews and SSI Redeterminations of Eligibility	Actions Taken or To Be Taken
<p>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>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
<p>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.</p>	<p>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.</p>

Representative Payee Reviews	Actions Taken or To Be Taken
<p>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.</p>	<p>SSA's acquisition of services to conduct and manage representative payee reviews will be made using full and open competition procedures.</p>

Medical Improvement Review Standard	Action Taken or To Be Taken
<p>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.</p>	<p>SSA is working to satisfy the reporting requirements.</p>

Disability Hearing Pilot Program	Actions Taken or To Be Taken
<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>

Vocational Expert (VE) Fees	Actions Taken or To Be Taken
<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>

Advertising Fees	Actions Taken or To Be Taken
<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

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

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.¹

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

¹ 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
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE)	\$11,806	\$12,162	\$13,067
Research and Demonstrations	\$83	\$101	\$58
Office of the Inspector General (OIG)	\$103	\$106	\$112
Total Budget Authority¹	\$11,992	\$12,368	\$13,237
Workyears			
Full-Time Equivalents ²	63,394	64,860	66,140
Overtime	2,831	674	2,200
Lump Sum	246	298	298
Total SSA Workyears	66,471	65,832	68,638
Total Disability Determination Services (DDS) Workyears	14,925	15,270	16,000
Total SSA/DDS Workyears	81,396	81,102	84,638
OIG Workyears	533	543	564
Total SSA/DDS/OIG Workyears	81,929	81,645	85,202

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.

¹ Totals may not add due to rounding.

² 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 ¹	FY 2017 Request
Selected Workload Measures			
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) ^{2,3}	50	38	44
Selected Outcome Measures			
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) ⁴	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)
Selected Program Integrity Performance Measures			
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

¹ 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.

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

³ 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.

⁴ 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.

RECENT ACCOMPLISHMENTS

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.

PRIORITY GOALS

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.

NATIONAL SUPPORT CENTER

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.

<u>Planned</u>	<u>Actual</u>	<u>Milestone</u>
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)**

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

¹ 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.

² 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.

³ 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 21st 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

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.

MEDICARE ACCESS AND CHIP REAUTHORIZATION ACT (MACRA)

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.

IMPLEMENTATION OF THE BIPARTISAN BUDGET ACT OF 2015

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^{1,2}
(dollars in thousands)

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

Table Continues on the Next Page

¹ Totals may not add due to rounding.

² Totals do not include reimbursables.

³ 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.

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

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

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)²**

	FY 2015³ Actual	FY 2016⁴ Enacted	FY 2017⁵ Estimate
OASI and DI Trust Funds ⁶	\$5,344,291 ⁷	\$5,596,112 ⁸	\$5,702,038 ⁹
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

¹ 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).

² Totals may not add due to rounding.

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

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

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

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

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

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

⁹ 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
Total Budget Authority	\$11,832,945	\$12,183,945	\$13,089,000
OASI and DI Trust Funds ¹	\$5,387,876 ²	\$5,680,158 ³	\$5,771,443 ⁴
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
Total Administrative Outlays	\$12,156,508	\$12,389,105	\$13,262,205

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

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

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

⁴ 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 ¹	FY 2016 Estimate ²	FY 2017 Estimate ³
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
Funding			
Dedicated Program Integrity Funding	\$1,396	\$1,426	\$1,819
Related LAE Funding ⁴	\$9	\$100 ⁵	\$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)**

	<u>Total PI Obligations⁶</u>
OASI	\$ 139,700
DI	\$ 241,100
SSI	\$ 912,600
HI	\$ 52,900
SMI	\$ 59,100
Total	\$ 1,405,400

¹ 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.

² 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.

³ 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.

⁴ Funding reflects the fully loaded costs of performing CDRs and SSI redeterminations.

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

⁶ 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

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 2017¹
(dollars in thousands)

	FY 2016 Enacted	FY 2017 Estimate	FY16 to FY17 Change
Total LAE	\$12,367,461	\$13,354,308	+ \$986,847
Appropriation	\$12,161,945	\$13,067,000	+ \$905,055
Amounts Available From Prior Year Unobligated Balances	\$205,516	\$287,308	- \$81,792
Obligations, LAE	<u>\$12,205,153</u>	<u>\$13,329,000</u>	+ <u>\$1,123,847</u>
Unobligated Balance, end-of- year ^{2,3}	\$162,308	\$25,308	-\$137,000
Recovery Act Obligations	<u>\$53,438</u>	<u>\$0</u>	- <u>\$53,438</u>
National Support Center	\$53,438	\$0	- \$53,438
MIPPA - LIS Obligations	<u>\$5,872</u>	<u>\$5,872</u>	<u>\$0</u>
SCHIP Obligations	<u>\$1,026</u>	<u>\$1,026</u>	<u>\$0</u>
MACRA³	<u>\$4,833</u>	<u>\$4,833</u>	<u>\$0</u>
Obligations, Total	<u>\$12,270,321</u>	<u>\$13,340,731</u>	+ <u>\$1,070,410</u>

¹ Totals do not include reimbursables and may not add due to rounding.

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

³ 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.

³ 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)¹**

	FY 2016		Change from FY 2016	
	Federal WYs ²	Obligations	Federal WYs ²	Obligations
<u>BUILT-IN INCREASES</u>				
<u>Payroll Expenses</u>	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
<u>Non-Payroll Costs</u>				
Mandatory growth in non-payroll costs, including higher costs of rent, security, and guard services		\$1,874,854		\$69,114
<u>State Disability Determination Services</u>				
Mandatory growth in State DDS costs, including pay raises and the cost of medical evidence		\$2,372,662		\$29,667
Subtotal, Built-In Increases				+\$319,605
<u>PROGRAM INCREASES</u>				
<u>Net Increase in WYs³</u>			2,806	\$301,370
<u>Non-Payroll Costs</u>		\$125,037		\$16,063
<u>Net Increase in State Disability Determination Services</u>				\$111,670
<u>Social Security Statements Mailed</u>		\$22,237		\$2,696

Table Continues on the Next Page

¹ Totals may not add due to rounding.

² Excludes workyears associated with MACRA funding.

³ 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
<u>Funding for IT¹</u>		\$720,413		\$352,196
Subtotal, Program Increases			2,806	+\$783,995
Total Increases			+2,806	\$1,103,600
<u>BUILT-IN DECREASES</u>				
<u>Payroll Expenses</u>				
Decrease due to two fewer paid days				-\$48,545
<u>PROGRAM DECREASES</u>				
<u>Decreases in Obligations Funded from Other Prior-Year Unobligated Balances</u>				
<u>Recovery Act – New NSC Resources</u>		\$180,208		-\$55,208
Non-personnel Costs		\$53,438		-\$53,438
Total Decreases				-\$157,191
<u>OTHER OBLIGATIONS</u>				
<u>MIPPA – LIS</u>		\$5,872		\$0
<u>State Children’s Health Insurance Program (SCHIP)</u>		\$1,026		\$0
<u>Altmeyer</u>		\$13,000		\$124,000
<u>Medicare Access & CHIP Reauthorization Act² (MACRA)</u>		\$4,833		\$0
Total LAE Obligations, Net Change	65,832	\$12,270,321	+2,806	+\$1,070,410

¹ 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.

² 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 ^{1,2,3,4}

(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
Total Obligations	\$12,270,321	\$13,340,731	\$1,070,409
Resources not being obligated in the current year (carrying over or lapsing)	\$213,355	\$86,625	- \$126,731
Total Budgetary Resources	\$12,483,677	\$13,427,355	\$943,679
Payments to State DDS (funded from other services and communications, utilities, and misc.)	\$2,372,662	\$2,514,000	\$141,338

¹ Totals do not include reimbursables and may not add due to rounding.

² 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.

³ 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.

⁴ 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) ¹

Components	LAE One Year				Total Physical Infrastructure
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities ²	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
Subtotal LAE One Year	\$710,899	\$467,710	\$307,480	\$379,225	\$1,865,314
	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
Subtotal LAE No Year	\$0	\$24,399	\$42,307	\$454,953	\$521,659
Grand Total ³	\$710,899	\$492,109	\$349,787	\$834,178	\$2,386,973

¹ Totals may not add due to rounding.

² Includes guard services.

³ Includes reimbursables.

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

Regions	LAE One Year and No Year				
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities ²	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 ³	\$99,596	\$439,903	\$118,877	\$834,002	\$1,492,378
Total ⁴	\$710,899	\$492,109	\$349,787	\$834,178	\$2,386,973

¹ Totals may not add due to rounding.

² Includes guard services.

³ Includes State DDSs, Social Security Advisory Board, ITS, NSC, and Delegated Buildings.

⁴ 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)**

	2015 Amount Authorized	2015 Actual¹	2016 Amount Authorized	2016 Enacted²	2017 Amount Authorized	2017 Estimate³
Title II, Section 201(g)(1) of the Social Security Act	Indefinite	\$11,805,945	Indefinite	\$12,161,945	Indefinite	\$13,067,000

¹ 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).

² 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).

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

¹ 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).

² H.R. 5647.

³ S. 3708.

⁴ Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

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- ⁵ 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).
- ⁶ H.R. 3043.
- ⁷ S. 1710.
- ⁸ 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).
- ⁹ A total of \$173,264,731 was rescinded by the Consolidated Appropriations Act, 2008 (P.L. 110-161).
- ¹⁰ Economic Stimulus Act (P.L. 110-185) provides funds for work related to rebate checks for Title II beneficiaries and disabled veterans.
- ¹¹ 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).
- ¹² The House Committee on Appropriations did not report a bill.
- ¹³ S. 3230.
- ¹⁴ 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.
- ¹⁵ 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.
- ¹⁶ 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.
- ¹⁷ 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).
- ¹⁸ H.R. 3293.
- ¹⁹ H.R. 3293, reported from Committee with an amendment.
- ²⁰ 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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- ²¹ \$47,000,000 of Recovery Act Economic Recovery Payment administration funds rescinded by section 318 of P.L. 111-226.
- ²² 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.
- ²³ The House Committee on Appropriations did not report a bill.
- ²⁴ S. 3686.
- ²⁵ Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).
- ²⁶ 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).
- ²⁷ 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.
- ²⁸ The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$12,041,494,000.
- ²⁹ S. 1599.
- ³⁰ 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).
- ³¹ A total of \$21,688,000 was rescinded by the Consolidated Appropriations Act, 2012 (P.L. 112-74).
- ³² 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.
- ³³ 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).
- ³⁴ The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$10,684,414,000 for LAE.
- ³⁵ S. 3295.
- ³⁶ 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).
- ³⁷ 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.
- ³⁸ Under P.L. 112-175, all non-SSI funding was reduced by 5% after sequestration was triggered by Congress.
- ³⁹ 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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- ⁴⁰ 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.
- ⁴¹ S. 3533.
- ⁴² 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).
- ⁴³ 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).
- ⁴⁴ 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.
- ⁴⁵ 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).
- ⁴⁶ The House Committee on Appropriations did not report a bill. .
- ⁴⁷ The Senate Committee on Appropriations did not report a bill.
- ⁴⁸ 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).
- ⁴⁹ 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).
- ⁵⁰ H.R. 3020.
- ⁵¹ S.1695.
- ⁵² 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).
- ⁵³ 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 expenses¹ 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^{2,3}
(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
Total Outlays	\$931.2	\$978.0	\$1,018.0

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.

¹ SSA's calculation of discretionary administrative expenses excludes Treasury administrative expenses which are mandatory outlays.

² Totals may not add due to rounding.

³ Totals do not include payments to recipients of Special Benefits for World War II Veterans.

Table 3.18—Beneficiaries^{1,2,3}
(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 ²	8.2	8.2	8.2
Concurrent Recipients ⁴	-2.6	-2.6	-2.6
Total Beneficiaries	64.8	66.5	68.4

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^{5,6}

	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
Total SSA Workyears (excludes OIG)	66,471	65,832	68,638
Total State DDS Workyears	14,925	15,270	16,000
Total SSA/DDS Workyears (excludes OIG)	81,396	81,102	84,638

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](#).

¹ Totals do not include recipients of Special Benefits for World War II Veterans.

² Does not include recipients who only receive a Federally Administered State supplementary payment and no Federal benefit.

³ Totals may not add due to rounding.

⁴ Recipients receiving both DI and SSI benefits.

⁴ Recipients receiving both DI and SSI benefits.

⁵ Includes all workyears funded by MIPPA and the Children's Health Insurance Program (CHIP) Reauthorization Act of 2009.

⁶ 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)**

<u>LAE Expired Accounts</u>	<u>Amounts</u>
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 ¹
Amounts projected for prior year adjustments	-\$128,000 ²²
Total LAE unobligated balance available for transfer from FY 2011-2015	\$150,700
No-Year ITS Account	
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
Total carryover into FY 2016	\$31,109
Funds available for transfer in FY 2016 for FY 2016	\$150,700
Total FY 2016 no-year ITS funding available	\$181,809³

¹ Reflects adjustments to the unobligated balances for these years. Balances as of 9/30/2015.

² 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.

³ \$181.8 million is available based on actual carryover, however we have only allocated \$180.3 million to date.

ITS BUDGET AUTHORITY

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 Activity¹

Limitation of Administrative Expenses	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate
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
Recovery Act (National Support Center)	\$27,838,363	\$53,437,800	\$0
Total	\$1,333,712,660	\$953,851,200	\$1,197,609,500

¹ 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:

System / Type	FY 2015 Notice Totals
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
Total:	136,211,761

- **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

INFORMATION TECHNOLOGY COSTS BY TYPE

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
Total¹	\$1,341,413,299

DIGITAL SERVICES TEAM

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.

¹ 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)¹

	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
Total	\$1,135	\$1,321	\$2,127

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.

¹ 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
Total	\$18,672.8	\$19,019.3	\$19,250.8

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

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)¹

	FY 2017
Detect, Analyze and Mitigate Intrusions	\$21.4
Protecting Networks and Information	\$41.9
Continuous Monitoring	\$22.7
Shaping the Cyber Environment	\$0.9
Total	\$86.9

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.

¹ 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.

EMPLOYMENT

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

Table 3.26—Detail of Full-Time Equivalent Employment^{1,2}

	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Limitation on Administrative Expenses Accounts	63,170	64,560	64,840
Reimbursable Work	224	300	300
	63,394	64,860	66,140

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

	FY 2015 Actual
Average ES Salary	\$172,300
Average GS/WG Grade	11
Average GS/WG Salary	\$69,400

¹ Includes all workyears funded by MIPPA and the Children's Health Insurance Program (CHIP) Reauthorization Act of 2009.

² 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)**

General Schedule (GS) Grade	Salaries	Benefits	Total
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
Subtotal GS Grades¹	\$4,701,692,976	\$1,464,328,153	\$6,166,021,129
Administrative Law Judge (ALJ)	\$232,875,700	\$63,610,135	\$296,485,835
Senior Executive Services (SES)	\$25,578,455	\$5,879,339	\$31,457,794
Grand Total²	\$4,960,147,131	\$1,533,817,627	\$6,493,964,757

¹ Includes \$48,213,193 for Reemployed Annuitant (RA) Personnel Costs.

² 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 Component¹

	FY 2014 Actual	FY 2015 Actual
Field Offices	29,682	29,400
Teleservice Centers	4,535	4,604
Processing Centers	10,674	10,521
Regional Offices	1,797	1,853
Operations Subtotal¹	46,688	46,378
Office of Disability Adjudication and Review	10,473	11,032
Systems	3,177	3,197
Headquarters ²	4,764	5,089
SSA Total	65,102	65,696

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

**Table 3.30 — FY 2015 Personnel Costs by Region
(Actual dollars)**

Regions	Salaries	Benefits	Total
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
Total³	\$4,960,147,131	\$1,533,817,627	\$6,493,964,757

¹ Includes full time, part time, and temporary employees.

² Headquarters includes counts for Operations Support Staff, Disability Case Processing System, Office of Appellate Operations, GSA Delegations, and the Social Security Advisory Board.

³ 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

		PY 2015 (Actual)	CY 2016 (Estimates)	BY 2017¹ (Estimates)
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.

¹ 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

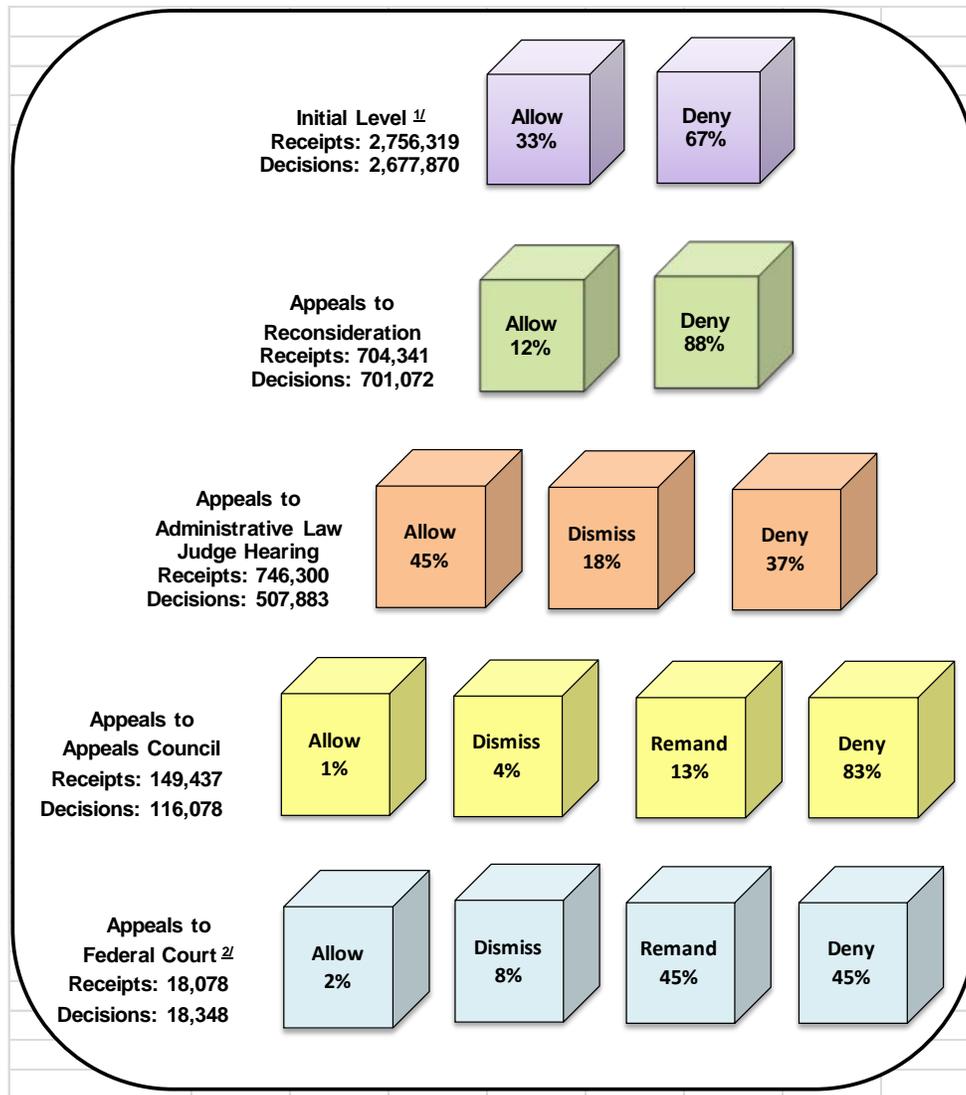
CATEGORY	PHYSICIANS WITH 24 MONTHS OR LESS OF SERVICE			PHYSICIANS WITH MORE THAN 24 MONTHS OF SERVICE		PHYSICIANS WITH MORE THAN 24 MONTHS BUT NOT MORE THAN 48 MONTHS OF SERVICE	PHYSICIANS WITH MORE THAN 48 MONTHS OF SERVICE
	GS-13	GS-14	GS-15/SES	GS-13	GS-14	GS-15/SES	GS-15/SES
1. Occupational Health	*	*	*	*	*	*	*
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.

^{1/} About 24% of initial level denials are issued in States that use the Disability Prototype process, which eliminates the reconsideration step of the appeals process. The first level of appeal for these cases is a hearing before an Administrative Law Judge.

^{2/} Federal Court data includes appeals of Continuing Disability Reviews.

NOTE: Due to rounding, data may not always total 100%.

Prepared by: SSA, 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 basis¹.
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.²

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

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

² 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.