



SOCIAL SECURITY

The Commissioner

February 10, 2023

The Honorable Patty Murray
Chair, Committee on Appropriations
U.S. Senate
Washington, DC 20510

Dear Committee Chair Murray:

We are pleased to share our fiscal year (FY) 2023 Operating Plan, as required by Section 516 of the Consolidated Appropriations Act, 2023 (Public Law 117-328).

Our Operating Plan provides proposed spending and expenditures for each of our accounts through the end of FY 2023 under the funding levels provided in the law. We hope that you find the information regarding workload and performance measures, which incorporate current workload projections, helpful. 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, Ph.D, M.S.W.
Acting Commissioner

Enclosures

cc:
The Honorable Susan Collins

SOCIAL SECURITY ADMINISTRATION GENERAL STATEMENT

The Consolidated Appropriations Act, 2023 provides \$14.127 billion in administrative funding to operate our agency in fiscal year (FY) 2023. This amount includes \$55 million to address the disability hearings backlog, which remains available through September 30, 2024, and \$1.784 billion for dedicated program integrity (PI) funding, which is available through March 31, 2024.

We appreciate the approximately \$785 million increase from our FY 2022 enacted level of \$13.342 billion. The enacted appropriation, while \$645 million less than the FY 2023 President's Budget request of \$14.773 billion, will cover our increases in fixed costs and support our efforts to increase staffing. In FY 2023, we will build the foundation for improved services by rebuilding our workforce after ending FY 2022 at our lowest staffing level in over 25 years.

We will continue the progress we made with hiring during the first quarter of FY 2023 and expect to increase staffing at the agency and at the State disability determination services (DDS) in FY 2023. The anomaly funding we received earlier this fiscal year supported hires who will help reduce our growing backlogs. The funding we received will also allow us to provide the same level of overtime in FY 2023 as FY 2022, which is especially helpful to our ability to keep service levels up while we hire and train new employees.

We must address the significant number of people who are waiting too long for important disability decisions at all levels of the disability process. In particular, we share claimants' frustration about waiting over seven months on average for an initial disability decision. We are confronting historically high employee losses, especially in the DDSs that make the medical determinations for initial disability claims and reconsiderations, and conduct medical continuing disability reviews (CDR). We are collaborating with the DDSs to implement new strategies for recruitment and retention and have established a team dedicated to addressing the disability backlogs. The initial disability claims pending level soared to almost 975,000 cases at the end of December 2022, more than 380,000 cases higher than at the end of FY 2019. The average initial claims wait time through December 2022 was 206 days compared to 120 days in FY 2019. It will take a multi-year effort and sustained funding to restore our average initial disability claims wait times to pre-pandemic levels.

As we recover from the effects from the pandemic, we will work within our appropriated level to deliver frontline services to the public we serve. We anticipate that some performance measures will show improvement in FY 2023, while others may show temporary degradation. We will process 129,000 or 7 percent more initial disability claims than in FY 2022 (52-week measure). However, wait times for a disability decision at the initial and appeal levels will increase for a period of time because backlogs will continue to grow while we hire and train new staff. We are also prioritizing claims for individuals who have waited the longest for a decision. We expect that improved customer wait times and increased employee capacity may not be fully realized until FY 2024, after we complete our backlog of aged cases, which will initially drive wait times up as they are cleared, and hires from FY 2022 and FY 2023 become more proficient.

We strive to balance stewardship and frontline service. We recognize the importance of our PI workloads to ensure individuals receive the benefits to which they are entitled while safeguarding the integrity of our programs. Dedicated PI funding exclusively supports PI activities performed by agency staff and the State DDSs. The same employees who handle PI also handle other workloads supported by our base administrative budget, such as processing benefit applications, making disability determinations on initial claims and reconsiderations, and processing post-entitlement actions. Regaining currency in our medical CDR workload is important, although our most immediate priority this year is to timely serve the public who have claims pending with us and address the needs of individuals who had trouble reaching us during the pandemic. With the FY 2023 funding level, we expect to complete 550,000 full medical CDRs, making progress toward CDR currency, and 2.5 million Supplemental Security Income redeterminations.

Eliminating the hearings backlog remains a priority. We ended FY 2022 with the lowest level of pending hearings in 22 years. At the backlog's peak in FY 2017, there were over 1.1 million hearings pending. As of December 2022, we reduced our pending number of hearings to about 355,000 and reduced the average wait time for a hearing to 442 days from the peak of 633 days in September 2017. We are currently experiencing a temporary increase in the average processing time because we are working through our oldest cases for individuals who chose to wait for an in-person hearing rather than accepting a video or telephone hearing when our offices were closed to the public during the pandemic. We project that our monthly average processing time for hearings will be 390 days at the end of FY 2023. The \$55 million in dedicated funding will allow us to further reduce the backlog, putting us on the path to eliminate the backlog and achieve a 270-day monthly average processing time by the end of FY 2024. It is critical that we maintain a trained staff because the backlog of cases now pending will eventually move through the appeals process to the hearings level. At the end of FY 2022, we began the process to hire administrative law judges for the first time since FY 2018 to prepare for expected workload increases.

Our National 800 Number is a critical service channel. We are committed to reducing customer wait times and improving the public's ability to reach us by phone. In FY 2023, we expect to transition our National 800 Number to a modern telecommunication platform, improving service and providing more self-service opportunities for the public. In FY 2023, we estimate our speed of answer will be approximately 35 minutes compared to 33 minutes in FY 2022, while our busy rate will be 15 percent compared to 6 percent in FY 2022. While this average speed of answer is markedly higher than our Agency Priority Goal of under 12 minutes, we are addressing unanticipated delays in the systems upgrades necessary to reduce customer wait times. Once our new hires are fully trained and productive, and with successful implementation of our new telecommunication platform, we anticipate noticeable improvement in our performance beginning in FY 2024.

We will also invest in our information technology to provide more efficient, accessible, and convenient service. This work will allow people to start or complete more applications online, reduce how long people wait in our offices, and provide service options that the public expects from a modern and responsive Federal Government.

Providing quality service to the public is critical to our mission, and the FY 2023 level allows us to invest in our workforce. Our employees are the heart of the agency, committed to providing outstanding service to support programs that affect nearly every member of the public at some point in their lives, but we cannot fully support them without sufficient funding. To engage and retain employees, we need to ensure manageable workloads, modern tools, and the training and development employees need to build a successful career with our agency.

We remain committed to providing income security for the diverse populations we serve, including people of color, those who are underserved, people with disabilities, workers, and their families. While we face many challenges, we are carefully balancing operating decisions within our current resources to serve the millions of people who rely on us. We are committed to ensuring equitable access to our programs, improving our customers' experience, supporting our dedicated workforce, and safeguarding our benefit programs. We are grateful for the increase in funding in FY 2023, which will allow us to maintain essential services, improve staffing, and continue working through backlogs. Our activities will put us on the path to make real improvements in our essential service delivery to the public in future years.

Social Security Administration (SSA) Fiscal Year (FY) 2023 Operating Plan
Appropriated FY 2023 Funds and Carryover/Transfers
of Unobligated Prior-Year Funds
(\$ in millions)

<u>Budget Authority:</u>	FY 2023 President's Budget	FY 2023 Available Funding
<u>Payments to the Social Security Trust Funds (PTF)</u>		
Pension Reform	6.0	6.0
Unnegotiated Checks	5.0	5.0
Total Appropriation (P.L. 117-328)	11.0	11.0
<u>Supplemental Security Income (SSI)</u>		
FY 2023 Benefit Payments, Total	59,225.0	59,230.2
- FY 2023 First Quarter Advance (P.L. 117-103)	15,600.0	15,600.0
- FY 2023 Appropriation	43,625.0	43,630.2
Administrative Expenses, Total	4,993.7	4,769.1
- Administrative Expenses (Regular)	3,489.8	3,320.8
- Program Integrity (Base)	239.0	221.3
- Additional Program Integrity	1,264.9	1,227.1
Beneficiary Services	124.0	124.0
Research and Demonstration (R&D) Projects (FY 2023 / FY 2024 / FY 2025)	86.0	86.0
Total Appropriations (P.L. 117-103 and P.L. 117-328)	64,428.7	64,209.3
Carryover of Unobligated FY 2022 Balances and Recoveries:		
- Benefits	1,832.8	2,128.8
- Administrative Expenses	2,106.2	2,319.8
- Beneficiary Services	142.5	125.5
- R&D (No-Year)	0.0	13.1
- R&D (FY 2021 / FY 2022 / FY 2023)	0.0	0.8
- R&D (FY 2022 / FY 2023 / FY 2024)	39.2	41.6
Total, Carryover of Unobligated FY 2022 Balances and Actual Recoveries	1/ 4,120.7	4,629.6
Total SSI Funds Available for FY 2023	68,549.4	68,839.0

1/ The total does not include \$243 million in carryover in the FY 2023 President's Budget and \$12 million in carryover in FY 2023 available funding for State supplementary payments, which is not part of the annual appropriation.

Note: Numbers may not add due to rounding.

	FY 2023 President's Budget	FY 2023 Available Funding
<u>Limitation on Administrative Expenses (LAE)</u>		
Regular LAE	12,830.6	12,144.3 2/
Program Integrity (Base) (through March 31, 2024)	288.0	273.0
Additional Program Integrity (through March 31, 2024)	1,511.0	1,511.0
SSA Advisory Board.	2.8	2.7
SSI User Fees	140.0	140.0
Non-Attorney Certification User Fee	1.0	1.0
Total Appropriated (P.L. 117-328)	14,773.3	14,072.0
Other Available Funds:		
Carryover/Recoveries from Unobligated Information Technology Systems Balances (No-Year)	150.0	150.8
Carryover/Recoveries of Unobligated Other Balances (No-Year)	40.2 3/	56.4 4/
Carryover/Recoveries from Unobligated IT Modernization Balances (No-Year)	0.0	0.0
Hearing Backlog within Office of Hearings Operations		
FY 2022 / FY 2023 Carryover of Unobligated Balances (P.L. 117-103)	0.0	9.2
FY 2023 / FY 2024 (P.L. 117-328)	0.0	55.0
Additional Program Integrity - FY 2022 / FY 2023 (P.L. 117-103) (through March 31, 2023)		
Carryover/Recoveries from Unobligated Additional Program Integrity Balances	100.0	100.8
Medicare Access and CHIP Reauthorization Act (MACRA) (P.L. 114-10)		
Carryover/Recoveries from Unobligated MACRA Balances (No-Year)	25.6	26.0
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	11.3
Postal Service Reform Act (P.L. 117-108)		
Carryover/Recoveries from Unobligated Balances (No-Year)	0.0	16.0
<u>Office of the Inspector General, SSA</u>		
Federal Funds	32.4	31.4
Trust Funds	83.1	81.2
Total Appropriated (P.L. 117-328)	115.5	112.7
IT Modernization (P.L. 117-328) (No-Year)	2.0	2.0
Total OIG Funds	117.5	114.7

	FY 2023 President's Budget	FY 2023 Current Estimate
<u>Estimated Outlays:</u>		
PTF	11.0	11.0
LAE	14,571.0	14,190.0
SSI	64,406.6	65,162.9
OIG	116.0	115.0

2/ Includes \$133.0 million for operation and maintenance of specific facilities delegated to SSA by the General Services Administration.

3/ Reflects \$40.216 million in Delegations authority and from prior years estimated to be carried over into FY 2023.

4/ Includes authority from prior years estimated to be carried over for the following purposes: \$53.5 million for operation and maintenance of specific facilities delegated to SSA by the General Services Administration, \$2.7 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) 2023 Congressional Operating Plan Performance Table¹				
Social Security Administration Workload and Outcome Measures	FY 2022 Enacted	FY 2022 Actual (52-week)	FY 2022 Actual (53-week)	FY 2023 Enacted
Retirement and Survivor Claims				
Retirement and Survivor Claims Completed (thousands) ²	6,615	6,474	6,593	6,524
Disability Claims				
Initial Disability Claims Receipts (thousands)	2,231	2,096	2,142	2,202
Initial Disability Claims Completed (thousands)	1,867	1,843	1,883	1,972
Initial Disability Claims Pending (thousands)	1,051	937	941	1,163
Average Processing Time for Initial Disability Claims (days)	185	184	184	220
Disability Reconsiderations				
Disability Reconsiderations Receipts (thousands)	566	532	542	544
Disability Reconsiderations Completed (thousands)	477	473	483	518
Disability Reconsiderations Pending (thousands)	265	234	234	259
Average Processing Time for Disability Reconsiderations (days)	187	183	183	224
Hearings				
Hearings Receipts (thousands)	356	349	357	364
Hearings Completed (thousands)	406	353	363	364
Hearings Pending (thousands)	300	347	344	344
Annual Average Processing Time for Hearings Decisions (days) ³	375	333	337	475
National 800 Number				
National 800 Number Calls Handled (millions) ^{4,5}	31	N/A	27	29
Average Speed of Answer (ASA) (minutes) ⁵	27	N/A	33	35
Agent Busy Rate (percent) ⁵	7%	N/A	6%	15%
Program Integrity				
Periodic Continuing Disability Reviews (CDR) Completed (thousands) ⁵	1,721	N/A	1,506	1,650
Full Medical CDRs (included above, thousands) ⁵	621	N/A	590	550
SSI Non-Medical Redeterminations Completed (thousands)	2,347	2,195	2,203	2,517
Selected Other Agency Workload Measures				
Social Security Numbers (SSN) Completed (millions)	15	16	16	18
Annual Earnings Items Completed (millions)	284	294	294	299
Social Security Statements Issued (millions) ⁶	15	19	19	15
Selected Production Workload Measures				
Disability Determination Services Production per Workyear	227	230	230	241
Disability Determination Services Accuracy Rate	97%	97%	97%	97%
Office of Hearings Operations Production per Workyear ⁷	74	64	N/A	68

¹ FY 2022 was a 53-week year for management information purposes.

² Includes Medicare.

³ Average processing time for hearings is an annual figure. In FY 2023, we plan to continue in-person hearings and prioritize 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 390 days for FY 2023.

⁴ The FY 2022 National 800 Number Calls Handled actual figure does not include automated calls handled. Due to technical issues resulting from transitioning to a new telephone system, the total number of automated calls handled is not yet available for FY 2022. FY 2022 and FY 2023 enacted estimates include calls handled by automation.

⁵ The data reported is not based on the typical 52 or 53-week management information year. It is instead based on the fiscal year beginning 10/1/2021 and ending 9/30/2022.

⁶ The Social Security Statements Issued measure includes paper statements only. It does not include electronic statements issued. In FY 2022, my Social Security users accessed their Social Security Statements 55 million times. In FY 2022, we spent approximately \$10.6 million to send statements to people aged 60 and over who were not receiving Social Security benefits (also includes approximately 4 million FY 2023 Statements mailed in FY 2022 as a bona fide need). Consistent with FY 2022, in FY 2023, 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 \$9.1 million.

⁷ This metric is unavailable through 53 weeks. We would not expect 53-week experience to deviate much - if at all - from the 52-week actual performance.