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APPROPRIATION LANGUAGE

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, [\$46,305,733,000] \$43,824,868,000 to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury: *Provided further*, That not more than [\$101,000,000] \$58,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, [2018] 2019.

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

For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year [2017] 2018, [\$14,500,000,000] \$15,000,000,000, to remain available until expended. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2016.)

LANGUAGE ANALYSIS

The appropriation language provides the Social Security Administration (SSA) with the funds needed to carry out its responsibilities under the Supplemental Security Income (SSI) program. This includes the funds needed to pay Federal benefits, administer the program, and provide beneficiary services to recipients. The budget authority for these activities is made available until expended, providing SSA the authority to carryover unobligated balances for use in future fiscal years. In addition, a portion of this funding is made available for SSA to conduct research and demonstration projects, which is available for 3 years, providing SSA the authority to carryover unobligated balances into the next fiscal year.

In addition, the language provides SSA with indefinite authority beginning June 15 in the event Federal benefit payment obligations in FY 2017 are higher than expected and SSA does not have sufficient unobligated balances to cover the difference. Consistent with previous years, the appropriation also includes an advance appropriation for Federal benefit payments in the first quarter of FY 2018 to ensure the timely payment of benefits in case of a delay in the FY 2018 appropriations bill.

Table 2.1—Appropriation Language Analysis

Language provision	Explanation
"For carrying out titles XI and XVI of the Social Security Act... including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, \$43,824,868,000, to remain available until expended:"	Appropriates funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects under the SSI program. SSA may carryover unobligated balances for use in future fiscal years.
" <i>Provided</i> , That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury."	Ensures that states do not carry unobligated balances of Federal funds into the subsequent fiscal year. Applies primarily to the beneficiary services activity.
<i>Provided further</i> , That not more than \$58,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2019.	Specifies that not more than \$58 million of the SSI appropriation is available for research and demonstration projects. SSA may carryover unobligated balances through September 30, 2019.

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<p>"For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary."</p>	<p>Provides an indefinite appropriation to finance any shortfall in the definite appropriation for benefit payments during the last months of the fiscal year.</p>
<p>"For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2018, \$15,000,000,000, to remain available until expended."</p>	<p>Appropriates funds for benefit payments in the first quarter of the subsequent fiscal year. Ensures that recipients will continue to receive benefits during the first quarter of FY 2018 in the event of a temporary funding hiatus.</p>

GENERAL STATEMENT

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

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

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

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

PROGRAM OVERVIEW

Eligibility Standards

As a means-tested program, individuals must have income and resources below specified levels to be eligible for benefits. Rules allow some specific categories of income and resources to be either totally or partially excluded. Recently, the ABLE Act of 2014 created a new type of tax-advantaged account that has a limited effect on an individual's eligibility for the SSI program and other Federal means-tested programs.

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

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

Incentives for Work and Opportunities for Rehabilitation

The SSI program is designed to help recipients with disabilities achieve independence by encouraging and supporting their attempts to work. The program includes a number of work incentive provisions that enable recipients who are blind or disabled to work and retain benefits. The program also includes provisions to help disabled beneficiaries obtain vocational rehabilitation and employment support services. These provisions were revised by legislation establishing the Ticket to Work program, discussed in more detail in the Beneficiary Services section.

State Supplementation

Supplementation is mandatory for certain recipients who were on state rolls just prior to the creation of the Federal program on January 1, 1974. Otherwise, states are encouraged to supplement the Federal benefit and may elect to have their state supplementation program administered by SSA. States that choose to have SSA administer their program reimburse SSA in advance and SSA makes the payment on behalf of the state. Participating states also reimburse SSA for the cost of administering their program, based on a user fee schedule established by the Social Security Act. The user fee is \$11.56 per SSI check payment in FY 2016 and is expected to increase to \$11.69 in FY 2017. The Department of Treasury receives the first \$5.00 of each fee and SSA retains the amount over \$5.00.

Coordination with Other Programs

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

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

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

Benefit Payments

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

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

FY 2017 PRESIDENT'S BUDGET REQUEST

The SSI appropriation includes funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects. In total, the President's Budget request for FY 2017 is \$58,324,868,000. However, this includes \$14,500,000,000 made available for the first quarter of FY 2017 in the FY 2016 appropriation. The appropriation language provides SSA with its remaining appropriation for FY 2017, \$43,824,868,000—the total amount requested for FY 2017 less the advance already received.

Similarly, in addition to the amount above, the request includes an advance appropriation of \$15,000,000,000 for Federal benefit payments in the first quarter of FY 2018. This advance is to ensure recipients continue to receive their benefits at the beginning of the subsequent fiscal year in case there is a delay in passing that year's appropriation.

Table 2.3—Appropriation Detail ¹
(in thousands)

	FY 2015 Actual	FY 2016 Enacted²	FY 2017 Estimate	Change
Advance for Federal Benefits ³	\$ 19,700,000	\$ 19,200,000	\$ 14,500,000	
Regular for Federal Benefits	\$ 36,501,000	\$ 40,410,000	\$ 38,441,736	
Subtotal Federal Benefits	\$ 56,201,000	\$ 59,610,000	\$52,941,736	- \$ 6,668,264
Administrative Expenses	\$ 4,578,978	\$ 4,648,733	\$ 5,234,132	+\$ 585,399
Beneficiary Services	\$ 70,000	\$ 70,000	\$ 89,000	+ \$ 19,000
Research and Demonstration	\$ 48,000	\$ 51,000	\$ 58,000	+ \$ 7,000
Early Intervention Demonstrations	\$ 35,000	\$ 50,000	\$ 0	- \$50,000
Special Immigrant Visa- Afghani	\$ 0	\$ 0	\$ 2,000	+\$ 2,000
Subtotal Advanced Appropriation	\$ 19,700,000	\$ 19,200,000	\$ 14,500,000	
Subtotal Regular Appropriation	\$ 41,232,978	\$ 45,229,733	\$ 43,824,868	
Total Appropriation	\$ 60,932,978	\$ 64,429,733	\$ 58,324,868	- \$ 6,104,865
Advance for Subsequent Year	\$ 19,200,000	\$ 14,500,000	\$ 15,000,000	+ \$ 500,000

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

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

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

KEY INITIATIVES

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

Payment Accuracy

For more than 80 years, SSA has been committed to paying the right benefit to the right person at the right time. The challenge of meeting this goal is especially apparent in the administration of the SSI program because eligibility and payment amounts are so closely tied to the fluctuating circumstances of individual recipients. In FY 2014, 93.0 percent of SSI benefit payments were free of overpayment errors and 98.5 percent were free of underpayment errors. The vast majority of incorrect payments are the result of unreported changes to recipients' incomes, resources, or living arrangements.

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

Continuing Disability Reviews and Non-Disability Redeterminations

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

The FY 2017 President's Budget request includes \$1,342 million specifically for conducting SSI CDRs and redeterminations, which would allow SSA to conduct about 621,000 SSI CDRs¹ and 2,822,000 redeterminations. For details on the estimated program savings resulting from the PI proposal, please refer to the Budget Process chapter in the Analytical Perspectives volume of the Budget.

Access to Financial Institutions

Access to Financial Institutions (AFI) is an electronic process that verifies bank account balances with financial institutions for purposes of determining SSI eligibility. In addition to verifying alleged accounts, AFI detects undisclosed accounts by using geographic searches to generate requests to other financial institutions. AFI's purpose is to identify excess resources in financial accounts, which are a leading cause of SSI payment errors. We currently use the AFI system in all 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands

¹ The total estimated CDR volume is 1,100,000. We expect to complete about 479,000 Social Security Disability Insurance (DI)/Concurrent CDRs in addition to SSI CDRs.

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

Along with preventing overpayments, AFI can help us to eliminate ineligible applicants at the beginning of the application process, reducing the workload in the State Disability Determination Services. Full implementation is defined as using AFI on essentially every full SSI claim and non-medical redetermination and assumes using 10 geographic searches per person where possible and fully integrating the process with our systems. In 2013, we expanded the use of AFI and increased geographic searches from 5 to 10, moving closer to full implementation. While we expect the 2016 account verifications to be cost effective, we continue to evaluate aspects of AFI to see if further enhancements would be beneficial.

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

Pre-Effectuation Reviews

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

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

Combating Fraud

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

SSI Simplification

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

Debt Collection

SSA currently makes use of the following debt collection tools that are authorized by law: benefit withholding; cross-program recovery; repayment by installment agreements; Credit Bureau Reporting; Administrative Wage Garnishment; and the Treasury Offset Program (TOP), which includes Tax Refund Offset (TRO), Administrative Offset (e.g., Federal travel and expense reimbursements), and Federal Salary Offset. Using these debt collection tools, SSA collected \$1.2 billion in SSI overpayments, including Federally-administered state supplement overpayments, in FY 2015. Also in FY 2015, SSA eliminated an additional \$123.4 million through Netting, a process that adjusts SSI overpayments through an automated offset against SSI underpayments.

SSA began collecting SSI overpayments by TRO in 1998 under the authority of The Deficit Reduction Act of 1984. The Foster Care Independence Act of 1999 extended to the SSI program all of the additional debt collection authorities previously available for collection of overpayments under the Social Security retirement and disability programs. In FY 2002, SSA expanded the use of TOP by implementing Administrative Offset. SSA further expanded the use of TOP in FY 2006 when the agency implemented Federal Salary Offset, a collection tool used to collect delinquent overpayments owed by Federal employees, including employees who work for SSA. We again expanded our use of TOP in FYs 2012 and 2013. In FY 2012, we began referring debts delinquent for 10 years or longer to TOP¹ and in FY 2013, we began collecting delinquent debts via TOP through Treasury's State Reciprocal Program (SRP). The SRP allows States to enter into reciprocal agreements with Treasury to collect unpaid State debt by offset of Federal non-tax payments. In return, the agreements allow the Federal Government to collect delinquent non-tax debt by offset of State payments. In FY 2015, TOP enabled the agency to collect \$71.5 million in delinquent SSI overpayments.

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

In FY 2005, SSA implemented Administrative Wage Garnishment, which has collected \$27 million in SSI debt through FY 2015. In the future, SSA plans to implement the remaining authorized collection tools, which include interest charging, administrative cost recovery, and the use of private collection agencies.

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

Computer Matching Programs

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

SSA's computer matching operations include matches with:

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

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

Legislative Proposal – Refugees, Asylees, and Other Humanitarian Immigrants

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

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

Additional legislative proposals would:

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

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

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

The FY 2017 President's budget includes \$2 million for a discretionary change in a mandatory program (CHIMP) from the State Department's 2-year Special Immigrant Visa extension for Afghans. Please see the State Department's 2017 Congressional Justification for additional detail on this proposal.

BUDGETARY RESOURCES

The SSI annual appropriation consists of a regular appropriation made available by the current year's appropriation bill and an advance made available by the prior year's appropriation. This advance is for Federal benefit payments in the first quarter of the subsequent fiscal year to ensure recipients continue to receive their benefits in case there is a delay in passing that year's appropriation bill. The President's Budget for FY 2017 is \$58,324,868,000, including \$14,500,000,000, provided in advance by the FY 2016 enacted appropriation.

Table 2.4—Amounts Available for Obligation¹²
(in thousands)

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

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

² Totals may not add due to rounding.

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

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

⁵ The amount received for the October 1 payment, reimbursed at the end of September in the prior fiscal year, is available for use in the subsequent fiscal year.

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The SSI annual appropriation was \$60.9 billion in FY 2015. The FY 2016 appropriation is \$64.4 billion. SSA has the authority to carry over unobligated balances for use in future fiscal years for Federal benefit payments, administrative expenses, and beneficiary services because the amounts appropriated are made available until expended. Beginning in FY 2015, research and demonstration funds received three year appropriations; FY 2016 balances can be used through September 30, 2018. SSA carried over approximately \$3.6 billion in Federal unobligated balances into FY 2016. SSA expects to carry over approximately the same amount into FY 2017, and use over \$3.2 billion in federal benefit carryover in that year.

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

ANALYSIS OF CHANGES

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

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

Federal Benefit Payments

The decrease in the FY 2017 request for Federal benefit payments is a result of one fewer benefit payment and carryover funding from FY 2016, stemming from no FY 2016 COLA and lower beneficiary estimates. There is a slight increase in estimated payments due to the estimated FY 2017 cost of living adjustment (COLA). The increase in Federal benefit payments is partially offset by the impact of Old-Age, Survivors, and Disability Insurance (OASDI) COLAs on concurrent SSI/OASDI recipients. Since OASDI benefits are counted as income in the SSI program, the annual OASDI COLA decreases the SSI benefit payment for concurrent recipients.

Administrative Expenses

The FY 2017 request for administrative expenses is \$585 million more than the FY 2016 level. SSA expects to transfer \$63 million from the no-year LAE Information Technology Systems budget in FY 2016 for information technology needs. We expect to transfer an additional \$44 million in FY 2017. This transfer will not alter the overall spending levels in FY 2017, as reflected in the Limitation on Administrative Expenses section.

Beneficiary Services

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

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

Research and Demonstration

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

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

Table 2.5—Summary of Changes¹

	FY 2016 Enacted²	FY 2017 Estimate	Change
Appropriation	\$ 64,429,733,000	\$ 58,324,868,000	- \$ 6,104,865,000
Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation	+\$ 67,679,000	+\$ 53,126,000	- \$ 14,553,000
Reduction in Federal Benefits Request Due to Estimated Carryover from FY 2016	\$ 0	+\$ 3,224,264,000	+ \$ 3,224,264,000
Transfer from LAE ³	+\$ 63,000,000	+\$ 44,000,000	- \$ 19,000,000
Administrative Expenses Unobligated Balances Carried Forward into FY 2017	-\$ 48,000,000	\$ 0	+ \$ 48,000,000
Estimated Federal Obligations	\$ 64,512,412,000	\$ 61,646,258,000	- \$ 2,866,154,000

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

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

³ This is SSI’s prorated share of unobligated LAE money that has been converted into no-year ITS funds. It is not part of the annual administrative appropriation.

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

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

NEW BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY

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

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

	FY 2015 Actual	FY 2016 Enacted²³	FY 2017 Estimate⁴
<u>Federal Benefit Payments</u>			
Appropriation	\$ 56,201,000	\$ 59,610,000	\$ 52,941,736
Obligations	\$ 54,706,388	\$ 59,610,000	\$ 56,166,000
Monthly Check Payments	12	13	12
<u>Administrative Expenses⁵</u>			
Appropriation	\$ 4,578,978	\$ 4,648,733	\$ 5,234,132
Obligations	\$ 4,579,570	\$ 4,663,733	\$ 5,326,132
<u>Beneficiary Services</u>			
Appropriation	\$ 70,000	\$ 70,000	\$ 89,000
Obligations	\$ 88,126	\$ 91,000	\$ 89,000
<u>Research and Demonstration</u>			
Appropriation	\$ 48,000	\$ 51,000	\$ 58,000
Obligations	\$ 48,653	\$ 62,679	\$ 63,126
<u>Special Immigrant Visas</u>			
Appropriation	\$ 0	\$ 0	\$ 2,000
Obligations	\$ 0	\$ 0	\$ 2,000
<u>Early Intervention Demonstrations</u>			
Appropriation	\$ 35,000	\$ 50,000	\$ 0
Obligations	\$ 0	\$ 85,000	\$ 0
Total Appropriation	\$ 60,932,978	\$ 64,429,733	\$ 58,324,868
Total Federal Obligations	\$ 59,422,736	\$ 64,512,412	\$ 61,646,258

¹ Totals may not add due to rounding.

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

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

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

⁵ This includes the SSI’s prorated share of unobligated LAE money that has been converted into no-year IT funds. It is not part of the annual administrative appropriation.

NEW BUDGET AUTHORITY AND OBLIGATIONS BY OBJECT

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

Table 2.8—New Budget Authority and Obligations by Object ¹
(in thousands)

	FY 2015 Actual	FY 2016 Enacted²	FY 2017 Estimate
<u>Other Services³</u>			
Appropriation	\$ 4,648,978	\$ 4,718,733	\$ 5,325,132
Obligations	\$ 4,667,695	\$ 4,754,733	\$ 5,417,132
<u>Federal Benefits and Research</u>			
Appropriation	\$ 56,284,000	\$ 59,711,000	\$ 52,999,736
Obligations	\$ 54,755,041	\$ 59,757,679	\$ 56,229,126
Total Appropriation	\$ 60,932,978	\$ 64,429,733	\$ 58,324,868
Total Obligations	\$ 59,422,736	\$ 64,512,412	\$ 61,646,258

¹ Totals may not add due to rounding.

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

³ The administration portion of these services includes the SSI’s prorated share of unobligated LAE money that has been converted into no-year IT funds. It is not part of the annual administrative appropriation.

BACKGROUND

AUTHORIZING LEGISLATION

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

Table 2.9—Authorizing Legislation

	FY 2015 Actual	FY 2016 Enacted ¹	FY 2017 Estimate	FY Amount Authorized
Title XVI of the Social Security Act, Section 401 of P.L. 92-603 and Section 212 of P.L. 93-66, as amended, and Section 405 of P.L. 92-216	\$ 60,932,978,000	\$ 64,429,733,000	\$ 58,324,868,000	<i>Indefinite</i>
First Quarter Advance Appropriation for Subsequent Fiscal Year	\$ 19,200,000,000	\$ 14,500,000,000	\$ 15,000,000,000	---

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

APPROPRIATION HISTORY

The table below displays the President's Budget request, amounts passed by the House and Senate, and the actual amount appropriated, for the period FY 2007 to FY 2018. Indefinite budget authority is requested when actual Federal benefit payments exceed the amounts available for Federal benefit payments in a given fiscal year.

Table 2.10—Appropriation History

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	\$ 11,110,000,000	\$ 11,110,000,000	\$ 11,110,000,000	\$ 11,110,000,000
Current Year	\$ 29,125,000,000	\$ 29,065,000,000 ¹	\$ 29,023,000,000 ²	\$ 29,071,169,000 ³
2007 Total	\$ 40,235,000,000	\$ 40,175,000,000	\$ 40,133,000,000	\$ 40,181,169,000
Q1 Advance	\$ 16,810,000,000	\$ 16,810,000,000	\$ 16,810,000,000	\$ 16,810,000,000
Current Year	\$ 26,911,000,000	\$ 26,948,525,000 ⁴	\$ 26,959,000,000 ⁵	\$ 27,000,191,000 ⁶
2008 Total	\$ 43,721,000,000	\$ 43,758,525,000	\$ 43,769,000,000	\$ 43,810,191,000
Q1 Advance	\$ 14,800,000,000	\$ 14,800,000,000	\$ 14,800,000,000	\$ 14,800,000,000
Current Year	\$ 30,414,000,000	-- ⁷	\$ 30,429,875,000 ⁸	\$ 30,471,537,000 ⁹
2009 Total	\$ 45,214,000,000	---	\$ 45,229,875,000	\$ 45,271,537,000
<i>2009 Indefinite</i>				\$ 1,602,935,179
Q1 Advance	\$ 15,400,000,000	---	\$ 15,400,000,000	\$ 15,400,000,000
Current Year	\$ 34,742,000,000	\$ 34,742,000,000 ¹⁰	\$ 34,742,000,000 ¹¹	\$ 34,742,000,000 ¹²
2010 Total	\$ 50,142,000,000	---	\$ 50,142,000,000	\$ 50,142,000,000
<i>2010 Indefinite</i>				\$ 458,465,781
Q1 Advance	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000
Current Year	\$ 40,513,000,000	-- ¹³	\$ 40,513,000,000 ¹⁴	\$ 39,983,273,000 ¹⁵
2011 Total	\$ 56,513,000,000	---	\$ 56,513,000,000	\$ 55,983,273,000
Q1 Advance	\$ 13,400,000,000	No Data	\$ 13,400,000,000	\$ 13,400,000,000
Current Year	\$ 38,083,000,000 ¹⁶	No Data	\$ 37,922,543,000 ¹⁸	\$ 37,582,991,000 ¹⁹
2012 Total	\$ 51,483,000,000²⁰	---	\$ 51,322,543,000	\$ 50,982,991,000
<i>2012 Indefinite</i>	No Data	No Data	No Data	\$ 560,000,000
Q1 Advance	\$ 18,200,000,000	No Data	\$ 18,200,000,000	\$ 18,200,000,000
Current Year	\$ 40,043,000,000 ²¹	No Data	\$ 40,043,000,000 ²³	\$ 32,782,991,000 ²⁴
2013 Total	\$ 58,243,000,000²⁵	---	\$ 58,243,000,000	\$ 50,982,991,000
2013 Rescission				\$ 32,779,347,000
2013 Sequester ²⁶				
Q1 Advance	\$ 19,300,000,000		\$ 19,300,000,000	\$ 19,300,000,000
Current Year	\$ 40,737,000,000 ²⁷		\$ 40,568,741,000 ²⁸	\$ 41,249,064,000 ²⁹
2014 Total	\$ 60,037,000,000³⁰		\$ 59,868,741,000	\$ 60,549,064,000

Table Continues on the Next Page

Supplemental Security Income Program

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	\$ 19,700,000,000		\$ 19,700,000,000	\$ 19,700,000,000
Current Year	\$ 40,927,000,000	No Data	No Data	\$ 41,232,978,000 ³¹
2015 Total	\$ 60,627,000,000			\$ 60,932,978,000³²
Q1 Advance	\$ 19,200,000,000			\$ 19,200,000,000
Current Year	\$ 46,422,000,000	\$46,232,978,000 ³³	\$ 46,110,777,000 ³⁴	\$ 46,305,733,000 ³⁵
2016 Total	\$ 65,622,000,000	\$ 65,432,978,000	\$ 65,310,777,000	\$ 65,505,733,000³⁶
Q1 Advance	\$ 14,500,000,000	\$ 14,500,000,000	\$ 14,500,000,000	
Current Year	\$ 43,824,868,000			
2017 Total	\$ 58,324,868,000			
Q1 Advance	\$ 15,000,000,000			
Current Year				
2018 Total				

¹ H.R. 5647.

² S. 3708

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

⁴ H.R. 3043.

⁵ S. 1710.

⁶ Consolidated Appropriations Act, 2008 (P.L. 110-161). The amount does not include a rescission of \$53,671,177 for SSI administrative expenses and \$349,400 for research and demonstration projects in accordance with P.L. 110-161.

⁷ The House Committee on Appropriations did not report a bill.

⁸ S. 3230.

⁹ Omnibus Appropriations Act, 2009 (P.L. 111-8).

¹⁰ H.R. 3293.

¹¹ H.R. 3293, reported from Committee with an amendment.

¹² Consolidated Appropriations Act, 2010 (P.L. 111-117).

¹³ The House Committee on Appropriations did not report a bill.

¹⁴ S. 3686.

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

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

Supplemental Security Income Program

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

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

¹⁸ S. 1599.

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

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

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

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

²³ S. 3295.

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

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

²⁶ SSI was exempt from sequestration in FY 2013.

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

²⁸ S. 1284.

²⁹ Consolidated Appropriations Act, 2014 (P.L. 113-76).

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

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

³² Of this amount, not more than \$48,000,000 is for research and demonstrations and not more than \$35,000,000 is for early intervention demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

³³ H.R. 3020.

³⁴ S. 1695

³⁵ Consolidated Appropriations Act, 2016 (P.L. 114-113).

³⁶ Of this amount, not more than \$101,000,000 is for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

FEDERAL BENEFIT PAYMENTS

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

PURPOSE AND METHOD OF OPERATION

The SSI program was established to pay needy aged, blind and disabled individuals a minimum level of income through Federally-administered monthly cash payments. In many cases, these payments supplement income from other sources, including Social Security benefits and state programs. In FY 2017, SSA estimates benefit payments will total approximately \$56.2 billion for more than 8.2 million Federal SSI recipients.

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

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

RATIONALE FOR BUDGET REQUEST

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

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

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

SSI RECIPIENT POPULATION

The number of Federal SSI recipients has increased from 7.9 million in FY 2012 to 8.2 million in FY 2015 and is expected to remain at 8.2 million through FY 2017. The estimated increase in Federal recipients in FY 2017 represents a 0.02 percent increase over the FY 2016 level. SSA estimates the number of SSI recipients by analyzing a number of factors including applications, award and termination rates, and funding for program integrity initiatives.

Table 2.12—SSI Recipients, Actual ¹
(average over fiscal year, in thousands)

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

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

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

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

¹ Totals may not add due to rounding.

SSI Disabled vs. Aged Recipient Population

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

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

Fiscal Year	Total Federal	Aged	Blind or Disabled	Blind or Disabled as % of Total
2000	6,328	1,203	5,125	81.0%
2008	7,117	1,103	6,014	84.5%
2009	7,304	1,106	6,198	84.9%
2010	7,522	1,105	6,417	85.3%
2011	7,756	1,105	6,652	85.8%
2012	7,940	1,094	6,846	86.2%
2013	8,089	1,089	7,000	86.5%
2014	8,171	1,094	7,076	86.6%
2015	8,173	1,100	7,073	86.5%
2016 Estimate	8,219	1,106	7,113	86.5%
2017 Estimate	8,237	1,111	7,126	86.5%

Concurrent SSI/OASDI Recipients

SSI recipients also receiving Old-Age and Survivors Insurance (OASI) or DI benefits have their SSI benefit reduced, less applicable exclusions, by the amount of their OASDI benefit. Approximately 33 percent of all SSI recipients (including those only receiving a state supplement) also receive Social Security benefits. Approximately 56 percent of the SSI aged and 30 percent of the SSI blind and disabled populations receive concurrent payments.

¹ Totals may not add due to rounding.

BENEFIT PAYMENTS

Maximum Monthly Federal Payments

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

Table 2.15—Maximum Benefit Rates

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

Average Monthly Benefit Payments

The amount actually paid to a recipient can vary from the FBR based on their income received (e.g., earnings and Social Security benefits) and the living arrangement of the recipient (e.g., residence in one's own home, the household of another person, or in a nursing home which meets Medicaid standards). The average monthly benefit is expected to increase from \$551 in FY 2015 to \$556 in FY 2016 and \$561 in FY 2017. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

Table 2.16—Average Monthly Benefit Payments

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

Cost of Living Adjustments

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

Program Integrity Funding

Annual benefit payment estimates are dependent on SSA performing a certain level of SSI CDRs and redeterminations. Specifically, the FY 2017 estimate assumes SSA receives the proposed administrative funding to conduct almost 621,000 SSI CDRs and 2,822,000 non-medical redeterminations.

Timing of Monthly Benefit Payments

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

Table 2.17—Check Payments by Fiscal Year

	Number of Check Payments	Federal Benefit Obligations
FY 2008	12	\$ 41,309,722,313
FY 2009	12	\$ 44,987,045,867
FY 2010	12	\$ 47,322,385,581
FY 2011	13	\$ 52,274,301,053
FY 2012	11	\$ 47,003,477,518
FY 2013	12	\$ 52,782,740,412
FY 2014	12	\$ 53,849,499,196
FY 2015	12	\$ 54,706,388,000
FY 2016	13	\$ 59,610,000,000
FY 2017	12	\$ 56,166,000,000

ADMINISTRATIVE EXPENSES

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

PURPOSE AND METHOD OF OPERATION

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

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

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

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

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate¹	FY 16 to FY 17 Change
Total Appropriation	\$ 4,578,978	\$ 4,648,733	\$ 5,234,132	+ \$ 585,399
Obligations Funded from Prior-Year Unobligated Balance	+ \$ 592	+ \$ 0	+ \$ 48,000	+ \$ 48,000
Altmeyer Renovation Carryover Funds		-\$ 48,000	+ \$ 0	+ \$ 48,000
Transfer from LAE	+ \$ 0	+ \$ 63,000	+ \$ 44,000	- \$ 19,000
Obligations	\$ 4,579,570	\$ 4,663,733	\$ 5,326,132	+ \$ 662,399

RATIONALE FOR BUDGET REQUEST

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

These amounts exclude funding made available in the LAE account from state user fees for SSA expenses for administering SSI state supplementary payments. The LAE account assumes funding of up to \$136,000,000 for SSI state supplementary user fees in FY 2016 and up to \$126,000,000 in FY 2017.

¹ Based on our latest estimates, obligations exceed budget authority in FY 2017 by \$92 million. We plan to transfer the SSI's prorated share of unobligated LAE money that has been converted into no-year IT funds to account for the difference. This ITS fund is not part of the annual administrative appropriation.

BENEFICIARY SERVICES

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

PURPOSE AND METHOD OF OPERATION

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

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

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Estimate	FY 16 to FY 17 Change
Appropriation	\$ 70,000	\$ 70,000	\$ 89,000	+ \$ 19,000
Obligations Funded from Prior-Year Unobligated Balances	\$ 18,126	\$ 21,000	\$ 0	- \$ 21,000
Obligations	\$ 88,126	\$ 91,000	\$ 89,000	- \$ 2,000
Vocational Rehabilitation	\$ 79,303	\$ 82,000	\$ 79,000	- \$ 3,000
Ticket to Work	\$ 8,823	\$ 9,000	\$ 10,000	+ \$ 1,000

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

A portion of the FY 2016 obligations in the above table will cover estimated payments authorized by the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170). Under the Ticket program, SSA pays Employment Networks (ENs) for providing vocational rehabilitation, employment, and other support services to disabled SSI recipients. Recipients select an EN (including state VR agencies), which SSA pays in exchange for services that may reduce reliance on federal cash benefits.

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

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

RATIONALE FOR BUDGET REQUEST

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

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

In the VR Reimbursement program, the estimate for FY 2017 assumes a total of 6,900 distinct beneficiaries with significant work and for which reimbursement are paid, a decrease from 7,300 in FY 2016. For SSI-only recipients, the FY 2017 average cost per VR reimbursement payment is \$17,800 for an estimated 3,500 payments. For recipients concurrently receiving SSI and DI, the FY 2017 average SSI cost per VR reimbursement payment is \$5,000 for an estimated 3,400 payments. In FY 2016, the average cost per VR reimbursement to SSI-only recipients is \$17,300 for an estimated 3,700 payments. For SSI and DI concurrent recipients, the FY 2016 average SSI cost per VR reimbursement is \$5,000 for an estimated 3,600 payments.

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

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments

SSI VR Reimbursement Payments	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate	FY 16 to FY 17 Change
Number of SSI-Only Awards	3,843	3,700	3,500	- 200
SSI-Only Cost per Payment	\$ 16,991	\$ 17,300	\$ 17,800	+ \$ 500
Number of SSI/DI Concurrent Awards	3,070	3,600	3,400	- 200
SSI/DI Concurrent Payment (SSI portion of costs only)	\$ 4,657	\$ 5,000	\$ 5,000	+ \$ 0
Total Number of SSI VR Reimbursement Awards	6,913	7,300	6,900	- 400
Total SSI VR Reimbursement Payments (in thousands)¹	\$ 79,593	\$ 82,000	\$ 79,000	- \$ 3,000
Ticket Beneficiaries with Payments (SSI-Only & SSI/DI Concurrent Beneficiaries for whom we served and paid an EN)	4,755	5,000	5,600	+ 600
Total Ticket Payments (in thousands)¹	\$ 8,543	\$ 9,000	\$ 10,000	+ \$ 1,000

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

MUSCULAR DYSTROPHY AND THE SSI AND SSDI PROGRAMS

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

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

In December 2013, there were a total of 38,313 SSDI and SSI beneficiaries ages 0 to 66 with a primary or secondary diagnosis of muscular dystrophy who were in current payment status in that month (the data do not allow us to break out the type of muscular dystrophy). Among this group, 35,152 are adult beneficiaries. See Table 2.21.²

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

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

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

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

² Source: Program statistics are based on SSA tabulations of administrative records.

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

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

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

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

Employment activities of Adult beneficiaries with Muscular Dystrophy

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

Among such individuals:

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

Allowance rates for Child and Adult beneficiaries with Muscular Dystrophy

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

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

RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH

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

PURPOSE AND METHOD OF OPERATION

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

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

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

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

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

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

RESEARCH INVESTMENT CRITERIA

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

Relevance

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

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

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

Quality

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

We also make use of technical evaluation panels to review projects while they are in progress and to provide feedback and suggestions to the agency and its contractors. These panels include internal experts in relevant disciplines, such as statistics, economics, and survey design. They help ensure that SSA-sponsored research projects are methodologically sound and consistent with professional standards. In addition, the research projects that we sponsor through the Retirement Research Consortium (RRC) and Disability Research Consortium (DRC) are often discussed in a formal, external setting, via seminars or workshops.

Performance

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

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

RATIONALE FOR BUDGET REQUEST

We are requesting \$58 million in new budget authority in FY 2017 for research projects designed to explore potential improvements to our programs. This level will allow continued support for key Congressional and long-standing SSA priorities such as the development of the Occupational Information System (OIS), our rigorous evaluation of the Promoting Readiness of Minors in SSI (PROMISE) pilot, and the National Academy of Sciences/Institute of Medicine's independent evaluation of the disability program for adults and children. The request also provides funding for our Interagency Agreement (IAA) with the National Institutes of Health (NIH) to help quickly and efficiently identify individuals who should be awarded disability benefits.

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

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

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

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

¹ Does not include funding authorized under section 234.

² Totals may not add due to rounding.

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

MAJOR RESEARCH AND OUTREACH PROJECTS

Although our extramural research budget represents a small piece of our overall funding, our research and demonstration projects help us to significantly increase the efficiency and accuracy of our mission-critical work. Below is a detailed summary, by category, of the major research and demonstration projects we plan to conduct in FY 2017:

Serve the Public through a Stronger, more Responsive Disability Program

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

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

As part of our efforts to continuously improve the administration and effectiveness of our disability programs, in FY 2013 we entered into a new 5-year contract with the IOM. The IOM established a standing committee of medical experts to assist us with ongoing and emerging disability issues at step 3 (Listing of Impairments--see below), step 4, and step 5 of the sequential evaluation process. Having independent medical experts involved in our process helps to further maintain the objectivity of our policy and procedures. Additionally, the current contract also provides for Federal Advisory Committee Act (FACA)-compliant IOM consensus committees of medical and other experts.

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

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

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

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

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

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

List of Impairments

Since 2004, we have updated approximately 70 percent of the listings and we plan to propose revisions in the Federal Register for all listings by the end of 2020. Comprehensive revisions pending include:

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

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

Disability Analysis File (DAF)

The DAF has been previously funded under the former “other research” line item. The DAF is a composite of the ten most relevant SSA administrative files needed to answer questions about disability and work. The DAF pulls these files together into a meaningful whole that researchers can easily understand and use. The DAF also provides complete researcher-friendly documentation of the data for these files. As a result, having a standing DAF file eliminates the first 6-12 months of investigation and start-up assembly of the data for every new research project that uses it and is essential in providing quick responses to agency inquiries. The DAF proved to be an essential tool in FY 2015 for providing disability data and analysis in response to inquiries from Congress and other Federal agencies, including the Office of Management and Budget. Using the DAF allowed us to make data-driven policy recommendations and changes. In FY 2016, we will continue to build the DAF and use this tool for quick turnaround inquiries and analysis.

Disability Determination Process Small Grants Program

This grant program provides 1-year stipends to graduate and post-doctoral students to conduct disability research, including research that supports the identification of more claims for fast-tracking under the CAL/Quick Disability Determination process. Other potential research topics include: an examination of severity thresholds in medical conditions that meet CAL criteria; variability across states and regions of disability determination and the diary date for periodic medical review; whether current medical listings provide consistent consideration regarding the use of assistive technology for disability determination purposes; the potential for predictive modeling and focusing on information collection instruments; and the relationship between homelessness and disability.

In September 2011, we awarded a 5-year grant to Policy Research Inc. (PRI) to run the small grant program. PRI targeted graduate programs in public health, social work, occupational medicine, vocational and rehabilitation counseling, public policy and administration, sociology, psychology, education, economics, medicine, and law. Each of the teams PRI convenes to review the proposals will include at least one person with a disability.

PRI approved eight stipend awards for the first cohort, 10 stipend awards for the second cohort, 11 stipend awards for the third cohort, six stipend awards for the fourth cohort, and 11 stipend awards for the fifth cohort. Applications for the sixth cohort are due to PRI by March 1, 2016.

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

Disability Research Consortium (DRC)

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

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supports research to better understand how programs that provide services and benefits to people with disabilities (Federal and nonfederal) intersect and interact with each other. This will help develop policy to improve service delivery, enhance coordination of services across programs, build on complementarities across programs, eliminate duplication and waste, and advance cooperation across Federal agencies that serve people with disabilities.

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

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

The DRC centers will continue research activities across six broad priority research areas: demographics, economics, health, programmatic issues, work and education, and international comparisons. These topics will be guided by the agenda for the consortium's research projects for FY 2017. In addition, the DRC will continue to train future experts on disability issues and policy through summer research training fellowships, dissertation support, and pre- and post-doctoral fellowships.

National Beneficiary Survey (NBS)

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

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

The NBS has provided us with detailed information on wages, hours of work, benefits, work accommodations and unmet needs, and the barriers beneficiaries face as they try to work. NBS data tell us that nearly half of all beneficiaries are interested in work and many are pursuing employment goals. The data also tell us that many barriers to work remain. Beneficiaries tend to have activity limitations, poor health, and low levels of education that limit their employment opportunities. Many rely on public programs where benefits may be limited by work and earnings. Many also experience work-specific obstacles, such as a lack of reliable transportation, inaccessible workplaces, and discouragement from work, either by others or through their own experiences.

We completed the first four rounds of the NBS in 2004, 2005, 2006, and 2010. We completed 27,000 interviews across the first four rounds of the NBS. In FY 2012, we began to make changes in the NBS to collect more information on the factors associated with successful and unsuccessful work attempts and less information on the TTW program. In the redesigned NBS, new questions focus on the home, community, employer, and SSA policies that influence successful work attempts. In 2015, we completed interviews for the first of three rounds of the redesigned NBS, including 4,000 interviews of the national sample of SSI and DI beneficiaries and 90 in-depth interviews of the most successful working beneficiaries. From the information we learned from the in-depth interviews, we developed the new questions and the design of the larger sample of the most successful working beneficiaries. We plan to conduct the second and third rounds of the national sample and the sample of the most successful working beneficiaries in FY 2017 and FY 2019.

Public use data files, documentation, and reports for the first four rounds of the NBS are available on our website at: <http://www.ssa.gov/disabilityresearch/nbs.html>. The report of the in-depth interviews will be available in March 2016. The draft findings, data, and documentation for the 2015 national sample will also be available in March 2016.

New and Emerging Research - Disability

Our New and Emerging Research –Disability line item replaces the former “Other Research” category and includes projects that provide broad program analysis and development in support of the DI and SSI programs. These projects typically include studies of program policy issues, the identification of trends in the disability programs, the formulation of agency policy regarding cross-cutting programs or issues related to disability and/or income assistance programs, and the development and implementation of policy and procedures on DI and SSI work incentives. Often, these projects address necessary but unforeseen requests for studies from Congress, OMB, the Administrative Conference of the United States, or our leadership, which are typically quick turnaround projects regarding policy priorities. In FY 2016, we plan to pursue a collaboration with the Department of Education to encourage disability-related research at minority serving colleges and institutions.

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

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

In FY 2015, NIH continued an analysis of potential Compassionate Allowances (CAL) conditions using an expanded and updated database. The CAL initiative identifies diseases and other medical conditions that invariably qualify for allowance under our Listing of Impairments. The initiative allows us to target the most obviously disabled individuals for allowances based on objective medical information that we can obtain quickly. We currently have 225 CAL conditions. Likewise, BU furthered development of the FAB's functional domains, and conducted a national calibration study of the entire FAB item pool. Functional domains organize body function into areas descriptive of what a person can do in their usual environment. The item pool consists of statements that elicit responses to indicate limitations in specific functional domains. To date, our partnership has resulted in a productive cross-governmental relationship, significant cost-sharing, and scientifically and legally defensible research.

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

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

Occupational Information System (OIS)

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

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

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

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

In FY 2014, the BLS resolved outstanding issues identified in FY 2013 and tested collecting new data elements, such as the mental and cognitive requirements of work. BLS also contracted with an expert to evaluate internal research regarding the methods of occupational data collection and approaches for testing the validity and reliability of the data. In accordance with the report recommendations, BLS conducted a job observation test during the summer of 2015 to compare the data collected during pre-production to those collected through direct job observation. The testing indicates high levels of agreement across most elements. For elements with lower levels of agreement, the testing can be used to provide additional guidance to both field economists and the respondent to aid in estimating. BLS will consider continuing to select a subsample of occupations for direct observation as a quality assurance measure. The complete report can be found on the BLS website at http://www.bls.gov/ncs/ors/preprod_job_ob.pdf.

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

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

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

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

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

The current IAA with BLS ends at the end of FY 2016, and we plan to renew it annually, providing our collaboration continues to be successful.

We use Section 1110 funding for all OIS research and development contracts, while LAE funds the salaries and benefits of the SSA employees managing the project and for the development of the platform that will house the OIS data. More information regarding this project is available at our OIS website: https://www.ssa.gov/disabilityresearch/occupational_info_systems.html.

Promoting Readiness of Minors in SSI (PROMISE)

PROMISE is a joint pilot demonstration program with ED, HHS, and DOL. The goal of the program is to test interventions that improve the health, education, and post-school outcomes of children who receive SSI, including the completion of postsecondary education and employment. It is also intended to improve family or household outcomes through improved services and supports, such as education and job training for parents.

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

Developing and conducting a rigorous evaluation to guide implementation, gather evidence, and validate incentive payments is a key component of PROMISE. In FY 2012, we convened a technical advisory panel to help prioritize the evaluation needs of this project. In FY 2013, we awarded a contract to evaluate PROMISE pilot interventions and in FY 2014, our evaluation contractor provided technical assistance to the state grantees and will begin randomly assigning youth into treatment and control groups. In FY 2015, our contractor continued random assignment and technical assistance, conducted site visits and focus groups, and delivered early assessments of the recruitment and enrollment process. In FY 2016, we have begun collecting data for the first national evaluation survey and will conduct additional site visits and focus groups. Enrollment and random assignment into PROMISE will end in April 2016. Our contractor will also begin work on the process analyses, the first of which will be due in early FY 2017. In FY 2017, our contractor will continue conducting surveys, conduct the final site visits, and finish the site-specific process analyses.

Deliver Innovative Quality Service

Understanding Americans Study (UAS) Enhancements

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

maintain the sample size we funded in prior fiscal years. It will also allow for additional data improvements that support policy-relevant research and evidence-based decision-making. Planned data enhancements include:

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

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

Collaboration with Other FLEC Members

In FY 2016, we are continuing our focus on collaborative initiatives designed to improve retirement security among vulnerable populations. One component of this effort is to support activities of Federal agencies that are members of the FLEC. The FLEC, established by Congress in 2003, is a consortium of more than twenty Federal departments, agencies, and other entities working together toward the goal of improving the financial literacy and education of persons in the United States. Coordinating extramural research efforts on financial literacy and retirement security with other Federal agencies allows SSA to minimize redundancy, identify best practices, share results, and leverage existing investments.

In FY 2017, we plan to continue supporting jointly funded cooperative agreements with ED, a key FLEC partner. Our extramural research partnership with ED builds on existing programs to foster retirement security-related research at Historically Black Colleges and Universities (HBCUs) and other minority-serving institutions. This partnership, launched in FY 2011, is consistent with [Executive Order 13532](#) which supports HBCUs. ED issued the initial awards under the program at the end of FY 2013. The four grantee institutions are now using this funding to produce research on retirement security issues and to build capacity and human capital for future research. This research has been submitted to academic journals, such as the Elder Law Journals, and to conferences, such as Society of Business and Industry Conference and the Public Management and Political Pedagogy Annual Conference. In addition, one grantee is testing a culturally-sensitive mobile app to improve that segment of the public's retirement security.

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

Enterprise Business Intelligence Platform

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

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

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

These actions leverage the capabilities of EBI technology to maintain and even increase SSA's ability to provide accurate, timely, and consistent information on our social insurance programs. Furthermore, the proposed automation will allow SSA to reallocate human resources to pursue the development and dissemination of new data, research, and analysis products.

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

New and Emerging Research- Retirement

In FY 2017, we plan to continue our partnership with the NIA supporting the "Roybal Center for Decision Making to Improve Health and Financial Independence in Old Age" at the University of Southern California. Congress created the Roybal Centers Program in 1992 to help translate basic social and behavioral research into practical applications for improving the health and well-being of older Americans. We intend to use the Roybal Center project to address emerging research topics of value to the Agency and external stakeholders, such as the White House and Congress. We first contributed funding to this project in FY 2015. The initial set of pilot projects the grantee has proposed to NIA includes research on financial decisions, annuities, and other topics that could inform our outreach and messaging to improve retirement security.

We may also continue to address retirement topics using other research vehicles, such as Intergovernmental Personnel Act (IPA) scholars. Through the IPA program, we fund recognized scholars to work on defined and targeted projects to help create unique and valuable retirement research relevant to SSA's mission. Past accomplishments from the IPA program include research on the impact of the Social Security Statement for both younger and older workers, the earnings implications of divorce for women, and the effects of employment gaps and layoffs on earnings and Social Security benefits.

Medicare Outreach – Section 1144

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

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

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

Strengthen the Integrity of Our Programs

One of the primary aims of our research program is to preserve the public's trust in SSA's programs by simplifying and streamlining how we do our work. To meet the challenges of our growing workload, SSA's research program provides analyses and data that support our efforts to make Social Security more responsive to the needs of the 21st century workforce. The following project summaries highlight the external efforts we plan to fund in FY 2017 that will help to simplify and streamline our policies, procedures, and business processes, as well as maximize our use of automation:

Census Surveys

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

Beginning in FY 2010, a major focus of our funding has been to contribute to the Census Bureau's re-engineering of SIPP, with a new survey that entered the field in February 2014. We rely upon SIPP data matched to our records to study the effects of OASDI, SSI, and related

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

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

Data Development

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

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

Projects that we are currently funding include:

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

- Research on Survey Methodology Program—a project jointly sponsored by the National Science Foundation and the Interagency Council on Statistical Policy to further the development of new and innovative approaches to surveys that will have broad implications for the field in general and specifically for the federal statistical system. Research topics include survey measurement issues; data collection procedures; technological issues related to survey design; and methods for the analysis of survey data.
- Key Indicators of Well-Being of Older Americans—provides support to the Federal Interagency Forum on Aging-Related Statistics for an interagency collaboration to produce a chart book with 37 key indicators about older Americans in five broad areas: population; economics; health status; health risks and behaviors; and healthcare, and related publications and workshops to identify and fill gaps and improve the quality of data on older Americans.

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

Health and Retirement Study (HRS)

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

This project has five major components in FY 2017:

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

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- Updates of sample weights that account for attrition across waves of the HRS, longitudinal imputations of wealth and asset measures, and an integrated file to facilitate matching of HRS data to SSA administrative records.

HRS Supplement

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

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

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

Retirement Research Consortium (RRC)

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

amount of policy research on Social Security-related issues and have responded to our specific analytical needs.

The research results of the RRC are widely reported in professional journals and conferences and in leading newspapers, radio, and television programs. The centers also disseminate results, train students and practitioners, and facilitate the use of our administrative data by outside researchers. In FY 2017, we will enter year four of the current 5-year cooperative agreements, which run through FY 2018.

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

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

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

Retirement Income Modeling

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

SSA continually assesses the functionality of MINT. MINT is updated frequently to enhance components of the model, add new components, use more recent data, and incorporate the latest assumptions from the Trustees Reports through individual 1 to 2 year contracts. A recently completed contract enhanced MINT to include more recent survey and SSA administrative data and incorporated behavioral responses, model family-level consumption, and improved processing efficiency and turnaround time.

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The MINT project provides quality and productivity improvements that go beyond SSA's staffing resources and expertise. All costs for the development of MINT are charged to our Section 1110 appropriation. However, most MINT analyses are conducted in-house and the costs associated with in-house staff analyses using MINT are funded through our administrative budget.

Social Security Programs throughout the World

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

The Office of Research, Evaluation and Statistics has produced the SSPTW since 1937. It is the only source that provides reliable current country specific information on such a large number of foreign social security programs—currently more than 170 countries around the world. Internally, it is used extensively by the Office of International Programs in the preparation of totalization agreements and for determining a country's eligibility under section 202(t) of the Social Security Act; to prepare for international meetings and for internal research activities (e.g. Social Security Bulletin articles, International Update and a monthly newsletter). Externally, it is used by Congress (such as the Senate Special Committee on Aging and the HELP Committee), across other Federal agencies (e.g., the GAO, DOL, and HHS) to prepare reports on a variety of social insurance topics, and by the State Department, which widely distributes copies to its embassies around the world. International Organizations including the World Bank, International Labor Organization, International Monetary Fund and the United Nations, often include SSPTW data in their publications (e.g., the ILO relies on SSPTW for its series World Social Protection Report). In FY 2017, we plan to continue to fund this effort.

RELATED FUNDING SOURCES

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

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

EARLY INTERVENTION MENTAL HEALTH DEMONSTRATION (EIMHD)

A key challenge for early-interventions is to identify individuals at risk of becoming long-term DI and SSI recipients who would also have the potential to benefit from the intervention methods. This demonstration will test early-intervention methods with a focus on workers with mental illness under the age of 50 who have recently applied for SSI or DI disability benefits and been denied.

Denied applicants often include individuals who are on the margin between employment and receiving disability benefits. Prior research estimates that 40 percent of DI claimants denied at the appeals level end up on the disability rolls within 10 years.¹ With the appropriate health care and employment supports, some of those individuals may remain in the labor market.

The EIMHD will provide participants with an intensive set of behavioral health and related services above and beyond what is available through the individual's existing health plan. Additionally, long-term employment services following the evidence-based Individual Placement and Support (IPS) model will be used to help participants remain in or return to the labor market rather than seek SSA disability benefits.² IPS services are delivered by supported employment teams that operate within community mental health agencies and other medical providers, with a key differentiator from other interventions being the linkage between employment and medical services. We will follow an IPS service model similar to that successfully implemented for SSA's MHTS.

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

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

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

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

² The behavioral health and related services would be in addition to base services already available, such as including greater intensity and frequency of services and reimbursement for medication co-pays.