

CONTENTS

APPROPRIATION LANGUAGE..... 33
 Language Analysis 34

GENERAL STATEMENT 35
 Program Overview 35
 FY 2021 President’s Budget Request 38
 Key Initiatives 39

BUDGETARY RESOURCES 40
 Analysis of Changes..... 41
 New Budget Authority and Obligations by Activity..... 44
 New Budget Authority and Obligations by Object 45

BACKGROUND 46
 Authorizing Legislation 46
 Appropriation History 47

FEDERAL BENEFIT PAYMENTS 51
 Purpose and Method of Operation 51
 Rationale for Budget Request 51
 SSI Recipient Population 52
 Benefit Payments 54

ADMINISTRATIVE EXPENSES..... 56
 Purpose and Method of Operation 56
 Rationale for Budget Request 57

BENEFICIARY SERVICES 58
 Purpose and Method of Operation 58
 Rationale for Budget Request 59
 Additional Information on VR Cost Reimbursement and TTW Programs 60

RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH 63
 Purpose and Method of Operation 63
 Rationale for Budget Request 64
 Related Funding Sources..... 81
 Administration of Social Security’s Research Activities..... 84
 Research Investment Criteria 85

TABLES

Table 2.1—Appropriation Language Analysis 34

Table 2.2—Summary of Appropriations and Obligations 35

Table 2.3—Appropriation Detail 38

Table 2.4—Amounts Available for Obligation 40

Table 2.5—Summary of Changes 42

Table 2.6—Explanation of SSI Budget Changes from FY 2020 to FY 2021 43

Table 2.7—New Budget Authority and Obligations by Activity 44

Table 2.8—New Budget Authority and Obligations by Object 45

Table 2.9—Authorizing Legislation 46

Table 2.10—Appropriation History 47

Table 2.11—Federal Benefit Payments: New Budget Authority and Obligations 51

Table 2.12—SSI Recipients, Actual 52

Table 2.13—SSI Recipients, Projected 52

Table 2.14—Blind or Disabled Recipients as a Percentage of Total 53

Table 2.15—Maximum Benefit Rates 54

Table 2.16—Average Monthly Benefit Payments 54

Table 2.17—Check Payments by Fiscal Year 55

Table 2.18—Administrative Expenses: New Budget Authority and Obligations 56

Table 2.19—Beneficiary Services: New Budget Authority and Obligations 58

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments 60

Table 2.21—Research, Outreach, and Early Intervention Demonstration Projects:
Budget Authority and Obligations 63

Table 2.22—Major Research Areas and Outreach 65

Table 2.23—Research Projects Obligations as of FY 2019 83

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, [~~\$41,714,889,000~~] *\$40,308,177,000* 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~~] *\$86,000,000* 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] *2023*.

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 [2021] *2022*, [~~\$19,900,000,000~~] *\$19,600,000,000*, to remain available until expended. (*Further Consolidated Appropriations Act, 2020.*)

LANGUAGE ANALYSIS

The appropriation language provides us with the funds needed to carry out our 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 us the authority to carryover unobligated balances for use in future fiscal years. Furthermore, a portion of this funding is made available for us to conduct research and demonstration projects, which is available for 3 years, providing us the authority to carryover unobligated balances into the next 2 fiscal years.

In addition, the language provides us with indefinite authority beginning June 15, in the event Federal benefit payment obligations in FY 2021 are higher than expected, and we do 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 2022 to ensure the timely payment of benefits in case of a delay in the FY 2022 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, \$40,308,177,000, to remain available until expended.” | Appropriates funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects under the SSI program. We 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 \$86,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2023. | Specifies that not more than \$86 million of the SSI appropriation is available for research and demonstration projects. We may carryover unobligated balances through September 30, 2023, at which point, funds are expired. |
| "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 2022, \$19,600,000,000, 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 2022 in the event of a temporary funding delay. |

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 2019 Actual | FY 2020 Enacted | FY 2021 Estimate ² | <i>Change</i> |
|--|-------------------|--------------------|----------------------------------|----------------|
| Appropriation | \$ 60,866,203 | \$ 61,414,889 | \$ 60,208,177 | - \$ 1,206,712 |
| Obligations | \$ 60,117,288 | \$ 61,170,129 | \$ 62,445,914 | + \$ 1,275,785 |
| First Quarter Advance Appropriation for Subsequent Fiscal Year | \$ 19,700,000 | \$ 19,900,000 | \$ 19,600,000 | - \$ 300,000 |

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.³ 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

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 FY 2021 Federal Benefit Payment total includes \$11 million of SSI program effects related to the Afghan Special Immigrant Visa (SIV) and Liberian Deferred Enforced Departure programs; and will not match the amount included in the President's Budget Appendix.

³ 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

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.

Benefit Payments

We estimate we will pay \$57.6 billion in Federal benefits to approximately 8 million SSI recipients in FY 2021. Including state supplementary payments, we expect to pay a total of \$60.2 billion and administer payments to over 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, which is 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 us administer their State supplementation program. States that choose to have us administer their program reimburse us in advance and we make the payment on behalf of the State. Participating States also reimburse us for the cost of administering their program, based on a user fee schedule established by the Social Security Act. The user fee is \$12.41 per SSI check payment in FY 2020 and is expected to increase to \$12.71 in FY 2021. The Department of the Treasury receives the first \$5.00 of each fee and we retain the amount over \$5.00. Additional information regarding State supplementation can be found within the LAE section.

Coordination with Other Programs

We play 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. We 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. We also share applicant data with a number of States in support of SNAP.

FY 2021 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 FY 2021 President’s Budget request is \$60,208,177,000. However, this includes \$19,900,000,000 appropriated for the first quarter of FY 2021 in the FY 2020 appropriation. The appropriation language provides us with our remaining appropriation for FY 2021, \$40,308,177,000—the total amount requested for FY 2021 less the advance already received.

Similarly, in addition to the amount above, the request includes an advance appropriation of \$19,600,000,000 for Federal benefit payments in the first quarter of FY 2022. 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}
(in thousands)

| | FY 2019 Actual | FY 2020 Enacted | FY 2021 Estimate³ | Change |
|---|---------------------------|----------------------------|---|-----------------------|
| Advance for Federal Benefits ⁴ | \$ 19,500,000 | \$ 19,700,000 | \$ 19,900,000 | |
| Regular for Federal Benefits | \$ 36,855,123 | \$ 37,282,000 | \$ 35,551,434 | |
| Subtotal Federal Benefits | \$ 56,355,123 | \$ 56,982,000 | \$ 55,451,434 | - \$ 1,530,566 |
| Base Administrative Expenses | \$ 2,930,287 | \$ 3,063,766 | \$ 3,357,204 | + \$ 293,438 |
| Program Integrity (Base) | \$ 242,364 | \$ 221,420 | \$ 216,079 | - \$ 5,341 |
| Program Integrity (Cap) | \$ 1,111,428 | \$ 1,001,703 | \$ 1,052,460 | + \$ 50,757 |
| Subtotal Administrative Expenses | \$4,284,080 | \$4,286,889 | \$4,625,743 | + \$ 338,854 |
| Beneficiary Services | \$ 126,000 | \$ 45,000 | \$ 45,000 | + \$ 0 |
| Research and Demonstration | \$ 101,000 | \$ 101,000 | \$ 86,000 | - \$ 15,000 |
| Subtotal Advanced Appropriation | \$ 19,500,000 | \$ 19,700,000 | \$ 19,900,000 | |
| Subtotal Regular Appropriation | \$ 41,366,203 | \$ 41,714,889 | \$ 40,308,177 | |
| Total Appropriation | \$ 60,866,203 | \$ 61,414,889 | \$ 60,208,177 | - \$ 1,206,712 |
| Advance for Subsequent Year | \$ 19,700,000 | \$ 19,900,000 | \$ 19,600,000 | - \$ 300,000 |

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 The FY 2021 Federal Benefit Payment total includes \$11 million of SSI program effects related to the Afghan Special Immigrant Visa (SIV) and Liberian Deferred Enforced Departure programs; and will not match the amount included in the President's Budget Appendix.

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

KEY INITIATIVES

We continue to pursue efforts to ensure the proper management and stewardship of the SSI program. This includes a focus on reducing the major factors affecting payment accuracy, maintaining our roles through CDRs and non-disability redeterminations, combatting fraud, improving our debt collection tools, and using our data matching systems to detect changes in SSI eligibility. Further information on these programs can be found in our Improper Payments exhibit and the Program Integrity exhibit of the LAE section. Additional detail is also included in our Annual Performance Report (APR) and Agency Financial Report (AFR)¹.

¹ Both the APR and AFR can be viewed online at <https://www.ssa.gov/agency/budget-and-performance.html>

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 2021 is \$60,208,177,000, including \$19,900,000,000 appropriated in the FY 2020 appropriation.

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

| | (in thousands) | | |
|------------------------------------|----------------------|----------------------|----------------------|
| | FY 2019 Actual | FY 2020 Enacted | FY 2021 Estimate |
| Regular Appropriation | \$ 41,366,203 | \$ 41,714,889 | \$ 40,308,177 |
| Advanced Appropriation | \$ 19,500,000 | \$ 19,700,000 | \$ 19,900,000 |
| Total Annual Appropriation | \$ 60,866,203 | \$ 61,414,889 | \$ 60,208,177 |
| Federal Unobligated Balance | \$3,373,225 | \$ 4,166,076 | \$ 4,410,836 |
| Recovery of Prior-Year Obligations | \$ 43,936 | \$ 0 | \$ 0 |
| Subtotal Federal Resources | \$ 64,283,364 | \$ 65,580,965 | \$ 64,619,013 |
| State Supp. Reimbursements | \$ 2,567,615 | \$ 2,599,000 | \$ 2,644,000 |
| State Supp. Unobligated Balance | \$ 216,092 | \$ 214,203 | \$ 218,203 |
| Total Budgetary Resources | \$ 67,067,072 | \$ 68,394,168 | \$ 67,481,216 |
| Federal Obligations | \$ 60,117,288 | \$ 61,170,129 | \$ 62,445,914 |
| State Supp. Obligations | \$ 2,569,505 | \$ 2,595,000 | \$ 2,640,000 |
| Total Obligations | \$ 62,686,793 | \$ 63,765,129 | \$ 65,085,914 |
| Federal Unobligated Balance | \$ 4,166,076 | \$ 4,410,836 | \$ 2,173,099 |
| State Supp. Unobligated Balance | \$ 214,203 | \$ 218,203 | \$ 222,203 |
| Total Unobligated Balance | \$ 4,380,279 | \$ 4,629,039 | \$ 2,395,301 |

The SSI annual appropriation was \$60.9 billion in FY 2019. The enacted FY 2020 appropriation is \$61.4 billion. We have 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. We carried over approximately

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

² Totals may not add due to rounding.

\$4.2 billion in Federal unobligated balances into FY 2020. We expect to carry over approximately \$4.4 billion into FY 2021, and use about \$2.2 billion in carryover funds.

In addition to these appropriated amounts, we have spending authority in the amount of the advance reimbursement we receive from States to pay their State supplementary benefits. Because States reimburse us in advance, we carry 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 2021 request represents a decrease of approximately \$1.2 billion from the FY 2020 level. The majority of the decrease in our funding request is mainly to use our mandatory carryover funds.

We plan to use unobligated balances to partially fund Federal benefits, beneficiary services, research and demonstration projects, and administrative expenses in FY 2020 and FY 2021. We plan to use approximately \$205 million in unobligated balances and recoveries in FY 2020 and approximately \$2.2 billion in FY 2021.

Federal Benefit Payments

The FY 2021 request for Federal Benefit payments is \$1.5 billion less than the FY 2020 level. We decreased the FY 2021 request for Federal benefit payments mainly to use \$2.1 billion in carryover funds to cover our estimated obligations. The decrease in Federal benefit payments is partially offset by the the January COLA and 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 2021 request for administrative expenses is \$338 million more than the FY 2020 level. We expect to use \$133 million in carryover funds in FY 2020 and \$74 million in carryover funds in FY 2021 to cover estimated obligations.

Beneficiary Services

We are requesting \$45 million in new authority for FY 2021. This is identical to our FY 2020 appropriation. Our estimate reflects a steady level of vocational rehabilitation reimbursement awards and Ticket payments to Employment Networks under the Ticket to Work program. We expect to use \$91 million in carryover funds in FY 2021 to cover our estimated obligations.

Research and Demonstrations

The FY 2021 request for research and demonstration projects is \$15 million less than the FY 2020 level. We expect to use \$24 million in carryover funds in FY 2020 in addition to our requested appropriation, to cover our estimated obligations.

Supplemental Security Income Program

Table 2.5—Summary of Changes^{1,2}

| | (in thousands) | | |
|---|----------------------------|-----------------------------|-----------------------|
| | FY 2020 Enacted | FY 2021 Estimate | Change |
| Appropriation | \$ 61,414,889 | \$ 60,208,177 | - \$ 1,206,712 |
| Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation | + \$ 205,240 | + \$ 2,237,737 | + \$ 2,032,497 |
| Increase in Obligations to reflect the most recent Actuarial Estimate | - \$ 450,000 | | + \$ 450,000 |
| Estimated Federal Obligations | \$ 61,170,129 | \$ 62,445,914 | + \$ 1,275,785 |

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.

Table 2.6—Explanation of SSI Budget Changes from FY 2020 to FY 2021
(in thousands)

| | FY 2020 Obligations | Change |
|---|--------------------------------|----------------------|
| Federal Benefit Payments | \$ 56,982,000 | |
| • COLA – 2.4% beginning January 2021 | | +\$ 1,651,000 |
| • Net decrease due to annualized closings and awards | | -\$ 226,000 |
| • Effect of OASDI COLA for concurrent SSI/OASDI Recipients | | -\$ 395,000 |
| Federal Benefit Payments - Carryover | -\$ 450,000 | |
| • Net change in obligations from carryover | | -\$ 91 |
| Administrative Expenses | \$ 4,286,889 | |
| • Increase in base funding | | +\$ 338,854 |
| Administrative Expenses – Carryover | \$ 133,173 | |
| • Decrease in amount of carryover funding planned for obligation in FY 2021 | | -\$ 59,421 |
| Beneficiary Services | \$ 45,000 | |
| Beneficiary Services – Carryover | \$ 48,000 | |
| • Increase in amount of carryover funding planned for obligation in FY 2021 | | +\$ 6,000 |
| Research and Demonstration | \$ 101,000 | |
| • Decrease in base funding | | -\$ 15,000 |
| Research and Demonstration -- Carryover | \$ 24,067 | |
| • Decrease in amount of carryover funding planned for obligation in FY 2021 | | -\$ 24,557 |
| Total Obligations Requested, Net Change | \$ 61,170,129 | +\$ 1,275,785 |

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 and demonstration.

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

| | FY 2019 Actual | FY 2020 Enacted³ | FY 2021 Estimate^{4,5} |
|--|---------------------------|--|---|
| <u>Federal Benefit Payments</u> | | | |
| Appropriation | \$ 56,355,123 | \$ 56,982,000 | \$ 55,451,434 |
| Obligations | \$ 55,590,534 | \$ 56,532,000 | \$ 57,561,909 |
| Monthly Check Payments | 12 | 12 | 12 |
| <u>Base Administrative Expenses</u> | | | |
| Appropriation | \$ 2,930,287 | \$ 3,063,766 | \$ 3,357,204 |
| Obligations | \$ 2,930,939 | \$ 3,196,939 | \$ 3,430,956 |
| <u>Program Integrity (Base)</u> | | | |
| Appropriation | \$ 242,364 | \$ 221,420 | \$ 216,079 |
| Obligations | \$ 242,364 | \$ 221,420 | \$ 216,079 |
| <u>Program Integrity (Cap)</u> | | | |
| Appropriation | \$ 1,111,428 | \$ 1,001,703 | \$ 1,052,460 |
| Obligations | \$ 1,111,428 | \$ 1,001,703 | \$ 1,052,460 |
| <u>Beneficiary Services</u> | | | |
| Appropriation | \$ 126,000 | \$ 45,000 | \$ 45,000 |
| Obligations | \$ 100,372 | \$ 93,000 | \$ 99,000 |
| <u>Research and Demonstration</u> | | | |
| Appropriation | \$ 101,000 | \$ 101,000 | \$ 86,000 |
| Obligations | \$ 141,650 | \$ 125,067 | \$ 85,510 |
| Total Appropriation | \$ 60,866,203 | \$ 61,414,889 | \$ 60,208,177 |
| Total Federal Obligations | \$ 60,117,288 | \$ 61,170,129 | \$ 62,445,914 |

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 We expect to use carryover of prior year unobligated balances and recoveries for FY 2020 obligations as follows: beneficiary services, \$48 million; administrative expenses, \$133 million; and research and demonstration, \$24 million.

⁴ In addition to the FY 2021 President's Budget request, we expect to use carryover of prior year unobligated balances and recoveries for FY 2021 obligations as follows: Federal benefits, \$2.110 billion; beneficiary services, \$54 million; and administrative expenses, \$74 million.

⁵ The FY 2021 Federal Benefit Payment total includes \$11 million of SSI program effects related to the Afghan Special Immigrant Visa (SIV) and Liberian Deferred Enforced Departure programs; and will not match the amount included in the President's Budget Appendix.

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 2019 Actual | FY 2020 Enacted | FY 2021 Estimate |
|--------------------------------------|---------------------------|----------------------------|-----------------------------|
| <u>Other Services</u> ³ | | | |
| Appropriation | \$ 4,410,080 | \$ 4,331,889 | \$ 4,670,743 |
| Obligations | \$ 4,385,104 | \$ 4,513,062 | \$ 4,798,495 |
| <u>Federal Benefits and Research</u> | | | |
| Appropriation | \$ 56,456,123 | \$ 57,083,000 | \$ 55,537,434 |
| Obligations | \$ 55,732,184 | \$ 56,657,067 | \$ 57,647,419 |
| Total Appropriation | \$ 60,866,203 | \$ 61,414,889 | \$ 60,208,177 |
| Total Obligations | \$ 60,117,288 | \$ 61,170,129 | \$ 62,445,914 |

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.

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 2019 Actual | FY 2020 Enacted | FY 2021 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 | \$ 60,866,203,000 | \$ 61,414,889,000 | \$ 60,208,177,000 | <i>Indefinite</i> |
| First Quarter Advance Appropriation for Subsequent Fiscal Year | \$ 19,700,000,000 | \$ 19,900,000,000 | \$ 19,600,000,000 | --- |

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 2010 to FY 2021. 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 | \$ 15,400,000,000 | --- | \$ 15,400,000,000 | \$ 15,400,000,000 |
| Current Year | \$ 34,742,000,000 | \$ 34,742,000,000 ² | \$ 34,742,000,000 ³ | \$ 34,742,000,000 ⁴ |
| 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 | --- | \$ 40,513,000,000 ⁶ | \$ 39,983,273,000 ⁷ |
| 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 ⁸ | --- | \$ 37,922,543,000 ¹⁰ | \$ 37,582,991,000 ¹¹ |
| 2012 Total | \$ 51,483,000,000 ¹² | --- | \$ 51,322,543,000 | \$ 50,982,991,000 |
| <i>2012 Indefinite</i> | | | | \$ 560,000,000 |
| Q1 Advance | \$ 18,200,000,000 | --- | \$ 18,200,000,000 | \$ 18,200,000,000 |
| Current Year | \$ 40,043,000,000 ¹³ | --- | \$ 40,043,000,000 ¹⁵ | \$ 32,782,991,000 ¹⁶ |
| 2013 Total | \$ 58,243,000,000 ¹⁷ | | \$ 58,243,000,000 | \$ 50,982,991,000 |
| 2013 Rescission | | | | \$ 32,779,347,000 |
| <i>2013 Sequester¹⁸</i> | | | | |
| Q1 Advance | \$ 19,300,000,000 | | \$ 19,300,000,000 | \$ 19,300,000,000 |
| Current Year | \$ 40,737,000,000 ¹⁹ | | \$ 40,568,741,000 ²⁰ | \$ 41,249,064,000 ²¹ |
| 2014 Total | \$ 60,037,000,000 ²² | | \$ 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 ²³ |
| 2015 Total | \$ 60,627,000,000 | No Data | No Data | \$ 60,932,978,000 ²⁴ |
| Q1 Advance | \$ 19,200,000,000 | | | \$ 19,200,000,000 |
| Current Year | \$ 46,422,000,000 | \$ 46,232,978,000 ²⁵ | \$ 46,110,777,000 ²⁶ | \$ 46,305,733,000 ²⁷ |
| 2016 Total | \$ 65,622,000,000 | \$ 65,432,978,000 | \$ 65,310,777,000 | \$ 65,505,733,000 ²⁸ |
| Q1 Advance | \$ 14,500,000,000 | | | \$ 14,500,000,000 |
| Current Year | \$ 43,824,868,000 | \$ 43,162,469,000 ²⁹ | \$ 43,618,163,000 ³⁰ | \$ 43,618,163,000 ³¹ |
| 2017 Total | \$ 58,324,868,000 | \$ 57,662,469,000 | \$ 58,118,163,000 | \$ 58,118,163,000 ³² |

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 | \$ 15,000,000,000 | | | \$ 15,000,000,000 |
| Current Year | \$ 38,557,000,000 | \$ 38,591,635,000 ³³ | \$ 38,450,927,000 ³⁴ | \$ 38,487,277,000 ³⁵ |
| 2018 Total | \$53,557,000,000 | \$ 53,591,635,000 | \$ 53,450,927,000 | \$ 53,487,227,000³⁶ |
| Q1 Advance | \$19,500,000,000 | | | \$ 19,500,000,000 |
| Current Year | \$41,208,000,000 | \$ 41,251,000,000 ³⁷ | \$ 41,390,721,000 ³⁸ | \$ 41,366,203,000 ³⁹ |
| 2019 Total | \$60,708,000,000 | \$ 60,751,000,000 | \$ 60,890,721,000 | \$ 60,866,203,000⁴⁰ |
| Q1 Advance | \$19,700,000,000 | | | \$ 19,700,000,000 |
| Current Year | \$41,832,000,000 | \$41,938,540,000 ⁴¹ | - - - ⁴² | \$ 41,714,889,000 ⁴³ |
| 2020 Total | \$61,532,000,000 | \$61,638,540,000 | | \$ 61,414,889,000⁴⁴ |
| Q1 Advance | \$19,900,000,000 | | | \$ 19,900,000,000 |
| Current Year | \$40,308,177,000 | | | |
| 2021 Total | \$60,208,177,000 | | | |
| Q1 Advance | \$19,600,000,000 | | | |
| Current Year | | | | |
| 2022 Total | | | | |

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 H.R. 3293.

³ H.R. 3293, reported from Committee with an amendment.

⁴ Consolidated Appropriations Act, 2010 (P.L. 111-117).

⁵ The House Committee on Appropriations did not report a bill.

⁶ S. 3686.

⁷ 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.

⁸ 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.

⁹ 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.

¹⁰ S. 1599.

¹¹ 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.

¹² 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.

¹³ 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.

¹⁴ 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.

¹⁵ S. 3295.

¹⁶ Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).

¹⁷ 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.

¹⁸ SSI was exempt from sequestration in FY 2013.

¹⁹ 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.

²⁰ S. 1284.

²¹ Consolidated Appropriations Act, 2014 (P.L. 113-76).

²² 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.

²³ Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

²⁴ 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.

²⁵ H.R. 3020.

²⁶ S. 1695

²⁷ Consolidated Appropriations Act, 2016 (P.L. 114-113).

²⁸ 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.

²⁹ H.R. 5926.

³⁰ S. 3040.

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

³² 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.

³³ H.R. 3358.

³⁴ S. 1771.

³⁵ Consolidated Appropriations Act, 2018 (P.L. 115-141).

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

Supplemental Security Income Program

³⁷ H.R. 6470.

³⁸ S. 3158.

³⁹ Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245).

⁴⁰ 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.

⁴¹ H.R. 2740.

⁴² The Senate Committee on Appropriations did not report a bill. The Committee posted a draft bill which mirrored the FY 2020 President's Budget request for \$41,832,000,000.

⁴³ Further Consolidated Appropriations Act, 2020 (P.L. 116-94)

⁴⁴ 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 2021, we estimate benefit payments will total approximately \$57.6 billion for approximately 8 million Federal SSI recipients.

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

| | FY 2019 Actual | FY 2020 Enacted | FY 2021 Estimate ² | <i>Change</i> |
|---|----------------------|----------------------|----------------------------------|-----------------------|
| Appropriation | \$ 56,355,123 | \$ 56,982,000 | \$ 55,451,434 | - \$ 1,530,566 |
| Obligations Funded from Prior-Year Unobligated Balance and Recoveries | \$ 0 | \$ 0 | \$ 2,110,475 | + \$ 2,110,475 |
| Obligations | \$ 55,590,534 | \$ 56,532,000 | \$ 57,561,909 | + \$ 1,029,909 |
| Advance for subsequent fiscal year | \$ 19,700,000 | \$ 19,900,000 | \$ 19,600,000 | - \$ 300,000 |

RATIONALE FOR BUDGET REQUEST

We are requesting \$55 billion in new budget authority for Federal benefit payments in FY 2021. We decreased the FY 2021 request for Federal benefit payments mainly to use \$2.1 billion in carryover funds to cover our estimated obligations.

We estimate 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 our Office of the Chief Actuary.

² The FY 2021 Federal Benefit Payment total includes \$11 million of SSI program effects related to the Afghan Special Immigrant Visa (SIV) and Liberian Deferred Enforced Departure programs; and will not match the amount included in the President's Budget Appendix.

SSI RECIPIENT POPULATION

The number of Federal SSI recipients has decreased from 8.2 million in FY 2016 to 8.0 million in FY 2019 and is expected to decrease to 7.9 million in FY 2021. The estimated decrease in Federal recipients in FY 2021 represents a 0.6 percent decrease over the FY 2020 level. We estimate the number of SSI recipients by analyzing a number of factors including applications, award and termination rates, and funding for program integrity initiatives.

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

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Aged | 1,108 | 1,114 | 1,119 | 1,114 |
| Blind or Disabled | 7,048 | 6,986 | 6,924 | 6,842 |
| Total Federal | 8,157 | 8,100 | 8,043 | 7,957 |
| <i>Year-to-Year Change</i> | <i>- 0.2%</i> | <i>- 0.7%</i> | <i>- 0.7%</i> | <i>- 1.1%</i> |
| State Supplement Only | 166 | 162 | 158 | 151 |
| Total Federally Administered | 8,323 | 8,262 | 8,202 | 8,108 |

In addition to Federal SSI recipients, we currently administer State supplementary payments for 20 States and the District of Columbia. We administer payments for approximately 1.5 million State supplement recipients, of which approximately 150,000 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 2020 Estimate | FY 2021 Estimate | Change |
|-------------------------------------|-----------------------------|-----------------------------|---------------|
| Aged | 1,112 | 1,112 | + 0.0% |
| Blind or Disabled | 6,811 | 6,763 | - 0.7% |
| Total Federal | 7,923 | 7,875 | - 0.6% |
| State Supplement only | 149 | 150 | + 0.7% |
| Total Federally Administered | 8,072 | 8,025 | - 0.6% |

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 86.4 percent in FY 2016 to 86.0 percent in FY 2019 and is projected to continue to decrease.

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 |
|----------------------|----------------------|--------------|--------------------------|--|
| 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 | 7,957 | 1,114 | 6,842 | 86.0% |
| 2020 Estimate | 7,923 | 1,112 | 6,811 | 86.0% |
| 2021 Estimate | 7,875 | 1,112 | 6,763 | 85.9% |

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 1.6 percent cost of living increase in calendar year (CY) 2020. An increase of 2.4 percent is projected for January 2021. The FBR increased from \$771 for an individual and \$1,157 for a couple for CY 2019 to \$783 for an individual and \$1,175 for a couple in CY 2020. We estimate the FBR will increase to \$802 for an individual and \$1,204 for a couple in CY 2021. The COLA will be effective in January 2021, raising the maximum benefit rate to higher levels than the first 3 months of the fiscal year.

Table 2.15—Maximum Benefit Rates

| | FY 2020 | | FY 2021 | |
|-------------------|----------------|---------------|----------------|---------------|
| | First 3 Months | Last 9 Months | First 3 Months | Last 9 Months |
| Individual | \$ 771 | \$ 783 | \$ 783 | \$ 802 |
| Couple | \$ 1,157 | \$ 1,175 | \$ 1,175 | \$ 1,204 |

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 \$578 in FY 2019 to \$588 in FY 2020 and \$602 in FY 2021. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

Table 2.16—Average Monthly Benefit Payments

| | FY 2019 Actual | FY 2020 Estimate | FY 2021 Estimate |
|--------------------|----------------|------------------|------------------|
| Aged | \$ 412 | \$ 424 | \$ 437 |
| Blind or Disabled | \$ 605 | \$ 614 | \$ 629 |
| All SSI Recipients | \$ 578 | \$ 588 | \$ 602 |

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 us performing a certain level of SSI CDRs and redeterminations. Specifically, the FY 2021 estimate assumes we will conduct almost 472,000 SSI CDRs and 2,000,000 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 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 | \$ 55,590,534,196 |
| FY 2020 | 12 | \$ 56,532,000,000 |
| FY 2021 | 12 | \$ 57,550,909,000 |

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 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 us 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 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 2019 Actual | FY 2020 Enacted | FY 2021 Estimate | <i>Change</i> |
|--|---------------------|---------------------|---------------------|---------------------|
| Total Appropriation | \$ 4,284,080 | \$ 4,286,889 | \$ 4,625,743 | + \$ 338,854 |
| Obligations Funded from Prior-Year Unobligated Balance | + \$ 652 | + \$ 133,173 | + \$ 73,752 | - \$ 59,421 |
| Obligations | \$ 4,284,732 | \$ 4,420,062 | \$ 4,699,495 | + \$ 279,433 |

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 2021 request for SSI administrative expenses is \$4.626 billion. This appropriation is used to reimburse the trust funds for the SSI program's share of administrative expenses. This amount includes \$1.268 billion specifically for FY 2021 SSI program integrity activities.

These amounts exclude funding made available in the LAE account from State user fees for our expenses for administering SSI state supplementary payments. The LAE account assumes funding of up to \$135 million in FY 2021.

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 2019 Actual | FY 2020¹ Enacted | FY 2021 Estimate | <i>FY 2020 to FY 2021 Change</i> |
|--|---------------------------|--|-----------------------------|---|
| Appropriation | \$ 126,000 | \$ 45,000 | \$ 45,000 | \$ 0 |
| Prior-Year Unobligated Balances and Recoveries | \$ 114,181 | \$ 139,809 | \$ 91,809 | -\$ 48,000 |
| Total Budgetary Resources | \$ 240,181 | \$ 184,809 | \$ 136,809 | -\$ 48,000 |
| Obligations | \$ 100,372 | \$ 93,000 | \$ 99,000 | +\$ 6,000 |

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 was \$81 million lower than the FY 2019 appropriation because we used prior year carryover to fund approximately \$84 million in obligations. In the years prior to FY 2020, systems updates have led to unpredictable fluctuations in obligations. We were 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. We project to continue to use prior year carryover in FY 2021.

² In 2020, we consider non-blind and blind disabled recipients to be performing SGA if they earn more than \$1,260 and \$2,110 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 2021. The FY 2021 forecast is based on an econometric model which uses prior payments as well as historical economic and demographic characteristics to predict future spending. The model predicts an increase in spending based on the economic assumptions for the FY 2021 President's Budget. The FY 2021 request funds an estimated six percent increase in obligations above the FY 2020 level.

Automation of payments through Ticket to Work and Cost Reimbursement has resulted in an increase in the amount paid to ENs and VRs. In July 2015, we automated the EN business processes and implemented ePay, a payment process that helps ENs receive payments more timely. While we saw an initial increase in the amount paid to ENs, this amount has stabilized in recent years, and in FY 2021, we anticipate this amount to remain the same.

In FY 2017, we implemented the Internet Ticket Operations Provider Support System (iTOPSS) that improves automation for the VR program. iTOPSS allows VRs to expedite the submission of claims for reimbursement payments. The new VR payment system replaces a slower, more error prone, paper-intensive VR payment process with an automated workflow management system allowing us to prioritize claims and process them faster and more efficiently. As a result of this new system, we witnessed an increase in the number of claims submitted by VRs, which led to an increase of backlogged claims awaiting payment processing. To address this backlog, we now require VRs to submit proof of earnings with reimbursement claims. We also follow up to obtain supplemental information from VRs after 30 days instead of 75 days. We are evaluating other mitigation strategies and, as a result of these efforts, anticipate an increase in the amount paid to VRs in FY 2021. Considering all the factors above, and assuming that more beneficiaries will return to work, we estimate an increase in cost reimbursement awards and the same number of milestone and outcome payments in FY 2021.

We continue our efforts to improve management and oversight of the VR and Ticket programs to ensure effectiveness. 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 2019 Actual | FY 2020 Estimate | FY 2021 Estimate |
|--|-------------------|---------------------|---------------------|
| <u>Vocational Rehabilitation</u> | | | |
| SSI Only Reimbursement Awards | 5,788 | 5,048 | 5,451 |
| SSI/DI Concurrent Reimbursement Awards | 3,486 | 3,040 | 3,283 |
| Total Reimbursement Awards | 9,274 | 8,088 | 8,734 |
| VR Obligations (in thousands) | \$ 85,624 | \$ 75,000 | \$ 81,000 |
| <u>Ticket to Work</u> | | | |
| SSI Only Milestone Payments | 4,083 | 4,900 | 4,900 |
| SSI Only Outcome Payments | 17,622 | 21,146 | 21,146 |
| SSI/DI Concurrent Milestone Payments | 7,415 | 8,898 | 8,898 |
| SSI/DI Concurrent Outcome Payments | 8,768 | 10,521 | 10,521 |
| Total Ticket Payments | 37,888 | 45,465 | 45,465 |
| Ticket Obligations (in thousands) | \$ 14,748 | \$ 18,000 | \$ 18,000 |
| Total VR Awards & Ticket Payments | 47,162 | 53,553 | 54,199 |
| Total Obligations (in thousands) | \$ 100,372 | \$ 93,000 | \$ 99,000 |

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 TTTW payment methods described below. VR agencies have 90 days after they open a case (ticket assignment) to decide if they want to be reimbursed for their expenses under the Cost Reimbursement program or if they want to be paid under the Ticket program. Most agencies select cost reimbursement as the initial payment option and then switch to Ticket after further evaluation of a case. 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.

¹ Totals may not add due to rounding.

- 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.

Outcome-Payment Method:

- Outcome payments are payable for a maximum of 60 months (consecutive or otherwise).
- We 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, and the recipient 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.

Proposal to reform the ticket to work program

In FY 2021, SSA will, subject to the enactment of authorizing legislation, transfer administrative management of the Ticket to Work Program to the Department of Labor's Employment and Training Administration (ETA). The Ticket to Work program allows SSA to pay service providers to help Disability Insurance (DI) beneficiaries and SSI recipients beneficiaries achieve employment outcomes.

In its current form, the Ticket to Work program faces several challenges in attempting to meet its mission. First, the program falls outside of SSA's core mission of administering the Old Age and Survivor Insurance (OASI), DI and SSI programs. Second, the program duplicates administrative structures and services where robust State and local workforce systems already exist. Finally, the program is administratively burdensome, making it difficult for beneficiaries, employers, and service providers to effectively interact with the program.

This proposal would move the Ticket to Work Program to ETA, the Federal government's leading workforce development agency. It would empower the American Job Center network to carry out the Ticket to Work Program in concert with other workforce programs. In addition, it would simplify program rules while potentially improving program structure and outcomes for the performance-based funding allocation. The reformed program will move toward a more integrated, effective, and efficient system for supporting DI beneficiaries and SSI recipients in obtaining and sustaining employment.

The ultimate goals of the proposal include:

- Increasing the number of disability beneficiaries who participate in the program, succeed in employment, and achieve economic mobility
- Improving the experience of individual program participants;
- Reducing program fragmentation and duplication;

Supplemental Security Income Program

- Establishing national uniformity in essential program features while allowing local innovation;
- Restructuring funding mechanisms and performance metrics to align with the Workforce Innovation and Opportunity Act (WIOA);
- Providing financial incentives to states that perform well;
- Leveraging DOL's expertise in promoting innovative workforce development solutions and employment; and
- Better integrating services for disability beneficiaries into the core workforce system.

DOL's Office of Disability Employment Policy (ODEP) will provide policy guidance to ETA to support its new responsibilities in implementing the transfer and administration of the program.

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 (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. The Foundations for Evidence-Based Policymaking Act of 2018 also supports our research, demonstration, and outreach.

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

| | FY 2019 Actual | FY 2020 Enacted | FY 2021 Estimate | <i>Change</i> |
|---|-------------------|--------------------|---------------------|-------------------|
| Appropriation | \$ 101,000 | \$ 101,000 | \$ 86,000 | -\$ 15,000 |
| Obligations Funded from Prior-Year Unobligated Balance and Recoveries | \$ 72,366 | \$ 31,717 | \$ 7,650 | -\$ 24,067 |
| Total Budgetary Resources | \$ 173,366 | \$ 132,717 | \$ 93,650 | -\$ 39,067 |
| Total Obligations | \$ 141,649 | \$ 125,067 | \$ 85,510 | -\$ 39,557 |
| Total Unobligated Balance | \$ 31,717 | \$ 7,650 | \$ 8,140 | +\$ 490 |

Section 1110 of the Act provides the Commissioner of Social Security the authority to conduct broad-based, cross-programmatic projects for the Old-Age, Survivors, and Disability (OASDI) and Supplemental Security Income (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 our specific 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,

Supplemental Security Income Program

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.

The Foundations for Evidence-Based Policymaking Act (Evidence Act) of 2018 requires SSA to develop a Learning Agenda, Annual Evaluation Plan, and Capacity Assessment. The agency designated an executive to serve as the Evaluation Officer, who is working closely with the Performance Improvement Officer to complete these deliverables. Each of these deliverables will support the planning of our research and evidence-building activities.

RATIONALE FOR BUDGET REQUEST

We are committed to improving the quality, consistency, and timeliness of our disability decisions; maximizing efficiencies throughout the disability program; and enhancing employment support programs to create new opportunities for returning beneficiaries to the workforce. Our research activities are critical to our efforts in all three areas.

In FY 2021, we estimate that we will need \$86 million in new budget authority for traditional research activities under Sections 1110 and 1144. We are also requesting to extend Section 234 authority through at least 2032 to pursue a variety of promising demonstration ideas.

Our FY 2021 budget request builds upon the progress we have made with specific initiatives and also reflects a significant commitment to data development, modeling efforts, and retirement and financial literacy policy research that informs decision-makers of changes to improve the solvency of the Old-Age and Survivors Insurance (OASI) and DI Trust Funds.

Our FY 2021 budget reflects a commitment to provide the public with accurate, clear, and up-to-date information.

Extension of 234 Authority

In addition to the Section 1110 and 1144 projects, we are requesting an extension of the Section 234 authority to provide sufficient time to conduct demonstrations. This extension will allow us to carry out any initiated demonstrations for up to 10 years. When the BBA was enacted, the Trustees forecast that the DI trust fund reserves would be depleted around 2022, and Congress would again need to reauthorize our ability to conduct research and demonstration projects under

Section 234. The current forecast extends the DI trust fund reserve to 2052, allowing additional time to test innovative policies if the authorization is renewed.

The table and discussion that follows provides more details on the research and outreach efforts we plan to fund in FY 2021.

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

| | Obligations³ | | |
|---|--------------------------------|-----------------------------|-----------------------------|
| | FY 2019 Actual | FY 2020 Estimate | FY 2021 Estimate |
| Improving the Way We Do Business | \$ 120,722 | \$ 103,094 | \$ 63,444 |
| Promoting Work through Early Interventions Project (PWEIP) | \$ 25,000 | \$ 0 | \$ 0 |
| Retaining Employment and Talent After Injury/Illness Network (RETAIN) | \$ 42,349 | \$ 32,651 | \$ 0 |
| Promoting Readiness of Minors in SSI (PROMISE) | \$ 7,823 | \$ 0 | \$ 0 |
| Ticket to Work Notice Optimization | \$ 0 | \$ 150 | \$ 0 |
| Supported Employment Demonstration (SED) | \$ 2,218 | \$ 0 | \$ 0 |
| Advisory Services to Assist SSA with Disability Issues | \$ 3,146 | \$ 4,385 | \$ 4,495 |
| Disability Analysis File (DAF) | \$ 913 | \$ 873 | \$ 900 |
| Analyzing Relationships between Disability, Rehabilitation, and Work (ARDRAW) | \$ 300 | \$ 300 | \$ 300 |
| BPA for Time Sensitive Research Projects | \$ 1,853 | \$ 2,500 | \$ 3,500 |
| National Beneficiary Survey (NBS) | \$ 3,765 | \$ 1,088 | \$ 227 |
| Disability Perceptions Survey | \$ 0 | \$ 5,300 | \$ 0 |
| New and Emerging Research – Disability | \$ 416 | \$ 4,055 | \$ 4,043 |
| NIH IAA for Data Analytics/FAB Development | \$ 3,233 | \$ 3,728 | \$ 4,000 |
| Work Disability Functional Assessment Battery (WD-FAB) Data Collection | \$ 0 | \$ 2,500 | \$ 0 |
| Occupational Information Systems (OIS) and Vocational Information Tool (VIT) | \$ 29,706 | \$ 33,314 | \$ 34,979 |
| Appointed Representative Demonstration | \$ 0 | \$ 5,000 | \$ 5,000 |
| Exits from Disability | \$ 0 | \$ 7,250 | \$ 0 |
| Interventional Cooperative Agreement Program (ICAP) | \$ 0 | \$ 0 | \$ 6,000 |

¹ Does not include funding authorized under section 234.

² Totals may not add due to rounding.

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

Supplemental Security Income Program

| | Obligations³ | | |
|---|--------------------------------|-----------------------------|-----------------------------|
| | FY 2019 Actual | FY 2020 Estimate | FY 2021 Estimate |
| Deliver Services Effectively | \$ 6,044 | \$ 6,495 | \$ 6,618 |
| Understanding Americans Study (UAS) Enhancements | \$ 3,001 | \$ 3,002 | \$ 3,002 |
| Data Development in an Enterprise Business Platform (EBI) | \$ 2,000 | \$ 2,000 | \$ 2,000 |
| Medicare Outreach (1144) | \$ 1,043 | \$ 1,493 | \$ 1,616 |
| Ensuring Stewardship | \$ 14,883 | \$ 15,478 | \$ 15,448 |
| Census Surveys | \$ 600 | \$ 950 | \$ 950 |
| Data Development | \$ 275 | \$ 373 | \$ 343 |
| Health & Retirement Study (HRS) and Supplement | \$ 4,157 | \$ 4,155 | \$ 4,155 |
| Retirement and Disability Research Consortium (RDRC) | \$ 9,851 | \$ 10,000 | \$ 10,000 |
| Total Research Obligations | \$ 141,649 | \$ 125,067 | \$ 85,510 |
| New Budget Authority | \$ 101,000 | \$ 101,000 | \$ 86,000 |

Improving the Way We Do Business

Promoting Work through Early Interventions Project (PWEIP)

The PWEIP is a joint undertaking between SSA and the Administration for Children and Families (ACF) within HHS. The project will identify, select, and evaluate programs likely to improve the employment and economic outcomes of individuals who have not yet applied for SSI and have little or no work history, current or foreseeable disabilities, and ties to U.S. safety net programs. Evaluations of programs will include impact assessments and implementation research. A select number of evaluations will also include a cost analysis.

In FY 2019, we developed and entered into a jointly financed cooperative arrangement with ACF and transferred \$25 million to support the evaluation and/or service provisions of selected intervention programs. In FY 2020, we will work with ACF to identify and select programs to participate in an evaluation under ACF's Building Evidence on Employment Strategies (BEES) and Next Generation of Enhanced Employment Strategies (NextGen) projects. We have approved two programs. The Bridges from School to Work program is an employer-driven program that provides job readiness instruction, placement, and post-placement support for young adults with disabilities. The Kentucky Addiction Recovery Care Program is a mature, innovative model for combining recovery services with workforce development. The program operates in rural Kentucky and provides treatment, employment services, housing, and other supports to individuals with substance use disorders. SSA funds will support rigorous evaluations of these programs to understand outcomes related to employment, earnings, and benefit receipt. In FY 2021, ACF will complete the selection of programs to participate in the

BEES and NextGen projects, prepare evaluation design and analysis plans, and begin implementation. We expect to begin receiving final program evaluation reports in FY 2023.

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

The RETAIN demonstration is a joint demonstration between the Department of Labor (DOL) and SSA. The demonstration will test early interventions that focus on the early coordination of health care and employment-related supports and services to help injured or ill workers remain in the workforce. The ultimate policy goal is to reduce long-term disability, including the need for DI or SSI benefits, and increase labor force participation among those individuals.

Eight states (California, Connecticut, Kansas, Kentucky, Minnesota, Ohio, Vermont, and Washington) were initially awarded up to \$2.5 million dollars for 24 month pilot grants. These 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. Up to five of the most successful states will receive up to \$20 million in additional funding in FY 2020 to expand and implement these strategies.

In FY 2019, we awarded a competitive contract to evaluate the RETAIN State awards and began working with State awardees to finalize project designs and prepare for the implementation of an initial pilot. In FY 2020, the evaluation contractor will continue to provide technical assistance and evaluate the projects. DOL will use the evaluations and other criteria to select a subset of States to continue to the full implementation phase of DOL's awards. The evaluation contractor will then begin collecting program data through FY 2024.

The evaluation contractor will produce an interim impact report in FY 2022 and final evaluation impact reports in FY 2024.

Promoting Readiness of Minors in SSI (PROMISE)

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

In FY 2013, we awarded a contract to evaluate the PROMISE model demonstration projects. We released an interim services and impact report in FY 2019 and expect to produce a final evaluation report in FY 2022.

Ticket to Work (TTW) Notice Optimization

To notify beneficiaries of their eligibility to participate in the TTW program, we mail TTW notices to beneficiaries approximately two months after award and at the 12-month and 36-month anniversary dates post-award. The TTW Notice Optimization project seeks to increase

Supplemental Security Income Program

participation in the TTW program by developing an evidence-based approach to targeting outreach to eligible beneficiaries. The project will test changes to Ticket notices including the types of notices we send, the language we use, and the timing of our notices.

In FY 2019, we analyzed administrative data to identify patterns of response to past mailings and characteristics associated with TTW participation and work. We also worked with the General Services Administration to develop prototype notices and a new cardstock Ticket directing beneficiaries to reach out to our TTW Helpline and visit the program's Choose Work Website.

In FY 2020, we will finalize the notice language and begin administering a test of the new notices and cardstock Ticket. The intervention will last for 9 months with a 9-month follow-up period. We expect to produce a draft evaluation report in late FY 2022.

Supported Employment Demonstration (SED)

While many demonstrations for existing DI beneficiaries have shown positive results (e.g., increased earnings), they have not identified interventions that would return beneficiaries to substantial and sustained employment. Research indicates that health problems materialize in advance of complete disability onset and that earnings begin to decline well before DI benefits are awarded. The SED evaluates whether offering evidence-based packages of vocational, medical, and mental health services to recently denied DI and SSI applicants (ages 18 to 50 with a mental impairment) can reduce the demand for DI benefits. The SED provides participants with long-term employment services and intensive behavioral health and related services beyond what is available through their existing health plans.

We awarded a contract to implement and evaluate the SED in August 2016. The contractor completed enrollment in FY 2019. In FY 2020, all sites will continue to deliver interventions and the contractor will continue to conduct regular monitoring and fidelity site visits that include ethnographic observations and interviews with key informants and participants. The contractor will deliver a final participation analysis report in late FY 2020, followed by a final process analysis report in FY 2021. We plan to receive the final evaluation report for the SED in late FY 2022.

Advisory Services to Assist SSA with Disability Issues

In FY 2018, we awarded a new five-year contract with the National Academies of Sciences (NAS) to continue the work on research into disability issues. NAS established a new standing committee of medical, vocational, and other experts to assist with policy issues. NAS will also establish and manage FACA compliant consensus study committees; organize and lead workshops with subject matter experts; and plan and organize outreach conferences with members of the public.

We also awarded a task order for a consensus study committee to provide information on disabling medical conditions likely to improve with treatment. This will help ensure we identify medical improvement at its earliest as part of our CDR process.

In FY 2019, we awarded task orders for a consensus study committee to provide information on the current status of the diagnosis, treatment, and prognosis of common childhood cancers including malignant solid tumors, and another for adult cancers including, but not limited to breast and lung cancer. We will use information from both evaluations to update the childhood cancer medical listings and determine necessary updates to our regulations and policy guidance for adult cancer.

In addition, we awarded a task order to plan and conduct a public workshop comprised of stakeholders from a host of backgrounds to discuss the use of biomarkers to establish the presence and severity of impairments. We will use this information to stay current on advances in medicine and science and the evidence we use to assess disability.

In FY 2020, we plan to award task orders to create a consensus committee to provide information on immune disorders other than Human Immunodeficiency Virus, as well as one to provide information on the current status of the diagnosis, treatment, and prognosis of connective tissue disorders and the relative levels of functional limitation typically associated with the disorders. We will use the information as we consider updating the criteria for evaluating these disorders under the Listing of Impairments.

Lastly, we plan to award a task order to plan and conduct a public workshop comprised of health care and allied professionals to discuss current status of organ transplants. We believe that the field of transplantation has evolved to the point where updated information could provide us with valuable information that we would use to enhance our medical evidence and documentation policies.

In FY 2021, we are considering a task order to create a consensus committee to provide information on combinations of impairments that are of at least equal medical significance to the findings of impairments in the Listing of Impairments. An impairment(s) is medically equal to a listed impairment if it is at least equal in severity and duration to the criteria of any listed impairment. This information will assist us in enhancing medical equivalence decision-making at step three of the sequential evaluation process before the point of considering vocational factors.

We are also considering a task order to create a consensus committee to provide information on new or improved diagnostic or evaluative techniques. This information will enable us to effectively evaluate the severity of impairments, particularly in the CDR process.

Finally, we are considering a task order to plan and conduct a public workshop comprised of stakeholders from a host of backgrounds to discuss vocational rehabilitation and other programs aimed at helping individuals with disabilities return to work. This workshop will help us understand the basic characteristics of programs, complexities involved, and most effective methodologies.

Disability Analysis File (DAF)

Our data are drawn from distinct administrative systems that underlie and support our programs. These data are generally available to researchers only as raw, unformatted, and undocumented

Supplemental Security Income Program

extracts. Administrative data are critical for our understanding of beneficiaries with disabilities. They provide detailed data on the entire population and allow for the analysis of small subpopulations that cannot generally be studied with survey data, which is based on population samples. The DAF takes data from our ten most relevant administrative files and creates an annual formatted database that is ready for analysis, easy to use, and includes thorough documentation. The DAF focuses on data needed to answer questions about disability and work. The DAF is also designed to be complementary to the National Beneficiary Survey (NBS), which provides data on disability and work that is not available from our administrative sources. When combined, the DAF and NBS provide a complete picture of demographics, benefits, work, and work attitudes for all SSI and DI beneficiaries with disabilities.

We use the DAF for internal research and to support demonstration development and evaluation. For example, we use the DAF to examine the costs and benefits of the TTW program, the effectiveness of TTW mailings, and the characteristics associated with successful return to work by beneficiaries. We also use the DAF to model and forecast Employment Network and Vocational Rehabilitation payments under the TTW program. The DAF supports our analysis of the use of our programs by those with muscular dystrophy for the Extramural Research President's Budget Submission. We also use the DAF to support oversight by the Social Security Advisory Board (SSAB), our Office of the Inspector General (OIG), OMB, Congress, the Government Accountability Office, and others. Additionally, we also allow non-SSA researchers to use the DAF, primarily through the RDRC, and through a public-use version of the DAF available at www.data.gov. Since 2015, 49 research papers have used DAF data in their analyses. In FY 2021, we will continue to build the file.

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

The ARDRAW small grant program provides one-year stipends to graduate-level students to conduct research on beneficiaries' experience with work, disability, rehabilitation, and employment support. We awarded the grant management agreement for ARDRAW in August 2016. ARDRAW is renewable on a yearly basis for up to five years. The program provides an opportunity to support scholars pursuing careers in public policy research, who have a special interest in our beneficiaries' quality of life and DI program issues.

In FY 2019, we received applications for the third ARDRAW cohort and received the final project papers from the second ARDRAW cohort. In FY 2020, we plan to receive final projects from the third ARDRAW cohort and request applications for the fourth ARDRAW cohort. In FY 2021, we will receive final projects from the fourth ARDRAW cohort and request applications for the fifth and final cohort of ARDRAW student researchers. For more information, please see the ARDRAW website: <https://ardraw.policyresearchinc.org>.

Blanket Purchase Order Agreement for Time Sensitive Research Projects (previously Research and Innovation Lab)

In FY 2018, we awarded a Blanket Purchase Agreement (BPA) aimed at providing an alternate research channel for policy and program assessments and studies related to social science, medical, or vocational rehabilitation topics. This BPA supports projects that are smaller in scope

and less resource intensive than some of our more traditional contracts and allows for multiple research projects to occur simultaneously in relatively short timeframes. We can expect deliverables in the range of 4 to 6 months, which is considerably quicker than the 18-plus months expected from traditional contracts. We build an interactive process with the contractors as the projects proceed, which provides us with the ability to course-correct as the work progresses. The BPA also provides the option to contract with a trusted agent to develop and assess research questions, provide subject matter expertise, and evaluate research products to support policy decisions. The use of a trusted agent is optional and will be considered on a case-by-case basis, dependent upon the nature or sensitivity of the research topics.

In FY 2019, we awarded five studies. Subject areas included SSI Youth Employment, SSI Youth Community-Based Services and Supports, Compassionate Allowance Conditions, Mental Residual Functional Capacity, and Occupational Tasks and Required Functional Abilities of Occupations in the Standard Occupational Classification System (SOC). We anticipate funding comparable projects for FY 2020 and FY 2021 to support our research and regulatory and subregulatory policy efforts.

National Beneficiary Survey (NBS)

The NBS collects data from a nationally representative sample of DI beneficiaries and SSI recipients on a wide range of topics not available in our administrative data or in other public databases. These data include health and functional status, health insurance coverage, interest in work, barriers to work, use of services, work history, income, and experience with Social Security programs. The collection of these data improves our ability to conduct useful analyses regarding the factors that facilitate DI beneficiary and SSI recipient employment and, conversely, factors that impede their efforts to maintain employment.

Our researchers and analysts, along with researchers at other Federal agencies and academic institutions, use NBS data extensively to evaluate the TTW program and other DI and SSI work incentive programs and policies. In addition, we are able to provide timely information to Congress and other stakeholders for purposes of policymaking, budgetary review, program evaluation, service improvement, and oversight. The NBS is used to support both internal and external analyses of our disability programs. Since 2015, 58 research papers used the NBS data in their analyses.

The NBS gathers information through three samples. One is a nationally representative sample of DI beneficiaries and SSI recipients—called the Representative Beneficiary Sample (RBS)—which collects information on their health and well-being, employment-related goals and activities, and usage of programs and services. Through an additional sample of beneficiaries who have succeeded in earning amounts sufficient to have benefits suspended due to work—called the Successful Workers Sample (SWS)—the 2017 NBS included, for the first time, a large-scale focus on beneficiaries who have experienced employment success. The 2019 NBS is comprised of both the RBS and SWS components and also includes a longitudinal sample of successful workers who were part of the 2017 SWS.

Supplemental Security Income Program

In FY 2019, we produced several analyses and reports conveying information and results from the 2017 round of the NBS and we administered the 2019 round of the NBS. In FY 2020, we will complete the administration of the 2019 NBS and make a public use file available conveying the results of the 2017 NBS, thereby facilitating additional research on the beneficiary population. In FY 2021, we will develop various quality reviews, reports, and data files conveying information and results from the 2019 round of the NBS. Upon completion of these activities, we will post the 2019 NBS public use file and associated documentation on our website.

Reports and public use files containing data from prior rounds of the NBS are available on www.data.gov and our website at: <http://www.ssa.gov/disabilityresearch/nbs.html>.

Disability Perceptions Survey

In FY 2020, we will award a contract for the Disability Perceptions Survey, that will gather information on knowledge, perceptions, and opinions working adults have about the DI program. We will use data from the survey to assess whether individuals' current knowledge of DI affects future decisions to seek benefits. We anticipate that the survey will provide information that will allow us to improve our projections of disability applications and incidence. We also expect that the survey will provide information about the anticipated need for future DI benefits among working age adults and insight into the most effective ways to communicate with the public about the DI program. We anticipate fielding this survey in FY 2021.

New and Emerging Research – Disability

This category includes projects that provide broad program analysis and development in support of the DI and SSI programs. These projects typically include studies of program policy issues, the identification of trends in the disability programs, the formulation of agency policy regarding cross-cutting programs or issues related to disability and/or income assistance programs, and the development and implementation of policy and procedures on DI and SSI work incentives. Projects that originate in this category and become larger, multi-year initiatives will move to their own category in the budget the following year; smaller, finite projects will remain in the New and Emerging Research – Disability category. For example, we are exploring research that would review disability adjudication policies and processes and test the impact of possible changes. We plan to conduct an enterprise review of our disability adjudication policies and processes and test the impact to prototype and test of possible improvement.

Given the size and scope of our research agenda, this category also allows us the flexibility to cover unanticipated cost increases and new research projects due to changes in laws, regulations, policy, and the research field.

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

Under an Interagency Agreement (IAA), the National Institutes of Health (NIH) Clinical Center provides in-depth analysis of our existing data and continues to provide us support related to testing the WD-FAB in our CDR process. The WD-FAB may provide uniform information

about individuals' self-reported functional ability that we can use to inform our disability data collection and determination processes.

In FY 2019, NIH completed the study design plan for evaluating the usefulness of the WD-FAB in our CDR process. We are using the study design plan as a roadmap for collecting and analyzing the necessary data to examine potential uses and the value of the WD-FAB in our CDR process in FYs 2020-2022. NIH also continued to develop natural language processing (NLP) methods to assist us in identifying and extracting functional terminology within unstructured text of medical evidence. This included providing us with an initial version of a functional terminology ontology including terminology from the International Classification of Functioning (ICF)'s Mobility domain. We plan to use this ontology and NIH's methods to support disability decisions.

In FY 2020, NIH will continue their WD-FAB related work by providing us with an analysis of function in the SSA context as it relates to change in function over time. This smaller study will provide NIH with the information and data necessary to better understand how we currently measure change in function over time as part of our existing CDR business process. NIH will also continue to develop NLP methods and will provide us with updates to their functional terminology ontology, including the addition of terminology related to the ICF's Self-Care/Domestic Life domain. Building upon the foundational research delivered in FY 2019, NIH will provide us with documentation and user guides to assist our efforts to use their methods and ontology to support disability decisions.

In FY 2021, NIH will conduct the initial analysis of the FY 2021 WD-FAB data collected. NIH will also continue to expand upon their work to develop NLP methods.

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

In FY 2020, we will award a contract to support WD-FAB administration and data collection efforts to provide the necessary data to examine the potential uses and value of the WD-FAB in our CDR process. We will administer the WD-FAB to a sample of our beneficiaries on two occasions during FY 2021 and FY 2022.

In FY 2022, the NIH Clinical Center will analyze the data collected from these two administrations of the instrument and provide us with a report to help us evaluate the value and feasibility of incorporating the WD-FAB into our CDR business process.

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

We are developing a new OIS that will replace the DOL's Dictionary of Occupational Titles (DOT) as the primary source of occupational information in our disability adjudication process. In 1991, DOL stopped updating the DOT and replaced it with the Occupational Information Network (O*NET), a system that was developed as a career exploration tool. Unfortunately, O*NET does not measure strength and physical requirements of work in a way that our disability rules require.

Supplemental Security Income Program

To ensure that we continue to make accurate disability decisions, we began collaborating with DOL's Bureau of Labor Statistics (BLS) in FY 2012 to develop the Occupational Requirements Survey (ORS) to collect updated information on the requirements of work in the national economy. We will use the ORS data, along with specified information from other occupational sources, to create the new OIS. The OIS will classify occupations using the O*NET SOC and include ORS data elements to measure the physical, sensory, and environmental requirements of entry-level work and the education and training needed to gain average proficiency in entry-level jobs within an occupation. The OIS will be housed, accessed, and operationalized through the VIT, a web-based information technology platform. The VIT will filter and sort the data for our staff to adjudicate disability claims.

In FY 2019, BLS collected data for the first year of the five-year update. As part of the update, BLS is using a new sample design that includes requirements for collecting occupations not included in the first wave of production data. Although the initial three-year collection, completed in FY 2018 and published in February 2019, provided us with data for roughly 90 percent of workers in the economy, it accounts for about 400 of the approximately 1,000 8-digit SOC occupations. While many of the missing SOCs are rarer occupations they are of interest to us as they will provide a more complete picture of work in the national economy. During the first year of the five year update, SSA and BLS determined the updated sample design was collecting data across a broader range of occupations as designed.

In FY 2020, BLS will complete the second year and begin the third year of data collection as part of the five-year update. We will discuss and determine with BLS executives the joint program development activities to ensure the ORS estimates published by BLS meet our needs, and our agencies will take the next steps in conducting agreed-upon research and analyses. BLS will also publish the data from the initial year of the five-year update.

In FY 2021, BLS will complete the third year, begin the fourth year, and publish data from the second year of the five-year update. BLS will conclude the update in FY 2024.

Appointed Representative Demonstration

Claimants for DI or SSI benefits can appoint a representative to assist with their application. Having an appointed representative (AR) is associated with an increased likelihood of award at the hearing level, but not earlier. The demonstration will study if incentives for representatives to work with claimants earlier affects the level of effective representation at earlier adjudication levels and identifies awards earlier in the disability process.

In FY 2020, we will use Section 1110 and Section 234 funds for this demonstration. We plan to recruit representatives to participate in the demonstration and randomly assign them to study groups. One group would have the alternative incentive structure; the second group would be under current program policies and rules. Additional incentives may also be tested using additional study groups. We will use administrative data to determine if the demonstration changes approval and appeal rates, processing times, and other outcomes. Because Section 234 demonstration authority sunsets after 2022, we will need an extension of 234 authority to fully implement the 234 authority portion of this demonstration.

Exits from Disability Evidence Study

Based on medical improvement, we terminate the benefits of thousands of DI beneficiaries and SSI recipients each year. However, many individuals whose benefits are terminated later return to the disability rolls. About 30 percent of adult SSI-only recipients and 20 percent of DI-only working beneficiaries who stop receiving benefits because of medical improvement return to these programs within eight years. Among the working DI beneficiaries whose benefits stop, few maintain employment or work above common thresholds of self-sufficiency.

In FY 2019, we conducted a Technical Expert Panel (TEP) to discuss options for a demonstration to support individuals exiting DI due to medical improvement. The TEP recommended we study the services this population needs to support continued or improved self-sufficiency.

We plan to initiate a study based on the TEP's recommendation. We will gather evidence through surveys and focus groups. We will also use motivational interviewing to identify the duration and intensity of supports that are necessary for an intervention. The information gathered during the interviews will provide additional context on the needs of this population and how to motivate individuals who have been removed from the program to remain employed and self-sufficient.

In FY 2020, we will award a contract to conduct a study of the types of services and supports that individuals exiting the DI or SSI programs need in order to maintain or achieve self-sufficiency.

In FY 2021, we will clear all data collection activities, per the Paperwork Reduction Act, set up interviewing activities, and finalize the schedule with the contractor. We expect to complete all activities by the end of FY 2023.

Interventional Cooperative Agreement Program (ICAP)

Due to increased attention from policymakers to the employment of individuals with disabilities and their participation in the DI and SSI programs, we propose the establishment of a cooperative agreement program to allow us to collaborate with States, private foundations, and others who have the interest and ability to identify, operate, and partially fund interventional research.

The research and interventions under this program will target the increased employment and self-sufficiency of individuals with disabilities (whether beneficiaries, applicants, or potential applicants of the DI or SSI programs) that could lead to a reduction in DI or SSI participation. This program will provide a process through which we can systematically review demonstration proposals from outside organizations and enter into agreements to collaborate with these non-Federal groups. The cooperative agreements will provide the mechanism for data sharing for evaluation purposes and allow for program waivers that are consistent with current demonstration waiver authorities. This work will complement and be coordinated with our own demonstrations and partnerships with other Federal agencies. This cooperative agreement

Supplemental Security Income Program

program does not conflict with our other research grant programs—ARDRAW and the RDRC—which focus on “observational” or “survey” research as contrasted with “experimental” research.

The awards will be tiered, with funding eligibility and level of funding based upon the level of evidence that currently exists for the proposed intervention (i.e., feasibility studies with no causal evidence would be eligible for smaller awards than studies scaling up or otherwise implementing interventions that qualify as “effective” according to a statistical and evaluation criteria).

The one-year base period of each grant will support the development of data sharing agreements, project planning, evaluation design, and other administrative aspects of the agreement. If, at the end of the first year, the planning process results in an evaluable project, grants may be extended for up to four additional years. In FY 2021, we plan to pilot this program with up to two cooperative agreements.

Deliver Services Effectively

Understanding America Study (UAS) Enhancements

The Understanding America Study (UAS) is an innovative, nationally representative longitudinal internet panel. Through a jointly financed cooperative agreement with the National Institute of Aging (NIA), our support will maintain the sample size of 7,000 panel members we funded in prior fiscal years and allow the grantee to expand the sample size by the end of the grant to 10,000 panel members. It will also allow for additional data improvements that support policy-relevant research and evidence-based decision-making. For example, this will allow the grantee to administer new questions every two years to assess the public’s knowledge of our DI program and complement the retirement-focused Social Security program knowledge survey. Combined with the expanded sample size, we will gain a better understanding of the public’s knowledge about DI benefits and how we can improve our outreach efforts.

The planned improvements for the UAS allow us to make more informed decisions about initiating new policies, procedures, and educational products designed to enhance retirement security and administer the program. For example, we use the data to better understand public communications preferences. The UAS data also serves the public because the sample we support is available for researchers inside and outside our agency to use in addressing research questions. For example, the Financial Literacy and Education Commission (FLEC) and other Federal agencies have used data from the UAS in their publications about consumer debt, the public’s knowledge of Social Security programs, and sources of the public’s financial advice. Lastly, we have used the UAS data to publish several research papers on Social Security program knowledge and retirement savings behavior.

Data Development in an Enterprise Business Intelligence (EBI) Platform

The EBI Platform, together with our Office of Retirement and Disability Policy’s (ORDP) Analytics Research Center (ARC), provide advanced analytics and data integration tools for efficient access and analysis of agency records to support data driven decision-making. Section 1110 funds support a subset of activities to enhance research and statistical functions conducted

by our Office of Research, Evaluation and Statistics (ORES); primarily the publication of statistics from administrative records.

Some of our legacy processes used for producing statistics still require significant manual intervention. We generate reports and data files monthly, quarterly, yearly, and on an ad-hoc basis. Modernized applications automate the processes, which we use to create statistical data, tables, and reports for research. Modernization processes have improved report and data production efficiency and accuracy.

FY 2020 work will include:

- Modernization of Earnings data development processes to reduce errors and improve efficiency and accuracy in production of earnings publications.
- Modernization, enhancement, and automation of current earnings statistical publication including more than 15 source files and over 130 statistical tables.

In FY 2021, ORES will continue to build tools to enhance our research and statistical reports. Modernization efforts will focus on enhancing and standardizing obsolete data collecting methodologies with the use of modern statistical analytical tools such as Statistical Analysis Software.

Additional work includes:

- Developing business rules and assignment of industry codes for all workers. Improved methodology for assigning industry codes to the earnings data would significantly improve the “usefulness” of the earnings data in terms of policy analysis and research. Assignment would also provide critical information about the U.S. labor market and allow us to identify worker movements across industries. We will also be able to evaluate the industry codes in the one percent Continuous Work History Sampling (CWHS).
- Automating end-to-end validation processes for Earnings statistical publication including more than 15 source files and over 130 statistical tables.
- Automating cell suppressions for Earnings publication tables and reports.
- Developing new earnings statistical tables.

Medicare Outreach – Section 1144

We target outreach to income-tested Medicare eligible beneficiaries and beneficiaries who have experienced an income decrease. Rather than notify all potentially eligible beneficiaries each year, we annually notify 20 percent of those who previously received an outreach letter, have not received the benefits, and continue to meet the income test.

Supplemental Security Income Program

The passage of the Medicare Prescription Drug, Modernization, and Improvement Act of 2003, P.L. 108-173, expanded the existing cost-sharing outreach requirements of section 1144 to include outreach to beneficiaries who were potentially eligible for the Medicare prescription drug card transitional assistance. Outreach now includes the subsidized Medicare Prescription Drug coverage program that replaced the transitional program. Since 2002, we have provided outreach letters to beneficiaries with incomes below 135 percent of the poverty level. The letters cover help with “traditional” Medicare, and since 2006, include information about subsidized prescription drug coverage, when appropriate.

In addition, we must share lists of individuals potentially eligible for cost sharing with State Medicaid agencies. The major objective of these projects is to increase the enrollment of eligible individuals with low income into programs that assist Medicare beneficiaries with their out-of-pocket medical expenses, including prescription drug coverage premiums.

Congress further amended section 1144 with the passage of P.L. 110-275, the Medicare Improvements for Patients and Providers Act of 2008. This law deemed every Medicare Prescription Drug low-income subsidy (Extra Help) application filed with SSA to be a protective filing for the state-administered Medicare Savings Program (MSP), unless the claimant objects. This new requirement was statutorily funded through FY 2010. Since FY 2010, HHS fully reimburses our costs in an amount not to exceed \$3 million per year.

In FY 2019, we mailed approximately 2.1 million outreach letters to those who potentially qualified for MSP or Medicare prescription drug coverage low-income subsidy. In FY 2020, we anticipate approximately the same number of mailings, and factor in a contingency amount for possible increases in enrollment, beneficiaries who experience an income decrease, and other expected expenses such as an increase in postage.

Ensuring Stewardship

Census Surveys

The Census Bureau’s Survey of Income and Program Participation (SIPP) is the foundation for much of our policy analysis and modeling efforts. Improving the overall quality of data obtained from Census Bureau surveys enhances the quality and reliability of our analyses. In particular, we support efforts to improve the quality and content of survey data that are of direct relevance to Social Security and SSI program analyses. In addition, we support efforts by the Census Bureau to improve the ability to match their survey data to our administrative data on benefits and earnings.

We rely upon SIPP data matched to our records to study OASI, DI, SSI, and related programs, along with the effect of changes to them on individuals, the economy, and program solvency.

In FY 2019, we developed new questions, and Census will integrate them into the existing SIPP content, create editing and other data processing specifications and code, and test the data collection instrument for the 2021 SIPP data collection.

Data Development

One of the main objectives of our extramural research program is to provide information for decision-makers on the OASI, DI, and SSI programs. As part of this effort, we develop and maintain a series of detailed, statistical databases drawn from our major administrative data systems and prepare a broad range of statistical tables. As one of 13 Federal statistical agencies, we also produce statistical compilations and publications, and develop information for research, evaluation, and models using survey data collected by SSA, other Federal agencies, and Federally-sponsored institutions.

This project funds activities central to our role as a Federal statistical agency: 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 and to improve data quality and methods of data analysis).

Projects that we are currently funding include:

- Committee on National Statistics of the National Research Council—provides support to the Committee to improve statistical methods and information on which public policy decisions are based. Recent Committee topics include survey options, redesigning the Consumer Expenditure Surveys, and improving healthcare cost projections for the Medicare population.
- Research on Survey Methodology Program—a project jointly sponsored by the National Science Foundation and the Interagency Council on Statistical Policy to further the development of new and innovative approaches to surveys that will have broad implications for the field and 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.
- Federal Interagency Forum on Aging-Related Statistics—provides support to the Forum for an interagency collaboration to improve aging-related data and produce the Older Americans 2020 Key Indicators of Well-Being chart book with information about older Americans in these areas: population, economics, health status, health risks and behaviors, and healthcare.
- National Longitudinal Survey of Youth (NLSY79)— an interagency collaboration with BLS. The collaboration adds questions to an existing NLSY79 survey that can provide unique insights about how early and mid-life events or experiences affect claiming for Social Security benefits, savings, retirement, as well as program knowledge.

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

Health and Retirement Study (HRS) and Supplement

The University of Michigan's Health and Retirement Study (HRS) surveys more than 22,000 Americans over the age of 50 every 2 years and provides an ongoing source of longitudinal data for research on retirement and aging. The study describes Americans' transition from work to

Supplemental Security Income Program

retirement and provides data on health and economic well-being after retirement that is not available in our program data. HRS data help us assess a wide range of issues, including pre-retirement saving, health insurance and pension coverage, employment and retirement patterns, and projected benefits of disabled and retired workers. Through jointly financed cooperative agreements with the National Institute on Aging (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.

The HRS is used 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. For example, in FY 2020, our researchers will use the HRS for a study analyzing the accuracy of our Income of the Aged publications and for a study measuring total retirement resources (wealth and income) from 1992-2016, including in-kind transfer payments. The HRS data we support is also available for outside researchers to use. In FY 2021, researchers will continue to use the HRS to better understand the population aged 50 and older.

Retirement and Disability Research Consortium (RDRC)

The RDRC is one of our key tools for maintaining a strong capability to produce a large body of policy-relevant research on Social Security programs. The RDRC consolidates the efforts of two separate programs that ran through FY 2018: the Retirement Research Consortium (RRC) and Disability Research Consortium (DRC). The RDRC comprises four competitively selected research centers based at the University of Michigan, Boston College, the National Bureau of Economic Research, and the University of Wisconsin. These research centers are 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 awards, and facilitate the use of our program data by outside researchers.

The current set of five-year cooperative agreements for the RDRC were awarded at the end of FY 2018, with activities beginning in FY 2019. These centers have greatly expanded the amount of policy research on Social Security-related issues and have responded to our specific analytical needs. The research results of the RDRC – as well as the former RRC and DRC – are widely reported in professional journals and conferences and in leading newspapers, radio, and television programs. The increase in funding for FYs 2020 and 2021 will allow us to expand the breadth and depth of research on topics of particular interest that will help inform our programmatic efforts.

RDRC funding supported approximately 60 research projects in FY 2019. Increased funding in FY 2020 allows us to support a wider variety of topics relating to retirement, disability, and Social Security. FY 2021 funding will help us enhance our research in a broader array of topics to address current issues affecting disability insurance applicants and beneficiaries. Central topics will include: trends in disability (i.e., the factors that influence disability awards and duration on the disability rolls); modernizing the disability determination process; the physical and mental requirements for work in the modern economy; informing the economic and

demographic assumptions underlying trust fund projections; improving our communication and outreach; state and local pension coverage and vulnerabilities for employees not covered by Social Security; modernizing totalization agreements; the economic security of our beneficiaries; the work-activity retention of disabled beneficiaries with overpayments; and improving service delivery. Additionally, the RDRC will continue to prepare future experts on retirement and disability issues and policy through research training fellowships, dissertation support, pre and post-doctoral fellowships, as well as early investigator grants.

RELATED FUNDING SOURCES

The Commissioner of Social Security has the authority to conduct research and demonstration projects under section 234 of the 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 and the BBA of 2015, are funded from the trust funds and are not part of the annual research appropriation request. OMB apportions section 234 funds. The BBA provided authorization to initiate such projects until December 31, 2021, and to carry out such projects through December 31, 2022.

In addition to the projects previously mentioned, we plan to develop additional demonstration projects to evaluate creative and effective ways to promote greater labor force participation of people with disabilities under an expansion of our section 234 demonstration authority. This will allow us, in collaboration with other Federal partners, to test new program rules and activities that require mandatory participation by program applicants and beneficiaries for longer periods than the currently authorized timeframe. The funding for these demonstrations will depend on the design and target population. Projects focused on changes to our program rules, such as testing the effects of removing all work incentives and earnings or interventions to help people exiting the SSI and DI programs to gain employment and remain off the rolls, will require an expansion of both Section 234 and Section 1110 authorities. We will also need an extension of the Section 234 authority to provide sufficient time to complete the 234 evaluations.

We are also financing our Appointed Representative Demonstration (described in the previous section) with combined Section 234 and 1110 funds because it tests how we administer both Title II and Title XVI programs.

Mandatory Participation of Program Applicants and Beneficiaries

Potential applicants and beneficiaries have a wide range of conditions and experiences; universal engagement is required in order to accurately assess how program changes might affect different groups of people. In contrast, when demonstration projects are voluntary (as required by our current authorities), the results reflect the outcomes of the subset of the population who volunteered. As a result, the effects are not easily generalizable to the national population and may not provide the adequate understanding 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, expanding our demonstration authority to allow for mandatory participation in the future will allow us to identify improved program designs that will provide a basis for permanent reforms to the programs.

Supplemental Security Income Program

Benefit Offset National Demonstration (BOND)

The Benefit Offset National Demonstration (BOND) tests the effect of a \$1-for-\$2 offset of benefits for DI beneficiaries when earnings are above the substantial gainful activity (SGA) level.

We published the final evaluation report in FY 2019. In FY 2020 and FY 2021, we will continue to provide work incentive counseling services to the remaining BOND participants. We extended the contract to provide these services until the last BOND participant is no longer eligible for the offset in late 2022.

Promoting Opportunity Demonstration (POD)

Section 823 of the BBA amended Section 234 of the Act and instructed us to carry out a demonstration project testing a \$1-for-\$2 benefit offset. This project differs from BOND in several ways. Among these differences, POD applies a monthly offset to earnings above either a standard threshold (the Trial Work Period level) or an itemized Impairment Related Work Expenses (IRWE) level. Participation is voluntary and individuals can withdraw from the project at any time.

From FY 2019 through FY 2021, we will continue to provide benefits counseling and process offsets for participants. We will also conduct surveys of participants and an impact evaluation.

Lessons Learned from SSA Demonstrations

For more than 30 years, we have conducted several tests of new policies and programs to improve beneficiary work outcomes. These demonstrations have covered most aspects of the DI and SSI programs and populations and have addressed topics including family supports, children, informational notices, changes to benefit calculations, and a variety of employment services and program waivers. These demonstrations generate many reports about which policies worked and which did not, but there has yet to be a synthesis of the findings from the entire body of work, apart from a few cursory reviews in academic survey articles or brief reports. There remains a need for a comprehensive review to identify cross-demonstration lessons about which policies, programs, or other operational decisions would provide effective support for disability beneficiaries who want to work.

We plan to synthesize the lessons learned from these tests to highlight promising strategies policymakers could implement. By taking stock of the full lessons learned from these demonstrations, policymakers will have an understanding of what has been tested and whether and why those policies were effective. In turn, this understanding will enable us to implement policies that work in multiple settings, propose alternatives to policies that may not have worked for identifiable reasons, and identify policies and strategies for future demonstrations. The synthesis will help us identify new policies that build on prior research and ways to implement demonstrations (in terms of methodology and analytical approaches) that maximize the amount of usable information within reasonable timeframes and budgets.

We will begin the review in FY 2020 and disseminate the findings in FYs 2021 and 2022.

Table 2.23—Research Projects Obligations as of FY 2019
(in thousands)

| | <u>Years</u> | <u>Total</u> |
|---|--------------|-------------------|
| Improving the Way We Do Business | | \$ 408,924 |
| Promoting Work through Early Interventions Projects (PWEIP) | 2019 | \$ 25,000 |
| Retaining Employment and Talent After Injury/Illness Network (RETAIN) | 2019 | \$ 42,349 |
| Advisory Services to Asst. SSA with Disability Issues | 2008-2019 | \$ 25,350 |
| Disability Analysis File (DAF) | 2008-2019 | \$ 15,022 |
| Analyzing Relationships between Disability, Rehabilitation and Work: A Small Grant Program (ARDRAW) | 2016-2019 | \$ 1,200 |
| BPA Time Sensitive (previously Research and Innovation Lab) | 2018-2019 | \$ 1,996 |
| National Beneficiary Survey | 2008-2019 | \$ 18,535 |
| New and Emerging Research Disability | 2008-2019 | \$ 7,128 |
| SSA-NIH Research on Data Analytics and the Functional Assessment Battery (FAB) | 2008-2019 | \$ 24,906 |
| Occupational Information System and Vocational Info Tool | 2012-2019 | \$ 144,500 |
| Promoting Readiness of Minors in SSI (PROMISE) | 2012-2019 | \$ 22,763 |
| Supported Employment Demonstration | 2016-2019 | \$ 74,855 |
| Deliver Services Effectively | | \$ 36,520 |
| Understanding American Survey | 2009-2019 | \$ 14,698 |
| Enterprise Business Platform | 2015-2019 | \$ 7,449 |
| Medicare Outreach (1144) | 2008-2019 | \$ 14,373 |
| Ensuring Stewardship | | \$ 173,648 |
| Census Surveys | 2008-2019 | \$ 8,600 |
| Data Development ¹ | 2008-2019 | \$ 5,487 |
| Health and Retirement Study (HRS) and Supplement | 2008-2019 | \$ 48,507 |
| Retirement and Disability Research Consortium ² | 2008-2019 | \$ 111,054 |
| Total Section 1110 and 1144 Obligations | | \$ 619,092 |
| Section 234 (BOND) | 2008-2019 | \$ 130,598 |
| Section 234 (POD) | 2016-2019 | \$ 47,481 |
| Total Section 234 | | \$ 178,079 |

¹ Data Development now reflects total obligations for current research projects only.

² 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. The DRC total obligations through FY 2017 - \$27,237 and the RRC total obligations through FY 2017 - \$63,962.

ADMINISTRATION OF OUR RESEARCH ACTIVITIES

To implement these demonstrations and Section 1110 and 1144 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 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. ORDES also conducts research, analysis, evaluations, and statistical modeling that support our goals to strengthen our DI programs and improve program integrity. ORDES is also responsible for the collection of new occupational information to support our disability programs. The Associate Commissioner for ORDES is our Evaluation Officer under the Foundations for Evidence-Based Policy Making (Evidence) Act.

Office of Disability Policy (ODP) - ODP oversees and supports the planning, development, evaluation, and issuance of substantive regulations, policies, and procedures for our DI 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 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, DI, and CDR policies up to date; and to make informed DI policy decisions.

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 four primary functions:

- Research and Evaluation – ORES produces findings on the Social Security retirement, DI, 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; funding support for the UAS and HRS; 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.

The Associate Commissioner for ORES is the Chief Statistical Officer under the Evidence Act.

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. Our review process includes obtaining the advice and recommendations of researchers with technical expertise, program managers, and agency executives. We also receive

Supplemental Security Income Program

input on our research program from the Social Security Advisory Board. The extramural research budget undergoes both our careful scrutiny and that of 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 DI 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 DOL, ED, and the HHS 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' Administration for Children and Families 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 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 Technical Expert Panels 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 our 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 are widely cited in both peer-reviewed publications and the mainstream press.

Implementation of the Evidence Act

We have carefully reviewed the OMB guidance on the Evidence Act described in Memorandum M-19-23, and we have taken actions necessary to complete the requirements. The agency designated three executives to serve as the Chief Data Officer, the Evaluation Officer, and the Statistical Official. The agency formed a data governance board (DGB), developed a charter for the DGB, and held the first DGB meeting on November 5, 2019. We have posted information on the three designated officials, the DGB members, and the first DGB meeting on <https://www.ssa.gov/data>.

The agency has developed a strategy for completing the Learning Agenda, the Evaluation Plan, and the Capacity assessment and has begun the process of implementing the strategy. Our Evaluation Officer has participated in all of the Evaluation Officer Council meetings, and we have an agency representative who is a member of an inter-agency workgroup on the development of a Capacity Assessment. We have also reviewed draft versions of a Learning Agenda toolkit and an Evaluation Plan toolkit that are being developed by a GSA contractor. The information we have obtained from these activities will contribute to the successful completion of the agency Learning Agenda, the Evaluation Plan, and the Capacity Assessment.

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 Laith Alattar, Matt Messel, David Rogofsky, and Mark Sarney (2019), “The Use of Longitudinal Data on Social Security Program Knowledge”, 79(4) <https://mwww.ba.ssa.gov/policy/docs/ssb/v79n4/v79n4p1.html>; Janice Peterson, Barbara A. Smith, and Qi Guan (2019), “Hispanics' Knowledge of Social Security: New Evidence” 79(4), <https://mwww.ba.ssa.gov/policy/docs/ssb/v79n4/v79n4p11.html>. Our extramural partners often publish supported research in scholarly journals. Recent examples include, but are not limited to: Sonnega, A., Helppie-McFall, B., Hudomiet, P., Willis, Robert J., and Fisher, Gwenith G. (2018) “A Comparison of Subjective and Objective Job Demands and Fit With Personal Resources as Predictors of Retirement Timing in a National U.S. Sample.” *Work, Aging and Retirement* Vol 4(1), pp 37-51. <https://doi.org/10.1093/workar/wax016>; Huang, Sean S., Banaszak-Holl, J., Yuan, S. and Hirth, Richard A. (2019) “The Determinants and Variation of Nursing Home Private-Pay Prices: Organizational and Market Structure.” *Medical Care Research and Review: MCRR* <https://doi.org/10.1177/1077558719857335>; Belbase, Anek, Geoffrey T. Sanzenbacher, Abigail Walters. (2019) “Dementia, Help with Financial Management, and Financial Well-Being.” *Journal of Aging & Social Policy* <https://doi.org/10.1080/08959420.2019.1685355>; Hou, Wenliang, Alicia Munnell, Geoffrey T. Sanzenbacher, and Yinji Li. (2018) “Why are US men retiring later?” *Journal of Pension Economics & Finance* <https://doi.org/10.1017/S1474747218000331>; Nicholas LH, Hanson C, Segal JB, Eisenberg MD. (2019) “Association Between Treatment by Fraud and Abuse Perpetrators and Health Outcomes Among Medicare Beneficiaries.” *JAMA Intern Med.* Published online <https://doi.org/10.1001/jamainternmed.2019.4771>; Autor D, Kostol A, Mogstad M, Setzler B (2019) “Disability Benefits, Consumption Insurance, and Household Labor Supply.” *American Economic Review.* 109(7): 2613-54.

Supplemental Security Income Program

We have begun meeting with stakeholders on the Evidence Act requirements. As a first step, our Evaluation Officer and the Performance Improvement Officer have held meetings to develop a common understanding of the Evidence Act requirements and how the requirements will be integrated into the Agency Strategic Plan and the Annual Performance Plan. We have also presented the Evidence Act requirements to agency executives in our first DGB meeting, we have held meetings with agency offices on the requirements and expectations related to the Evidence Act, and we presented the Evidence Act requirements to the Social Security Advisory Board. We will continue to engage with stakeholders as we complete the Evidence Act requirements.