

# OVERVIEW OF OUR FISCAL YEAR 2013 GOALS AND RESULTS

## How We Manage Performance

**Our Performance Framework:** The *Government Performance and Results Modernization Act of 2010* (GPRMA) specifies criteria for agency strategic plans to align with presidential terms and ensure that agency goals align with broader Federal efforts.

Our [Agency Strategic Plan \(ASP\) for Fiscal Year \(FY\) 2013 - FY 2016](http://www.socialsecurity.gov/asp/index.html) ([www.socialsecurity.gov/asp/index.html](http://www.socialsecurity.gov/asp/index.html)) details our performance management framework. The ASP links our Strategic Goals with underlying objectives, relevant issues, strategies, and key performance measures.

Our goals are:

- Strategic Goal 1: Deliver Quality Disability Decisions and Services;
- Strategic Goal 2: Provide Quality Services to the Public;
- Strategic Goal 3: Preserve the Public's Trust in Our Programs; and
- Strategic Goal 4: Strengthen Our Workforce and Infrastructure.

**Our Planned Performance:** In April 2013, we published our [Annual Performance Plan \(APP\) for FY 2014 and Revised Final Performance Plan for FY 2013](http://www.socialsecurity.gov/performance/) ([www.socialsecurity.gov/performance/](http://www.socialsecurity.gov/performance/)) as a part of the [President's FY 2014 Budget Request](http://www.socialsecurity.gov/budget/) ([www.socialsecurity.gov/budget/](http://www.socialsecurity.gov/budget/)).

Our APP outlines our tactical plans for achieving the goals and objectives in our ASP, finalizes our performance commitments for FY 2013, and discusses the program evaluations we conducted. The budgeted workloads published in our APP correspond to the key workload measures contained in our [FY 2013 Operating Plan](http://www.socialsecurity.gov/budget/FY13Files/2013COPCombined.pdf) ([www.socialsecurity.gov/budget/FY13Files/2013COPCombined.pdf](http://www.socialsecurity.gov/budget/FY13Files/2013COPCombined.pdf)).

**Our Actual Performance and Program Results:** For the first time, our *FY 2013 Annual Performance Report* (APR) and *FY 2014 and FY 2015 APP* will be integrated into one streamlined document that makes it easier to review our plans and priorities in light of our FY 2013 progress. The combined report, which we expect to issue in February 2014 and make available on our [Budget Estimates and Related Information website](http://www.socialsecurity.gov/budget/) ([www.socialsecurity.gov/budget/](http://www.socialsecurity.gov/budget/)), will compare our results to planned performance.

This *Agency Financial Report* summarizes our key initiatives, overall performance results, and financial activities in carrying out our mission for FY 2013. The table below reflects our operating expenses by Strategic Goal.

FY 2013 Operating Expenses by Strategic Goal (Dollars in Millions)	
Deliver Quality Disability Decisions and Services	\$ 5,944
Provide Quality Services to the Public	\$ 2,778
Preserve the Public's Trust in Our Programs	\$ 1,817
Strengthen Our Workforce and Infrastructure	\$ 1,085

**Our Priorities:** GPRMA also requires that we identify Agency Priority Goals (APG). We developed these goals to improve accountability, stimulate innovation, and deliver results on what matters most.

Our priorities are:

Priority Goal 1: Faster hearing decisions;

Priority Goal 2: Reduce Supplemental Security Income (SSI) overpayments; and

Priority Goal 3: Increase use of our online services.

You can find additional information on our APGs performance on [Performance.gov](http://Performance.gov) ([www.goals.performance.gov/agency/ssa](http://www.goals.performance.gov/agency/ssa)).

## Summary of Fiscal Year 2013 Performance

The following pages summarize our overall performance results and highlight some of the practices and initiatives we used to meet our goals in FY 2013. We discuss key issues that affected our FY 2013 operations and may continue to affect our future operations.

In FY 2013, we continued to focus our attention and resources on mission-critical workloads and programs. Final data for 7 of our 35 performance measures were not available when this report was published. We will include the overall results for those measures in our *FY 2014 Agency Financial Report*.

We met our target for 20 of 28 performance measures for which we had data. Below is an assessment of our overall progress by Strategic Goal for FY 2013:

- Strategic Goal 1: Deliver Quality Disability Decisions and Services
  - Met the target for 10 of 17 measures
  - Did not meet the target for 4 of 17 measures
  - Final data not available for 3 of 17 measures
- Strategic Goal 2: Provide Quality Services to the Public
  - Met the target for 4 of 6 measures
  - Did not meet the target for 2 of 6 measures
- Strategic Goal 3: Preserve the Public's Trust in Our Programs
  - Met the target for 4 of 7 measures
  - Final data not available for 3 of 7 measures
- Strategic Goal 4: Strengthen Our Workforce and Infrastructure
  - Met the target for 2 of 5 measures
  - Did not meet the target for 2 of 5 measures
  - Final data not available for 1 of 5 measures

For the first half of FY 2013, we operated under temporary funding and a Continuing Resolution Operating Plan until Congress passed the bill for our FY 2013 appropriations. Shortly after publishing our [Annual Performance Plan for FY 2014 and Revised Final Performance Plan for FY 2013](http://www.socialsecurity.gov/performance/) ([www.socialsecurity.gov/performance/](http://www.socialsecurity.gov/performance/)), we received our FY 2013 funding; we adjusted some performance targets based on actual FY 2013 funding.

## Strategic Goal 1: Deliver Quality Disability Decisions and Services

**Strategic Objectives**

- Reduce the Wait Time for Hearing Decisions and Eliminate the Hearings Backlog
- Improve Our Disability Policies, Procedures, and Tools
- Expedite Cases for the Most Severely Disabled Individuals

**Priority Goal**

*Faster hearing decisions*

The following tables represent our performance in four of our key performance measures. The first performance measure, minimize average wait time from hearing request to decision, supports our APG for faster hearing decisions.

Minimize average wait time from hearing request to decision (in number of days)							
September Only	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Target	Target Achieved
Performance	472	390	345	362	396	~389	NOT MET

Minimize average wait time for initial disability claims (in number of days)							
Fiscal Year	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Target	Target Achieved
Performance	101	111	109	102	107	109	MET

Disability determination services decisional accuracy rate for initial disability decisions							
Fiscal Year	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Target	Target Achieved
Performance	97%	98%	98%	98%	Data available January 2014	97%	TBD*

TBD\*: To be determined as final FY 2013 data were not available at the time of publishing.

Achieve the target percentage of initial disability cases identified as Quick Disability Determinations or Compassionate Allowances							
September Only	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Target	Target Achieved
Performance	3.8%	4.6%	5.9%	5.8%	6.6%	6.0%	MET

Just as the baby boom generation entered its peak years of disability risk, we absorbed large, unexpected increases in disability workloads from the worst economic downturn since the Great Depression. Initial disability receipts continue to remain higher than they were five years ago. Despite the high volume of claims and a delayed budget, we increased our average wait time for initial disability claims by only five days compared to FY 2012.

Despite our hard work and past successes, the average wait time for a hearing decision has increased. We attribute the increase to a number of factors, including sequester-related reduced overtime levels and suspension of nearly all planned hearing office hiring. Another contributing factor to our diminished ability to hold hearings and decide cases is our reduced administrative law judge (ALJ) cadre. We have not been able to obtain a refreshed register of candidates; therefore, we cannot increase our ALJ cadre to address the volume of hearing requests we receive.

While our customers expect us to make timely decisions, they also expect us to consistently make accurate decisions, at the earliest possible point in the process. Over the past five years, we have met or exceeded our target for disability determination services (DDS) accuracy rates for initial disability determinations. Our efforts to deliver quality disability decisions and services include:

**Ensuring an Adequate Staff of Administrative Law Judges:** Since only ALJs can conduct hearings, it is vital that we hire and maintain an adequate number of judges and their support staff. While our ALJ corps has grown substantially in recent years, sustained growth in hearings requests and a recent inability to hire additional judges from the ALJ register have slowed our progress in reducing the hearings backlogs. Although we reduced the wait time in FY 2011, the average wait times for hearings request decisions are beginning to take longer.

**Reducing the Backlog at the Appeals Council:** As we decided more cases at the hearing level, the Appeals Council received more requests for review. In each of the past four years, the Appeals Council received nearly double the requests for review than the previous four-year period. As we address these requests for Appeals Council reviews, we also focus our attention on deciding the oldest cases first. We are steadily decreasing the percentage of cases pending 365 days or more. At the end of FY 2010, cases pending 365 days or more represented 20 percent of total Appeals Council pending requests for review. By the end of FY 2013, we reduced that number to 9 percent.

**Streamlining the Disability Application Process:** Beginning in FY 2012, adults filing online disability applications and appeals on their own behalf have the option to electronically sign and submit Form SSA-827, the Authorization to Disclose Information to the Social Security Administration. This electronic authorization process (eAuthorization) allows our clients to complete disability applications and appeals in a streamlined, online session rather than printing, signing, and mailing paper authorization forms to us. In early FY 2013, we expanded eAuthorization to allow electronic authorization for adult disability applications and appeals and adults participating in continuing disability reviews (CDR) by phone or in person. We will continue to explore fully electronic processes for individuals who file on behalf of others and for some childhood claims.

**Developing a Disability Case Processing System:** The Disability Case Processing System (DCPS) will replace five different legacy systems in the DDSs and Federal disability units with a unified system. DCPS will support consistent case processing, improved quality, and seamless workload sharing across State and Federal components. DCPS will help improve productivity by streamlining interactions with medical providers, copy services, and other vendors by using industry standards for electronic medical records.

We implemented the initial beta version of DCPS in the Idaho DDS in FY 2012. In FY 2013, we released additional beta versions and included the Illinois DDS. We plan future beta releases of DCPS to additional DDSs in FY 2014.

**Advancing Quick Disability Determinations:** We use technology to quickly provide benefits to claimants whose medical conditions are so serious that they obviously meet our disability standards. Our [Quick Disability Determinations \(QDD\)](http://www.socialsecurity.gov/disabilityresearch/qdd.htm) ([www.socialsecurity.gov/disabilityresearch/qdd.htm](http://www.socialsecurity.gov/disabilityresearch/qdd.htm)) predictive model helps us identify cases where favorable disability determinations are highly likely and medical evidence is readily available, enabling us to process the cases quickly.

We are refining the QDD model to ensure it continues to select cases with high potential for allowance. In FY 2013, we evaluated a reconfiguration of the QDD predictive model along with a new approach to the QDD selection process. Our evaluation found that the reconfiguration and the new selection process represent improvements in efficiency and accuracy over the existing model. In FY 2014, we plan to implement the reconfigured predictive model and new selection process.

**Advancing Compassionate Allowances:** Our [Compassionate Allowances \(CAL\)](http://www.socialsecurity.gov/compassionateallowances/) ([www.socialsecurity.gov/compassionateallowances/](http://www.socialsecurity.gov/compassionateallowances/)) process allows us to quickly target the most obviously disabled applicants based on available, objective medical information. We award benefits in nearly all CAL cases if we receive confirmation of the diagnosis with objective medical evidence, and the applicant meets our non-disability criteria. In FY 2013, we added 35 new conditions, including certain cancers, adult brain disorders, and a number of rare disorders that affect children, bringing the total number of conditions in this expedited disability process to 200. In FY 2014, we plan to further expand our list of CAL conditions.

**Expanding Electronic Bench Book:** The Electronic Bench Book (eBB) is a web-based application designed to assist adjudicators in documenting, analyzing, and deciding disability claims at the hearing level. We use eBB to review the case file, take notes at the hearing, record analysis throughout the decision-making process, and prepare hearing instructions. eBB guides users through every step of the sequential evaluation process to ensure that each step is fully addressed. In FY 2013, we began using eBB, Release 2.0, and plan additional functionality in FY 2014.

**Enhancing Electronic Claims Analysis Tool:** We developed a web-based application that guides adjudicators through the five-step sequential evaluation process for determining disability. The electronic claims analysis tool (eCAT) produces a detailed, policy-compliant explanation of the decision made on the case and records the pertinent documentation and analysis necessary to support the decision. The explanation enables an independent reviewer to understand the decision maker's actions and conclusions throughout the claim's development and adjudication processes.

In FY 2013, we required DDSs to use eCAT on all initial and reconsideration-level disability claims. We will continue to refine eCAT in response to input from eCAT users. In FY 2014, we will enhance eCAT to handle CDR cases.

## Strategic Goal 2: Provide Quality Services to the Public

### Strategic Objectives

- Increase the Use of Our Online Services
- Increase Public Satisfaction with Our Telephone Services
- Expand the Use of Video Services
- Improve the Clarity of Our Notices

### Priority Goal

*Increase use of our online services*

The following tables represent our performance in two of our key performance measures; the first performance measure, increase the percentage of claims filed online, supports our APG to increase use of our online services.

Increase the percentage of claims filed online							
Fourth Quarter Only	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Target	Target Achieved
Performance	28%	35%	39%	44%	50.97%	48%	MET

Maintain the percent of people rating our services as "excellent," "very good," or "good"							
Fiscal Year	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Target	Target Achieved
Performance	81%	78.2%	81.4%	80.9%	80.2%	83.5%	NOT MET

Based on the most recent demographic projections, over the next 20 years, nearly 75 million people aged 62 and above will start receiving retirement benefits. In FY 2013, we completed over 5 million retirement, spouse, and Medicare claims – nearly a million more claims than just 5 years ago. We continue to develop more efficient and effective ways of doing business to keep up with the increased demand for our services. One of those ways is providing online access to our services.

Over the past five years, we added new and easy-to-use online services. Our goal is to provide our customers with a wide variety of online services, including the ability to apply for a range of benefits, update their records, and access important information. The combined online filing rate for Medicare, retirement, disability, and spouse claims was 50.97 percent in the 4<sup>th</sup> quarter of FY 2013.

We also made improvements to the telephone services in our field and hearing offices, as well as our National 800 Number infrastructure. In addition, we expanded our use of: 1) video technology to provide in-person service; and 2) plain language principles to simplify the letters we send to the public.

Our efforts to continue providing quality services to the public include:

**Providing the Best Online Services in the Federal Government:** We have the three highest rated online services as measured by the American Customer Satisfaction Index: iClaim, the Retirement Estimator, and the Extra Help with Medicare Prescription Drug Plan Costs application.

Use of our [online services \(www.socialsecurity.gov/onlineservices/\)](http://www.socialsecurity.gov/onlineservices/) continues to increase. In addition to claims filing, we offer electronic access to various documents. We provide publications in Spanish and 14 other languages online via our standard and mobile websites. Additionally, most of our documents are accessible on the Internet to anyone who needs to use screen readers, screen magnifiers, or voice-recognition software.

**Marketing Online Services:** We use public service announcements on television and radio, printed leaflets, billboards, bus posters, and displays in airport terminals to promote our online services. Additionally, we use social media to direct web users to our online service options. We also produce webinars and webcasts to promote online services and explain our programs and services.

**Enhancing Telephone Services:** In FY 2013, we completed more than 53 million transactions through our National 800 Number. Callers can speak to a telephone agent during business hours or use our automated services available 24 hours a day, 7 days a week.

We continue to enhance our automated telephone services so more callers can successfully complete their business with us by phone. We are converting our existing National 800 Number telecommunications infrastructure to a new Citizens Access Routing Enterprise 2020 (CARE 2020) infrastructure.

There are two major phases of CARE 2020: Phase I includes live-agent service and Phase II includes automated services and enhanced menus. In FY 2013, we successfully completed Phase I. We expect to complete Phase II in FY 2014. Once fully deployed, CARE 2020 will:

- Enhance our automated telephone applications' self-service features and speech-recognition technology;
- Increase our capacity to route callers for agent service, even on peak days;
- Enable callers to make a decision to wait for service, schedule a callback, or retry their call at a later time; and
- Help us forecast call volumes, anticipate staffing needs, and better distribute incoming calls across the network.

**Expanding Video Service Delivery:** Video technology allows real-time conferencing between two or more sites. We offer Video Service Delivery (VSD) to reduce in-office wait time as well as travel time and travel costs. Some individuals have difficulty visiting our offices because they live in rural locations or places without public transportation. VSD allows us to provide service to individuals at locations more convenient to them (e.g., hospitals, community centers). In FY 2013, we had video units in 423 sites and held 181,675 interviews using VSD.

In addition, during FY 2013, we added video units to some of our State DDS offices, allowing them to conduct video disability hearings and video consultative exams.

## Strategic Goal 3: Preserve the Public's Trust in Our Programs

**Strategic Objectives**

- Increase Efforts to Accurately Pay Benefits
- Recover Improper Payments
- Maintain Accurate Earnings Records
- Make Our Administrative Operations Even More Efficient

**Priority Goal**

*Reduce Supplemental Security Income overpayments*

The following tables represent our performance in our two-part key performance measure, SSI payments free of overpayment and underpayment errors, and support our APG for reducing SSI overpayments.

Percent of Supplemental Security Income payments free of overpayment error							
Fiscal Year	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Target	Target Achieved
Performance	91.6%	93.3%	92.7%	93.7%	Data available April 2014	95.0%	TBD*

TBD\*: To be determined as final FY 2013 data were not available at the time of publishing.

Percent of Supplemental Security Income payments free of underpayment error							
Fiscal Year	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Target	Target Achieved
Performance	98.4%	97.6%	98.2%	98.2%	Data available April 2014	98.8%	TBD*

TBD\*: To be determined as final FY 2013 data were not available at the time of publishing.

We pay over \$65 billion in benefits each month. Our most important responsibility is to pay the right person the right amount at the right time. We take this responsibility very seriously and strive to be as accurate as possible in administering our programs.

Some of the initiatives we are undertaking to preserve the public's trust in our programs include:

**Using Program Integrity Tools:** Our SSI program is a means-tested program providing cash assistance to those who are aged, blind, or disabled with limited income and resources. Changes in recipients' living arrangements or income can affect their eligibility for payment or payment amount. We rely on recipients to self-report this information, which is a significant reason for the inconsistencies in our SSI payment accuracy rate. Due to frequent and sometimes unreported changes, we conduct periodic reviews of recipients' income and resources to determine the correct monthly benefit payments. FY 2013 was the fourth year in a row we conducted over 2 million redeterminations.

In addition to redeterminations, some of our most effective program integrity efforts include:

- Conducting CDRs. We periodically conduct CDRs to determine if the beneficiary's disabling condition has improved and if he or she is still eligible for benefits.
- Expanding the Access to Financial Institutions (AFI) initiative. AFI is an electronic system that allows us to detect assets, including those in undisclosed bank accounts. Detection of these assets prevents one of the most frequent causes of SSI erroneous payments.

- Promoting SSI Telephone Wage Reporting System and our new SSI Mobile Wage Reporting. Unreported and untimely reported wages continue to be a major source of payment error in the SSI program.
- Using electronic data exchanges and expanding the use of electronic death data exchange with foreign governments. We have over 3,700 data exchanges with a wide range of Federal, State, and local entities as well as some foreign governments that provide us with information we need to adjust the amount of benefits we pay.

**Maximizing Our Use of Proven Debt Collection Tools and Techniques:** Although we strive to accurately and timely pay benefits, the complexity of our programs and dependence on beneficiaries to report changes can lead to improper payments. We use benefit withholding to recover overpayments from debtors currently receiving payments. When individuals who are overpaid are no longer receiving benefits, we offer them the opportunity to repay the debt via monthly installment payments. If the debtor does not agree to an acceptable repayment plan or defaults on an established agreement, to recover the overpayments, we use our external collection procedures, which include referral to credit bureaus, Administrative Wage Garnishment, and Tax Refund Offset and Administrative Offset – both managed through the Department of the Treasury's Offset Program (TOP).

Our participation in TOP allows us to offset Federal tax refunds, Federal annuities, Federal salaries, and, as of FY 2013, eligible State payments, to collect delinquent debt. From our initial implementation in January 1992 through FY 2013, we recovered over \$2 billion through TOP.

In FY 2013, we continued to notify debtors of our intent to recover their 10 years or more delinquent debt via TOP. We mailed 15,000 notices monthly from June 2012 through February 2013 and 25,000 notices monthly from March 2013 through September 2013, giving debtors the opportunity to repay or dispute their debt within 60 days of receipt of the notice. From June 2012 through September 2013, we sent a total of 310,000 notices.

For more information on overpayments, including major causes and corrective actions, please refer to the *Improper Payments Information Detailed Report* located in our *Other Information* section of this report.

**Expanding Use of Social Security Number Verification Services:** We can accurately post employee wages only when employers report wages under the correct Social Security number (SSN). Social Security Number Verification Services (SSNVS) allow registered users (e.g., employers) to verify the employee's name and SSN. We continue to market SSNVS to the business community online, at conferences, and at meetings; however, recent budgetary constraints will limit our attendance at such events.

**Increasing Electronic Wage Reports:** Paper wage reports are more error-prone, labor-intensive, and expensive to process. Although employers electronically filed about 87 percent of Forms W-2 in calendar year 2013, we received over 29 million paper Forms W-2.

We continue to work toward eliminating paper wage reports while migrating to a fully electronic earnings record process. A multi-year Earnings Redesign initiative is underway to further modernize our earnings reporting system to make our earnings process more efficient and accurate. In addition, we are working with the Internal Revenue Service to enhance earnings data exchanges for improved wage reporting.

## Strategic Goal 4: Strengthen Our Workforce and Infrastructure

### Strategic Objectives

- Strengthen Our Workforce – Recruit, Train, Develop, and Retain Superior Employees
- Maintain Secure and Reliable Information Technology Services
- Increase Efficiency of Our Physical Infrastructure

### Best Places to Work in the Federal Government



The following tables represent our performance in our two-part performance measure, recruit and hire veterans and disabled veterans.

Recruit and hire Veterans							
Fiscal Year	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Target	Target Achieved
Performance	15.07%	17.33%	26.72%	36.78%	46.6%	18%	MET

Recruit and hire Disabled Veterans							
Fiscal Year	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Target	Target Achieved
Performance	7.50%	8.72%	13.59%	15.49%	18.10%	15%	MET

The landscape of the Federal workplace and its workforce continues to change, as do the needs of the public it serves. We must be prepared to meet changing business demands by having a diverse, highly skilled, and agile workforce.

Our employees are integral in carrying out our mission. By strategically managing, engaging, and aligning our staff, we ensure that we have a workforce of highly dedicated and motivated employees who are committed to providing outstanding public service.

We strive to provide a professional, safe, and secure environment for our workforce and the public, while working to achieve even greater savings by minimizing waste and reducing energy consumption. Each year since 2007, our employees have ranked us in the top 10 [Best Places to Work in the Federal Government](http://www.bestplacestowork.org/BPTW/rankings/) ([www.bestplacestowork.org/BPTW/rankings/](http://www.bestplacestowork.org/BPTW/rankings/)).

While we have a long history of caring employees and high productivity, process improvements alone cannot offset the significant increases in our workloads and loss of staff. Technological advances have changed the way the public conducts their business with us. Technology continues to emerge and shape our service delivery methods and our traditional business models. To meet our service delivery challenge, we rely on a large and complex information technology (IT) infrastructure.

This infrastructure includes national databases, hundreds of software applications, large back-end computer platforms, and thousands of networked computers, printers, telephones, and other devices. Maintaining secure and reliable IT services is key to our success. Ensuring the privacy and security of all personal information is critical to maintain the public's trust.

Our efforts to strengthen our workforce and infrastructure include:

**Recruiting, Training, Developing, and Retaining Superior Employees:** Retirements continue to be the primary reason for our workforce reduction. By 2017, almost 33 percent of our workforce, including 41 percent of our supervisors, will be eligible to retire. Under sequestration, we continue to face limited hiring capability while employee attrition increases. In FY 2013, we lost over 3,889 employees due to retirement and other reasons. Like many Federal agencies, we face the challenge of a diminishing workforce while simultaneously facing an increasing volume of work. By recruiting, training, and developing our employees, we retain a talented pool of dedicated employees who are committed to providing outstanding public service. Some of the initiatives we employ to retain our superior workforce include:

- Strengthening our diversity and inclusion practices;
- Employing veterans and individuals with disabilities;
- Identifying future leaders through management development programs; and
- Implementing safety and security training.

**Focusing on the Employment of Veterans and Individuals with Disabilities:** We have long recognized the rich talent pool that exists among veterans and individuals with disabilities. More than a quarter of our new hires over the past three years are veterans. To ensure sustained success in following the President's hiring directives, we continue to focus on recruiting and retaining veterans and individuals with disabilities. Each fiscal year, we establish operational goals that integrate strategic methods for recruitment, development, and retention that parallel our human capital strategies.

Due to budget constraints, we are experiencing hiring limitations. However, despite these challenges, we remain focused on working collaboratively with our external partners, using consistent marketing messages and outreach efforts to publicize us as an employer of choice.

**Maintaining Secure and Reliable Information Technology Services:** The *American Recovery and Reinvestment Act of 2009* provided us with \$500 million in administrative funding for our National Support Center (NSC). This new facility will ensure that we protect and maintain our vital IT infrastructure. The General Services Administration (GSA) plans to complete construction and commission the building in FY 2015. More information on the NSC is available on our [American Recovery and Reinvestment Act webpage \(www.socialsecurity.gov/recovery/\)](http://www.socialsecurity.gov/recovery/).

Some of our ongoing efforts to maintain secure and reliable IT services include:

- Enhancing our infrastructure;
- Upgrading the capacity and performance of our mainframe systems;
- Protecting our systems and data;
- Improving IT cost and performance;
- Modernizing older software applications; and
- Maintaining systems performance while transitioning to our NSC.

**Protecting Privacy and Security:** We are committed to protecting the privacy and security of personal information. To maintain the public's trust as individuals interact with us through social media, we developed privacy policies for social media tools and emerging technology. We also provide annual systems security training to our employees and contractors. This training raises the awareness of employees and contractors regarding our information systems security policies and procedures.

**Reducing Our Carbon Footprint:** We have a responsibility to the public to conduct business in an efficient, economical, and environmentally sound manner. We are reviewing our current organizational structure to identify

opportunities to consolidate offices and reduce our carbon footprint. Facility closures or consolidations resulted in cost savings of nearly \$5.2 million in FY 2013. We are working to achieve even greater savings by minimizing waste and reducing energy consumption. Also, we continue to use single-stream recycling and have deployed new recycling stations in high-visibility areas having more foot traffic at our headquarters complex.

**Using "Green" Solutions:** We continue to find new and innovative ways to expand our "green" programs and use "green" solutions to improve our environment. In an effort to meet our responsibility to be environmentally friendly, we recycle and purchase energy-efficient lighting, electronics, and appliances. In FY 2013, we estimated a 3.6 percent reduction in petroleum use and an 11.7 percent increase in alternative fuel use. GSA selected us to participate in its Plug-In Electric Vehicle Pilot program. As participants, GSA will provide us with two electric vehicles and charging stations at no cost.

## Looking Forward - Facing Our Challenges

We take great pride in administering the Social Security and SSI programs, and we recognize that each of our customers is someone whose life will be affected by the work we do and how well we do it. Our agency is among the most efficient and effective in Federal Government. We achieve great success when our "can-do" attitude is matched with sufficient resources. Although we strive to achieve our Strategic Goals and objectives, we have significant challenges ahead. Over the past few years, providing high-quality service to all of our customers on all of our service fronts has grown increasingly difficult for us.

Our toughest fiscal challenge in nearly 30 years lies ahead of us. In the last 3 years, we have lost more than 10,000 employees. These losses have occurred unevenly across the country, threatening the viability of some of our offices. Our diminished workforce, coupled with hiring restrictions, comes at a time when demands for our services continue to remain high.

Despite these challenges, delivering excellent service remains our primary objective. Responding to the challenges we face requires us to rethink the way we do business. Throughout their history, Social Security programs have been dynamic, altering to meet the changing needs and attitudes of the American people. Today, we are guided by a driving principle that we must fundamentally transform the way we do business in order to manage our growing workloads and continue to meet the needs of the public. Recognizing that we must develop innovative ways to manage our work and must change along with our customers' needs, including their preferences for ways of doing business with us, we will continue to expand *mySocialSecurity*, iClaim, VSD, and other alternative service delivery options.

Our limited resources require us to maximize efficiencies in our disability and other programs, and we will continue to look for ways to strengthen policies, improve processes, increase the use of automation, and strengthen our employment support programs and provide help for beneficiaries who want to work. As good stewards of our resources and taxpayer funds, we will remain focused on our improper payments strategy by working in collaboration with our Federal partners, stakeholders, and beneficiaries to minimize improper payments. We also recognize the need to balance the number of decisions we make with the assurance that we make our decisions accurately and consistently across the country at the earliest possible point in our process.