

CONTENTS

APPROPRIATION LANGUAGE..... 33
 Language Analysis 34

GENERAL STATEMENT 35
 Program Overview 35
 FY 2020 President’s Budget Request 37
 Key Initiatives 38

BUDGETARY RESOURCES 42
 Analysis of Changes..... 43
 New Budget Authority and Obligations by Activity..... 46
 New Budget Authority and Obligations by Object..... 47

BACKGROUND..... 48
 Authorizing Legislation 48
 Appropriation History 49

FEDERAL BENEFIT PAYMENTS 53
 Purpose and Method of Operation 53
 Rationale for Budget Request 53
 SSI Recipient Population 54
 Benefit Payments 56

ADMINISTRATIVE EXPENSES..... 58
 Purpose and Method of Operation 58
 Rationale for Budget Request 59

BENEFICIARY SERVICES 60
 Purpose and Method of Operation 60
 Rationale for Budget Request 61
 Additional Information on VR Cost Reimbursement and TTW Programs..... 62

RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH 64
 Purpose and Method of Operation 64
 Rationale for Budget Request 65
 Other Research Authority Request..... 69
 Existing Major Research and Outreach Projects..... 72
 Related Funding Sources 93
 Administration of Our Research Activities..... 96
 Research Investment Criteria 98

TABLES

Table 2.1—Appropriation Language Analysis 34

Table 2.2—Summary of Appropriations and Obligations 35

Table 2.3—Appropriation Detail 37

Table 2.4—Amounts Available for Obligation 42

Table 2.5—Summary of Changes 44

Table 2.6—Explanation of SSI Budget Changes from FY 2019 to FY 2020..... 45

Table 2.7—New Budget Authority and Obligations by Activity 46

Table 2.8—New Budget Authority and Obligations by Object..... 47

Table 2.9—Authorizing Legislation 48

Table 2.10—Appropriation History 49

Table 2.11—Federal Benefit Payments: New Budget Authority and Obligations 53

Table 2.12—SSI Recipients, Actual 54

Table 2.13—SSI Recipients, Projected..... 54

Table 2.14—Blind or Disabled Recipients as a Percentage of Total..... 55

Table 2.15—Maximum Benefit Rates 56

Table 2.16—Average Monthly Benefit Payments..... 56

Table 2.17—Check Payments by Fiscal Year 57

Table 2.18—Administrative Expenses: New Budget Authority and Obligations 58

Table 2.19—Beneficiary Services: New Budget Authority and Obligations 60

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments 62

Table 2.21—Research, Outreach, and Demonstration Projects:

Budget Authority and Obligations 64

Table 2.22—Major Research Areas, Outreach, and Demonstration Obligations and New
Budget Authority 66

Table 2.23—Research Projects Obligations as of FY 2018 95

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, [~~\$41,366,203,000~~] *\$41,832,000,000* 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 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, [2021] 2022.

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 [2020] 2021, [~~\$19,700,000,000~~] *\$19,900,000,000*, to remain available until expended.

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. Furthermore, 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 2 fiscal years.

In addition, the language provides SSA with indefinite authority beginning June 15 in the event Federal benefit payment obligations in FY 2020 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 2021 to ensure the timely payment of benefits in case of a delay in the FY 2021 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, \$41,832,000,000, 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. |
| "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." | 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 \$101,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2022. | Specifies that not more than \$101 million of the SSI appropriation is available for research and demonstration projects. SSA may carryover unobligated balances through September 30, 2022. |
| "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.” | Provides an indefinite appropriation to finance any shortfall in the definite appropriation for benefit payments during the last months of the fiscal year. |
| "For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2021, \$19,900,000,000, to remain available until expended." | 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 2021 in the event of a temporary funding hiatus. |

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 Obligations¹
(in thousands)

| | FY 2018 Actual | FY 2019 Enacted | FY 2020 Estimate | <i>Change</i> |
|--|-------------------|--------------------|---------------------|----------------|
| Appropriation | \$ 53,487,277 | \$ 60,866,203 | \$ 61,532,000 | + \$ 665,797 |
| Obligations | \$ 55,533,310 | \$ 60,549,492 | \$ 61,842,718 | + \$ 1,293,226 |
| First Quarter Advance Appropriation for Subsequent Fiscal Year | \$ 19,500,000 | \$ 19,700,000 | \$ 19,900,000 | + \$ 200,000 |

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.² The process of evaluating eligibility and payment levels for the SSI program and addressing the accuracy of payments is inherently complex due to the different rules.

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

² 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.

Supplemental Security Income Program

Benefit Payments

SSA estimates it will pay \$57 billion in Federal benefits to approximately 8 million SSI recipients in FY 2020. Including state supplementary payments, SSA expects to pay a total of \$59.9 billion and administer payments to approximately 8 million recipients.

Federal benefit payments represent approximately 92 percent of Federal SSI spending. Administrative expenses represent about 7 percent of spending; beneficiary services and research and demonstration projects make up the remaining less than one percent.

Incentives for Work and Opportunities for Vocational 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 \$12.21 per SSI check payment in FY 2019 and is expected to increase to \$12.47 in FY 2020. The Department of the Treasury receives the first \$5.00 of each fee and SSA retains the amount over \$5.00. Additional information regarding state supplementation can be found within the LAE section.

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.

FY 2020 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 2020 is \$61,532,000,000. However, this includes \$19,700,000,000 appropriated for the first quarter of FY 2020 in the FY 2019 appropriation. The appropriation language provides SSA with its remaining appropriation for FY 2020, \$41,832,000,000—the total amount requested for FY 2020 less the advance already received.

Similarly, in addition to the amount above, the request includes an advance appropriation of \$19,900,000,000 for Federal benefit payments in the first quarter of FY 2021. 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 ^{1,2,3}
(in thousands)

| | FY 2018 Actual | FY 2019 Enacted | FY 2020 Estimate | Change |
|---|---------------------------|----------------------------|-----------------------------|---------------------|
| Advance for Federal Benefits ⁴ | \$ 15,000,000 | \$ 19,500,000 | \$ 19,700,000 | |
| Regular for Federal Benefits ⁵ | \$ 33,816,963 | \$ 36,855,123 | \$ 37,282,000 | |
| Subtotal Federal Benefits | \$ 48,816,963 | \$ 56,355,123 | \$ 56,982,000 | + \$ 626,877 |
| Base Administrative Expenses ⁵ | \$ 3,021,164 | \$ 2,930,287 | \$ 3,099,000 | + \$ 168,713 |
| Program Integrity (Base) | \$ 209,415 | \$ 242,000 | \$ 250,000 | + \$ 8,000 |
| Program Integrity (Cap) | \$ 1,179,735 | \$ 1,111,793 | \$ 1,055,000 | - \$ 56,793 |
| Subtotal Administrative Expenses | \$ 4,410,314 | \$ 4,284,080 | \$ 4,404,000 | + \$119,920 |
| Beneficiary Services ⁶ | \$ 159,000 | \$ 126,000 | \$ 45,000 | - \$ 81,000 |
| Research and Demonstration | \$ 101,000 | \$ 101,000 | \$ 101,000 | \$ 0 |
| Subtotal Advanced Appropriation | \$ 15,000,000 | \$ 19,500,000 | \$ 19,700,000 | |

¹ Does not include state supplementary payments and reimbursements or the corresponding state supplementary user fee collections; user fees are included in the LAE appropriation.

² Totals may not add due to rounding.

³ There are 11 payments in FY 2018 and 12 payments in FYs 2019 and 2020.

⁴ Amount provided or requested in the previous year’s appropriation bill.

⁵ The Federal benefit payments total in FY 2018 is ~\$581 million more than the Federal benefit payment total included in the FY 2018 Consolidated Appropriations Act (P.L. 115-141) report language All Purpose Table (APT) due to a retroactive shift of SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal benefits). The Federal benefit payments total in FY 2019 is ~\$639 million more than the Federal Benefit Payment total included in the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245) report language APT due to a retroactive shift of SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal benefits).

⁶ Our FY 2020 request is \$81 million lower than the FY 2019 appropriation because we are using prior year carryover to fund \$84 million in obligations. In the last few years, systems updates have led to unpredictable fluctuations in obligations. We are projecting a more gradual annual increase as the obligations have stabilized to more accurately reflect the growth in the number of beneficiaries returning to work.

Supplemental Security Income Program

| | | | | |
|---------------------------------------|----------------------|----------------------|----------------------|---------------------|
| Subtotal Regular Appropriation | \$ 38,487,277 | \$ 41,366,203 | \$ 41,832,000 | |
| Total Appropriation | \$ 53,487,277 | \$ 60,866,203 | \$ 61,532,000 | + \$ 665,797 |
| Advance for Subsequent Year | \$ 19,500,000 | \$ 19,700,000 | \$ 19,900,000 | + \$ 200,000 |

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 2017, 92.7 percent of SSI benefit payments were free of overpayment errors and 98.9 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. For more information on these efforts, please see the Improper Payments exhibit.

Continuing Disability Reviews and Non-Disability Redeterminations

SSI continuing disability reviews (CDRs) are periodic reviews conducted to ensure recipients are still disabled according to our 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 2020 President's Budget request includes \$1,305 million specifically for conducting SSI CDRs and redeterminations, which would allow SSA to conduct about 449,000 SSI CDRs¹ and 2,822,000 redeterminations. For details on the estimated program savings resulting from the program integrity proposal, please refer to the Budget Process chapter in the Analytical Perspectives volume of the Budget.

¹ The total estimated CDR volume is 674,000. We expect to complete about 225,000 Social Security Disability Insurance (DI)/Concurrent CDRs in addition to SSI CDRs.

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 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 (DDS). 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. By the end of FY 2019, we will electronically collect individual AFI authorization from applicants and recipients. We are implementing enhancements to the overpayment waiver process, including automating AFI for waivers because we consider a person's resources in making our decision.

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 2018, SSA's Office of the Inspector General (OIG) Fraud Hotline processed 85,286 fraud-related allegations through online reporting, telephone, U.S. Mail, or fax. Of those allegations, 14,389 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

Supplemental Security Income Program

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.

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, we collected nearly \$1.4 billion in SSI overpayments, including Federally administered state supplement overpayments, in FY 2018. Also in FY 2018, we eliminated an additional \$152.4 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, we 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 usage of TOP in FY 2013 to collect 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 2018, TOP enabled the agency to collect \$76.7 million in delinquent SSI overpayments.

In FY 2002, SSA implemented Credit Bureau Reporting and Cross Program Recovery. In FY 2018, Credit Bureau Reporting contributed to the voluntary repayment of almost \$31.6 million, and we recovered \$166.7 million via Cross Program Recovery.

In FY 2005, SSA implemented Administrative Wage Garnishment, which has collected \$5.1 million in SSI debt in FY 2018. In the future, we plan to implement the remaining authorized collection tools to charge interest and administrative recovery fees, and consider use of private collection agencies.

Section 104 of the Strengthening Protections for Social Security Beneficiaries Act of 2018 requires SSA to hold the State liable for the repayment of any overpayment made on behalf of a represented minor while the minor was in State foster care and the State was the representative payee. SSA can no longer use internal offset of the benefit payment to recover the overpayment. The SPSSBA did not alter available debt collection methods available nor apply any limitation to use those existing methods to recover overpayments from the States.

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 the Public Debt's Savings Bond records to detect unreported assets;
- Department of Defense (DOD) records to detect and verify DOD pension information;
- Veterans Administration (VA) benefit data to be used in SSI benefit calculations;
- VA death information for DI and SSI payments;
- 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
- The 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.

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 2020 is \$61,532,000,000, including \$19,700,000,000 appropriated in the FY 2019 appropriation.

Table 2.4—Amounts Available for Obligation^{1,2,3}

| | (in thousands) | | |
|------------------------------------|----------------------|----------------------|----------------------|
| | FY 2018 Actual | FY 2019 Enacted | FY 2020 Estimate |
| Regular Appropriation | \$ 38,487,277 | \$ 41,366,203 | \$ 41,832,000 |
| Advanced Appropriation | \$ 15,000,000 | \$ 19,500,000 | \$ 19,700,000 |
| Total Annual Appropriation | \$ 53,487,277 | \$ 60,866,203 | \$ 61,532,000 |
| Federal Unobligated Balance | \$ 4,596,431 | \$ 3,373,225 | \$ 3,689,937 |
| Recovery of Prior-Year Obligations | \$ 822,828 | \$ 0 | \$ 0 |
| Subtotal Federal Resources | \$ 58,906,536 | \$ 64,239,428 | \$ 65,221,937 |
| State Supp. Reimbursements | \$ 2,612,080 | \$ 2,719,000 | \$ 2,764,000 |
| State Supp. Unobligated Balance | \$ 4,932 | \$ 216,092 | \$ 220,092 |
| Total Budgetary Resources | \$ 61,523,547 | \$ 67,174,520 | \$ 68,206,029 |
| Federal Obligations | \$ 55,533,310 | \$ 60,549,492 | \$ 61,842,718 |
| State Supp. Obligations | \$ 2,400,919 | \$ 2,715,000 | \$ 2,760,000 |
| Total Obligations | \$ 57,934,229 | \$ 63,264,492 | \$ 64,602,718 |
| Federal Unobligated Balance | \$ 3,372,225 | \$ 3,689,637 | \$ 3,379,219 |
| State Supp. Unobligated Balance | \$ 216,092 | \$ 220,092 | \$ 224,092 |
| Total Unobligated Balance | \$ 3,589,318 | \$ 3,910,029 | \$ 3,603,311 |

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 There were 11 payments in FY 2018. There are 12 payments in FYs 2019 and 2020.

Supplemental Security Income Program

The SSI annual appropriation was \$53.5 billion in FY 2018. The enacted FY 2019 appropriation is \$60.9 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. SSA carried over approximately \$3.4 billion in Federal unobligated balances into FY 2019. SSA expects to carry over approximately \$3.7 billion into FY 2020, and use about \$311 million in carryover funds.

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 2020 request represents an increase of approximately \$0.7 billion from the FY 2019 level. The majority of this increase results from increases to benefit payments from the annual COLA.

SSA plans to use unobligated balances to partially fund Federal benefits, beneficiary services, research and demonstration projects, and administrative expenses in FY 2019 and FY 2020. SSA plans to use approximately \$141 million in unobligated balances and recoveries in FY 2019 and approximately \$311 million in FY 2020.

Federal Benefit Payments

The increase in the FY 2020 request for Federal benefit payments is a result of the January 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 2020 request for administrative expenses is \$120 million more than the FY 2019 level. SSA expects to use \$84 million in carryover funds in FY 2019 and \$88 million in carryover funds in FY 2020 to cover estimated obligations.

Beneficiary Services

We are requesting \$45 million in new budget authority for beneficiary services in FY 2020. Our budget request is \$81 million lower than the FY 2019 appropriation because we are using prior year carryover to fund \$84 million in obligations. While this budget request is significantly lower than recent years, it does not reflect a decrease in the number of beneficiaries returning to work. The FY 2020 request funds an estimated nine percent increase in obligations, resulting in an increase in VR awards and Ticket payments, above FY 2019 levels. This estimated increase is due to multiple factors, but the primary driver is automation that creates operational

Supplemental Security Income Program

efficiencies. Other factors include the strength of the economy, the number of individuals who seek services or use a Ticket, and the availability of jobs.

Research and Demonstrations

The FY 2020 request for research and demonstration projects is equal to the FY 2019 level. SSA expects to use \$58 million in carryover funds in FY 2019 and \$13 million in carryover funds in FY 2020, in addition to our requested appropriation, to cover our estimated obligations.¹

Table 2.5—Summary of Changes^{2,3}

| | (in thousands) | | |
|--|----------------------------|-----------------------------|-----------------------|
| | FY 2019 Enacted | FY 2020 Estimate | Change |
| Appropriation | \$ 60,866,203 | \$ 61,532,000 | + \$ 665,797 |
| Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation | + \$ 141,412 | + \$ 310,718 | + \$ 169,306 |
| Reduction in Obligations to reflect the most recent Actuarial Estimate | - \$ 450,123 | | + \$ 450,123 |
| Unobligated Balance Carry Forward into 2020 | - \$ 8,000 | | + \$ 8,000 |
| Estimated Federal Obligations | \$ 60,549,492 | \$ 61,842,718 | + \$ 1,293,226 |

¹ \$50 million of the unobligated balance to be used in FY 2019 is for SSA's Retaining Employment and Talent After Injury/Illness Network (RETAIN) demonstration. The funds are for an evaluation contract and Phase 2 implementation grants administered by the Department of Labor.

² Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the LAE appropriation.

³ Totals may not add due to rounding.

Table 2.6—Explanation of SSI Budget Changes from FY 2019 to FY 2020
(in thousands)

| | FY 2019 Obligations | <i>Change from FY 2019</i> |
|---|--------------------------------|---------------------------------------|
| Federal Benefit Payments | \$ 56,355,123 | |
| • COLA – 2.2% beginning January 2020 | | +\$ 1,722,000 |
| • Net decrease due to annualized closings and awards | | -\$ 110,000 |
| • Effect of OASDI COLA for concurrent SSI/OASDI Recipients | | -\$ 410,000 |
| Federal Benefit Payments – Carryover | -\$ 450,123 | |
| • Increase in the amount of carryover funding planned for obligation in FY 2020 | | +\$ 1,000 |
| Administrative Expenses | \$ 4,284,080 | |
| • Increase in base funding | | +\$ 119,920 |
| Administrative Expenses – Carryover | \$ 83,713 | |
| • Increase in amount of carryover funding planned for obligation in FY 2020 | | +\$ 4,287 |
| Beneficiary Services | \$ 126,000 | |
| • Decrease in Base Funding | | -\$ 81,000 |
| Beneficiary Services – Carryover | -\$ 8,000 | |
| • Increase in amount of carryover funding planned for obligation in FY 2020 | | +\$ 92,000 |
| Research and Demonstration | \$ 101,000 | |
| Research and Demonstration – Carryover | \$ 57,699 | |
| • Decrease in amount of carryover funding planned for obligation in FY 2020 | | -\$ 44,981 |
| Total Obligations Requested, Net Change | \$ 60,549,492 | +\$ 1,293,226 |

NEW BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY

The table below displays budget authority and obligations for the five main SSI activities—Federal benefit payments, administrative expenses, program integrity, beneficiary services, and research projects.

Table 2.7—New Budget Authority and Obligations by Activity^{1,2}
(in thousands)

| | FY 2018 Actual | FY 2019 Enacted³ | FY 2020 Estimate⁴ |
|--|---------------------------|--|---|
| <u>Federal Benefit Payments</u> | | | |
| Appropriation ⁵ | \$ 48,816,963 | \$ 56,355,123 | \$ 56,982,000 |
| Obligations | \$ 50,949,421 | \$ 55,905,000 | \$ 57,108,000 |
| Monthly Check Payments | 11 | 12 | 12 |
| <u>Base Administrative Expenses</u> | | | |
| Appropriation ⁵ | \$ 3,021,164 | \$ 2,930,287 | \$ 3,099,000 |
| Obligations | \$ 3,021,164 | \$ 3,014,000 | \$ 3,187,000 |
| <u>Program Integrity (Base)</u> | | | |
| Appropriation | \$ 209,415 | \$ 242,000 | \$ 250,000 |
| Obligations | \$ 209,415 | \$ 242,000 | \$ 250,000 |
| <u>Program Integrity (Cap)</u> | | | |
| Appropriation | \$ 1,179,735 | \$ 1,111,793 | \$ 1,055,000 |
| Obligations | \$ 1,179,735 | \$ 1,111,793 | \$ 1,055,000 |
| <u>Beneficiary Services</u> | | | |
| Appropriation | \$ 159,000 | \$ 126,000 | \$ 45,000 |
| Obligations | \$ 111,682 | \$ 118,000 | \$ 129,000 |
| <u>Research and Demonstration</u> | | | |
| Appropriation | \$ 101,000 | \$ 101,000 | \$ 101,000 |
| Obligations | \$ 61,893 | \$ 158,699 | \$ 113,718 |
| Total Appropriation | \$ 53,487,277 | \$ 60,866,203 | \$ 61,532,000 |
| Total Federal Obligations | \$ 55,533,310 | \$ 60,549,492 | \$ 61,842,718 |

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.

² Totals may not add due to rounding.

³ SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2019 obligations as follows: administrative expenses, \$84 million; and research and demonstration, \$58 million.

⁴ In addition to the FY 2020 President's Budget request, SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2020 obligations as follows: Federal benefits, \$126 million; beneficiary services, \$84 million; research and demonstration projects, \$13 million; and administrative expenses, \$88 million.

⁵ The Federal benefit payments total in FY 2018 is ~\$581 million more than the Federal benefit payment total included in the FY 2018 Consolidated Appropriations Act (P.L. 115-141) report language APT due to a retroactive shift of SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal benefits). The Federal benefit payments total in FY 2019 is ~\$639 million more than the Federal benefit payment total included in the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245) report language APT due to a retroactive shift of SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal benefits).

NEW BUDGET AUTHORITY AND OBLIGATIONS BY OBJECT

In the table below, “Other Services” includes administrative expenses, program integrity, and beneficiary services.

Table 2.8—New Budget Authority and Obligations by Object ^{1,2}
(in thousands)

| | FY 2018 Actual | FY 2019 Enacted | FY 2020 Estimate |
|--------------------------------------|---------------------------|----------------------------|-----------------------------|
| <u>Other Services</u> ³ | | | |
| Appropriation ⁴ | \$ 4,569,314 | \$ 4,410,080 | \$ 4,449,000 |
| Obligations | \$ 4,521,996 | \$ 4,485,793 | \$ 4,621,000 |
| <u>Federal Benefits and Research</u> | | | |
| Appropriation ⁴ | \$ 48,917,963 | \$ 56,456,123 | \$ 57,083,000 |
| Obligations | \$ 51,011,314 | \$ 56,063,699 | \$ 57,221,718 |
| Total Appropriation | \$ 53,487,277 | \$ 60,866,203 | \$ 61,532,000 |
| Total Obligations | \$ 55,533,310 | \$ 60,549,492 | \$ 61,842,718 |

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.

² Totals may not add due to rounding.

³ The administrative 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.

⁴ The Federal benefit payments total in FY 2018 is ~\$581 million more than the Federal benefit payment total included in the FY 2018 Consolidated Appropriations Act (P.L. 115-141) report language APT due to a retroactive shift of SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal benefits). The Federal benefit payments total in FY 2019 is ~\$639 million more than the Federal benefit payment total included in the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245) report language APT due to a retroactive shift of SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal benefits).

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 2018 Actual | FY 2019 Enacted | FY 2020 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 ¹ | \$ 53,487,277,000 | \$ 60,866,203,000 | \$ 61,532,000,000 | <i>Indefinite</i> |
| First Quarter Advance Appropriation for Subsequent Fiscal Year | \$ 19,500,000,000 | \$ 19,700,000,000 | \$ 19,900,000,000 | --- |

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.

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 2009 to FY 2020. 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 History¹

| Fiscal Year | Budget Estimate to Congress | House Committee Passed | Senate Committee Passed | Enacted Appropriation |
|------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Q1 Advance | \$ 14,800,000,000 | \$ 14,800,000,000 | \$ 14,800,000,000 | \$ 14,800,000,000 |
| Current Year | \$ 30,414,000,000 | --- ² | \$ 30,429,875,000 ³ | \$ 30,471,537,000 ⁴ |
| 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 ⁵ | \$ 34,742,000,000 ⁶ | \$ 34,742,000,000 ⁷ |
| 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 | --- ⁸ | \$ 40,513,000,000 ⁹ | \$ 39,983,273,000 ¹⁰ |
| 2011 Total | \$ 56,513,000,000 | --- | \$ 56,513,000,000 | \$ 55,983,273,000 |
| Q1 Advance | \$ 13,400,000,000 | --- | \$ 13,400,000,000 | \$ 13,400,000,000 |
| Current Year | \$ 38,083,000,000 ¹¹ | --- ¹² | \$ 37,922,543,000 ¹³ | \$ 37,582,991,000 ¹⁴ |
| 2012 Total | \$ 51,483,000,000 ¹⁵ | --- | \$ 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 | --- | \$ 18,200,000,000 | \$ 18,200,000,000 |
| Current Year | \$ 40,043,000,000 ¹⁶ | No Data | \$ 40,043,000,000 ¹⁸ | \$ 32,782,991,000 ¹⁹ |
| 2013 Total | \$ 58,243,000,000 ²⁰ | | \$ 58,243,000,000 | \$ 50,982,991,000 |
| 2013 Rescission | | | | \$ 32,779,347,000 |
| 2013 Sequester ²¹ | | | | |
| Q1 Advance | \$ 19,300,000,000 | | \$ 19,300,000,000 | \$ 19,300,000,000 |
| Current Year | \$ 40,737,000,000 ²² | | \$ 40,568,741,000 ²³ | \$ 41,249,064,000 ²⁴ |
| 2014 Total | \$ 60,037,000,000 ²⁵ | | \$ 59,868,741,000 | \$ 60,549,064,000 |
| Q1 Advance | \$ 19,700,000,000 | | \$ 19,700,000,000 | \$ 19,700,000,000 |
| Current Year | \$ 40,927,000,000 | | | \$ 41,232,978,000 ²⁶ |
| 2015 Total | \$ 60,627,000,000 | | | \$ 60,932,978,000 ²⁷ |
| Q1 Advance | \$ 19,200,000,000 | | | \$ 19,200,000,000 |
| Current Year | \$ 46,422,000,000 | \$ 46,232,978,000 ²⁸ | \$ 46,110,777,000 ²⁹ | \$ 46,305,733,000 ³⁰ |
| 2016 Total | \$ 65,622,000,000 | \$ 65,432,978,000 | \$ 65,310,777,000 | \$ 65,505,733,000 ³¹ |

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 | \$ 14,500,000,000 | | | \$ 14,500,000,000 |
| Current Year | \$ 43,824,868,000 | \$ 43,162,469,000 ³² | \$ 43,618,163,000 ³³ | \$ 43,618,163,000 ³⁴ |
| 2017 Total | \$ 58,324,868,000 | \$ 57,662,469,000 | \$ 58,118,163,000 | \$ 58,118,163,000³⁵ |
| Q1 Advance | \$ 15,000,000,000 | | | \$ 15,000,000,000 |
| Current Year | \$ 38,557,000,000 | \$ 38,591,635,000 ³⁶ | \$ 38,450,927,000 ³⁷ | \$ 38,487,277,000 ³⁸ |
| 2018 Total | \$53,557,000,000 | \$ 53,591,635,000 | \$ 53,450,927,000 | \$ 53,487,227,000³⁹ |
| Q1 Advance | \$19,500,000,000 | | | \$ 19,500,000,000 |
| Current Year | \$41,208,000,000 | \$ 41,251,000,000 ⁴⁰ | \$ 41,390,721,000 ⁴¹ | \$ 41,366,203,000 ⁴² |
| 2019 Total | \$60,708,000,000 | \$ 60,751,000,000 | \$ 60,890,721,000 | \$ 60,866,203,000⁴³ |
| Q1 Advance | \$19,700,000,000 | | | \$ 19,700,000,000 |
| Current Year | \$41,832,000,000 | | | |
| 2020 Total | \$61,532,000,000 | | | |
| Q1 Advance | \$19,900,000,000 | | | |
| Current Year | | | | |
| 2021 Total | | | | |

Supplemental Security Income Program

-
- ¹ Does not include state supplementary payments and reimbursements or the corresponding state user fee collections; user fees are included in the LAE appropriation.
- ² The House Committee on Appropriations did not report a bill.
- ³ S. 3230.
- ⁴ Omnibus Appropriations Act, 2009 (P.L. 111-8).
- ⁵ H.R. 3293.
- ⁶ H.R. 3293, reported from Committee with an amendment.
- ⁷ Consolidated Appropriations Act, 2010 (P.L. 111-117).
- ⁸ The House Committee on Appropriations did not report a bill.
- ⁹ S. 3686.
- ¹⁰ 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.
- ¹¹ 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 to conduct a rigorous evaluation of a demonstration project designed to improve the outcomes for SSI child recipients and their families.
- ¹² 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.
- ¹³ S. 1599.
- ¹⁴ 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.
- ¹⁵ 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.
- ¹⁶ 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.
- ¹⁷ 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.
- ¹⁸ S. 3295.
- ¹⁹ Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).
- ²⁰ 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.

Supplemental Security Income Program

²¹ SSI was exempt from sequestration in FY 2013.

²² 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.

²³ S. 1284.

²⁴ Consolidated Appropriations Act, 2014 (P.L. 113-76).

²⁵ 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.

²⁶ Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

²⁷ 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.

²⁸ H.R. 3020.

²⁹ S. 1695

³⁰ Consolidated Appropriations Act, 2016 (P.L. 114-113).

³¹ 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.

³² H.R. 5926.

³³ S. 3040.

³⁴ Consolidated Appropriations Act, 2017 (P.L. 115-31).

³⁵ Of this amount, not more than \$58,000,000 is for research and demonstrations under sections 1110,1115, and 1144 of the Social Security Act.

³⁶ H.R. 3358.

³⁷ S. 1771.

³⁸ Consolidated Appropriations Act, 2018 (P.L. 115-141).

³⁹ 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.

⁴⁰ H.R. 6470.

⁴¹ S. 3158.

⁴² Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245).

⁴³ 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 2020, SSA estimates benefit payments will total approximately \$57.1 billion for approximately 8 million Federal SSI recipients.

Table 2.11—Federal Benefit Payments: New Budget Authority and Obligations¹
(in thousands)

| | FY 2018 Actual | FY 2019 Enacted | FY 2020 Estimate | <i>FY 19 to FY 20 Change</i> |
|---|----------------------|----------------------|----------------------|----------------------------------|
| Appropriation² | \$ 48,816,963 | \$ 56,355,123 | \$ 56,982,000 | + \$ 626,877 |
| Obligations Funded from Prior-Year Unobligated Balance and Recoveries | \$ 2,132,458 | \$ 0 | \$ 126,000 | +\$ 126,000 |
| Obligations | \$ 50,949,421 | \$ 55,905,000 | \$ 57,108,000 | + \$ 1,203,000 |
| Advance for subsequent fiscal year | \$ 19,500,000 | \$ 19,700,000 | \$ 19,900,000 | + \$ 200,000 |

RATIONALE FOR BUDGET REQUEST

SSA is requesting \$57 billion in new budget authority for Federal benefit payments in FY 2020.

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.

² The Federal Benefit Payments total in FY 2018 is ~\$581 million more than the Federal benefit payment total included in the FY 2018 Consolidated Appropriations Act (P.L. 115-141) report language APT due to a retroactive shift of SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal Benefits). The Federal benefit payments total in FY 2019 is ~\$639 million more than the Federal benefit payment total included in the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245) report language APT due to a retroactive shift of SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal benefits).

SSI RECIPIENT POPULATION

The number of Federal SSI recipients has decreased from a monthly average of 8.2 million in FY 2015 to 8.0 million in FYs 2018 and 2019 and is expected to decrease to a monthly average of 7.9 million in FY 2020. The estimated decrease in Federal recipients in FY 2020 represents a 0.4 percent decrease over the FY 2019 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. SSI applications have declined from the peak in 2010 primarily due to the recovery from the recent economic recession which began in late 2007 and the relatively recent strong economy. Another factor possibly contributing to the decline in applications is the expanded access to health care coverage from the Affordable Care Act.

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

| | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Aged | 1,100 | 1,108 | 1,114 | 1,119 |
| Blind or Disabled | 7,073 | 7,048 | 6,986 | 6,924 |
| Total Federal | 8,173 | 8,157 | 8,100 | 8,043 |
| <i>Year-to-Year Change</i> | <i>0.0%</i> | <i>- 0.2%</i> | <i>- 0.7%</i> | <i>- 0.7%</i> |
| State Supplement Only | 171 | 166 | 162 | 158 |
| Total Federally Administered | 8,344 | 8,323 | 8,262 | 8,202 |

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 1.5 million state supplement recipients, of which approximately 156,000 do not receive a Federal SSI benefit and only receive the state supplementary payment.

Table 2.13—SSI Recipients, Projected ¹
(average over fiscal year, in thousands)

| | FY 2019 Estimate | FY 2020 Estimate | FY 19 FY 20 Change |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|
| Aged | 1,120 | 1,129 | + 0.8% |
| Blind or Disabled | 6,846 | 6,805 | - 0.6% |
| Total Federal | 7,966 | 7,934 | - 0.4% |
| State Supplement only | 156 | 156 | + 0.0% |
| Total Federally Administered | 8,121 | 8,090 | - 0.4% |

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 gradually decreased from 86.5 percent in FY 2015 to 86.1 percent in FY 2018 and is projected to continue to decrease somewhat. Because the average monthly benefit payment for blind or disabled recipients is higher than that of aged recipients, this shift in the population make-up has increased 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 |
|----------------------|----------------------|--------------|--------------------------|--|
| 2015 | 8,173 | 1,100 | 7,073 | 86.5% |
| 2016 | 8,157 | 1,108 | 7,048 | 86.4% |
| 2017 | 8,100 | 1,114 | 6,986 | 86.2% |
| 2018 | 8,043 | 1,119 | 6,924 | 86.1% |
| 2019 Estimate | 7,966 | 1,120 | 6,846 | 85.9% |
| 2020 Estimate | 7,934 | 1,129 | 6,805 | 85.8% |

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 34 percent of all SSI recipients (including those only receiving a state supplement) also receive Social Security benefits. Approximately 57 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 a 2.8 percent cost of living increase in 2019. An increase of 2.2 percent is projected for January 2020. The FBR increased from \$750 for an individual and \$1,125 for a couple for calendar year (CY) 2018 to \$771 for an individual and \$1,157 for a couple in CY 2019. SSA estimates the FBR will increase to \$788 for an individual and \$1,182 for a couple in CY 2020. The COLA will be effective in January 2020, raising the maximum benefit rate to higher levels than the first 3 months of the fiscal year.

Table 2.15—Maximum Benefit Rates

| | FY 2019 | | FY 2020 | |
|------------|----------------|---------------|----------------|---------------|
| | First 3 Months | Last 9 Months | First 3 Months | Last 9 Months |
| Individual | \$ 750 | \$ 771 | \$ 771 | \$ 788 |
| Couple | \$ 1,125 | \$ 1,157 | \$ 1,157 | \$ 1,182 |

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 \$564 in FY 2018 to \$578 in FY 2019 and \$593 in FY 2020. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

Table 2.16—Average Monthly Benefit Payments

| | FY 2018 Actual | FY 2019 Estimate | FY 2020 Estimate |
|--------------------|----------------|------------------|------------------|
| Aged | \$ 401 | \$ 414 | \$ 428 |
| Blind or Disabled | \$ 590 | \$ 605 | \$ 620 |
| All SSI Recipients | \$ 564 | \$ 578 | \$ 593 |

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 2020 estimate assumes SSA will conduct almost 449,000 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 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 | \$ 54,706,388,183 |
| FY 2016 | 13 | \$ 59,044,228,391 |
| FY 2017 | 12 | \$ 54,729,471,841 |
| FY 2018 | 11 | \$ 50,949,421,097 |
| FY 2019 | 12 | \$ 55,905,000,000 |
| FY 2020 | 12 | \$ 57,108,000,000 |

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 2018 Actual | FY 2019 Enacted | FY 2020 Estimate | FY 19 to FY 20 Change |
|--|---------------------------|----------------------------|-----------------------------|----------------------------------|
| Total Appropriation¹ | \$ 4,410,314 | \$ 4,284,080 | \$ 4,404,000 | + \$ 119,920 |
| Obligations Funded from Prior-Year Unobligated Balance | + \$ 0 | + \$ 83,713 | + \$ 88,000 | + \$ 4,287 |
| Obligations | \$ 4,410,314 | \$ 4,367,793 | \$ 4,492,000 | + \$ 124,207 |

¹ The administrative expenses total in FY 2018 is ~\$581 million less than the administrative expenses total included in the FY 2018 Consolidated Appropriations Act (P.L. 115-141) report language APT due to a retroactive shift of SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal benefits). The administrative expenses total in FY 2019 is ~\$639 million less than the administrative expenses total included in the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245) report language APT due to a retroactive shift of SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal benefits).

RATIONALE FOR BUDGET REQUEST

SSI's administrative budget is driven by the programs we administer—both in terms of the amount of work performed and the number of people needed to process it—and by our continuing efforts to improve service, stewardship, and efficiency.

The FY 2020 request for SSI administrative expenses is \$4,404,000,000. This appropriation is used to reimburse the trust funds for the SSI program's share of administrative expenses. This amount includes additional funding of \$1,305 million specifically for FY 2020 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 \$130,000,000 in FY 2020.

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 (TTW) programs. The objective of the programs is to help disabled individuals return to work. The trust funds and general revenues fund beneficiary services. OMB directly apportions the trust funds' portions of beneficiary services and they are not part of this appropriation request. The general revenues fund beneficiary services for disabled Supplemental Security Income (SSI) recipients as described below.

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

| | FY 2018 Actual | FY 2019 Enacted | FY 2020 Estimate | <i>FY 2019 to FY 2020 Change</i> |
|--|---------------------------|----------------------------|------------------------------|---|
| Appropriation | \$ 159,000 | \$ 126,000 | \$ 45,000¹ | - \$ 81,000 |
| Prior-Year Unobligated Balances and Recoveries | \$ 66,860 | \$ 114,178 | \$ 122,178 | + \$ 8,000 |
| Total Budgetary Resources | \$ 225,860 | \$ 240,178 | \$ 167,178 | - \$ 73,000 |
| Obligations | \$ 111,682 | \$ 118,000 | \$ 129,000 | + \$ 11,000 |

Under the VR program, we repay State VR agencies for the reasonable and necessary costs of services that successfully help disabled recipients return to work. VR agencies are successful when a disabled recipient performs substantial gainful activity (SGA) for a continuous period of 9 out of 12 months.² VR agencies can serve as Employment Networks (ENs) in the TTW program or under our VR reimbursement program.

Under the TTW program, authorized by the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170), we pay ENs for providing vocational rehabilitation, employment, and other support services to disabled SSI recipients. These recipients select an EN, which we pay when EN services result in prescribed work milestones and outcomes that may reduce reliance on Federal cash benefits.

¹ Our FY 2020 request is \$81 million lower than the FY 2019 appropriation because we are using prior year carryover to fund \$84 million in obligations. In the last few years, systems updates have led to unpredictable fluctuations in obligations. We are projecting a more gradual annual increase as the obligations have stabilized to more accurately reflect the growth in the number of beneficiaries returning to work.

² In 2019, we consider non-blind and blind disabled recipients to be performing SGA if they earn more than \$1,220 and \$2,040 per month, respectively.

Ticket payments, unlike VR reimbursement awards, are not based on the costs of specific services provided by the EN. We pay ENs using either an outcome-milestone payment method or an outcome-only payment method.

We base Ticket payment amounts for SSI recipients on the prior year's average disability benefit payable under Title XVI. While we previously made Ticket payments only upon request, we now also initiate payments to ENs when information in our records indicates the recipient has achieved the prerequisite earnings and all other requirements qualifying the EN for a payment are met.

RATIONALE FOR BUDGET REQUEST

We are requesting \$45 million in new budget authority for beneficiary services in FY 2020. Our budget request is \$81 million lower than the FY 2019 appropriation because we are using prior year carryover to fund \$84 million in obligations. While this budget request is significantly lower than in recent years, it does not reflect a decrease in the number of beneficiaries returning to work. The FY 2020 request funds an estimated nine percent increase in obligations, resulting in an increase in VR awards and Ticket payments, above FY 2019 levels. This estimated increase is due to multiple factors, but the primary driver is automation that creates operational efficiencies. Other factors include the strength of the economy, the number of individuals who seek services or use a Ticket, and the availability of jobs.

In recent years, we have undergone major process and systems enhancements to improve efficiencies for beneficiary services. In July 2015, we automated the EN business processes and implemented ePay, a payment process that helps ENs receive payments more timely. With ePay, we can initiate Ticket payments to ENs when all payment criteria are met, including an indication of the earnings threshold for payment. Previously, ENs found it difficult to receive Ticket payments from us because ENs relied heavily on SSI recipients to self-report earnings information. In March 2017, we implemented the Internet Ticket Operations Provider Support System (iTOPSS) that improves automation for the VR program. iTOPSS allows VRs to submit claims for reimbursement payments and manage case information through an online portal while we can verify and authorize VR awards through a series of systems checks. Considering all the factors above and assuming that more beneficiaries will return to work, we estimate that FY 2020 will result in more outcome and milestone payments, as well as VR reimbursements.

We continue our efforts to improve management and oversight of the VR and Ticket programs to ensure effectiveness and to make certain the money spent is a good investment. These efforts are solidified in the current EN agreements and include ongoing quality reviews of State reimbursement claims and internal audits of the agency's payment process. ENs and VRs help our beneficiaries attain higher levels of sustained employment success.

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments¹

| | FY 2018 Actual | FY 2019 Estimate | FY 2020 Estimate |
|--|---------------------------|-----------------------------|-----------------------------|
| <u>Vocational Rehabilitation</u> | | | |
| SSI Only Reimbursement Awards | 4,927 | 5,096 | 5,564 |
| SSI/DI Concurrent Reimbursement Awards | 3,538 | 3,980 | 4,346 |
| Total Reimbursement Awards | 8,465 | 9,076 | 9,910 |
| VR Obligations (in thousands) | \$ 96,431 | \$ 87,000 | \$ 95,000 |
| <u>Ticket to Work</u> | | | |
| SSI Only Milestone Payments | 8,917 | 14,989 | 15,717 |
| SSI Only Outcome Payments | 18,347 | 30,766 | 32,262 |
| SSI/DI Concurrent Milestone Payments | 12,315 | 20,857 | 21,871 |
| SSI/DI Concurrent Outcome Payments | 9,348 | 15,544 | 16,300 |
| Total Ticket Payments | 48,927 | 82,156 | 86,150 |
| Ticket Obligations (in thousands) | \$ 15,251 | \$ 31,000 | \$ 34,000 |
| Total VR Awards & Ticket Payments | 57,392 | 91,232 | 96,060 |
| Total Obligations (in thousands) | \$ 111,682 | \$ 118,000 | \$ 129,000 |

ADDITIONAL INFORMATION ON VR COST REIMBURSEMENT AND TICKET TO WORK PROGRAMS

The State VR agency may decide on a case-by-case basis whether to receive compensation under the long standing VR cost reimbursement payment option or one of the two TTW payment methods described below. Regardless of the payment method the State VR agency chooses, the recipient must have agreed to use the Ticket with the State VR agency for the agency to be eligible for either type of payment.

Outcome-Milestone Payment Method:

- There are two phases of outcome-milestone payments. Phase I allows 4 payments and Phase II allows 18 payments.
- We begin paying the EN when the recipient successfully achieves certain predetermined work-related milestones while still receiving Federal benefits.
- We stop paying milestone payments and begin outcome payments when the recipient's monthly Federal cash benefits are not payable because of work and earnings.

¹ Totals may not add due to rounding.

Outcome-Payment Method:

- Outcome payments are payable for a maximum of 60 months (consecutive or otherwise).
- We will begin issuing monthly outcome payments after the individual's monthly Federal cash benefit payments cease and the individual earns above the SGA level in a month.
- The dollar amounts of the monthly outcome payments are larger when the EN elects not to receive milestone payments while the recipient still receives benefits.

When a State VR agency provides services to a recipient under the cost reimbursement payment option, who later seeks support services from an EN, we may pay the State VR agency and the EN for sequential periods of service. However, the EN is not eligible for Phase I Ticket payments, since the State VR agency would have provided initial services.

RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH

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

PURPOSE AND METHOD OF OPERATION

We conduct extramural research, demonstrations, and outreach under sections 1110, 1115, 1144, and 234 of the Social Security Act. Projects funded under section 234 are essential to our demonstration portfolio, but as they are part of the mandatory budget, we are not including them in our appropriations request.

**Table 2.21 - Research, Outreach, and Demonstration Projects:
Budget Authority and Obligations
(in thousands)**

| | FY 2018 Actual | FY 2019 Enacted | FY 2020 Estimate | <i>FY 2019 to FY 2020 Change</i> |
|--|---------------------------|----------------------------|-----------------------------|---|
| Appropriation | \$101,000 | \$101,000 | \$101,000 | +\$0 |
| Obligations Funded from Prior-Year Unobligated Balance and Recoveries ¹ | \$31,513 | \$70,417 | \$12,718 | - \$57,699 |
| Total Budgetary Resources | \$132,513 | \$171,417 | \$113,718 | - \$57,699 |
| Total Obligations | \$61,893 | \$158,699 | \$113,718 | - \$44,981 |
| Total Unobligated Balance ¹ above | \$70,620 | \$12,718 | \$0 | - \$12,718 |

Section 1110 of the Social Security Act provides the Commissioner of Social Security the authority to conduct broad-based, cross-programmatic projects for the OASDI and SSI programs. This section provides for waiver authorities for the SSI program, as well as projects dealing with specific SSI issues. Under section 1110, we fund a range of extramural projects: disability and retirement policy research, demonstration projects to test creative and effective ways to promote greater labor force participation among people with disabilities (including early intervention rehabilitation strategies), 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 to enable States to participate in specific SSA research and disability demonstration projects. There are currently no research projects funded under this section.

Section 1144 requires us to conduct outreach to 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,

¹ There was an approximately \$200,000 unobligated balance that expired at the end of FY 2018, which resulted in the approximately \$200,000 decrease in unobligated balances carried forward into FY 2019.

and notify State Medicaid agencies. The Centers for Medicare & Medicaid Services, within HHS, oversees both the Medicare and Medicaid programs.

Section 234 gives the Commissioner of Social Security the authority to conduct research and demonstration projects testing alternative Disability Insurance (DI) benefit rules. We use trust fund monies, which are permanently appropriated and not part of our request, to conduct various demonstration projects, including projects that examine alternative program rules for treating work activity of individuals entitled to DI benefits. Section 234 covers both applicants and current beneficiaries of the program. We currently have authority to commence new projects under section 234, as amended by the Bipartisan Budget Act of 2015 (BBA). However, our current authority is limited to voluntary participation of applicants and beneficiaries that requires informed written consent and a limited timeline that requires us to complete all projects by December 31, 2022.

RATIONALE FOR BUDGET REQUEST

We are requesting \$101 million in new budget authority in FY 2020 for research and early intervention demonstration projects designed to explore potential improvements to our programs. These research projects reflect the Administration's priority to utilize evidence-based policy solutions. Additionally, many of the proposed projects support the Administration's goal to increase the labor force participation of people with disabilities. Towards this goal, we plan to continue collaborating with multiple agencies across a variety of sectors. The first of many projects on this topic proposed by the Administration is the Retaining Employment and Talent After Injury/Illness Network (RETAIN), which is a partnership with the Department of Labor (DOL) to conduct an early intervention demonstration designed to assist individuals experiencing the onset of musculoskeletal and other disorders to remain in the workforce.

This funding level would also allow continued support for both our and key congressional priorities such as the development of the Occupational Information System (OIS); our evaluation of the Promoting Readiness of Minors in SSI (PROMISE) grants; and the National Academies of Sciences, Engineering, and Medicine (NAS) independent consensus committee reports used to strengthen the disability programs for adults and children. The request also provides funding for our interagency agreement (IAA) with the National Institutes of Health (NIH) to help develop data-driven methods and techniques to support disability adjudicators and help inform innovation and policymaking.

In FY 2020, we will 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 Social Security continues. In support of this effort, the Retirement and Disability Research Consortium (RDRC) will continue to address various issues related to OASI, DI, and SSI. By funding the RDRC, we will continue to maintain our capability to produce policy-relevant research on retirement and disability policy.

We are also proposing to continue to fund early intervention demonstration projects to test strategies designed to help individuals with disabilities remain in the workforce.

Supplemental Security Income Program

The table and discussion that follows provides more details on the research and outreach efforts we plan to fund in FY 2020.

Table 2.22—Major Research Areas, Outreach, and Demonstration Obligations and New Budget Authority (in thousands)^{1,2,3}

| | Obligations ⁴ | | |
|---|--------------------------|---------------------|---------------------|
| | FY 2018 Actual | FY 2019 Estimate | FY 2020 Estimate |
| Serve the Public through a Stronger and more Responsive Disability Program | \$41,217 | \$137,055 | \$89,380 |
| Promoting Work through Early Interventions Demonstration (PWEID) | \$0 | \$25,000 | \$0 |
| Retaining Employment and Talent After Injury/Illness Network (RETAIN) | \$0 | \$50,000 | \$25,000 |
| Promoting Readiness of Minors in SSI (PROMISE) | \$1,605 | \$2,692 | \$3,121 |
| Ticket to Work Notice Optimization | \$0 | \$0 | \$150 |
| Supported Employment Demonstration (SED) | \$0 | \$9,000 | \$0 |
| Advisory Services to Assist. SSA with Disability Issues | \$5,147 | \$4,278 | \$4,385 |
| Disability Analysis File (DAF) | \$823 | \$843 | \$873 |
| Analyzing Relationships between Disability, Rehabilitation, and Work (ARDRAW) | \$300 | \$300 | \$300 |
| National Beneficiary Survey (NBS) | \$1,444 | \$3,765 | \$1,088 |
| New and Emerging Research – Disability | \$3 | \$5,931 | \$13,349 |
| NIH IAA for Data Analytics/FAB Development | \$2,498 | \$3,233 | \$5,000 |
| Work Disability Functional Assessment Battery (WD-FAB) Data Collection | \$0 | \$0 | \$2,500 |
| Occupational Information Systems (OIS) and Vocational Information Tool (VIT) | \$29,397 | \$32,013 | \$33,614 |
| Deliver Innovative Quality Services | \$5,815 | \$7,696 | \$8,245 |
| Understanding Americans Study (UAS) Enhancements | \$2,000 | \$2,002 | \$2,002 |
| Data Development in an Enterprise Business Platform (EBI) | \$2,000 | \$2,000 | \$2,000 |
| New and Emerging Research – Retirement | \$250 | \$250 | \$250 |
| BPA for Time Sensitive Research Projects Components | \$143 | \$2,050 | \$2,500 |
| Medicare Outreach (1144) | \$1,422 | \$1,394 | \$1,493 |
| Strengthen the Integrity of Our Programs | \$14,861 | \$13,948 | \$16,093 |
| Census Surveys | \$0 | \$800 | \$850 |
| Data Development | \$430 | \$293 | \$390 |
| Health & Retirement Study (HRS) and Supplement | \$4,155 | \$4,155 | \$4,155 |

¹ Does not include funding authorized under section 234.

² Totals may not add due to rounding.

³ This table satisfies the request in HR 115-244

⁴ This amount includes obligations funded from prior-year unobligated balances.

Supplemental Security Income Program

| | Obligations ⁴ | | |
|--|--------------------------|------------------|------------------|
| | FY 2018 | FY 2019 | FY 2020 |
| | Actual | Estimate | Estimate |
| Retirement Income Modeling (MINT) | \$0 | \$0 | \$0 |
| Retirement and Disability Research Consortium (RDRC) | \$10,001 | \$8,700 | \$10,698 |
| Social Security Programs Throughout the World | \$275 | \$0 | \$0 |
| Total Research Obligations | \$61,893 | \$158,699 | \$113,718 |
| New Budget Authority | \$101,00 | \$101,000 | \$101,000 |

Section 1110 Demonstration Projects:

Promoting Work through Early Interventions Demonstration (PWEID)

The PWEID is a joint undertaking with HHS’ Administration for Children and Families (ACF). The project seeks to evaluate early intervention programs and employment support models designed to produce favorable economic outcomes among individuals with low income, little to no work experience, and ties to broader public assistance programs (e.g., Temporary Assistance to Needy Families (TANF) and SSI). Our primary interests include evaluations of programs that support individuals with current or foreseeable disabilities who are at risk of applying for SSI as well as persons facing opioid and other substance abuse issues. As part of this arrangement, we will support the evaluations or service provisions of two existing ACF projects, the *Building Evidence on Employment Strategies for Low-Income Families* (BEES) project and the *Next Generation of Enhanced Employment Strategies* (Next Gen) project.

In FY 2017, the ACF’s Office of Planning, Research, and Evaluation (OPRE) awarded the BEES contract to MDRC to evaluate the effectiveness of innovative programs designed to boost employment and earnings for low-income families, especially those receiving TANF. A key component of the BEES evaluations will be a focus on programs affecting adults whose employment is impeded by opioid dependency, abuse of other substances, or mental health conditions. To expand the focus to a broader population, OPRE followed up BEES by launching the Next Gen project. Next Gen will evaluate the effectiveness of innovative employment interventions for highly vulnerable populations with complex barriers to employment. Next Gen builds on BEES by expanding the focus to a broader population with ties to multiple U.S. safety net programs, including potential SSI recipients.

In FY 2019, we will execute an IAA with ACF to transfer \$25 million in section 1110 funds to support the evaluations and service provisions of selected BEES and Next Gen programs that have the potential to reduce future need for SSI benefits.

In FY 2020, we, along with ACF, will continue to investigate and select BEES and Next Gen programs for evaluation.

Retaining Employment and Talent After Injury/Illness Network (RETAIN) Demonstration

RETAIN is a joint demonstration with the Department of Labor (DOL) that will test early interventions to help workers stay at work or return to work quickly after experiencing the onset

Supplemental Security Income Program

of a work-threatening injury, illness, or disability. The ultimate policy goal is to reduce long-term disability – including the need for DI or SSI – and increase labor force participation among those individuals. Partnering with DOL’s Office of Disability Employment Policy, which is broadly tasked with providing services and supports to workers with disabilities, allows for identifying and serving such workers before they apply for our disability benefits.

RETAIN is loosely modeled on several successful early intervention programs run by the Washington State workers’ compensation system, most notably the Centers of Occupational Health and Education.

In this joint demonstration, DOL is managing the implementation and we are managing the evaluation. In FY 2018, DOL awarded cooperative agreements to eight States for Phase 1 of the project (consisting of planning and pilot activities over an 18-month period of performance) and awarded a programmatic technical assistance (TA) contract to assist the States. The States include California, Connecticut, Kansas, Kentucky, Minnesota, Ohio, Vermont, and Washington. States are using their funds in a variety of ways to improve the early coordination of health care and employment-related supports and services, train health care providers in occupational best practices, and facilitate communication and return-to-work efforts between workers, their employers, and their health care providers. Many of the States have a particular focus on workers with musculoskeletal conditions, as these conditions are the most frequent occupational injury or illness causing days away from work.¹ At the end of the planning phase, a minimum of five States will be competitively selected to continue to Phase 2 for full implementation.

In the second quarter of FY 2019, we will execute an IAA transferring funds to DOL to partially fund these Phase 2 implementation awards. The \$25 million requested in FY 2020 will be used to cover additional costs associated with the evaluation and the remaining balance will be transferred to DOL to provide additional assistance to the Phase 2 implementation awards to States.

Developing and conducting a rigorous evaluation of the interventions is a key component of RETAIN. In October 2018, we awarded a contract to evaluate all of the State projects. In FY 2019, the evaluation contractor will work with the Phase 1 States to finalize their projects’ evaluation designs, provide evaluation-related TA, and improve the evaluability of the resulting projects. In FY 2020, the contractor will provide Evaluability Assessments that will be used to inform the competitive Phase 2 selections. The Phase 2 awards will continue through FY 2022, with the final evaluation impact report due in FY 2023.

¹ Bureau of Labor Statistics (BLS) data indicate that musculoskeletal disorders account for 34 percent of nonfatal occupational injury and illness cases requiring days away from work. In Washington State, at least 54 percent of allowed workers’ compensation claims are musculoskeletal. [BLS (2018), “Nonfatal Occupational Injuries And Illnesses Requiring Days Away From Work, 2017,” <http://www.bls.gov/news.release/pdf/osh2.pdf>; and Washington State Department of Labor and Industries (2018), “Allowed State Fund Claims Only: Claim Counts And Costs By OIICS Injury Nature,” <http://www.lni.wa.gov/ClaimsIns/Insurance/DataStatistics/WorkersCompData/default.asp> .]

More information the initial Phase 1 grant recipients can be found at the following link:
<https://www.dol.gov/odep/topics/SAW-RTW/grant-recipients.htm>

Ticket to Work (TTW) Notice Optimization

To notify beneficiaries of eligibility to participate in the TTW program, we mail TTW notices to beneficiaries approximately 2 months after award and at the 12-month and 36-month anniversary dates post-award.

In order to increase Ticket program participation, we are developing an evidence-based approach to target outreach to DI beneficiaries who are eligible for the TTW program. We will: a) test changes to the Ticket notice; b) analyze existing beneficiary characteristics associated with Ticket assignment and work; and c) conduct an analysis of historical Ticket mailing practices. This approach will enable us to use evidence to maximize TTW program participation rates and earnings outcomes.

In FY 2020, we plan to collaborate with the General Services Administration (GSA) Office of Evaluation Sciences to begin testing behavioral dimensions of Ticket notice language/content. We will analyze administrative data to identify patterns of response to past mailings and characteristics associated with TTW participation and work. We will add macro-economic and SSA program variables to identify population characteristics that 1) affect the work orientation of an award cohort and 2) affect the perceived vulnerabilities related to work in the period immediately following award. This data analysis will help us in targeting outreach efforts to beneficiaries most likely to return to work. We will also test changes to the Ticket notices, including the types of notices we send, the language we use, and the timing of our notices.

We will use the results of these experiments and cohort studies to begin targeting outreach efforts to beneficiaries most likely to return to work.

OTHER RESEARCH AUTHORITY REQUEST

In addition to the section 1110 projects, the FY 2020 Budget proposes to evaluate creative and effective ways to promote greater labor force participation of people with disabilities. We would like to expand our section 234 demonstration authority to allow us, to test new program rules and activities that require mandatory participation by program applicants and beneficiaries for longer periods of time than currently authorized. The funding for these demonstrations will depend on the design and target population. Those projects focused on changes to SSA program rules such as time-limited benefits or disability eligibility will require an expansion of both section 234 and section 1110 authorities in addition to an extension of the section 234 authority to provide sufficient time to complete the evaluation. Projects focused on people with disabilities before the individuals apply for SSA's disability programs require additional section 1110 funding.

Potential future projects for funding include ideas such as testing time-limited benefits or supports for workers, which would build off several proposals from researchers and policymakers that SSA set expectations for recovery and work in certain circumstances.

Supplemental Security Income Program

An expert panel will identify specific changes to program rules that would increase labor force participation and reduce program participation, reaching a 5 percent reduction in DI and SSI projected outlays by 2029, informed by successful demonstration results and other evidence. SSA will partner with HHS and the Department of Education (ED) and DOL.

Potential future projects for funding include:

- Identifying strategies to help prescription opioid users who have left the labor force (but are not receiving SSI/DI) or are at risk of doing so to help them secure or maintain employment;
- Requiring applicants to engage in job seeking activities before their application is considered;
- Pushing existing State vocational rehabilitation offices to intervene earlier with individuals on a track to end up on DI; and
- Mandating that lower back pain and arthritis sufferers engage in rehabilitation traditionally used in occupational health treatment services before receiving benefits.

Extension of Section 234 Authority

We will continue to support a legislative change to our section 234 demonstration authority to allow us to continue demonstrations for their optimal amount of time. We are requesting a modification to Section 234, allowing us to initiate projects through 2022 and carry out existing projects through 2032.

With this extended authority, we could pursue a variety of other promising demonstration ideas that the sunset of section 234 authority prevents us from conducting, such as the time-limited benefits demonstration below. We have drafted other projects that could be pursued with existing authority but would be challenging to implement and evaluate before December 31, 2022. For example, we plan to convene a technical expert panel to identify potential policies that would simplify the way we treat post-entitlement earnings in the DI program. Testing a set of policy simplifications could require a minimum timeline of eight years for planning, implementation, and evaluation.

Time-Limited Benefits Demonstration

The receipt of disability benefits results in a permanent exit from the labor force for most individuals. While SSA periodically conducts disability reviews to assess medical improvement, only about 1.6 percent of continuing disability reviews (CDRs) results in a disabled worker leaving the disability rolls due to medical improvement after appeals. The experiences of other countries suggest that SSA's low attrition rates for medical improvement could be a function of program design. This proposal challenges presumptions that an individual's disability is likely permanent by evaluating alternative program designs to help individuals with temporary work-disabilities return to work.

Several researchers and policymakers have introduced variations of time-limited benefits for SSA's disability programs. A demonstration testing time-limited benefits acknowledges that disability benefits are an essential part of the safety net for workers with long-term and

permanent disabilities that prevent work, but assesses the expectation that beneficiaries will remain too disabled to return to work. Building off previous reform ideas, this proposal tests whether time-limited benefits will increase labor force participation among disability beneficiaries.

Under current policy, once an individual is awarded benefits, he or she is assigned a medical diary that determines when SSA will medically review their eligibility for benefits. During this review, SSA uses the Medical Improvement Review Standard (MIRS) that, with some exceptions, will only allow an individual to be removed from DI if they have medically improved from the last time they received a medical determination.

This proposal would test whether providing time-limited benefits—either by requiring a new application or conducting a CDR without the MIRS requirement—to claimants increases labor force participation and if so, to what extent it reduces participation in disability benefits after the initial period. This demonstration would also address whether messaging that benefits are temporary and eliminating the MIRS standard would increase return to work and reduce DI participation.

We propose an evaluation contract to include an analysis of both SSA program data and surveys of labor force activity and other information not available in SSA program data. This demonstration would require statutory changes to sections 234 and/or 1110 to mandate participation to better simulate the policy environment being tested and to extend the section 234 authority to provide sufficient time to complete the evaluation. If this demonstration is funded through section 234 and section/or 1110, it would change both Title II and Title XVI policies; it is not included in our overall \$101 million funding request.

We would implement this demonstration over a minimum of six years: one year to finalize design issues, train examiners in the new policy, and conduct other activities; a minimum of four years for study assignment and a follow-up period; and a final year for evaluation activities. An additional year would be needed to compete any contracts necessary for evaluation. SSA would evaluate impacts on outcomes such as employment, earnings, and receipt and duration of DI and SSI benefit receipt.

Mandatory Participation of Program Applicants and Beneficiaries

People with disabilities should be independent and self-sufficient whenever possible, and these demonstrations necessitate universal engagement (that is, mandatory participation) of the eligible population to provide motivations for individuals to pursue other options besides disability benefits. Furthermore, the exploration of alternative program designs will help ensure that we can sustain these vital programs for generations by targeting them carefully and directing resources to where they are needed most.

Potential applicants and beneficiaries have a wide range of conditions and experiences; universal engagement is necessary to accurately assess how program changes might affect different groups of people. In contrast, when demonstration projects are voluntary, the results reflect the outcomes of the subset of the population who volunteered. As a result, the impacts are not easily generalizable to the national population and may not provide the adequate understanding

Supplemental Security Income Program

required to make informed decisions about broader policy changes. Policy decisions made without an understanding of the distributional impact could have harmful repercussions. For these reasons, mandatory participation in the proposed demonstrations will allow us to identify improved program designs that will provide a basis for permanent reforms to the programs.

EXISTING MAJOR RESEARCH AND OUTREACH PROJECTS

Our research and demonstration projects help us 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 2020:

Increase Labor Force Participation through Successful Demonstration Projects

We have a history of conducting demonstrations to test strategies to increase the self-sufficiency of individuals with disabilities and to increase their labor force participation. Key projects in support of this effort include:

Promoting Readiness of Minors in SSI (PROMISE)

PROMISE is a joint pilot demonstration program with the Department of Education (ED), HHS, and DOL 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 and gather evidence 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 Mathematica Policy Research to evaluate PROMISE pilot interventions. In FY 2014 and FY 2015, our evaluation contractor provided technical assistance to the State grantees, began randomly assigning youth into treatment and control groups, conducted site visits and focus groups, and began delivering early assessments of the demonstration's recruitment and enrollment process.

In FY 2016, our contractor delivered the last of the early assessment reports and began collecting data for the first national evaluation survey. The contractor also conducted additional site visits and focus groups. In FY 2017, our contractor continued conducting surveys and conducted the final site visits. In FY 2018, our contractor finished conducting the 18-month survey and began developing the survey to administer to participants 5 years after enrolling in the study. We also

received drafts of process analysis reports for each State project and a comprehensive interim services and impact report focusing on short-term impacts in FY 2018.

In FY 2019, our contractor will finalize the interim services and impact report, provide a restricted-access file of the data used in that report, and begin conducting the five-year survey on longer-term outcomes to be included in the final report in 2022. In FY 2020, our contractor will continue to conduct the five-year survey.

Supported Employment Demonstration (SED)

We have conducted various demonstrations for DI beneficiaries that show interventions after complete disability onset can yield positive outcomes, such as moderately increased earnings.¹ These demonstrations, however, have not identified interventions that would return beneficiaries to substantial and sustained employment. SED will evaluate whether offering evidence-based packages of vocational, medical, and mental health services to recently denied disability applicants can reduce the demand for disability benefits.

Services carried out in SED are coordinated through supported employment teams that operate within community mental health agencies and other medical providers. These teams use the individual placement and support (IPS) model to deliver evidence-based services to help participants remain in or return to the labor market rather than seek disability benefits. Participants also receive health-related treatments including behavioral health and related services, systematic medication management, and coordination between mental and physical health therapies.

In FY 2016, we awarded a contract to implement and evaluate SED for impacts on outcomes such as employment, earnings, health, DI and SSI applications, and benefit receipt. The demonstration concluded its one-year start-up phase in FY 2017 and entered the five-year implementation phase in FY 2018.

In FY 2019, we plan to conclude recruitment and participant enrollment and focus primarily on delivering intervention services to SED participants. The study sites will continue to provide intervention services for 36 months from the date of participant randomization. They will also include cost reimbursement for certain health care expenses paid by uninsured participants enrolling in the SED until the next Affordable Care Act open enrollment period.

The SED interventions will continue into FY 2020 and FY 2021. In FY 2020, participants will begin to terminate their formal connection to the SED and project staff will facilitate participants' transitions to the use of non-SED behavioral health and physical health providers in local communities. We anticipate the final evaluation report in FY 2022.

¹ For a detailed discussion of our demonstrations, their findings, and related publications, see our *September 2018 Annual Report on Section 234 Demonstration Projects* at <http://www.ssa.gov/disabilityresearch/demos.htm>.

Supplemental Security Income Program

Serve the Public through a Stronger, more Responsive Disability Program

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

Advisory Services to Assist SSA with Disability Issues/(NAS)

In FY 2015, to help us modernize disability criteria and in response to the Government Accountability Office (GAO) recommendation, we awarded a task order for a consensus study committee to provide an overview of assistive devices that relate to physical and mental disorders and functioning for adults. In July 2017, we received the committee's final report. The report provides comprehensive information on the availability of, and access to, assistive technology. It conveys that people with disabilities confront enormous complexity and variability in health care insurance coverage and funding for the acquisition and use of assistive technology. The findings regarding this variability support our current process to consider assistive technology only when the claimant clearly used it in a work setting.

In FY 2016, we awarded a task order for a consensus study committee to identify and describe programs and services aimed at improving health, and functioning outcomes for school-aged children with disabilities. The committee focused on the most commonly-occurring disabilities in children who receive SSI or may qualify for SSI. We received the final report on July 9, 2018. The report helps us to better understand what programs and services improve the health and functioning of certain disabled child SSI recipients.

In FY 2016, we also awarded a task order for a consensus study committee to provide a general description of the health care delivery system and identify health care utilizations that represent a good indicator of impairment severity for the purposes of the disability program. We received the final report on April 13, 2018. The report affirms a correlation between health care utilization and impairment severity in a number of disorders. The report's finding that hospitalizations and emergency department visits generally indicate a more severe underlying illness supports our continued use of such utilizations in the disability determination process.

In FY 2017, we awarded a task order for a consensus study committee to provide information regarding the functional assessment of adults with disabilities. The task order objectives include the collection of information about, and the assessment of, an individual's functional abilities relevant to work requirements as defined by the DOL for the OIS. We need comprehensive information about adult functional assessment in order to remain current with medical and vocational practice. We will use the information to assure we collect information about and assess physical and mental residual functional capacity (RFC) reliably, and to ensure our assessments synthesize accurately with the forthcoming OIS. We expect to receive the final report in July 2019.

In FY 2018, we entered into a new five-year contract with the NAS to continue research for us. The NAS established a new standing committee to expand upon the existing medically-oriented Standing Committee by adding additional expertise from vocational rehabilitation, social sciences, education, and workplace economics. The Standing Committee will perform research

from September 30, 2018 until September 29, 2023. The multidisciplinary information that results from this research is critical in identifying opportunities for us to update disability policy in an effective and targeted way. By having independent experts provide us this information, we maintain our objectivity.

In FY 2018, we awarded a task order for a consensus study committee to identify additional musculoskeletal disorders, mental disorders, and cancers where it is appropriate to have a specified timeframe. “Specified timeframe” means that we would find the identified disorders disabling for only a set amount of time (e.g., one year or three years) and then would need to reevaluate the disability because we would expect those disorders to medically improve in that timeframe. This will assist us in targeting continuing disability review (CDR) resources more efficiently and ensuring the consistency of our reviews with current medical and treatment trends.

In FY 2019, we plan to award a task order in the form of a consensus study committee to identify additional disorders that would be appropriate to include in our compassionate allowance (CAL) fast track program. This will allow us to add additional impairments to our existing list of CAL conditions in a data-driven way, provide decisional support to adjudicators considering cases involving such impairments, and improve decisional efficiency by timely identifying promising cases to pull for expedited claims processing.

Additionally, in FY 2019, we plan to award a task order to create a consensus study committee that will obtain employment, occupational, and demographic trends on what constitutes regular and continuing work in the modern workplace. This will enable us to properly consider individuals’ abilities to do sustained, work-related physical and mental activities in work settings.

Finally, in FY 2019, we are considering a task order for the NAS to plan and conduct a public workshop composed of stakeholders from a host of backgrounds to discuss effective treatment of pain and similar symptoms in target populations who may have left the labor force. This will assist us in understanding how an individual’s medical and other evidence properly supports the severity and trajectory of impairments that involve pain symptoms.

In FY 2020, we plan to award a task order to create a consensus study committee that will obtain data collection, analytics, and automation trends within the realm of electronic medical records, including Health Information Technology. This information will assist us in using advanced technologies to analyze structured medical information. It will aid decision making by identifying data targeted to potential medical listings and vocational factors. This advance will enable us to increase the timeliness, accuracy, and uniformity of decisions across all levels of adjudication.

In FY 2020, we plan to award a task order to create a consensus study committee to research mental abilities that are germane to assessing an individual’s mental RFC and essential to performing work in the modern workforce. In association with updating the mental RFC elements, we plan to obtain information about effective ways to rate individual MRFC abilities and evaluate how they interact when assessing a person’s ability to sustain mental work

Supplemental Security Income Program

activities. This will modernize our mental RFC form and our ability to evaluate an individual's ability to sustain work-related mental activities.

In FY 2020, we plan to award a task order to create a consensus study committee to provide information on the use of biomarkers. We would obtain an overview of biomarkers; how health care professionals use biomarkers as diagnostic tools, and as severity and function indicators; and how biomarker testing results appear in laboratory and medical evidence. This study will assist us to focus disability case analysis effectively and efficiently.

In FY 2020, we are considering a task order for the NAS to plan and conduct a public workshop composed of stakeholders from diverse backgrounds to discuss effective ways to identify, report, and make decisions regarding potential fraudulent activity.

Disability Analysis File (DAF)

The DAF is a composite of the 11 most relevant SSA administrative files used to answer questions about disability and work. The DAF pulls these files together into a single, meaningful file that researchers can easily understand and use. The DAF also provides complete, researcher-friendly documentation of the data for these files. For many of our research and evaluation projects, the DAF eliminates the first 6 to 12 months of initial data investigation, acquisition, and processing by creating an annual structured database that is ready for analysis. This lets research proceed more efficiently and allows us to provide quick answers to complex ad hoc questions.

The DAF continued to be an essential tool in FY 2018 for providing disability data and analysis in response to inquiries from the Office of the Inspector General, Congress, and other Federal agencies, including the Office of Management and Budget (OMB). Using the DAF allowed us to quickly answer oversight questions and make data-driven policy recommendations and changes. Researchers also used the DAF for several research projects in 2018, especially those under the RDRC.

In FY 2018, we expanded the DAF to include all childhood SSI cases going back to 1996; the prior versions of the DAF only contained information on childhood SSI cases since 2005. The DAF also includes demographic and programmatic data on participants in State VR programs. The data comes to us through a data sharing agreement with ED's Rehabilitation Services Administration (RSA). In 2017, in response to new requirements in the Workforce Innovation and Opportunity Act, RSA modified the data file that they require from State VR agencies. In FY 2018, we revamped the RSA data in the DAF to account for these changes.

In FY 2018, we also completed and posted a new 10 percent DAF public use file (the DAF-PUF; posted September 2018). This is a scaled-down version of the full DAF that includes the DAF variables that have the broadest researcher interest. The DAF-PUF has more than 3 million observations and more than 7,000 variables, with masking and other changes to ensure beneficiary confidentiality. As a public use file, the DAF-PUF allows non-SSA researchers to download DAF data directly from us via the internet. The DAF-PUF data and documentation are available at [data.gov](https://www.ssa.gov/data.gov) and https://www.ssa.gov/disabilityresearch/daf_puf.html#files. In 2019, our contractor will create a new version of the DAF-PUF from the 2017 DAF file. We intend to pull and post public-use versions of the full DAF each year going forward based on new

independent random samples of the full DAF each year. Each new DAF public-use file will replace the prior version to keep the information in the file current.

In FY 2019, we will continue to build the DAF and use this tool for quick turnaround inquiries and analyses as well as longer-term research projects. We will also continue to improve the DAF to make it more useful to a broader range of researchers. New developments in FY 2019 include adding data on applicants to our disability programs and including information from the initial, reconsideration, and appeals processes. This addition to the DAF has been under development for the last three years. Prior DAF files included only allowed applicants who became beneficiaries. As return-to-work interest has shifted to include disability applicants, and especially those denied disability benefits, inclusion of all applicants will make the DAF the premier resource for studying this population and advancing opportunities for keeping disability applicants in the workforce. We will also publish a System of Record Notice in FY 2019, allowing us to grant access to the full DAF to on-site scholars conducting research of interest to us. We expect this will increase SSA-sanctioned research activity on our disability population at a nominal cost to us.

In FY 2020, we will continue to support research using the DAF and reproduce these files. In FY 2020, we will also modify the DAF to include changes and additions suggested by users. In particular, we plan to expand the application portion of the file to include more information from the SSA disability application regarding prior work characteristics of applicants. We will also explore expanding the range of data included in the public-use version of the DAF.

Analyzing Relationships between Disability, Rehabilitation, and Work (ARDRAW)

This grant program provides one-year stipends to graduate and post-doctoral students to conduct research related to work, disability, rehabilitation, and employment support issues. Potential research topics include: working conditions of people with disabilities, work accommodations and needs, non-competitive employment, vocational and other types of services, and additional, non-SSA assistance provided to SSA beneficiaries to promote return to work. ARDRAW is renewable on a yearly basis for five option years.

In September 2016, we awarded the grant to manage the ARDRAW to Policy Research, Inc. (PRI). PRI will recruit student researchers on a yearly basis from accredited programs with an academic emphasis in topics of interest to disability programs. These topics include, but are not limited to: public health, social work, economics, occupational medicine, vocational and rehabilitation counseling, public policy and administration, sociology, psychology, education, medicine, and law. Applications for each cohort of student researchers will be due March 1 of a given year and awardees will be announced in June of that year, with projects due the following June.

In FY 2018, PRI conducted outreach and awarded stipends to the second cohort of ARDRAW researchers, totaling 13 students. We awarded the third year of the grant to PRI in August 2017. PRI will award the third cohort of student stipends in May 2019. Student projects will focus on issues related to work and employment of people with disabilities. For more information, please see the ARDRAW website: <http://ardraw.policyresearchinc.org>.

Supplemental Security Income Program

National Beneficiary Survey (NBS)

The NBS collects data from a national sample, not available from other sources, of DI and SSI beneficiaries and a sample of beneficiaries who have experienced success in returning to work. We have used the NBS to provide information on our programs and beneficiaries to answer internal questions, as well as those from other Federal agencies, GAO, and Congress. The NBS is available as a public-use file on Data.gov and on our website.

From the NBS, we have learned about the health and socio-demographic characteristics of our DI and SSI 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.

NBS data show that nearly half of all beneficiaries are interested in work and many are pursuing employment goals. The data also show 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 administered the first six rounds of the NBS in 2004-2006, 2010, 2015, and 2017. We will administer the next round in 2019, and in 2020, we will produce analyses, reports, and data files for the 2019 NBS results. The 2017 NBS included, for the first time, a large-scale focus on beneficiaries who have experienced employment success, and the 2019 NBS will add a longitudinal sample of successful workers who were part of the 2017 NBS.

Public-use data files, documentation, and reports for the first five rounds of the NBS are available on our website at: <http://www.ssa.gov/disabilityresearch/nbs.html>.

New and Emerging Research – Disability

This section 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 crosscutting 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, the Administrative Conference of the United States (ACUS), and others, which are typically quick turnaround projects regarding policy priorities.

Under this section of the budget, we plan to initiate a new survey of working-age Americans on their perceptions of the DI program and the impact of an impairment(s) on work. This survey would provide the agency with a clearer understanding of the public's knowledge of our programs and help us identify opportunities to enhance the information we share. It would also allow us to establish longitudinal trends in perceptions and attitudes influencing behavior to

provide a tool to model future participation. The survey will capture working age adults thoughts about personal experience or association(s) with DI beneficiaries and others, the likelihood of receiving benefits due to changes in one's personal health status, the impact of reduced financial resources, and factors considered when deciding whether to apply for DI. When analyzed alongside data on denied applicants from our DAF and other administrative data, this survey may prove useful in better understanding changes in disability application rates. If the survey is successful, we would request funding in future years to continue the project and potentially match the survey to administrative data to study how survey responses predict future DI participation. Initially, this survey is estimated to cost between \$4-\$5 million in FY 2019 with additional costs on a rolling basis.

We will initiate a study identifying survey questions on disability, benefits, work incentives, and employment outcomes. We will use this information to develop a consistent set of metrics to use across pilots and demonstration projects.

We intend to issue IAAs to NIH for Geneticist Consultative Services and to ACUS to conduct a study to investigate information sharing opportunities between SSA and State courts and relevant State agencies per Section 103(c) of the Strengthening Protections for Social Security Beneficiaries Act of 2018 (SPSSBA). This statute requires SSA to develop a detailed analysis of barriers to information sharing and provide the results to Congress by June 30, 2020.

We will continue to provide funding for the IAA with the Centers for Medicare and Medicaid Services (CMS) for purchase of a seat in the CMS Virtual Research Data Center to provide CMS data to continue SSA's research on the Mental Health Treatment Study (MHTS). With CMS' data, SSA will continue the MHTS to test the extent to which eliminating programmatic work disincentives, establishing an accurate diagnosis and delivery of appropriate mental health and employment supports will lead to better employment outcomes and other benefits among title II beneficiaries with a primary impairment of schizophrenia or affective disorder. Among these benefits is potential reduction in emergency room care and hospitalizations among the treatment participants in the MHTS. Study outcomes will assess the impact(s) and cost-effectiveness of the MHTS interventions, including identification of specific factors within the interventions that result in positive employment outcomes.

Finally, we will fund a contract to maintain and analyze the CMS data on health service utilization of participants on the MHTS. This contract will also provide a service of pulling the data, de-identifying it, developing statistical products such as tables and regression coefficients, and circulating those products to the researchers.

SSA-NIH Research on Data Analytics and the Work Disability-Functional Assessment Battery (WD-FAB)

Under an agreement with the NIH Epidemiology and Biostatistics Section, we receive an in-depth analysis of our existing administrative data and assistance during the planning and analysis phases of our study of the value and feasibility of using the WD-FAB in our disability process. The WD-FAB may provide uniform information about individuals' self-reported functional ability that we can use to inform our data collection and determination processes.

Supplemental Security Income Program

In FY 2018, NIH completed their work on the WD-FAB predictive validity and item replenishment studies, resulting in delivery of an updated and replenished version of the instrument. Boston University (BU), under a contract with NIH, developed score reports for the WD-FAB. As a part of the report development, BU conducted focus groups with us to help ensure the reports developed would be useful in interpreting WD-FAB scores.

In FY 2019, NIH will deliver research plans to assess the use of the WD-FAB in our CDR process and to assess the potential enhancement of the WD-FAB software to deter and detect intentional misreporting. In addition, NIH will continue to explore data-driven methods to inform our data collection and determination processes by continuing to develop methods to identify, extract, and analyze unstructured functional terminology in medical records. As a part of this research, NIH will provide a functional terminology ontology that can supplement current internal information technology modernization efforts. This will allow us to transform text to data through the use of various machine learning technologies, as well as provide support to us and our affiliated State Disability Determination Service (DDS) adjudicators when they review medical evidence and make disability determinations.

In FY 2020, as a part of an initial study of the WD-FAB in our CDR processes, we will gather preliminary information about the change in WD-FAB scores over time. During this study, we will direct the administration of the WD-FAB to a sample of our beneficiaries, and NIH will analyze results to assess effectiveness of WD-FAB at identifying dimensions of medical improvement. NIH will examine the characteristics of our relevant processes and populations and examine the feasibility of integrating the WD-FAB into our business process. NIH will conduct focus groups with SSA and State DDS adjudicators to obtain feedback on the perceived value of the WD-FAB, as well as analyzing respondent burden for our beneficiaries. At the conclusion of the study, NIH will provide an analysis report that we can use to determine the feasibility of integrating the WD-FAB into our CDR processes.

NIH continued their data analytic efforts to improve the precision of the Compassionate Allowance (CAL) software by reviewing an additional five CAL conditions. 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. In addition, NIH continued their efforts to develop methods to assist us in identifying and extracting functional terminology from medical evidence. Once concluded, this research should assist agency adjudicators in more efficiently reviewing and processing disability claims.

In FY 2020, NIH will also continue their efforts to develop and refine methods to identify, extract, and analyze unstructured functional terminology in medical records. As a part of this continuing line of research, NIH will update their initial version of the functional terminology ontology they will provide to us in FY 2019 by expanding their analysis beyond the International Classification of Functioning's (ICF) Mobility domain to ICF's Self-Care and Domestic Life domains. Once updated, the expanded functional terminology ontology can be leveraged to provide additional decision support to SSA and State DDS adjudicators.

Work Disability - Functional Assessment Battery (WD-FAB) Data Collections

In FY 2020, in addition to the WD-FAB analytical work described for NIH, we plan to award a contract to support data collection for the initial study of the WD-FAB in our CDR processes. The 21st Century Cures legislation affects NIH compliance with the Paperwork Reduction Act uniquely and in a way that precludes them from conducting these data collection activities directly. During the initial WD-FAB CDR study, administering the WD-FAB to our beneficiaries and collecting that data is essential. NIH requires this collection to gather preliminary information about the change in WD-FAB scores over time, examine the characteristics of our relevant processes and populations, and examine the feasibility of integrating the WD-FAB into our CDR business process.

Occupational Information System (OIS) and Vocational Information Tool (VIT)

We are developing an OIS that will contain updated occupational data to replace DOL's Dictionary of Occupational Titles (DOT) in the disability adjudication process. DOL stopped updating DOT in 1991 and replaced it with the Occupational Information Network (O*NET), a system that was developed as a career exploration tool. Because O*NET does not measure strength and physical requirements in a way that our disability rules require, it is not practical for use as a direct replacement for the DOT in our disability process.

To ensure we continue to make accurate disability determinations and decisions, we developed the Occupational Requirements Survey (ORS) with the Bureau of Labor Statistics (BLS) to collect occupational information for use in our disability adjudication process. We will use the ORS data, along with specified information from other occupational sources, to create the OIS.¹ The OIS will be housed, accessed, and operationalized through the VIT, a web-based information technology platform. In addition to occupational data, the VIT will include worker-level data based on access to respondent-level ORS microdata that BLS is working on providing to us.

We began our collaboration with BLS in FY 2012 with an IAA outlining preparations to test whether DOL's platform of its existing National Compensation Survey could collect occupational data for us. From FY 2013 through FY 2015, we signed yearly IAAs with BLS to conduct data collection feasibility testing. In FY 2013, BLS tested collecting the physical and skill requirements of occupations and workers' environmental exposure. After each of the test phases, BLS consulted with us, evaluated data collection issues, and refined the data collection protocols and processes. In FY 2014, BLS began a large-scale, nationwide pre-production test of the ORS to prepare for production data collection and later released a limited number of pre-production test estimates to us. We worked with BLS to refine the new mental and cognitive data elements based on the results of pre-production testing. In the summer of 2015, continued ORS testing included direct job observation to help determine the reliability and validity of the data collection methodology. In addition, BLS received clearance from OMB to field the first full-production data collection, which began in September 2015.

¹ The OIS will combine ORS data with task information from O*NET, military occupations from the Military Occupational Classification (MOC), and data from BLS's Occupational Employment Statistics.

Supplemental Security Income Program

In FY 2016, BLS completed the first year of production data collection and continued analysis of the pre-production test data to improve collection methods and ensure data quality. In May 2016, BLS began the second year of production data collection. BLS also completed an occupational data shelf-life study². Based on the study, we decided to refresh the occupational data every five years after the completion of an initial three-year data collection wave.

In FY 2017, BLS completed the second year of production data collection and began collecting data for the third year. BLS published estimates from the first year of data collection in the first quarter of FY 2017 and continued activities to improve survey methods and conduct ongoing validity studies. We analyzed the first year data to identify policy changes that might be necessary prior to OIS implementation and to inform improvements to BLS' data collection.

In FY 2018, BLS concluded the final year of the initial three-year occupational data collection, which covers 90 percent of workers in the economy. In FY 2019, BLS published estimates encompassing the entire three years of initial data collection.

In FY 2018, we also worked with BLS to refine the mental and cognitive data elements. We convened a workgroup with BLS to assemble a new set of questions that more concisely defined the cognitive concepts, definitions, and thresholds that we need for adjudication. After initial in-house testing, BLS tested the wide-scale collection of the new elements during the third year of production data collection in FY 2018. The new questions debuted in the production data collection in late FY 2018. Initial testing indicates that the revised mental and cognitive elements are yielding promising results, as they are easier for survey respondents to understand and answer.

After extensive analysis of the second year data set, we found that the number of published estimates increased substantially from the first year. The analysis also revealed challenges to summarizing the ORS data in the same way that the DOT data had been summarized because the use of the O*NET-SOC (Standard Occupational Classification) to classify occupations results in wide ranges of requirements within an occupation. Therefore, we signed a memorandum of understanding with BLS to gain access to the identifiable respondent-level microdata onsite at BLS. The microdata will be analyzed in combination with our Residual Functional Capacity (RFC) data.³ We will use aggregate outputs from their statistical analysis of the ORS data combined with RFC data to assess the feasibility of policy options.

In FY 2019, BLS will continue collecting data for the first year of the five-year update cycle. As part of the update, BLS will use a new sample design that includes requirements for collecting occupations not included in the first production wave. Although the first wave will provide us with data for more than 90 percent of workers in the national economy, it accounts for only about 420 of the approximately one thousand 8-digit SOC occupations. Although many of the missing SOCs are rarer occupations, they are still of interest to us. Once BLS collects 50 percent of the

² See <https://www.bls.gov/ors/pdf/dynamics-occupational-change-2016.pdf>

³ A disability claimant's residual functional capacity (RFC) is the most he/she can do despite his/her limitations. We use RFC assessments at steps 4 and 5 of the sequential evaluation process to determine if a claimant can do his/her past relevant work or adjust to any other work that exists in the national economy. We prepared a list of common RFCs to be analyzed in conjunction with the BLS microdata.

additional data, we will evaluate with BLS the new sample design to ensure that it is capturing these additional occupations as intended.

BLS will also research and develop statistical requirements pertaining to how ORS microdata could be de-identified and publicly released at the respondent level. In addition to researching the requirements for providing public release of the ORS microdata, BLS will provide us with static worker-level counts for SSA-specified ORS data element combinations.

In FY 2020, BLS will complete the second year of the five-year update cycle and publish the data estimates from the first year. Once complete, this new system will allow us to better understand what jobs are available in the national economy and whether disability claimants could perform them.

More information regarding this project is available at our OIS website:
https://www.ssa.gov/disabilityresearch/occupational_info_systems.html.

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 the 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. Current funding maintains the capability to directly test and answer emerging research questions from internal and external policy makers, administer or re-administer several Social Security surveys, and improve the public-use comprehensive file of UAS data.

The UAS enhancements allow us 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, we are using data from the UAS to help with our outreach to current and future beneficiaries. We are using the data to better understand *my Social Security* account users' preferences to help modernize the online Social Security Statement. We, along with researchers at the University of Southern California (USC), have used data from the first wave of the UAS to publish the paper [Insight into the Earned Income Tax Credit and Tax-Advantaged Retirement Savings](#) to address issues and presented findings.

Data Development in an Enterprise Business Intelligence Platform (EBI)

The EBI, together with our Office of Retirement and Disability Policy's (ORDP) Analytics Research Center (ARC), provides advanced analytics and data integration tools for efficient access and analysis of agency records to support data driven decision-making. Our legacy processes to produce statistics require significant manual involvement. Section 1110 funds provide support for the modernization of current business processes to enhance research and statistical functions. Primarily, this supports the publication of statistics from administrative

Supplemental Security Income Program

records, including the development of applications using the standard Statistical Analysis Software (SAS) tools and methodologies. Standardized statistical publication processes have improved report and data production efficiency, accuracy, and timeliness.

The FY 2017 research support for Data Development using EBI led to the completion of the following statistical publication projects:

- Generation and validation of research data files and statistical reports for Windfall Elimination Provision (WEP) and Government Pension Offset (GPO).
- Representative Payee publication reports and statistical tables for internal use.
- SSI monthly, quarterly, and annual publication process, generating SSI statistical tables, reports, and research datasets.
- Development of automated validation application for Earnings Statistical Publication tables and reports.
- Earnings publications include the Earnings and Employment Data for Workers Covered under Social Security and Medicare. We use the application for validation of SSI and WEP/GPO publications.
- Data development and research support for a project assessing the value of a data match with the Department of Homeland Security Arrival and Departure Information System (ADIS).
- Earnings 100 percent sample analysis and prototype application – Completed feasibility analysis and development of proof of concept for the use of 100 percent geography files in the earnings publication process to allow for the ability to assign geography codes using a systematic protocol, expanding sample size, and reducing the number of county estimates with suppressed data cells.

In FY 2018, modernization efforts led to the completion of the following items:

- Improved the automated application that uses zip code and geo-codes for the earnings publications process.
- Upgraded automated WEP/GPO, Representative Payee, and SSI Publication application codes to address Windows 10 compatibility. This is critical to ensure processes run in the Windows 10 environment.
- Enhanced current earning source data access methodology and processes to eliminate legacy codes, improve efficiency, and provide self-documentation of research datasets.

In FY 2019, we will continue to build tools to enhance our research and statistical reports.

- Provide support for updating publication processes to align with new systems processes and data sources due to IT modernization efforts, including updating/replacing legacy processes and data sources for Title II, Title XVI, Numident, administrative data, earnings, IRS tax data, and death data that will be used for our publications and research.
- Continue enhancing and standardizing obsolete data collecting methodologies with the use of statistical analytical tools like SAS.

- Enhance the current earnings statistics publication process for estimating the number of workers with earnings above the Tax/Max (self-employed individuals with income within one dollar of the taxable maximum). This enhanced process will improve the accuracy of earnings estimates.
- Develop a systematic approach to validating publication estimates. Develop consistent and automated processes for validating end-to-end data used for earnings publications.
- Assess and enhance the current process for assigning industry codes for earnings research datasets to improve the usefulness of the earnings data in terms of policy analysis and research.

In FY 2020, we plan to continue the modernization and development of automated processes for the OASDI publications, cell suppression, and the manual validation for SSI and OASDI publications. In FY 2021 and FY 2022, we plan to automate and streamline data development processes, which support current publication processes and research dataset development for various research related data requests, including data agreement requirements and ad-hoc requests. We plan to conclude this effort in FY 2022.

New and Emerging Research - Retirement

In FY 2020, 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 USC. 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. For example, one of the projects led to the development of a research paper entitled “Improving Understanding of the Retirement Earnings Test (RET)”, which was submitted for a special issue of the *Journal of Pension Economics and Finance*. The grantee also used this funding to conduct six focus groups on the public’s perceptions and knowledge of the DI program to inform an agency survey on this topic.

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 and disability research relevant to our mission. Past accomplishments from the IPA program include research on the impact of the Social Security Statement for both younger and older workers and a project examining mortality adjustments and longevity in Social Security reforms.

Blanket Purchase Agreement (BPA) for Time Sensitive Research Projects supporting ORDP Research Components

In FY 2018, we awarded a BPA to four GSA vendors. This BPA, which took effect on September 14, 2018, will remain effective for five years. The purpose of this BPA is to provide us with an alternate research channel for policy and program assessments and studies related to social science, medical, or vocational rehabilitation topics. Vendor expertise includes the areas

Supplemental Security Income Program

of traditional social security topical research along with medical and vocational rehabilitation concerns.

Included in this BPA is the added role of a Government Trusted Agent (GTA) to serve as an independent third party to conduct a systematic review to evaluate the evidence to be used to inform decisions. We anticipate a GTA would function broadly as follows:

- Before research begins - Develop and assess effective research questions to support policy decisions;
- During the research process - Provide subject matter expertise; and
- After research ends - Evaluate research products including, but not limited to, evaluating the validity and reliability of the research produced to support policy direction.

This BPA helps ensure that the expertise is available to support the diverse needs of our expansive disability program, including such areas as medical and vocational policy, and the synthesis of claimant demographics and social insurance trends. It will allow us to quickly address multiple research topics simultaneously. Potential topics include consideration of how the vocational factors of age, education, and past work experience apply to the disability program today in light of technological and demographic changes in the workplace; the analysis of ORS data; and the effects of multiple impairments.

In FY 2018, we awarded a BPA for a contractor to provide information about the mental and cognitive demands of work. The contractor:

- Provided information on elements essential to assess a person's mental and cognitive impairments in regards to their ability to work.
- Developed a report that consisted of a review of research focused on the level of impairment severity affecting the ability to work. Specifically, the report focused on the time that impairments affect task completion and the time spent out of work due to impairments.
- Identified and provided information on assessment tools other programs used to assess the effect of mental and cognitive elements of functioning—ideally on the ability to work, but not limited to such.

We will use this information to strengthen the Mental Residual Functional Capacity Assessment. We received the final report on November 27, 2018.

In FY 2018, we also awarded a BPA for a contractor to provide information about existing databases, tools, or instruments containing data about which occupations individuals with mental impairment(s) are performing. The contractor:

- Provided general information about research and databases that collect and store information about individuals with mental impairments and in which occupations they are employed.
- Explored and analyzed research and database information to determine in which occupations those with mental impairments are successfully employed, and explored the data by type of mental impairment (cognitive, affective, anxiety-related, etc.).

- Provided the classification of these occupations in the BLS Standard Occupational Classification (SOC) system.
- Assessed and explained potential strengths and weaknesses of data contained in each database.

We will use this information to update vocational policy in terms of assessing other work that those with mental impairments can perform. We received the final report on November 27, 2018.

In FY 2019, we continue to use this BPA to help us ensure that the expertise is available to support the diverse needs of our expansive disability program, including such areas as medical and vocational policy, and the synthesis of claimant demographics and social insurance trends. It will allow us to quickly address multiple research topics simultaneously. Potential topics include consideration of how the vocational factors of age, education, and past work experience apply to the disability program today in light of technological and demographic changes in the workplace; the analysis of BLS' ORS data; and the effects of multiple impairments. We plan to continue similar projects in FY 2020.

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) or for the Medicare Part D low-income subsidy. In order to meet this requirement, we have targeted our outreach efforts to include income-tested new Medicare beneficiaries, beneficiaries who 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 DI beneficiaries without Medicaid who lost their free Medicare Hospital Insurance (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 2018, we mailed approximately 2.3 million outreach letters to those who potentially qualified for MSP or Medicare prescription drug coverage low-income subsidy, and in FY 2019, 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 our programs by simplifying and streamlining how we do our work. To meet the challenges of our growing workloads, our 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 2020 that will help to simplify and streamline our policies, procedures, and business processes, as well as maximize our use of automation.

Supplemental Security Income Program

Census Surveys

The Census Bureau's surveys—primarily the Survey of Income and Program Participation (SIPP) and the Current Population Survey (CPS) — 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 OASDI, 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 the 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 programs and to determine how program changes affect individuals, the economy, and trust fund 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 the Census Bureau 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 for the 2014 SIPP, and we received data in 2017.

While the SSA supplement provides a wealth of information, it suffered from a lower response rate than the regular SIPP. Therefore, we drafted a short set of questions for inclusion in the annual SIPP interviews beginning with Wave 2, which will go into the field in February 2020. The additional questions relate to pensions, disability, and marital history. They will allow us to gather this information to support the updates on our microsimulation models, Modeling Income in the Near Term (MINT) and Financial Eligibility Model (FEM), as well as provide data for other research efforts. It will improve our ability to respond to requests from the White House, Congress, and others, to evaluate the impact of proposed changes to Social Security programs.

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 issues. As part of this effort, we develop and maintain a series of detailed statistical databases drawn from our 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 that we, other Federal agencies, or Federally-sponsored institutions, collect.

This project funds the creation of data 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 we are currently funding include:

- 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 undocumented immigrant 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 employers by gender, race and national origin; and measuring financial vulnerability by analyzing spending on medical care.
- Programs in Survey Methodology—a project jointly sponsored by 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 collaboration with the Interagency Council on Statistical Policy to further the development of new and innovative approaches to surveys having 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. The chart book will also include related publications and workshops to fill gaps and to improve the quality of data on older Americans.
- National Longitudinal Survey of Youth (NLSY79)—is an interagency collaboration with BLS. The collaboration adds questions to an existing NLSY79 survey capable of providing unique insights about how early and mid-life events or experiences affect claiming for Social Security benefits, savings, retirement, as well as program knowledge. More specifically, NLSY79 asks respondents (and as applicable, respondents' spouses) about whether they are currently receiving, or expect to receive, Social Security benefits, and the age they claimed or plan to claim benefits. We are also interested in how knowledgeable individuals are of our programs. Thus, we added questions related to our programs in order to assess the respondent's knowledge of specific program rules. These questions include whether the claiming age of Social Security affects benefit amounts; whether individual claiming decisions affects spouse's benefits; and whether current and future benefits are affected by continued work (assessing the understanding of SSA's Retirement Earnings Test).

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

Supplemental Security Income Program

Health and Retirement Study (HRS) and Supplement

The University of Michigan's HRS surveys more than 22,000 Americans over the age of 50 every two 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, 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 2020:

- 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. Our analysts, academics, and contractors heavily use this file.
- Collection of longitudinal information from HRS respondents aged 50 and over on consumption and time use in order to understand how they change through retirement and whether people have adequate retirement income to meet their needs.
- Improvements to the consent rate among respondents to match HRS survey information to our 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 in the future and will include the sample of the new cohort of respondents (referred to as the late Baby Boomers) that was added to the HRS survey and first interviewed in 2016.
- 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 our administrative records.

The HRS is an important source of longitudinal data on retirement and aging, but sample sizes of minority and low-income populations were small, limiting research on these groups in the past. The HRS Supplement maintains the increased sample size in the HRS for the minority and low-income populations we began supporting in FY 2009. The minority expansion will continue to have HRS data matched to agency administrative records. This supplement added over 2,500 minority respondents, beginning in 2010.

The HRS minority samples expansion allows researchers to complete subgroup analysis of vulnerable populations. This is particularly important, as the HRS has become the premier data source for research on the near-retirement-age and retirement-age population. The HRS is used heavily for research projects we fund through the RDRC and by our staff in conducting research on topics including disability, pension participation, differences in contributions to tax-deferred

savings accounts among different birth cohorts, and retirement income resources of near-retirees. The HRS data we support is also available for outside researchers to use. Before 2010, only four papers using HRS data on racial-ethnic differences are listed in the [HRS Bibliography](#). Since 2012, there have been an additional 69 papers written with this keyword focus.

Retirement and Disability Research Consortium (RDRC)

The RDRC is a key tool for maintaining a strong capability to produce a large body of policy-relevant research on retirement, disability, and Social Security issues and policy. The RDRC represents a merger (with the Notice of Funding Opportunity posted in FY 2018) of the former Retirement Research Consortium (RRC) and the Disability Research Consortium (DRC). The scope of the RDRC is equivalent to the two former programs. The RDRC is in its first year of the current cooperative agreements with four competitively selected research centers based at the University of Michigan, Boston College, the National Bureau of Economic Research, and the University of Wisconsin.

The RDRC is broadly charged with planning, initiating, and maintaining a high quality, multidisciplinary research program that covers retirement, disability, and Social Security program issues. The centers perform valuable research and evaluation of retirement and disability 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 and policy needs.

The research results of the RDRC are widely reported in professional journals and conferences and in leading newspapers, radio, and television programs. This single program addresses issues related to OASDI and SSI. Outstanding activities under the RRC and DRC are concluding during FY 2019, while the RDRC began its activities in October 2018.

Ongoing studies from the DRC and RDRC address two contributors to the low educational achievement of SSI youth: (1) barriers to educational investment that SSI families face because of poverty and disability and (2) a limited understanding of the SSI program that leads families to overestimate the likelihood that their children will continue receiving SSI payments in adulthood. The investigators designed and are conducting a randomized controlled trial to address both of these issues, using a 'nudges' arm and a 'knowledge' arm. To address barriers to education investment, the 'nudges' treatment arm provides opportunities to these families to use resources – such as support services and tutoring services – to help their children graduate from high school. To address inaccurate beliefs about the availability of SSI payments, the 'knowledge' treatment arm combines the “nudges” with personalized information about the likelihood of removal from SSI at age 18. Using administrative and survey data, the primary investigators (PI) are evaluating the effect of the treatments on educational investment, educational achievement, and long-term outcomes.

Other studies through the RRC and RDRC are continuing to examine the measurement of income and adequacy of resources as measured in surveys conducted by Census. Evaluating the adequacy of income for supporting needs while living with a health-based work limitation or in

Supplemental Security Income Program

retirement requires data on the sources and significance of specific types of financial and in-kind resources. For example, a recently completed project examined extremely low-income households in the SIPP. The PIs linked the data on hours worked, assets, hardships, and other household characteristics to IRS Form 1040, W-2, and 1099-R information returns, and program data on SNAP, public and subsidized housing benefits, SSI, and OASDI.

Another continuing line of DRC and RRC research examines work-related overpayments for DI beneficiaries. The PIs used our administrative data to estimate the relationship between overpayment notification and subsequent employment activity. Their empirical analysis compares beneficiary earnings in the period immediately after the notification to earnings in the period immediately before to identify the causal impact of an overpayment notification on earnings. These findings will help us in our attempts to better understand and address DI overpayments.

The RDRC centers will continue providing a comprehensive research program addressing issues in Social Security, retirement, and disability policy. We anticipate that focal topics for the second year of the RDRC will include factors in labor force participation, drivers of disability rates, State and local pension coverage and vulnerabilities for employees not covered by Social Security, and measuring sources of income in survey and administrative data. In addition, the RDRC will continue to train future experts on retirement and disability issues and policy through research training, programs including dissertation support, pre- and post-doctoral fellowships, and early investigator grants.

Retirement Income Modeling

Fundamental changes to the Social Security retirement 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 to make projections on the effects of changes in government programs on individuals. Our MINT model is an important tool for such evaluations. The MINT 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 immediately implemented reform proposals, but also provides valuable insights into proposals that are phased-in. MINT has been used by SSA, GAO, the Council of Economic Advisors, and OMB. MINT estimates have also provided data for numerous congressional policy proposals.

We continually assess the functionality of MINT. MINT is updated periodically to enhance components of the model, add new components, use more recent data, and incorporate the latest assumptions from the Trustees Reports through individual one to two-year contracts. In late FY 2017, we awarded a contract to upgrade MINT from version 7 to version 8. MINT 8 will have improved retirement account and wealth projections, incorporate administrative data through 2016, and allow for more frequent updating of the economic assumptions to ensure consistency with current Trustees Reports.

Rather than contract for an outside investigation of the model's current state and future direction, we plan to work with the Social Security Advisory Board to sponsor a panel to examine

microsimulation modeling on Social Security in general, including the MINT model. There is no funding request associated with this work.

Social Security Programs Throughout the World (SSPTW)

SSPTW is a source of accurate and reliable data on social security programs in 176 countries across four regions of the world (Africa, the Americas, Asia and the Pacific, and Europe). Since FY 2014, SSPTW has been produced through a cooperative agreement with the International Social Security Association (ISSA). Each country summary provides detailed descriptions of these programs, including who is covered under each program, how the programs are financed, the qualifying conditions to receive a benefit, and how benefits are calculated. This information allows us to analyze the programs and experiences that relate to U.S. program policy deliberations and enables policymakers and researchers to track changes in the relevant program provisions.

In August 2018, SSA awarded the fifth year of a seven-year cooperative agreement to the ISSA for the production of SSPTW. However, because we need to refocus SSA researchers' time on the core challenges facing SSA and retirement in the U.S. more broadly, SSA opted to end funding of the SSPTW for the final two years (FY 2019 - FY 2020) of the agreement. Starting in FY 2019, SSA will no longer provide financial support for the production of the SSPTW. The ISSA is currently exploring options for continuing SSPTW in some form (for example, an online database accessible by ISSA members).

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. We use 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, P.L. 106-170, and the Bipartisan Budget Act (BBA) of 2015, P.L. 114-74, 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, 2022¹. As mentioned in the section "Other Research Authority Request," some new demonstration projects would require extended section 234 authority.

In addition to the two projects mentioned below, we plan to use section 234 authority to develop additional demonstration projects focused on helping beneficiaries return to work. We plan to convene a technical expert panel (TEP) in FY 2019 to provide input on a test of an intervention helping people that medically improve and exit the DI program to access employment and reduce the need for future reapplication for benefits. Depending on the results of that TEP, we plan to launch the demonstration in late FY 2019 or early FY 2020. We will also convene a TEP on

¹ For a detailed discussion of our demonstrations, their findings, and related publications, see our *September 2018 Annual Report on Section 234 Demonstration Projects* at <http://www.ssa.gov/disabilityresearch/demos.htm>.

Supplemental Security Income Program

potential policies that would simplify the way we treat earnings in the DI program and a TEP on a potential test of ways to improve the disability application process.

In FY 2019, we intend to conduct a small pilot with the State of Ohio to test the effectiveness on vocational service receipt and employment outcomes of providing formal, direct referrals to vocational rehabilitation services for 18 and 19 year old individuals with disabilities. This project will blend our two demonstration authorities for DI and SSI.

We also plan to use our section 234 authority to continue learning from our current and prior demonstrations. We propose hosting a conference to discuss the useful lessons learned from prior demonstrations and illuminate implementable strategies for supporting the employment of beneficiaries who choose to work. We will publish the proceedings of the conference in a volume accessible to disability policy stakeholders (e.g., researchers, practitioners, administrators, and policymakers).

Benefit Offset National Demonstration (BOND)

The Ticket to Work and Work Incentives Improvement Act of 1999 directed us to conduct a research demonstration to test the effect of offering a \$1-for-\$2 benefit offset to DI beneficiaries. BOND tests a benefit offset that gradually reduces benefits by \$1 for every \$2 earned above an annualized Substantial Gainful Activity (SGA) amount after the Trial Work Period (TWP), in combination with varying levels of benefits counseling. The goal of the project is to enable more beneficiaries to return to work and maximize their employment, earnings, and economic independence. Project participants maintain Medicare eligibility while their benefits are offset. BOND allows us to evaluate program costs and savings and trust fund implications if we were to implement such a program on a national scale.

In December 2009, we awarded the contract to implement and evaluate BOND. Although the research project ended in December 2018, offset operations will continue until 2022 to serve approximately 3,500 beneficiaries for a full 5 years. We released the final evaluation report on December 12, 2018.¹

Promoting Opportunities Demonstration (POD)

The BBA of 2015 directed us to conduct a new demonstration testing a benefit offset in the DI program. POD tests a \$1-for-\$2 benefit offset for each month DI workers earn above the greater of the TWP level of earnings (\$880 in 2019) or their itemized impairment-related work expenses (up to the SGA, which is \$1,220 for 2019). TWP and Extended Period of Eligibility rules do not apply to participants in the treatment groups. The demonstration will include 3,000 beneficiaries in each of the three study groups: a control group; a treatment group who will be placed into suspense if benefits are reduced to \$0; and a treatment group whose DI eligibility will terminate if benefits are reduced to \$0 for 12 consecutive months.

¹ See https://www.ssa.gov/disabilityresearch/documents/BOND_Deliv_24e2_FER_Vol_1_20181018.pdf

We awarded the POD evaluation contract in December 2016 and the POD implementation contract in January 2017. We will conduct the demonstration through 2021 with the State VR and work incentive planning and assistance agencies in eight States. We began recruiting participants and implementing the project in January 2018. Recruitment of participants continues into FY 2019 with a targeted enrollment goal of 9,000 beneficiaries. Once we reach full enrollment in FY 2019, we will continue to serve participants and evaluate the demonstration. In late FY 2020, we will receive the first draft of the interim impact evaluation report.

Table 2.23—Research Projects Obligations as of FY 2018
(in thousands)

| | Years | Total |
|--|--------------|------------------|
| Serve the Public through a Stronger, More Responsive Disability Program | | \$316,646 |
| Advisory Services to Asst. SSA with Disability Issues (old Listings of Impairments) | 2008-2018 | \$22,204 |
| Disability Analysis File (DAF) (old Ticket Research File) | 2008-2018 | \$14,109 |
| Disability Determination Small Grants DDP | 2011-2015 | \$1,350 |
| Analyzing Relationships between Disability, Rehabilitation and Work: A Small Grant Program (ARDRAW) | 2016-2018 | \$900 |
| Disability Research Consortium | 2012-2017 | \$27,237 |
| National Beneficiary Survey (old Ticket to Work Program) | 2008-2018 | \$14,770 |
| New and Emerging Research Disability (old Other Disability Research and Other Research) | 2008-2018 | \$6,712 |
| SSA-NIH Research on Data Analytics and the Functional Assessment Battery (FAB) (old Compassionate Allowance) | 2008-2018 | \$21,673 |
| Occupational Information System and Vocational Info Tool | 2012-2018 | \$120,114 |
| Promoting Readiness of Minors in SSI (PROMISE) | 2012-2018 | \$14,940 |
| Supported Employment Demonstration (old EIMHD) | 2016-2017 | \$72,637 |
| Deliver Innovative, Quality Services | | \$39,488 |
| Understanding Americans Survey (old ALP) | 2009-2018 | \$11,697 |
| Support for Minority Serving Institutions (old Collaboration with Other FLEC Members and Develop Data Resources for Financial Literacy Research) | 2011-2016 | \$7,262 |
| Enterprise Business Platform | 2015-2018 | \$5,449 |
| New and Emerging Research - Retirement (Roybal) (old Programmatic Development) | 2010-2018 | \$1,607 |
| Research and Innovation Lab | 2018 | \$143 |
| Medicare Outreach (1144) | 2008-2018 | \$13,330 |
| Strengthen the Integrity of our Programs | | \$139,597 |
| Census Surveys | 2008-2015 | \$8,000 |
| Data Development (old Policy Evaluation and Data Development and Other Data Development) | 2008-2018 | \$5,213 |
| Health and Retirement Study (HRS) and Supplement | 2008-2018 | \$44,350 |

Supplemental Security Income Program

| | | |
|--|-----------|------------------|
| Retirement Income Modeling | 2008-2017 | \$6,694 |
| Retirement and Disability Research Consortium ¹ | 2008-2018 | \$73,965 |
| Social Security Programs Throughout the World ² | 2014-2018 | \$1,375 |
| Total Section 1110 and 1144 Obligations | | \$495,731 |
| Section 234 (BOND) | 2008-2018 | \$127,897 |
| Section 234 (POD) | 2016-2018 | \$46,047 |
| Total Section 234 | | \$173,944 |

ADMINISTRATION OF OUR RESEARCH ACTIVITIES

To implement these demonstrations and section 1110 extramural research projects, we need to continue to hire and develop staff able to test creative and effective ways to reform the disability and retirement programs for a modern labor market and promote greater labor force participation of people with disabilities. The ability to design and implement rigorous research and demonstration projects requires employees with unique skill sets in program administration, policy design, project management, research and evaluation, and problem solving.

Our primary research components are housed within the Office of Retirement and Disability Policy (ORDP). ORDP is responsible for all major activities in the areas of strategic and program policy planning, policy research and evaluation, statistical programs, and overall policy development, analysis and implementation. Within ORDP, the Office of Research, Demonstration, and Employment Support; the Office of Disability Policy; and the Office of Research, Evaluation, and Statistics share the responsibility of administering projects funded under our research appropriation.

Office of Research, Demonstration, and Employment Support (ORDES) - ORDES conducts research and analysis related to the DI and SSI programs. ORDES implements demonstration projects to test changes to the disability programs primarily aimed at improving program administration and supporting employment; conducts research, analysis, evaluations, and statistical modeling that support the agency goals to strengthen our disability programs and improve program integrity; and collects new occupational information to support the agency's disability programs.

Office of Disability Policy (ODP) - ODP oversees and supports the planning, development, evaluation, and issuance of substantive regulations, policies, and procedures for our disability programs; development and promulgation of policies and guidelines for use by State, Federal, or private contractor providers who implement the disability provisions of the Social Security Act; evaluation of the effects of proposed legislation and legislation pending before Congress to

¹ The Disability and Research Consortium (DRC) and the Retirement Research Consortium (RRC) were separate grant programs until FY 2017. In FY 2018, the Office of Research Evaluation and Statistics (ORES) consolidated into a single grant program to cover our program research.

² Prior to FY 2014 (1970s – 2013), the Social Security Throughout the World (SSPTW) publications were funded out of the ORDP administrative budget. In FY 2014, SSA and ISSA entered into a new arrangement that entailed a 50/50 cost sharing. SSA's Office of Acquisition and Grants and the Office of General Counsel felt the best mechanism for the new endeavor was to enter into a cooperative agreement and fund using section 1110.

determine the impact on the disability programs; and the coordination of interrelated policy areas. ODP uses research to identify opportunities for policy improvement; to keep medical, childhood, disability, and CDR policies up to date; and to make informed disability policy decisions.

ODP is currently engaged in a multi-year contract with the NAS. This contract allows us to obtain impartial advice on medical vocational and economic issues from experts in a variety of medical, social sciences, and economic disciplines. The NAS experts provide us with a neutral ground for debate and analysis of emerging issues. Findings and conclusions reached by the experts at NAS are published in publically available reports, which provide an evidentiary basis for proposed changes to our disability programs.

Office of Research, Evaluation, and Statistics (ORES) - ORES is a Federal statistical unit responsible for the production and dissemination of research, statistics, and data on Social Security programs. ORES meets these responsibilities through three primary functions:

- **Research and Evaluation** – ORES produces findings on the Social Security retirement, disability, and SSI programs from research conducted both through intramural research and extramural funding. Examples include original research published by ORES researchers, grants to support data development such as the HRS, grants through the RDRC to produce high quality research consortiums; funding support for the UAS, HRS and HRS Supplement, the New and Emerging Research-Retirement, NLSY79 data development; and evaluation of the effects of Social Security research and public-use surveys.
- **Data Development** – ORES develops program and survey data to support our research and statistical objectives. These activities include providing administrative data to internal and external partners to support program research, developing administrative linkages to external data sources (e.g., the HRS), and partnering with entities to enhance data supporting program research (e.g., IAAs to develop data resources).
- **Statistics** – as a principal statistical unit of the U.S. Federal Government, ORES publishes a variety of statistics on our programs and beneficiaries using both administrative data and survey data. These activities include publishing a number of standing statistical publications, making custom estimates upon request, providing statistics based on administrative data to internal and external partners, and being an active participant in the community of federal statistical agencies (e.g., interaction with the Committee on National Statistics, and coordination with the Interagency Council on Statistical Policy).
- **Dissemination** – maintaining a schedule of research and statistical publications allows ORES to both achieve agency goals and meet requirements for Federal statistical units. ORES statisticians and researchers collaborate with the dissemination team to provide reliable data about key Social Security program variables (e.g., trends in applications, benefits, earnings, etc.), information about the design of social insurance programs around the world to support comparative research, as well as social and behavioral research related to our programs.

RESEARCH INVESTMENT CRITERIA

We support research that fosters a better understanding of the socio-economic status and other characteristics of Americans under the program we administer; how changes in demography and the economy might alter the well-being of the program and those it covers; the interrelationships between the program and other private and public programs; and the impact of the program on the overall economy. Within this framework, our extramural program places the best available evidence into the hands of policymakers to inform policy development and program administration. 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) we meet the funding requirements of the sections of the Act that authorize our extramural research and demonstration activities; and 2) our extramural research activities meet high standards for relevance, quality, and performance.

Relevance

The primary purpose of our extramural research is to support evidence-building to inform the improvement of our programs. We seek to support research and demonstrations that clearly connect with this goal. A fundamental step in our review is assuring that each project responds to issues facing the OASDI and/or SSI programs, with priority towards contemporaneous challenges facing the agency. Our 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. The extramural research budget undergoes both our careful scrutiny and by external monitoring authorities.

Internal reviews also help to ensure that funded activities reflect our strategic goals and objectives and 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 our current programs and the implications of reform proposals.

Our budget request reflects our support of the Administration's and Congress' ongoing goals to provide opportunities for disability beneficiaries to maximize their self-sufficiency through work and to increase the American public's basic financial management skills. For example, we are working collaboratively with the DOL, ED, and HHS in this area to test interventions that will improve the postsecondary education and employment outcomes of children who receive SSI. We are also working with DOL and with HHS' ACF to test early intervention and return-to-work services for individuals who may be potential future applicants for DI or SSI.

Quality

Our extramural program provides access to analysts at top research institutions from around the country to expand our base of expertise to produce the best evidence in support of our program. We use a competitive, merit-based, peer reviewed procurement process to ensure that our extramural research program selects the most appropriate individuals and techniques to produce high quality results. We award nearly all of our extramural research projects conducted by private-sector organizations through competitive contracts, grants, or cooperative agreements. As a result, our extramural program features internationally recognized scholars including many

that have held important Federal posts (e.g., Council of Economic Advisors) and received significant recognition for their research contributions (e.g., the John Bates Clark Medal).

We also use TEPs to review projects while they are in progress to provide feedback and suggestions to the agency. 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. The research projects we sponsor through the RDRC are often discussed in formal seminars or workshops, as well as published in top peer-reviewed scientific journals.

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 officers, contracting officer's representatives, analysts, and senior executives monitor the progress of all research contracts and agreements. These agreements are also subject to audits by the Office of the Inspector General.

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 work as designed. Where appropriate, we make these reports publicly available or announce their availability in the *Social Security Bulletin* and online.¹ The RDRC also disseminates output at annual meetings, online, and through a variety of publications, workshops, and conferences. Finally, our research projects based on SIPP, HRS, and the MINT model are widely cited in both peer-reviewed publications and the mainstream press.

¹ Our research publication, the *Social Security Bulletin*, features peer-reviewed research articles produced by agency research staff as well as third-party contributors. Recent publications include Dushi, Iams and Trenkamp (2017), "The Importance of Social Security Benefits to the Income of the Aged Population", 77(2) <https://mwww.ba.ssa.gov/policy/docs/ssb/v77n2/v77n2p1.html> and Dushi, Iams, and Tamborini (2017) "Contributory Retirement Saving Plans: Differences Across Earnings Groups and Implications for Retirement Security", 77(2) <https://mwww.ba.ssa.gov/policy/docs/ssb/v77n2/v77n2p13.html>. Our extramural partners often publish supported research in scholarly journals. Recent examples include, but are not limited to: Chetty R, Stepner M, Abraham S, Lin S, Scuderi B, Turner N, Bergeron A, Cutler D. (2016), "The Association Between Income and Life Expectancy in the United States, 2001-2014", *JAMA* 315(16):1750-1766; Baicker K, Finkelstein A, Song J, and Taubman S, (2014), "The Impact of Medicaid on Labor Market Activity and Program Participation: Evidence from the Oregon Health Insurance Experiment", *American Economic Review: Papers and Proceedings*, 104(5): 322-328; Gustman A, Steinmeier T, and Tabatabai N, (2017), "Means Testing Social Security: Income versus Wealth", *National Tax Journal* 70 (1), 111-132; Deshpande M. (2016), "The Effect of Disability Payments on Household Earnings and Income: Evidence from the SSI Children's Program", *Review of Economics and Statistics*, 98(4): 638-654; Banerjee, Sudipto & Blau, David (2016). "Employment Trends by Age in the United States: Why Are Older Workers Different." *Journal of Human Resources*. Vol. 51(1): 163-199; Levy H, Buchmueller T, and Nikpay S. (2016), "Health Reform and Retirement", *Journals of Gerontology Series B*. 115: 1-10; De Nardi, M, French E and Jones J B. (2016), "Medicaid Insurance in Old Age", *The American Economic Review*, 106 (11:) 3480-3520; Gettens J and Henry A D. (2015), "Employment-Related Health Insurance and Service Delivery Needs of Persons with Disabilities," *Journal of Disability Policy Studies* 26(3): 164-172; Rutledge M (2016), "How Do Financial Resources Affect the Timing of Retirement After a Job Separation?", *Industrial and Labor Relations Review* 69(5): 1249-1279.