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APPROPRIATION LANGUAGE

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed \$15,000 for official reception and representation expenses, not more than [\$9,781,842,000] \$9,941,000,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That not less than \$2,000,000 shall be for the Social Security Advisory Board: *Provided further*, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2008] 2009 not needed for fiscal year [2008] 2009 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: *Provided further*, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to section 7131 of title 5, United States Code, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise appropriated, as soon as possible after such expenditures are made.

From funds provided under the first paragraph, not less than \$264,000,000 shall be available for the direct cost associated with conducting continuing disability reviews under titles II and XVI of the Social Security Act and for the direct cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act.

Limitation on Administrative Expenses

In addition to the amounts made available above, and subject to the same terms and conditions, \$240,000,000, for additional continuing disability reviews and redeterminations of eligibility, of which, upon a determination by the Commissioner of Social Security that each such initiative would be at least as cost-effective as redeterminations of eligibility, up to \$40,000,000 shall be available for one or more initiatives to improve the disability process and up to \$34,000,000 shall be available for one or more initiatives to improve asset verification: Provided, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these additional amounts, similar to the reports that were required by section 103(d)(2) of P.L. 104-121 (42 U.S.C. 401 note) for fiscal years 1996 through 2002.

In addition, [\$135,000,000] \$145,000,000 to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [2008] 2009 exceed [\$135,000,000] \$145,000,000, the amounts shall be available in fiscal year [2009] 2010 only to the extent provided in advance in appropriations Acts.

In addition, up to \$1,000,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act (Public Law 108-203), which shall remain available until expended. (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008.*)

LANGUAGE ANALYSIS

The Limitation on Administrative Expenses (LAE) appropriation language provides the Social Security Administration with the funds needed to administer the Old Age and Survivors Insurance (OASI), Disability Insurance (DI), and Supplemental Security Income (SSI) programs, and to support the Centers for Medicare and Medicaid Services in administering their programs. The LAE account itself is funded by the OASI, DI, and Medicare trusts funds for their share of administrative expenses, by the general fund for the SSI program’s share of administrative expenses, and through applicable user fees. The language provides the limitation on the amounts that may be expended, in total from these separate sources, for the administrative expenses of the Agency.

In addition to the base request, SSA is requesting \$240,000,000 in cap adjustment funding specifically for program integrity workloads including continuing disability reviews (CDRs) and SSI non-medical redeterminations (redeterminations). SSA may use up to \$40,000,000 of these funds to improve the disability process and up to \$34,000,000 on asset verification initiatives, pending determination that these initiatives are at least as cost-effective as redeterminations.

In addition to the appropriated amounts SSA is authorized to spend up to \$145,000,000 in SSI State Supplemental user fees and up to \$1,000,000 in non-attorney representative fees.

Table 3.1—Appropriation Language Analysis

Language Provision	Explanation
<p><i>“Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2008] 2009 not needed for fiscal year [2008] 2009 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure.”</i></p>	<p>Allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.</p>
<p><i>“From funds provided under the first paragraph, not less than \$264,000,000 shall be available for the direct cost associated with conducting continuing disability reviews under titles II and XVI of the Social Security Act and for the direct cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act.”</i></p>	<p>Of the \$9,941,000,000 appropriated for the LAE account, \$264,000,000 shall be available for conducting DI and SSI CDRs and SSI redeterminations of eligibility.</p>

****Appropriation Language Analysis continued on the next page****

Limitation on Administrative Expenses

“In addition to the amounts made available above, and subject to the same terms and conditions, \$240,000,000, for additional continuing disability reviews and redeterminations of eligibility, of which, upon a determination by the Commissioner of Social Security that each such initiative would be at least as cost-effective as redeterminations of eligibility, up to \$40,000,000 shall be available for one or more initiatives to improve the disability process and up to \$34,000,000 shall be available for one or more initiatives to improve asset verification: Provided, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these additional amounts, similar to the reports that were required by section 103(d)(2) of P.L. 104-121 (42 U.S.C. 401 note) for fiscal years 1996 through 2002.”

“In addition, [\$135,000,000] \$145,000,000 to be derived from administration fees in excess of \$5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93-66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [2008] 2009 exceed [\$135,000,000] \$145,000,000, the amounts shall be available in fiscal year [2009] 2010 only to the extent provided in advance in appropriations Acts.”

“In addition, up to \$1,000,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act (Public Law 108-203), which shall remain available until expended.”

In addition to the \$9,941,000,000 appropriated, \$240,000,000 is appropriated for additional CDRs and redeterminations. If found to be as cost effective as redeterminations, up to \$40,000,000 of this amount may be used for initiatives to improve the disability process and up to \$34,000,000 of this amount may be used for asset verification initiatives. At the end of the fiscal year the Commissioner must submit to Congress a report on the use of these additional funds.

Makes available up to \$145,000,000 collected from States for administration of their supplementary payments to the SSI program. This assumes the fee will increase from \$9.85 per check in FY 2008 to \$10.12 in FY 2009, according to increases established by statute. SSA receives the amount collected above \$5.00 from each fee.

Provides for the use of up to \$1,000,000 derived from fees charged to non-attorneys who represent claimants. These fees were authorized as part of a 5-year demonstration project, which will end in FY 2009.

GENERAL STATEMENT

LIMITATION ON ADMINISTRATIVE EXPENSES OVERVIEW

The LAE account funds the operating expenses of the Social Security Administration and its programs: the Old-Age, Survivors and Disability Insurance programs, the SSI program, certain health insurance and Medicare prescription drug functions, and the Special Benefits for Certain World War II Veterans program. With these funds, SSA will provide service to millions of Americans in our field offices, via telephone, or through the Internet at www.socialsecurity.gov. The LAE account provides the funds SSA needs to perform its core responsibilities, including processing claims and applications for benefits, administering hearings to review disputed decisions, ensuring benefits continue to be distributed properly, and maintaining the integrity of the trust funds.

SSA currently employs approximately 60,000 dedicated public servants in over 1,400 offices nationwide. Combined with over 14,000 State employees in the Disability Determination Services (DDS), they demonstrate their commitment to the American public daily by providing the best service possible. SSA's employees take pride in administering Agency programs, realizing that the work they do can affect the lives of all Americans.

FY 2009 PRESIDENT'S BUDGET

SSA's Programs

This budget includes \$10.327 billion for SSA's LAE. With this budget, we will keep up with the baby boomers as they become eligible for retirement by processing the 4.3 million applications for retirement benefits that we expect to receive in FY 2009. We will administer \$531 billion in Old Age and Survivors Insurance benefit payments to 42 million beneficiaries.

The Disability Insurance program is also experiencing ongoing growth. This budget will fund the staff at the 54 State DDSs who will process 2.6 million initial disability claims in FY 2009. It will also allow SSA to continue implementing the Hearings Backlog Reduction Plan, a set of initiatives that will contribute to reducing the number of hearings pending to 683,000 cases by the end of FY 2009. SSA will distribute nearly \$110 billion in disability benefits to 9 million beneficiaries.

The Supplemental Security Income program is a nationwide Federal assistance program administered by SSA that guarantees a minimum level of income for needy aged, blind, or disabled individuals. It acts as a safety net for individuals who have little or no Social Security or other income and limited resources. SSA estimates it will pay \$43 billion in Federal benefits to an estimated 7.3 million SSI recipients in FY 2009. Including State Supplementary payments, SSA expects to pay a total of \$48 billion and administer payments to a total of 7.6 million recipients.

Limitation on Administrative Expenses

The funding provided in the FY 2009 budget will also be used to process workloads outside of SSA's core mission. SSA has complex responsibilities related to the Medicare program, immigration, homeland security and data exchange programs.

Program Integrity

The budget includes a special funding mechanism that will provide \$240 million for SSA's program integrity efforts, in addition to the \$264 million already included in the base request, for a total of \$504 million. These efforts protect taxpayers' contributions by reviewing factors that could affect eligibility for benefits or the payment amount. The two most cost-effective efforts are CDRs and SSI redeterminations. CDRs are periodic reevaluations of medical eligibility factors for DI and SSI disability recipients and are estimated to yield \$10 in lifetime program savings for every \$1 spent. The additional funding requested for SSI redeterminations, which are periodic reviews of non-medical factors of SSI eligibility such as income and resources, are estimated to yield \$7 in lifetime program savings for every \$1 spent. SSA plans to process 329,000 medical CDRs and nearly 1.5 million SSI redeterminations in FY 2009. If found to be as cost effective as redeterminations, up to \$40 million may be used for initiatives to improve the disability process and up to \$34 million may be used to expand the Access to Financial Information project, which automates verification of SSI recipients' assets held in banks. In total, SSA estimates this program integrity funding in FY 2009 will result in over \$4 billion in savings over 10 years.

Automation

This budget continues to invest in the Agency's information technology infrastructure. We are seeking new ways to automate workloads to reduce the impact of the ongoing growth to our workloads and increase productivity at SSA. SSA will offer additional services on our website, improve the automated services we offer by telephone, provide more efficient and compassionate service to our disabled clients, and ensure that the sensitive information entrusted to us is protected and can be restored in the case of a disaster.

SSA is working with the 54 State DDSs on plans to pursue the replacement, beginning in FY 2009, of the outdated systems that the States use to process disability claims with a modern, web-based case processing system. If we can resolve the remaining concerns of the State DDSs, we plan to proceed.

We will take advantage of the progress that the medical community is making in automating their services through Electronic Health Records and Personal Health Records. Using automated exchanges in standardized data formats, medical providers will send us requested evidence electronically, allowing us to compare this information to our updated medical listings and use business intelligence tools to make more accurate, consistent and timely decisions.

Most importantly, we will continue with the automation of our hearing offices, expanding video conferencing technology to offer attorneys the ability to participate in video hearings from their own offices. Additional functionality that will be provided to the hearings offices includes scheduling software that automates the complex process of scheduling a hearing and case-pulling software that allows us to identify, classify and extract data from document images.

PERFORMANCE TARGETS

The President's FY 2009 request for SSA will allow SSA to build on the progress we plan to make in FY 2008. The table below lists key performance targets linked to this budget:

Table 3.2—Key Performance Targets

	<u>FY 2008</u>	<u>FY 2009</u>
LAE, Budgetary Authority (dollars in millions)	\$ 9,745	\$ 10,327
 <u>Selected Workload Measures</u>		
Retirement and Survivors Claims Processed (thousands)	4,065	4,281
Initial Disability Claims Processed (thousands)	2,582	2,600
SSA Hearings Processed (thousands)	559	644
Periodic CDRs Processed (thousands)	1,065	1,149
Periodic Medical CDRs (included above, thousands)	235	329
SSI Non-Disability Redeterminations Processed (thousands)	1,200	1,486
800-Number Transactions Handled (millions)	63	67
Social Security Numbers Issued (millions)	19	20
Annual Earnings Items Processed (millions)	273	274
Social Security Statements Issued (millions)	148	150
 <u>Selected Outcome Measures</u>		
Initial Disability Claims Pending (thousands)	519	493
SSA Hearings Pending (thousands)	752	683
Average Processing Time for Initial Disability Claims (days) ¹	107	103
Average Processing Time for Hearing Decisions (days)	535	506
Disability Determination Services Production per Workyear	264	267
Office of Disability Adjudication and Review Production per Workyear	101	115
Other Work/Service in Support of the Public—Annual Growth of Backlog (workyears)	3,300	4,800

¹ Disability decisions that receive a technical (non-medical) denial are not included.

RECENT ACCOMPLISHMENTS

In FY 2007, SSA's limited resources were primarily used to process its workloads, including:

- Paying benefits to 54 million people;
- Making decisions on 548,000 hearings;
- Issuing 18 million Social Security cards;
- Processing 270 million earnings items for crediting to workers' earnings records;
- Handling 58 million calls to SSA's 800-number;
- Issuing 147 million Social Security Statements;
- Processing 208,000 medical CDRs;
- Processing 1 million non-disability SSI redeterminations to ensure that recipients continue to meet SSI eligibility; and
- Administering components of the Medicare programs, including subsidy applications, calculating and withholding premiums, making eligibility determinations, and taking applications for replacement Medicare cards.

Since 2001, SSA's efforts to innovate and automate, coupled with the dedication of our staff, have improved productivity by over 15 percent. Given sufficient funding, SSA commits to Agency-wide productivity improvements and achieves them. SSA has continued to maintain its high standards of productivity and looks forward to improvements in FY 2009. The Agency believes that, given the array of services SSA provides and the major workload processing initiatives implemented each year, incremental productivity improvements are sustainable with full funding.

PRESIDENT'S MANAGEMENT AGENDA (PMA)

SSA's budget supports the PMA by emphasizing the President's management reforms. SSA has achieved green—the highest rating possible—for all five of the government-wide PMA initiatives. SSA is proud of these scores and committed to doing even better.

Government-Wide Initiatives:

Strategic Management of Human Capital - SSA continues to successfully meet the challenge of hiring, developing, and retaining a highly skilled, high-performing, and diverse workforce. Social Security is committed to continuously improving its training and development programs so that employees at all levels have the skills they need to deliver quality service in an increasingly technological environment. In FY 2007, SSA implemented a new multi-tiered results-oriented performance management system for employees GS-15 and below who are covered by the American Federation of Government Employees National Agreement.

Competitive Sourcing - SSA continues to identify and analyze commercial functions for potential competition with the private sector. The Agency's efforts in competitive sourcing since FY 2003 have resulted in the completion of 26 studies involving over 231 Government positions, including mailroom operations, nursing services, and information technology positions. In addition, post-competition accountability reports consistently indicate the service providers are meeting or exceeding performance requirements.

Improved Financial Performance - The Agency continues to make progress in improving the quality, consistency, and access to information used by managers and analysts to manage work and to account for resources. For the 14th consecutive year, Social Security received an unqualified opinion from independent auditors on its consolidated financial statements. SSA has a well-established Agency-wide management control and financial management systems review program as required by the Federal Managers' Financial Integrity Act (FMFIA). SSA has no FMFIA material weaknesses. In FY 2007, SSA enhanced the system that permits financial users direct access to data. It provides more timely and accurate information to budget offices and managers throughout SSA, and provides users with the ability to publish reports and download data to spreadsheets so that they can manage their allocations against their actual spending.

Expanded Electronic Government - SSA is aggressively expanding electronic government with a comprehensive, focused, and results-oriented strategy. The Agency continues to experience increased usage of electronic services. In FY 2007, the public performed 2.9 million electronic transactions with SSA. These transactions include applying for Retirement and Disability Benefits, requesting a Change of Address, a Change of Direct Deposit, a Medicare Replacement Card or a Proof of Income Letter. These services are available to the public over the Internet and through the telephone using the voice recognition capabilities of the Agency's National 800-Number Network.

Performance Improvement Initiative - SSA continues to emphasize the relationship between resources and results. SSA's budget plan provides a meaningful context for making decisions on needed improvements in service delivery, fiscal stewardship, and the requisite staffing to accomplish both. The plan aligns costs and workyears with overarching performance goals in the Agency Strategic Plan to demonstrate the resources required to maintain service and improve productivity. The Agency's ability to adjust resources based on the most current experience enables SSA to maximize its productivity. The result has been an Agency-wide productivity increase of two percent on average for five out of six years since 2001. Social Security also continues to improve its core budget formulation system by building on current financial performance and management information systems. As a result, the Agency can quickly determine the impact that budgetary changes would have on its level of service.

Limitation on Administrative Expenses

Program-Specific Initiative:

Eliminating Improper Payments - SSA is responsible for benefit payments that exceed \$650 billion annually, and proper stewardship of these funds continues to be one of the Agency's primary goals. The Agency has core, ongoing stewardship efforts that are critical to overall success in the elimination of improper payments. SSI redeterminations are one of the most effective of these ongoing efforts for detecting and preventing overpayments. SSA has implemented the cross-program recovery provision of the Social Security Protection Act of 2004. SSA has also released Phase 2 of the Non-Entitled Debtor System (NED). NED is a system used to develop, record, control and resolve overpayments and other debts of individuals who are not entitled to Social Security benefits under any program and, therefore, do not have master records to match against. In addition, SSA had completed two wage reporting pilots as a basis for developing additional strategies aimed toward reducing improper payments and is now undertaking a third.

PROGRAM ASSESSMENT RATING TOOL (PART)

SSA's budget and plans also reflect the assessments performed with OMB's PART, a diagnostic tool used to examine different aspects of program performance and identify the strengths and weaknesses of Federal programs. SSA has performed well on its PART evaluations, achieving "moderately effective"—the second-highest score—for the OASI, DI and SSI programs. PART underscores the importance of establishing and measuring tracked goals, and SSA has had success in strengthening its programs by linking the allocation of resources to performance metrics. SSA recognizes that there is work to do to improve the management of its programs and has addressed the PART recommendations in its strategic plans and budget.

Program improvement is the objective of PART, which has enabled SSA to pinpoint weaknesses in its programs and guided the Agency toward solutions. SSA has undertaken many initiatives to address PART recommendations. SSA has launched the Integrated Disability Process (IDP), a collaborative initiative that will enable the Agency to address and resolve important disability policy and procedural issues. IDP will result in clear, consistent and simplified policy, procedures and business processes that will allow SSA to work more efficiently so that it can better face the challenges that lie ahead. This new process will also help SSA address differences and difficulties in application of policy and procedures. Further, SSA continues to expand employment opportunities for disabled beneficiaries through the Ticket to Work and Area Work Incentive Coordinators efforts. To improve the OASI program in FY 2009, SSA will continue its education initiatives, develop a plan to increase use of automated service channels, and develop new automated techniques to detect and correct errors in name/Social Security Number matching. Finally, SSA has many strategies and workloads such as continuing eligibility reviews that benefit programs Agency-wide by reducing improper payments.

ANNUAL PERFORMANCE PLAN (APP)

SSA's budget is fully integrated with its APP, which is included as the final tab in this *Justification of Estimates for Appropriations Committees*. The budget estimates are linked to key performance measures, included earlier in this General Statement, and support all of the more detailed measures outlined in the APP.

BUDGETARY RESOURCES

The LAE account represents SSA administrative budget for carrying out its responsibilities under the Social Security Act. This includes administering the OASI, DI, SSI and Special Benefits for Certain WWII Veterans programs and supporting CMS in administering the Federal Hospital Insurance (HI), Federal Supplementary Medical Insurance (SMI), and Medicare Part D programs. The FY 2008 enacted appropriation included a rescission of \$173 million. The President's budget request for the LAE account in FY 2009 is \$10,327,000,000.

Table 3.3—Amounts Available for Obligation¹
(in thousands)

	FY 2007 (Actual)	FY 2008 (Enacted)	FY 2009 (Estimate)
Base Appropriation ^{2, 3}	\$ 9,297,573	\$ 9,917,842	\$ 10,327,000
Rescission (P.L. 110-161)	<u>N/A</u>	<u>(\$ 173,265)</u>	<u>N/A</u>
Total Appropriation	\$ 9,297,573	\$ 9,744,577	\$ 10,327,000
Unobligated Balance, start-of-year	\$ 168,483	\$ 207,643	\$ 0
Recoveries and Transfers	<u>\$ 193,593</u>	<u>\$ 0</u>	<u>\$ 0</u>
Subtotal Budgetary Resources	\$ 9,659,649	\$ 9,952,220	\$ 10,327,000
Obligations	(\$ 9,332,594)	(\$ 9,952,220)	(\$ 10,327,000)
Uncollected User Fees	(\$ 844)	\$ 0	\$ 0
Unobligated Balance, lapsing	(\$ 118,569)	\$ 0	\$ 0
Unobligated Balance, end-of-year	\$ 207,643	\$ 0	\$ 0

¹ Totals may not add due to rounding.

² Includes State Supplementation user fees and non-attorney representative payee user fees collected pursuant to section 303 of P.L. 108-203.

³ The FY 2009 appropriation request includes a total of \$504 million in funding for cost-effective program integrity initiatives (\$264 million base funding and \$240 million cap adjustment funding).

BUDGET AUTHORITY AND OUTLAYS

The LAE account is funded by the Social Security Trust Funds, the General Fund, the Medicare Trust Funds, and through applicable user fees. Section 201(g) of the Social Security Act provides that SSA determine the share of administrative expenses that should have been borne by the appropriate trust funds for the administration of their respective programs and the general fund for administration of the SSI program. SSA calculates the administrative costs attributable to each program using its Government Accountability Office (GAO) approved cost analysis system.

**Table 3.4—Budget Authority and Outlays¹
(in thousands)**

	FY 2007 (Actual)	FY 2008 (Enacted)	FY 2009 (Estimate)
Total LAE Budget Authority	\$ 9,297,573	\$ 9,744,577	\$ 10,327,000
OASI and DI Trust Funds ^{2, 3}	4,598,834	4,910,773	5,161,000
HI and SMI Trust Funds	1,626,570	1,679,661	1,869,000
SSA Advisory Board	2,000	2,000	2,000
SSI Administrative Expenses ²	2,950,169	3,018,520	3,149,000
State Supplementation User Fees	119,000	132,642	145,000
Non-Attorney Representative User Fees	1,000	983	1,000
Total LAE Outlays	\$ 9,157,681	\$ 9,670,243	\$ 10,267,186
OASI and DI Trust Funds ^{2, 3}	4,681,217	4,834,846	5,133,293
HI and SMI Trust Funds	1,687,870	1,692,665	1,858,361
SSI Administrative Expenses ²	2,669,340	3,009,815	3,130,232
State Supplementation User Fees	119,000	132,642	145,000
Non-Attorney Representative User Fees	253	275	300

¹ Totals may not add due to rounding.

² In FY 2009, the OASDI and SSI programs reflect inclusion of a total of \$504 million for CDRs and redeterminations. This amount consists of \$264 million in base funding and \$240 million in additional cap funding. If found to be as cost effective as redeterminations, up to \$40,000,000 of the cap adjustment may be used for initiatives to improve the disability process and up to \$34,000,000 may be used to expand the Access to Financial Information project.

³ OASDI includes funding for administration of the Special Benefits for Certain World War II Veterans.

ANALYSIS OF CHANGES

The FY 2009 request represents a \$582 million increase over the FY 2008 enacted appropriation. The majority of this increase is attributable to built-in increases including pay increases and rising costs of personnel benefits, rent, and security. The increase in obligations is less than the increase in budget authority requested because of the use of prior-year unobligated balances to fund obligations in FY 2008.

**Table 3.5—Summary of Changes
(in thousands)**

	FY 2008 (Enacted)	FY 2009 (Estimate)	Changes
Appropriation	\$ 9,744,577	\$ 10,327,000	+ \$ 582,423
Obligations Funded From Prior Year Unobligated Balances ¹	\$ 207,643	\$ 0	- \$ 207,643
Obligations	(\$ 9,952,220)	(\$ 10,327,000)	+ \$ 374,780

Base payroll expenses increase annually due to periodic step increases, career ladder promotions, increased health benefit costs, new employees hired under the Federal Employees Retirement System (FERS) and annual pay increases. The FY 2009 request includes the annualized effect of the January 2008 Federal pay increase of 3.5 percent and an estimated 2.9 percent increase in January 2009. Built-in non-payroll increases include increases in the cost of rent, security, and guard services.

¹ SSA plans to transfer \$176 million from prior year unobligated balances to augment FY 2009 IT funding.

**Table 3.6—Explanation of LAE Budget Increases
(dollars in thousands)**

	FY 2008 Base		Change from Base	
	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)
<u>BUILT-IN INCREASES</u>				
A. <u>Base Payroll Expenses</u>	62,295	\$ 5,595,077	N/A	\$ 250,451
<ul style="list-style-type: none"> • <i>Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System</i> 			N/A	+ 84,509
<ul style="list-style-type: none"> • <i>Annualized effect of the January 2008 Federal pay increase of 3.5 percent</i> 			N/A	+ 49,199
<ul style="list-style-type: none"> • <i>Nine-month effect of assumed 2.9 percent Federal pay increase effective January 2009</i> 			N/A	+ 116,743
B. <u>Non-Payroll Costs</u> —Mandatory growth in non-payroll costs, including higher costs of rent, security, and guard services	N/A	\$ 1,885,000	N/A	+\$ 89,096
C. <u>State Disability Determination Services</u> —Mandatory growth in State DDS costs, including pay raises and the cost of medical evidence	N/A	\$ 1,843,300	N/A	+\$ 77,796
Subtotal, Built-In Increases			N/A	+\$ 417,343
<u>PROGRAM INCREASES</u>				
A. <u>Base Funding for Information Technology (IT)</u> —Increase in base funding for IT, including desktop, voice and data communications, infrastructure and costs for major projects	N/A	\$ 421,200	N/A	+\$ 82,800
B. <u>Net Increase in program integrity funding</u> ¹	N/A	N/A	+ 951	+\$ 168,427
C. <u>Increase in essential non-payroll costs</u> ¹	N/A	N/A	N/A	+\$ 904
Subtotal, Program Increases			+951	+\$ 252,131
Total Increases			+ 951	+\$ 669,474

¹ The FY 2008 base funding for these activities is included in the base costs above for Base Payroll Expenses, Non Payroll Costs, and State DDS Services.

**Table 3.7—Explanation of LAE Budget Decreases
(dollars in thousands)**

	FY 2008 Base		Change from Base	
	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)
PROGRAM:				
A. <u>Decrease in Obligations Funded from Prior-Year Unobligated Balances</u>	N/A	\$ 207,643	N/A	- 207,643
B. <u>Decrease in Base LAE Funding—</u> Decrease in non-program integrity funding less built-in increases	N/A	N/A	- 708	- \$ 87,051
Total Decreases			- 708	- \$ 294,694
Total LAE Obligations, Net Change	62,295	\$ 9,952,220	+ 243	+ \$ 374,780
Increase in new budget authority needed due to use of unobligated balances to fund obligations in FY 2008 but not FY 2009			N/A	+ \$ 207,643
Total LAE Budget Authority, Net Change	62,295	9,744,577	+ 243	+ \$582,423

BUDGETARY RESOURCES BY OBJECT

**Table 3.8—Budgetary Resources by Object¹
(in thousands)**

	FY 2008 (Estimate)	FY 2009 (Estimate)	Change
Personnel Compensation			
Permanent positions	\$ 4,126,963	\$ 4,324,243	+ \$ 197,280
Positions other than permanent	\$ 96,085	\$ 100,675	+ \$ 4,590
Other personnel compensation	\$ 212,654	\$ 221,553	+ \$ 8,899
Special personal service payments	<u>\$ 3,360</u>	<u>\$ 3,501</u>	+ \$ 141
Subtotal, personnel compensation	\$ 4,439,062	\$ 4,649,972	+ \$ 210,910
Personnel Benefits	\$ 1,155,972	\$ 1,218,528	+ \$ 62,556
Travel and transportation of persons	\$ 43,787	\$ 43,787	---
Transportation of things	\$ 8,402	\$ 8,460	+ \$ 58
Rent, communications, and utilities			
Rental payments to GSA	\$ 661,458	\$ 711,158	+ \$ 49,700
Rental payments to others	\$ 1,545	\$ 1,545	---
Communications, utilities, misc.	\$ 352,046	\$ 336,596	- \$ 15,450
Printing and reproduction	\$ 39,614	\$ 39,892	+ \$ 278
Consulting services	\$ 47,110	\$ 46,846	- \$ 264
Other services (DDS, guards, etc.)	\$ 2,898,358	\$ 2,991,304	+ \$ 92,946
Supplies and materials	\$ 46,728	\$ 47,050	+ \$ 322
Equipment	\$ 209,271	\$ 184,111	- \$ 25,160
Land and structures	\$ 3,563	\$ 2,131	- \$ 1,432
Grants, subsidies and contributions	\$ 23,821	\$ 23,989	+ \$ 168
Insurance claims and indemnities	\$ 21,472	\$ 21,623	+ \$ 151
Interest and dividends	<u>\$ 10</u>	<u>\$ 10</u>	<u>0</u>
Total Obligations	\$ 9,952,220	\$10,327,000	+ \$ 374,780
Less obligations funded from prior year unobligated balances	<u>- \$ 207,643</u>	<u>- \$ 0</u>	<u>+ \$ 207,643</u>
Total Budgetary Resources	\$ 9,744,577	\$10,327,000	+ \$ 582,423
Notes:			
Payments to State DDS (funded from Other services and Communications, Utilities, and misc.)	\$ 1,843,300	\$ 1,945,500	+ \$ 102,200
	\$12,215	\$0	-\$12,215
Automation Investment Fund (included on previous page – funded from carryover of unexpended prior year balances)			

¹ Totals may not add due to rounding.

Limitation on Administrative Expenses

The table on the previous page displays estimated LAE obligations by object class in FY 2008 and FY 2009. In FY 2008 SSA expects to fund \$207,643,000 in obligations from prior-year unobligated balances.

The majority of SSA's request is for payment of its personnel costs, including benefits. The remainder of the request is for payments to the State Disability Determination Services, SSA's information technology infrastructure, rental payments to GSA, guard services, postage, and other non-personnel costs.

SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS

The table below includes significant items included in the FY 2008 appropriations bill committee reports.

Table 3.9—FY 2008 House Report—Significant Items

Disability Hearings and Claims Processing Times and Case Backlogs	Actions Taken or To Be Taken
<p>The Committee is supportive of the Administration’s request for program integrity efforts, including continuing disability reviews and SSI redeterminations, but also provides funds above the budget request to address disability hearings and claims processing times and case backlogs. The average processing time for disability claims appeals currently ranges from 281 days to 848 days. The Administration’s request is not sufficient to achieve key performance improvements. Under the request, average processing times for initial disability claims and hearing decisions will increase and the initial disability claims and hearings backlog will grow. The additional funding is intended to permit SSA to respond to individuals awaiting disability and hearing decisions in a more timely manner.</p>	<p>SSA is using the additional resources to implement the Hearings Reduction Backlog Plan including improving automation, hiring administrative law judges, and taking other steps to increase the number of hearings processed in FY 2008. We will also expedite the processing of initial disability claims and reduce the disability claims backlog.</p>
Operating Plan	Actions Taken or To Be Taken
<p>The Committee includes a new provision requesting each department and related agency to submit an operating plan within 45 days of enactment, detailing any reprogramming of funds which result in a different funding allocation than that in the fiscal year 2008 Act, the accompanying detailed table or budget request.</p>	<p>SSA will submit a report to the Appropriations Committees within the timeframe requested.</p>
Totalization Arrangement	Actions Taken or To Be Taken
<p>The Committee recommends language precluding funds in this Act from being used by the Social Security Administration to administer benefit payments under a totalization arrangement that would be inconsistent with existing law.</p>	<p>SSA will continue to only make benefit payments under totalization arrangements in accordance with existing law.</p>

****Continued on the Next Page****

Limitation on Administrative Expenses

Reporting on Official Time	Actions Taken or To Be Taken
<p>The Committee requests that all of the Departments and agencies funded in this bill submit annually the following information concerning the subject of official time. This information is to be submitted by January 1 of each year.</p> <ul style="list-style-type: none">• Number of hours of official time that employees spent on union activities;• Number of employees who used official time for union activities;• Number of employees who spent 100 percent of their time on union activities;• Dollar value of the official time spent on union activities;• Dollar value of the office space, equipment, telephone use and supplies provided to unions;• Benefits and disadvantages of using official time for union activities.	<p>A report on the use of official time in SSA for FY 2007 was forwarded to the Appropriations Committees.</p>

Table 3.10—FY 2008 Senate Report—Significant Items

Report on Initiatives to Improve the Disability Process	Actions Taken or To Be Taken
<p>The Committee recommends \$125,000,000 more than the budget request to ensure that the backlog of disability claims will decrease, as opposed to increase as assumed under the budget request. The Committee is concerned that over the past several years resource limitations, increasing legislative mandates and ineffective administrative reform efforts have created a situation where the number of cases awaiting a hearing decision stands at 738,000, leading to average waiting times of 505 days, the highest ever in SSA history. The Committee requests a letter report not later than August 24, 2007, on current and planned initiatives to improve the disability process, including the status and results of the disability service improvement process being piloted in the New England region and efforts to improve the hearing process.</p>	<p>After obtaining extension on the due date from the Committee, SSA reported on the planned initiatives to improve the disability process in a letter report to the Labor-HHS subcommittee of the Senate Committee on Appropriations.</p>
Chronic Fatigue Syndrome (CFS)	Actions Taken or To Be Taken
<p>Researchers at the Centers for Disease Control and Prevention have reported that Chronic Fatigue Syndrome is as disabling as chronic obstructive pulmonary disease, end-stage renal failure, and multiple sclerosis. The Committee has encouraged SSA officials to continue the education of adjudicators at all levels about the functional impact of CFS to ensure that they remain up to date on the appropriate evaluation of disability that results from this condition. Within 60 days of enactment of this act, the Committee requests a report from SSA on these ongoing educational activities as well any plans to update the existing policy ruling on CFS, SSR 99–2p.</p>	<ul style="list-style-type: none"> • The Agency is an active participant/ex officio member of the Health and Human Services' Chronic Fatigue Syndrome Advisory Committee. • The Agency provides training on CFS to all new disability adjudicators. • CFS will be included as part of the Agency's efforts to provide refresher/advanced training to adjudicators via web-based training. • The Agency provides refresher training on CFS via video on demand, which is available to all adjudicators from their computers. • The Agency will review its current policy regarding SSR 99-2p to ensure the policy remains current. • The Agency will survey adjudicators at all levels to determine the effectiveness of SSR 99-2p and whether additional training is needed. • SSA will submit a report to the Appropriations Committee within the timeframe requested.

Table 3.11—Consolidated Appropriations Act, 2008: Explanatory Statement—Significant Items

Agency Operating Plans	Actions Taken or To Be Taken
<p>The amended bill includes a general provision proposed by the House that requires each department and related agency funded through this Act to submit a fiscal year 2008 operating plan within 45 days of enactment of this Act. The Senate bill did not include a similar provision.</p>	<p>SSA will submit a report to the Appropriations Committees within the timeframe requested.</p>
Inspector General Websites	Actions Taken or To Be Taken
<p>The amended bill includes a general provision proposed by the Senate that requires departments, agencies, and commissions funded in the Act to maintain a direct link from their Internet homepage websites to the websites of their Inspector General. The House bill did not include a similar provision.</p>	<p>A link to the Inspector General's fraud reporting webpage can be found under "Contact Us" at www.socialsecurity.gov. A second link can be found in the scroller in the upper left, "Report fraud, waste and abuse—Help us prevent fraud, waste, and abuse in Social Security programs and operations" at the same website.</p>
Fraudulent Social Security Numbers	Actions Taken or To Be Taken
<p>The amended bill includes a general provision proposed by the Senate that prohibits funds in this Act to process claims for credit for quarters of coverage based on work performed under a Social Security number that was not the claimant's number if such use of the Social Security number has been found to be an offense prohibited under section 208 of the Social Security Act. The House bill did not include a similar provision.</p>	<p>SSA will implement this provision as required.</p>

BACKGROUND

AUTHORIZING LEGISLATION

The LAE account is authorized by section 201(g) of the Social Security Act. The authorization language makes available for expenditure, out of any or all of the Trust Funds, such amounts as Congress deems appropriate for administering title II, title VIII, title XVI, and title XVIII of the Social Security Act for which SSA is responsible and title XVIII of the Act for which the Secretary of Health and Human Services is responsible.

**Table 3.12—Authorizing Legislation
(dollars in thousands)**

	2008 Amount Authorized	2008 Enacted ¹	2009 Amount Authorized	2009 Estimate ²
Title II, Section 201(g)(1) of the Social Security Act	Indefinite	\$ 9,744,577	Indefinite	\$ 10,327,000

¹ Pursuant to P.L. 110-161, the FY 2008 appropriation includes a rescission of \$173,264,731 for SSA’s LAE account. The amount authorized also includes up to \$132,641,550 collected from SSI State Supplementation user fees and up to \$982,530 collected from non-attorney payee

² The FY 2009 request includes \$240 million in cap adjustment funding for program integrity work.

APPROPRIATION HISTORY

The table below includes the amount requested, passed by the House and Senate, and ultimately appropriated for the LAE account, including any supplemental appropriations and rescissions, for the last ten years. The annual appropriation includes amounts authorized from State Supplementation user fees and, beginning in FY 2005, non-attorney representative payee user fees. Appropriated amounts in FY 2000 through FY 2002 include additional funding for CDRs authorized by Section 303 of P.L 104-121 and Section 10203 of P.L. 105-33.

Table 3.13—Appropriations History Table

Fiscal Year	Estimate to Congress	House Passed	Senate Passed	Appropriation
2000	\$6,706,000,000 ¹	\$6,481,000,000	\$6,673,871,000	\$6,596,800,000 ²
Supplemental ³	\$35,000,000		\$50,000,000	\$35,000,000
Rescission ⁴				-\$24,835,000
Final				\$6,606,965,000
2001	\$7,134,000,000 ⁵	\$6,978,036,000	\$7,010,800,000	\$7,124,000,000
2002	\$7,574,000,000 ⁶	\$7,568,000,000	\$7,568,000,000	\$7,568,000,000 ⁷
Supplemental ⁸	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Rescission ⁹				-\$5,915,000
Final				\$7,569,585,000
2003	\$8,282,753,000 ¹⁰	\$7,936,000,000	\$7,936,000,000	\$7,936,000,000
Rescission ¹¹				-\$50,862,500
Final				\$7,885,137,500
2004	\$8,530,000,000 ¹²	\$8,361,800,000	\$8,530,000,000	\$8,361,800,000
Rescission ¹³				-\$48,626,600
Final				\$8,313,173,400
2005	\$8,878,000,000 ¹⁴	\$8,798,100,000	\$8,622,818,000	\$8,801,896,000 ¹⁵
Rescission ¹⁶				-\$69,394,400
Final				\$8,732,501,600
2006	\$9,403,000,000 ¹⁷	\$9,279,700,000	\$9,329,400,000	\$9,199,400,000 ¹⁸
Rescission ¹⁹				-\$90,794,000
Supplemental ²⁰				\$38,000,000
Final				\$9,146,606,000
2007	\$9,496,000,000 ²¹	\$9,297,573,000 ²²	\$9,297,573,000 ²²	\$9,297,573,000
2008	\$9,596,953,000 ²³	\$9,969,953,000	\$9,871,953,000	\$9,917,842,000 ²⁴
Rescission				-\$173,264,731
Final				\$9,744,577,269
2009	\$10,327,000,000 ²⁵			

¹ Includes \$99,000,000 for user fees: \$80,000,000 from fees paid by States for Federal administration of SSI State supplementation payments and \$19,000,000 from monetary assessments of attorneys representing Social Security

claimants (proposed). Also includes an additional \$405,000,000 to remain available until September 30, 2001, for continuing disability reviews as authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.

- ² Includes \$80,000,000 from user fees paid by States for Federal administration of SSI State supplementation payments. The appropriation makes available, until September 30, 2001, an additional \$385,000,000 above the government-wide discretionary caps for continuing disability reviews authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.
- ³ A FY 2000 supplemental appropriation of \$35,000,000 was enacted to fund the one-time costs of repealing the retirement earnings test for workers at or above the normal retirement age.
- ⁴ A total of \$24,835,000 was rescinded by P.L. 106-113, Consolidated Appropriations Act, 2000.
- ⁵ Includes \$91,000,000 from user fees paid by States for Federal administration of SSI State supplementation payments. Also includes an additional \$450,000,000 to remain available until September 30, 2002, for continuing disability reviews as authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.
- ⁶ Includes \$106,000,000 from user fees paid by States for Federal administration of SSI State supplementation payments. Also includes an additional \$433,000,000 to remain available until September 30, 2003, for continuing disability reviews as authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.
- ⁷ Includes \$100,000,000 from user fees paid by States for Federal administration of SSI State supplementation payments. Also includes, as requested, an additional \$433,000,000 to remain available until September 30, 2003, for continuing disability reviews as authorized by section 103 of P.L. 104-121 and section 10203 of P.L. 105-33.
- ⁸ The President requested and the Congress provided \$7,500,000 in emergency response funding to SSA for infrastructure and security costs related to the events of September 11, 2001 (P.L. 107-117).
- ⁹ A total of \$5,915,000 was rescinded by P.L. 107-206. \$3,400,000 was applied to base expenses; \$2,515,000 was applied to cap adjustment funding for continuing disability reviews.
- ¹⁰ Amount reflects the Administration's proposal to charge the full cost of accruing retirement benefits and annuitant health benefits to agency accounts (+\$345,753,000), in addition to the current law request of \$7,937,000,000. Total includes \$112,000,000 from user fees paid by States for Federal administration of SSI State supplementation payments.
- ¹¹ A total of \$50,862,500 was rescinded by P.L. 108-7, Consolidated Appropriations Resolution, 2003.
- ¹² Total includes \$120,000,000 from user fees paid by States for Federal administration of SSI State supplementation payments.
- ¹³ A total of \$48,626,600 was rescinded by P.L. 108-199, Consolidated Appropriations Bill.
- ¹⁴ Total includes up to \$121,000,000 from user fees paid by States for Federal administration of SSI State supplementation payments.
- ¹⁵ Total includes up to \$124,000,000 from user fees paid by States for Federal administration of SSI State Supplementation payments. Also includes up to \$3,600,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- ¹⁶ A total of \$69,394,400 was rescinded by P.L. 108-447, Consolidated Appropriations Bill.
- ¹⁷ Includes a total of \$601,000,000 in earmarked funding for continuing disability reviews in FY 2006. Total consists of \$412,000,000 in base funding and \$189,000,000 in additional funds. Includes up to \$131,000,000 from user fees paid by States for Federal administration of SSI State Supplementation payments. Also includes up to \$3,600,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- ¹⁸ Total includes up to \$119,000,000 from user fees paid by States for Federal administration of SSI State Supplementation payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- ¹⁹ A total of \$90,794,000 was rescinded by P.L. 109-148, Department of Defense Appropriations Act, 2006.
- ²⁰ A transfer from Department of Homeland Security for Hurricane Katrina-related costs (P.L. 109-234).

Limitation on Administrative Expenses

- ²¹ Includes a total of \$490,000,000 in funding designated for continuing disability reviews in FY 2007. Total consists of \$289,000,000 in base funding and \$201,000,000 in additional funds. Includes up to \$119,000,000 from user fees paid by States for Federal administration of SSI State supplementation payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- ²² The amounts passed by the House and Senate reflect the amounts included in the Revised Continuing Appropriations Resolution of 2007 (P.L. 110-5).
- ²³ Includes a total of \$477,000,000 in funding designated for SSI redeterminations and continuing disability reviews (CDRs). The base and cap adjustment requests for 2008 include both CDRs and SSI redeterminations, whereas previous cap adjustment requests were for CDRs only. Total consists of \$264,000,000 in base funding and \$213,000,000 in additional funds. Includes up to \$135,000,000 from user fees paid by States for Federal administration of SSI State supplementation payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- ²⁴ Includes up to \$132,641,550 from user fees paid by States for Federal administration of SSI State Supplemental payments. Also includes up to \$982,530 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).
- ²⁵ Includes a total of \$504,000,000 in funding designated for continuing disability reviews (CDRs) and SSI redeterminations. Total consists of \$264,000,000 in base funding and \$240,000,000 in additional funds. Includes up to \$145,000,000 from user fees paid by States for Federal administration of SSI State Supplemental payments. Also includes up to \$1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

ADDITIONAL BUDGET DETAIL

SIZE AND SCOPE OF SSA'S PROGRAMS

SSA's administrative budget is driven by the size of the programs it administers—both in terms of the amount of work performed and the number of people needed to process it—and by its continuing efforts to improve service and efficiency.

Between the three major programs SSA administers—OASI, DI, and SSI—Federal benefit payment outlays totaled \$612.7 billion in FY 2007; under current law, Federal benefit payment outlays are expected to increase to \$646.6 billion in FY 2008 and \$683.4 billion in FY 2009. At less than 2 percent of total outlays, SSA's administrative expenses continue to be a small fraction of overall program spending, demonstrating the Agency's cost-conscious approach to managing its resources.

Table 3.14—Federal Benefit Outlays¹
(dollars in billions)

	FY 2007 (Actual)	FY 2008 (Estimate)	FY 2009 (Estimate)
Old-Age and Survivors Insurance	\$ 479.7	\$ 502.5	\$ 530.6
Disability Insurance	\$ 97.0	\$ 102.9	\$ 109.5
Supplemental Security Income	\$ 36.0	\$ 41.2	\$ 43.2
Total Outlays	\$ 612.7	\$ 646.6	\$ 683.4

Paralleling the growth in benefit payment outlays, the number of beneficiaries of the three major programs SSA administers is expected to increase from 53.8 million in FY 2007 to 54.7 million in FY 2008 and 56.0 million in FY 2009.

Table 3.15—Beneficiaries¹
(average in payment status, in millions)

	FY 2007 (Actual)	FY 2008 (Estimate)	FY 2009 (Estimate)
Old-Age and Survivors Insurance	40.7	41.2	42.0
Disability Insurance	8.7	9.0	9.3
Supplemental Security Income ²	7.0	7.2	7.3
Concurrent Recipients ³	(2.6)	(2.6)	(2.7)
Total Beneficiaries	53.8	54.7	56.0

¹ Totals may not add due to rounding.

² Does not include recipients who only receive a Federally Administered State Supplementary payment and no Federal benefit.

³ Recipients receiving both OASDI and SSI benefits.

FULL TIME EQUIVALENTS AND WORKYEARS

The following table summarizes the total Federal and State workyears that the President’s FY 2009 LAE and OIG budgets for SSA will support.

Table 3.16—SSA Supported Federal and State Workyears

	FY 2008	FY 2009
SSA Full-Time Equivalents (FTEs)	60,654	60,897
Overtime/Lump Sum Leave	2,236	2,255
Total SSA Workyears (including OIG)	62,890	63,152
Total DDS Workyears	13,580	13,669
Total SSA/DDS Workyears	76,470	6,821

SOCIAL SECURITY ADVISORY BOARD

This budget includes \$2 million for the Social Security Advisory Board in FY 2009. The *Social Security Independence and Program Improvements Act of 1994* mandated the creation of a 7-member Advisory Board to make recommendations on policies and regulations relating to SSA’s major programs: OASDI and SSI. The Board is required by law to meet at least four times per year.

SSA E-GOV CONTRIBUTIONS

The SSA support for the President’s E-Government Initiatives is funded in Account Code 016-00-8704-1. These initiatives serve citizens, businesses, and Federal employees by delivering high-quality services more efficiently and providing services that might not otherwise be available. These initiatives, along with SSA-specific IT investments, form the basis for the Agency IT budget. The capital asset plans and business case summaries (Exhibit 300s) for each major SSA investment are located at www.socialsecurity.gov/exhibit300/.

**Table 3.17—SSA e-Gov Contributions¹
(in thousands)**

	FY 2008	FY 2009
GovBenefits.gov²	\$ 313.8	\$ 323.8
Disaster Assist Improvement Plan	\$ 476.4	\$ 476.4
E-Rulemaking²	\$ 135.0	\$ 48.2
Business Gateway	\$ 120.0	\$ 88.7
Grants.gov	\$ 77.3	\$ 74.6
E-Travel	N/A	\$ 431.8
Integrated Acquisition Environment²	\$ 44.3	\$ 39.8
IAE-Loans and Grants	\$ 13.0	\$ 13.0
E-Authentication²	\$ 94.7	\$ 167.5
Financial Management LoB	\$ 44.4	\$ 44.4
Human Resources Management LoB	\$ 130.4	\$ 130.4
Grants Management LoB	\$ 28.5	\$ 28.5
Geospatial LoB	\$ 15.5	\$ 15.0
Budget Formulation and Execution LoB	³	³
IT Infrastructure LoB	\$ 80.0	N/A

*

Social Security remains an active contributor, participating in E-Government Presidential Initiatives and assisting in seven Lines of Business (LoB): Human Resources, Financial Management, Information Systems Security, Grants Management, Budget Formulation, Geospatial, and IT Infrastructure. SSA also participates in related E-Government Implementation initiatives.

¹ Funded from ITS budget.

² GovBenefits.gov and E-Authentication are service fees in FY 2008 and FY 2009; E-Rulemaking and Integrated Acquisition Environment are service fees in FY 2009 only.

³ Funding level is pending agreement between SSA and OMB.

Limitation on Administrative Expenses

SSA's Electronic Death Record (EDR) System, part of the E-Vital initiative in which SSA was the managing partner, received the Government Computer News (GCN) 2007 GCN Award. GCN Awards are presented annually to projects and leaders that exemplify the success and results from combining vision and IT innovations with an attention to detail and a willingness to collaborate.

GovBenefits.gov helps to promote awareness of SSA's benefit programs to the public, assisting SSA in its strategic goals of delivering citizen-centric world-class service and strengthening public understanding of Social Security programs.

Disaster Assist Improvement Plan will provide a unified point of access to disaster management-related information, mitigation, response, and recovery information.

E-Rulemaking improves collaboration across government on regulatory matters and provides a central web-based environment for the public to review and comment on SSA regulatory actions while reducing administration costs.

Business Gateway eliminates multiple Web sites searching to locate and access government information, services, legal/regulatory requirements, and forms required by the business community.

Grants.gov provides a single, online portal and central storehouse of information on grant programs for all federal grant applicants.

Grants Management LoB is developing solutions to standardize and streamline the grants management process government-wide. GM LoB is pursuing a consortia based approach to share operations and maintenance (O&M) costs, and development, modernization, and enhancement (DME) costs across agencies, decreasing the burden that any one grant-making agency must bear. Business processes as available through consortium lead agencies will decrease agency reliance on manual and paper-based grants processing.

E-Travel provides a government wide web-based service to consolidate federal travel through leveraging administrative, financial and information technology best practices.

Integrated Acquisition Environment and IAE-Loans and Grants creates a secure environment to facilitate the acquisition of goods and services.

E-Authentication offers the promise of utilizing common, convenient and secure credentials issued by trusted third party Federation credential providers (both government and commercial).

Financial Management LoB reduces non-compliant systems by leveraging common standards and shared service solutions in Federal financial operations.

Human Resources Management LoB provides common core functionality to support the strategic management of Human Capital government-wide.

Geospatial LoB maximizes geospatial investments by leveraging resources and reducing redundancies. Offering a single point of access to map-related data will allow SSA to improve mission delivery and increase service to citizens.

IT Infrastructure LoB offers government-wide common solutions for IT infrastructure consolidation and optimization.

**Table 3.18—Other SSA Expenses/Service Fees Related to e-Gov Projects¹
(in thousands)**

	FY 2008	FY 2009
Recruitment One-Stop	\$ 382.9	\$ 398.3
Enhanced Human Resource Integration	\$ 109.2	\$ 1,489.3
E-Payroll	\$13,681.0	\$13,681.0
E-Travel	N/A	\$ 548.0

In addition to making annual contributions to the managing partners of certain e-Gov projects, SSA also funds various ongoing business services that are related to e-Gov projects. These funds are part of SSA’s ongoing budget and pay for services provided by other agencies under authority of the Economy Act.

Recruitment One-Stop provides an online portal (www.usajobs.gov) through which citizens can easily search for employment opportunities throughout the Federal Government.

Enhanced Human Resource Integration initiative is developing policies and tools to streamline and automate the electronic exchange of standardized human resource data needed for the creation of an official employee record across the Executive Branch.

E-Payroll standardizes and consolidates government-wide Federal civilian payroll services and processes.

E-Travel is intended to provide a government-wide standard set of world-class travel management services to consolidate Federal travel, minimize cost, and improve customer satisfaction.

¹ Funded from Other Objects budget.

EMPLOYMENT

The following table provides a detailed view of the Full-Time Equivalent Employment rates by account for FY 2007 through FY 2009.

Table 3.19—Detail of Full-Time Equivalent Employment

	FY 2007 (Actual)	FY 2008 (Estimate)	FY 2009 (Estimate)
Limitation on Administrative Expenses Account	60,814	59,764	59,993
Reimbursable Work	262	300	300
SSA Proper	61,076	60,064	60,293
Office of the Inspector General	597	590	604
All Programs	61,673	60,654	60,897

The following table lists the Average Grade and Salary for SSA employees from FY 2007 through FY 2009. It includes averages for Executive Service (ES) and General Service (GS) employees.

Table 3.20—Average Grade and Salary

	FY 2007 (Actual)	FY 2008 (Estimate)	FY 2009 (Estimate)	Change
Average ES Salary	\$ 155,200	\$ 159,200	\$ 162,700	+ \$ 3,500
Average GS Grade	10	10	10	0
Average GS Salary	\$ 63,500	\$ 65,200	\$ 66,600	+ \$ 1,400