

**SOCIAL SECURITY ADMINISTRATION**



**THE FISCAL YEAR 2007 BUDGET**

**PRESS RELEASE**

The attached document is based on the President's budget scheduled for delivery to the Congress on February 6, 2006, and should not be released until 10:00 AM that day.

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**SOCIAL SECURITY ADMINISTRATION**


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(Dollars in millions)

	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Estimate</u></b>	<b><u>+/-</u></b>
<b>OUTLAYS</b>	<b>\$564,249</b>	<b>\$595,931</b>	<b>\$625,957</b>	<b>+\$30,026</b>

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**Summary**

The President's \$626 billion budget for the Social Security Administration (SSA) reflects the Administration's commitment to the programs that SSA administers. These include Old-Age, Survivors and Disability Insurance (OASDI), financed by Social Security trust funds, and Supplemental Security Income (SSI), funded from general revenues. The budget supports the Agency's mission of promoting the economic security of the nation's people.

At \$626 billion in fiscal year (FY) 2007, total outlays for all SSA-administered programs are projected to increase by \$30 billion from the FY 2006 level. This increase is attributable primarily to annual cost-of-living adjustments of 4.1 percent in January 2006 and an estimated 2.6 percent in January 2007, for both the OASDI and SSI programs. Additionally, the number of individuals receiving benefits from the OASDI and SSI programs continues to increase.

The President's budget proposes administrative resources of \$9.619 billion which will allow SSA in FY 2007 to:

- Pay benefits to over 54 million people every month;
- Evaluate evidence and make determinations of eligibility for benefits on more than 6.7 million new claims;
- Make decisions on more than 575,000 hearings;
- Issue 18 million new and replacement Social Security cards;
- Process 265 million earnings items for crediting to workers' earnings records;
- Handle approximately 59 million transactions on SSA's 800-number;
- Issue 142 million *Social Security Statements*;
- Process almost 1.6 million periodic continuing disability reviews;
- Process over 1 million non-disability SSI redeterminations; and
- Process almost 245,000 Medicare Part D subsidy applications.

SSA also provides support for other Federal programs. For decades, SSA has taken applications for Medicare benefits and replacement Medicare cards and has withheld Medicare premiums from beneficiaries' Social Security checks. However, the Medicare Modernization Act (MMA) of 2003 significantly increased SSA's Medicare-related responsibilities. SSA's FY 2007 budget includes the resources required for ongoing work related to the MMA. In addition, SSA continues to provide service delivery support to the Medicaid, Railroad Retirement, and Food Stamp programs.

## SSA SUMMARY

(Outlays in millions, including proposed legislation)				
	FY 2005 <u>Actual</u>	FY 2006 <u>Enacted</u>	FY 2007 <u>Estimate</u>	<u>+/-</u>
<b><u>Trust Fund Programs</u></b>				
Old-Age and Survivors Insurance (OASI)	\$436,830	\$461,729	\$485,655	+\$23,926
Disability Insurance (DI)	\$86,468	\$93,418	\$100,532	+\$7,114
Proposed OASDI Legislation	---	---	<u>-\$190</u>	<u>-\$190</u>
<b>Trust Fund Programs</b>	<b>\$523,298</b>	<b>\$555,147</b>	<b>\$585,997</b>	<b>+\$30,850</b>
<b><u>General Fund Programs</u></b>				
SSI	\$40,940	\$40,772	\$39,921	-\$851
Special Benefits for Certain World War II Veterans	\$11	\$12	\$11	-\$1
Proposed SSI Legislation	---	---	<u>+\$28</u>	<u>+\$28</u>
<b>Subtotal, General Fund Programs</b>	<b><u>\$40,951</u></b>	<b><u>\$40,784</u></b>	<b><u>\$39,960</u></b>	<b><u>-\$824</u></b>
<b>TOTAL, SSA</b>	<b>\$564,249</b>	<b>\$595,931</b>	<b>\$625,957</b>	<b>+30,026</b>
<b>Percentage increase from FY 2006</b>				<b>+5%</b>

### ADMINISTRATIVE BUDGET (Dollars in millions)

	FY 2005 <u>Actual</u>	FY 2006 <u>Enacted</u>	FY 2007 <u>Estimate</u>	<u>+/-</u>
Limitation on Administrative Expenses <sup>1</sup>	\$8,733	\$9,109	\$9,496	+\$387
Office of the Inspector General	\$90	\$91	\$96	+\$5
Research	<u>\$35</u>	<u>\$27</u>	<u>\$27</u>	<u>---</u>
<b>TOTAL ADMINISTRATIVE BUDGET</b>	<b>\$8,858</b>	<b>\$9,227</b>	<b>\$9,619</b>	<b>+\$392</b>
<b>Percentage Increase from FY 2006</b>				<b>+4.2%</b>
Medicare Modernization Start-up <sup>2</sup>	<u>+\$347</u>	<u>+\$101</u>	<u>---</u>	<u>-\$101</u>
<b>TOTAL PROGRAM LEVEL</b>	<b>\$9,205</b>	<b>\$9,328</b>	<b>\$9,619</b>	<b>+\$291</b>
<b>Percentage increase from FY 2006</b>				<b>+3.1%</b>
<b>TOTAL WORKYEARS</b>	<b>83,604</b>	<b>80,794</b>	<b>78,249</b>	<b>-2,545</b>

<sup>1</sup> FY 2006 enacted includes the 1 percent rescission applied to FY 2006 discretionary funds included in the FY 2006 Defense appropriations bill, P.L. 109-148.

<sup>2</sup> P.L. 108-173 provided a total of \$500 million for SSA's role in the implementation of Medicare modernization, available in FY 2004 and FY 2005. P.L. 109-77 extended the availability of remaining funds through FY 2006.

## Trust Fund Programs

### Old-Age, Survivors and Disability Insurance

In FY 2007, OASDI outlays will increase by \$31 billion, or 5.6 percent, over FY 2006. This increase is attributable primarily to the annualized effect of the January 2006 4.1 percent cost-of-living adjustment (COLA) and the effect of the estimated 2.6 percent COLA payable beginning in January 2007. Additionally, the number of individuals receiving benefits under the Social Security programs is expected to increase by 819,000. Combined OASDI Trust Fund income will grow by about \$43 billion in FY 2007 and will be \$779 billion or 133 percent of yearly outlays.

As in the FY 2006 Mid-Session Review, this budget reflects the President's policy for establishing and phasing in personal accounts. In the first year of the accounts, contributions will be capped at four percent of Social Security taxable earnings, up to a \$1,100 limit in 2010, increasing by \$100 each year through 2016. The Budget also describes the benefits of progressive indexing, which the President has embraced. Progressive indexing would provide for indexing the future benefits of the highest wage workers to inflation while providing for a higher rate of benefits growth for lower-wage workers.

### OASDI OVERVIEW

(Dollars in millions)				
	<u>FY 2005 Actual</u>	<u>FY 2006 Enacted</u>	<u>FY 2007 Estimate</u>	<u>+/-</u>
<b><u>Outlays</u></b>				
OASI Benefits	\$430,375	\$454,922	\$479,022	+\$24,100
DI Benefits	\$83,765	\$90,644	\$97,521	+\$6,877
Other <sup>1</sup>	\$9,158	\$9,581	\$9,644	+\$63
<b>TOTAL OUTLAYS (Current Law)</b>	<b><u>\$523,298</u></b>	<b><u>\$555,147</u></b>	<b><u>\$586,187</u></b>	<b><u>+\$31,040</u></b>
Proposed Legislation			<b><u>-\$190</u></b>	<b><u>-\$190</u></b>
<b>TOTAL OUTLAYS (Proposed Legislation)</b>	<b>\$523,298</b>	<b>\$555,147</b>	<b>\$585,997</b>	<b>+\$30,850</b>
<b><u>Income</u></b>				
OASI	\$600,069	\$633,677	\$671,509	+\$37,832
DI	<u>\$96,764</u>	<u>\$101,848</u>	<u>\$107,089</u>	<u>+\$5,241</u>
<b>TOTAL, INCOME (Current Law)</b>	<b>\$696,833</b>	<b>\$735,525</b>	<b>\$778,598</b>	<b>+\$43,073</b>

<sup>1</sup> "Other" includes administration, beneficiary services, payments to the Railroad Retirement Board, and demonstration projects.

**OASDI Program Data**

Social Security pays monthly cash benefits to retired and disabled workers and their dependents, and to survivors of deceased workers. Benefits are financed by payroll taxes paid by employees, employers, and the self-employed, interest on the trust funds, and income taxes on higher income retirees.

The table below provides information on Social Security beneficiaries, benefit payments and the payroll tax.

**OASDI BENEFICIARY and BENEFITS OVERVIEW**

	<u>Calendar Year</u>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>+/-</u>
Projected COLA Payable in January	2.7%	4.1%	2.6%	
Taxable wage base (Maximum earnings recorded)	\$90,000	\$94,200	\$98,700	+\$4,500
FICA tax rate (Employers and employees each, excluding 1.45% Hospital Insurance (HI) portion)	6.20%	6.20%	6.20%	---
SECA tax rate (Self-employed, excluding 2.9% HI portion)	12.4%	12.4%	12.4%	---

	<u>Fiscal Year</u>			<u>+/-</u>
	<u>FY 2005 Actual</u>	<u>FY 2006 Enacted</u>	<u>FY 2007 Estimate</u>	
<b><u>Average Number of Beneficiaries</u></b>				
OASI	39,844	40,262	40,762	+500
DI	<u>8,054</u>	<u>8,424</u>	<u>8,743</u>	<u>+319</u>
TOTAL, Beneficiaries (in thousands)	47,898	48,686	49,505	+819
<b><u>Average Monthly Benefit</u></b>				
Retired Worker	\$950	\$994	\$1,032	+\$38
Disabled Worker	\$887	\$928	\$961	+\$33

**Legislative Proposals Related to OASDI**

The Administration has several proposals that will strengthen, improve the integrity, and expand efficiency of the OASDI program.

- Require full-time attendance at an educational institution as a condition of entitlement for children's benefits beginning at age 16. This proposal recognizes the importance of continuing education, and changing the policy to age 16 will further encourage eligible children to remain in school.
- Allow SSA the ability to independently verify whether beneficiaries have pension income from employment not covered by Social Security. This proposal would eliminate the current self-reporting burden on individuals and will improve payment accuracy. The law requires that Social Security benefits be reduced in such cases, recognizing, in effect, that these pensions are designed as a substitute for Social Security.
- Eliminate the one-time lump sum death benefit of \$255. This one-time payment no longer provides a meaningful monetary benefit for survivors and is normally less than one month's survivor benefits. Administrative dollars saved will be redirected to higher priority activities beginning in FY 2007.
- Simplify the current, complicated Worker's Compensation reduction to disability benefits by having a uniform offset that would affect all future beneficiaries for a period not exceeding five years. This simplified offset will reduce erroneous DI payments and the burden on claimants in making large repayments, as well as reduce SSA's administrative costs.

## GENERAL FUND PROGRAMS

### Supplemental Security Income

In FY 2007, SSI outlays will decrease by \$851 million or 2.1 percent from FY 2006. Estimates of current benefits are driven by the number of recipients eligible for monthly payments and the amount of the monthly payments. Even though the number of recipients will increase by 188,000, the total benefit payments will decrease because the number of monthly payments in FY 2006 will be 12 compared to only 11 in FY 2007.

SSI monthly payments are normally paid on the first of the month. However, when the first of the month is on a weekend or holiday, the payment is made on the preceding business day. The October 1, 2006 (Sunday) payment will be made on Friday, September 29, 2006. This will result in 12 SSI payments for FY 2006 and 11 payments in FY 2007. FY 2005 had 13 monthly payments because October 1, 2005 fell on a Saturday.

### SSI OVERVIEW

(Dollars in millions)

<u>Outlays</u>	<u>FY 2005 Actual</u>	<u>FY 2006 Enacted</u>	<u>FY 2007 Estimate</u>	<u>+/-</u>
Federal Benefits <sup>1</sup>	\$38,208	\$37,928	\$37,204	-\$724
Other <sup>2</sup>	<u>\$2,732</u>	<u>\$2,844</u>	<u>\$2,717</u>	<u>-\$127</u>
<b>TOTAL OUTLAYS (Current Law)</b>	<b>\$40,940</b>	<b>\$40,772</b>	<b>\$39,921</b>	<b>-\$851</b>
<b>Proposed Legislation</b>	<b>---</b>	<b>---</b>	<b>+\$28</b>	<b>+\$28</b>
<b>TOTAL, OUTLAYS (Proposed Legislation)</b>	<b>\$40,940</b>	<b>\$40,772</b>	<b>\$39,949</b>	<b>-\$823</b>

<sup>1</sup> The number of monthly check payments is 13 in FY 2005, 12 in FY 2006, and 11 in FY 2007.

<sup>2</sup> "Other" includes vocational rehabilitation, research, reimbursement to the trust funds for administrative costs, and the difference between advances and reimbursements for State supplementation across fiscal years.

**SSI Program Data**

The SSI program provides benefits for low-income aged, blind, and disabled individuals and couples, including blind and disabled children, up to a maximum award called the standard benefit rate. Amounts paid to recipients may be less than the standard benefit rate depending on income (e.g., earnings and Social Security benefits) and living arrangements (e.g., residence in one's own home, in the household of another person, or in a nursing home that meets Medicaid standards).

The maximum monthly Federal benefit amount, adjusted for the 4.1 percent January 2006 COLA, is \$603 for an individual and \$904 for a couple. This amount is projected to increase to \$619 for an individual and \$928 for a couple when adjusted for the estimated 2.6 percent COLA payable beginning in January 2007. States may choose to supplement the Federal payment and have SSA administer these supplements.

The SSI account also funds costs related to successful vocational rehabilitation services provided to disabled SSI recipients, either through reimbursement to State Vocational Rehabilitation agencies or through payments to employment networks under the Ticket to Work and Self-Sufficiency Program.

In addition, this account funds broad-based cross-program research projects in the Social Security and SSI programs as well as projects specific to SSI program issues. Research and demonstration projects cover a wide range of topics, including: basic data about SSA's programs and their beneficiaries, analysis of proposals for Social Security reform, testing various approaches for retaining disabled individuals in the workforce and improving employment outcomes for disability beneficiaries, promoting research in critical disability policy research areas, and policy evaluation of important Agency initiatives.

**SSI BENEFICIARY AND BENEFITS OVERVIEW**

	(Recipients in thousands)			
	<u>FY 2005 Actual</u>	<u>FY 2006 Enacted</u>	<u>FY 2007 Budget</u>	<u>+/-</u>
<b><u>Average Number of SSI Recipients</u></b>				
<b>Federal Payments:</b>				
Aged	1,118	1,111	1,105	-6
Blind and Disabled	<u>5,657</u>	<u>5,803</u>	<u>5,998</u>	<u>+195</u>
Subtotal*	6,775	6,914	7,102	+188
<b>State Supplemental Payments (with no Federal SSI payable)</b>				
	<u>290</u>	<u>296</u>	<u>302</u>	<u>+6</u>
<b>TOTAL, SSI Recipients (Current Law)*</b>	<b>7,065</b>	<b>7,210</b>	<b>7,404</b>	<b>+194</b>
<b><u>Average Monthly Benefit</u></b>				
Aged	\$300	\$315	\$326	+\$11
Blind and Disabled	\$455	\$475	\$489	+\$14
All SSI Recipient	\$430	\$449	\$464	+\$15
<b>Projected COLA Payable in January</b>	<b>2.7%</b>	<b>4.1%</b>	<b>2.6%</b>	

\*Totals may not add due to rounding.

**SSI Legislative Proposal**

- The President's budget would allow refugees and asylees to receive SSI for 8 years after entry into the country. Currently, refugees and asylees who have not become citizens can only receive SSI for 7 years after entry. The proposal recognizes that some individuals have been unable to obtain citizenship within the 7-year time limit. The policy would continue through 2009.

**Special Benefits for Certain World War II Veterans**

This program funds monthly benefits for certain veterans of World War II who reside outside of the United States, and the administrative costs of paying the benefits. The program applies to veterans who served in the active military, naval or air services of the United States, including Filipino veterans who served in the organized military forces of the Philippines while those forces were in the service of the U.S. Armed Forces, and who were eligible for SSI as of December 1999. Veterans who meet these and other requirements may be entitled to receive a special benefit depending on their incomes for each month they subsequently reside outside the United States. (These veterans are not eligible for SSI since they reside outside the United States.) Special Benefits are paid only to the veteran.

Payments began in May 2000 to veterans who took advantage of the new program and returned to their homeland. California has chosen to supplement the Federal payment, which is administered by SSA for the State.

**SPECIAL BENEFITS FOR CERTAIN WWII VETERANS OVERVIEW**

<u>(Outlays in millions)</u>	<u>FY 2005 Actual</u>	<u>FY 2006 Enacted</u>	<u>FY 2007 Estimate</u>	<u>+/-</u>
<b>Federal Benefits <sup>1</sup></b>	<b>\$10</b>	<b>\$11</b>	<b>\$10</b>	<b>-\$1</b>
<b>Administration</b>	<b>*</b>	<b>\$1</b>	<b>\$1</b>	<b>---</b>
<b>TOTAL, Special Benefits for Certain World War II Veterans <sup>2</sup></b>	<b>\$11</b>	<b>\$12</b>	<b>\$11</b>	<b>-\$1</b>
<b>Average Number of Beneficiaries (in thousands)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>---</b>
<b>Average Monthly Benefit</b>	<b>\$321</b>	<b>\$340</b>	<b>\$349</b>	<b>+\$9</b>

<sup>1</sup> The number of monthly check payments is 13 in FY 2005, 12 in FY 2006, and 11 in FY 2007.

<sup>2</sup> Totals may not add due to rounding.

\* Less than \$500,000

## LIMITATION ON ADMINISTRATIVE EXPENSES

(Dollars in millions)

### LAE OVERVIEW

	FY 2005 <u>Actual</u>	FY 2006 <u>Enacted</u>	FY 2007 <u>Budget</u>	<u>+/-</u>
<b><u>Program Financing</u></b>				
TOTAL, LAE Appropriation <sup>1</sup>	\$8,733	\$9,109	\$9,496	+\$387
Percentage Increase from FY 2006				+4.2%
<b>Medicare Modernization Initial Start Up (funding for FYs 2005 and 2006) <sup>2</sup></b>				
	<u>\$347</u>	<u>\$101</u>	<u>- - -</u>	<u>-\$101</u>
TOTAL PROGRAM LEVEL <sup>3</sup>	\$9,080	\$9,209	\$9,496	+\$287
Percentage Increase from FY 2006				+3.1%

<sup>1</sup> FY 2006 enacted includes the 1 percent rescission applied to FY 2006 discretionary funds included in the FY 2006 Defense appropriations bill, P.L. 109-148.

<sup>2</sup> P.L. 108-173 provided a total of \$500 million for SSA's role in the implementation of Medicare modernization, available in FY 2004 and FY 2005. P.L. 109-77 extended the use of remaining funds through FY 2006.

<sup>3</sup> Totals may not add due to rounding.

### FULL TIME EQUIVALENTS AND WORKYEARS

	FY 2005 <u>Actual</u>	FY 2006 <u>Enacted</u>	FY 2007 <u>Estimate</u>	<u>+/-</u>
SSA FTEs (including OIG)	64,559	63,998	62,036	-1,962
SSA Overtime	3,467	2,398	1,948	-450
DDS Workyears	<u>15,038</u>	<u>14,398</u>	<u>14,265</u>	<u>-133</u>
TOTAL SSA/DDS WORKYEARS	83,064	80,794	78,249	-2,545

The Limitation on Administrative Expenses (LAE) account provides resources for SSA to administer the OASDI programs, the SSI program, certain health insurance and Medicare prescription drug functions, and the Special Benefits for Certain World War II Veterans program. Funding for this account is initially financed from the Social Security and Medicare trust funds. The trust funds are subsequently reimbursed for the administrative expenses of the SSI program, which are covered by general funds, as well as for other costs not related to the trust funds. Funds are included for personnel costs and operating expenses such as equipment, space, and building services.

These resources are applied to: processing retirement, survivors, disability and SSI claims; managing the Ticket to Work and Self-Sufficiency Program; updating beneficiary eligibility information; processing applications for Social Security numbers (SSN) and posting annual earnings to workers' records; operating a nationwide 800-number; operating and improving SSA's automated data processing and telecommunications systems; and determining eligibility of low-income seniors for extra help with Medicare drug benefits.

SSA's administrative budget represents less than 2 percent of total outlays, which demonstrates the Agency's cost-conscious approach to managing its resources. SSA's 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. SSA's Service Delivery Plan and the President's Management Agenda (PMA) both focus on relating resources to results. The Service Delivery Plan provides a context for decisions on needed improvements in service and stewardship to meet our goals. This budget allows SSA to maintain service and to continue its MMA responsibilities. SSA will also continue to improve the way it does business with investments in technology.

The President's budget provides resources for SSA to:

- Maintain service in the face of growing workloads;
- Continue to increase SSA's overall productivity;
- Continue implementation of the eDib claims process; and
- Continue to administer significant workloads related to the MMA.

One of SSA's highest priorities is to improve service to the public in the disability program from the initial claim through the final administrative appeal. EDib transforms a previously cumbersome paper process replacing it with an electronic disability folder. SSA has completed the rollout of eDib and the reliance on the paper disability folder is already decreasing. This was demonstrated in the immediate aftermath of Hurricane Katrina when SSA was able to recover a number of disability claims and electronically transfer those claims to unaffected areas of the country. Already, 18 State DDSs are using eDib exclusively as the official Agency record and no longer maintain paper folders for new cases.

SSA will continue to closely monitor eDib as the expansion and refinement continues. When fully implemented, eDib will expedite the claims process, house the largest repository of electronic medical records in the world, and provide disability claimants with faster and higher quality service. This transformation lays the foundation for further technological and service improvements. The FY 2007 President's budget includes the resources required for this remarkable effort.

Another one of SSA's major initiatives is to improve the disability determination process and make the right decision as early as possible in the process. The Disability Service Improvement (DSI) plan represents a major step forward in the Agency's effort to effectively serve the public. The proposed process will capitalize on the benefits gained from the successful implementation of the Agency's eDib project. SSA intends to implement the DSI changes in one of its smallest regions in mid-2006 and expand gradually to additional regions as the Agency gains experience. This type of implementation will enable SSA to carefully monitor the process and quickly address any concerns that may arise. The Agency plans to issue final rules on the improved process early in 2006.

SSA continues to improve productivity. In FY 2005, SSA's productivity increased by 2.7 percent over the previous year, part of a cumulative increase of 12.6 percent since 2001.

From FY 2001 to FY 2005, several of the Agency's key performance indicators have improved. SSA has reduced processing time for both initial disability claims (from 106 days to 93 days) and appeals of hearing decisions (from 447 days to 242 days). SSA has also processed more work. In FY 2005, SSA processed over 450,000 more initial disability claims and over 670,000 more retirement and survivors claims than in FY 2001.

One of SSA's important responsibilities is fiscal stewardship. One way the Agency fulfills its stewardship responsibility is by conducting continuing disability reviews (CDR), periodic reevaluations of eligibility factors for DI and SSI recipients, which ensure proper benefit payments. The FY 2007 President's budget proposes a discretionary cap adjustment to fund additional CDRs. CDRs save \$10 in program benefits for every \$1 spent administering them. An increase in spending on CDRs in FY 2007 would result in greater program savings, reducing the overall deficit.

SSA's budget supports the PMA by emphasizing the President's Government-wide management reforms, as well as program management reforms. SSA has achieved three green status scores for the PMA initiatives, and will strive to attain five out of five, as outlined in the Agency's Annual Performance Plan. SSA has also used the OMB Program Assessment Rating Tool (PART) to examine different aspects of program performance and to identify the strengths and weaknesses of the DI and SSI programs. Both programs were rated "moderately effective" which is the second highest possible score. PART has enabled SSA to pinpoint weaknesses in its DI and SSI programs and guide the Agency toward solutions to improving these programs.

Social Security faces great service and stewardship challenges, but with adequate resources, SSA can, and will, meet these challenges. Repeatedly, SSA has responded effectively to the needs of the American people in a timely and compassionate manner. In the immediate aftermath of Hurricane Katrina, SSA was a constant and reliable resource for the people who depend on its benefit programs, issuing over 73,000 immediate payments to displaced evacuees. The Agency increases its productivity by focusing its resources on process within technology improvements and the areas of the budget where additional resources will generate the greatest results. This budget represents a sound investment, balancing service and fiscal responsibility. With the resources it provides, SSA will continue to effectively serve the American people.

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**OFFICE OF THE INSPECTOR GENERAL**


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	(Dollars in millions)			
	FY 2005 <u>Actual</u>	FY 2006 <u>Enacted</u>	FY 2007 <u>Budget</u>	<u>+/-</u>
<b>TOTAL, OIG Budget Authority (Current Law)</b>	<b>\$90</b>	<b>\$91</b>	<b>\$96</b>	<b>+\$5</b>
<b>Percentage Increase from FY 2006</b>				<b>+4.9%</b>
<b>Workyears</b>	<b>613</b>	<b>625</b>	<b>625</b>	<b>- - -</b>

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**Summary**

The Office of the Inspector General (OIG) is charged with protecting the integrity of SSA's programs as well as promoting their economy, efficiency, and effectiveness. OIG uses a combination of audits, investigations, and inspections to prosecute fraud, waste, and abuse in SSA's programs and operations.

SSA is engaged in an aggressive program to deter, detect, and investigate fraud, and to prosecute individuals or groups committing fraud. A strong OIG, working together with SSA employees in local offices, is the most effective means SSA has to control program fraud and abuse. To strengthen OIG's capacity to accomplish its mission of protecting the integrity of SSA's programs, SSA has requested an increase in its resources available to OIG.

The FY 2007 budget increase of 4.9 percent to \$96 million will enable OIG to continue to aggressively pursue anti-fraud activities on a variety of fronts, including combating SSN misuse, disability fraud through Cooperative Disability Investigation Teams, and OASDI and SSI fraud.

The SSN has become a vital aspect of American life and a link to homeland security. Its reliability is a key element in protecting against fraud and in protecting lives at home and abroad. In FY 2007, to further support the Administration's homeland security initiatives, OIG will continue to fund the SSN Integrity Protection Team. This integrated team model will address issues of SSN misuse and provide assistance to SSA, Congress, the public, and other law enforcement agencies while maintaining a primary focus on protecting SSA's program and trust fund integrity.