SOCIAL SECURITY
The Commissioner

April 28, 2022

The Honorable Patrick Leahy
Chair, Committee on Appropriations
U.S. Senate
Washington, DC 20510

Dear Committee Chair Leahy:

We are pleased to share our fiscal year (FY) 2022 Operating Plan, as required by Section 516 of the Consolidated Appropriations Act, 2022 (Public Law 117-103).

Our Operating Plan provides proposed spending and expenditures for each of our accounts through the end of FY 2022 under the funding levels provided in the law. We hope that you find the information helpful regarding workload and performance measures, including current workload projections. We also included a General Statement, which provides highlights of our Operating Plan.

I am sending similar letters to the House Committee on Appropriations and the House Committee on Appropriations, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies.

We are happy to work with your staff to answer any questions about our Operating Plan. If you have questions or need additional information, please call me or have your staff call Chad Poist, our Associate Commissioner for Budget, at (410) 594-2374.

Sincerely,

Kilolo Kijakazi

Kilolo Kijakazi, Ph.D., M.S.W.
Acting Commissioner

Enclosures

cc:
The Honorable Richard Shelby, Ranking Member
The Honorable Patty Murray, Chair
The Honorably Roy Blunt, Ranking Member

SOCIAL SECURITY ADMINISTRATION GENERAL STATEMENT

The Consolidated Appropriations Act (CAA) 2022 provides $13.342 billion in administrative funding to operate our agency in fiscal year (FY) 2022. This amount includes $55 million, which remains available through September 30, 2023, to address the disability hearings backlog, and $1.708 billion, which is available through March 31, 2023, in dedicated program integrity (PI) funding.

While the funding we received is a $411 million increase from our FY 2021 enacted level of $12.931 billion, the level is $847 million less than the FY 2022 President's Budget request of $14.189 billion and does not cover increases in our fixed expenses. The appropriation also comes at a time when we are facing unprecedented operational challenges as we expand in-person services and prepare for pent-up demand that grew during the pandemic. We will work within the appropriated level to deliver frontline services to the best of our ability, although there will be unavoidable performance impacts, such as longer lines and wait times in our field offices, and growing backlogs as we work through increased claims.

While we appreciate the increase over FY 2021, our funding has remained relatively flat for the previous four years and appropriations for base administration have failed to cover our fixed costs over the past decade. For instance, we will need to spend approximately $550 million in FY 2022 to cover employee pay raises, step increases, and Federal Employees Retirement System contributions. We are also absorbing costs related to expanding in-person services, such as COVID-19 testing, facilities cleaning, more guards, and information technology (IT). To fund these expenses and fixed costs, we are delaying critically needed hires, including for teleservice staff, and postponing select IT improvements. We are also reducing overtime that would have supported increased demand from potential surges of people returning to our offices for in-person service and processing the work created by the increased traffic.

The pandemic disrupted many of our workloads, including at the State disability determination services (DDS) that handle the medical determinations for both initial disability claims and the first level of appeal, as well as medical continuing disability reviews (CDR). While we are working to improve our hiring and retention of DDS staff, DDSs are still struggling to hire and retain staff in many States and are experiencing a historically high attrition rate. At the same time, we are anticipating an increase in claims now that we have expanded in-person services. Further, we remain below where we want to be on disability claims processing. The initial disability claims pending level has increased to over 800,000 in March 2022, more than 200,000 cases higher than prior to the pandemic at the end of FY 2019. The average initial claims wait time through February 2022 was 173 days compared to 120 days in September 2019.

We acknowledge that it is challenging for individuals to wait over six months on average to receive a disability decision. We have made it a priority to improve the average processing time for initial claims generally and work down older cases, even as we expect to see more initial claims. Our new agency priority goal (APG) on initial disability claims reflects this commitment. However, it will take a multi-year effort and adequate funding to restore pre-pandemic average initial disability claims wait times.

Our employees are the heart of our agency. They are dedicated to addressing these unprecedented demands, but we are facing our lowest staffing level in 25 years. Our funding level will constrain our ability to add staff. Because of the FY 2022 funding level, we were forced to implement a temporary hiring freeze, including all external Federal hires and DDS hires. Additionally, we are severely limiting our use of overtime to address the most crucial workloads. This will increase our customers' wait times for in-person and phone service, increase claims processing times, and lead to increases in pending workloads. It will also affect employee morale, which is already very low, as demonstrated by the Federal Employee Viewpoint Survey and recent Pulse Surveys.

Dedicated PI funding supports our cost-effective PI work. The FY 2022 funding level provides $1.708 billion through March 31, 2023 and is $133 million more than our FY 2021 enacted level of funding. In FY 2022, we expect to complete 621,000 full medical CDRs and 2.3 million Supplemental Security Income redeterminations. We recognize the importance of our PI workloads to ensure individuals receive the benefits to which they are entitled and to safeguard the integrity of our programs.

We strive to balance our stewardship and service work; this year our most immediate priority is addressing the needs of our customers who have faced barriers to accessing us in-person during the pandemic period. Dedicated PI funding exclusively supports PI activities performed by staff in our field offices and the State DDSs. The same employees also handle other workloads that cannot be funded with PI, including taking in-office claims services and processing benefit applications. Therefore, working on PI comes at the expense of frontline service. While regaining currency in our medical CDR workload is important, our most immediate critical need is to serve the public by expanding in-person service and working down backlogs that resulted from the pandemic.

Eliminating the disability hearings backlog remains a priority. Our pending number of hearings, which we continued to reduce throughout the pandemic, has decreased to 344,000 at the end of February. From the peak in September 2017 to February 2022, we reduced the average monthly wait time for a hearing by 320 days. However, in FY 2022, our average processing time began to increase. As of February 2022, our average wait time was 313 days. As we resume in-person hearings and work through our oldest cases for individuals who have been waiting for an in-person hearing, we anticipate a temporary increase in the average processing time and project that September 2022 monthly average processing time for hearings will be 570 days. The $55 million in dedicated funding that we received in FY 2022 will keep us on track to eliminate the backlog and achieve a 270-day monthly average processing time by the end of FY 2023.

Our customers rely on our National 800 Number to reach us. We are modernizing our National 800 Number by implementing our Next Generation Telephony Project, which replaces three legacy telephone systems with a single platform. During this transition Network disruptions have slowed our speed of answer and increased our busy rates. We are also delaying hiring until the fourth quarter, resulting in fewer employees to provide service through this critical communication channel to the public. In FY 2022, we estimate our speed of answer will increase to 27 minutes, a 13-minute increase over FY 2021, while our busy rate will rise to 7 percent after nearly eliminating it in FY 2021. While we are working to correct the initial degradation of service experienced during our transition, the new system will be more efficient and customer-centric when it is fully operational in FY 2023. Our work this year positions us to achieve our APG to reduce average wait times to less than 12 minutes by the end of 2023. We also plan to reduce the average busy rate from 7 percent to 1 percent over the same period.

We are in the final year of our 5-year IT Modernization Plan, and have made progress updating our technology, which will ensure that the public receives relevant and timely information and more service options. However, we will need to make targeted reductions to our IT budget this fiscal year. Specifically, we will delay a major contract into the next fiscal year and postpone some of our lower priority systems development efforts.

Our programs provide income security for the diverse populations we serve, including people of color, those in underserved communities, people with disabilities, workers, and their families. While we face many challenges, we are carefully making difficult operating decisions within our current resources to best serve the millions of people who rely on us. We are committed to ensuring equity across our programs, improving our customers' experience, supporting our dedicated workforce, and safeguarding our benefit programs. We need sustained, adequate funding to do so.

We are acutely aware of the important issues and crises facing our country and the world, and recognize the importance of our services in the lives of our beneficiaries. Almost every American counts on us at some critical juncture in their life, whether we are providing retirees the benefits they've worked for, helping people with disabilities to pay for basic life necessities, enabling new workers by providing a Social Security Number, or trying to solve a multitude of other problems. We strive to provide an exceptional customer experience to the public. While we will not be able to provide the level of services we would like – or that the public expects – in FY 2022, we will do our best to provide essential services to the public and work through expected backlogs. Receiving the full FY 2023 President's Budget will be vital to reducing our backlogs and achieving an exceptional level of customer service.

Social Security Administration (SSA) Fiscal Year (FY) 2022 Operating Plan

Appropriated FY 2022 Funds and Carryover/Transfers of Unobligated Prior-Year Funds

($ in millions)

Budget Authority:	FY 2022 President's Budget	FY 2022 Available Funding
Payments to the Social Security Trust Funds (PTF)		
Pension Reform	6.0	6.0
Unnegotiated Checks	5.0	5.0
Total Appropriation (P.L. 117-103)	11.0	11.0
Supplemental Security Income (SSI)		
FY 2022 Benefit Payments, Total	60,691.1	60,691.1
- FY 2022 First Quarter Advance (P.L. 116-260)	19,600.0	19,600.0
- FY 2022 Appropriation	41,091.1	41,091.1
Administrative Expenses, Total	4,828.1	4,531.7
- Administrative Expenses (Regular)	3,601.5	3,378.4
- Program Integrity (Base)	197.7	192.1
- Additional Program Integrity	1,029.0	961.1
Beneficiary Services	205.0	205.0
Research and Demonstration (R&D) Projects (FY 2022 / FY 2023 / FY 2024)	86.0	86.0
Total Appropriations (P.L. 116-260 and P.L. 117-103)	65,810.3	65,513.8
Carryover of Unobligated FY 2021 Balances and Recoveries:		
- Benefits	1,984.9	2,347.7
- Administrative Expenses	2,104.0	2,194.6
- Beneficiary Services	0.6	55.5
- R&D (No-Year)	0.0	13.1
- R&D (FY 2020 / FY 2021 / FY 2022)	0.0	0.0
- R&D (FY 2021 / FY 2022 / FY 2023)	24.7	38.4
Total, Carryover of Unobligated FY 2021 Balances and Actual Recoveries 1/	4,114.2	4,649.2
Total SSI Funds Available for FY 2022	69,924.5	70,163.0

1/ The total does not include $214 million in carryover in the FY 2022 President's Budget and $201 million in carryover in FY 2022 available funding for State supplementary payments, which is not part of the annual appropriation.

Note: Numbers may not add due to rounding.

Limitation on Administrative Expenses (LAE)	FY 2022 President's Budget		FY 2022 Available Funding	
Regular LAE	12,339.2		11,437.3	2/
Program Integrity (Base) (through March 31, 2023)	273.0		273.0	
Additional Program Integrity (through March 31, 2023)	1,435.0		1,435.0	
SSA Advisory Board	2.7		2.6	
SSI User Fees	138.0		138.0	
Non-Attorney Certification User Fee	1.0		1.0	
Total Appropriated (P.L. 117-103)	14,188.9		13,286.9	
Other Available Funds:				
Carryover/Recoveries from Unobligated Information Technology Systems Balances (No-Year)	150.0		226.4	
Carryover/Recoveries of Unobligated Other Balances (No-Year)	50.2	3/	41.7	4/
Carryover/Recoveries from Unobligated IT Modernization Balances (No-Year)	0.0		0.1	
Hearing Backlog within Office of Hearings Operations				
FY 2021 / FY 2022 Carryover of Unobligated Balances (P.L. 116-260)	0.0		23.9	
FY 2022 / FY 2023 (P.L. 117-103)	0.0		55.0	
Additional Program Integrity - FY 2021 / FY 2022 (P.L. 116-260) (through March 31, 2022)				
Carryover/Recoveries from Unobligated Additional Program Integrity Balances	261.1		124.5	
Medicare Access and CHIP Reauthorization Act (MACRA) (P.L. 114-10)				
Carryover/Recoveries from Unobligated MACRA Balances (No-Year)	25.8		25.8	
American Recovery and Reinvestment Act (ARRA) (P.L. 111-5):				
Carryover/Recoveries from Unobligated ARRA Balances (No-Year) - NSC Replacement	0.0		0.1	
Medicare Improvement for Patients and Providers Act (MIPPA) (P.L. 110-275):				
Carryover/Recoveries from Unobligated MIPPA Balances (No-Year) - Low Income Subsidy	5.8		11.5	
Office of the Inspector General, SSA				
Federal Funds	32.0		30.3	
Trust Funds	80.0		76.3	
Total Appropriated (P.L. 117-103)	112.0		106.7	
IT Modernization (P.L. 117-103) (No-Year)	0.0		2.0	
Total OIG Funds	112.0		108.7	

Estimated Outlays:	FY 2022 President's Budget	FY 2022 Current Estimate
PTF	11.0	11.0
LAE	14,127.0	13,696.0
SSI	67,704.0	66,039.0
OIG	111.0	107.0

2/ Includes $125.1 million for operation and maintenance of specific facilities delegated to SSA by the General Services Administration.

3/ Reflects $50.222 million in Delegations authority and from prior years estimated to be carried over into FY 2022.

4/ Includes authority from prior years estimated to be carried over for the following purposes: $40.2 million for operation and maintenance of specific facilities delegated to SSA by the General Services Administration, $1.3 million for the renovation and modernization of the Arthur J. Altmeyer Building, and $196.5 thousand for construction.

Note: Numbers may not add due to rounding.

Fiscal Year (FY) 2022 Congressional Operating Plan Performance Table

Social Security Administration Workload and Outcome Measures	FY 2021 Enacted	FY 2021 Actual	FY 2022 Enacted
Retirement and Survivor Claims			
Retirement and Survivor Claims Completed (thousands)[1]	6,306	6,082	6,615
Disability Claims			
Initial Disability Claims Receipts (thousands)[2]	2,514	2,009	2,231
Initial Disability Claims Completed (thousands)	2,333	2,011	1,867
Initial Disability Claims Pending (thousands)[2]	945	740	1,051
Average Processing Time for Initial Disability Claims (days)[3]	171	165	185
Disability Reconsiderations			
Disability Reconsiderations Receipts (thousands)	685	571	566
Disability Reconsiderations Completed (thousands)	601	516	477
Disability Reconsiderations Pending (thousands)	228	193	265
Average Processing Time for Disability Reconsiderations (days)[3]	152	147	187
Hearings			
Hearings Receipts (thousands)	417	383	356
Hearings Completed (thousands)	465	451	406
Hearings Pending (thousands)	370	350	300
Annual Average Processing Time for Hearings Decisions (days)[3,4]	310	326	375
National 800 Number			
National 800 Number Calls Handled (millions)[5]	37	31	31
Average Speed of Answer (ASA) (minutes)	15	14	27
Agent Busy Rate (percent)	2.0%	0.2%	7%
Program Integrity			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,595	1,616	1,721
Full Medical CDRs (included above, thousands)	495	511	621
SSI Non-Medical Redeterminations Completed (thousands)	2,360	2,367	2,347
Selected Other Agency Workload Measures			
Social Security Numbers (SSN) Completed (millions)	13	12	15
Annual Earnings Items Completed (millions)	284	277	284
Social Security Statements Issued (millions)[6]	15	12	15
Selected Production Workload Measures			
Disability Determination Services Production per Workyear	264	239	227
Disability Determination Services Accuracy Rate	97%	97%	97%
Office of Hearings Operations Production per Workyear	80	78	74

1/ Includes Medicare

2/ The estimates for disability claims receipts and claims pending are highly variable due to COVID-19 and SSA's operational status since 2021.

3/ Average processing times for our initial disability claims and appeals workloads will be dependent on the ability to obtain timely medical evidence and effectively schedule consultative exams.

4/ Average processing time for hearings is an annual figure. In FY 2022, we are resuming in-person hearings and prioritizing individuals who have waited the longest for a hearing. As we work through those oldest cases, we anticipate a temporary increase in the average processing time. Projections for the end of year monthly (September) processing time for hearings is 570 days for FY 2022, which we anticipate working down in FY 2023, assuming the President's FY 2023 requested level.

5/ National 800 Number Calls Handled data for FY 2021 does not include automated calls handled. There were approximately 2.7 million automated calls handled through May 21, 2021; data on automated calls handled from May 22 to date is still pending due to technical issues that occurred while transitioning to a new telephone system.

6/ The Social Security Statements Issued measure includes paper statements only. It does not include electronic statements issued. In FY 2021, my Social Security users accessed their Social Security Statements 64 million times. In FY 2021, we spent approximately $6.7 million to send Statements to people aged 60 and over who were not receiving Social Security benefits. Consistent with FY 2021, in FY 2022, we will send paper Statements to people aged 60 and older who are not receiving Social Security benefits and who are not registered for a my Social Security account, at a cost of approximately $8.7 million.