

FISCAL YEAR 2018 BUDGET OVERVIEW

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A MESSAGE FROM THE ACTING COMMISSIONER

The Social Security Administration's programs serve nearly every American at critical junctures in their lives: when they reach retirement age, when they become disabled, or when they lose a loved one.

The American people expect and deserve well-managed programs that provide timely and accurate payments. The fiscal year (FY) 2018 President's Budget will allow us to focus on our core mission by addressing the current backlogs in key areas, reducing improper payments, building a technology infrastructure suitable for the 21st century, and continuing to develop a strong workforce.

Specifically, the FY 2018 President's Budget will help us:

Reduce the disability hearings backlog: We will be able to fund our administrative law judges and support staff and implement business process improvements to continue to support our plan to address the hearings backlog. Our goal is to reduce hearings wait times from over 580 days today to 270 days by the end of FY 2022. Today, over 1.1 million people are waiting for a hearing decision. In FY 2018, we will begin reducing the number of people waiting by over 150,000—a decrease of nearly 14 percent.

Serve the public: We expect to handle 33 million calls on our National 800 Number, complete 5.9 million retirement and survivor's claims, process 2.5 million initial disability claims, and fulfill 16 million requests for Social Security Numbers. We will continue to expand our service delivery options, such as our new Internet claims application for the Supplemental Security Income (SSI) program and the Internet Social Security Number Replacement Card (iSSNRC) application, where people may request a replacement Social Security card. These cost-effective approaches have allowed us to keep up with key workloads and mitigate backlog growth in other areas.

Safeguard taxpayer dollars by performing program integrity work, protecting beneficiaries from fraud, and ensuring the accuracy of our decisions: We will continue to increase our efforts to reduce improper payments and to combat fraud, waste, and abuse. With the program integrity cap adjustments in the FY 2018 President's Budget, we would eliminate the backlog of continuing disability reviews by the end of FY 2018 and remain current with program integrity workloads. In addition, we plan to open three new cooperative disability investigations units, maintain our corps of fraud prosecutors, and expand our use of data analytics to detect and prevent fraud.

Build a more efficient, effective organization by modernizing our information technology infrastructure and improving our business processes: With the President’s Budget, we will begin implementing our comprehensive project to modernize our information technology (IT) infrastructure. A modernized IT infrastructure will reduce costs to develop new systems; emphasizing the use of efficient, affordable, and secure IT solutions; and enhance data driven decision-making. It positions the agency to serve the public more efficiently and effectively, and provides for a modern technology foundation that eliminates legacy systems, reduces reliance on old mainframe architectures, and allows for agile development. Additionally, we will continue to improve and streamline business processes and mission-support functions, provide more self-service options, and maximize employee performance.

Our administrative expenses continue to be less than 1.3 percent of the combined Social Security and SSI benefits we pay, largely due to our increased automation and improved business processes. The President’s request of nearly \$12.5 billion for our administrative budget will position the agency to lessen our current backlogs and improve the quality and timeliness of our service in the future.

Respectfully,

Nancy A. Berryhill

Baltimore, Maryland
May 23, 2017

OUR PROGRAMS

For over 80 years, the Social Security Administration (SSA) has provided financial security to millions of Americans. Our services affect nearly every person in our Nation. We administer three key programs under the Social Security Act.

- **Old-Age and Survivors Insurance:** Created in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their family members. In fiscal year (FY) 2018, we will pay about \$851 billion in OASI benefits to an average of approximately 53 million beneficiaries a month, including 88 percent of the population aged 65 and over.
- **Disability Insurance:** Established in 1956, the Disability Insurance (DI) program provides benefits for workers who become disabled and their families. In FY 2018, we will pay about \$149 billion in DI benefits to an average of 11 million disabled beneficiaries and their family members a month.
- **Supplemental Security Income:** Established in 1972, the Supplemental Security Income (SSI) program provides financial support to aged, blind, and disabled adults and children who have limited income and resources. In FY 2018, we will pay over \$54 billion in Federal benefits and State supplementary payments to an average of 8.2 million recipients a month.

In addition, we support other national programs, such as Medicare, Employees Retirement Income Security Act of 1974, Coal Act, Supplemental Nutrition Assistance Program (formerly Food Stamps), Help America Vote Act, State Children's Health Insurance Program, E-Verify, Medicaid, and Federal Benefits for Veterans.

Our ongoing workloads include the following:

- **Claims:** We take claims for benefits, evaluate evidence, and determine benefit eligibility and payment amounts. In FY 2018, we will handle over 5.9 million retirement, survivors, and Medicare claims; 2.5 million Social Security and SSI initial disability claims; and nearly 204,000 SSI aged claims.
- **Appeals:** We have three levels of administrative appeals for claimants who disagree with our decisions. These appeals are non-adversarial, and claimants may submit new evidence for review.
 - 1) Reconsideration of a claim,
 - 2) Hearing before an administrative law judge (ALJ), and
 - 3) Review of ALJ decisions by administrative appeals judges of the Appeals Council.

If a claimant disagrees with the Appeals Council's decision, or if the Appeals Council decides not to review the case, a claimant may file a civil action in a U.S. district court. In FY 2018, we will complete approximately 582,000 reconsiderations, 750,000 hearings, 153,000 Appeals Council reviews, and 18,000 U.S. district court cases.

- **Program Integrity**: Our duty to safeguard the integrity of our programs includes conducting non-medical SSI redeterminations and full medical continuing disability reviews (CDR). These reviews save significant program dollars by ensuring that only those eligible for benefits continue to receive them. In FY 2018, we will conduct 2.822 million SSI redeterminations and 890,000 full medical CDRs.
- **Social Security Numbers**: We complete applications for and assign Social Security Numbers (SSN) to nearly all Americans and certain noncitizens. In FY 2018, we will complete requests for approximately 16 million new and replacement Social Security cards.
- **Earnings Records**: We receive updates from employers and the self-employed on the earnings of the working population. We post the reported earnings to workers' records and resolve any discrepancies. In FY 2018, we will post 273 million earnings items to workers' records.
- **Social Security Statements**: We provide information on earnings as well as estimates of future benefits workers and their families may receive based on those earnings. Beginning in January 2017, we limited mailing paper Social Security Statements to people age 60 and over, who are not receiving Social Security benefits, and who are not registered for a [my Social Security](#) account. All individuals may access their Social Security Statement at any time through their personal online [my Social Security](#) account.
- **Post-Entitlement Services**: In FY 2018, we will complete more than 100 million post-entitlement actions for beneficiaries and recipients, such as issuing emergency payments, recomputing payment amounts, and changing addresses.
- **Medicare**: We accept applications and determine eligibility for Medicare Hospital Insurance, Supplementary Medical Insurance, and the low-income subsidy for Medicare prescription drug coverage. In FY 2018, we will handle about 800,000 Medicare applications. In FY 2018, we will assist the Centers for Medicare and Medicaid Services in removing the SSN from Medicare cards.
- **Data Exchanges**: With over 3,000 exchange agreements, we provide and verify data for many purposes such as employment, voting, and eligibility for Federal and State programs.

FY 2016 ACCOMPLISHMENTS

In FY 2016, we made several critical service improvements. We introduced new service options and significantly expanded online transactions. We focused on the disability hearings backlog. We hired necessary staff, improved our business processes, and continued to modernize case processing systems. We also expanded the collection of electronic medical records and increased our use of data analytics—all of which helps us to make timely, accurate decisions. We updated our disability determination policies to reflect contemporary health care delivery and advances in medicine—updating 93 percent of the medical criteria used in decisions—with final updates underway. At the same time, we completed high levels of program integrity work and expanded our anti-fraud initiatives. Most notably, we accomplished the following activities in FY 2016:

- Paid over \$960 billion to an average of over 68 million Social Security beneficiaries and SSI recipients each month;
- Handled approximately 37 million calls on our National 800 Number;
- Served over 43 million visitors in over 1,200 field offices nationwide;
- Completed over 5.6 million new retirement, survivors, and Medicare applications and nearly 2.7 million new disability claims;
- Completed over 650,000 hearing dispositions;
- Updated more than 33 million beneficiary records;
- Issued more than 17 million new and replacement Social Security cards;
- Posted about 273 million earnings reports to workers' records;
- Handled over 17,000 disability cases in Federal district courts;
- Completed over 850,000 full medical CDRs; and
- Performed over 2.5 million non-medical redeterminations of SSI eligibility.

FY 2018 PRESIDENT’S BUDGET – REQUEST

The FY 2018 President’s Budget of \$12.457 billion will allow us to focus on our core mission of providing a financial security net for the American people. This core mission drives our resource decisions, service improvements, and our program integrity efforts. We will focus on addressing key backlogs, directing support to our frontline operations, and reducing improper payments. In addition, we will concentrate on making the agency an even more efficient and effective organization to improve service to the public.

This funding will allow us to:

- Reduce the disability hearings backlog, through initiatives aimed at improving business processes and increasing the number of decisions we make;
- Support our frontline operations—our field offices, processing centers, and National 800 Number—by providing some critical hires and expanding our alternative service delivery channels and online service options;
- Improve business processes that help us make quick and accurate disability decisions, such as increasing the use of electronic medical information and modernizing our case processing systems;
- Complete 850,000 medical CDRs in FY 2017 and 890,000 full medical CDRs in FY 2018, eliminating our CDR backlog;
- Conduct 2.8 million redeterminations, which is about 300,000 more SSI non-medical redeterminations, ensuring that we are paying the right people the right amount;
- Expand our efforts to prevent and deter fraud by adding three new cooperative disability investigations (CDI) units, which help support SSA fraud prosecutions;
- Provide our employees with training opportunities to help them maximize their performance and to develop leadership and management skills;
- Begin modernizing our information technology (IT) infrastructure to improve public service, reduce costs, and enhance data driven decision-making; and
- Expand our internal demonstration capacity through staff and other resources that test creative ways to reform the disability programs and promote greater labor force participation of people with disabilities.

The Budget also will allow us to pursue a number of legislative proposals to reform our disability programs and promote greater labor force participation (LFP). Currently, people with disabilities have low rates of LFP (20 percent), which is less than a third of the LFP rate of the overall working age population. Disability benefits are essential for workers with long-term and permanent disabilities who are unable to work. At the same time, the Federal Government must ensure only those who are truly eligible receive benefits. Reform proposals in the Budget

include efforts to improve program integrity, close loopholes that make the program more susceptible to fraud, and address inequities in programs. For instance, the Budget proposes to hold fraud facilitators liable for overpayments and a probationary period for all new administrative law judges hired. *See* Appendix B.

The Budget also proposes to test creative and effective ways to promote greater LFP of people with disabilities. The Budget will expand demonstration authority to allow SSA, in collaboration with agencies across the Federal Government, to test new program rules and require mandatory participation by program applicants and beneficiaries. An expert panel, informed by demonstration results and other evidence, will identify specific changes to program rules that would increase LFP and reduce program participation.

The charts on the subsequent page outline the funding amounts, associated workyears, and key performance goals based on our administrative expenses included in the FY 2018 President's Budget. The FY 2018 Funding Table provides amounts for our key appropriations and the associated workyears. The FY 2018 Performance Table includes the actual performance for FY 2016 and anticipated targets for FYs 2017 and 2018.

FY 2018 President's Budget – Funding

The funding table depicts appropriated dollar figures and actual workyears expended for FY 2016, our estimated spending for FY 2017 based upon Pub. L. No. 114-254, and the FY 2018 Budget.

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Request
Budget Authority, One-Year (in millions)			
Limitation on Administrative Expenses (LAE) ¹ <i>(Program Integrity Base and Cap included in LAE)</i>	\$12,162 (\$1,426)	\$12,135 (\$1,426)	\$12,457 (\$1,735)
Research and Demonstrations ²	\$101	\$101	\$101
Office of the Inspector General (OIG)	\$106	\$106	\$106
Subtotal, One-Year Budget Authority	\$12,368	\$12,341	\$12,664
Budget Authority, Multi/No-Year (in millions)			
Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) ³	\$22	\$22	\$27
Subtotal, Multi/No-Year Budget Authority	\$22	\$22	\$27
Total, Budget Authority^{4,5}	\$12,390	\$12,363	\$12,691
Workyears (WY)			
Social Security Administration (SSA)			
Full-Time Equivalents	63,159	61,104	61,265
Overtime	1,893	1,552	1,683
Lump Sum	220	299	299
Total SSA WYs	65,272	62,955	63,247
Disability Determination Services (DDS)	15,152	14,416	14,110
Total SSA/DDS WYs	80,424	77,371	77,357
MACRA	0	21	357
Total SSA/DDS/MACRA WYs	80,424	77,392	77,714
OIG	526	520	520
Total SSA/DDS/MACRA/OIG WYs	80,950	77,912	78,234

¹ We will not receive \$136 million in SSI User Fees in FY 2017. We have been given authority for \$136 million, but we estimate that we will only collect \$124 million. FY 2017 also includes approximately \$150 million in dedicated funding to address the hearings backlog.

² The FY 2017 enacted Research and Demonstration amount is \$58 million.

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

⁴ Totals may not add exactly due to rounding.

⁵ A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under the Further Continuing and Security Assistance Appropriations Act, 2017.

FY 2018 PRESIDENT’S BUDGET – PERFORMANCE

The performance table depicts our actual performance for FY 2016, our estimate for FY 2017 based upon Pub. L. No. 114-254, and what we can achieve with full funding of the FY 2018 Budget.

FY 2018 Performance Table	FY 2016 Actual ¹		FY 2017 Estimate ²	FY 2018 Estimate
	52-week	53-week		
Retirement and Survivors Claims				
Retirement and Survivors Claims Completed (thousands)	5,502	5,602	5,782	5,948
Disability Claims				
Initial Disability Claims Receipts (thousands)	2,582	2,638	2,499	2,569
Initial Disability Claims Completed (thousands)	2,627	2,689	2,455	2,500
Initial Disability Claims Pending (thousands)	576	568	612	681
Average Processing Time for Initial Disability Claims (days)	110	110	113	114
Disability Reconsiderations				
Disability Reconsiderations Completed (thousands)	653	667	581	582
Disability Reconsiderations Pending (thousands)	121	121	130	149
Average Processing Time for Disability Reconsiderations (days)	103	103	105	108
Hearings				
Hearings Receipts (thousands)	699	713	632	645
Hearings Completed (thousands)	637	652	683	750
Hearings Pending (thousands)	1,122	1,122	1,071	965
Annual Average Processing Time for Hearings Decisions (days)	543	545	605	600
National 800 Number				
National 800 Number Calls Handled (millions) ³	N/A	37	35	33
Average Speed of Answer (ASA) (seconds) ³	N/A	817	970	1,250
Agent Busy Rate (percent) ³	N/A	8.9%	12%	16%
Program Integrity				
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	N/A	2,107	1,950	1,990
Full Medical CDRs (included above, thousands)	N/A	854	850	890
SSI Non-Medical Redeterminations Completed (thousands)	2,505	2,530	2,522	2,822
Selected Other Agency Workload Measures				
Social Security Numbers (SSN) Completed (millions)	17	17	16	16
Annual Earnings Items Completed (millions)	273	273	273	273
Social Security Statements Issued (millions) ⁴	47	48	10	10
Selected Production Workload Measures				
Disability Determination Services Production per Workyear	306	306	301	313
Office of Disability Adjudication and Review Production per Workyear	88	88	96	99
Other Work/Service in Support of the Public -Annual Growth of Backlog (workyears)	N/A	N/A	(1,600)	(3,100)

- ¹ FY 2016 was a 53-week year for management information purposes. For comparison purposes to FYs 2017 and 2018, we are reporting both 52 and 53-week actual performance data.
- ² A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.
- ³ The data reported for FY 2016 is based on the fiscal year beginning 10/1/2015 and ending on 9/30/2016.
- ⁴ Social Security Statements Issued performance measure includes paper statements only; it does not include electronic statements issued. In FY 2016, *my Social Security* users accessed their Social Security Statements 40.5 million times.

IMPROVING SERVICE DELIVERY AND EXPANDING SERVICE DELIVERY OPTIONS

A vast majority of the public will complete their business with us in person at one of our field offices or with one of our representatives on our National 800 Number. We continue to offer and expand our additional service delivery methods for the ease of customers.

Field Offices

Every day, about 170,000 people visit one of over 1,200 field offices nationwide. Our field offices provide assistance for a broad range of services. Some of the more frequent tasks performed by our field office representatives include: issuing replacement Social Security cards, processing claims and appeals, critical post-entitlement actions, and program integrity workloads as well as addressing the immediate needs of our field office visitors.

We expect the number of visitors to our offices to remain steady as our beneficiary population increases. Full funding of the Budget will allow us to meet the constant demand for our services by providing some critical frontline hiring as well as supporting enhancements in additional service delivery methods. We will continue to look for ways to automate processes and develop online tools.

National 800 Number

The National 800 Number receives approximately 3.1 million calls each month in 24 teleservice centers nationwide. Our National 800 Number also provides 24-hour automated services every day. Callers can conduct a variety of business transactions through our automated services, including requesting benefit verification letters, ordering replacement Medicare cards, and obtaining claim status updates.

We handled 37.2 million calls in FY 2016, compared to 36.9 million calls in FY 2015, with an FY 2016 average speed of answer of 817 seconds and average busy rate of 8.9 percent. We expect the average speed of answer and agent busy rate in FY 2017 to be 970 seconds (over 16 minutes) and 12 percent, respectively. In FY 2018, we expect average speed of answer and agent busy rate to increase to 1,250 seconds (almost 21 minutes) and 16 percent.

We plan to transition our disparate telephone systems into a single, unified communications platform as part of our Next Generation Telephony Project. This platform will allow the agency to route calls across our network for a quicker answer based on employee experience and availability. In FY 2018, we plan to complete the acquisition process and start testing our telephone systems for the new platform.

Initial Disability Claims

We accept applications for disability benefits in-person at local field offices, over the phone, online at www.socialsecurity.gov, and by mail. Claims representatives in our field offices collect evidence of disability and determine whether a claimant meets our non-medical

qualifications. State disability examiners in the disability determination services (DDS) gather medical and vocational evidence to determine whether a claimant meets our definition of disability and the onset of disability. With full funding of the Budget, we will be able to maintain the average number of days to determine an initial disability claim at 114 days in FY 2018. The Budget will further our goal of keeping initial disability claims processing times stable while also eliminating the CDR backlog in FY 2018, one year ahead of schedule.

Disability Case Processing System

In an ongoing effort to render timely disability decisions, we are continuing to work to modernize our disability case processing system (DCPS). When complete, DCPS will replace 52 independently operated, outdated systems. We deployed DCPS to Delaware, Maine, and Ohio in December 2016. In FY 2018, we plan to deploy the national case processing system to the remaining DDSs.

Health Information Technology

We depend on healthcare providers to gather the medical records we need to determine whether a claimant is disabled. Some providers rely on paper records that they must copy and mail to our disability examiners, but in recent years most providers have shifted to electronic medical records. This step of the disability determination process consumes the most time among all other steps. We are improving this process by expanding the use of Health Information Technology (HIT) to collect medical evidence. HIT provides faster access to medical information, reducing the time providers spend to comply with our requests. When we use HIT to gather medical records, we can complete an initial claim nearly 50 percent (45 days) faster than other cases. In FY 2016, 9.6 percent of initial disability claims received medical records via HIT. Our goal is to increase the percentage of initial disability claims accessing medical evidence with HIT to 12 percent in FY 2017 and 20 percent in FY 2018.

Hearings

More than 1.1 million people are waiting for a decision on their hearing request. We project that the average wait time for a hearing decision in FY 2017 will be 605 days. To reduce the backlog, we implemented numerous initiatives as part of our Plan for Compassionate and Responsive Service (CARES) to improve hearings capacity and efficiency in our hearings operations. While we are doing what we can to automate and streamline the process where possible, due process requires a capable cadre of judges to hear each case and knowledgeable staff to schedule, prepare, and write decisions.

The Consolidated Appropriations Act, 2017 provided \$90 million of funding to address the hearings backlog. With this funding, we project that we will process approximately 120,000 additional cases and improve average processing time by 2 months by FY 2020.

In FY 2018, we will reduce the hearings backlog as we continue implementing our CARES plan. The plan includes initiatives to increase decisional capacity and achieve business process efficiencies. Because of these initiatives, we expect to reduce the number of people waiting for a hearing decision by over 150,000 cases by FY 2018—a nearly 14 percent reduction from FY 2016. The number of people waiting will decrease over time, helping us reach our goal to reduce hearings wait times to 270 days by the end of FY 2022, down from over 580 days today.

A few key initiatives that will support our backlog reduction strategy include the following:

Expanding Video Hearings Capacity

Video hearings improve our ability to balance workloads and eliminate service inequities nationally. In FY 2016, we began replacing or upgrading the oldest generation video units, implemented a schedule to replace or upgrade equipment annually, and established collaboration with Alaska Online with Libraries network to share videoconference room space.

In FY 2017 and FY 2018, we will increase video hearings capacity by identifying more external partners to share video hearing sites (e.g., Department of Veterans Affairs, Centers for Medicare and Medicaid Services) and continue expansion of our video hearing infrastructure in our hearing offices and field offices. The Budget would fund up to 500 additional video units.

Duplicate Identifying Software (DeDoop)

It is not unusual for our staff preparing a claims file for a hearing to discover that claimants or representatives have submitted duplicate medical evidence. Some case files may contain up to 23 percent of duplicative evidence. DeDoop is a software concept that uses artificial intelligence and Natural Language Processing (NLP) to automatically scan case files, identify duplicative medical evidence, and suggest those pieces of evidence for removal by the user.

In FY 2017 and FY 2018, we will develop, deploy, and pilot software to increase efficiency and quality of support staff and ALJs, resulting in a decrease in average wait time. We will pilot this software in three sites in FY 2017: Mobile, Alabama, Reno, Nevada, and Albany, New York. Assuming the pilot is successful, we will pursue next steps for broader implementation in FY 2018. The time savings realized from this software could potentially result in ALJs hearing approximately 8,000 more cases annually.

Expanding Natural Language Processing Quality Assurance Tools (Insight)

Insight is an inline quality tool that uses NLP to scan an ALJ decision for language that could result in error. Using NLP in the hearings and appeals operations will improve inline quality by ensuring legal sufficiency of draft decisions, thus decreasing the number of remanded decisions to the hearings level. In FY 2017, we will expand the initial Appeals Council pilot to the hearings operation and continue our efforts into FY 2018.

Modernize the Office of Disability Adjudication and Review's Case Processing System

Technology investments are designed to provide faster, streamlined, and more efficient IT tools for our employees, external stakeholders, and the public. Modernizing the case processing for the hearings and appeals operations will remove inefficiencies, drive policy compliance and consistency, and provide self-service options, which allows us to redirect staff to more time-consuming work. In FY 2017 and FY 2018, we will begin a multi-year project to develop a more comprehensive and modern case processing system and integrate it into our overall disability system.

Processing Centers

Our processing centers (PC) handle claims after we determine a beneficiary is eligible for Social Security benefits. They support our frontline components with efforts such as processing claims,

performing program integrity work, collecting debt, correcting records, providing eligibility verification services, and completing complex benefit claims that our field offices cannot readily handle. They also process cyclical workloads, such as the annual earnings record updates and benefit rate adjustments. Our PC technicians directly support our ability to provide timely and accurate benefits.

At the end of FY 2016, there were over 4.5 million actions pending in the PCs, which is double the normal actions pending. While we are making progress, we will continue prioritizing the most critical work while automating more of our processes to achieve higher productivity.

The Budget will support the hiring of critical PC vacancies and position us to begin reducing the backlog. It will also allow us to modernize the outdated legacy systems currently in use within the PCs.

Multi-Channel Service Delivery

In FY 2016, the public continued to increase their use of our online services to conduct business with us as they completed nearly 120 million transactions via our website. Customer satisfaction with our online services also continues to stand out, as 7 of the 8 SSA online applications exceeded the Foresee E-Government Satisfaction Index with scores of 80 or higher, the threshold for highly satisfied customers. We will continue to enhance our online services and promote them as a safe and convenient service option while also reducing unnecessary field office visits. With increased usage of online services, we can free more time for customers that need to complete their business with us in person.

iSSNRC

Since we launched the Internet Social Security Number Replacement Card (iSSNRC) application in November 2015, we have increased the number of States where people may request a replacement Social Security Card. Adults with a **my Social Security** account, a domestic mailing address, and a valid State identification or driver's license may apply for the card through iSSNRC.

Each year, we issue about 10 million SSN replacement cards in our field offices. We want to reduce this volume to allow our field office staff to handle more complex and time-intensive workloads. In FY 2016, we successfully issued more than 100,000 replacement cards through the iSSNRC application and are on pace to issue even more cards through the iSSNRC application in FY 2017. We currently offer iSSNRC in 17 States and the District of Columbia and plan to continue to expand to additional States in FY 2018.



iSSI

We recently expanded the current iClaim process to include questions that will allow us to establish certain SSI claims online. Individuals who wish to file a concurrent Social Security disability and SSI application may use this service. We also added an option for individuals with

limited English proficiency to request an appointment at a local field office or to file a claim in their language of choice. The iClaim process reduces the need for re-contact as applicants can view their SSI eligibility online. We will continue to study the results of the new iSSI application in FY 2018 to determine next steps for expansion.

Icon Project

The Icon Project is a free, streamlined SSA.gov portal that houses the most common online services, such as registering for a *my Social Security* account, printing benefit verification letters, requesting a replacement Social Security card, and submitting a change of address. It offers members of the public a quick and convenient option that can be easily accessed at home or within local community centers, libraries, and senior centers. We regularly work with community representatives to promote the Icon Project to third-party sites to help people use our online services. Also, members of the public may install a desktop Icon on their computer and companies can embed the Icon within a company website. To date, we have over 750 partner sites that include our Icon and have had over 117,000 hits in search of information.

Video Service Delivery

We use video service delivery to help us balance our workloads and reduce wait times in our busier field offices. Video service delivery allows individuals living in remote areas to experience virtual, face-to-face interaction with a field office representative through live-streaming video. We currently have video units in 670 sites around the country. In FY 2016, we conducted approximately 126,500 video service delivery interviews. Our next step is to explore more cost-efficient technology that will allow us to expand video service delivery.

Click-to-Chat

Click-to-Chat will enable our claims representatives to support the public through the convenience of a chat window in their browser. This new service will provide another method of communications for those accessing our online services. The Budget supports its development and ongoing enhancements.

COMBATING FRAUD AND IMPROVING PAYMENT ACCURACY

The American people expect us to be stewards of the Social Security programs, and we are dedicated to safeguarding taxpayer dollars. In FY 2018, we expect to expand our core program integrity activities to continue supporting our data-driven anti-fraud initiatives. Our anti-fraud efforts require up-to-date technology and an integrated enterprise solution to detect, deter, and mitigate fraud. In addition, we have broadened our payment accuracy initiatives to increase policy compliance and incorporate third-party computer matching agreements. Altogether, we are using more data, better technology, and enhanced policies to ensure we are paying the right amount to the right person as well as to detect and prevent fraud.

Dedicated Program Integrity Funding

SSA is authorized to use dedicated program integrity funding to support four core program integrity activities: CDRs, SSI redeterminations, CDI units, and fraud prosecutions by Special

Assistant United States Attorneys. Together, these activities bring about significant program savings and reinforce the veracity of our programs.

We perform periodic and full medical CDRs to ensure beneficiaries still qualify to receive benefits under the Title II and Title XVI programs. For those receiving SSI, we also perform redeterminations to confirm whether recipients meet the program's income and resource limits. The Budget will fund the completion of 890,000 full medical CDRs and 2.8 million redeterminations. We expect to eliminate the backlog of CDRs by the end of FY 2018.

Full funding of CDRs and redeterminations will save billions of taxpayer dollars. We estimate that CDRs conducted in FY 2018 will yield net Federal program savings over the next 10 years of roughly \$8 on average per \$1 budgeted for dedicated program integrity funding, including OASDI, SSI, Medicare, and Medicaid effects. Our estimates indicate that non-medical redeterminations conducted in FY 2018 will yield a return on investment of about \$3 on average of net Federal program savings over 10 years per \$1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects.

CDI units are jointly operated by SSA, along with the Office of the Inspector General, State DDS, and State and local law enforcement. Generally, they investigate suspected fraud before the agency awards benefits as well as during the CDR and redetermination processes when fraud may be involved. Section 811 of The Bipartisan Budget Act of 2015 requires the agency to have CDI units in all 50 States, the District of Columbia, and the territories by October 1, 2022. Currently, the CDI program has 39 units covering 33 States, the District of Columbia, and the Commonwealth of Puerto Rico. In FY 2017, we plan to add one unit in New Jersey, bringing our total to 40 units. In FY 2018, we plan to open three additional CDI units.

Special Assistant United States Attorneys prosecute cases of alleged Social Security fraud. We have attorneys in 20 States and the Commonwealth of Puerto Rico. They successfully argued 196 cases and were able to obtain \$14.7 million in restitution during FY 2016. In FYs 2017 and 2018, we expect to continue funding our corps of fraud prosecutors and their caseload.

Anti-Fraud Programs and Initiatives

Our Office of Anti-Fraud Programs (OAFP) is leading the way in coordinating our anti-fraud efforts. Our programs build upon our dedicated program integrity activities and are funded by our base administrative funds. We are developing consistent anti-fraud policies; refining employee training; and solidifying relationships with other Federal, State, and private partners to identify individuals who wrongfully obtain Social Security and SSI benefits.

We are expanding the use of data analytics and predictive modeling to enhance fraud detection. For example, we are collaborating with IBM to build an integrated Anti-Fraud Enterprise Solution (AFES). AFES is a multi-year effort that will enable the agency to replace and expand current anti-fraud systems. AFES will integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions that require further review. When fully implemented, AFES will include a data analytics engine, case management system, and a workflow tool to combat fraud across all of the agency's lines of business.

Quality and Payment Accuracy Initiatives

Making the right payment to the right person at the right time has been one of our longstanding priorities. It embodies the service and stewardship responsibilities we must carry out to protect current and future generations of workers. The Budget will sustain our current detection methods, like our Access to Financial Institutions (AFI) process, as well as initiate new programs that will expand our means to identify error-prone benefit payments.

Access to Financial Institutions

Excess resources in financial accounts are the leading cause of overpayments in the SSI program, totaling nearly \$5 billion over the last 5 fiscal years. The AFI process allows us to detect underreported or unreported accounts by searching institutions where individuals allege having an account and at other nearby institutions. We will also require our employees to use the AFI process when we make certain overpayment waiver determinations.

Integrating Third-Party Data

Underreported and unreported wages, employment, and property are also leading causes of improper payments in our programs. We are building information exchanges with payroll data providers to receive and use, without further verification, wage and employment information. In FY 2017, we began using quarterly earnings from the Office of Child Support Enforcement in our work CDR process. We are also moving to incorporate third-party non-home real property ownership data directly into our claims system as a prompt for further development. By implementing these new processes for initial claims and high-error redeterminations, our employees can help prevent or stop erroneous SSI payments.

Increase Policy Compliance

The Budget will reinforce our efforts to automate manual work processes that could lead to error. It will also support the redesign of our Title II claims processing system. This redesign will enhance our detection of error-prone transactions.

INFORMATION TECHNOLOGY MODERNIZATION AND INCREASING EFFICIENCIES

Our IT infrastructure is inadequate for the current demands of our services. We maintain the benefit, citizenship, earnings and vital records of nearly every American on an antiquated system designed over 40 years ago. Because of the extensive records we maintain, our systems play a much bigger role than just administering the Social Security programs. We have data agreements to support national security, immigration, health care, tax collection, child support enforcement, and more. However, as demand on our systems grow, we still use obsolete technology.

It is important to protect our systems from cyber attacks. Recent breaches at other Federal agencies have underscored the importance of securing networks and protecting sensitive data. While our cybersecurity program compares well against other Federal agencies, it remains costly and difficult to integrate with our current legacy systems.

The Budget would support our effort to modernize our legacy systems, automate more of our workloads, streamline services to the public, and continue protecting Americans' personal data.

Building a Modern Information Technology Infrastructure

Contrary to the incremental work of the last 30 years, our effort is to replace our core systems with new components and platforms, engineered for maximum usability, operability, and future adaptability. The Budget invests over \$100 million in FY 2018 to support our IT modernization effort. We began laying the foundation of this effort by incorporating agile methodology in our engineering practices and restructuring our legacy data to better match its intended uses.

The Budget will realize our modernization plans by replacing our core legacy systems with new code. Our legacy systems are expensive; they consume a greater proportion of our available resources just to maintain their current operational state. They run on over 60 million lines of COBOL, FOCUS, and other outdated legacy languages that few programmers know. Unfortunately, our legacy systems are also functional silos, as each system was created to support new programs as our legislative mandate evolved over the years; many of our systems are designed to do one job. These silos add complexity in an already complicated policy environment, requiring lengthy training and causing processing delays. We need to consolidate these distinct systems into a flexible platform that is more in line with our prevailing work processes.

The Budget would also support moving more functions to common cloud services. The database-centered world is changing rapidly with the advent of cloud computing and with new cloud operating system facilities. Cloud computing has the potential to reduce duplication of programs and lead to faster sharing of data.

Enhancing Our Cybersecurity Protection

Our cybersecurity program is vital in protecting our IT assets. We use knowledge of the threat landscape, advanced technologies, and skilled cyber professionals to secure our network and data from dangers, both foreign and domestic. We designed a program that achieves a balance between protection and productivity by taking a risk-based approach that focuses on continuous improvements. For example, we have enabled stronger identity controls to limit who has access to our systems. We have also expanded our cybersecurity policies and training so all employees play an active role in detecting cyber attacks.

The Budget supports our cybersecurity program by investing in the overall modernization of our IT, including the licensing of cybersecurity software, retaining skilled talent, and continuing to update our systems to meet or exceed Federal cybersecurity performance measures. Cyber attacks are ever changing, and we must remain vigilant to prevent any intrusion on our networks.

DEVELOPING A STRONG WORKFORCE

Investing in our Employees

The administration of our programs and the responsibilities entrusted to us by the public rely on our greatest asset—our employees. A knowledgeable, dedicated, and high-performing workforce is required to understand and carry out our inherently complex programs. It is our responsibility to ensure our employees have the tools, training, and feedback they need to effectively and efficiently carry out our mission. With many of our senior executives and frontline supervisors eligible to retire, it is imperative that we are creative and resourceful in our agency staffing approaches. We must ensure our employees possess the skills, competencies, and leadership expertise needed to fill critical agency positions. Without leadership development and succession planning, these inevitable losses will result in a lack of institutional knowledge and experience.

Succession Planning

Succession planning plays a vital role in preparing our agency for the future. It focuses on strengthening future leaders and identifying advancement and leadership opportunities at all levels of our organization. To support this ongoing commitment to our employees, we are taking a comprehensive look at our current cadre of senior leadership and implementing a process to facilitate enterprise-wide talent management and succession planning critical to our ongoing success.

Strengthened Employee Development

We will explore opportunities that allow employees to identify desirable career paths and the necessary steps to achieve their career goals. We will provide access to resources for creating a path for career development. We will ensure that employees are aware of the full array of potential career paths and allow them to identify the skills and experiences necessary for our most sought after positions. By doing so, employees will be able to focus on acquiring the right skills and design a personalized career path to best serve the agency.

Increase Demonstration Projects Staff Capacity

We will focus on building our internal demonstration capacity staff to test creative and effective ways to reform the disability programs for a modern labor market and promote greater labor force participation (LFP) of people with disabilities. To maximize the potential of success, in collaboration with agencies across the Government, we would simultaneously test a variety of strategies, but in order to achieve this success we need to build the internal staff capacity to focus on this work. The ability to design and implement a rigorous demonstration requires staff with unique skill sets in program administration, policy design, project management, research and evaluation, and problem solving.

CONCLUSION

Our programs support millions of Americans across the nation. The public expects competent, timely service for the benefits they earned. They also expect that we provide modernized service options that include more online tools. The FY 2018 President's Budget will support our plans to work down our disability hearings and processing center backlogs, invest in alternative service delivery options, begin modernizing our systems, and increase our program integrity work.

The Budget supports the President's effort to streamline how we work and to find more efficient and effective means of accomplishing our mission. We are using data analytics and automation to improve our business processes. We plan to expand our data analytics tools using industry best practices and reinforce oversight of our IT investments. We are committed to delivering significant results with the taxpayers' dollars—including eliminating the backlog of CDRs by the end of FY 2018 by building the foundation for a more modern, efficient administration.

Full funding of the President's Budget will reinforce the promise started over 80 years ago in the midst of the Great Depression—Social Security ensures income security in event of death, disability, and retirement for millions of Americans.

APPENDIX A – OUR EXTRAMURAL RESEARCH BUDGET

In fiscal year (FY) 2018, we are requesting \$101 million in new budget authority as part of our Supplemental Security Income (SSI) appropriation to support extramural research and early intervention demonstration projects. These projects will continue to test changes to the disability programs to improve their administration and to reduce dependency on them. The broad-based SSI, Old-Age and Survivors Insurance (OASI), and Disability Insurance (DI) projects funded in this Budget include those in the areas of disability policy research, employment support programs, retirement policy research, financial literacy and education, and evaluations of proposed or newly enacted legislation.

The Budget continues to support ongoing rigorous evaluations, such as our assessment of the interagency Promoting Readiness of Minors in SSI (PROMISE) effort. The Departments of Education, Labor, and Health and Human Services created the PROMISE initiative to foster improved outcomes for children who receive SSI by facilitating positive changes in health status, physical and emotional development, completion of education and training, and eventually, employment opportunities. PROMISE activities scheduled for FY 2018 include developing and administering a 5-year survey of participants as well as preparing data files for our 18-month survey. We will receive the draft process analysis reports and a comprehensive interim services and impact report focusing on short-run results in late FY 2018.

The Budget also includes continued funding for our Occupational Information System (OIS) project, which will allow us to make consistent, better-informed disability decisions. We often need information about work to make a disability determination, but the types of jobs in the workforce, as well as job requirements, change over time. The occupational resources we currently use to adjudicate claims have not been updated in more than 20 years. To support the development of new occupational data, we entered into an interagency agreement with the Department of Labor's Bureau of Labor Statistics (BLS). Starting in FY 2016 and continuing through FY 2018, BLS has been collecting occupational data related to the requirements of work. We expect to update the OIS on a 5-year cycle so we continue to remain current with workforce trends. In FY 2018, BLS will finish the initial 3-year data collection cycle and begin collecting data for the first 5-year update.

In FY 2018, we will continue to support a new Bipartisan Budget Act of 2015 (BBA) demonstration called the Promoting Opportunity Demonstration (POD). The POD will test a benefit offset in the DI program to determine its effects on outcomes such as earnings, employment, and benefit payments. Benefits will be reduced by \$1 for every \$2 earned above the greater of the Trial Work Period (TWP) level of earnings or the amount of a participant's itemized impairment-related work expenses. The demonstration will include 5,000 beneficiaries in each of three study groups over a 5-year timespan. We plan to begin recruiting participants in the first quarter of FY 2018 and will spend the remainder of FY 2018 implementing the

demonstration. This project is funded under section 234 of the Social Security Act by the Social Security Trust Funds and is not part of our FY 2018 appropriations request.

Early Intervention Demonstrations

Early intervention measures have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities. By providing medical and vocational services prior to receiving benefits as part of a demonstration project, we can test whether such services help individuals with these impairments remain active in the workforce, and perhaps avoid or delay a need for disability benefits. In FY 2018, we will continue to move forward with the Supported Employment Demonstration, formerly known as the Early Intervention Mental Health Demonstration. This study will examine whether supportive employment measures can help individuals with mental health impairments remain in the workforce. After finalizing site selections and beginning enrollment in FY 2017, we will fully implement the demonstration in FY 2018, including recruitment and service delivery, technical assistance, training, and data collection activities. No additional funding is required for this demonstration in FY 2018.

We are also planning to partner with the Department of Labor to conduct an early intervention demonstration designed to assist individuals with musculoskeletal and other disorders remain in the workforce. This demonstration will be modeled after the Centers of Occupational Health and Education (COHE) program developed in Washington State. While COHE is focused on workers' compensation related injuries, the demonstration will test the effects of implementing key features of the model in other states or municipalities and/or for a broader population beyond workers' compensation. Some of the key features include care and service coordination, population screening and monitoring, increased access and targeted vocational rehabilitation and work supports, workplace accommodations, and technical assistance to healthcare providers and employers. Evaluations of COHE have found that participating workers are nearly 20 percent more likely to be working a year after the initial work absence, and are 26 percent less likely to receive DI benefits after 8 years. SSA's budget includes \$50 million to support this demonstration project in FY 2018 and the Department of Labor's budget also includes additional funds to support this joint project.

Test New Approaches and Reform Disability Programs

The FY 2018 Budget proposes to evaluate creative and effective ways to promote greater labor force participation (LFP) of people with disabilities by expanding demonstration authority that allows SSA, in collaboration with other agencies, to test new program rules and requires mandatory participation by program applicants and beneficiaries. An expert panel will identify specific changes to program rules that would increase LFP and reduce program participation, informed by successful demonstration results and other evidence.

Past efforts have provided enhanced incentives to pursue work for disability insurance beneficiaries who already spent years out of the labor force. The Budget, in contrast, focuses on early intervention return-to-work initiatives that would help the individual worker maintain attachment to the labor force while also reducing the individual's need to apply to the disability insurance programs.

Currently, there is often an expectation that receipt of disability benefits results in a permanent exit from the labor force. The Budget challenges this assumption by evaluating alternative program designs that will result in helping individuals with temporary work disabilities return to work. The Budget includes targets for reduced program costs in the second five years of the budget window, savings that would result from increased LFP by people with disabilities.

To maximize the potential of success, the Administration would simultaneously test a variety of strategies. The Administration is calling on Congress to mandate participation of applicants and program beneficiaries in these projects including:

- Test “time limited benefits” for beneficiaries for a period when they would be more likely to return to work;
- Require applicants to engage in job seeking activities before their application is considered;
- Push existing State vocational rehabilitation offices to intervene earlier with individuals on a track to end up on DI;
- Replicate welfare-to-work strategies in State Temporary Assistance for Needy Families (TANF) offices to provide wellness care and vocational services to welfare applicants that cannot work due to a short-term or uncontrolled health condition; and
- Mandate that lower back pain and arthritis sufferers engage in rehabilitation traditionally used in occupational health treatment services before receiving benefits.

APPENDIX B – SUMMARIES OF LEGISLATIVE PROPOSALS

- 1. Offset Overlapping Unemployment Insurance-Disability Insurance Payments.** The Budget proposes to close a loophole that allows individuals to receive Unemployment Insurance (UI) and DI for the same period of joblessness. The proposal would offset the DI benefit to account for concurrent receipt of UI benefits. Under current law, concurrent receipt of DI benefits and unemployment compensation is allowable. UI is intended to compensate individuals for short-term bouts of unemployment while they look to return to work while DI is intended to compensate individuals who cannot return to work on a long-term basis due to a disability, allowing double dipping that is unnecessary and wasteful.
- 2. Allow SSA to Use Commercial Databases to Verify Real Property in the SSI Program.** This proposal would reduce improper payments and lessen recipients' reporting burden by authorizing SSA to conduct data matches with private commercial databases that maintain data on ownership of real property (i.e., land and buildings), which can be a countable resource for SSI purposes. The proposal would authorize SSA to use that information to automatically determine an individual's eligibility for benefits, after proper notification. SSA would also be authorized to require beneficiaries to consent to allow SSA to access these databases as a condition of benefit receipt. All current due process and appeal rights would be preserved.
- 3. Government-wide Use of Customs and Border Protection Entry/Exit Data to Prevent Improper Payments.** This proposal would provide Federal agencies access to and use of Customs and Border Protection (CBP) entry and exit data (i.e., when individuals enter and exit the United States). The information may be used in the SSI program, which requires all recipients to be physically present in the U.S. to receive benefits. Generally, U.S. citizens can receive Old-Age, Survivors, and Disability Insurance (OASDI) benefits regardless of place of residence. Non-citizens may be subject to additional residency requirements. SSA would use this data match to prevent improper payments. These data have the potential to be useful across the Government to prevent improper payments.
- 4. Use Death Master File to Prevent Improper Payments.** This proposal would authorize SSA to share its full file of death information—including State-reported death data—with Federal law enforcement agencies, and with the Department of the Treasury's Do Not Pay Portal for use in preventing improper payments. SSA receives death information from many sources, including family members, funeral homes, financial institutions, and the States. Current law limits the purposes for which SSA can share death information it receives from the States, and does not provide SSA authority to share State death data with Federal law enforcement agencies or Treasury's Do Not Pay Portal. This proposal would ensure that Federal law enforcement and Treasury's Do Not Pay Portal have access to all death information in SSA's records, including State-reported death data.

5. **Expand the Definition of Overpayment to Authorize SSA to Use All Collection Tools to Recover Funds In Certain Scenarios.** Current law provides SSA only limited authority to recover certain incorrect payments that do not meet the statutory definition of an overpayment. Such incorrect payments include when someone improperly cashes a beneficiary's check or improperly removes benefit funds from a joint account after a beneficiary's death. Because these incorrect payments are not considered overpayments, SSA's recovery options are limited. This proposal would define such situations as overpayments, thus subjecting them to a broader range of collection procedures, while maintaining the same rules and right of due process. As a result, SSA would be able to use all of its overpayment collection tools, such as credit bureau reporting and administrative wage garnishment, to recover these newly defined overpayments.
6. **Hold Fraud Facilitators Liable for Overpayments.** The proposal would allow SSA to recover the overpayment of a beneficiary from a third party if said third party was responsible for making fraudulent statements or providing false evidence that allowed the beneficiary to receive payments that should not have been paid. Specifically, in any case in which a third party facilitates fraud against any program administered by the Commissioner of Social Security, by providing false evidence or by creating such false evidence which is submitted to the Commissioner, the third party or parties would be jointly and severally liable for the erroneous benefit made because of the fraud. The third party facilitator could not seek waiver of the overpayment, and such overpayment would be in addition to any other penalties that may be imposed on such third party. The third party would be required to repay the Commissioner the amount of any erroneous payment together with the interest. Such interest would be calculated in the same manner as interest would be calculated for persons who have underpaid federal taxes (in accordance with section 6621(a) (2) of the Internal Revenue Code).
7. **Increase the Overpayment Collection Threshold for OASDI.** This proposal would change the minimum monthly withholding amount for recovery of Title II benefit overpayments for the first time since the agency established the current minimum of \$10 in 1960. By changing this amount from \$10 to 10 percent of the monthly benefit payable, SSA would recover overpayments more quickly and better fulfill their stewardship obligations to the combined OASDI Trust Funds. The SSI program already uses a 10 percent recovery policy. Debtors could still pay less if the negotiated amount would allow for repayment of the debt in 36 months. If the beneficiary cannot afford to have that amount withheld because he or she cannot meet ordinary and necessary living expenses, the beneficiary may request partial withholding. To determine a proper partial withholding amount, SSA negotiates (as well as re-negotiates at the overpaid beneficiary's request) a partial withholding rate.
8. **Exclude SSA Debts from Discharge in Bankruptcy.** Debts due to an overpayment of Social Security benefits are generally dischargeable in bankruptcy. The Budget includes a proposal to exclude such debts from discharge in bankruptcy. This proposal would help ensure program integrity by increasing the amount of overpayments SSA recovers. Current administrative protections for undue hardship would remain.

9. **Test new approaches and reform Disability Programs.** The FY 2018 Budget proposes to evaluate creative and effective ways to promote greater labor force participation (LFP) of people with disabilities by expanding demonstration authority that allows SSA, in collaboration with other agencies, to test new program rules and requires mandatory participation by program applicants and beneficiaries. An expert panel will identify specific changes to program rules that would increase LFP and reduce program participation, informed by successful demonstration results and other evidence.
10. **Reinstating the Reconsideration 10 Prototype States.** The Budget proposes reinstating reconsideration in 10 states, conforming these states with the practices used in the rest of the country. This reform requires a second review by the state Disability Determination Services (DDS) before an appeal goes to an administrative law judge (ALJ). Other states already require disability applicants to have their claim "reconsidered" before they can appeal to an ALJ. The following 10 States are currently without the reconsideration level of appeal: Alaska, Alabama, California, Colorado, Massachusetts, Michigan, Missouri, New Hampshire, New York, and Pennsylvania.
11. **Reduce 12 month Retroactive DI Benefits to 6 Months.** New DI beneficiaries are eligible for up to 12 months of benefits before the date of their application, depending upon the date they became disabled. This proposal would reduce retroactivity for disabled workers, which is the same policy already in effect for individuals receiving retirement benefits. This proposal will not modify retroactivity for Medicare eligibility.
12. **Eliminate Workers Compensation Reverse Offset.** In most States, if an individual concurrently receives workers' compensation (WC) and DI, SSA may offset his or her DI benefits. Currently, some States instead have "reverse offset," whereby the WC is reduced due to the receipt of DI benefits. This option would eliminate reverse offsets in these States, allowing SSA to consistently offset DI benefits because of WC receipt (when needed), regardless of the State in which the WC is being paid.
13. **Create Sliding Scale for Multi-Recipient SSI Families.** Currently, families receive an equal amount for each SSI child recipient. However, economies of scale in some types of consumption—housing, in particular—reduces per capita living expenses and therefore means that two children generally do not need twice the income to be supported as one child. Federal poverty guidelines and other means-tested benefits take into account these efficiencies. The Budget proposes to create a sliding scale for SSI disability benefits that considers the number of additional family recipients. It would keep the maximum benefit for one recipient the same as in current law but reduce benefits for additional recipients in the same family.
14. **Create a Probationary Period for ALJs.** Currently, new ALJs do not have a probationary period, like other Federal employees or new senior executive service (SES) employees. There have been recent cases where an ALJ was hired and it became clear the individual would be unsuccessful at the job. This proposal would create a 1-year probationary period for ALJs, similar to SES, to ensure that the ALJ is performing at a satisfactory level.

15. Strengthening Child Support Enforcement and Establishment. SSA reduces a child's monthly SSI benefit by up to two thirds of any monthly child support payment he or she also receives. The President's Budget includes several proposals aimed at increasing and improving child support collections and program efficiency. By increasing the amount of child support collected, these proposals would result in savings to the SSI program.