

OVERVIEW OF OUR FY 2008 GOALS AND RESULTS

FY 2008 OVERVIEW OF PERFORMANCE

The 1993 *Government Performance and Results Act* requires all federal agencies to issue a 5-year *Strategic Plan* that includes a mission statement and outlines long-term goals, objectives; an *Annual Performance Plan* which provides annual performance commitments toward achieving the goals and objectives presented in the *Strategic Plan*; and an Annual Performance Report which we choose to include in the *Performance and Accountability Report* that evaluates the agency's progress toward achieving those performance commitments.

Although we issued a new [Agency Strategic Plan](#) on September 24, 2008 for FY 2008-2013, we based this *Performance and Accountability Report* on our [Strategic Plan for FY 2006-2011](#). The primary purpose of this *Performance and Accountability Report* is to document the agency's accomplishments for the performance measures specified in our [Annual Performance Plan](#) for FY 2008.

We are committed to providing superior service to the American public despite increased workloads and constrained resources. One indication of our progress and commitment to meeting the needs of the millions of individuals we serve is that we met the goal for 18 out of 20 of our FY 2008 performance measures for which end-of-year data are available. Data for six of our remaining performance measures will not be available later in FY 2009. We will report our performance on these six measures in the *FY 2009 Performance and Accountability Report*.

The *Strategic Plan*, on which this performance report is based, focused on the following four strategic goals:

To deliver high-quality, citizen-centered service

Results: Met the goal for 11 of 16 measures (data unavailable for 3 measures)

Although the number of pending hearings increased in FY 2008, we processed over 16,000 more hearings than the FY 2008 goal. In the last half of FY 2007, we implemented a plan to eliminate the hearings backlog by FY 2013. The initial focus of the hearings backlog elimination plan has been on the oldest hearing requests that generally take more time to review. In FY 2008, we processed 575,380 hearings, including 99.8 percent of the hearings pending over 900 days old – 134,879 of 135,160 cases. As the old paper claims continue to be processed and electronic claims become standard, we expect to meet the hearings processed and pending goals in the future.

We continue to make significant progress in implementing new processes to enhance our ability to make accurate, consistent, and timely disability decisions. We processed more than 2.6 million initial disability claims during this fiscal year and met performance goals for initial disability claims processed and average processing time. With better systems and processes planned for the future, we expect to continue to improve disability claims service and our overall service rating.

We also faced the challenge of improving and increasing automation in order to optimize service while enhancing productivity. To address this challenge, we enhanced existing Internet applications to help meet increasing public demand for online services. These enhancements included usability improvements and additional automated customer service options and support for individuals filing online for retirement, disability, and spouses benefits. We also used speech technology and new self-help options to improve service on our National 800 Number.

To protect the integrity of Social Security programs through superior stewardship

Results: Met the goal for 5 of 8 measures (data unavailable for 3 measures)

While it is important that we improve automation and modernize our business processes to meet our service and performance goals, program integrity is a key stewardship responsibility. Program integrity workloads improve the accuracy of benefit payments, protect the integrity of the Trust Funds, and ensure taxpayer money is properly used. These program integrity efforts ensure that individuals receiving benefits continue to be eligible and are being paid the correct amount. Although we scaled back these workloads due to budget constraints over the last several years, in FY 2008 we received increased funding for our program integrity workloads. This allowed us to process more Supplemental Security Income non-disability redeterminations and continuing disability reviews. Each of these workloads are cost effective, returning more than \$10 in lifetime program benefits for every \$1 spent. Dedicated program integrity workload funding allowed us to process:

- Over 1.2 million Supplemental Security Income non-disability redeterminations to reduce improper payments; and
- Over 1 million continuing disability reviews to determine continuing entitlement to disability benefits.

In addition, in FY 2008 we:

- Issued more than 18 million original and replacement Social Security cards;
- Issued more than 148.6 million *Social Security Statements*; and
- Received an unqualified opinion from our auditors on our financial statements.

To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations

Results: Met the goal for this measure

We provided analytical and data support to the Administration and Congress on legislative proposals to address Social Security reform related to the solvency of the Trust Funds. In addition, at various forums, we continued to communicate to the public financing facts and information about our programs, as well as promoted information and services available on our Internet website. Additionally, we issued annual *Social Security Statements* to more than 148.6 million individuals eligible to receive the *Statement*.

The objectives of the *Social Security Statement* are to help individuals verify their earnings record; inform the public about Social Security programs; and assist in financial planning. To ensure that the *Statement* is meeting its objectives and providing value to the public, we have an ongoing *Statement* evaluation plan that includes focus group testing and formal surveys. During FY 2008, we conducted a national survey of recent recipients of the *Statement* to evaluate its effectiveness as a communications medium.

To strategically manage and align staff to support the mission of the agency

Results: Met the goal for this measure

We continue to be committed to outstanding service and continuous improvement. At the heart of that commitment are our dedicated, capable, and creative employees who provide a high level of service to the American people. The silver tsunami of baby boomers affects us not only in workloads, but also in our staffing as we face our own retirement wave. To address this, we performed a retirement wave analysis which is the catalyst for many human capital initiatives, including recruitment and leadership development programs. In FY 2008, we updated and released the *National Recruitment Guide* which provides information on recruitment strategies and techniques. This

guide will help us recruit and maintain a workforce with the knowledge, skills, and abilities necessary to safeguard operations and ensure that we provide quality service to the public. We also developed a *Recruitment Evaluation Plan* to measure various elements of our national recruitment strategy. We collected survey and personnel data throughout the fiscal year and are analyzing the findings to refine our strategies. As a result, we determined whether specific initiatives should be continued, strengthened, or eliminated to enhance our recruitment plan.

These four goals drive the objectives, outcomes, and performance measures listed in this *Performance and Accountability Report*. We developed these particular objectives, outcomes, and performance measures to support our mission and provide the framework for allocating resources.

PERFORMANCE SUMMARY OF GOALS AND RESULTS

The *Government Performance and Results Act* requires all federal agencies to create performance measures to support goals. The following tables provide an overview of our performance measures for FY 2008. We organized the measures by the goals and objectives they support, as specified in our *Strategic Plan for FY 2006 - FY 2011* and published in the *Annual Performance Plan for FY 2009 and Revised Final Plan for FY 2008*.

Key	
Target Achieved	↑
Target Not Achieved	↓
To Be Determined	
Final FY 2008 Not Available	TBD
PART - Denotes each of the agency's 10 Program Assessment Rating Tool (PART) performance measures which were also <i>Government Performance and Results Act</i> performance measures. (See page 34 for more information on PART)	

Strategic Goal 1: *To deliver high-quality, citizen-centered service*

Strategic Objective 1.1: Make the right decision in the disability process as early as possible

Performance Indicator		FY 2008 Goal	FY 2008 Actual	Goal Achieved?	See Page #
1.1a	Percent of initial disability claims receipts processed by the Disability Determination Services up to the budgeted level ²	100%	101%	↑	45
1.1b PART	Minimize average processing time for initial disability claims to provide timely decisions	107 days	106 days	↑	46
1.1c PART	Disability Determination Services net accuracy rate for combined initial disability allowances and denials	97%	Data available January 2009	TBD	47
1.1d	Achieve the budgeted goal for SSA hearings processed (at or above the FY 2008 goal)	559,000	575,380	↑	48
1.1e	Maintain the number of SSA hearings pending (at or below the FY 2008 goal)	752,000	760,813	↓	49
1.1f PART	Achieve target percentage of hearing level cases pending over 365 days	56%	37%	↑	50
1.1g	Achieve target percentage of hearing level cases pending 900 days or more	Less than 1% of universe of over 900-day cases pending	0.2%	↑	51
1.1h PART	Achieve the budgeted goal for average processing time for hearings	535 days	514 days	↑	51
1.1i	Achieve the budgeted goal for average processing time for requests for review (appeals of hearing decisions)	242 days	238 days	↑	52
1.1j	Decrease the number of pending requests for review (appeals of hearing decisions) over 365 days	28%	22%	↑	53

Strategic Objective 1.2: Increase employment for people with disabilities by expanding opportunities

Performance Indicator		FY 2008 Goal	FY 2008 Actual	Goal Achieved?	See Page #
1.2a PART	Number of Disability Insurance and Supplemental Security Income beneficiaries, with Tickets in use, who work	Establish a new baseline	Data available July 2009	TBD	53
1.2b	Number of quarters of work earned by Disability Insurance and Supplemental Security Income disabled beneficiaries during the calendar year	Establish a baseline	Data available July 2009	TBD	55

² The budgeted level is 2,582,000 for FY 2008.

Strategic Objective 1.3: Improve service through technology, focusing on accuracy, security, and efficiency

Performance Indicator		FY 2008 Goal	FY 2008 Actual	Goal Achieved?	See Page #
1.3a PART	Percent of Retirement and Survivors Insurance claims receipts processed up to the budgeted level ³	100%	101%	↑	55
1.3b	Improve service to the public by optimizing the speed in answering 800-number calls	330 seconds	326 seconds	↑	56
1.3c	Improve service to the public by optimizing the 800-number busy rate for calls offered to Agents	10%	10%	↑	57
1.3d PART	Percent of individuals who do business with SSA rating the overall service as "excellent," "very good," or "good"	83%	81%	↓	58

Strategic Goal 2: To protect the integrity of Social Security programs through superior stewardship

Strategic Objective 2.1: Detect and prevent fraudulent and improper payments and improve debt management

Performance Indicator		FY 2008 Goal	FY 2008 Actual	Goal Achieved?	See Page #
2.1a	Process Supplemental Security Income (SSI) non-disability redeterminations to reduce improper payments	1,200,000	1,220,664	↑	59
2.1b	Number of periodic continuing disability reviews processed to determine continuing entitlement based on disability to help ensure payment accuracy	1,065,000	1,091,303	↑	60
2.1c PART	Percent of Supplemental Security Income payments free of overpayment and underpayment error	96% O/P 98.8% U/P	Data available July 2009	TBD	61
2.1d PART	Percent of Old-Age, Survivors, and Disability Insurance payments free of overpayment and underpayment error	99.8% O/P 99.8% U/P	Data available July 2009	TBD	63

³ The budgeted level is 4,065,000 for FY 2008.

Strategic Objective 2.2: Strengthen the integrity of the Social Security Number (SSN) issuance process to help prevent misuse and fraud of the SSN and card

Performance Indicator		FY 2008 Goal	FY 2008 Actual	Goal Achieved?	See Page #
2.2a	Percent of original Social Security Numbers issued that are free of critical error	95%	Data available March 2009	TBD	65
2.2b	Percent of Social Security Number receipts processed up to the budgeted level ⁴	96%	96%	↑	66

Strategic Objective 2.3: Ensure the accuracy of earnings records so that eligible individuals can receive the proper benefits due them

Performance Indicator		FY 2008 Goal	FY 2008 Actual	Goal Achieved?	See Page #
2.3a PART	Issue annual SSA-initiated Social Security Statements to eligible individuals age 25 and older	100%	100%	↑	67

Strategic Objective 2.4: Manage Agency finances and assets to link resources effectively to performance outcomes

Performance Indicator		FY 2008 Goal	FY 2008 Actual	Goal Achieved?	See Page #
2.4a	Receive an unqualified opinion on SSA's financial statements from the auditors	Receive an unqualified opinion	Received an Unqualified Opinion	↑	68

Strategic Goal 3: *To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations*

Strategic Objective 3.1: Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs

Performance Indicator		FY 2008 Goal	FY 2008 Actual	Goal Achieved?	See Page #
3.1a	Provide support to the Administration and Congress in developing legislative proposals and implementing reforms to achieve sustainable solvency for Social Security	Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms	Completed	↑	69

⁴ The budgeted level for FY 2008 was 19,000,000. We received 18,804,959 requests (less than the budgeted level). As such, 96 percent of the actual number received is 18,052,761. We processed 18,114,400 requests, thereby meeting this goal.

Strategic Goal 4: *To strategically manage and align staff to support the mission of the Agency*

Strategic Objective 4: Recruit, develop and retain a high-performing workforce

Performance Indicator		FY 2008 Goal	FY 2008 Actual	Goal Achieved?	See Page #
4.1a	Enhance SSA's recruitment program to support future workforce needs	Implement the recruitment evaluation, including collecting initial baseline data and develop an evaluation report	Completed	↑	70

Electronic versions of the documents discussed can be viewed at the following Internet addresses:

- Our *Strategic Plan FY 2006 – FY 2011* can be found at: <http://www.socialsecurity.gov/strategicplan.html>.
- Our *Strategic Plan FY 2008 – FY 2013* can be found at: <http://www.ssa.gov/asp/>.
- Our *FY 2009 Annual Performance Plan/Revised Final FY 2008 Annual Performance Plan* can be found at: <http://www.socialsecurity.gov/performance/>.

For a paper copy of either our *Strategic Plan* or *Annual Performance Plan*, write to:

Social Security Administration
Office of Budget, Finance and Management
Strategic Management Staff
4215 West High Rise
6401 Security Boulevard
Baltimore, MD 21235

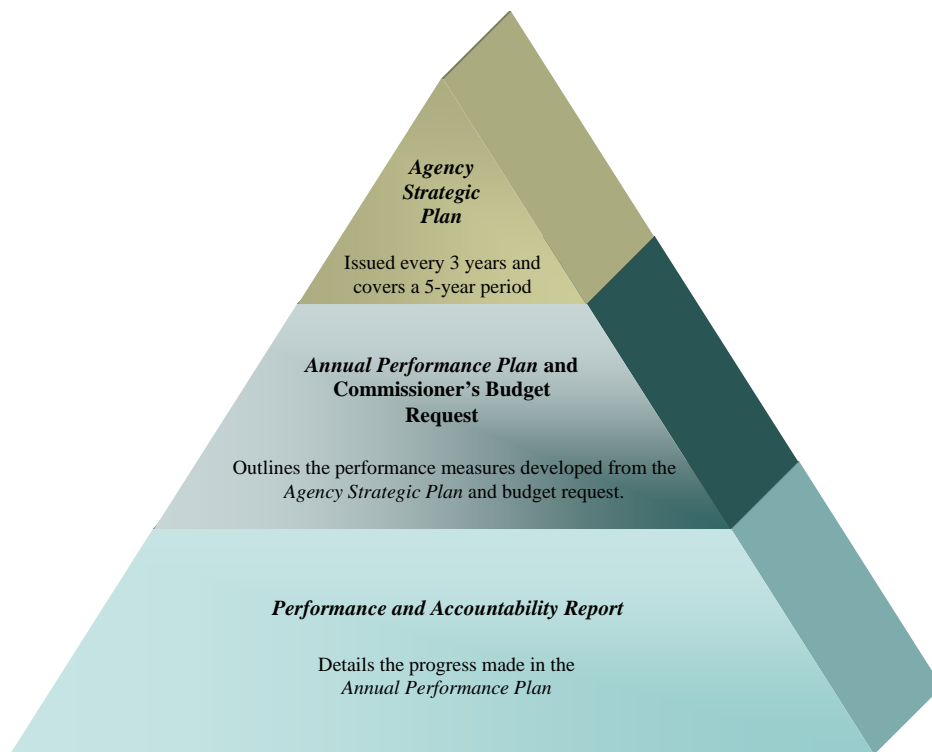
BUDGET AND PERFORMANCE INTEGRATION

One of five government-wide management projects, the Budget and Performance Integration Initiative, builds on the *Government Performance and Results Act* and earlier efforts to identify program goals and performance measures and link them to the budget process. This initiative aims to place greater focus on performance and has two goals:

- To use performance information in budgeting; and
- To improve program performance and efficiency.

We developed our *Annual Performance Plan* in tandem with the agency's budget. We determine our annual performance targets based on our expected performance improvements and our expected funding levels for the year. We closely monitor our progress towards these targets as the year progresses and as necessary, make adjustments in allocating our resources.

Our accounting and cost analysis systems track the administrative costs of our programs by workload, as well as employee production rates. These systems provide integrated financial and performance information to managers at all levels. We emphasize to managers the connection between resources and results. Our executives meet on an ongoing basis to review and discuss performance measures and to allocate resources based on performance and projected workloads.



DATA QUALITY

Social Security is committed to providing clear, reliable data for managerial decision-making and oversight. We strive to ensure that our data is quantifiable and verifiable. We have internal controls in place to provide reasonable assurance that these objectives are met. These controls include ongoing data quality reviews, as well as audit trails, reviews at all levels of management, restricted access to sensitive data, and separation of job responsibilities. Our controls assure that data in this report contain no material inadequacies and support the Commissioner's *Federal Managers' Financial Integrity Act Assurance Statement*. Refer to the *Systems and Controls* section on page 39 for more information about the *Federal Manager's Financial Integrity Act*.

SOCIAL SECURITY DATA INTEGRITY SYSTEMS AND CONTROLS

We generate data for quantifiable performance measures using automated management information and workload measurement systems. The data for several accuracy and public satisfaction measures come from surveys and workload samples designed to achieve confidence levels of 95 percent or higher. We also perform stewardship reviews on the accuracy of Old-Age, Survivors, and Disability Insurance and Supplemental Security Income payments. These reviews are the primary measure of quality for agency performance and provide an overall payment accuracy rate. We derive each review from a sample of records of individuals currently receiving monthly Social Security benefits or Supplemental Security Income payments. For each sampled record, we interview the individual or the authorized representative, contact others as needed, and redevelop all non-medical factors of eligibility.

Furthermore, we use an evaluation process known as *Transaction Accuracy Reviews* to provide quality feedback on recently processed Old-Age, Survivors, and Disability Insurance and Supplemental Security Income applications, as well as Supplemental Security Income redeterminations (a review of individuals' non-disability eligibility factors to determine whether they continue to be eligible and are receiving the correct Supplemental Security Income payment amount). In FY 2008, we selected approximately 17,000 cases (8,500 from each program) for a *Transaction Accuracy Review*. These reviews focused on our processing procedures, and the results of these reviews provided national and regional data on the quality of the application process. In addition, we conducted field assistance visits to identify areas where we could improve our work processes. In an effort to improve accuracy and efficiency, we analyzed the data to determine the causes for deficiencies and issued mid-year and annual reports of our findings. These reports provided timely feedback to our employees and included recommendations on how to prevent errors in the future.

AUDIT OF OUR FY 2008 FINANCIAL STATEMENTS

The *Chief Financial Officer's Act of 1990* requires our Office of the Inspector General, or an independent external auditor that it selects, to audit our financial statements. In compliance, the Office of the Inspector General selected PricewaterhouseCoopers, LLP to conduct the FY 2008 audit. The audit concluded the financial statements present fairly, in all material respects, the financial position of the Social Security Administration. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We provide the PricewaterhouseCoopers, LLP audit report in the *Auditor's Reports Section* beginning on page 143.

ROLE OF OUR OFFICE OF THE INSPECTOR GENERAL

Our Office of the Inspector General has a key role in auditing performance measure data systems to verify the validity and reliability of performance, budgeting, and financial data. The objectives of the audits are to:

- Assess and test our internal controls of the development and reporting of performance data for selected annual performance measures;
- Assess and test the application controls related to the performance measures;
- Assess the overall reliability of the performance measures' computer processed data;

- Test the accuracy of results presented and disclosed in the *Performance and Accountability Report*;
- Assess the meaningfulness of the performance measures; and
- Report the results of the testing to Congress and agency management.

While the Office of the Inspector General did not initiate any performance measure audits in FY 2008, it did complete four audits that it initiated in FY 2007. For more details on audit findings and information on how the Office of the Inspector General conducted the audits, refer to the *Inspector General's Statement on SSA's Major Management Challenges*, page 150.