Social Security Administration

Justification of Estimates for Appropriations Committees Fiscal Year 2015

Fulfilling Our Commitments to the American People

March 2014

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FY 2015 BUDGET OVERVIEW

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A MESSAGE FROM THE COMMISSIONER

Serving as the face of government for many, the Social Security Administration (SSA) has the major responsibility of meeting the service needs and expectations of much of the American public. Each year, we serve a tremendous number of people. From retirement to disability to survivors benefits, our services span the generations. We provide monthly benefits to nearly 65 million people – about 1 in 6 Americans.

Operating the nation's largest insurance program, our top priority is to focus on our customers – the American public. Each day, we work hard to serve each individual or family as efficiently and effectively as possible. This dedication is the reason I am honored to lead this organization of caring and compassionate employees. I am also proud of all that we have accomplished during my first year as the Acting Commissioner.

Having been a public servant for over 40 years, I know the challenges Federal agencies face, and I am mindful of the uncertainties of the current fiscal environment. Our budget proposal emphasizes efficiency, effectiveness, and quality while focusing on meeting the changing needs of the American public. With these investments, we can continue to carry out our mission and do our best to improve service to the American public.

For the past few years, funding constraints and sequestration have hindered our ability to fulfill our mission. With limited resources and the demand for our services at historically high levels, we have had to make tough decisions. While we have built in efficiencies wherever we can, service delivery times have increased, and we were unable to complete as much program integrity work as we aimed to.

The fiscal year (FY) 2014 funding level will position us to begin to restore service to the public while simultaneously increasing our program integrity efforts. Our FY 2015 administrative budget request of $12.024 billion will allow us to continue the road to recovery.

These dollars support our commitment to public service and allow us to accomplish our mission by focusing on the areas detailed in our Agency Strategic Plan for FY 2014-2018:

- Enhance our service delivery through *innovation and collaboration*,
- Strengthen the *integrity* of our programs,
- Focus on *quality and efficiency* for our disability program,
- Invest in our *employees*, and
- Continue to maintain *safe and secure* technology services.

Our requested budget represents a *practical* approach that will keep us moving forward while continuing to make tough but necessary choices. These funds will allow us to continue our

investments in multiple service delivery options, give our employees tools to better serve the public, explore, and utilize leading-edge technology, and combat fraud.

As the Acting Commissioner, my priority is to position the agency for the future and to do so we need adequate and consistent funding. Our administrative costs represent 1.4 percent of the benefits we pay annually. We have proven year after year that we are good stewards of our resources. With the requested funding, we can continue to serve the public as effectively as possible, plan for the future, and wisely invest in technology and process improvements. We must be able to replace critical staffing losses, continue to explore alternative service delivery methods, and emphasize program integrity workloads now. Investment in our programs and operations are resources well spent, ensuring our ability to serve the public now and in years to come.

In closing, our budget request represents the level of funding that our dedicated employees need to fulfill our mission, "Deliver Social Security services that meet the changing needs of the public." These caring and compassionate individuals work hard every day to accomplish this mission. It is imperative that we continue to invest in our greatest resource – our employees. I would like to express my gratitude to all our employees. Thank you for your commitment, perseverance, and resilience.

Carolyn W. Colvin
Acting Commissioner

OUR PROGRAMS

Whether it is after the loss of a loved one, at the onset of disability, or during the transition from work to retirement, we touch the lives of virtually every American, as well as the lives of many people living abroad. We administer three key programs that serve the public.

Old-Age and Survivors Insurance

Created in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their families. In FY 2015, we will pay about $744 billion in OASI benefits to approximately 49 million beneficiaries per month, including 89 percent of the population aged 65 and over.

Disability Insurance

Established in 1956, the Disability Insurance (DI) program provides benefits for workers with disabilities and their families. In FY 2015, we will pay about $147 billion in DI benefits to approximately 11 million workers with disabilities and their family members per month.

Supplemental Security Income

Established in 1972, the Supplemental Security Income (SSI) program provides financial support to adults and children with disabilities and adults who are aged or blind, and have limited income and resources. In FY 2015, we will pay about $60 billion in Federal benefits and State supplementary payments to approximately 8.5 million recipients per month.

We also increasingly contribute to furthering other national priorities including activities related to: the Employees Retirement Income Security Act of 1974, the Coal Act, Supplemental Nutrition Assistance Program (formerly Food Stamps), Social Security number (SSN) verifications for a wide-range of non-SSA program purposes, the Help America Vote Act, the State Children's Health Insurance Program, Veterans benefits, and the Affordable Care Act.

Our ongoing workloads include the following:

- Claims: We take claims, evaluate evidence, and determine benefit eligibility and payment amounts. In FY 2015, we will handle over 5.3 million retirement, survivors, and Medicare claims; more than 2.8 million Social Security and SSI initial disability claims; and 248,000 SSI aged claims.

- Appeals: We have three levels of administrative appeals for claimants who disagree with our decisions:

1) Reconsideration, which entails a complete review of the claim by an employee who did not take part in the initial determination;

2) Hearing before an administrative law judge (ALJ); and

3) Request for review to the Appeals Council. If a claimant disagrees with the Appeals Council's decision or if the Appeals Council decides not to review the case, a claimant may file a lawsuit in a Federal district court.

In FY 2015, we will complete approximately 752,000 reconsiderations, 801,000 hearings, and 165,000 Appeals Council reviews.

- Program Integrity: Our stewardship responsibility includes conducting non-medical SSI redeterminations and full medical continuing disability reviews (CDR). These reviews save significant program dollars by avoiding improper payments. In FY 2015, we will conduct 2.622 million SSI redeterminations and 888,000 full medical CDRs.

- Social Security Numbers: We complete applications for and assign SSNs to all Americans and to qualifying foreign-born workers. In FY 2015, we will complete requests for approximately 16 million new and replacement Social Security cards.

- Earnings Records: We receive earning reports from employers and post the reported earnings to workers' records. We link these earnings records to the appropriate worker's SSN and resolve any discrepancies. In FY 2015, we will post 256 million earnings items to workers' records.

- Social Security Statements: We provide information on earnings as well as estimates of future benefits workers and their families may receive based on those earnings. In the near future, we will issue a plan to significantly increase the number of individuals receiving Social Security Statements, both electronically and by mail, as directed by the Congress in the Consolidated Appropriations Act, 2014 report.

- Services After Individuals Become Eligible for Benefits: In FY 2015, we will complete more than 100 million post-entitlement actions for beneficiaries, including issuing emergency payments, recomputing payments, and completing address and status changes.

- Medicare and Medicaid Administration Assistance: For over four decades, we have assisted the Centers for Medicare and Medicaid Services in administering the Medicare Hospital Insurance and Supplementary Medical Insurance programs. In addition to determining Medicare eligibility, in FY 2015, we will handle over 1 million Medicare prescription drug subsidy applications.

- Data Exchanges: We provide or verify data for many purposes such as employment, voting, Affordable Care Act eligibility, and Department of Veterans Affairs claims.

FY 2013 ACCOMPLISHMENTS

We continue to be an efficient organization; our administrative costs are about 1.4 percent of the benefit payments we pay each year. We are proud to have maintained our efficiency even in the face of recent budget challenges.

In FY 2013, we:

- Paid over $850 billion to almost 65 million beneficiaries;

- Handled over 53 million transactions on our National 800 Number;

- Received over 68 million calls to field offices nationwide;

- Served more than 43 million visitors in our 1,200 field offices nationwide;

- Completed nearly 8 million claims for benefits and nearly 794,000 hearing dispositions;

- Handled approximately 32 million changes to beneficiary records;

- Completed nearly 17 million new and replacement Social Security card applications;

- Performed over 1.6 billion automated SSN verifications;

- Posted over 251 million earnings reports to workers' records;

- Handled over 18,000 disability cases in Federal District Courts;

- Completed over 2.6 million SSI non-medical redeterminations;

- Completed 429,000 full medical CDRs; and

- Completed over 3 million overpayment actions.

We made tough, targeted decisions and enhanced our information technology (IT) in FY 2013, which mitigated some of the effects of the recent budget cuts on the American people and allowed us to handle a record number of retirement claims. However, while our performance was impressive in many areas, overall service suffered because we lost nearly 11,000 employees since the beginning of FY 2011 through FY 2013. As a result, in FY 2013, the public had to wait longer for a decision on their disability claim, to talk to a representative on our National 800 Number, and to schedule an appointment in our field offices. The budget cuts also negatively affected our program integrity work; we completed fewer of our cost-effective CDRs in FY 2013 than we did in FY 2012. Even as we vigorously increase the use of automation, the nature of our

work remains labor intensive and, therefore, is dependent on having the necessary number of trained staff.

FY 2015 BUDGET REQUEST

Our FY 2015 budget request of $12.024 billion will replace some of the cuts due to sequestration and allow us to build upon the progress we are making in FY 2014. We will continue to increase CDR numbers, enhance our vigorous fraud prevention efforts, improve our service to the American public, and modernize our service delivery.

Most of the increase in our FY 2015 budget is for program integrity work. The budget request includes the Budget Control Act of 2011 (BCA) level of program integrity for FY 2015, which will allow us to double our CDR efforts compared to FY 2013, building on funding provided in the FY 2014 appropriations act, and then starting in FY 2016, establishes a dependable source of mandatory funds for this purpose. Our FY 2015 budget will also help us to sustain and build upon our efforts in FY 2014 to combat fraud, waste, and abuse, such as opening more Cooperative Disability Investigation (CDI) units, which saved over $340 million in FY 2013.

While it is our goal to balance service, quality, and stewardship, limited resources over the past three years have hindered our ability to do so. Despite making tough and targeted cuts, our service and stewardship efforts deteriorated because of losing over 12 percent of our workforce. In FY 2014, for the first time in over three years, we will be able to replace employees who leave, and we will be able to replace some – but not all – of our critical losses from prior years. These new hires will allow us to begin reversing the increase in service wait times in FY 2015. Sustained, adequate, and timely funding is essential for us to fully recover and improve service.

The FY 2015 President's Budget also supports our service modernization efforts. By investing in efforts such as more online services, we can be more efficient and more responsive to the public, saving time and money. The FY 2015 budget request includes $100 million for IT investments related to customer service modernization efforts. The Opportunity, Growth, and Security Initiative, a separate, fully paid-for series of additional investments in the President's Budget, invests an additional $150 million in SSA's customer service initiatives to further reduce wait times and enhance services for the public. As service delivery evolves, it is critical that we continue to be vigilant about investing in cybersecurity efforts.

In addition, the budget provides new authority and $400 million in new resources for SSA, in partnership with other Federal agencies, to test innovative strategies to help people with disabilities remain in the workforce. Early intervention measures, such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and opportunities for States to better coordinate services, have the potential to achieve long-term gains in the employment and the

quality of life of people with disabilities. In addition, the proposed demonstration authority will help build the evidence base for future program improvements.

The following charts provide the FY 2015 President's budget request for our administrative expenses, including funding amounts, associated workyears, and key performance goals. The first chart, the FY 2015 Funding Table, provides amounts for our key appropriations and the associated workyears. The second chart, the FY 2015 Performance Table, includes the actual performance for FY 2013 and anticipated targets for FYs 2014 and 2015 for our key performance measures.

FY 2015 PRESIDENT'S BUDGET REQUEST – FUNDING

The funding table below provides actual dollar figures and workyears expended for FY 2013, our estimated spending for FY 2014 based upon Public Law 113-76, and our FY 2015 budget request.

FY 2015 Funding Table	FY 2013 Actual	FY 2014 Enacted	FY 2015 Request
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE)	$11,046	$11,697	$12,024
Research and Demonstrations	$17	$47	$53
Office of the Inspector General (OIG)	$97	$102	$105
Total Budget Authority[1]	**$11,159**	**$11,846**	**$12,182**
Workyears			
Full-Time Equivalents	61,861	61,767	63,525
Overtime	1,931	2,850	1,890
Lump Sum	249	298	298
Total SSA Workyears	**64,041**	**64,915**	**65,713**
Disability Determination Services (DDS) Workyears	14,081	14,279	15,050
Total SSA/DDS Workyears	**78,122**	**79,194**	**80,763**
OIG Workyears	560	553	558
Total SSA/DDS/OIG Workyears	**78,682**	**79,747**	**81,321**

[1] Totals may not add exactly due to rounding.

FY 2015 PRESIDENT'S BUDGET REQUEST – PERFORMANCE

The performance table below reports our actual performance for FY 2013, our estimate for what we can achieve in FY 2014 based upon P.L. 113-76, and what we can achieve with our FY 2015 budget request.

FY 2015 Performance Table	FY 2013 Actual	FY 2014 Enacted	FY 2015 Request
Selected Workload Measures			
Retirement and Survivors Claims Completed (thousands)	5,007	5,131	5,311
Initial Disability Claims Completed (thousands)	2,988	2,947	2,847
Disability Reconsiderations Completed (thousands)	803	778	752
Hearings Completed (thousands)	794	735	801
National 800 Number Transactions Handled (millions)[1]	53	N/A	N/A
National 800 Number Calls Handled (millions)[1]	N/A	39	47
Average Speed of Answer (ASA) (seconds)[2]	617	1,020	600
Agent Busy Rate (percent)	12	14	2
Social Security Numbers (SSN) Completed (millions)	17	16	16
Annual Earnings Items Completed (millions)	251	253	256
Social Security Statements Issued (millions)	0	4	44
Selected Outcome Measures			
Initial Disability Claims Receipts (thousands)	2,985	2,891	2,860
Hearings Receipts (thousands)	825	819	802
Initial Disability Claims Pending (thousands)	698	642	656
Disability Reconsiderations Pending (thousands)	173	174	177
Hearings Pending (thousands)	848	932	933
Average Processing Time for Initial Disability Claims (days)	107	109	107
Average Processing Time for Disability Reconsiderations (days)[3]	N/A	N/A	N/A
Annual Average Processing Time for Hearings Decisions (days)	382	415	435
Disability Determination Services Production per Workyear	322	319	326
Office of Disability Adjudication and Review Production per Workyear	109	106	109
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(2,800)	(2,100)
Selected Program Integrity Performance Measures			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,576	1,410	1,988
Full Medical CDRs (included above, thousands)	429	510	888
Supplemental Security Income (SSI) Non-Medical Redeterminations Completed (thousands)	2,634	2,622	2,622

[1] Under the new Citizens Access Routing Enterprise 2020 (CARE 2020) network structure, performance will be tracked using Calls Handled as opposed to Transactions Handled. The legacy network recorded transactions handled within the network, by either agents or automation. In some instances, multiple transactions were completed within one call, making it appear as though we served a larger volume of callers. Calls Handled will track the individual caller and is more in line with our other National 800 Number service performance metrics, which track how long a single caller is on hold or how often they receive a busy signal.

[2] Since migrating to the new CARE 2020 network, complete wait time, including the time that the caller is on the line and the time the caller is waiting for a call back, is now included in the ASA calculation. This new calculation is in contrast to the former legacy network calculation, which artificially deflated the ASA by only including the time the caller was on the line until a callback option was chosen, typically two to three seconds in duration. Under the legacy system, the customer's wait time was diluted and virtually excluded from the ASA calculation. The new CARE 2020 methodology is consistent with industry standards.

[3] In 2013, we developed the capability to capture the data to calculate overall average processing time for disability reconsiderations. In September 2013, the first time the data was available, the overall average process time was 101 days. We will develop a performance target for this measure in FY 2016 after we have had the ability to analyze at least two years of actual data.

OUR EXTRAMURAL RESEARCH BUDGET

In FY 2015, we are requesting $53 million in new budget authority as part of our SSI appropriation to support extramural research projects. These projects test changes to the disability programs to improve program administration and reduce dependency on our programs. The broad-based SSI, OASI, and DI projects funded via this budget include projects in the areas of disability policy research, employment support programs such as Ticket to Work, retirement policy research, financial literacy, and education, and evaluations of proposed or newly enacted legislation.

The FY 2015 budget continues support for ongoing rigorous evaluations, such as SSA's evaluation of the interagency Promoting Readiness of Minors in SSI (PROMISE) effort. The PROMISE initiative was created to foster improved outcomes for children who receive SSI by facilitating positive changes in health status, physical and emotional development, completion of education and training, and eventually, employment opportunities. PROMISE is an interagency initiative with collaboration between SSA and the Departments of Education, Health and Human Services, and Labor.

The budget also includes continued funding for our Occupational Information System (OIS) project, which will allow us to make more consistent, better-informed disability decisions. In FY 2013, we conducted a three-phase field test to assess the feasibility of using the National Compensation Survey platform as a means to gather the occupational data we need for our OIS. The results of the testing are promising and demonstrate that the collection of the data we need is viable. Testing will continue throughout FY 2014 while any outstanding issues from FY 2013 testing are resolved. The budget will allow us to conclude a pre-production test that will involve collecting data from a nationwide sample of 2,500 establishments.

Early Intervention Demonstrations

In addition to our extramural research budget, we also have a $400 million legislative proposal to provide mandatory funding for early intervention demonstrations intended to build the evidence base for policy innovation. SSA's demonstrations have shown interventions *after* the point of complete disability onset can yield positive outcomes for beneficiaries, but earlier interventions, before an individual seeks out DI benefits, may be more effective.

While many demonstrations for existing DI beneficiaries have shown positive results, they have not identified interventions that would return beneficiaries to substantial and sustained employment. Early interventions are likely warranted, in light of research indicating that health problems begin to materialize in advance of complete disability onset and data showing that earnings begin to decline well before DI benefits are awarded. Services or programs provided earlier in the disability process would prove cost effective if they arrested sharp declines in

health (leading to lower medical expenses) or prevented the loss of earnings capacity that can result from job separations or long periods out of the labor force (leading to fewer DI claims or other public expenditures). Practitioners have acted on this view, in some cases, by developing and structuring effective programs to help employers deal with health events of employees before they cause a separation from the workplace and an often irreversible path toward long-term cash benefit receipt.

ENHANCING PROGRAM INTEGRITY

We must continue to strengthen the integrity of our programs. To combat fraud, waste, and abuse, we strive to continuously improve payment accuracy so that only those who are eligible receive benefits and in the right amount. The FY 2015 budget will allow us to bolster our efforts to prevent or minimize overpayments by supporting the initiatives below. In addition, the Inspector General and our Deputy Commissioner for Budget, Finance, Quality, and Management will co-chair a National Anti-Fraud Council to support national and regional strategies to combat fraud, waste, and abuse. The goal of the Council will be to provide an open forum for senior executives to collaborate on fraud challenges and opportunities at a strategic level, and to ensure that we focus on our most critical vulnerabilities related to fraud. While the vast majority of overpayments are not fraud-related, we have zero tolerance for fraud at SSA.

Continuing to Increase Our Cost-Effective CDRs: In recent years, we have not been able to increase our program integrity work. In FY 2014, we will be able to expand our capacity to complete more of our cost-effective CDRs and maintain the same level of SSI redeterminations. For the first time, Congress appropriated the BCA level of program integrity funding for SSA, which provides a significant increase in funding for our key program integrity workloads. We plan to aggressively hire and train employees in FY 2014, allowing us to complete more CDRs and set the stage for handling even more in FY 2015.

In FY 2015, we are requesting the full BCA level of program integrity funding, $1.396 billion - $273 million in base funding and $1.123 billion in funding above the discretionary cap. With this funding, we plan to complete 888,000 full medical CDRs. For comparison, we completed 429,000 CDRs in FY 2013, and we plan to complete 510,000 CDRs in FY 2014. (We would continue to maintain the high level of SSI redeterminations – 2.622 million – in FY 2015.)

We estimate that our FY 2015 program integrity fund will yield on average $9 in net program savings for each dollar spent on CDRs, including Medicare and Medicaid effects, and on average $4 in savings for each dollar spent for SSI redeterminations, including Medicaid effects. We save billions of taxpayer dollars each year as a result of these program integrity reviews.

Starting in FY 2016, the budget proposes to repeal the discretionary cap adjustments enacted in the Balanced Budget and Emergency Deficit Control Act, as amended by the BCA, for SSA and

instead provide a dedicated, dependable source of mandatory funding for SSA to conduct CDRs and SSI redeterminations. The proposal includes the creation of a new limitation account entitled Program Integrity Administrative Expenses, which will reflect mandatory funding for SSA's program integrity activities.

Increasing Access to Financial Institutions Information: The Access to Financial Institutions (AFI) is an electronic process that verifies bank account balances with financial institutions for purposes of determining SSI eligibility. In addition to verifying alleged accounts, AFI detects undisclosed accounts by using a geographic search to generate requests to other financial institutions. AFI's purpose is to identify excess resources in financial accounts, which are a leading cause of SSI payment errors. We currently use the AFI system in all 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands.

Along with preventing overpayments, AFI helps us to eliminate ineligible applicants at the beginning of the application process, reducing the workload in the State DDSs. Full implementation is defined as using AFI on every potential SSI claim and redetermination and assumes using no tolerance levels (i.e., the amount of alleged liquid resources that trigger verification), increasing the number of bank searches, and fully integrating the process with our systems. In FY 2013, we lowered the tolerance levels and increased bank searches. We expect the account verifications we complete in FY 2014 will be cost effective.

Enhancing the SSI Wage-Reporting Process: We rolled out a smartphone application nationally in August 2013, making it even easier for SSI recipients to report wages. Unreported and untimely reported wages continue to be a major source of payment error in the SSI program. By using convenient and mainstream technology for reporting wages, we can reduce improper payments.

Identifying Non-Home Real Property: Undisclosed non-home real property is a growing cause of improper payments in the SSI program. SSI ineligibility may result if the recipient owns real property other than his or her principal place of residence. We are continuing to test the third party data in FY 2014 to refine and potentially expand our use.

Improving Death Data Processing: We are working to centralize and capture all death information in one location as well as make changes in all systems that receive and use this information to prevent erroneous payments.

Improving Our Representative Payee Program: We are developing a long-term strategic approach to improving our representative payee program. Current efforts include using a predictive model that identifies cases with a higher probability of potential misuse and implementing a process for conducting criminal background checks on representative payee applicants during our selection process. We are also working with other agencies with similar programs to determine the potential for collaboration on representative payee activities.

Exploring Data Analytics to Detect and Prevent Disability Fraud: Continuing to successfully combat fraud requires more in-depth analysis and the use of newly developed analytics tools. For that reason, we are undertaking a special initiative to use data analytics to enhance our ability to detect and prevent disability fraud. Specifically, we will seek to obtain or develop analytics tools that can determine characteristics and patterns of fraud based on data from past allegations and known cases of fraud. We will apply these tools when reviewing initial applications or existing data on beneficiaries for potential fraud or other suspicious behavior. With these tools, we expect to be able to identify suspicious patterns of activity in disability claims and prevent fraudulent applications from being processed. During FY 2014, we plan to pilot these analytic tools and prove their value.

Bolstering Our Cooperative Disability Investigations Units: CDI units are highly successful at detecting fraud before we make a disability decision. The CDI program links our Office of the Inspector General and local law enforcement with Federal and State workers who handle disability cases. In FY 2013, CDI efforts nationwide resulted in $340 million in projected savings to our disability programs and over $246 million to other programs, such as Medicare and Medicaid. We plan to bolster our CDI efforts by adding staff to existing units and creating up to seven additional units.

Increasing the Number of Our Special Assistant United States Attorney Fraud Prosecutors: We currently have 12 attorneys assigned to several United States Attorney Offices as Special Assistants, and we plan to double this number. Our attorneys prosecute possible fraud cases referred by OIG that would not otherwise be prosecuted in Federal court. In FY 2013, our attorneys secured over $8.9 million in restitution orders and obtained 139 convictions.

IMPROVING SERVICE TO THE AMERICAN PUBLIC

We have lost a significant number of front-line employees over the last three years, resulting in longer wait times for the American public. With our FY 2014 appropriation, we will be able to replace some of those critical employee losses, as well as invest in other means of improving customer service. In FY 2015, those new hires will position us to begin to address the decline in service times, although it will be a challenge because some of the same employees who work on disability claims also handle CDRs and other program integrity work. In addition, we continue to face high levels of disability claims and hearings, and we expect to set a new record for retirement claims in FY 2015.

Our State DDS partners and SSA staff have minimized increases in processing times for disability claims. With our new hires, we expect that average disability claim processing time will begin to decrease in FY 2015.

Unfortunately, hearings processing time will continue to increase, as hearings requests remain well over 800,000 per year. Historically high ALJ attrition has left us with insufficient adjudicatory capacity, resulting in the average wait time for hearing decisions to increase again. We will work with the Office of Personnel Management to be able to hire ALJs qualified for SSA through a new ALJ register. In the meantime, we continue to focus on efforts to improve our efficiency and quality.

In FY 2015, we also will focus on improving service on our National 800 Number. Due to staffing losses, busy signals have more than doubled, from 5 percent in FY 2012 to 12 percent in FY 2013. Our average speed of answer also more than doubled, from nearly five minutes (294 seconds) in FY 2012 to over 10 minutes (617 seconds) in FY 2013. Service continues to deteriorate in FY 2014, but we are positioning ourselves to improve in FY 2015 by replacing some of our critical teleservice staffing losses.

Our programs are a crucial part of our Nation's safety net. It is critical that we provide accurate and timely decisions to the millions of Americans who depend on us. We continue to work smarter and better, with a focus on quality and efficiency, by leveraging technology. Below are some of our current service initiatives, which will help us provide better service to the American people.

Improving Our Telephone Service: 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 CARE 2020 infrastructure.

There are two major phases of CARE 2020: Phase 1 includes live-agent service and Phase II includes automated and enhanced services. 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; and

- Help us forecast call volumes, anticipate staffing needs, and better distribute incoming calls across the network.

Expanding the Use of Video Service Delivery: Video technology helps increase efficiency and improves customer service. For example, video hearings enable us to balance workloads across the country and reduce the need for, and the costs of, our ALJs and other hearing office staff to travel between offices and to remote sites. Video hearings allow ALJs more time to hear and

decide cases and reduce the need for claimants to travel long distances to appear in hearing offices. In FY 2013, we held 179,308 hearings by video, a 17 percent increase over FY 2012.

We are working to expand video hearing participation to allow more attorneys and non-attorney representatives to install and use their own video equipment to attend hearings from their own offices. We also have added video units to some of our State DDS offices, allowing them to conduct video disability hearings and video consultative exams. We also use video service delivery to reduce foot traffic in our field offices. For example, video service delivery continues to provide a secure, reliable, and cost-effective method to serve SSN applicants in remote locations, who might otherwise have to travel long distances to reach a Social Security field office. In FY 2013, we had video units in 423 sites and held 181,675 interviews – almost double the amount in FY 2012 – using video service delivery.

Adding New Compassionate Allowance Conditions: Our Compassionate Allowances program expedites disability decisions for Americans with the most serious disabilities to ensure that they receive their benefit decisions within days. The program identifies claims where the applicant's disease or condition clearly meets Social Security's statutory standard for disability. By incorporating cutting-edge technology, we can easily identify potential Compassionate Allowances and quickly make decisions. In January, we announced 25 new Compassionate Allowances conditions, including a dozen cancers, bringing the total number of conditions to 225. To date, we have approved almost 200,000 people with severe disabilities through this fast-track disability process. We plan to continue to add new conditions to the Compassionate Allowances list.

Expanding the Use of Health Information Technology: Our Health Information Technology (Health IT) initiative will reduce the wait time for medical evidence and reduce the time to adjudicate claims. Health IT provides health care organizations a means to electronically share medical information with SSA. As of March 2013, all Federal and State disability case processing sites can automatically receive health IT medical records. In addition to our initial health IT partnership with Beth Israel Deaconess Medical Center using a direct, point-to-point connection for electronic exchange, SSA has partnered with 21 health care organizations to exchange medical records using the eHealth Exchange. Our next step is to continue to expand to additional healthcare organizations and to exchange electronic medical records with the Departments of Defense and Veterans Affairs.

Working Together to Help Wounded Warriors: We are increasing our collaboration with the Departments of Defense and Veterans Affairs on the Wounded Warrior initiative. In this effort, we focus on improving the transfer of medical information, expediting the disability claims process, and facilitating payments to wounded service members, veterans, and their families. Electronic sharing of medical information is a key feature of this initiative.

Improving Quality and Consistency: We have a number of initiatives to increase the quality and consistency of our work. The first is our national initiative to bring greater consistency to the many disparate systems that support our State DDSs. Our Disability Case Processing System (DCPS) will allow us to systematically support policy changes faster and make it easier to modify our case processing system nationally. DCPS also will allow us to share work across disability components more easily.

A few years ago, we implemented the electronic eCAT, which assists disability examiners in documenting both initial and reconsideration decisions in accordance with agency policy. We plan to expand eCAT to process CDR decisions beginning in FY 2014. We have recently modified and adapted the eCAT tool so that it can be used at the hearing level. This tool, called the electronic Bench Book, will help our ALJs fully document their hearing decisions and ensure that decisions comply with disability policy. Case analysis screens are currently available in the Appeals Review Processing System application and are being used at the Appeals Council level to evaluate the ALJs' decisions. We also will explore further extending the use of technology to improve quality and consistency.

In our hearings offices, we are using a new analytical tool that provides our ALJs and support staff with real-time management information on the quantity and quality of their work relative to the rest of their office, their region, and the Nation. Along with this feedback on quality, we provide individualized training on specific policy issues to improve consistency. The information we gain from this analysis will help us to improve the way we review and decide disability cases, making our processes simpler and more efficient.

MODERNIZING OUR SERVICE DELIVERY

To meet our service delivery challenges, we rely upon a large and complex technology infrastructure that includes two data centers, extensive national databases, hundreds of software applications, large supporting computing platforms, and thousands of networked computers, printers, telephones, and other devices. Change to our IT infrastructure is constant. We strive to ensure responsive and reliable performance to our customers and employees in the presence of this constant change.

Technology is essential to managing Social Security programs. If our systems are not functioning optimally, the productivity of our workforce immediately declines and diminishes our service. If we do not invest in the future and leverage technological solutions, productivity will not increase, resulting in the need for a larger workforce. Our budget request includes $100 million for customer service modernization efforts, including IT investments. In addition, the President's Budget is proposing a special government-wide Opportunity, Growth, and Security Initiative, which will invest an additional $150 million in this customer service modernization initiative to further reduce wait times and enhance service for the public.

This funding will help us modernize our service delivery and make it more compatible with the private sector and public expectations. In addition, these investments will help us deliver services as efficiently as possible and handle high volumes of work as the Baby Boomers continue to retire in record numbers, disability claims and appeals remain high due in part to the aging population, and non-traditional SSA workloads continue.

Service Delivery Modernization Fund

Our goal is to achieve greater success in customer service and satisfaction through innovative self-service options. We know that the public is accustomed to self-service options, including those offered through smart phones and the Internet. We also know that our customers increasingly use, and even prefer, our highly rated online services. To capitalize on this trend, we will increase the number and type of self-service choices we offer. These efforts will help us provide more convenient, 21st century service and reduce foot traffic in our field offices, helping our employees better serve those who do need or want in-person service.

Among the activities that could be supported by the Service Delivery Modernization Fund, including both the $100 million in the base request and the $150 million in additional funding through the Opportunity, Security, and Growth Initiative, are:

Expanding Online Services: The *my* Social Security portal is the foundation for increasing our online services. Through this online portal, the public can view their Social Security Statement, view and print a benefit verification letter, start or change their direct deposit benefit payment, and change their address – all at their convenience. We are enhancing *my* Social Security to allow customers to request a replacement Social Security card online. In addition, we plan to expand the *my* Social Security portal to include online notice delivery and to offer the choice to opt out of paper notices.

We plan to target online services to a new set of users – the SSI population. We have heard from third parties and advocacy groups that enabling access to SSI services online would be more convenient and efficient for our customers. We also plan to offer a suite of services to representative payees, allowing them to conduct representative payee business through a secure portal.

In addition to providing more online services, we plan to expand access for representatives to view their clients' Social Security Disability Folder online throughout the entire disability process, which will help with quality and efficiency. Finally, we plan to enhance our online medical appeals process by creating a seamless pathway for online customers to provide both an appeals request and their supporting medical information, and to allow third parties to attach additional medical evidence and attorney representative agreements electronically. These enhancements will make our online appeals process fully electronic with no paper documents necessary.

Rolling Out SSA Express: As part of a broader initiative to support one-stop online access to multiple government services, we will collaborate with other government agencies and community organizations to install SSA Express (i.e., self-service computer stations offering access to our online services directly linked to SSA representatives) at their respective facilities. We will soon be piloting six kiosks in locations such as the New York Main Post Office, Maryland One Stop locations, and local government support centers.

SSA Express offers a streamlined menu of service options geared towards the needs of individuals already conducting business in partner locations. For example, if a customer is applying for a public assistance of some sort, he or she will be able to print a benefit verification document on demand at SSA Express located at that facility to complete the application. These kiosks will allow us to continue improving our efficiency and help us target specific services to underserved communities and mutual customers who seek services from other community organizations. We will thoroughly evaluate the pilot units, to determine whether we should roll out SSA Express more broadly.

Enhancing Online Authentication and Security Measures: The increasing amount of online work, in combination with criminals' perpetual attempts to commit fraud, requires us to continuously monitor and enhance our already robust authentication and security practices. Our Service Delivery Modernization fund will allow us to invest in new technologies that help us stay ahead of cybercriminals.

Enhancing Our Communications Tools: Whether through video, telephone, email, or chat, we must be able to support customers where they need it, when they need it, and how they need it. We plan to move towards a unified communications center model that will allow us to support all communications channels. For example, we will enhance our systems so that customers can engage in email conversations with us and are able to click-to-chat with us from their personal computers. A unified approach will make our services more efficient by providing support in real time regardless of the customer's location and enable us to reduce service wait times, field office traffic, and recontact attempts.

Other Technology Investments

Our two data centers, the National Computer Center (NCC) and the Second Support Center, maintain the demographic, wage, and benefit information that enables prompt and accurate benefit payments. The NCC has been in continuous operation as a data center since it opened in 1980. Congress approved our funding request to build a new data center, the National Support Center (NSC), and extensive planning is underway for the move to this new facility. We will transition all operations from the existing NCC to the new NSC in FY 2015 and FY 2016. The NSC will provide increased capacity and improved operational reliability and efficiency.

In addition to providing for continuity of operations and constant innovation, we must maintain a comprehensive, agency-wide information security program of controls that protect our information and communication assets. We review policies and processes regularly, taking appropriate corrective action to prevent misuse and unauthorized access to assets and sensitive data, including personally identifiable information. Given the highly sensitive nature of the personal information within our systems, data integrity and security, and the protection of individual privacy must be our main IT service focus.

CONCLUSION

In FY 2014 and FY 2015, we will begin the recovery efforts from three years of receiving lower appropriations than the President's Budget request level. We will be able to conduct significantly more CDRs and expand critical efforts to detect and prevent fraud, saving billions of taxpayer dollars. We will be able to begin to address service issues by restoring some staffing losses in key areas. We will also be able to invest in self-service technology more consistent with that in the private sector, which will help us provide more convenient and collaborative service while increasing our efficiency.

With the FY 2015 President's Budget, we can ramp up our program integrity work, provide quality service, and invest in initiatives that will allow us to offer better and more efficient customer service.

The budget request is not a cure-all for all of our challenges. However, we are optimistic about what we will be able to accomplish with this funding, both in terms of increased program integrity and innovative service delivery solutions.

It is important to note that our work is not optional; the longer it takes to complete, the more difficult and expensive our work is to handle. Moreover, each case represents an action that affects a person's life. Whether it is paying benefits or preventing an overpayment, millions of people depend on us to handle their cases in a timely and accurate manner.

SOCIAL SECURITY ADMINISTRATION

Summary Table of SSA's Appropriation Request

FY 2015	FTE	Amount
Payments to Social Security Trust Funds		$ 16,400,000
Supplemental Security Income Program		
FY 2015 Request		$ 40,927,000,000[1]
FY 2016 First Quarter Advance		$ 19,200,000,000
Limitation on Administrative Expenses	63,525	$ 12,024,000,000[2]
Office of the Inspector General	555	$ 104,622,000

[1] Excludes $19,700,000,000, previously appropriated as a first quarter advance for FY 2015.
[2] Includes $124,000,000 for SSI State Supplementary user fees and up to $1,000,000 for non-attorney user fees.

SOCIAL SECURITY ADMINISTRATION
FY 2015 PRESIDENT'S BUDGET
Key Tables

Table 1 – Administrative Budget Authority and Other Planned Obligations[1] (in millions)

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	*Change FY 14/FY 15*
Budget Authority				
Base Limitation on Administrative Expenses (LAE)	$ 10,142	$ 10,328	$ 10,503	*$ 175*
Program Integrity Base Level	$ 273	$ 273	$ 273	*$ 0*
Program Integrity Cap Adjustment	$ 470	$ 924	$ 1,123	*$ 199*
User Fees [2]	$ 161	$ 172	$ 125	*-$ 47*
Subtotal, LAE Appropriation	**$ 11,046**	**$ 11,697**	**$ 12,024**	***$ 327***
Percent change from FY 2014				*2.8%*
Research	$ 17	$ 47	$ 53	*$ 6*
Office of the Inspector General (OIG)	$ 97	$ 102	$ 105	*$ 3*
Subtotal, Budget Authority	**$ 11,159**	**$ 11,846**	**$ 12,182**	***$ 336***
Percent change from FY 2014				*2.8%*
Other Planned Obligations				
No-year Information Technology	$ 261	$ 100	$ 225	*$ 125*
MIPPA – Low-Income Subsidy (LIS)	$ 0	$ 5	$ 6	*$ 0*
Recovery Act [3]				
Workload Processing	$ 0	$ 0	$0	*$ 0*
Economic Recovery Payments – Admin	$ 0	$0	$0	*$ 0*
National Computer Center Replacement	$ 39	$ 78	$ 23	*-$ 55*
OIG Oversight	$ 0.0	$ 0	$ 0	*$ 0*
Subtotal, Other Planned Obligations	**$ 300**	**$ 184**	**$ 254**	***$ 70***
TOTAL BUDGET AUTHORITY AND PLANNED OBLIGATIONS	**$ 11,459**	**$ 12,030**	**$ 12,436**	***$ 406***

[1] Totals may not equal sums of component parts due to rounding.
[2] Includes SSI user fees and Social Security Protection Act user fees.
[3] Funds provided in the American Recovery and Reinvestment Act of 2009 (Recovery Act) (P.L. 111-5).

Table 2 – SSA Full Time Equivalents and Workyears

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	*Change FY 14/FY 15*
SSA Full Time Equivalents	61,861	61,767	63,525	*1,758*
SSA Overtime/Lump Sum Leave	2,180	3,148	2,188	*-960*
Subtotal, SSA Workyears	**64,041**	**64,915**	**65,713**	**798**
Disability Determination Services (DDS) Workyears	14,081	14,279	15,050	*771*
Subtotal, SSA and DDS Workyears	**78,122**	**79,194**	**80,763**	**1,569**
OIG Full Time Equivalents	558	550	555	*5*
OIG Overtime/Lump Sum Leave	2	3	3	*0*
Subtotal, OIG Workyears	**560**	**553**	**558**	**5**
TOTAL SSA/DDS/OIG WORKYEARS	**78,681**	**79,747**	**81,321**	**1,574**

Table 3 – SSA Outlays by Program
(in millions)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	*Change FY 14/FY 15*
Trust Fund Programs				
Old-Age and Survivors Insurance (OASI)	$ 670,586	$ 710,838	$ 751,662	*$ 40,824*
Disability Insurance (DI)	$ 142,847	$ 146,413	$ 150,786	*$ 4,373*
Subtotal, Trust Fund Programs	**$ 813,433**	**$ 857,251**	**$ 902,448**	***$ 45,197***
General Fund Programs				
Supplemental Security Income (SSI)	$ 56,489	$ 59,785	$ 60,692	*$ 907*
Special Benefits for Certain World War II Veterans	$ 6	$ 6	$ 5	*-$ 1*
Recovery Act: Administrative Payments	$ 39	$ 78	$ 23	*-$ 55*
Subtotal, General Fund Programs	**$ 56,534**	**$ 59,869**	**$ 60,720**	***$ 851***
Proposed General Fund Legislation:				
WEP/GPO Enforcement	$ 0	$ 0	$ 70	*$ 70*
W/C Enforcement	$ 0	$ 0	$ 10	*$ 10*
Federal Wage Reporting	$ 0	$ 0	$ 140	*$140*
FERS-DI	$ 0	$ 0	$ 6	*$ 6*
Early Intervention Demonstration	$ 0	$ 0	$ 22	*$ 22*
SSI Refugee Extension	$ 0	$ 0	$ 43	*$ 43*
Subtotal, Proposed General Fund Legislation	**$ 0**	**$0**	**$ 291**	***$ 291***
TOTAL SSA Outlays, Current Law	**$869,967**	**$ 917,120**	**$ 963,168**	***$ 46,048***
Percent change from FY 2014				*5.0%*
TOTAL SSA Outlays, Proposed Law	**$0**	**$ 0**	**$ 291**	***$ 291***
TOTAL SSA Outlays, Current & Proposed Law	**$ 869,967**	**$ 917,120**	**$ 963,459**	***$ 46,339***

Table 4 – Current Law- Old Age, Survivors and Disability Insurance Outlays and Income
(in millions)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	*Change* *FY 14/FY 15*
Outlays				
OASI Benefits	$ 663,212	$ 703,874	$ 744,149	*$ 40,275*
DI Benefits	$ 139,428	$ 143,051	$ 146,833	*$ 3,782*
Other[1]	$ 10,793	$ 10,326	$ 11,466	*$ 1,140*
TOTAL OUTLAYS, Current Law	**$ 813,433**	**$ 857,251**	**$ 902,448**	***$ 45,197***
Income				
OASI	$ 739,700	$ 760,698	$ 783,660	*$ 22,962*
DI	$111,353	$ 113,709	$ 116,500	*$ 2,791*
TOTAL INCOME, Current Law	**$ 851,053**	**$ 874,407**	**$ 900,160**	***$ 25,753***

[1] "Other" includes SSA & non-SSA administration expenses, beneficiary services, payment to the Railroad Retirement Board, and demonstration projects.

Table 5 – Current Law- OASDI Beneficiaries and Average Benefit Payments
(Beneficiaries in thousands)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	*Change* *FY 14/FY 15*
Average Number of Beneficiaries				
OASI	46,167	47,650	49,177	*1,527*
DI	10,916	11,028	11,125	*97*
TOTAL BENEFICIARIES	**57,083**	**58,678**	**60,302**	***1,624***
Average Monthly Benefit				
Retired Worker	$ 1,259	$ 1,291	$ 1,321	*$ 30*
Disabled Worker	$ 1,124	$ 1,143	$ 1,160	*$ 17*
Projected COLA Payable in January	1.7%	1.5%	1.4%	*-0.1%*

Table 6 – Current Law- Supplemental Security Income Outlays (in millions)

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	Change FY 14/FY 15
Federal Benefits[1]	$ 52,775	$ 54,723	$ 56,201	$ 1,478
Other [2]	$ 3,714	$ 5,068	$ 4,497	-$ 571
Subtotal, Federal Outlays[3]	**$ 56,488**	**$ 59,791**	**$ 60,699**	**$ 908**
State Supplementary Benefits	$ 3,270	$ 3,340	$ 3,415	$ 75
State Supplementary Reimbursements	$ 3,269	$ 3,346	$ 3,422	$ 76
Subtotal, Net State Supplementary Payments[4]	**$ 1**	**-$ 6**	**-$ 7**	**-$ 1**
TOTAL OUTLAYS, Current Law	**$ 56,489**	**$ 59,785**	**$ 60,692**	**$ 907**

[1] There are 12 payments per year in FY 2013, FY 2014, and FY 2015.
[2] "Other" includes beneficiary services, research, and administrative costs.
[3] Subtotal, Federal Outlays includes $1M for Special Immigrant Visa.
[4] States must reimburse SSA in advance for State Supplementary Payments. There will always be 12 state reimbursements in each fiscal year, but there can be 11, 12, or 13 benefit payments per fiscal year because a monthly payment is advanced into the end of the previous month anytime the due date falls on a weekend or holiday. Hence, the "Net State Supplementary Payment" numbers vary from year-to-year depending on the timing of the October benefit payments at the beginning and end of each fiscal year.

Table 7 – SSI Recipients and Benefit Payments[1] (Recipients in thousands)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Budget	Change FY 14/FY 15
Average Number of SSI Recipients				
Federal Recipients				
Aged	1,089	1,095	1,105	10
Blind or Disabled	7,000	7,101	7,147	46
SUBTOTAL, FEDERAL RECIPIENTS	**8,089**	**8,197**	**8,252**	**55**
State Supplement Recipients (with no Federal SSI payment)	220	223	231	8
TOTAL SSI RECIPIENTS, Current Law	**8,309**	**8,420**	**8,483**	**63**
SSI Recipients Concurrently Receiving				
OASDI Benefits (included above)	2,582	2,614	2,633	19
Average Monthly Benefit				
Aged	$ 376	$ 386	$ 394	$ 8
Blind and Disabled	$ 562	$ 574	$ 586	$ 12
AVERAGE, All SSI Recipients	**$ 537**	**$ 549**	**$ 560**	**$ 11**
Projected COLA Payable in January	1.7%	1.5%	1.4%	-0.1%

[1] Totals may not equal sums of component parts due to rounding.

Table 8 – Special Benefits for Certain WWII Veterans Overview
(Outlays in millions)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	*Change FY 14/FY 15*
Federal Benefits	$ 6	$ 5	$ 4	*-$ 1*
Administration	$ 0[1]	$ 1	$ 1	*$ 0*
TOTAL OUTLAYS	**$ 6**	**$ 6**	**$ 5**	***-$ 1***
Average Number of Beneficiaries (in thousands)	1	1	1	*0*
Average Monthly Benefit	$ 389	$ 403	$ 408	*$ 5*

[1] Less than $500,000.

Table 9 – Administrative Outlays as a Percent of
Trust Fund Income and Benefit Payments- FY 2015

	Percent of Income	Percent of Benefit Payments
OASI	0.3%	0.4%
DI	2.8%	2.2%
OASDI (combined)	0.7%	0.7%
SSI (Federal and State)	N/A	7.5%
TOTAL SSA [1]		1.3%

[1] Includes Hospital Insurance (HI) and Supplemental Medical Insurance (SMI) administrative outlays.

Table 10 – Tax Rates, Wage Base and Economic Assumptions

	CY 2013	CY 2014	CY 2015	Change CY 14/CY 15
Employer/Employee Rates (each)				
OASDI (Social Security)	6.20%	6.20%	6.20%	0.0%
Hospital Insurance (HI) (Medicare)	1.45%	1.45%	1.45%	0.0%
EMPLOYEE TOTAL	**7.65%**	**7.65%**	**7.65%**	**0.0%**
Self-Employment Rates				
OASDI (Social Security)	12.40%	12.40%	12.40%	0.0%
HI (Medicare)	2.90%	2.90%	2.90%	0.0%
TOTAL	**15.30%**	**15.30%**	**15.30%**	**0.0%**
Cost of Living Adjustments (COLAs)				
January	1.7%	1.5%	1.4%[1]	-0.1%
Contribution and Benefit Base				
OASDI	$ 113,700	$ 117,000	$ 118,800[1]	$ 1,800
HI	(no cap)	(no cap)	(no cap)	
Annual Retirement Test				
Year Individual Reaches Full Retirement Age	$ 40,080	$ 41,400	$ 42,000[1]	$ 600
Under Full Retirement Age	$ 15,120	$ 15,480	$ 15,720[1]	$ 240
Wages Required for a Quarter of Coverage	$ 1,160	$ 1,200	$ 1,220[1]	$ 20

[1] Estimate.

Table 11 – Selected Performance Measures

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Request
Selected Workload Measures			
Retirement and Survivors Claims Completed (thousands)	5,007	5,131	5,311
Initial Disability Claims Completed (thousands)	2,988	2,947	2,847
Disability Reconsiderations Completed (thousands)	803	778	752
Hearings Completed (thousands)	794	735	801
National 800 Number Transactions Handled (millions) [1]	53	N/A	N/A
National 800 Number Calls Handled (millions)[1]	N/A	39	47
Average Speed of Answer (ASA) (seconds)[2]	617	1,020	600
Agent Busy Rate	12%	14%	2%
Social Security Numbers Completed (millions)	17	16	16
Annual Earnings Items Completed (millions)	251	253	256
Social Security Statements Issued (millions)	0	4	44
Selected Outcome Measures			
Initial Disability Claims Receipts (thousands)	2,985	2,891	2,860
Hearings Receipts (thousands)	825	819	802
Initial Disability Claims Pending (thousands)	698	642	656
Disability Reconsiderations Pending (thousands)	173	174	177
Hearings Pending (thousands)	848	932	933
Average Processing Time for Initial Disability Claims (days)	107	109	107
Average Processing Time for Disability Reconsiderations (days)[3]	N/A	N/A	TBD
Annual Average Processing Time for Hearings Decisions (days)	382	415	435
Disability Determination Services Production per Workyear	322	319	326
Office of Disability Adjudication and Review Production per Workyear	109	106	109
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(2,800)	(2,100)
Selected Outcome Measures			
Periodic Continuing Disability Reviews (CDRs) Completed (thousands)	1,576	1,410	1,988
Full Medical CDRs (included above, thousands)	429	510	888
Supplemental Security Income Non-Disability Redeterminations Completed (thousands)	2,634	2,622	2,622

[1] Under the new Citizens Access Routing Experience 2020 (CARE2020) network structure, performance will be tracked using Calls Handled as opposed to Transactions Handled. The legacy network recorded transactions handled within the network, by either agents or automation. In some instances, multiple transactions were completed within one call, making it appear as though we served a larger volume of callers. Calls Handled will track the individual caller and is more in line with our other National 800 Number service performance metrics which track how long a single caller is on hold or how often they receive a busy signal.

[2] Since migrating to the new CARE 2020 network, complete wait time, including the time that the caller is on the line and the time the caller is waiting for a call back, is now included in the ASA calculation. This new calculation is in contrast to the former legacy network calculation which artificially deflated the ASA by including only the time the caller was on the line until a callback option was chosen, typically two to three seconds in duration. Under the legacy system, the customer's wait time was diluted and virtually excluded from the ASA calculation. The new CARE 2020 methodology is consistent with industry standards.

[3] In 2013, we developed the capability to capture the data to calculate overall average processing time for disability reconsiderations. In September 2013, the first time the data was available, the overall average process time was 101 days. We will develop a performance target for this measure in FY 2016 after we have had the ability to analyze at least two years of actual data.

CONTENTS

TABLES

APPROPRIATION LANGUAGE

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as provided under sections 201(m), 228(g), and 1131(b)(2) of the Social Security Act, $16,400,000. *(Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2014.)*

GENERAL STATEMENT

The Payments to Social Security Trust Funds (PTF) account provides Federal fund payments to the Social Security trust funds for several distinct activities. The purpose of each requested payment is to put the trust funds in the same financial position they would have been in had they not borne the cost of certain benefits or administrative expenses chargeable to general revenues. This account includes payments requiring an annual appropriation and payments made to the trust funds under permanent indefinite authority.

ANNUAL APPROPRIATION

The annual PTF appropriation provides reimbursement to the Social Security trust funds for non-trust fund activities. These activities include special payments for certain uninsured persons (also known as Prouty Benefits), pension reform, interest on unnegotiated checks, and a quinquennial adjustment for military service wage credits.[1] The estimated annual appropriation and resulting obligations for FY 2015 are shown below.

Table 1.1—Annual Appropriation and Obligations

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	*FY14 to FY15 Change*
Appropriation	$ 20,404,000	$ 16,400,000	**$ 16,400,000**	*$ 0*
Obligations	$ 5,605,551	$ 16,450,000	**$ 16,450,000**	*$ 0*

PERMANENT INDEFINITE AUTHORITY

Amounts not subject to the annual appropriation include receipts from Federal income taxation of Social Security benefits, Federal Insurance Contribution Act (FICA) and Self-Employment Contribution Act (SECA) tax credits, reimbursement for Federal employee union administrative expenses, transfers to offset the financial effects of the Food, Conservation, and Energy Act of 2008, and reimbursements for the loss in FICA tax revenue resulting from the payroll tax holiday provided by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 and extended by the Temporary Payroll Tax Cut Continuation Act of 2011. The permanent appropriation provides that the trust funds are credited for each of these revenue items.

Taxation of Social Security Benefits
The Social Security Amendments of 1983 provide for taxation of up to one-half of Social Security benefits in excess of certain income thresholds. The Omnibus Reconciliation Act of 1993, P.L. 103-66, amended this provision so that up to 85 percent of benefits could be subject to

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[1] The quinquennial adjustment for military service wage credits is authorized to be appropriated every 5 years, if it is determined necessary. Appropriations are needed to effectuate transfers from the general funds to the trust funds, but not from trust funds to general funds.

taxation. The additional amounts collected from this 1993 provision are paid to the Hospital Insurance Trust Fund; no additional income is due the Social Security trust funds as a result of the enactment of the 1993 law.

The taxes are collected as Federal income taxes; subsequently, an equivalent payment to the Social Security trust funds is made from the general funds of the Treasury. Transfers of estimated aggregate tax liabilities arising from Social Security benefits of U.S. citizens are made quarterly and then adjusted as actual receipts are known. The estimated income from these taxes is $25,496 million in FY 2014 and $31,741 million in FY 2015 from U.S. citizens; taxes imposed on aliens are transferred monthly and will generate estimated income of $189 million in FY 2014 and $200 million in FY 2015. The estimates for taxation of benefits reflect normal growth related to benefit levels and the beneficiary population.

FICA and SECA Tax Credits
The Social Security Amendments of 1983 also provided for the granting of FICA and SECA tax credits to individuals. The tax credits are granted at the time the individual is taxed and are funded by the general funds of the Treasury through reimbursement to the trust funds. The FICA tax credit applies only to wages earned in calendar year 1984. The SECA tax credit applies from calendar year 1984 through calendar year 1989. There are small periodic adjustments made due to tax credits being applied retroactively.

Reimbursement for Employee Union Expenses
In addition to taxation of benefits and tax credits, the PTF account includes reimbursement to the trust funds from general funds, including interest, for certain administrative expenses incurred in support of Federal employee union activities. This reimbursement is included in SSA's Limitation on Administrative Expenses appropriation.

Transfers to Offset Two Coverage Provisions
Section 15361 of P.L. 110-246, the Food, Conservation, and Energy Act of 2008, provides for annual transfers from the general fund of the Treasury to the OASDI trust funds in FYs 2009 through 2017 to roughly offset the financial effects of the law's two coverage provisions. Section 15301 of P.L. 110-246 excludes Conservation Reserve Program payments from SECA coverage for OASDI beneficiaries, and Section 15352 increases the limit for the optional method for computing earnings from self-employment. The transfers will be $8 million per year both in FY 2014 and FY 2015.

Reimbursement for Payroll Tax Holiday
P.L. 111-312, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, reduced employees' payroll contributions from 6.2 percent to 4.2 percent for calendar year 2011. P.L. 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011, amended P.L. 111-312 to extend the reduced payroll contributions through February 29, 2012. On February 22, 2012, a new law, the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) extended the reduced rate through December 31, 2012. The general funds continue to reimburse the trust funds for this loss in tax revenue. The estimated reimbursement from the general fund for the payroll tax holiday is $329 million in FY 2014 and $44 million in FY 2015. We expect additional adjustments will occur for several years as a result of the payroll tax holiday.

BUDGETARY RESOURCES

The PTF annual appropriation request for FY 2015 is $16,400,000. SSA expects to make $32,020,450,000 in payments to the trust funds in FY 2015, including amounts appropriated under permanent indefinite authority.

Table 1.2—Amounts Available for Obligation

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Annual Appropriation	$ 20,404,000	$ 16,400,000	$ 16,400,000
Permanent Appropriation	$ 55,844,124,791	$ 26,033,000,000	$ 32,004,000,000
Total Appropriation	$ 55,864,528,791	$ 26,049,400,000	$ 32,020,400,000
Unobligated Balance, Start-of-Year	$ 12,876,235	$ 12,860,736	$ 12,810,736
Subtotal Budgetary Resources	$ 55,877,405,026	$ 26,062,260,736	$ 32,033,210,736
Obligations	($ 55,849,745,841)	($ 26,049,450,000)	($ 32,020,450,000)
Unobligated Balance, End-of-Year	$ 12,860,736	$ 12,810,736	$ 12,760,736
Unobligated Balance, Lapsing	$ 14,798,449	$ 0	$ 0

The unobligated balances represent funds appropriated for the Coal Industry Retiree Health Benefits Act (CIRHBA) in FY 1996 and FY 1997 and made available until expended. The lapsed unobligated balances represent the amount of the annual appropriation not obligated in the current year.

ANALYSIS OF CHANGES

The FY 2015 annual appropriation request is the same as the FY 2014 enacted level. The obligations reported below include CIRHBA activity, funded from unobligated balances carried forward from prior years. These funds were provided in FY 1996 and FY 1997 and remain available until expended.

Table 1.3—Summary of Changes

	FY 2014 Estimate	FY 2015 Estimate	FY14 to FY15 Change
Appropriation	$ 16,400,000	$ 16,400,000	$ 0
Obligations	$ 16,450,000	$ 16,450,000	$ 0

BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY

The table below displays the budget authority and obligations for each of the PTF activities funded by the annual appropriation. Coal Industry Retiree Health Benefit obligations are funded from prior year unobligated balances.

Table 1.4— New Budget Authority & Obligations, Current Authority
(In thousands)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Appropriation			
Special Payments for Certain Uninsured Persons	$ 4	$ 0	$ 0
Pension Reform	$ 6,400	$ 6,400	$ 6,400
Unnegotiated Checks	$ 14,000	$ 10,000	$ 10,000
Quinquennial Adj. for Military Wage Credits	$ 0	$ 0	$ 0
Coal Industry Retiree Health Benefits	$ 0	$ 0	$ 0
Total Annual Appropriation	**$ 20,404**	**$ 16,400**	**$ 16,400**
Obligations			
Special Payments for Certain Uninsured Persons	$ 2	$ 0	$ 0
Pension Reform	$ 2,521	$ 6,400	$ 6,400
Unnegotiated Checks	$ 3,083	$ 10,000	$ 10,000
Quinquennial Adj. for Military Wage Credits	$ 0	$ 0	$ 0
Coal Industry Retiree Health Benefits	$ 12	$ 50	$ 50
Total Obligations	**$ 5,618**	**$ 16,450**	**$ 16,450**

The table below displays budget authority and obligations for the PTF activities not subject to the annual appropriation. This includes taxation of benefits, FICA and SECA tax credits, reimbursement for certain union administrative expenses, transfers to offset the financial effects of the Food, Conservation, and Energy Act of 2008, and reimbursements for the employee payroll tax holiday. The actual amount appropriated for these activities is determined by the actual amount collected from, or to be reimbursed for, each activity.

**Table 1.5—Budget Authority and Obligations,
Permanent Indefinite Authority
(In thousands)**

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Appropriation			
Reimb. for Union Administrative Expenses	$ 8,703	$ 11,000	$ 11,000
Food, Conservation, and Energy Act, 2008[1]	$ 8,000	$ 8,000	$ 8,000
Employee Payroll Tax Holiday[2]	$ 31,631,732	$ 329,000	$ 44,000
Taxation of Benefits, U.S.	$ 24,015,621	$ 25,496,000	$ 31,741,000
Taxation of Benefits, Nonresident Alien	$ 180,000	$ 189,000	$ 200,000
FICA Tax Credits	$ 0	$ 0	$ 0
SECA Tax Credits	$ 72	$ 0	$ 0
Total Permanent Appropriation	**$ 55,844,128**	**$ 26,033,000**	**$ 32,004,000**
Obligations			
Reimb. for Union Administrative Expenses	$ 8,703	$ 11,000	$ 11,000
Food, Conservation, and Energy Act, 2008	$ 8,000	$ 8,000	$ 8,000
Employee Payroll Tax Holiday	$ 31,631,732	$ 329,000	$ 44,000
Taxation of Benefits, U.S.	$ 24,015,621	$ 25,496,000	$ 31,741,000
Taxation of Benefits, Nonresident Alien	$ 180,000	$ 189,000	$ 200,000
FICA Tax Credits	$ 0	$ 0	$ 0
SECA Tax Credits	$ 72	$ 0	$ 0
Total Obligations	**$ 55,844,128**	**$ 26,033,000**	**$ 32,004,000**

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[1] P.L. 110-246, the Food, Conservation, and Energy Act of 2008 (H.R. 6124) provided that SSA's trust funds would be reimbursed for lost income resulting from enacted changes to the reporting of self-employment income (SECA taxes). The bill established that SSA would be reimbursed from FY 2009 to FY 2017.

[2] P.L. 111-312, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (H.R. 4853), reduced employees' payroll contributions from 6.2 percent to 4.2 percent for calendar year 2011. P.L. 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011 (H.R. 3765) amended P.L. 111-312 to extend the reduced payroll contributions through February 29, 2012. On February 22, 2012, a new law, the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) extended the reduced rate through December 31, 2012. The general funds reimburse the trust funds for the loss in tax revenue (Title VI, Sec 601).

OBLIGATIONS BY OBJECT CLASS

The table below displays the obligations by object class for the total PTF account (annually and permanently appropriated funds).

Table 1.6—Obligations by Object
(In thousands)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Other Services	$ 22,393	$ 35,450	$ 35,450
Financial Transfers	$ 24,195,621	$ 25,685,000	$ 31,941,000
Financial Transfers: Employee Payroll Tax Holiday	$31,631,732	$ 329,000	$ 44,000
Total Obligations	**$ 55,849,746**	**$ 26,049,450**	**$ 32,020,450**

BACKGROUND

AUTHORIZING LEGISLATION

The PTF account is authorized by the sections of the Social Security Act described below.

Table 1.7—Authorizing Legislation (in thousands)

	Amount Authorized	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
Special payments for certain uninsured persons (Prouty): Social Security Act (S.S. Act), section 228(g)	Indefinite	$ 4	$ 0	$ 0
Pension reform: S.S. Act, section 1131(b)(2)	Indefinite	$ 6,400	$ 6,400	$ 6,400
Unnegotiated checks: S.S. Act, section 201(m); Social Security Amendments of 1983, section 152	Indefinite	$ 14,000	$ 10,000	$ 10,000
Coal industry retiree health benefits: Internal Revenue Code of 1986, sections 9704 and 9706; Energy Policy Act of 1992, section	Indefinite	$ 0	$ 0	$ 0
Quinquennial adjustment for military service wage credits: S.S. Act, section 217(g)	Indefinite	$ 0	$ 0	$ 0
Subtotal Annual PTF Appropriation		**$ 20,404**	**$ 16,400**	**$ 16,400**
Reimbursement for union administrative expenses: FY 2002 Social Security Appropriations Act	Permanent Indefinite	$ 8,703	$ 11,000	$ 11,000
Food, Conservation, and Energy Act, 2008: P.L. 110-246, section 15361	Permanent	$ 8,000	$ 8,000	$ 8,000
Employee payroll tax holiday: P.L. 111-312, section 601, as amended by Temporary Payroll Tax Cut Continuation Act: P.L. 112-78	Permanent Indefinite	$ 31,631,732	$ 329,000	$ 44,000
Taxation of benefits, U.S.: Social Security Amendments of 1983, section 121	Permanent Indefinite	$ 24,015,621	$ 25,496,000	$ 31,741,000
Taxation of benefits, nonresident aliens: Social Security Amendments of 1983, section 121	Permanent Indefinite	$ 180,000	$ 189,000	$ 200,000
FICA/SECA tax credits: Social Security Amendments of 1983, section 124(b)	Permanent Indefinite	$ 72	$ 0	$ 0
Total Appropriation		**$ 55,864,532**	**$ 26,049,400**	**$ 32,020,400**

APPROPRIATION HISTORY

The table below displays the annual appropriation requested by SSA, amounts approved by the House and Senate, and the amount ultimately appropriated by Congress. This does not include amounts appropriated under permanent indefinite authority. The FY 2006 appropriation included a supplemental appropriation for hurricane relief. The FY 2007 appropriation included a one-time reimbursement to the trust funds for an overpayment made from the trust funds to the IRS. The quinquennial adjustment for Military Service Wage Credits is included in the FY 2008 and FY 2011 enacted appropriations. The FY 2008 appropriation also included funds to administer economic recovery payments to beneficiaries.

Table 1.8—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2003	$ 20,400,000	- - -[1]	$ 20,400,000[2]	$ 20,400,000[3]
2004	$ 21,658,000	$ 21,658,000[4]	$ 21,658,000[5]	$ 21,658,000[6]
2005	$ 20,454,000	$ 20,454,000[7]	$ 20,454,000[8]	$ 20,454,000[9]
2006	$ 20,470,000	$ 20,470,000[10]	$ 20,470,000[11]	$ 20,470,000[12]
Supplemental[13]				$ 38,000,000
2007[14]	$ 27,756,000	$ 27,756,000[15]	$ 27,756,000[16]	$ 20,416,000[17]
Trust Funds Restoration Act[18]				$ 1,297,614,000
2008[19]	$ 28,140,000	$ 28,140,000[20]	$ 28,140,000[21]	$ 28,140,000[22]
Economic Stimulus Act[23]				$ 31,000,000
2009	$ 20,406,000	- - -[24]	$ 20,406,000[25]	$ 20,406,000[26]
2010	$ 20,404,000	$ 20,404,000[27]	$ 20,404,000[28]	$ 20,404,000[29]
2011[30]	$ 21,404,000	- - -[31]	$ 21,404,000[32]	$ 21,404,000[33]
2012	$ 20,404,000	- - -[34]	$ 20,404,000[35]	$ 20,404,000[36]
2013	$ 20,402,000	- - -[37]	$ 20,404,000[38]	$ 20,404,000[39]
2014	$ 16,400,000	- - -[40]	$ 16,400,000[41]	$ 16,400,000[42]
2015	**$ 16,400,000**			

[1] The House Committee on Appropriations did not report a bill. Appropriations Chairman Regula introduced H.R. 246, which included $20,400,000.
[2] S. 2766.
[3] Consolidated Appropriations Resolution, 2003 (P.L. 108-7).
[4] H.R. 2660.
[5] S. 1356.
[6] Consolidated Appropriations Act, 2004 (P.L. 108-199).
[7] H.R. 5006.
[8] S. 2810.
[9] Consolidated Appropriations Act, 2005 (P.L. 108-447).
[10] H.R. 3010.

[11] H.R. 3010, reported from Committee with an amendment.

[12] Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149).

[13] FY 2006 Supplemental Appropriation providing for hurricane relief.

[14] The FY 2007 request included $7,340,000 for the quinquennial adjustment to the Federal Disability Insurance Trust Fund for the costs of granting noncontributory credit for military service. This was not appropriated for FY 2007.

[15] H.R. 5647.

[16] S. 3708.

[17] Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

[18] Appropriation provided by the Social Security Trust Funds Restoration Act of 2006 (P.L. 109-465), to repay the Social Security trust funds for an overpayment to the Internal Revenue Service for Voluntary Income Tax Withholding.

[19] Includes $7,727,000 for the quinquennial adjustment to the Federal Disability Insurance Trust Fund for the costs of granting noncontributory credit for military service.

[20] H.R. 3043.

[21] S. 1710.

[22] Consolidated Appropriations Act, 2008 (P.L. 110-161).

[23] Appropriation provided by the Economic Stimulus Act of 2008, P.L. 110-185, for agency administrative costs related to stimulus payments to Social Security beneficiaries.

[24] The House Committee on Appropriations did not report a bill.

[25] S. 3230.

[26] Omnibus Appropriations Act, 2009 (P.L. 111-8).

[27] H.R. 3293.

[28] H.R. 3293, reported from Committee with an amendment.

[29] Consolidated Appropriations Act, 2010 (P.L. 111-117).

[30] Requested $1 million in FY 2011 for the quinquennial adjustment for military service wage credits from the general funds to the Federal Disability Insurance Trust Fund. However, we later determined that transfers should be made from the trust funds to the general fund in FY 2011.

[31] The House Committee on Appropriations did not report a bill.

[32] S. 3686.

[33] Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

[34] The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included $20,404,000.

[35] S. 1599.

[36] Consolidated Appropriations Act, 2012 (P.L. 112-74).

[37] The House Committee on Appropriations did not report a bill.

[38] S. 3295.

[39] Department of Defense, Military Construction and Veterans Affairs, and Full-Year Continuing Appropriations Act, 2013 (P.L. 113-6).

[40] The House Committee on Appropriations did not report a bill.

[41] S. 1284.

[42] Consolidated Appropriations Act, 2014 (P.L. 113-76).

SPECIAL PAYMENTS FOR CERTAIN UNINSURED PERSONS

Authorizing Legislation: Section 228(g) of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

The purpose of this payment is to reimburse the OASI Trust Fund for the costs of special payments made to certain persons who were not insured for regular Social Security benefits (also known as "Special Age-72 Benefits" or "Prouty Benefits"). Section 228(g) of the Social Security Act, as amended, authorizes an annual appropriation of Federal funds to reimburse the OASI Trust Fund (with interest) for special monthly benefits paid during the second preceding fiscal year to persons with fewer than three quarters of coverage. The annual appropriation also includes adjustments for prior years, as necessary.

Table 1.9—Special Payments for Certain Uninsured Persons: Budget Authority

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14 to FY15 Change
Budget Authority	$ 4,000	$ 0	**$ 0**	$ 0

Benefits were authorized in a 1966 amendment to the Social Security Act (the Prouty amendment) providing for special payments to persons aged 72 and over who were too elderly to have worked long enough after passage of the Act to be insured for Social Security benefits. To be eligible under the Prouty amendment, an individual must either have attained age 72 before 1968 (general fund reimbursed payments), or meet certain minimal insured status requirements if he or she attained age 72 in 1968 or later (trust fund payments, no beneficiaries remain). For individuals receiving a government pension, payments under a Federally-aided public assistance program, or payments under the Supplemental Security Income program, Prouty benefits are reduced or withheld, as required by law.

The number of persons receiving benefits under the Prouty amendment decreased gradually as the size of the aged population meeting the eligibility requirements decreased. The last beneficiary passed away in January 2011. Therefore, appropriations are not needed for FY 2014 and thereafter.

Table 1.10—Special Payments for Certain Uninsured Persons: Obligations

Fiscal Year	Obligations
FY 2005	$ 54,000
FY 2006	$ 70,000
FY 2007	$ 16,000
FY 2008	$ 13,000
FY 2009	$ 5,820
FY 2010	$ 3,350
FY 2011	$ 3,515
FY 2012	$ 3,483
FY 2013	$ 1,474
FY 2014 Estimate	$ 0
FY 2015 Estimate	**$ 0**

PENSION REFORM

Authorizing Legislation: Section 1131(b)(2) of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

The purpose of this payment is to reimburse the OASI Trust Fund for the cost of certain pension reform activities chargeable to Federal funds.

Table 1.11—Pension Reform: Budget Authority

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14 to FY15 Change
Budget Authority	$ 6,400,000	$ 6,400,000	**$ 6,400,000**	$ 0

The Employee Retirement Income Security Act of 1974, P.L. 93-406 (Pension Reform Act, also known as ERISA) established section 1131 of the Social Security Act. This requires the Commissioner of Social Security to furnish information regarding deferred vested pension rights to pension plan participants (and their dependents or survivors), either upon request or automatically upon application for retirement, survivors, or disability insurance benefits.

Each time an employee leaves employment that earned him or her vested rights to a pension, SSA or its contractor representative receives related information from the IRS in either paper or electronic format. SSA or its contractor representative controls, scans (using optical character recognition), and, if necessary, keys the paper forms and transfers the data to the ERISA mainframe system. This data, along with electronic data received from the IRS, is added to the ERISA Master Files after name verification against the NUMIDENT (SSN record) database takes place. Each month, an activity file of new benefit applications is compared to the ERISA Master Files. SSA sends an ERISA notice of pension plan eligibility to individuals included in both the activity file and the ERISA Master Files. This notice includes the information the worker needs to contact the pension plan administrator. SSA staff also resolves exceptions and responds to inquiries from employers and the public.

Section 1131(b)(1) permits the administrative expenses of carrying out this pension reform work to be funded initially from the OASI Trust Fund through SSA's Limitation on Administrative Expenses. Section 1131(b)(2) authorizes an annual appropriation of Federal funds to reimburse the OASI Trust Fund. To the extent that resources needed to process this workload exceed the budget authority available for reimbursement in the current year, reimbursement is made to the OASI Trust Fund at the beginning of the subsequent year, including interest as appropriate. SSA began to incur pension reform administrative expenses in FY 1977.

Table 1.12—Pension Reform: Obligations

Fiscal Year	Obligations
FY 2006	$ 1,942,000
FY 2007	$ 1,125,000
FY 2008	$ 1,200,000
FY 2009	$ 813,000
FY 2010	$ 2,022,000
FY 2011[1]	$ 3,802,000
FY 2012	$ 6,400,000
FY 2013	$ 2,521,092
FY 2014 Estimate	$ 6,400,000
FY 2015 Estimate	**$ 6,400,000**

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[1] Obligations for Pension Reform increased in FY 2011 despite a downturn in report receipts due to costs incurred to support the conversion of ERISA microfilm to computer images, as well as other IT-related costs.

RATIONALE FOR BUDGET REQUEST

The FY 2015 budget requests $6,400,000 to reimburse the OASI Trust Fund for the cost of carrying out SSA's responsibilities under the Pension Reform Act. The FY 2015 request is the same as the FY 2014 enacted level. The table below summarizes the recent trend of pension coverage report receipts:

Table 1.13—Receipts from Pension Coverage Reports

Fiscal Year	Pension Coverage Report Receipts
FY 2002	3,003,000
FY 2003	1,570,000
FY 2004	5,621,371
FY 2005	5,363,409
FY 2006	6,003,014
FY 2007	5,397,935
FY 2008	5,554,314
FY 2009	6,073,898
FY 2010	6,334,329
FY 2011[1]	68,159
FY 2012	10,454,215
FY 2013	**3,810,675**

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[1] Because IRS created a new form (IRS Form 8955-SSA) for filers and a new electronic filing system, in addition to granting a filing deferral during this timeframe, most of the pension coverage report receipts were input into the system in FY 2012 (i.e., FY 2012 receipts essentially represent 2 years of receipts).

UNNEGOTIATED CHECKS

Authorizing Legislation: Section 201(m) of the Social Security Act and Section 152 of P.L. 98-21.

PURPOSE AND METHOD OF OPERATION

The purpose of this payment is to reimburse the OASI and DI Trust Funds for the value of interest on benefit checks that are cashed after 6 months or subsequently cancelled.

Table 1.14—Unnegotiated Checks: Budget Authority

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14 to FY15 Change
Budget Authority	$ 14,000,000	$ 10,000,000	**$ 10,000,000**	*$ 0*

This activity was originally established to reimburse the trust funds for uncashed benefit checks and accrued interest. Beginning October 1, 1989, Social Security checks, like those issued by other Federal agencies, are negotiable for only 12 months from their date of issue under the provisions of the Competitive Equality Banking Act (CEBA) of 1987 (P.L. 100-86). In the 14th month after issue, the Department of the Treasury prepares a listing of checks outstanding from each agency, cancels those checks, and refunds the value of checks canceled to the authorizing agencies. Under this "Limited Payability" procedure, the value of unnegotiated checks issued on or after October 1, 1989 are credited directly to the trust funds from Treasury's general fund when the checks are canceled, pursuant to P.L. 100-86. These funds do not pass through the Payments to Social Security Trust Funds account. However, the interest adjustment must be paid through this account because CEBA made no provision for it.

This appropriation funds the estimated ongoing level of activity and represents the value of interest for unnegotiated OASDI benefit checks.

Table 1.15—Unnegotiated Checks: Obligations

Fiscal Year	Obligations
FY 2007	$ 10,084,755
FY 2008	$ 11,169,140
FY 2009	$ 8,756,319
FY 2010	$ 7,435,351
FY 2011	$ 7,471,475
FY 2012	$ 5,910,374
FY 2013	$ 3,082,985
FY 2014 Estimate	$ 10,000,000
FY 2015 Estimate	**$ 10,000,000**

The actual interest reflects the ongoing shift of beneficiaries away from the paper check method of benefit payment to direct deposit. On December 21, 2010, the Department of Treasury published a final rule amending 31 Code of Federal Regulations Part 208 to require recipients of federal benefit and nontax payments to receive their payments by electronic funds transfer. People who apply for Social Security benefits on or after May 1, 2011 receive their payments electronically. Many people who previously received federal benefit checks before May 1, 2011 have switched to an electronic payment. As a result, the final rule has decreased the volume of unnegotiated benefit checks, and we expect this trend to continue. Benefits paid via direct deposit bypass the mechanism in which there is the possibility of an uncashed check. However, the effect of the growth in direct deposit participation on unnegotiated check interest is somewhat offset by increases in the number of beneficiaries and in the average monthly benefit payments. The following table summarizes the recent trend in the percentage of OASDI beneficiaries enrolled in the direct deposit payment program.

Table 1.16—Direct Deposit Participation Rate

	Direct Deposit Participation Rate
December 2004	82%
December 2005	83%
December 2006	84%
December 2007	85%
December 2008	86%
December 2009	87%
December 2010	88%
December 2011	91%
December 2012	95%
December 2013	**98%**

RATIONALE FOR BUDGET REQUEST

The FY 2015 request is for $10,000,000 to reimburse the OASDI Trust Funds for the value of interest on unnegotiated checks. The FY 2015 request is same as the FY 2014 enacted.

Table 1.17—Unnegotiated Checks: Budget Authority by Trust Fund

	FY 2015 Estimate
OASI Trust Fund	$ 8,000,000
DI Trust Fund	$ 2,000,000
Total	**$ 10,000,000**

COAL INDUSTRY RETIREE HEALTH BENEFITS

Authorizing Legislation: Sections 9704 and 9706 of the Internal Revenue Code of 1986 as amended by section 19141 of the Energy Policy Act of 1992.

PURPOSE AND METHOD OF OPERATION

The purpose of this payment is to reimburse the OASDI Trust Funds for work carried out under section 19141 of the Energy Policy Act of 1992 (Public Law 102-486), which established the Coal Industry Retiree Health Benefit Act of 1992 (CIRHBA).

Table 1.18—Coal Industry Retiree Health Benefits: Obligations

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	FY14 to FY15 Change
New Budget Authority	$ 0	$ 0	**$ 0**	$ 0
Obligations	$ 12,117	$ 50,000	**$ 50,000**	$ 0

CIRHBA combined two existing United Mine Workers of America (UMWA) pension plans into a single fund and required that certain existing coal mine operators pay health benefit premiums for the new combined plan. The law directed the Commissioner of Social Security to:

- Search the earnings records of the group of retired coal miners covered by the combined plan;

- Determine which retirees should be assigned to which mine operators;

- Notify the involved mine operators of the names and Social Security numbers of eligible beneficiaries who have been assigned to them;

- Process appeals from operators who believe that assignments have been made incorrectly; and

- Compute the premiums based on a formula established in the Act.

PROGRESS TO DATE

SSA has completed initial decisions and reviews on all of the retired miners covered under the provisions of the 1992 CIRHBA. In addition, SSA implemented the Coal Act provisions of the Tax Relief and Health Care Act of 2006 (P.L. 109-432), which significantly affected and restructured CIRHBA. SSA carefully reviewed the legislation, obtained legal advice, and assessed how P.L. 109-432 affected existing policies and procedures. SSA complied with the provision that specifically directed the Commissioner to "revoke all assignments to persons other than 1988 agreement operators for purposes of assessing premiums for plan years beginning on or after October 1, 2007."

SSA devoted considerable time and resources to comply with P.L. 109-432. All court cases challenging SSA's involvement in the Coal Act are now closed. There is no active litigation. SSA has also completed its obligation to provide yearly data on miner assignments to the UMWA Combined Benefit Fund. However, SSA's Office of the Actuary continues to compute the per beneficiary premiums on a yearly basis.

This account provides general fund reimbursement to the trust funds to the extent that the Limitation on Administrative Expenses account advances funds for SSA to carry out this work. Additional funds are not requested for FY 2015 because the balance of the $10,000,000 per year appropriated in FY 1996 and in FY 1997 remains available until expended to reimburse the trust funds.

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MILITARY SERVICE WAGE CREDITS

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Authorizing Legislation: Section 217(g) of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

The purpose of this payment is to reimburse the OASDI trust funds, as necessary, for the costs of granting noncontributory wage credits for pre-1957 military service, as authorized by Section 217(g). Payments to the trust funds for this purpose are authorized to be made every five years.

Table 1.19—Military Service Wage Credits: Budget Authority

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	*FY14 to FY15 Change*
Budget Authority	$ 0	$ 0	**$ 0**	*$ 0*

Pre-1957 Military Service: The 1946 Social Security Amendments provided for payment of Social Security benefits to World War II veterans and their survivors based upon noncontributory wage credits of $160 for each month of the veteran's active military service. Subsequent amendments extended the period for which these credits were granted through December 1956. For that period, the Social Security Act did not require contributions to the trust funds based on the wages of individuals in the military service. To finance the additional costs incurred in paying benefits, which are based on periods of military service before 1957 for which no contributions were made, the Social Security Act provides for reimbursement to the OASI and the DI trust funds from the general fund of the Treasury.

The Social Security Amendments of 1983 modified section 217(g) to reimburse the trust funds in a lump sum for the present value of all future benefits arising from the gratuitous credits granted for military service before 1957. This provision directed the Secretary of the Treasury to transfer the pre-1957 wage credit lump sum to the trust funds within 30 days after enactment of the legislation. This lump sum settlement, which covered periods through September 30, 2015, is subject to adjustment every fifth year beginning in 1985. For periods beginning FY 2016, the Commissioner of Social Security will determine the adjustments on the basis of benefits and administrative costs actually paid under section 217(g) and relevant actuarial assumptions in the Social Security Trustees Report. Under the 1983 amendments, the only costs of pre-1957 military service credits to these appropriations will be any additional payments due as a result of these adjustment determinations.

Following the initial transfers from the general fund to the trust funds in 1983 and 1985, the quinquennial adjustments resulted in the transfer of funds from SSA's trust funds to the general fund of the Treasury each time until the 2000 determination was prepared. In that year, it was determined that the general fund owed a payment to the OASI trust fund instead. The FY 2002 appropriation for this transfer, including interest, was $414,000,000. Appropriations are not

needed whenever quinquennial transfers are determined to be due from the trust funds to the general fund.

We initially requested $1 million in FY 2011 for a transfer from the general funds to the Federal Disability Insurance Trust Fund, but later analysis by the Office of the Chief Actuary determined that transfers should instead be made from the OASDI trust funds to the general fund. On December 30, 2010, $113 million was transferred to the general fund from the OASI trust fund and $3 million was transferred from the DI trust fund.

We are not requesting funds for FY 2015. The next quinquennial adjustment is expected to occur in FY 2016.

CONTENTS

TABLES

APPROPRIATION LANGUAGE

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public

Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of

Public Law 95-216, including payment to the Social Security trust funds for administrative

expenses incurred pursuant to section 201(g)(1) of the Social Security Act, **[***$41,249,064,000***]**

$40,927,000,000, to remain available until expended: *Provided*, That any portion of the funds

provided to a State in the current fiscal year and not obligated by the State during that year shall

be returned to the Treasury: *Provided further*, That not more than **[***$47,000,000***]***$53,000,000*

shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the

Social Security Act and remain available through September 30, **[***2015***]** *2016*.

For making, after June 15 of the current fiscal year, benefit payments to individuals under

title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year,

such sums as may be necessary.

For making benefit payments under title XVI of the Social Security Act for the first

quarter of fiscal year **[***2015***]***2016*, **[***$19,700,000,000***]***$19,200,000,000*, to remain available until

expended.

(Departments of Labor, Health and Human Services, and Education, and Related Agencies

Appropriations Act, 2014.)

LANGUAGE ANALYSIS

The appropriation language provides the Social Security Administration (SSA) with the funds needed to carry out its responsibilities under the Supplemental Security Income (SSI) program. This includes the funds needed to pay Federal benefits, administer the program, and provide beneficiary services to recipients. The budget authority for these activities is made available until expended, providing SSA the authority to carryover unobligated balances for use in future fiscal years. In addition, a portion of this funding is made available for SSA to conduct research and demonstration projects, which is available for two years, providing SSA the authority to carryover unobligated balances into the next fiscal year.

In addition, the language provides SSA with indefinite authority beginning June 15 in the event Federal benefit payment obligations in FY 2015 are higher than expected and SSA does not have sufficient unobligated balances to cover the difference. Consistent with previous years, the appropriation also includes an advance appropriation for Federal benefit payments in the first quarter of FY 2016 to ensure the timely payment of benefits in case of a delay in the FY 2016 appropriations bill.

Table 2.1—Appropriation Language Analysis

Language provision	Explanation
"For carrying out titles XI and XVI of the Social Security Act… including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, *$40,927,000,000*, to remain available until expended:"	Appropriates funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects under the SSI program. SSA may carryover unobligated balances for use in future fiscal years.
"*Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury."	Ensures that states do not carry unobligated balances of Federal funds into the subsequent fiscal year. Applies primarily to the beneficiary services activity.
"*Provided further*, That not more than $53,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2016. "	Specifies that not more than $53 million of the SSI appropriation is available for research and demonstration projects. SSA may carryover unobligated balances for use in the subsequent year.
"For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary."	Provides an indefinite appropriation to finance any shortfall in the definite appropriation for benefit payments during the last months of the fiscal year.
"For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year *2016, $19,200,000,000*, to remain available until expended."	Appropriates funds for benefit payments in the first quarter of the subsequent fiscal year. Ensures that recipients will continue to receive benefits during the first quarter of FY 2016 in the event of a temporary funding hiatus.

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GENERAL STATEMENT

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The SSI program guarantees a minimum level of income to financially needy individuals who are aged, blind, or disabled. The program was created in 1972 by Title XVI of the Social Security Act and payments began January 1974. It is Federally-administered and funded from general revenues.

Prior to the establishment of the SSI program, the Social Security Act provided means-tested assistance through three separate programs—Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled. Federal law only established broad guidelines, with each state largely responsible for setting its own eligibility and payment standards. The SSI program was established to provide uniform standards across states.

Table 2.2—Summary of Appropriations and Obligations
(in thousands)

	FY 2013 Actual	FY 2014 Enacted[1]	FY 2015 Estimate	*Change*
Appropriation	$ 51,223,285	$ 59,693,064	**$ 60,627,000**	*+$ 933,936*
Obligations	$ 56,485,774	$ 59,801,998	**$ 60,715,000**	*+ $ 913,002*
First Quarter Advance Appropriation for Subsequent Fiscal Year	$ 19,300,000	$19,700,000	**$ 19,200,000**	*- $ 500,000*

PROGRAM OVERVIEW

Eligibility Standards
As a means-tested program, individuals must have income and resources below specified levels to be eligible for benefits. Rules allow some specific categories of income and resources to be either totally or partially excluded.

An individual's benefit payment is reduced dollar for dollar by the amount of their "countable income"—income less all applicable exclusions—in a given month. Income in the SSI program includes "earned income" such as wages and net earnings from self-employment; and "unearned income" such as Social Security benefits, unemployment compensation, deemed income from a spouse or parent, and the value of in-kind support and maintenance such as food and shelter. Different exclusion rules apply for different types of income.

Incentives for Work and Opportunities for Rehabilitation
The SSI program is designed to help recipients with disabilities achieve independence by encouraging and supporting their attempts to work. The program includes a number of work incentive provisions that enable recipients who are blind or disabled to work and retain benefits. The program also includes provisions to help disabled beneficiaries obtain vocational

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[1] Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

rehabilitation and employment support services. These provisions were revised by legislation establishing the Ticket to Work program, discussed in more detail in the Beneficiary Services section.

State Supplementation

Supplementation is mandatory for certain recipients who were on state rolls just prior to the creation of the Federal program on January 1, 1974. Otherwise, states are encouraged to supplement the Federal benefit and may elect to have their state supplementation program administered by SSA. States that choose to have SSA administer their program reimburse SSA in advance and SSA makes the payment on behalf of the state. Participating states also reimburse SSA for the cost of administering their program, based on a user fee schedule established by the Social Security Act. The user fee is $11.32 per SSI check payment in FY 2014 and is expected to increase to $11.50 in FY 2015. The Department of Treasury receives the first $5.00 of each fee and SSA retains the amount over $5.00.

Coordination with Other Programs

SSA plays an important role in helping states administer Medicaid and the Supplemental Nutrition Assistance Program (SNAP). Provisions in the SSI statute ensure that payments made by states or under the Social Security program are not duplicated by SSI benefits.

Generally, SSI recipients are categorically eligible for Medicaid. States may either use SSI eligibility criteria for determining Medicaid eligibility or use their own, provided the criteria are no more restrictive than the state's January 1972 medical assistance standards.

SSI recipients may qualify for SNAP. Social Security offices work with SSI applicants and recipients in a variety of ways to help them file for SNAP, including informing them of their potential benefits, making applications available to them, and in some cases helping them complete their applications. Social Security also shares applicant data with a number of states in support of SNAP.

Benefit Payments

SSA estimates it will pay $56.2 billion in Federal benefits to an estimated 8.3 million SSI recipients in FY 2015. Including state supplementary payments, SSA expects to pay a total of $59.6 billion and administer payments to a total of almost 8.5 million recipients.
Federal benefit payments represent approximately 93 percent of Federal SSI spending. Administrative expenses represent approximately 7 percent of spending; beneficiary services and research and demonstration projects make up the remaining less than one percent.

FY 2015 PRESIDENT'S BUDGET REQUEST

The SSI appropriation includes funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects. In total, the President's Budget request for FY 2015 is $60,627,000,000. However, this includes $19,700,000,000 made available for the first quarter of FY 2015 in the FY 2014 appropriation. The appropriation language provides SSA with its remaining appropriation for FY 2015, $40,927,000,000—the total amount requested for FY 2015 less the advance already received.

Similarly, in addition to the amount above, the request includes an advance appropriation of $19,200,000,000 for Federal benefit payments in the first quarter of FY 2016. This advance is to ensure recipients continue to receive their benefits at the beginning of the subsequent fiscal year in case there is a delay in passing that year's appropriation.

Table 2.3—Appropriation Detail[1]
(in thousands)

	FY 2013 Actual	FY 2014 Enacted[2]	FY 2015 Estimate	*Change*
Advance for Federal Benefits[3]	$ 18,200,000	$ 19,300,000	$ 19,700,000	
Regular for Federal Benefits	$ 29,354,000	$ 35,423,000	$ 36,501,000	
Subtotal Federal Benefits	**$ 47,554,000**	**$ 54,723,000**	**$56,201,000**	*+ $ 1,478,000*
Administrative Expenses	$ 3,605,305	$ 4,920,064	$ 4,302,000	*-$ 618,064*
Beneficiary Services	$ 47,000	$ 3,000	$ 70,000	*+ $ 67,000*
Research and Demonstration	$ 16,980	$47,000	$ 53,000	*+ $ 6,000*
Change in a Mandatory Program—Special Immigrant Visa Extension	$ 0	$ 0	$ 1,000	*+ $1,000*
Subtotal Advanced Appropriation	**$ 18,200,000**	**$ 19,300,000**	**$ 19,700,000**	
Subtotal Regular Appropriation	**$ 33,023,285**	**$ 40,393,064**	**$ 40,927,000**	
Total Appropriation	$ 51,223,285	$ 59,693,064	$ 60,627,000	*+ $ 933,936*
Advance for Subsequent Year	**$ 19,300,000**	**$ 19,700,000**	**$ 19,200,000**	*- $ 500,000*

[1] Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the Limitation on Administrative Expenses appropriation.
[2] Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.
[3] Amount provided or requested in the previous year's appropriation bill.

KEY INITIATIVES

SSA continues to pursue efforts to ensure the proper management and stewardship of the SSI program.

Payment Accuracy

For more than 75 years, SSA has been committed to paying the right benefit to the right person at the right time. The challenge of meeting this goal is especially apparent in the administration of the SSI program because eligibility and payment amounts are so closely tied to the fluctuating circumstances of individual recipients. In FY 2012, 93.7 percent of SSI benefit payments were free of overpayment errors and 98.2 percent were free of underpayment errors. The vast majority of incorrect payments are the result of unreported changes to recipients' incomes, resources, or living arrangements.

While maintaining and improving payment accuracy remains a challenge, SSA considers it a matter of great importance to continue to improve administration of the SSI program. SSA has taken steps to prevent overpayments before they occur and is addressing the two largest (in dollar amounts) causes of overpayments: unreported wages and unreported bank accounts.

Continuing Disability Reviews and Non-Disability Redeterminations

SSI continuing disability reviews (CDRs) are periodic reviews conducted to ensure recipients are still disabled according to agency rules. The frequency of these reviews is dependent on the likelihood that a recipient's medical condition will change. Non-disability redeterminations (redeterminations) are periodic reviews that verify living arrangements, income levels, and other non-disability factors related to SSI eligibility. Similar to CDRs, the frequency of redeterminations is determined by the probability that changes affecting eligibility will occur. CDRs and redeterminations are key activities in ensuring the integrity of the SSI program and maintaining and improving payment accuracy.

The FY 2015 President's budget request includes $627 million specifically for conducting SSI CDRs and redeterminations, which would allow SSA to conduct approximately 203,150 SSI CDRs[1] and 2,622,000 redeterminations. The total funding is estimated to result in almost $5.2 billion in net program savings over the next 10 years.

Access to Financial Institutions

Access to Financial Institutions (AFI) is an electronic process that verifies bank account balances with financial institutions for purposes of determining SSI eligibility. In addition to verifying alleged accounts, AFI detects undisclosed accounts by using a geographic search to generate requests to other financial institutions. AFI's purpose is to identify excess resources in financial accounts, which are a leading cause of SSI payment errors. We currently use the AFI system in all 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands for all SSI applicants and recipients alleging financial resources above the current resource threshold.

Along with preventing overpayments, AFI will help us to eliminate ineligible applicants at the beginning of the application process, reducing the workload in the State Disability Determination Services. Full implementation is defined as using AFI on every potential SSI claim and

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[1] The total estimated CDR volume is 887,804. We expect to complete 684,654 DI CDRs in addition to SSI CDRs.

redetermination and assumes using no tolerance levels, increasing the number of bank searches, and fully integrating the process with our systems. In 2013, we lowered the tolerance levels from a $750 tolerance to a $400 tolerance and increased bank searches from 5 negative searches to 10 negative searches, moving closer to full implementation. We expect the account verifications we will complete in FY 2014 will be cost effective.

Pre-Effectuation Reviews
The Deficit Reduction Act of 2005 provided SSA with the authority to conduct pre-effectuation reviews (PER) for favorable initial SSI adult blindness or disability determinations. SSA started conducting these reviews in April 2006. They are conducted before the individual is awarded benefits and are done to ensure the accuracy of the determinations made by state agencies.

The Social Security Disability Insurance (DI) program already required PERs, but prior to this legislation only SSI adult disability claims involving concurrent SSI/DI claims were subject to review. SSI PERs support the performance measure to reduce improper payments, improve the accuracy and integrity of the SSI program, and make the SSI and DI programs more consistent.

Combating Fraud
SSA continues to engage in an aggressive program to deter, detect, investigate, and prosecute fraud. During FY 2013, SSA's Office of the Inspector General (OIG) received almost 61,000 SSI fraud-related allegations via telephone, correspondence, fax, or email. As allegations are received, they are carefully reviewed to determine the most appropriate course of action, such as referral to OIG's Office of Investigations Field Divisions, other components of OIG, outside law enforcement agencies, or other program or policy components in SSA. In addition to matching the law enforcement data received pursuant to the matching program, Federal law authorizes OIG and SSA to release information back to law enforcement regarding beneficiaries and recipients who have unsatisfied felony arrest warrants or who are violating a condition of probation or parole imposed under Federal or State law. Individuals are identified by using an automated data matching process which compares warrant information at the State and Federal levels with the SSI rolls.

SSI Simplification
The process of evaluating eligibility and payment levels for the SSI program and addressing the accuracy of payments that have already been made is inherently complex. SSA remains committed to simplifying the SSI program and is exploring ways to do this in a fair and equitable manner.

Debt Collection
SSA currently makes use of the following debt collection tools that are authorized by law: benefit withholding, cross-program recovery, repayment by installment agreements, Credit Bureau Reporting, Administrative Wage Garnishment, and the Treasury Offset Program (TOP), which includes Tax Refund Offset (TRO), Administrative Offset (e.g., Federal travel and expense reimbursements), and Federal Salary Offset. Using these debt collection tools, SSA collected almost $1.2 billion in SSI overpayments, including Federally-administered state supplement overpayments, in FY 2013. Also in FY 2013, SSA eliminated an additional $124.0 million through Netting, a process that adjusts SSI overpayments through an automated offset against SSI underpayments.

SSA began collecting SSI overpayments by TRO in 1998 under the authority of The Deficit Reduction Act of 1984. The Foster Care Independence Act of 1999 extended to the SSI program all of the additional debt collection authorities previously available for collection of overpayments under the Social Security retirement and disability programs. In FY 2002, SSA expanded the use of TOP by implementing Administrative Offset. SSA further expanded the use of TOP in FY 2006 when the agency implemented Federal Salary Offset, a collection tool used to collect delinquent overpayments owed by Federal employees, including employees who work for SSA. In FY 2012, SSA began referring debts delinquent for 10 years or more to TOP. In FY 2013, SSA released systems enhancements and began notifying debtors of the ability to offset eligible State payments via TOP to recover delinquent debt. In FY 2013, TOP enabled the agency to collect $70.6 million.

In FY 2002, SSA implemented Credit Bureau Reporting and Cross Program Recovery. In FY 2013, Credit Bureau Reporting contributed to the voluntary repayment of $28.1 million and the Agency recovered $81.9 million via Cross Program Recovery.

In FY 2005, SSA implemented Administrative Wage Garnishment, which has collected $22.4 million in SSI debt through FY 2013. In the future, SSA plans to implement the remaining authorized collection tools which include interest charging, administrative cost recovery, and the use of private collection agencies.

Computer Matching Programs
SSA routinely matches SSI recipient data with data maintained by other Federal, state, and local government entities to detect changes in income, resources, or living arrangements that may affect SSI eligibility. In addition, the Foster Care Independence Act of 1999 provides for expansion of access to data from financial institutions.

SSA's computer matching operations include matches with:

- Prison inmate records to find recipients made ineligible by incarceration;

- Law enforcement agencies data on fugitive felons;

- Quarterly data on wage and unemployment compensation information;

- Monthly nursing home admission and discharge information;

- Internal Revenue Service records of non-wage income reported via 1099s to detect resources and/or income;

- Bureau of Public Debt's Savings Bond records to detect unreported assets;

- Department of Defense (DOD) records to detect and verify DOD pension information;

- Veterans Administration benefit data to be used in SSI benefit calculations;

- Office of Personnel Management pension data to be used in certain SSI benefit calculations;

- Railroad Retirement Board data to be used in certain SSI benefit calculations;

- Department of Homeland Security (DHS) data for deportation information on aliens outside the U.S. for more than 30 continuous days to terminate SSI benefits;

- DHS records of aliens who voluntarily leave the U.S; and

- AFI system to electronically request and receive financial account information.

Actions taken as a result of such matches include independent verification of assets or income. If this results in a change in payment amount or eligibility, notification is provided to the recipient of the findings along with appeal and waiver rights.

Legislative Proposal – Refugees, Asylees, and Other Humanitarian Immigrants

The "SSI Extension for Elderly and Disabled Refugees Act" (Public Law 110-328) extended the seven-year SSI eligibility period for refugees, asylees, and certain other humanitarian immigrants to nine years. This law affected those whose eligibility would have expired between October 1, 2008 through September 30, 2011 by providing benefits for two more years or the end of FY 2011 (whichever came sooner).

The FY 2015 President's budget includes a proposal to allow refugees and asylees to receive SSI an additional two years, in FY 2015 and FY 2016, for a total maximum of nine years of eligibility, consistent with the expired policy established by P.L. 110-328.

Change in a Mandatory Program – Special Immigrant Visa extension for Afghans

The FY 2015 President's budget includes $1 million for a discretionary change in a mandatory program (CHIMP) from the State Department's two-year Special Immigrant Visa extension for Afghans. Please see the State Department's 2015 Congressional Justification for additional detail on this proposal.

BUDGETARY RESOURCES

The SSI annual appropriation consists of a regular appropriation made available by the current year's appropriation bill and an advance made available by the prior year's appropriation. This advance is for Federal benefit payments in the first quarter of the subsequent fiscal year to ensure recipients continue to receive their benefits in case there is a delay in passing that year's appropriation bill. The President's Budget for FY 2015 is $60,627,000,000, including $19,700,000,000, provided in advance by the FY 2014 enacted appropriation.

Table 2.4—Amounts Available for Obligation[1]

	FY 2013 Actual	FY 2014 Estimate[2]	FY 2015 Estimate
Regular Appropriation	$ 33,023,285,088	$ 40,393,064,000	$ 40,927,000,000
Advanced Appropriation	$ 18,200,000,000	$ 19,300,000,000	$ 19,700,000,000
Total Annual Appropriation	**$ 51,223,285,088**	**$ 59,693,064,000**	**$ 60,627,000,000**
Federal Unobligated Balance	$ 818,764,012	$ 121,960,602	$ 13,027,064
Recovery of Prior-Year Obligations	$ 1,565,011	$ 0	$ 0
Offsetting Collections	$ 1,677,465	$ 0	$ 0
Indefinite Authority[3]	$ 4,562,442,853	N/A	N/A
Subtotal Federal Resources	**$ 56,607,734,429**	**$ 59,815,024,602**	**$ 60,640,027,064**
State Supp. Reimbursements	$ 3,269,194,700	$ 3,346,000,000	$ 3,422,000,000
State Supp. Unobligated Balance	$ 272,794,298	$ 271,863,212	$ 277,863,212
Total Budgetary Resources	**$ 60,149,723,427**	**$ 63,432,887,814**	**$ 64,339,890,276**
Federal Obligations	**$ 56,485,773,827**	**$ 59,801,997,538**	**$ 60,715,000,000**
State Supp. Obligations	$ 3,270,125,786	$ 3,340,000,000	$ 3,415,000,000
Total Obligations	**$ 59,755,899,613**	**$ 63,141,997,538**	**$ 64,130,000,000**
Federal Unobligated Balance	$ 121,960,602	$ 13,027,064	($ 74,972,936)
State Supp. Unobligated Balance[4]	$ 271,863,212	$ 277,863,212	$ 284,863,212
Total Unobligated Balance	$ 393,823,814	$ 290,890,276	$ 209,890,276

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[1] Does not include state supplementary user fees; user fees are included in the Limitation on Administrative Expenses appropriation.

[2] Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

[3] Any portion of the Federal benefits carryover shown that results from indefinite authority will be returned to Treasury in the new year, as soon as the actual amount is determined.

[4] The amount received for the October 1 payment, reimbursed at the end of September in the prior fiscal year is available for use in the subsequent fiscal year.

The SSI annual appropriation was $51.2 billion in FY 2013. The current estimate for FY 2014 is approximately $59.7 billion. SSA has the authority to carry over unobligated balances for use in future fiscal years for Federal benefit payments, administrative expenses, and beneficiary services because the amounts appropriated are made available until expended. Research and demonstration funds receive two year appropriations, so these balances can be carried over for use in the following fiscal year. SSA carried over almost $122 million in Federal unobligated balances into FY 2014. Based on the FY 2014 estimated funding level and obligations, SSA expects to carry over approximately $13 million into FY 2015.

In addition to these appropriated amounts, SSA has spending authority in the amount of the advance reimbursement SSA receives from states to pay their state supplementary benefits. Because states reimburse SSA in advance, SSA carries over the amount received for the October 1 payment, reimbursed at the end of September in the prior fiscal year, for use in the subsequent fiscal year.

ANALYSIS OF CHANGES

The FY 2015 request represents an increase of approximately $1 billion from the FY 2014 level. The majority of this increase results from mandatory increases in Federal benefit payments, partly resulting from an increase in SSI recipients.

SSA plans to use unobligated balances to partially fund Federal benefit payments, administrative expenses, beneficiary services and research and demonstration projects in FY 2014. In FY 2015, SSA plans to use unobligated balances to partially fund beneficiary services and research and demonstration projects. SSA plans to use approximately $86 million in unobligated balances and recoveries in FY 2014 and approximately $19 million in FY 2015.

Federal Benefit Payments

The increase in the FY 2015 request for Federal benefit payments primarily results from annual cost-of living adjustments (COLA) and an increase in SSI recipients. The increase in Federal benefit payments is partially offset by the impact of OASDI COLAs on concurrent SSI/OASDI recipients. Since OASDI benefits are counted as income in the SSI program, the annual OASDI COLA decreases the SSI benefit payment for concurrent recipients.

Administrative Expenses

The FY 2015 request for administrative expenses is $618.1 million less than the FY 2014 level. SSA expects to use over $8 million in carryover of prior-year unobligated balance in FY 2014 for information technology needs. We expect to transfer an additional $33 million from the trust funds to SSI to administer the program in FY 2014. These funds will be fully repaid at the beginning of FY 2015 out of new budget authority. This transfer will not alter the overall spending levels in FY 2014, as reflected in the Limitation on Administrative Expenses section.

Beneficiary Services

SSA is requesting $70 million in new authority for FY 2015. Our estimate reflects an increase in payments to Employment Networks under the Ticket to Work program and the use of accumulated prior-year unobligated balances. In FY 2013, SSA used $47 million in budget authority and $11 million in carryover for beneficiary services. SSA expects to use $65 million of carryover funds in FY 2014, and $9 million in FY 2015 to cover our estimated obligations.

Research and Demonstration

The request for new budget authority is $6 million higher than the FY 2014 level. SSA expects to use $13 million of prior year unobligated balances in FY 2014, and $10 million in FY 2015 to cover our estimated obligations.

Table 2.5—Summary of Changes[1]

	FY 2014 Estimate[2]	FY 2015 Estimate	Change
Appropriation	**$ 59,693,064,000**	**$ 60,627,000,000**	**+ $ 933,936,000**
Estimated Federal Obligations	**$ 59,801,997,538**	**$ 60,715,000,000**	**+ $ 913,002,462**
Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation	$ 76,002,771	$ 9,000,000	- $ 67,002,771
Section 201 (g)(1) Authority	$ 32,930,767	$ 79,000,000	+ $ 46,069,233

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[1] Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the Limitation on Administrative Expenses appropriation. Totals may not add due to rounding.

[2] Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

Table 2.6—Explanation of SSI Budget Changes from FY 2014 to FY 2015
(in thousands)

	FY 2014 Obligations	*Change from FY 2014*
		Increases
Federal Benefit Payments	$ 54,723,000	
• Cost-of-living adjustments (COLA)—1.4% beginning January 2015		+$ 1,028,000
• Net Increase of 55,000 recipients in FY 2015		+ $ 682,000
Administrative Expenses	$ 4,920,064	
• Section 201(g)(1) Authority		+ $46,069
Beneficiary Services	$ 3,000	
• Increase base funding		+ $ 67,000
Research and Demonstration	$ 47,000	
• Increase in base funding		+$ 6,000
Special Immigrant Visa Extension		+ $ 1,000
Total Increases		**+$ 1,830,069**
		Decreases
Federal Benefit Payments – Obligations from prior year unobligated balances	$ 0	
• Effect of OASDI COLA for concurrent SSI/OASDI recipients		-$ 232,000
Administrative Expenses – Carryover	$ 40,936	
• Decrease in amount of carryover funding planned for obligation in FY 2014		-$ 8,005
• Decrease in base funding		-$618,064
Beneficiary Services – Carryover	$ 65,000	
• Decrease in amount of carryover funding planned for obligation in FY 2015		- $ 56,000
Research & Demonstration – Net Carryover	$2,998	
• Net decrease in amount of carryover funding planned for obligation in FY 2015		-$ 2,998
Total Decreases		**- $ 917,067**
Total Obligations Requested, Net Change	**$ 59,801,998**	**+ $ 913,002**

NEW BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY

The table below displays budget authority and obligations for the four main SSI activities—
Federal benefit payments, administrative expenses, beneficiary services, and research and
demonstration projects, as well as the State Department's two-year special immigrant visa
extension for Afghans.

Table 2.7—New Budget Authority and Obligations by Activity[1]
(in thousands)

	FY 2013 Actual	FY 2014 Estimate[2,3]	FY 2015 Estimate[4]
Federal Benefit Payments			
Appropriation	$ 47,554,000	$ 54,723,000	$ 56,201,000
Obligations	$ 52,782,741	$ 54,723,000	$ 56,201,000
Monthly Check Payments	12	12	12
Administrative Expenses[5]			
Appropriation	$ 3,605,305	$ 4,920,064	$ 4,302,000
Obligations	$ 3,605,669	$ 4,961,000	$ 4,381,000
Beneficiary Services			
Appropriation	$ 47,000	$ 3,000	$ 70,000
Obligations	$ 58,024	$ 68,000	$ 79,000
Research and Demonstration			
Appropriation	$ 16,980	$ 47,000	$ 53,000
Obligations	$ 39,340	$ 49,998	$ 53,000
Special Immigrant Visas			
Appropriation	$ 0	$ 0	$ 1,000
Obligations	$ 0	$ 0	$ 1,000
Total Appropriation	$ 51,223,285	$ 59,693,064	$ 60,627,000
Total Federal Obligations	$ 56,485,774	$ 59,801,998	$ 60,715,000

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[1] Totals may not add due to rounding.

[2] SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2014 obligations as
follows: Administrative expenses, $8.0 million; beneficiary services, $65 million; and research and
demonstration projects, $12.8 million.

[3] Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

[4] In addition to the FY 2015 President's Budget request, SSA expects to use carryover of prior year unobligated
balances and recoveries for FY 2015 obligations as follows: beneficiary services, $9 million; and research and
demonstration projects, $9.8 million.

[5] We expect to transfer an additional $32.9 million from the trust funds to SSI to administer the program in
FY 2014, with these funds being fully repaid at the beginning of FY 2015 out of new budget authority.

In FY 2013, SSA used carryover of unobligated balances to partially fund Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects. In FY 2014, SSA plans to use carryover of unobligated balances to partially fund administrative expenses, beneficiary services and research and demonstration projects. In FY 2015, SSA plans to use carryover of unobligated balances to partially fund beneficiary services and research and demonstration projects.

NEW BUDGET AUTHORITY AND OBLIGATIONS BY OBJECT

In the table below, "Other Services" includes administrative expenses and beneficiary services, as well as the State Department's two-year special immigrant visa extension for Afghans.

Table 2.8—New Budget Authority and Obligations by Object[1]
(in thousands)

	FY 2013 Actual	FY 2014 Estimate[2]	FY 2015 Estimate
Other Services			
Appropriation	$ 3,652,305	$ 4,923,064	**$ 4,373,000**
Obligations	$ 3,663,693	$ 5,029,000	**$ 4,461,000**
Federal Benefits and Research			
Appropriation	$ 47,570,980	$ 54,770,000	**$ 56,254,000**
Obligations	$ 52,822,081	$ 54,772,998	**$ 56,254,000**
Total Appropriation	**$ 51,223,285**	**$ 59,693,064**	**$ 60,627,000**
Total Obligations	**$ 56,485,774**	**$ 59,801,998**	**$ 60,715,000**

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[1] Totals may not add due to rounding.
[2] Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

BACKGROUND				

AUTHORIZING LEGISLATION

The SSI program is authorized by Title XVI of the Social Security Act. Section 1601 of the Act authorizes such sums as are sufficient to carry out the Title.

Table 2.9—Authorizing Legislation

	FY 2013 Actual	FY 2014 Estimate[1]	FY 2015 Estimate	FY Amount Authorized
Title XVI of the Social Security Act, section 401 of P.L. 92-603 and section 212 of P.L. 93-66, as amended, and section 405 of P.L. 92-216	$ 51,223,285,088	$ 59,693,064,000	**$ 60,627,000,000**	*Indefinite*
First Quarter Advance appropriation for subsequent fiscal year	$ 19,300,000,000	$ 19,700,000,000	**$ 19,200,000,000**	---

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[1] Federal benefit numbers reflect the most recent estimates from the SSA's Office of the Chief Actuary.

APPROPRIATION HISTORY

The table below displays the President's Budget request, amounts passed by the House and Senate, and the actual amount appropriated, for the period FY 2003 to FY 2016. Indefinite budget authority is requested when actual Federal benefit payments exceed the amounts available for Federal benefit payments in a given fiscal year.

Table 2.10—Appropriation History

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	$ 10,790,000,000	$ 10,790,000,000[43]	$ 10,790,000,000[44]	$ 10,790,000,000[45]
Current Year	$ 24,034,618,000	- - -[46]	$ 23,914,392,000[47]	$ 23,914,392,000[48]
2003 Total	$ 34,824,618,000	- - -	$ 34,704,392,000	$ 34,704,392,000
2003 Indefinite				*$ 578,881,680*
Q1 Advance	$ 11,080,000,000	- - -	$ 11,080,000,000	$ 11,080,000,000
Current Year	$ 26,282,000,000	$ 26,221,300,000[49]	$ 26,290,000,000[50]	$ 26,237,300,000[51]
2004 Total	$ 37,362,000,000	- - -	$ 37,370,000,000	$ 37,317,800,000
Q1 Advance	$ 12,590,000,000	$ 12,590,000,000	$ 12,590,000,000	$ 12,590,000,000
Current Year	$ 28,608,929,000	$ 28,578,829,000[52]	$ 25,327,949,000[53]	$ 28,586,829,000[54]
2005 Total	$ 41,198,929,000	$ 41,168,829,000	$ 37,917,949,000	$ 41,176,829,000
Q1 Advance	$ 10,930,000,000	$ 10,930,000,000	$ 14,130,000,000	$ 10,930,000,000
Current Year	$ 29,533,174,000	$ 29,533,174,000[55]	$ 29,510,574,000[56]	$ 29,369,174,000[57]
2006 Total	$ 40,463,174,000	$ 40,463,174,000	$ 43,640,574,000	$ 40,299,174,000
Q1 Advance	$ 11,110,000,000	$ 11,110,000,000	$ 11,110,000,000	$ 11,110,000,000
Current Year	$ 29,125,000,000	$ 29,065,000,000[58]	$ 29,023,000,000[59]	$ 29,071,169,000[60]
2007 Total	$ 40,235,000,000	$ 40,175,000,000	$ 40,133,000,000	$ 40,181,169,000
Q1 Advance	$ 16,810,000,000	$ 16,810,000,000	$ 16,810,000,000	$ 16,810,000,000
Current Year	$ 26,911,000,000	$ 26,948,525,000[61]	$ 26,959,000,000[62]	$ 27,000,191,000[63]
2008 Total	$ 43,721,000,000	$ 43,758,525,000	$ 43,769,000,000	$ 43,810,191,000
Q1 Advance	$ 14,800,000,000	$ 14,800,000,000	$ 14,800,000,000	$ 14,800,000,000
Current Year	$ 30,414,000,000	- - -[64]	$ 30,429,875,000[65]	$ 30,471,537,000[66]
2009 Total	$ 45,214,000,000	- - -	$ 45,229,875,000	$ 45,271,537,000
2009 Indefinite				*$ 1,602,935,179*
Q1 Advance	$ 15,400,000,000	- - -	$ 15,400,000,000	$ 15,400,000,000
Current Year	$ 34,742,000,000	$ 34,742,000,000[67]	$ 34,742,000,000[68]	$ 34,742,000,000[69]
2010 Total	$ 50,142,000,000	- - -	$ 50,142,000,000	$ 50,142,000,000
2010 Indefinite				*$ 458,465,781*
Q1 Advance	$ 16,000,000,000	$ 16,000,000,000	$ 16,000,000,000	$ 16,000,000,000
Current Year	$ 40,513,000,000	- - -[70]	$ 40,513,000,000[71]	$ 39,983,273,000[72]
2011 Total	$ 56,513,000,000	- - -	$ 56,513,000,000	$ 55,983,273,000

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	$ 13,400,000,000	---	$ 13,400,000,000	$ 13,400,000,000
Current Year	$ 38,083,000,000[73]	--[74]	$ 37,922,543,000[75]	$ 37,582,991,000[76]
2012 Total	$ 51,483,000,000[77]	---	$ 51,322,543,000	$ 50,982,991,000
2012 Indefinite				*$ 560,000,000*
Q1 Advance	$ 18,200,000,000	---	$ 18,200,000,000	$ 18,200,000,000
Current Year	$ 40,043,000,000[78]	--[37]	$ 40,043,000,000[38]	$ 32,782,991,000[39]
2013 Total	$ 58,243,000,000[40]		$ 58,243,000,000	$ 50,982,991,000
2013 Rescission				$ 32,779,347,000
2013 Sequester[41]				
Q1 Advance	$ 19,300,000,000		$ 19,300,000,000	$ 19,300,000,000
Current Year	$ 40,737,000,000[42]		$ 40,568,741,000[43]	$ 41,249,064,000[44]
2014 Total	**$ 60,037,000,000[45]**		**$ 59,868,741,000**	**$ 60,549,064,000**
Q1 Advance	**$ 19,700,000,000**		**$ 19,700,000,000**	**$ 19,700,000,000**
Current Year	$ 40,927,000,000			
2015 Total	**$ 60,627,000,000**			
Q1 Advance	**$ 19,200,000,000**			
Current Year				
2016 Total				

[43] H.R. 3061.

[44] S. 1536.

[45] The Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002 (P.L. 107-116).

[46] The House Committee on Appropriations did not report a bill. Appropriations Chairman Regula introduced H.R. 246, which included $23,906,392,000 for fiscal year 2003 and $11,080,000,000 for benefit payments for the first quarter of fiscal year 2004.

[47] S. 2766.

[48] Consolidated Appropriations Resolution, 2003 (P.L. 108-7).

[49] H.R. 2660.

[50] S. 1356.

[51] Consolidated Appropriations Act, 2004 (P.L. 108-199). Includes $8,500,000 appropriated in the Social Security Protection Act of 2004 (P.L. 108-203) for purposes of conducting a statistically valid survey to determine how payments made to individuals, organizations, and State or local government agencies that are representative payees for benefits paid under title II or XVI are being managed and used on behalf of the beneficiaries for whom such benefits are paid.

[52] H.R. 5006.

[53] S. 2810

[54] Consolidated Appropriations Act, 2005 (P.L. 108-447).

[55] H.R. 3010.

[56] H.R. 3010, reported from Committee with an amendment.

[57] Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149).

[58] H.R. 5647.

[59] S. 3708

[60] Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5). Of this amount, $2,937,000,000 was available for administrative expenses.

[61] H.R. 3043.

[62] S. 1710.

[63] Consolidated Appropriations Act, 2008 (P.L. 110-161). The amount does not include a rescission of $53,671,177 for SSI administrative expenses and $349,400 for research and demonstration projects in accordance with P.L. 110-161.

[64] The House Committee on Appropriations did not report a bill.

[65] S. 3230.

[66] Omnibus Appropriations Act, 2009 (P.L. 111-8).

[67] H.R. 3293.

[68] H.R. 3293, reported from Committee with an amendment.

[69] Consolidated Appropriations Act, 2010 (P.L. 111-117).

[70] The House Committee on Appropriations did not report a bill.

[71] S. 3686.

[72] The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). Of this amount, $3,493,273,000 was available for administrative expenses. The amount does not include a rescission of $6,987,000 for SSI administrative expenses and $72,000 for research and demonstration projects in accordance with P.L. 112-10.

[73] Of this amount, not to exceed $10,000,000 was for Supplemental Security Income Program-related performance-based awards for Pay for Success projects and not more than $10,000,000 was to provide incentive payments and to conduct a rigorous evaluation of a demonstration project designed to improve the outcomes for SSI child recipients and their families.

[74] The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included $38,062,428,000 for fiscal year 2012. Of this amount, not more than $17,428,000 was made available for research and demonstrations under sections 1110 and 1114 of the Social Security Act and remain available until the end of fiscal year 2013. Up to $10,000,000 of the research funds were to provide incentives payments and to conduct a rigorous evaluation of a demonstration project designed to improve the outcomes for SSI child recipients and their families. In addition, H.R. 3070 included $18,200,000,000 for benefit payments for the first quarter of fiscal year 2013.

[75] S. 1599.

[76] Consolidated Appropriations Act, 2012 (P.L. 112-74). Of this amount, not more than $8,000,000 was made available for research and demonstrations under sections 1110 and 1144 of the Social Security Act. The amount does not include a rescission of $6,377,000 for SSI administrative expenses and $2,000 for research and demonstration projects in accordance with P.L. 112-74.

[77] The President's Budget proposed to provide $140 million in cap adjustment funding in FY 2012, consistent with section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. Of the $140 million, the SSI portion totaled $46 million.

[78] Of this amount, not more than $48,000,000 was for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

[37] The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included $39,335,614,000 for fiscal year 2013. Of this amount, not more than $8,000,000 was made available for research and demonstrations under sections 1110 and 1144 of the Social Security Act and to remain available until the end of fiscal year 2014. In addition, the draft bill included $19,300,000,000 for benefit payments for the first quarter of fiscal year 2014.

[38] S. 3295.

[39] Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).

[40] The President's Budget proposed to provide $266 million in mandatory administrative funding in FY 2013. Of the $266 million, the SSI portion totals $106 million.

[41] SSI was exempt from sequestration in FY 2013.

[42] Of this amount, not more than $54,000,000 is for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

[43] S. 1284.

[44] Consolidated Appropriations Act, 2014 (P.L. 113-76).

[45] The President's Budget proposed to provide $1.2 billion in mandatory administrative funding in FY 2014. Of the $1.2 billion, the SSI portion totals $587 million.

FEDERAL BENEFIT PAYMENTS

Authorizing Legislation: Section 1602, 1611, and 1617 of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

The SSI program was established to pay needy aged, blind and disabled individuals a minimum level of income through Federally-administered monthly cash payments. In many cases, these payments supplement income from other sources, including Social Security benefits and state programs. In FY 2015, SSA estimates benefit payments will total $56.2 billion for nearly 8.3 million Federal SSI recipients.

Table 2.11—Federal Benefit Payments: New Budget Authority and Obligations (in thousands)

	FY 2013 Actual	FY 2014 Enacted[1]	FY 2015 Estimate	*FY 14 to FY 15 Change*
Appropriation	**$ 47,554,000**	**$ 54,723,000**	**$ 56,201,000**	***+ $ 1,478,000***
Obligations funded from prior year unobligated balances	$ 666,283	$ 0	$ 0	*$ 0*
Indefinite Authority[2]	$ 4,562,443	$ 0	$ 0	*$ 0*
Obligations	**$ 52,782,740**	**$ 54,723,000**	**$ 56,201,000**	***+ $ 1,478,000***
Advance for subsequent fiscal year	$ 19,300,000	$ 19,700,000	$ 19,200,000	*- $ 500,000*

RATIONALE FOR BUDGET REQUEST

SSA is requesting $56.2 billion in new budget authority for Federal benefit payments in FY 2015.

SSA estimates benefit payments based on a number of interrelated factors including the number of SSI recipients, number of applications, award and termination rates, cost-of-living adjustments, maximum benefit rates, and average payment amounts.

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[1] Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.
[2] Any portion of the Federal benefits carryover shown that results from indefinite authority will be returned to Treasury in the new year, as soon as the actual amount is determined.

SSI RECIPIENT POPULATION

The number of Federal SSI recipients has increased from 7.5 million in FY 2010 to
8.1 million in FY 2013 and is expected to continue to increase to 8.3 million in FY 2015. The
estimated increase in Federal recipients in FY 2015 represents a 0.7 percent increase over the
FY 2014 level. SSA estimates the number of SSI recipients by analyzing a number of factors
including applications, award and termination rates, and funding for program integrity initiatives.

Table 2.12—SSI Recipients, Actual[1]
(average over fiscal year, in thousands)

	FY 2010	FY 2011	FY 2012	FY 2013
Aged	1,105	1,105	1,094	1,089
Blind or Disabled	6,417	6,652	6,846	7,000
Total Federal	**7,522**	**7,756**	**7,940**	**8,089**
Year-to-Year Change	*3.0%*	*3.1%*	*2.4%*	*1.9%*
State Supplement Only	256	254	234	220
Total Federally Administered	**7,778**	**8,010**	**8,173**	**8,309**

In addition to Federal SSI recipients, SSA currently administers state supplementary payments
for 22 states and the District of Columbia. SSA administers payments for approximately 2.3
million state supplement recipients, of which approximately 223,000 do not receive a Federal
SSI benefit and only receive the state supplementary payment.

Table 2.13—SSI Recipients, Projected[1]
(average over fiscal year, in thousands)

	FY 2014 Estimate	FY 2015 Estimate	*FY 14 FY 15 Change*
Aged	1,095	1,105	*+ 0.9%*
Blind or Disabled	7,101	7,147	*+ 0.6%*
Total Federal	**8,197**	**8,252**	***+ 0.7%***
State Supplement only	223	231	*+ 3.6%*
Total Federally Administered	**8,420**	**8,483**	***+ 0.7%***

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[1] Totals may not add due to rounding.

SSI Disabled vs. Aged Recipient Population
The number of Federal blind or disabled SSI recipients as a percentage of all Federal SSI recipients has steadily increased from 81 percent in FY 2000 to 86.5 percent in FY 2013. It is expected to continue to increase to 86.6 percent in FY 2015. Because the average monthly benefit payment for blind or disabled recipients is higher than that of aged recipients, this consistent shift in the population make-up increases overall Federal SSI benefit payments.

Table 2.14—Blind or Disabled Recipients as a Percentage of Total
(average over fiscal year, in thousands) [1]

Fiscal Year	Total Federal	Aged	Blind or Disabled	Blind or Disabled as % of Total
2000	6,328	1,203	5,125	**81.0%**
2006	6,878	1,116	5,762	**83.8%**
2007	7,003	1,111	5,892	**84.1%**
2008	7,117	1,103	6,014	**84.5%**
2009	7,304	1,106	6,198	**84.9%**
2010	7,522	1,105	6,417	**85.3%**
2011	7,756	1,105	6,652	**85.8%**
2012	7,940	1,094	6,846	**86.2%**
2013	8,089	1,089	7,000	**86.5%**
2014 Estimate	**8,197**	**1,095**	**7,101**	86.6%
2015 Estimate	**8,252**	**1,105**	**7,147**	86.6%

Concurrent SSI/OASDI Recipients
SSI recipients also receiving Old-Age and Survivors Insurance (OASI) or DI benefits have their SSI benefit reduced, less applicable exclusions, by the amount of their Old-Age**,** Survivors**,** and Disability Insurance (OASDI) benefit. Approximately 34 percent of all SSI recipients (including those only receiving a state supplement) also receive Social Security benefits. Approximately 57 percent of the SSI aged and 30 percent of the SSI blind and disabled populations receive concurrent payments.

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[1] Totals may not add due to rounding.

BENEFIT PAYMENTS

Maximum Monthly Federal Payments

The maximum monthly federal benefit rate (FBR) is increased each January when there are increases in the cost-of-living. Effective January 2014, there is a 1.5 percent cost-of living increase and a cost-of living adjustment (COLA) of 1.4 percent is projected for January 2015. The FBR increased from $710 for an individual and $1,066 for a couple for calendar year (CY) 2013 to $721 for an individual and $1,082 for a couple for CY 2014. SSA estimates the FBR will increase to $731 for an individual and $1,097 for a couple in CY 2015.   The COLA will be effective in January 2015, raising the maximum benefit rate to higher levels than the first 3 months of the fiscal year.

Table 2.15—Maximum Benefit Rates

	FY 2014		FY 2015	
	First 3 Months	**Last 9 Months**	**First 3 Months**	**Last 9 Months**
Individual	$ 710	$ 721	$ 721	$ 731
Couple	$ 1,066	$ 1,082	$ 1,082	$ 1,097

Average Monthly Benefit Payments

The amount actually paid to a recipient can vary from the FBR based on their income received (e.g., earnings and Social Security benefits) and the living arrangement of the recipient (e.g., residence in one's own home, the household of another person, or in a nursing home which meets Medicaid standards). The average monthly benefit is expected to increase from $537 in FY 2013 to $549 in FY 2014 and $560 in FY 2015. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

Table 2.16—Average Monthly Benefit Payments

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Aged	$ 376	$ 386	**$ 394**
Blind or Disabled	$ 562	$ 574	**$ 586**
All SSI Recipients	$ 537	$ 549	**$ 560**

Cost of Living Adjustments
When applicable, COLAs increase both the maximum and average monthly benefit payment. However, for concurrent SSI/OASDI recipients, increases in SSI benefit payments are partially offset by increases in Social Security benefits resulting from the same COLA. Social Security benefits are counted as income in the SSI program. Therefore, any increase in Social Security benefits resulting from the annual COLA increases countable income in the SSI benefit computation.

Program Integrity Funding
Annual benefit payment estimates are dependent on SSA performing a certain level of SSI CDRs and redeterminations. Specifically, the FY 2015 estimate assumes SSA receives the proposed administrative funding to conduct 203,150 SSI CDRs and 2,622,000 non-medical redeterminations.

Timing of Monthly Benefit Payments
Monthly SSI benefit payments are made on the first of the month, unless the first falls on a weekend or Federal holiday. In that case, the payment is made on the prior business day at the end of the previous month. When October 1 falls on a weekend or Federal holiday, the payment is made in the prior fiscal year at the end of September. This timing of payments results in 11, 12, or 13 payments in a given fiscal year.

Table 2.17—Check Payments by Fiscal Year

	Number of Check Payments	Federal Benefit Obligations
FY 2006	12	$ 37,510,765,017
FY 2007	11	$ 36,481,897,840
FY 2008	12	$ 41,309,722,313
FY 2009	12	$ 44,987,045,867
FY 2010	12	$ 47,322,385,581
FY 2011	13	$ 52,274,301,053
FY 2012	11	$ 47,003,477,518
FY 2013	**12**	**$ 52,782,740,412**
FY 2014	**12**	**$ 54,723,000,200**
FY 2015	**12**	**$ 56,201,000,000**

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ADMINISTRATIVE EXPENSES

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Authorizing Legislation: Sections 201(g)(1) of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

Administrative expenses for the SSI program are funded from general revenues. Section 201(g)(1) of the Social Security Act provides that administrative expenses for the SSI program, including Federal administration of state supplementary payments, may be financed from the Social Security trust funds with reimbursement, including any interest lost, to the trust funds from general revenues.

This appropriation funds the SSI program share of administrative expenses incurred through the Limitation on Administrative Expenses (LAE) account. Amounts appropriated are available for current-year SSI administrative expenses, as well as for prior-year administrative expenses that exceeded the amount available through this account for the prior year. If those excess prior year amounts were paid out of the Social Security trust funds, then current year SSI funds must be used to reimburse these trust funds with interest.

The legislative history of the 1972 amendments (which established this funding mechanism) indicates a desire to obtain economy of administration by giving SSA the responsibility for the SSI program because of its existing field office network and its administrative and automated data processing facilities. Because of the integration of the administration of the SSI and Social Security programs, it was desirable to fund them from a single source (the LAE account). This requires that the trust funds and the SSI account pay their appropriate shares. The determination is based on a Government Accountability Office (GAO) approved method of cost analysis of the respective expenses of the SSI and Social Security insurance programs, and mandates a final settlement by the end of the subsequent fiscal year as required by law.

Table 2.18—Administrative Expenses: New Budget Authority and Obligations (in thousands)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate[1]	*FY 14 to FY 15 Change*
Total Appropriation	$ 3,605,305	$ 4,920,064	$ 4,302,000	*- $ 618,064*
Obligations Funded from Prior-Year Unobligated Balance	$ 364	$ 8,005	$ 0	*- $ 8,005*
Section 201 (g)(1) Authority	$ 0	$ 32,931	$ 79,000	*+ $ 46,069*
Obligations	$ 3,605,669	$ 4,961,000	$ 4,381,000	*- $ 580,000*

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[1] Based on our latest estimates, obligations exceed budget authority in FY 2015 by $79 million. We plan to use Section 201(g)(1) authority in FY 2015 to account for the difference.

RATIONALE FOR BUDGET REQUEST

The FY 2015 request for SSI administrative expenses is $4,302,000,000. This appropriation is used to reimburse the trust funds for the SSI program's share of administrative expenses. This amount includes additional funding of $627 million specifically for FY 2015 SSI program integrity activities in the SSI program in FY 2015.

These amounts exclude funding made available in the LAE account from state user fees for SSA expenses for administering SSI state supplementary payments. The LAE account assumes funding of up to $171,000,000 for SSI state supplementary user fees in FY 2014 and up to $124,000,000 in FY 2015.

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BENEFICIARY SERVICES

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Authorizing Legislation: Sections 1148 and 1615(d) of the Social Security Act

PURPOSE AND METHOD OF OPERATION

Beneficiary services consist of the Vocational Rehabilitation (VR) and Ticket to Work programs. The objective of the programs is to help disabled individuals achieve and sustain productive, self-supporting work activity.

Table 2.19—Beneficiary Services: New Budget Authority and Obligations (in thousands)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	FY 14 to FY 15 Change
Appropriation	**$ 47,000**	**$ 3,000**	**$ 70,000**	**+ $ 67,000**
Obligations Funded from Prior-Year Unobligated Balances	$ 11,024	$ 65,000	$ 9,000	- $ 56,000
Obligations	**$ 58,024**	**$ 68,000**	**$ 79,000**	**+ $ 11,000**
Vocational Rehabilitation	$ 53,362	$ 62,000	$ 71,000	+ $ 9,000
Ticket to Work	$ 4,662	$ 6,000	$ 8,000	+ $ 2,000

In the VR program, SSA repays state VR agencies for the reasonable and necessary costs of services that successfully rehabilitate disabled SSI recipients. VR agencies are successful when a disabled recipient performs substantial gainful activity for a continuous period of nine months out of twelve.

A portion of the FY 2015 obligations in the above table will cover estimated payments authorized by the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170). Under the Ticket program, SSA pays Employment Networks (ENs) for providing vocational rehabilitation, employment, and other support services to disabled SSI recipients. Recipients select an EN (including state VR agencies), which SSA pays in exchange for services that may reduce reliance on federal cash benefits.

Ticket payments, unlike VR reimbursement payments, are not based on the costs of specific services provided by the EN. SSA pays ENs on either an outcome-milestone payment method or an outcome-payment method. Under the outcome-milestone payment method, SSA pays the EN for each milestone the recipient successfully achieves. The recipient may continue to receive monthly benefit payments when SSA issues a milestone payment. In contrast, SSA will begin issuing outcome payments only after the individual's monthly benefit payments cease. SSA bases outcome-payment amounts on the prior year's national average disability benefit payable

under Title XVI. Outcome payments are payable for a maximum of 60 months (consecutive or otherwise).

RATIONALE FOR BUDGET REQUEST

SSA is requesting $70 million in new budget authority for beneficiary services. SSA will use prior-year unobligated balances to cover a portion of FY 2014 and 2015 obligations.

In the Ticket to Work program, the estimate for FY 2015 assumes a total of 2,800 Ticket beneficiaries with payments to an EN, an increase from 2,700 in FY 2014.

In the VR Reimbursement program, the estimate for FY 2015 assumes a total of 7,100 distinct beneficiaries with significant work and for which reimbursement are paid, an increase from 6,100 in FY 2014. For SSI-only recipients, the FY 2015 average cost per VR reimbursement payment is $16,300 for an estimated 3,400 payments. For recipients concurrently receiving SSI and DI, the FY 2015 average SSI cost per VR reimbursement payment is $4,400 for an estimated 3,700 payments. In FY 2014, the average cost per VR reimbursement to SSI-only recipients is $15,800 for an estimated 2,900 payments. For SSI and DI concurrent recipients, the FY 2014 average SSI cost per VR reimbursement is $4,800 for an estimated 3,200 payments.

SSA continues its ongoing efforts to improve management and oversight of the current VR program, to ensure program effectiveness, and to make certain the money spent is a good investment. This effort includes an ongoing quality review of state claims for reimbursement and continuing internal audits of the agency's payment process.

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments

SSI VR Reimbursement Payments	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	*FY 14 to FY 15 Change*
Number of SSI-Only Awards	2,636	2,900	3,400	*+ 500*
SSI-Only Cost per Payment	$15,200	$15,800	$16,300	*+ $ 500*
Number of SSI/DI Concurrent Awards	2,788	3,200	3,700	*+ 500*
SSI/DI Concurrent Payment (SSI portion of costs only)	$4,600	$4,800	$4,400	*- $ 400*
Total Number of SSI VR Reimbursement Awards	**5,424**	**6,100**	**7,100**	***+ 1,000***
Total SSI VR Reimbursement Payments (in thousands)[1]	**$53,000**	**$62,000**	**$71,000**	***+ $ 9,000***
Ticket Beneficiaries with Payments (SSI-Only & SSI/DI Concurrent Beneficiaries for whom we served and paid an EN)	**2,607**	**2,700**	**2,800**	***+ 100***
Total Ticket Payments (in thousands)[1]	**$4,500**	**$6,000**	**$8,000**	***+ $ 2,000***

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[1] Payments shown do not necessarily equal outlays due to reporting lags.

RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH

Authorizing Legislation: Sections 1110, 1115, and 1144 of the Social Security Act

PURPOSE AND METHOD OF OPERATION

SSA conducts extramural research, demonstrations, and outreach under sections 1110, 1115, 1144, and 234 of the Social Security Act. Projects funded under section 234 are not a part of this appropriations request.

Table 2.21—Research, Demonstration Projects, and Outreach: Budget Authority and Obligations (in thousands)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	*FY 14 FY 15 Change*
Appropriation	**$ 16,980**	**$ 47,000**	**$ 53,000**	*+ $ 6,000*
Obligations funded from prior-year balances	$ 22,360	$ 2,998	**$ 9,796**	*- $2,998*
Obligations[1]	**$ 39,340**	**$ 49,998**	**$ 53,000**	*+ $ 3,002*

Section 1110 of the Social Security Act provides authority for conducting broad-based cross-programmatic projects for Social Security (OASDI) and SSI programs. This includes both waiver authorities for the SSI program, as well as projects dealing with specific SSI issues. Under the authority of section 1110, we fund a range of extramural projects: disability policy research, projects to develop effective rehabilitation and return-to-work strategies, financial literacy and education, retirement policy research, evaluations of proposed or newly enacted legislative changes, and projects to maintain and improve basic data about our programs and beneficiaries.

Section 1115 provides the Secretary of Health and Human Services (HHS) with the funding and authority to waive compliance with Medicaid requirements for the purpose of allowing states to participate in SSA's research and disability demonstration projects.

Section 1144 requires SSA to conduct outreach to those individuals with Medicare who are potentially eligible for state-administered Medicaid programs or Medicare prescription drug subsidies under Medicare Part D. We identify these potential beneficiaries, inform them about these programs, and notify state Medicaid agencies. The Centers for Medicare & Medicaid Services, within HHS, oversees both the Medicare and Medicaid programs.

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[1] For FY 2015, the planned obligations amount suggests carryover into FY 2016.

RESEARCH INVESTMENT CRITERIA

To help ensure that our research and demonstration projects reflect the agency's long-term priorities and support the objectives of our Agency Strategic Plan, we have established guidelines for developing, managing, and vetting projects for potential inclusion in our long-term research and demonstration agenda. We employ a variety of methods to ensure: 1) that we meet the funding requirements of the sections of the Act that authorize our extramural research and demonstration activities; and 2) that our extramural research activities meet high standards for relevance, quality, and performance.

This section of our justification highlights some of the steps we take to ensure that our research activities meet high research standards:

Relevance

The extramural research budget undergoes careful scrutiny both within SSA and by external monitoring authorities. A fundamental step in SSA's review is assuring that each project responds to current issues facing the Social Security retirement, disability and SSI programs. Our internal review process includes obtaining the advice and recommendations of researchers with technical expertise, program managers, and agency executives. We also receive input on our research program from the Social Security Advisory Board**.**

Internal reviews also help to ensure that funded activities reflect SSA's strategic goals and objectives, help us respond to legislative requirements and address high-priority issues. Many of our extramural research activities are directed toward providing policymakers and the public with the analytical and data resources they need to assess the implementation of existing SSA programs and the implications of reform proposals.

Our budget request reflects our support of the Administration's and Congress' ongoing goal to provide opportunities for disability beneficiaries to maximize their self-sufficiency through work. For example, we are working collaboratively with the Department of Labor (DOL), the Department of Education (ED), and HHS in this area to test interventions that will improve the postsecondary education and employment outcomes of children who receive SSI. Our budget also includes provisions to increase the American public's basic financial management skills. For example, we support projects funded under the Financial Literacy and Education Commission (FLEC). Existing studies indicate a lack of effective retirement planning on the part of the public.

Quality

We use a competitive, merit-based procurement process to ensure that our extramural research program produces high quality results. We award nearly all of our extramural research projects conducted by private-sector organizations through competitive contracts or cooperative agreements.

We also generally make use of technical evaluation panels to review projects while they are in progress and to provide feedback and suggestions to the agency and its contractors. These panels include internal experts in a variety of relevant disciplines, such as statistics, economics, and

survey design. They help ensure that SSA-sponsored research projects are methodologically sound and consistent with professional standards. In addition, the research projects that we sponsor through the Retirement Research Consortium (RRC) and Disability Research Consortium (DRC) are often discussed in a formal, external setting, via seminars or workshops.

Performance

We carry out our extramural research and evaluation projects primarily through contracts, jointly funded cooperative agreements, and grants that identify specific deliverables and timetables. The agency has sent a strong message to contractors that they must complete projects on time and within budget. Contracting Officer Technical Representatives (COTR), project officers, administrative staff, and senior executives monitor the progress of all research contracts and agreements.

Consistent with the Administration's encouragement to support evidence-based evaluations, we produce reports and data files for each research and evaluation project in an effort to determine whether existing or proposed programs are working as they are intended to. Where appropriate, we make these reports publicly available or announce their availability in the *Social Security Bulletin* and on the Web. The RRC also disseminates output at annual conferences, on the Web, and through a variety of publications, workshops, and courses. Finally, agency funded research projects based on Survey of Income and Program Participation (SIPP), Health and Retirement Study (HRS), or the Model of Income in the Near Term (MINT) model are widely cited in both peer-reviewed publications and the mainstream press.

RATIONALE FOR BUDGET REQUEST

In FY 2015, we are requesting $53 million in new budget authority for research projects designed to explore potential improvements to our programs. This level will allow continued support for key Congressional and long-standing SSA priorities such as the development of the Occupational Information System, our rigorous evaluation of the Promoting Readiness of Minors in SSI (PROMISE) pilot, and the National Academy of Science/Institute of Medicine's independent evaluation of the SSI program for children. The request also provides funding for our Interagency Agreement with the National Institutes of Health to help quickly and efficiently identify individuals who should be awarded disability benefits.

In FY 2015, we plan to continue our efforts to ensure that policymakers and the public have access to objective, scientific and methodologically sound data and analysis as the dialogue on how to strengthen and reform Social Security continues. In support of this effort, we plan to continue funding the RRC, which will continue to maintain our capability to produce policy-relevant research on retirement, and the DRC, which will continue to address a shortage of disability policy research and foster collaborative research with other federal agencies that serve individuals with disabilities.

The table and discussion that follows present the research and outreach efforts we plan to fund in FY 2015 in more detail.

**Table 2.22—Major Research Areas and Outreach:
Obligations and New Budget Authority (in thousands)[1,2]**

	Obligations[3]		
	FY 2013 Actual	**FY 2014 Enacted**	**FY 2015 Estimate**
Deliver Quality Disability Decisions and Services	**$24,350**	**$31,901**	**$34,923**
Compassionate Allowances/NIH Tool Collaboration	$1,083	$1,500	$1,182
Disability Determination Process Small Grants	$150	$300	$300
Disability Research Consortium (DRC)	$3,800	$5,500	$5,500
National Beneficiary Survey (NBS)	$0	$500	$950
Occupational Information Systems (OIS)	$10,995	$15,672	$17,691
Other Research	$1,169	$1,373	$3,000
Promoting Readiness of Minors in SSI (PROMISE)	$1,461	$3,621	$2,400
Advisory Services to Asst. SSA with Disability Issues	$4,389	$3,435	$3,900
Youth Transition Demonstration (YTD)	$1,303	$0	$0
Provide Quality Services to the Public	**$1,575**	**$ 1,745**	**$1,745**
Medicare Outreach	$1,575	$ 1,745	$1,745
Preserve the Public's Trust in Our Programs	**$13,415**	**$16,352**	**$16,332**
Census Surveys	$1,250	$2,250	$2,250
Health & Retirement Study	$2,700	$3,000	$3,000
Modernization of Statistical Table Processes	$1,250	$100	$0
Other Data Development	$184	$302	$302
Retirement Research Consortium (RRC)	$5,000	$5,500	$5,500
Retirement Income Modeling	$ 0	$1,000	$1,000
American Life Panel (ALP) Enhancements	$995	$1,490	$1,000
Collaboration with Other FLEC Members	$480	$910	$480
Health & Retirement Study (HRS) Supplement	$1,500	$1,500	$ 1,500
Programmatic Development	$55	$300	$300
Enterprise Business Intelligence Platform RDD	$0	$0	$1,000
Total Obligations	**$39,340**	**$49,998**	**$53,000**
New Budget Authority	**$ 16,980**	**$47,000**	**$ 53,000**

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[1] Does not include funding authorized under section 234.
[2] Totals may not add due to rounding
[3] This amount includes obligations funded from prior-year unobligated balances.

MAJOR RESEARCH AND OUTREACH PROJECTS

Although our extramural research budget represents a small piece of our overall funding, our research and demonstration projects help us to significantly increase the efficiency and accuracy of our mission-critical work. Below is a detailed summary, by category, of the major research and demonstration projects we plan to conduct in FY 2015:

Deliver Quality Disability Decisions and Services

The Social Security and SSI disability programs are the largest Federal programs providing assistance to people with disabilities. Eliminating the disability hearings backlog and improving the disability process are two of our top priorities. Key projects in support of this effort include:

Compassionate Allowances (CAL) Initiative and National Institutes of Health (NIH) Tool Collaboration

The CAL initiative identifies diseases and other medical conditions that invariably qualify for allowance under the Listing of Impairments. We use minimal objective medical information to fast-track the determination as soon as we confirm the diagnosis, onset date and obtain other medical evidence. On January 13, 2014, Acting Commissioner Colvin announced 25 new Compassionate Allowance conditions, bringing the total list of conditions to 225. To date, we have approved over 200,000 people with severe disabilities through this fast-track disability process.

Under an agreement with the National Institutes of Health's (NIH) Office of Extramural Research that runs through 2016, NIH provides in-depth analysis of our existing data and assists in identifying CAL conditions. NIH also contracts with Boston University (BU) in developing functional assessment batteries (FAB) that utilize computer-adaptive testing (CAT). These FABs will provide accurate, uniform, and rapid information collection about individuals' potential to engage in substantial gainful activity.

In FY 2013, NIH continued an exhaustive analysis of potential CAL conditions using an expanded and updated database. Likewise, BU furthered FAB development with the completion of two additional functional domains: learning and applying knowledge and daily activities. To date, our partnership has resulted in a productive cross-governmental relationship, significant cost-sharing, and scientifically and legally defensible research.

In FY 2014, BU will begin a national calibration study of the remaining FAB domains and begin predictive validity testing of the entire item pool. NIH will continue to explore the nature of data analysis needed to improve evaluation of the disability adjudication process in FY 2015.

Disability Determination Process Small Grants Program

This grant program provides one-year stipends to graduate and post-doctoral students to conduct disability research, including research that supports the identification of more claims for fast-tracking under the CAL/QDD process. Other potential research topics include: an examination of severity thresholds in medical conditions that meet CAL criteria; whether current medical listings provide consistent consideration regarding the use of assistive technology for disability

determination purposes; the potential for predictive modeling and focusing on information collection instruments; and the relationship between homelessness and disability.

In September 2011, we awarded a five-year grant to Policy Research Inc. (PRI) to run the small grant program. PRI targeted graduate programs in public health, social work, occupational medicine, vocational and rehabilitation counseling, public policy and administration, sociology, psychology, education, economics, medicine, and law. Each of the teams PRI convenes to review the proposals will include at least one person with a disability.

PRI approved 8 proposals in the 2012 cohort of student stipend awards, 10 proposals in the 2013 cohort of stipend awards, and 11 proposals in the 2014 cohort of awards. The third cohort had eighteen applications. Please see the following PRI website for a list of the awarded projects and accepted final reports:

http://ddp.policyresearchinc.org/completed-projects/

Disability Research Consortium (DRC)

In FY 2013, we funded the second year of the DRC cooperative agreements with Mathematica Policy Research and the National Bureau of Economic Research. These agreements provide access to a cadre of researchers and academics with extensive knowledge of and experience in analyzing Social Security and other Federal disability programs. In FY 2014, we will fund the third year, and in FY 2015, the fourth year of the DRC cooperative agreements.

The DRC has developed a strong extramural research capability for the study of our disability programs and policy related issues. Researchers conduct empirical investigations and provide findings that inform program operations and policy decision making. In FY 2014, the DRC will continue to involve Federal agencies that administer disability programs, such as the Departments of Veterans Affairs, DOL, ED, and HHS. Also in FY 2014, we broadened our outreach to solicit input from the Social Security Advisory Board, advocates, and the general public.

In FY 2013, SSA supported extramural research that estimated the degree that work capacity declines while claimants are awaiting their DI determination. The results are relevant to return to work efforts and fast track processes such as Quick Disability Determination. In FY 2014, research is underway to identify documented sources of information about the effect of vocational factors on the ability to work, which is key to our use of the grid rules.

The DRC funds research by university-based research centers and other non-governmental organizations. These experts conduct empirical studies of disability programs and are significant contributors to the field of disability and rehabilitation research. FY 2015 funding will enable the DRC to continue to expand the quantity of policy-relevant disability research and will provide expertise in areas not currently available in-house.

Advisory Services to Assist SSA with Disability Issues/Institute of Medicine (IOM)
As part of our efforts to continuously improve the administration and effectiveness of our disability programs, in FY 2013 we entered into a new 5-year contract with the IOM. The IOM established a standing committee of medical experts to assist us with ongoing and emerging disability issues. The IOM Standing Committee, a multidisciplinary expert medical committee, surveys literature and clinical practices, published studies related to disability, and collects and analyzes relevant data and information. The multidisciplinary information that results from this research is critical in identifying opportunities for us to update policy and procedures in an effective, targeted way. Having independent medical experts provide us this information maintains the objectivity of our policy and procedures.

In FY 2014, the IOM established Federal Advisory Committee Act (FACA) compliant consensus study committees to: (1) conduct an evaluation of the SSI program for children (birth to the attainment of age 18) with disabilities based on mental disorders to determine the effectiveness of the disability determination process in relation to current trends in child health and development, and (2) perform a comprehensive review of psychological testing, including symptom validity testing (SVT).

The SSI disability program provides monthly payments to more than 1.2 million children with disabilities. To maintain program integrity, we must ensure that we allow disability payments only for those children who qualify. One of the knowledge gaps we recently identified is an inadequate understanding of emerging issues relating to the evaluation of disability in children. The goal of the first consensus study committee, therefore, is to fill this gap by gathering data and information that will improve our understanding of disability in children with mental disorders and ensure that the SSI disability program appropriately provides payments to children with these disabling conditions.

The goal of the second consensus study committee is to determine the relevance of psychological testing, including SVT, to disability determinations in claims involving physical or mental disorders, and provide guidance to help adjudicators interpret the results of psychological testing, including SVT.

In FY 2015, we plan to use IOM-established FACA compliant consensus study committees to: (1) determine the role of validated functional measures in steps three, four, and five of the disability determination process for adults; (2) determine the roles of medical evidence, prescription medication use, and behavior of parents in our disability determination process for children applying for SSI; and (3) identify the factors to consider when determining an adult's sustained work capability (based on limitations resulting from a medically determinable physical or mental impairment(s)) and how to incorporate those factors in steps three, four, and five of the disability determination process.

Since 2004, we have updated approximately 70 percent of the listings and are on track to propose revisions in the Federal Register for all listings by the end of 2014. Listings-related Federal Register Notices for the period from FY 2009 thru December 2013 include:

Final Rule
    Malignant Neoplastic Diseases (10/06/2009)
    Hearing Impairments (06/02/10)
    Neurological (Technical correction for neurological listing cross-reference) (03/24/2011)
    Endocrine Disorders (04/08/2011)
    Congenital Disorders That Affect Multiple Body Systems (02/04/2013)
    Special Senses – Vision (03/29/2013)
    Change in Terminology "Mental Retardation" to "Intellectual Disability" (08/01/2013)
    Sunset Date Extensions – Genitourinary, Hematological (09/06/2013)

Notice of Proposed Rulemaking
    Endocrine Disorders (12/14/2009)
    Mental Disorders (08/19/2010)
    Visual Impairments (02/13/2012)
    Change in Terminology" "Mental Retardation" to "Intellectual Disability" (01/28/2013)
    Genitourinary Disorders (02/04/2013)
    Respiratory Disorders (02/04/2013)
    Hematological Disorders (11/19/2013)
    Malignant Neoplastic Diseases (12/18/2013)

Advance Notice of Proposed Rulemaking
    Impairments Affecting Multiple Body System (11/10/2009)
    Skin Disorders (11/10/2009)
    Speech-Language Disorders (02/06/2012)
    Special Senses – Hearing and Labyrinthine-Vestibular (08/30/2013)

Other Listing-Related Accomplishments
    Publication of Social Security Ruling, SSR13-2p: Titles II and XVI: Evaluating Cases Involving Drug Addiction and Alcoholism (DDA) (02/20/2013)
    One-year post-implementation review of Hearing Impairments, Digestive Disorders, Endocrine Disorders, and Immune System Disorders final rules

National Beneficiary Survey (NBS)

The NBS collects data from a national sample of Social Security Disability Insurance (DI) and SSI beneficiaries and a sample of Ticket to Work (TTW) participants that are not available from any other source. We have used the NBS to provide information on our programs and beneficiaries to answer questions for SSA, other federal agencies, the Government Accountability Office (GAO), and Congress. The NBS is available as a public use file on Data.gov and the SSA website.

From the NBS we have learned about the health and socio-demographic characteristics of our SSI and SSDI beneficiaries with disabilities including their physical and mental health status, functional limitations, education, health insurance, household living arrangements, and income. Beyond this basic information, we have also examined the work aspirations of beneficiaries with disabilities, their use of employment-related services, and their work activities and outcomes.

The NBS has provided us with detailed information on wages, hours of work, benefits, work accommodations and unmet needs, and the barriers beneficiaries face as they try to work. NBS data tell us that nearly half of all beneficiaries are interested in work and many are pursuing

employment goals. The data also tell us that many barriers to work remain. Beneficiaries tend to have activity limitations, poor health, and low levels of education that limit their employment opportunities. Many rely on public programs where benefits may be limited by work and earnings. Many also experience work-specific obstacles, such as a lack of reliable transportation, inaccessible workplaces, and discouragement from work, either by others or through their own experiences.

We completed the first three rounds of the NBS in 2004, 2005, and 2006, and the fourth round in 2010. We completed 27,000 interviews across the four rounds of the NBS. The response rate for rounds one through three averaged 80 percent, and the response rate for round four was 72 percent. In FY 2012, we began to make changes in the NBS to collect more information on the factors associated with successful and unsuccessful work attempts by our beneficiaries with disabilities and less information on the TTW program.

We plan to continue collecting information on a nationally representative sample of beneficiaries, and we will also include a sample of the most successful working beneficiaries. For these suspended beneficiaries, we will replace TTW specific questions with questions that focus on the home, community, employer, and SSA policies that influence successful work attempts. We started developing the new questions and sample design to implement this redesigned NBS in FY 2013. The first of three rounds of the survey are planned for FY 2015.

Public use data files, documentation, and reports for the first four rounds of the NBS are available on our website at: http://www.ssa.gov/disabilityresearch/nbs.html.

Occupational Information System (OIS)

To determine whether disability applicants qualify for benefits, our adjudicators follow a sequential five–step evaluation process. At the first three steps, we determine eligibility primarily based on the severity of claimants' medical conditions. At steps four and five, we require information about work in the national economy in order to determine whether claimants' impairment-related limitations would prevent them from working. The majority of our claims are decided at steps four and five. Currently, we base these medical-vocational decisions on the occupational information found in DOL's Dictionary of Occupational Titles (DOT) and its companion volume, the Selected Characteristics of Occupations (SCO). Although DOL did not design the DOT for our use, we adapted our disability program to it by incorporating many of its concepts and definitions into our regulations and policy. DOL, however, stopped updating the DOT in 1991 and replaced it with the Occupational Information Network (O*NET) which we are not able to use in our disability adjudication process without significant modifications.

In July 2012, we signed an Interagency Agreement with the Bureau of Labor Statistics (BLS) to test the feasibility of using the National Compensation Survey (NCS) platform to collect updated occupational information similar to what our adjudicators currently use. We approached the BLS because the field economists working on the NCS were already collecting information about occupations that was conceptually close to what we need. As part of our agreement, the BLS will collect information about the physical, skill, and mental/cognitive requirements of occupations and also the environmental factors to which workers are exposed. This information will support our current disability policy and will provide us with data about work in the current

economy to inform future policy. Initially, BLS will classify occupations using O*NET's framework.

We have also met periodically with DOL's Employment and Training Administration (ETA) to discuss whether elements of O*NET can be incorporated with the data collected by the BLS for use in our OIS. We have discussed with ETA whether we could utilize the O*NET internet portal to house our OIS, and they have helped us understand the options available to us for funding our IT platform. We will continue our correspondence with ETA during the coming year.

We signed additional IAAs with the BLS for FYs 2013 and 2014 to continue testing. In

FY 2013, the BLS tested collecting information about the physical and skill requirements of occupations and workers' environmental exposure. The BLS conducted data collection testing in three phases. After each test phase, the BLS consulted with SSA, evaluated data collection problems and successes, and made refinements to the data collection protocols, testing design, and test processes. We expect to continue testing in FY 2014 to resolve outstanding issues identified in FY 2013 and to test collecting new data elements such as the mental and cognitive requirements of occupations. The BLS will conclude FY 2014 testing by performing a large-scale pre-production data collection test which will run through FY 2015. We will also work with the BLS in FY 2014 to design a sampling plan and determine a schedule for updating our occupation descriptions.

The current IAA with BLS ends at the end of FY 2014 and we plan to continue it into FY 2015.

We use Section 1110 funding for all OIS research and development contracts, while our Limitation on Administrative Expenses (LAE) account's budget pays for the salary and benefits costs of the SSA employees managing the project. For more information regarding the OIS project, please visit our OIS website at:

http://www.ssa.gov/disabilityresearch/occupational_info_systems.html.

Other Disability Research

Other disability research includes projects that provide broad program analysis and development in support of the DI and SSI programs. These projects typically include studies of program policy issues, the identification of trends in the disability programs, the formulation of agency policy regarding cross-cutting programs or issues related to disability and/or income assistance programs, and the development and implementation of policy and procedures on SSDI and SSI work incentives. Often, these projects address necessary but unforeseen requests for studies from Congress, OMB, the Administrative Conference of the United States (ACUS), or our leadership, which are typically quick turnaround projects regarding policy priorities. In FY 2015, we intend to use this funding line to continue the Disability Analysis File and other priority projects requested of SSA.

Promoting Readiness of Minors in SSI (PROMISE)

PROMISE is a joint pilot demonstration program with ED, HHS, and DOL. The goal of the program is to test interventions that improve the health, education, and post-school outcomes of

children who receive SSI, including the completion of postsecondary education and employment, and to improve family or household outcomes through improved services and supports, such as education and job training for parents.

In FY 2013, ED's Office of Special Education and Rehabilitation Services awarded competitive grants to five states and one consortium of states. States will use these funds to improve coordination and increase the use of existing services for which children receiving SSI and their families are already eligible. These services are available through the Individuals with Disabilities Education Act, the Vocational Rehabilitation State Grants program, Medicaid's care coordination services, Job Corps, Head Start, and other Workforce Investment Act programs.

Developing and conducting a rigorous evaluation to guide implementation, gather evidence, and validate incentive payments is a key component of PROMISE. In FY 2012, we convened a technical advisory panel to help prioritize the evaluation needs of this project. In FY 2013, we awarded a contract to evaluate PROMISE pilot interventions. In FY 2014, our evaluation contractor is providing technical assistance to the state grantees and will begin randomly assigning youth into treatment and control groups.

Provide Quality Services to the Public

Medicare Outreach – Section 1144

Section 1144 of the Social Security Act requires that we conduct outreach to Medicare beneficiaries who may qualify for Medicare cost-sharing assistance under the Medicare Savings Programs (MSP) and for the Medicare prescription drug coverage low-income subsidy. In order to meet this requirement, we have targeted our outreach efforts to include income-tested new Medicare beneficiaries, beneficiaries that have experienced a drop in income, and 20 percent of those whom we have previously notified of their potential eligibility.

We use a variety of outreach methods to inform those who potentially qualify for the MSP and/or subsidized Part D. We also send outreach letters to former Disability Insurance beneficiaries without Medicaid who lost their free Medicare Part A due to work. These beneficiaries may be eligible to get help from the MSP to pay their monthly Part A premiums.

We are also required to share lists of individuals potentially eligible for cost sharing with state Medicaid agencies. The major objective of these projects is to increase enrollment of eligible low-income individuals into programs that assist Medicare beneficiaries with their out-of-pocket medical expenses, including prescription drugs. In addition, we are required to make MSP applications available in a number of languages. Unless the beneficiary objects, we must share Medicare subsidized prescription drug benefit application information with the states so they can initiate applications for the cost-sharing MSP. In FY 2014, we anticipate sending approximately 4 million mailings associated with our MSP outreach efforts.

Preserve the Public's Trust in Our Programs

One of the primary aims of our research program is to preserve the public's trust in SSA's programs by simplifying and streamlining how we do our work. To meet the challenges of our

growing workload, SSA's research program provides analyses and data that support our efforts to make Social Security more responsive to the needs of the 21st century workforce. The following project summaries highlight the external efforts we plan to fund in FY 2015 that will help to simplify and streamline our policies, procedures, and business processes, as well as maximize our use of automation:

Census Surveys

The Census Bureau's surveys—primarily the SIPP and the Current Population Survey —are the foundation for much of our policy analysis and modeling efforts. Improving the overall quality of data from Census Bureau surveys enhances the value and reliability of the analyses we conduct. We support efforts to improve the quality of Census Bureau survey data that are of direct relevance to analyses of the Social Security, SSI, and related income-maintenance programs. In addition, we support efforts by the Census Bureau to improve the ability to match Census Bureau survey data to our administrative data on benefits and earnings.

Beginning in FY 2010, a major focus of our funding has been to contribute to the Census Bureau's re-engineering of SIPP, with a new survey that entered the field in February 2014. We rely upon SIPP data matched to our records to study the effects of OASDI, SSI, and related programs and to determine how changes to our programs affect individuals, the economy, and program solvency. Some of the important data elements required for our modeling and analysis efforts are not contained in the Census Bureau's re-engineered SIPP. In recent years, we have provided funding and worked with Census to design a supplementary data collection to the re-engineered SIPP to meet our research and evaluation needs. Our FY 2015 funding plans will complete our support of the supplemental data collection effort and data processing.

Without this supplemental data collection, our ability to update and use the MINT model to respond to requests from the White House, Congress, and others to evaluate the impact of proposed changes to the Social Security programs will be severely impaired.

Enterprise Business Intelligence Platform

This project develops data on an Enterprise Business Intelligence Platform (EBI) for use by SSA components and appropriate entities external to SSA (e.g. Congressional Budget Office, Congressional Research Service, Open Government, etc.) for research and statistical purposes. In
FY 2015, we will begin building a web portal, where authorized staff can access structured, cleansed, and validated datasets based on SSA administrative data. This will create streamlined code and access points to allow for: a) greater efficiency in the production of the agency's program statistics; b) on-demand access to large quantities of data, as well as customized reports by policy developers, policy makers, and researchers; and c) easier and timelier dissemination of data analysis findings to support data based decisions. The above actions leverage the capabilities of EBI technology to maintain and even increase SSA's ability to provide accurate, timely, and consistent information on our social insurance programs. Furthermore, the proposed automation will allow SSA to reallocate human resources to pursue the development and dissemination of new data, research, and analysis products.

Health and Retirement Study (HRS)

The HRS has become the premier source of data on the retirement-age population, especially when linked with SSA administrative records on benefits and earnings. The study paints an emerging portrait of our aging nation's transition from work to retirement and provides data on health and economic well-being after retirement. HRS data helps SSA study and assess a wide range of issues for the aged and near-aged. These issues include income sources, pre-retirement saving in tax advantaged retirement accounts (401K, IRA, etc.), financial holdings, health insurance and pension coverage, retirement patterns, and projected income and benefits of disabled and retired workers. The survey collects information on the same sample members every two years, allowing SSA researchers to study changes over time. HRS also adds sample members from new birth cohorts every six years, allowing SSA researchers to study changes across generations (e.g. people born during the World War II era vs. people born during the Baby Boom).

SSA provides funding for this initiative through Jointly Financed Cooperative Agreements with the National Institute on Aging. This funding supports some key efforts to enhance the usefulness of this survey. One such effort is the production of a longitudinal, user-friendly HRS data file, which was originally developed for use by an SSA contractor and is now also heavily used by outside analysts to facilitate longitudinal analyses. Another effort involves conducting in-person interviews to improve consent rates to a level that will permit the matching of the data to SSA records – a critical requirement of many of our SSA-related analyses. A third is the collection of longitudinal data on consumption patterns of a subset of HRS respondents to expand our understanding of economic well-being.

HRS longitudinal data on the retirement-age population, matched with SSA longitudinal records on benefits and earnings, is the most powerful data source available to address important policy questions on retirement issues. HRS is an important database for estimating some of the relationships underlying the MINT model. HRS is used in a large percentage of studies funded through our RRC. Numerous publications by SSA and RRC researchers are based on HRS data and cover a wide range of topics related to changing consumption at retirement, planning for retirement and financial literacy, managing risks in retirement, assessing the effects of the changing pension environment, adequacy of saving for retirement, and effects of Social Security reform options.

Other Data Development

A key ingredient to providing information for decision-makers on the Social Security and SSI programs is having appropriate data available to answer questions on a range of pending issues. We develop and maintain a series of detailed statistical databases drawn from our major administrative data systems; prepare a broad range of statistical tables; produce statistical compilations and publications; and develop information for research, evaluation, models and special requests on current policy issues.

This project funds the creation of data that are needed to inform policymakers about important programs, efforts to make data more widely accessible or usable for policy research purposes, and collaboration with other agencies to study issues of policy relevance or to improve data quality and methods of data analysis.

Ongoing projects include:

Workers' Compensation Statistics—provides support for the production of an income series on
workers' compensation. We publish these statistics on an ongoing basis in our *Annual
Statistical Supplement.*
Committee on National Statistics of the National Research Council—provides support to the
committee to improve statistical methods and information on which public policy decisions
are based. Committee topics include expanding access to research data, issues in developing
cost-of-living indices for federal programs, and data and methods for measuring the effects of
changes in social welfare programs.
Joint Program in Survey Methodology—a project jointly sponsored by the Census Bureau and
the Interagency Council on Statistical Policy to train the next generation of researchers on
methods for survey research in the 21st century.
Research on Survey Methodology Program—a project jointly sponsored by the National Science
Foundation and the Interagency Council on Statistical Policy to further the development of
new and innovative approaches to surveys that will have broad implications for the field in
general and specifically for the federal statistical system. Research topics include survey
measurement issues, data collection procedures, technological issues related to survey design,
and methods for the analysis of survey data.
Key Indicators of Well-Being of Older Americans—provides support to the Federal Interagency
Forum on Aging-Related Statistics for an interagency collaboration to produce a chartbook
with 37 key indicators about older Americans in five broad areas: population, economics,
health status, health risks and behaviors, and health care.

In addition to these specific projects, we will try to respond to new needs and opportunities for
expansion and improvement of data as they arise.

Funding for Other Data Development provides the leverage to identify needs for data
development and to provide financial support, often in collaboration with other federal agencies,
to meet those needs. The project also helps to promote research that improves the efficiency and
timeliness of our data operations, increases the accuracy and consistency of our statistics, and
provides greater ability to retrieve and combine data from multiple systems.

Retirement Research Consortium (RRC)

The RRC is one of SSA's key tools for maintaining a strong capability to produce policy-
relevant research on retirement and Social Security. The RRC centers have greatly expanded the
amount of policy research on Social Security-related issues and have responded to SSA's
specific analytical needs. SSA also funds dissertation and training grants through the RRC to
encourage new researchers to focus on important retirement and Social Security related policy
issues.

Through the RRC, SSA funds approximately 30-40 research projects per year, plus a small
number of junior scholar dissertation grants. The RRC hosts an annual meeting at which recent
research findings are presented to an audience including members of the media, academia,
government agencies, Congressional staff, and SSA executives and staff. The goal of the annual
meeting is to foster dialogue between researchers and policymakers. RRC researchers also have
conducted research seminars at SSA's Washington, DC office to disseminate results to SSA

researchers and executives and to solicit feedback on their research. The results of the RRC's research are widely reported in professional journals and conferences and in leading newspapers, radio, and television programs. Each year, we solicit input from all SSA components on priority research questions, which has helped us to focus the RRC's research on topics of direct interest. In FY 2014, we broadened our outreach to solicit input from the Social Security Advisory Board, advocates, and the general public.

Results of RRC research have been used to enhance our MINT model, improve simulations of the effects of policy changes, develop a regulation to close a loophole in an unusual benefit claiming strategy, inform policy makers about the automatic enrollment provision of the Pension Protection Act of 2006, and assist our Office of Disability Programs with a listing update. We recently completed projects to examine the long run relationship between real interest rates and economic growth for SSA's Office of the Chief Actuary. Another recent paper looks at the effects of Social Security's Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) on Social Security benefits received by individuals and households. A series of studies have also analyzed the effects of the Great Recession on SSA programs and beneficiaries.

The RRC is funded via 5-year cooperative agreements using an open and competitive process. We re-competed the RRC in FY 2013. Following an external panel review of applications, we awarded new 5-year cooperative agreements that run through FY 2018 to the University of Michigan, Boston College, and the National Bureau of Economic Research. The collection of nationally and internationally recognized experts at these centers provides us with access to high quality analysts on a wide range of Social Security issues. This project expands the quantity of policy-relevant research and supports expertise in areas of research that SSA does not have in-house.

Recent RRC papers are available at the following link: http://www.ssa.gov/policy/rrc/.

Retirement Income Modeling

Fundamental changes to the Social Security program can have a significant effect on the distribution of benefits, total retirement income, and incidence of poverty. Econometric and simulation models can provide policy makers with detailed information on the effects of changes in government programs on individuals, with projections for years into the future. SSA's MINT model is an important tool for such evaluations. MINT's projections of the aged population have been extended well into the 21st century to enable simulation of additional Social Security policy changes. MINT is particularly well suited for studying the distributional effects of reform proposals that are implemented immediately, but also provides valuable insights into proposals that are phased in over time. For example, MINT has been used by SSA, GAO, the Council of Economic Advisors, and OMB. MINT estimates have provided data for numerous congressional policy proposals.

SSA continually assesses the functionality of MINT. MINT is updated frequently to enhance components of the model, add new components, use more recent data, and incorporate the latest assumptions from the Trustees Reports through individual 1 to 2 year contracts. A recently completed contract enhanced MINT to include more recent survey and SSA administrative data

and incorporated behavioral responses, model family-level consumption, and improved processing efficiency and turnaround time.

The MINT project provides quality and productivity improvements that we do not have the staffing resources or expertise to make. All costs for the development of MINT are charged to our Section 1110 appropriation. However, most MINT analyses are conducted in-house and the costs associated with in-house staff analyses using MINT are funded through our administrative budget.

American Life Panel (ALP) Enhancements

The ALP is an innovative, nationally representative longitudinal internet panel. Through a jointly financed cooperative agreement with NIA, our support will maintain the increased bilingual and vulnerable population sample size we funded in prior fiscal years and allow for additional data improvements that support policy-relevant research and evidence-based decision-making. Planned data enhancements include:

- Increasing the sample size of American Indians and Alaska Natives (AIAN) so that we can conduct more robust retirement security research on this understudied group to inform SSA's targeted outreach efforts; and
- Developing a Quick Turnaround Project fund for directly testing and answering emerging research questions from internal and external policy makers.

The ALP enhancements allow SSA to make more informed decisions about initiating new policies, procedures, and educational products designed to enhance retirement security. The ALP data also serves the public because the sample we support is available for researchers inside and outside of SSA to use in addressing research questions. For example, the FINRA Investor Education Foundation recently used the ALP to run the Financial Capability Study with a sample that included part of the vulnerable population group that SSA funded. With the exception of our staff time related to administering the funding agreement, the cost associated with our ALP enhancement is charged to our Section 1110 appropriation.

Health and Retirement Study (HRS) Supplement

The HRS is an important source of longitudinal data on retirement and aging. Through a jointly financed cooperative agreement with NIA, this project supports an increased sample size in the HRS for minority and low income populations. The minority expansion will continue to have HRS data matched to agency administrative records. As subsequent waves of HRS data are collected, these activities require on-going updates and maintenance.

The HRS minority samples expansion will allow researchers to complete subgroup analysis of vulnerable populations. This analysis is particularly important as the HRS has become the premier data source for research on the near-retirement-age and retirement-age population. The HRS is used heavily for research projects funded by SSA through the RRC. SSA staff also conduct research on topics including pension participation, differences in contributions to tax-deferred savings accounts among different birth cohorts, and retirement resources of near-retirees. The HRS data we support is also available for researchers outside of SSA to use. With the

exception of our staff time related to administering the funding agreement, the cost associated with our HRS supplement is charged to our Section 1110 appropriation.

Collaboration with Other FLEC Members

In FY 2014, we are continuing our focus on collaborative initiatives designed to improve retirement security among vulnerable populations. One component of this effort is to support activities of federal agencies that are members of the FLEC. The FLEC, established by Congress in 2003, is a consortium of more than twenty federal departments, agencies, and entities working together toward the goal of improving the financial literacy and education of persons in the United States. Coordinating extramural research efforts on financial literacy and retirement security with other federal agencies allows SSA to minimize redundancy, identify best practices, share results, and leverage existing investments.

In FY 2015, we plan to continue supporting jointly funded cooperative agreements (JFCAs) with ED, a key FLEC partner. Our extramural research partnership with ED builds on existing programs to foster retirement security-related research at Historically Black Colleges and Universities (HBCUs) and other minority-serving institutions. This partnership, launched in FY 2011, is consistent with the [Executive Order 13532 which supports HBCUs](). ED issued the initial awards under the program at the end of FY 2013.

Investing in this collaborative research initiative is a critical way for SSA to support the FLEC and to help improve financial capability, financial literacy, and retirement security among economically vulnerable groups. We anticipate this program may also increase the return on our investment in data support for the ALP and HRS. More broadly, the financial literacy and education research we fund via this project line is specifically designed to prevent dependency in old age and to promote understanding and effectiveness of Social Security program features. With the exception of our staff time related to administering the programs, all costs for these activities are charged to our Section 1110 appropriation.

Programmatic Development

Our programmatic development initiatives include research funding for Washington Internship for Native Students (WINS) interns and Intergovernmental Personnel Act (IPA) scholars to conduct programmatic development research.

The WINS program is a partnership with American University in which students of American Indian, Alaska Native, and Native Hawaiian ancestry intern with various federal agencies for a semester. We utilize the WINS program to enlist uniquely qualified students to perform research on topics relevant to retirement security among Native populations. As an example, past WINS interns have co-authored the following publicly-available research papers: [Measures of Health and Economic Well-Being Among American Indians and Alaska Natives Aged 62 or Older in 2030]() and [An Overview of American Indians and Alaska Natives in the Context of Social Security and Supplemental Security Income]().

This research is critical because Native populations are economically vulnerable and generally understudied. The WINS interns we select have both the unique cultural understanding and research skills necessary to address retirement security issues among American Indian, Alaska

Native, and Native Hawaiian populations. Due to budget constraints, we suspended our support for WINS student researchers in FY 2013, but we have continued the initiative in FY 2014.

We also fund recognized scholars to work on defined and targeted projects through the IPA program to help create unique and valuable retirement research relevant to SSA's mission. Recent accomplishments from the IPA program include research on the impact of the Social Security Statement, the earnings implications of divorce for women, and the effects of employment gaps and layoffs on earnings and Social Security benefits.

Staff time related to administering these programs are charged to our administrative budget, whereas the costs directly related to the WINS and IPA agreements are charged to our section 1110 appropriation.

OTHER PROJECTS OF INTEREST

The following section highlights the results and findings of the Section 1110 projects that are either concluding in FY 2014 or that do not require funding in FY 2015. Additionally, for a detailed update of all our demonstration projects please consult our latest report to Congress which is available on our Program Development and Research website.

Youth Transition Demonstration (YTD) – No funding required in FY 2015

YTD is a research study designed to identify services, implement integrated service interventions, and test modified SSI rules (program waivers) that lead to better education and employment outcomes for youths with disabilities. The program waivers promote work and asset accumulation. The evaluation uses a random assignment design in which we randomly chose eligible youth to either receive YTD services or to be in a control group that will remain eligible for non-YTD services in the community.

Preliminary results from the YTD sites have been promising, indicating that youth receiving YTD services are receiving more employment-promoting services than the control group, are more likely to have received benefits counseling, and are more likely to use certain Social Security work incentives. Some sites saw sharp increases in employment for YTD participants as compared to the control group.

The last of the YTD sites closed in FY 2012. No funding was requested for YTD in FY 2014. However, during the fourth quarter of 2014 we will complete the final comprehensive YTD evaluation report, including impact estimates from a 36-month follow-up survey and administrative data for all six random-assignment sites.

Evaluation of Ticket to Work (TTW) – Concluded in FY 2013

The Ticket to Work and Work Incentives Improvement Act of 1999 required SSA's Commissioner to provide funding for independent evaluations to assess the effectiveness of the TTW program. In May 2003, we awarded two contracts to Mathematica Policy Research to conduct an independent evaluation of the TTW program. We completed this evaluation in July of 2013.

Our contractor has completed seven evaluation reports. All reports are publically available on our Program Development and Research website. We provided three of these reports to Congress as required under the Ticket to Work and Work Incentives Improvement Act. The findings through the fourth report indicated that, while the program may have significant potential, we need to improve both beneficiary awareness of the program and Employment Network (EN) incentives. Partly in response to these findings, we implemented new regulations for the TTW program in July 2008 to improve EN and beneficiary participation and outcomes. The fifth and sixth reports consist of studies focused on the employment efforts of working-age SSI recipients and SSDI beneficiaries, and on the Social Security work incentives and supports designed to encourage their employment. The seventh (final) report focused primarily on the overall success of the program and on the effect of the changes to the regulations in 2008.

Overall, the TTW evaluation finds that the TTW program is generally liked by beneficiaries who use it, that the program has increased use of return-to-work services, and those who participate in TTW have better outcomes than those who return to work without the help of SSA financed employment services. However, we also find that the increase in service use and better outcomes by participants has not translated into net increases in benefit suspension or termination for work or an increase in the number of months spent in suspension or termination for work. This suggests that TTW has primarily extended the types of services that were available under the program that preceded TTW, where services were offered only though State Vocational Rehabilitation Agencies, and has achieved the same level of success as before TTW. More beneficiaries are getting these services now, but the success rate has not measurably changed.

Modernization of Statistical Table Processes – No Funding required in FY 2015
The aim of this research and development initiative is to build a system of modernized tools to compile and tabulate our administrative data for research and statistical purposes. Once completed, this system will be used by researchers and policy analysts to provide Congress, SSA management and other stakeholders with fact-based information on SSA's programs and beneficiaries. In support of our effort to develop and maintain a series of detailed statistical databases drawn from the agency's major administrative data files (including the Master Beneficiary Record, Supplemental Security Record, Master Earnings File, and Disability Control File) and prepare a broad range of statistical tables, this project funds contracts to research, design, develop, and test modernized tools for producing tabulations and statistics. The last in this series of openly competed contracts was awarded in FY 2013.

Once the system is complete, it will be utilized by in-house staff to produce customized tabulations and statistics that play a vital role in the work of social science researchers, congressional policymakers, and the public. As a result, SSA will be better positioned to deliver high quality and customized data products in less time and effort and at a reduced cost. For example, in FY 2010, we used approximately 19 FTEs to produce the statistical tables published in our statistical publications and other reports. After modernization, we estimate that the production of these same materials will require about nine FTEs in FY 2015.

At the end of FY 2012, we completed modernizing the processes that generate OASDI statistics and we began migrating our data development, management, utilization, and presentation into a modern business analytics enterprise. We assessed methods to further automate our processes,

present data more effectively, and manage metadata in the new system. In FY 2013, our focus is to create processes that will generate statistics using the earnings data file. This initiative will have a 16 month performance period. At the conclusion of the final contract, we will implement the final recommendations and complete the project.

SSA does not have the staff resources or expertise required to conduct the research and development necessary to develop the modernized system. As such, all contractual costs associated with the current research and development phase of this project are charged to section 1110. Once the development phase of this project is completed, however the costs to maintain and operate the new system will be funded through our administrative budget.

TANF/SSI Disability Transition Project – No Funding Required in FY 2015

Both welfare agencies and Federal disability programs seek to support people with disabilities and help them become more independent. However, the two systems often have differing missions and organization, definitions of disability, operational and financial issues, and work rules and incentives, creating a challenge for the Temporary Assistance for Needy Families (TANF) and SSI programs to work together. TANF clients who apply for SSI may also confront conflicting messages from TANF agencies regarding work requirements and benefit eligibility.

To better understand the relationship between the TANF and SSI populations and programs, we collaborated with the Administration for Children and Families (ACF) to launch the TANF-SSI Disability Transition Project in October 2008. Working with ACF, TANF agencies in California, Florida, Michigan, Minnesota, and New York, select counties in these states, and the evaluation firm MDRC, we devised a plan to analyze program data and pilot-test program interventions for TANF clients with disabilities.

SSA staff received all deliverables regarding the quantitative analysis and pilot studies. The project concluded on December 31, 2013. For more information, please consult the Administration for Children and Families' website.

RELATED FUNDING SOURCES

The Commissioner of Social Security has the authority to conduct research and demonstration projects under section 234 of the Social Security Act. The Commissioner uses trust fund monies to conduct various demonstration projects, including alternative methods of treating work activity of individuals entitled to DI benefits. Funds for these demonstration projects, authorized under the 1999 Ticket to Work Act and funded from the trust funds, are not part of the annual research appropriation request. OMB directly apportions section 234 funds. While section 234 authorization terminated on December 18, 2005, SSA has the authority to continue to conduct projects initiated prior to the expiration date. Absent reauthorization, our Benefit Offset National Demonstration will be the only project that requires continued section 234 funding in FY 2015. We currently estimate the cost of BOND for FY 2015 at $12.5 million.

Please see tab entitled "Early Intervention Demonstrations" for information about early intervention demonstrations that would be designed to improve the ability of individuals with disabilities to succeed in the workforce.

CONTENTS

TABLES

GENERAL STATEMENT

The Social Security Disability Insurance (DI) program provides crucial financial support for individuals who are no longer able to support themselves through work due to a disability. The DI program provided benefits to almost 11 million Americans with expenditures of over $140 billion in 2013. Given the large number of individuals who ultimately turn to DI for income security and the costs of the program, it is critical for policymakers to have an evidence base from which to consider potential program innovations that would improve the ability of individuals with disabilities to succeed in the workforce.

Early Intervention Demonstrations Budget Authority and Outlays
(in thousands)

	FY 2015 Estimate
Appropriation	$400,000
Obligations	$25,000
Outlays	$22,000

Because the SSA has already tested various initiatives that support DI beneficiaries, a partial evidence base for policy innovation exists with respect to individuals already on the DI rolls. The Accelerated Benefits demonstration found that providing of health benefits to uninsured DI beneficiaries in the 24-month Medicare waiting period sharply improved their self-reported health status, and providing employment services increased work and earnings. The Mental Health Treatment Study (MHTS) demonstration found that employment supports, along with medical support and coordinated care, were successful in improving health, lowering hospitalizations, and increasing employment for DI beneficiaries with schizophrenia and other affective disorders. Other initiatives, such as the Youth Transition Demonstration, have found that services can increase employment and earnings for younger beneficiaries. Most recently, SSA launched the Benefit Offset National Demonstration in 2011, which will inform policymakers as to whether financial incentives increase return to work efforts by DI recipients.[1]

SSA's demonstrations have shown interventions *after* the point of complete disability onset can yield positive outcomes for beneficiaries, but earlier interventions, before an individual seeks out DI benefits, may be more effective. While many demonstrations for existing DI beneficiaries have shown positive results, such as relatively increased earnings, they have not identified interventions that would return beneficiaries to substantial and sustained employment. Early interventions are likely warranted, in light of research indicating that health problems begin to materialize in advance of complete disability onset, and data showing that earnings begin to decline well before DI benefits are awarded (see figure below). Services or programs provided earlier in the disability process would prove cost-effective if they arrested sharp declines in health (leading to lower medical expenses) or prevented the loss of earnings capacity that can result from job separations or long periods out of the labor force (leading to fewer DI claims or

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[1] For a detailed discussion of SSA's demonstrations, findings, and publications from its demonstrations, please see *Social Security Administration June 2013 Annual Report on Section 234 Demonstration Projects* at http://www.ssa.gov/disabilityresearch/demos.htm.

other public expenditures). Practitioners have acted on this view, in some cases, by developing and structuring effective programs to help employers deal with health events of employees before they cause a separation from the workplace and an often irreversible path toward long-term cash benefit receipt.[1]

Employment Before and After Award, 2006 SSDI Awards

Note: Preliminary tablulations from SSA from the 2011 Disablity Analysis File
$12,000 equals the annualized Substantial Gainful Activity level for 2011
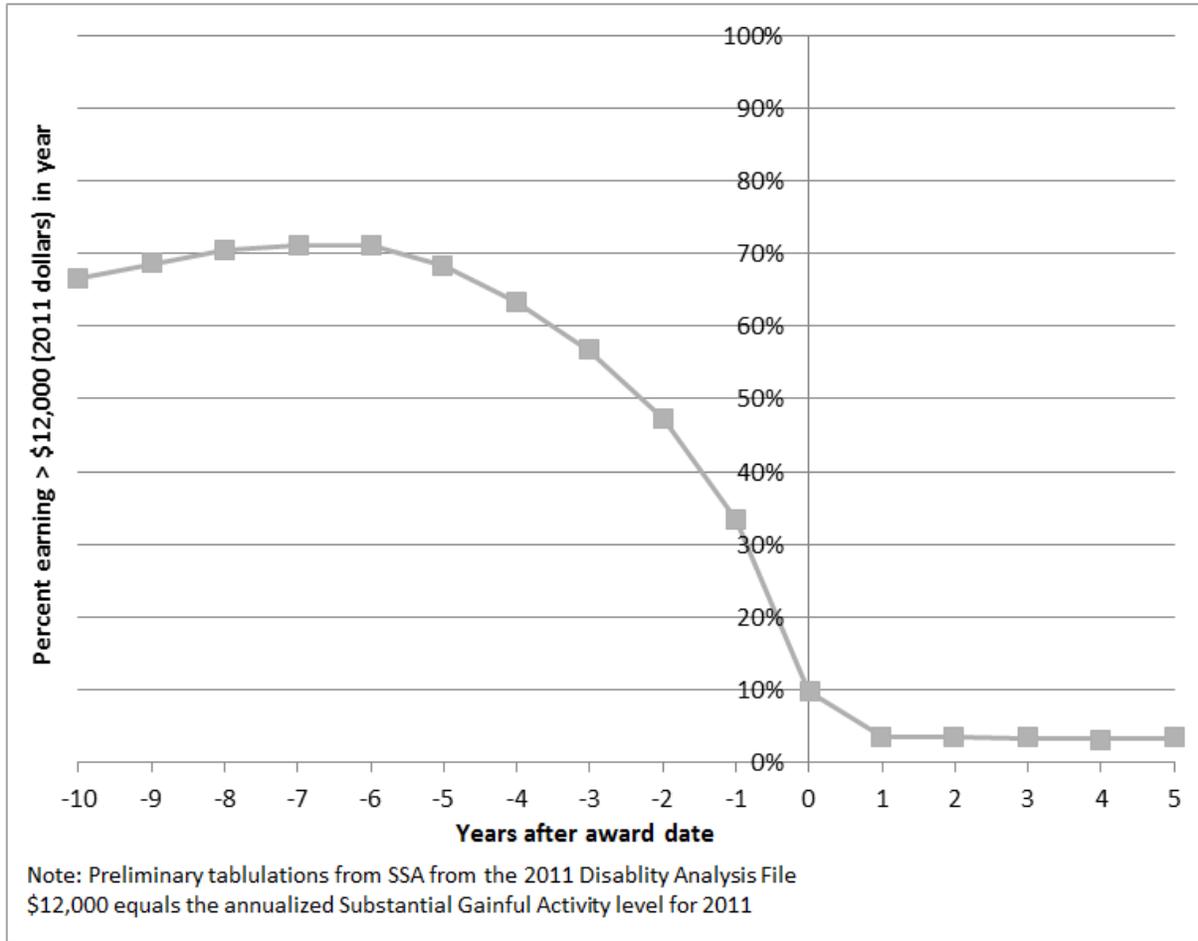
A number of experts have noted that a first step in any effort to reform or improve programs for people with disabilities is to build a stronger evidence base on early interventions.[2] Despite this

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[1] Two recent events – a forum by the Social Security Advisory Board (SSAB) and a hearing by the Ways and Means Social Security Subcommittee in the House of Representatives – have highlighted research and programs focused on early intervention. Presentations at the SSAB forum on pre-disability-onset earnings and health problems can be found at http://www.ssab.gov/FORUM2013.aspx. Witness statements before the Social Security Subcommittee, including those by Kevin Ufier of Genex Services on programs for employers to implement early intervention services, can be found at http://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=101015.

[2] See Autor and Duggan, "Supporting Work: A Proposal for Modernizing the U.S. Disability Insurance System," ttp://www.brookings.edu/research/papers/2010/12/disability-insurance-autor; Burkhauser and Daly, "The Declining Work and Welfare of People with Disabilities", September 2011; Liebman and Smalligan, "An

growing interest in early interventions, there has been a paucity of random assignment demonstrations or other strong evaluations in this area. One exception is the Demonstration to Maintain Independence and Employment (DMIE), which found that health and employment supports for working adults with potentially disabling conditions lowered the likelihood of receiving payments from SSA's disability programs.[1] However, a broader, more extensive research base would improve policymakers' ability to design programs and policies that improve outcomes for individuals and reduce program costs.

In order to produce an evidence base for potential program innovations, SSA requests $400 million in mandatory funding for early intervention demonstration projects. These funds would not come from the Social Security Trust Fund, and instead would be separately appropriated and offset. The following pages highlight three examples of potential demonstration projects SSA could explore and implement with the requested funding, working in coordination with other Federal agencies. The projects focus on populations that may be at risk of ending up on disability benefits, and each seeks to prevent or delay the receipt of DI or Supplemental Security Income (SSI) benefits by providing services or incentives to maintain or strengthen attachment to the labor market. Each project would build upon existing evidence, use rigorous demonstration methods, and include an independent evaluation. The goal of these efforts is to enhance understanding of the potential of certain interventions and produce estimates of impacts (including increased labor market attachment and reductions in benefit receipt) and detailed cost-benefit analyses assessing gains to individuals as well as savings in public programs relative to the cost of the intervention services.

Example Demonstration 1: Early Intervention Services to Keep Prime Working-Age People with Disabilities in the Labor Market

In the description below we detail an early intervention for workers with mental illness under the age of 50 who are on a path toward receiving DI or SSI benefits. SSA is consulting with other agencies and outside experts to identify similar approaches for individuals with other types of disabilities or demographic groups.

A key challenge for early-interventions is to identify individuals at risk of becoming long-term DI and SSI recipients who would also have the potential to benefit from the intervention methods. The first demonstration would test focusing early-intervention methods on two groups: (1) individuals receiving services from a State Vocational Rehabilitation (VR) agency who are not DI or SSI disability beneficiaries; and (2) unemployed and underemployed[2] individuals who have recently applied for SSI or DI disability benefits and were denied.

Both of these groups include individuals who are on the margin between employment and receiving disability benefits. Prior research estimates that 40 percent of DI claimants denied at

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Evidence-Based Path to Disability Insurance Reform,:
http://www.brookings.edu/research/papers/2013/02/disability-insurance-reform.
[1] See "Early interventions to prevent disability for workers with mental health conditions: Impacts from DMIE" at http://www.sciencedirect.com/science/article/pii/S1936657413001179.
[2] We would define these individuals as those earning below substantial gainful activity level (SGA).

the appeals level end up on the disability rolls within 10 years.[1] With the appropriate health care and employment supports, some of those individuals may remain in the labor market. People who seek VR services may hold an interest in employment despite a documented impairment. We would screen workers for both their likelihood of receiving SSA disability benefits and their likelihood of responding to employment supports.

The demonstration could provide participants with an intensive set of behavioral health and related services above and beyond what is available through the individual's existing health plan and long-term employment services, for example following the evidence-based Individual Placement and Support (IPS) model, to help them remain in or return to the labor market rather than seek SSA disability benefits.[2] IPS services are delivered by supported employment teams that operate within community mental health agencies and other medical providers, with a key differentiator from other interventions being the linkage between employment and medical services. We could follow an IPS service model similar to that successfully implemented for SSA's MHTS. The MHTS is one of several studies using the IPS model to show increases in employment rates for persons with severe mental impairments.[3] The health-related treatment could include behavioral health and related services, medication, and disease management services. The employment-related services would include job placement, and pre- and post-placement support services. We would require service providers to have strong employer contacts and the ability to place participants in sustainable jobs with reasonable wages. Support services would include: help with incidentals necessary to secure and maintain employment (work clothes or transportation) and with navigating other available supports, such as systematic medication management and nurse-care coordinator services; and low-intensity, long-term services that would focus on employment retention once a job is secured (e.g., providing an employment retention coach). This demonstration could complement the state/community based approaches described under Demonstration #3 that focus on different populations.

The demonstration would include a 1-year design refinement phase and a 5-year implementation phase. Over that period, it would evaluate impacts on outcomes such as employment, earnings, health, and SSDI and SSI applications and benefit receipt.

Example Demonstration 2: Improving Employer Incentives through FICA Tax Credits to Support Retention of Workers who are Injured or Develop a Disability

The disability management literature suggests that when employers maintain a relationship with employees who are injured on the job and assist them in returning to work, the employers incur lower workers' compensation costs and the employees have better employment outcomes.[4] SSA is consulting with other agencies and outside experts to identify other approaches to work with

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[1] See French and Song, "Effect of Disability Receipt on Labor Supply," July 1, 2011, Federal Reserve of Chicago.
[2] The behavioral health and related services would be in addition to base services already available, such as including greater intensity and frequency of services and reimbursement for medication co-pays.
[3] See Mental Health Treatment Study Final Report at
http://socialsecurity.gov/disabilityresearch/documents/MHTS_Final_Report_508.pdf
[4] See Reville, McLaren and Seabury, "How Effective are Employer Return to Work Programs?", RAND, March 1, 2010; Johnson, Butler, Baldwin and Cote, "Disability Risk Management and Post Injury Employment of Workers with Back Pain", Risk Management and Insurance Review, Vol 15, no. 1, 2012

employers and private disability insurers to test other interventions for workers with disabilities with an attachment to an employer.

One possible demonstration in this area could provide employers with an added incentive to retain workers with lost-time workers' compensation injuries and illnesses when possible. Employers who retain workers after a lost-time work-related injury or illness would receive a tax credit based on the length of time the employer retains the worker after he or she return to work. The longer an individual remains out of work after disability onset, the lower his or her chances of returning to work, so the employer incentive would be larger for returning workers who were off the job for longer periods of time.

The demonstration would allow employers to take a tax credit equal to the FICA and Medicare taxes paid to returning workers for a period of time that would depend on the number of weeks the worker is off the job. These tax credits would be available according to the following incentive structure:

For any employee out of work for a lost-time workers' compensation illness or injury lasting more than:

- 4 weeks, employers receive a tax credit equal to all employer FICA and Medicare taxes paid for up to 6 months of employment once the employee returns to work

- 8 weeks, employers receive a tax credit equal to all employer FICA and Medicare taxes paid for up to 12 months of employment once the employee returns to work

- 12 weeks, employers receive a tax credit equal to all employer FICA and Medicare taxes paid for up to 24 months of employment once the employee returns to work

In each case, the months need not be consecutive, but employers must claim all tax credits within 36 months after the end of the demonstration. Each of these tax credits reduces employer costs by nearly 8% and is larger for longer periods of post-disability employment. The incentive is higher for higher paying jobs because it is a percent of wages paid, but automatically drops to just the Medicare percentage at the FICA cap.

There are no services provided to individuals under this demonstration. SSA will be responsible for notifying selected firms of their inclusion in the study, publicizing the demonstration, and explaining the incentive structure.

This demonstration is framed as working through the workers' compensation system, but we are also exploring how we might adopt a similar strategy to broaden the base of employers and employees covered by the demonstration. Two options are to work through the Temporary Disability Insurance (TDI) system that is currently available in five states, or possibly working with private disability insurance (PDI) providers. These systems would provide a validated means of identifying individuals with disabilities, broadly defined, who were recently employed and are at risk of moving out of the labor force and onto SSA disability benefits. Similar to working with the workers' compensation population, we could devise incentives to employers or insurance providers for the hiring and retention of these workers.

Key outcomes for this demonstration are an increase in the share of affected individuals maintaining employment with their original employer, an increase in the share maintaining employment at all, and a reduction in the share applying for and receiving DI/SSI benefits.

Example Demonstration 3: State/Local Community-based Programs to Return Young Workers with Disabilities to the Labor Market

Under this demonstration, SSA could partner with existing state programs to provide separate, wrap-around employment services for workers on a path toward SSA disability benefits. While similar in many respects to the first demonstration in terms of additional services provided, this demonstration would utilize a different approach for identifying individuals at risk of becoming long-term DI and SSI recipients who would also have the potential to benefit from an early-intervention. In addition, his demonstration would work in partnership with state programs that provide care for individuals with multiple chronic conditions, such as Health Homes, to create partnerships through which SSA would offer long-term employment services designed by states to help participants remain in the labor market. SSA is consulting with other agencies and outside experts to identify potential state and provider-based approaches, including vocational rehabilitation service providers.

Results from the DMIE evaluation show that early provision of health and employment services can reduce the likelihood of receiving disability benefits. Although we do not have data on the proportion of this group that will end up on SSA disability benefits in the future, we note that these kinds of chronic conditions are susceptible to slow deterioration over time, and eventual exit from the labor market, if not properly managed. Additionally, the presence of multiple health conditions may put these individuals at higher risk of seeking disability benefits and make them a good group to target for these services.

SSA could offer a separate stream of additional funds for employment services and channel these resources through vocational rehabilitation providers. The states could design employment services with a focus on long-term employment outcomes, and subject to spending limits set by SSA. Employment services could be restricted to individuals who are not currently receiving SSA disability benefits (SSI or DI). We would work with the states to randomize enrollees into a treatment group that is eligible for employment services and a control group that is not.

The employment-related services provided to this particular population would be similar to the services described in Demonstration #1, above. Supports would include help with incidentals necessary to secure and maintain employment (work-clothes or transportation), and navigating available supports, such as systematic medication management and nurse-care coordinator services. A key requirement of the employment services is that they include a long-term maintenance component to maximize job retention and continued participation in the labor market. We would expect the sites to partner with service providers who have employer contacts and the ability to place participants in sustainable jobs with reasonable wages.

SSA would evaluate the impact of the intervention on employment, earnings, and health outcomes, as well as DI/SSI applications and benefit receipt.

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TABLES

APPROPRIATION LANGUAGE

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed $20,000 for official reception and representation expenses, not more than [$10,328,040,000] *$10,503,000,000* may be expended, as authorized by section 201(g)(1) of the Social Security Act, *and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111–148,* from any one or all of the trust funds referred to in such section: *Provided*, That not less than $2,300,000 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 [2014] *2015* not needed for fiscal year [2014] *2015* 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 the Commissioner of Social Security shall notify the Committees on Appropriations of the House of Representatives and the Senate prior to making unobligated balances available under the authority in the previous proviso: *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 5 U.S.C. 7131, 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.

In addition, for the costs associated with continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, **[$1,197,000,000]** *$1,396,000,000* 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, of such amount, $273,000,000 is provided to meet the terms of section 251(b)(2)(B)(ii)(III) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and **[$924,000,000]** *$1,123,000,000* is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: *Provided further*, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these funds, similar to the reports that were required by section 103(d)(2) of Public Law 104–121 for fiscal years 1996 through 2002.

In addition, **[$171,000,000]** *$124,000,000* 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 **[2014]** *2015* exceed **[$171,000,000]** *$124,000,000*, the amounts shall be available in fiscal year **[2015]** *2016* 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, which shall remain available until expended.

(Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2014.)

LANGUAGE ANALYSIS

The Limitation on Administrative Expenses (LAE) appropriation language provides the Social Security Administration (SSA) 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 is funded by the OASI, DI, and Medicare trust funds for their share of administrative expenses, by the General Fund of the Treasury 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 a total of $1,396,000,000 in additional funding specifically for continuing disability reviews (CDR) and SSI non-medical redeterminations of eligibility (redeterminations). The FY 2015 program integrity request is comprised of $273,000,000 in base funding to meet the terms of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and $1,123,000,000 in additional new budget authority. This funding level is consistent with the Budget Control Act of 2011 (P.L. 112-25).

In addition to the appropriated amounts, SSA is requesting to spend up to $124,000,000 in SSI State Supplement user fees and up to $1,000,000 in non-attorney representative fees.

Table 3.1—Appropriation Language Analysis

Language Provision	*Explanation*
"…*and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111–148,…*"	The language allows SSA to use LAE resources for some Affordable Care Act activities.

Language Provision	*Explanation*
"Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year **[2014]** *2015* not needed for fiscal year **[2014]** *2015* 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 the Commissioner of Social Security shall notify the Committees on Appropriations of the House of Representatives and the Senate prior to making unobligated balances available under the authority in the previous proviso…"	The language allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.
"In addition, for the costs associated with continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, **[$1,197,000,000]** *$1,396,000,000* 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, of such amount, $273,000,000 is provided to meet the terms of section 251(b)(2)(B)(ii)(III) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and **[$924,000,000]** *$1,123,000,000* is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: *Provided further*, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these funds, similar to the reports that were required by section 103(d)(2) of Public Law 104–121 for fiscal years 1996 through 2002."	The language appropriates an additional $1,396,000,000 for SSA's CDRs and redeterminations. That amount comprises a base of $273,000,000 and additional new budget authority of $1,123,000,000 for the purposes of an adjustment to the discretionary spending limit as provided in section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Language Provision	*Explanation*
"In addition, **[**$171,000,000**]** *$124,000,000* 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 **[**2014**]** *2015* exceed **[**$171,000,000**]** *$124,000,000*, the amounts shall be available in fiscal year **[**2015**]** *2016* only to the extent provided in advance in appropriations Acts."	The language makes available up to $124,000,000 collected from states for administration of their supplementary payments to the SSI program. This assumes the fee will increase from $11.32 per check in FY 2014 to $11.50 in FY 2015 according to increases established by statute. SSA receives the amount collected above $5.00 from each fee.
"In addition, up to $1,000,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended."	The language provides for the use of up to $1,000,000 derived from fees charged to non-attorneys who apply for certification to represent claimants.

SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS

The table below includes the significant items in the FY 2014 Joint Committee Report, 113-76.

Table 3.2— Consolidated Appropriations Act, 2014: Joint Committee Report (H.R. 113-76)— Significant Items

Field Office Closings	Actions Taken or To Be Taken
Concerns remain that in recent years SSA has lacked comprehensive, transparent policies regarding field office closings, including data on specific populations impacted by office closures and plans to mitigate the effects of closures. The Commissioner is directed to submit a report to the House and Senate Appropriations Committees within 90 days of enactment of this act on its policies and procedures for closing and consolidating field offices, including any policies and procedures related to assessing the community impacts of closing or consolidating offices, and the metrics used to calculate short- and long-term cost savings. In addition, the Commissioner is directed to provide a readily available public notice of proposed field office closures to ensure that impacted communities are aware of proposed changes and allow an opportunity for public input on the proposed changes and possible mitigation to ensure continued access to SSA services.	The agency will submit a report to the Appropriations Committees on its field office closure policies and procedures. Local public notices of proposed closure will be provided in the future at offices that are being considered as candidates for consolidation.

Social Security Statements	Actions Taken or To Be Taken
The Commissioner is directed to develop a plan to significantly increase the number of individuals receiving Social Security Statements annually, either electronically or by mail. This should include a significant restoration of the mailing of statements to ensure that individuals are informed of their contributions and benefits under Social Security programs and have an opportunity to review their earnings records and correct any errors in a timely manner. The Commissioner or her designee is directed to brief the House and Senate Appropriations Committees within 60 days of enactment of this act on this plan, including the intended plan for mailing statements in fiscal year 2014.	In the near future, we will issue a plan to significantly increase the number of individuals receiving Social Security Statements, both electronically and by mail. We will brief the Committee about this plan in March.

Social Security Number (SSN) Printouts and Benefit Verification Letters	**Actions Taken or To Be Taken**
The Commissioner is directed to continue to make SSN Printouts available at field offices through at least July 31, 2014 and Benefit Verification Letters available at field offices through at least September 30, 2014. The SSA should continue to encourage third parties that currently require these documents to use alternative means and existing online tools to verity the same information provided in these documents. However, concerns remain that third parties will not significantly change their behavior in a short period of time and instead individuals who are expected to provide these documents, for a variety of purposes, will be adversely impacted. The Commissioner or her designee is directed to brief the House and Senate Appropriations Committees within 30 days of enactment of this act on planned initiatives to decrease the reliance on field offices providing these documents, including a detailed explanation of what assurances will be provided that individuals will not be adversely impacted. Further, the Commissioner shall notify the House and Senate Committees on Appropriations no later than two weeks prior to any announcement of significant changes to current policies regarding the availability of these documents at field offices.	The agency plans to phase in these service changes over the course of the upcoming year. Effective August 1, 2014, we will no longer provide Social Security Number (SSN) Printouts to members of the public. Employers, State and Local agencies and organizations, and other entities can obtain SSN verification via E-Verify and the SSN Verification System. We will also no longer provide Benefit Verification (BEVE) letters in our field offices starting October 1, 2014. Beneficiaries may still obtain BEVE letters through *my* Social Security online and by contacting the National 800 Number Network. We realize there are times when members of our community may need our assistance in obtaining SSN and benefit verifications during emergency and disaster related situations. The agency is drafting procedures for the provision of SSN printouts and BEVE letters in the case of immediate dire need. The agency is continuing to meet with the Appropriations Committee to keep them informed about our rollout of these changes.

GENERAL STATEMENT

LIMITATION ON ADMINISTRATIVE EXPENSES OVERVIEW

The LAE account funds the operating expenses of the Social Security Administration and its programs: the OASI and DI 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 provides service to millions of Americans in our field offices, via telephone, or through the Internet at http://www.socialsecurity.gov/. The LAE account provides the funds SSA needs to perform its core responsibilities, including completing claims and applications for benefits, conducting hearings to review disputed decisions, ensuring benefits continue to be distributed properly, and maintaining the integrity of the trust funds.

SSA currently employs about 62,000 dedicated public service employees through a national network of 1,500 offices. 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 affects the lives of many Americans.

FY 2015 PRESIDENT'S BUDGET

SSA's Programs

For FY 2015, SSA is requesting LAE budget resources of $12.024 billion. We will continue to handle high volumes of work and focus on providing quality services, while significantly increasing program integrity efforts. Our budget also ensures that we can invest in technology to be as efficient as possible and effectively serve the public.

As the Baby Boomers continue to retire, it is essential that we have the resources to complete their applications, as well as to handle the ongoing work once they begin receiving benefits. We expect to complete over 5.3 million applications for retirement benefits in FY 2015. We will administer $744 billion in OASI benefit payments to almost 49.2 million beneficiaries.

We continue to process high volumes of initial disability claims. Enactment of the President's 2015 Budget will enable us to continue to reduce backlogs in program integrity reviews and initial disability claims. This budget will fund the staff at the 54 State Disability Determination Services (DDS) who will complete over 2.8 million initial disability claims in FY 2015. This budget, combined with our improvements to the hearings process, will enable us to complete 801,000 hearings, and the annual average processing time would be 435 days for FY 2015. See Table 3.26 in the back of this section for more details on the disability appeal workload. In FY 2015, SSA will pay nearly $147 billion in disability insurance benefits to over 11.1 million beneficiaries.

The SSI program is a national Federal assistance program administered by SSA that guarantees a minimum level of income for aged, blind, or people with disabilities. It is a safety net for

individuals with little or no Social Security or other income and limited resources. We estimate we will pay $56.2 billion in Federal benefits to almost 8.3 million SSI recipients in FY 2015. Including State supplementary payments, SSA expects to pay a total of almost $60 billion and administer payments to almost 8.5 million recipients.

SSA assists the Centers for Medicare and Medicaid Services (CMS) in administering the Medicare Hospital Insurance (HI), Supplementary Medical Insurance (SMI), and the Prescription Drug programs. The Affordable Care Act (ACA) (P.L. 111-148) also created additional responsibilities for SSA, such as administering the reduction in Part D Subsidy for high-income beneficiaries through an income related monthly adjustment amount and developing verification systems for health exchanges.

In FY 2009, Congress appropriated funding through the Medicare Improvements Patients and Providers Act (MIPPA) to SSA for activities related to the implementation of changes to the Low-Income Subsidy (LIS) Prescription Drug program. This funding is available until expended, and we estimate we will spend $6 million for LIS work in FY 2015.

SSA also collaborates with the Department of Homeland Security in administering the E-Verify program through verifying the employment eligibility of newly-hired employees by electronically checking employee names, Social Security numbers, dates of birth, U.S. citizenship status, and resolving SSA-related discrepancies with the employee when we are unable to electronically verify that information.

Program Integrity

We have two types of program integrity reviews for which we receive special funding: CDRs, which are periodic reevaluations to determine if beneficiaries are still disabled or have returned to work and no longer qualify for benefits, and SSI redeterminations, which are periodic reviews of non-medical factors of eligibility, such as income and resources.

The Budget Control Act of 2011 (BCA) allows increases to the Federal Government's annual spending caps through FY 2021 for program integrity purposes. If Congress appropriates funds for our program integrity work, the discretionary spending limit may increase by a corresponding amount up to a specified level. In FY 2015, the BCA allows a maximum cap adjustment of $1,123 million for program integrity funding above a $273 million base. With a $1,396 million total appropriation for program integrity, we would conduct 888,000 full medical CDRs and 2,622,000 SSI redeterminations in FY 2015. At these volumes, we would complete 459,000 more medical CDRs compared to FY 2013.

Program integrity reviews save taxpayers billions of dollars, but without adequate funding these savings will not be realized. We estimate that our FY 2015 program integrity fund will save on average $9 in net program savings for each dollar spent on CDRs, including Medicare and Medicaid program effects, and on average over $4 in savings for each dollar spent for redeterminations, including Medicaid program effects.

Access to Financial Institutions (AFI) is an electronic process that verifies bank account balances with financial institutions to determine SSI eligibility. In addition to verifying alleged accounts, AFI detects undisclosed accounts by using a geographic search to generate requests to other financial institutions. AFI's purpose is to identify excess resources in financial accounts, which

are a leading cause of SSI payment errors. We currently use the AFI system in all 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands.

Along with preventing overpayments, AFI helps us to eliminate ineligible applicants at the beginning of the application process, reducing the workload in the State DDSs. Full implementation is defined as using AFI on every potential SSI claim and redetermination and assumes using no tolerance levels (i.e., the amount of alleged liquid resources that will trigger verification), increasing the number of bank searches, and fully integrating the process with our systems. In FY 2013, we lowered the tolerance levels and increased bank searches. We expect the account verifications we will complete in FY 2014 will be cost effective.

Cooperative Disability Investigations (CDI) units are highly successful at detecting fraud before we make a disability decision. The CDI program links our Office of the Inspector General and local law enforcement with Federal and State workers who handle disability cases. CDI units investigate individual disability claims and identify applicants, beneficiaries, attorneys, doctors, translators, and other third parties who facilitate disability fraud. CDI units may present the results of these investigations to Federal and State prosecutors for criminal prosecution or civil action, as well as to our Office of the Inspector General's Office of the Counsel for the imposition of civil monetary penalties.

We currently have 25 CDI Units in 21 States and Puerto Rico. In FY 2013, CDI efforts nationwide resulted in $340 million in projected savings to our disability programs and over $246 million to other programs, such as Medicare and Medicaid. With our current resources, we plan to expand the number of CDI units from 25 to 32 by the end of FY 2015. We also will expand the capacity of existing CDI units to investigate allegations of disability fraud by increasing the number of law enforcement investigators in a number of current units, including Puerto Rico and New York. Increasing the number of units and expanding existing units will significantly enhance our ability to prevent and detect disability fraud.

Starting in FY 2016, the FY 2015 President's Budget includes a proposal to repeal the discretionary cap adjustments enacted in the Balanced Budget and Emergency Deficit Control Act, as amended by the BCA, for SSA and instead provide a dedicated, dependable source of mandatory funding for SSA to conduct CDRs and SSI program Redeterminations. The proposal includes the creation of a new limitation account entitled Program Integrity Administrative Expenses, which will reflect mandatory funding for SSA's program integrity activities in addition to amounts provided to SSA through the Limitation on Administrative Expenses account.

Information Technology (IT) Infrastructure

IT plays a critical role in our day-to-day operations. Most of our IT funding is necessary for ongoing operational costs such as our National 800 Number service and our online services, both of which help us keep pace with the recent increases in claims. In FY 2013, our IT infrastructure supported the payment of more than $850 billion in benefits to almost 65 million people and the maintenance of hundreds of millions of social security numbers and related earnings records for nearly every American.

FUNDING REQUEST

Our FY 2015 budget request of $12.024 billion will replace some of the cuts due to sequestration and allow us to build on the progress we are making in FY 2014. We will continue to increase the number of CDRs that we complete and enhance our vigorous fraud prevention efforts, improve our service to the American public, and modernize our service delivery to be more comparable to the private sector. The table below provides dollars and workyears funded by this budget:

Table 3.3—Budgetary Request

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE)	$ 11,046	$ 11,697	$ 12,024
Research and Demonstrations	$ 17	$ 47	$ 53
Office of the Inspector General (OIG)	$ 97	$ 102	$ 105
Total Budget Authority[1]	**$ 11,159**	**$ 11,846**	**$ 12,182**
Workyears			
Full-Time Equivalents	61,861	61,767	63,525
Overtime	1,931	2,850	1,890
Lump Sum	249	298	298
Total SSA Workyears	**64,041**	**64,915**	**65,713**
Total Disability Determination Services (DDS) Workyears	**14,081**	**14,279**	**15,050**
Total SSA/DDS Workyears	**78,122**	**79,194**	**80,763**
OIG Workyears	560	553	558
Total SSA/DDS/OIG Workyears	**78,682**	**79,747**	**81,321**

When states choose to take over administration of their own SSI state supplementation payments, SSA loses some user fee revenue. Over the last three years, three states have either fully or partially opted out of SSA's administration of their supplementation payments. Rhode Island partially opted out in January 2011, leaving us with the more difficult categories to administer. Massachusetts and Utah fully opted out in April 2012 and January 2014, respectively. Most recently, New York has indicated its plan to start administering their own supplementation program beginning on October 1, 2014. Currently, New York represents about 30 percent of the federally-administered SSI state supplementation benefits paid by SSA. When New York drops out, SSA will collect a substantially lower level of user fees. The loss of user fee revenue in these instances must be made up with new budget authority to maintain the total in SSA's LAE request.

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[1] Totals may not add due to rounding.

PERFORMANCE TARGETS

The President's FY 2015 request will allow SSA to continue to achieve the following key performance targets:

Table 3.4—Key Performance Targets

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
Selected Workload Measures			
Retirement and Survivors Claims Completed (thousands)	5,007	5,131	5,311
Initial Disability Claims Completed (thousands)	2,988	2,947	2,847
Disability Reconsiderations Completed (thousands)	803	778	752
Hearings Completed (thousands)	794	735	801
National 800 Number Transactions Handled (millions) [1]	53	N/A	N/A
National 800 Number Calls Handled (millions)[1]	N/A	39	47
Average Speed of Answer (ASA) (seconds)[2]	617	1,020	600
Agent Busy Rate (percent) [2]	12%	14%	2%
Social Security Numbers Completed (millions)	17	16	16
Annual Earnings Items Completed (millions)	251	253	256
Social Security Statements Issued (millions)	0	4	44
Selected Outcome Measures			
Initial Disability Claims Receipts (thousands)	2,985	2,891	2,860
Hearings Receipts (thousands)	825	819	802
Initial Disability Claims Pending (thousands)	698	642	656
Disability Reconsiderations Pending (thousands)	173	174	177
Hearings Pending (thousands)	848	932	933
Average Processing Time for Initial Disability Claims (days)[3]	107	109	107
Average Processing Time for Disability Reconsiderations (days)	N/A	N/A	N/A
Annual Average Processing Time for Hearings Decisions (days)	382	415	435
Disability Determination Services Production per Workyear	322	319	326
Office of Disability Adjudication and Review Production per Workyear	109	106	109
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(2,800)	(2,100)
Selected Program Integrity Performance Measures			
Periodic Continuing Disability Reviews (CDRs) Completed (thousands)	1,576	1,410	1,988
Full Medical CDRs (included in Periodic CDRs, thousands)	429	510	888
Supplemental Security Income (SSI) Non-Disability Redeterminations Completed (thousands)	2,634	2,622	2,622

[1] Under the new Citizens Access Routing Experience 2020 (CARE 2020) network structure, performance will be tracked using Calls Handled as opposed to Transactions Handled. The legacy network recorded transactions handled within the network, by either agents or automation. In some instances, multiple transactions were completed within one call, making it appear as though we served a larger volume of callers. Calls Handled will track the individual caller and is more in line with our other National 800 Number service performance metrics which track how long a single caller is on hold or how often they receive a busy signal.

[2] Since migrating to the new CARE 2020 network, complete wait time, including the time that the caller is on the line and the time the caller is waiting for a call back, is now included in the ASA calculation. This is in contrast to the legacy network which artificially deflated the ASA by including only the time the caller was on the line until a callback option was chosen, typically two to three seconds in duration. Under the legacy system, the customer's wait time was diluted and virtually excluded from the ASA calculation. The new CARE 2020 methodology is consistent with industry standards.

[3] In 2013, we developed the capability to capture the data to calculate overall average processing time for disability reconsiderations. In September 2013, the first time the data was available, the overall average process time was 101 days. We will develop a performance target for this measure in FY 2016 after we have had the ability to analyze at least two years of actual data.

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

RECENT ACCOMPLISHMENTS

We continue to be an efficient organization; our administrative costs are about 1.4 percent of the benefit payments we pay each year. We are proud to have maintained our efficiency. In FY 2013, we**:**

- Paid over $850 billion to almost 65 million beneficiaries;

- Handled over 53 million transactions on our National 800 Number;

- Received over 68 million calls to field offices nationwide;

- Served more than 43 million visitors in our 1,200 field offices nationwide;

- Completed nearly 8 million claims for benefits and nearly 794,000 hearing dispositions;

- Handled approximately 32 million changes to beneficiary records;

- Completed nearly 17 million new and replacement Social Security card applications;

- Performed over 1.6 billion automated Social Security number verifications;

- Posted over 251 million earnings reports to workers' records;

- Handled over 18,000 disability cases in Federal District Courts;

- Completed over 2.6 million SSI non-medical redeterminations;

- Completed 429,000 full medical CDRs; and

- Completed over 3 million overpayment actions.

We made tough, targeted decisions and enhanced our information technology in FY 2013, which mitigated some of the effects of the recent budget cuts and allowed us to handle a record number of retirement claims. However, while our performance was impressive in many areas, overall service suffered because we lost nearly 11,000 employees over the past 3 years. As a result of fewer employees, in FY 2013, the public had to wait longer for a decision on their disability claim, to talk to a representative on our National 800 Number, and to schedule an appointment in our field offices. The budget cuts also negatively affected our program integrity work; we completed fewer of our cost-effective CDRs in FY 2013 than we did in FY 2012. Even as we vigorously increase the use of automation, the nature of our work remains labor-intensive and, therefore, is dependent on having the necessary number of trained staff.

PRIORITY GOALS

We serve the American people in a wide variety of ways. In support of the Administration's performance improvement efforts, we have embraced the power of goal setting as a way to improve our performance and accountability to the American people.

As required by the GPRA Modernization Act of 2010, we established the following ambitious and outcome-focused Agency Priority Goals, that link directly to our overarching strategic goals and objectives set forth in our Fiscal Year 2014-2018 Agency Strategic Plan.

- **Improve access to our services by increasing citizens who complete their business with us online.**

  In FYs 2014 and 2015, we will increase the number of online transactions by 10 percent over each respective prior fiscal year.

- **Deliver a world-class customer experience by expanding the use of video technology to hold hearings.**

  By the end of FY 2015, 30% of hearings will be held using video technology.

- **Provide the public with access to personalized information by increasing the number of established *my* Social Security accounts.**

  In FYs 2014 and 2015, we will increase the number of customers who sign up for *my* Social Security by 15% over each respective prior fiscal year.

- **Reduce the percentage of improper payments made under the SSI program.**

  By the end of FY 2015, no more than 6.2% of all payments made under the SSI program will be improper payments (i.e. overpayments and underpayments).

We have specific measures and milestones to monitor our progress. Additionally, through our quarterly internal review process, our executives have candid discussions regarding progress, any challenges we must overcome, and strategies that will support goal achievement.

NATIONAL SUPPORT CENTER

In FY 2009, Congress provided $500 million for the construction and partial equipping of a new National Support Center (NSC) as part of the American Recovery and Reinvestment Act (Recovery Act). We currently run our nationwide computer operations from the National Computer Center (NCC). Our systems maintain demographic, wage, and benefit information on almost every American. The data housed at the NCC are critical national economic and information resources and essential to providing service to the millions of individuals who count on us each day. While once a state-of-the-art data center designed for mainframe use, the NCC is over 30 years old and the facility infrastructure systems have exceeded their useful life. With

these Recovery Act funds, we are taking timely action to ensure a new facility will be built and operational as the NCC nears the end of its functional life.

Projected Milestone Schedule

On December 28, 2012, we received a Presidential waiver allowing us to retain and continue to obligate funds appropriated for expenses for the replacement of our NCC. As of September 30, 2013, we have obligated $399.2 million and we expect to spend the remaining ARRA funds by the end of FY 2015. The General Services Administration and the Social Security Administration provided the following schedule of key milestones.

Planned	Actual	Milestone
Aug 2010	Aug 2010	Program of Requirements
Feb 2011	Feb 2011	Recommend Site
Sep 2011	Aug 2011	Acquire Site
Mar 2012	Jan 2012	Award Design-Build Construction
Jul 2014	TBD	Complete Construction
Oct 2014	TBD	Final Commissioning/Contingency
Mar 2015	TBD	Begin Transition of IT Services
Aug 2016	TBD	Complete Transition of IT Services

We will begin moving the IT services from the NCC to the NSC beginning in October 2014, and we will complete the transfer in August 2016. Preparatory efforts are under way to virtualize and consolidate significant portions of our IT equipment, perform application and asset inventory planning, and formulate a concise migration plan so that we can meet this goal.

Actual and Planned Obligations for the New NSC

The following table provides actual and planned obligations for the NSC as of February 2014.

Table 3.5—Actual and Planned Obligations for the New NSC

(Dollars in thousands)

FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Planned	FY 2015 Planned	Total
$1,330.4	$1,850.8	$387,699.5	($30,856.2)[1]	$39,191.0	$77,600.0	$23,184.5	$500,000.0

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[1] In FY 2012, the actual bid for NSC construction came $58.4 million under budget. Also in FY 2012, there were $27.5 million in IT obligations, resulting in a net recovery of $30.9 million.

SSA-RELATED LEGISLATION ENACTED FEBRUARY 2013 – MARCH 2014

FY 2014

Agricultural Act of 2014 (P.L. 113-79, enacted on February 7, 2014)
- This act reauthorizes the use of Social Security Data by the Department of Agriculture for the administration of Federal Payments.
- The Secretary of Agriculture would be required twice a year to reconcile the social security numbers of all individuals receiving farm commodity payments. States would be required to use data exchanges to verify eligibility when carrying out the Supplemental Nutrition Assistance Program.

The Bipartisan Budget Act of 2013 (P.L. 113-67, enacted on December 26, 2013)
- This bill sets overall discretionary spending limits for fiscal years 2014 and 2015 and provides $63 billion in sequester relief.
- The act restricts the Secretary of Commerce from disclosing any information contained in the Death Master File (DMF) within three years of the death of any individual. It further requires the Secretary to establish a certification program to release death information to persons with a legitimate need. It also expanded the use of Social Security's Prisoner Update Processing System (PUPS) by other Federal agencies to prevent improper payments and required the collection of several additional data elements.

BUDGETARY RESOURCES

The LAE account represents SSA's 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 the Centers for Medicare and Medicaid Services in administering the HI, SMI, and Medicare Part D programs. The President's Budget for the LAE account in FY 2015 is $12.024 billion.

AMOUNTS AVAILABLE FOR OBLIGATION

Table 3.6—Amounts Available for Obligation[1] (dollars in thousands)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
LAE			
LAE Appropriation	$ 11,045,566	$ 11,697,040	$ 12,024,000
Unobligated Balance, start-of-year	$ 147,858	$ 21,831	$ 21,595
Recoveries and Transfers	$ 149,035	$ 100,000	$ 225,000
Unrealized Non-Attorney User Fees	-$ 711	$ 0	$ 0
Subtotal LAE Resources	**$ 11,341,748**	**$ 11,818,871**	**$ 12,270,595**
Unobligated Balance, lapsing	-$ 56,104	$ 0	$ 0
Unobligated Balance, end-of-year (LAE Carryover)	-$ 122,810	-$ 21,595	-$ 21,595
Total Obligations, LAE	**$ 11,162,835**	**$ 11,797,276**	**$ 12,249,000**
American Recovery and Reinvestment Act Resources (ARRA) [2]			
National Support Center Unobligated Balances, start-of-year	$ 139,976	$ 100,784	$ 23,184
National Support Center Unobligated Balances, end-of-year	-	-	$ 0
Obligations, Recovery Act	**$ 39,191**	**$ 77,600**	**$ 23,184**
MIPPA – LIS			
Unobligated Balances, start-of-year	**$ 12,202**	**$ 11,919**	**$ 5,960**
Unobligated Balances, end-of-year	-$ 11,919	-$ 5,960	$ 0
Obligations, MIPPA - LIS	**$ 283**	**$ 5,960**	**$ 5,960**
State Children's Health Insurance Program (SCHIP)			
Unobligated Balances, start-of-year	**$ 2,123**	**$ 2,092**	**$ 1,046**
Unobligated Balances, end-of-year	**-$ 2,092**	**-$ 1,046**	**$ 0**
Obligations, SCHIP	**$ 31**	**$ 1,046**	**$ 1,046**

[1] Totals may not add due to rounding.

[2] The American Recovery and Reinvestment Act of 2009 provided SSA with funding to administer the $250 economic recovery payments to Social Security and Supplemental Security Income beneficiaries, to help address the increasing disability and retirement workloads, and to replace SSA's National Computer Center. The authority to incur new obligations for both administering economic recovery payments and for workload processing expired at the end of FY 2011.

BUDGET AUTHORITY AND OUTLAYS

The LAE account is funded by the Social Security Trust Funds, the General Fund, the Medicare Trust Funds, and applicable user fees. Section 201(g) of the Social Security Act provides that SSA determines 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 approved cost analysis system. In FY 2009, SSA received additional funds from the General Fund of the Treasury, provided by the Recovery Act and the MIPPA.

Table 3.7—Budget Authority and Outlays
(dollars in thousands) [1]

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
OASI and DI Trust Funds[2]	$ 5,296,422	$ 4,795,269	$ 5,757,049
HI and SMI Trust Funds	$ 1,980,485	$ 1,807,407	$ 1,837,623
SSA Advisory Board	$ 2,034	$ 2,300	$ 2,300
SSI Administrative Expenses	$ 3,605,305	$ 4,920,064	$ 4,302,029
SSI State Supplement User Fees	$ 160,374	$ 171,000	$ 124,000
Non-Attorney Representative User Fees	$ 946	$ 1,000	$ 1,000
MIPPA - LIS	N/A	N/A	N/A
Recovery Act	N/A	N/A	N/A
Total Budget Authority	**$ 11,045,566**	**$ 11,697,040**	**$ 12,024,000**
OASI and DI Trust Funds[2]	$ 5,731,645	$ 4,841,290	$ 5,850,667
HI and SMI Trust Funds	$ 1,873,960	$ 1,824,498	$ 1,870,793
SSI Administrative Expenses	$ 4,447,979	$ 4,960,214	$ 4,368,586
SSI State Supplement User Fees	$ 160,374	$ 171,000	$ 124,000
Non-Attorney Representative User Fees	$ 235	$ 1,000	$ 1,000
MIPPA - LIS	$ 307	$ 6,000	$ 6,000
Recovery Act - Workload Processing	$ 0	$ 0	$ 0
Recovery Act - Economic Recovery Payment - Admin	$ 0	$ 0	$ 0
Recovery Act - New NSC	$ 156,058	$ 154,000	$ 140,500
Total Administrative Outlays	**$ 12,370,558**	**$ 11,958,002**	**$ 12,361,546**

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[1] Totals may not add due to rounding.
[2] OASDI includes funding for administration of the Special Benefits for Certain World War II Veterans.

KEY ASSUMPTIONS AND COST DRIVERS

We continue to do everything we can to reduce our operating costs. Nevertheless, as our beneficiary population increases each year, our costs continue to rise. While some of our programs have discrete cost-drivers associated with them, the majority of cost-drivers affect all programs.

We formulated this budget to address the following challenges:

- High demand for services due to the aging population, see http://www.socialsecurity.gov/OACT/STATS/OASDIbenies.html;
- Hearings backlog;
- Complex disability process, see http://www.ssa.gov/pgm/disability.htm;
- Growth in non-traditional SSA workloads (e.g., immigration, Medicare, ACA, and verifications for other programs);
- Combatting waste, fraud and abuse;
- Reducing improper payments and completing cost-effective program integrity work, see http://www.socialsecurity.gov/improperpayments/;
- Finding additional efficiencies and streamlining business processes;
- Modernizing our service delivery;
- Modernizing computer systems, see http://www.recovery.gov/transparency/agency/reporting/agency_reporting5.aspx?agency_code=28
- Cyber threats; and
- Rising infrastructure costs.

Please see the performance table for projected work completed for our major workloads, as well as our productivity numbers.

ANALYSIS OF CHANGES

The FY 2015 request represents a $397.3 million increase over the FY 2014 level. The following tables provide a summary of the changes from the FY 2014 level to the FY 2015 President's Budget.

Table 3.8—Summary of Changes from FY 2014 to FY 2015[1]
(dollars in thousands)

	FY 2014 Estimate	FY 2015 Estimate	FY14 to FY15 Change
Total LAE	**$ 11,818,871**	**$ 12,270,595**	**+ $ 451,724**
Appropriation	$ 11,697,040	$ 12,024,000	+ $ 326,960
Amounts Available From Prior Year Unobligated Balances	$ 121,831	$ 246,595	- $ 124,724
Obligations, LAE	**$ 11,797,276**	**$ 12,249,000**	**+ $ 451,724**
Unobligated Balance, end-of-year [2]	$ 21,595	$ 21,595	**$ 0**
Recovery Act Obligations	**$ 77,600**	**$ 23,184**	**- $ 54,416**
National Support Center	$ 77,600	$ 23,184	- $ 54,416
MIPPA - LIS Obligations	**$ 5,960**	**$ 5,960**	**$ 0**
SCHIP Obligations	**$ 1,046**	**$1,046**	**$ 0**
Obligations, Total	**$ 11,881,881**	**$ 12,279,190**	**+ $ 397,309**

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[1] Totals may not add due to rounding.
[2] Unobligated Balance end-of-year reflects $21,595,234 in FY 2013 Delegated Buildings carryover.

Table 3.9—Explanation of LAE Budget Changes from FY 2014 to FY 2015
(dollars in thousands)

	FY 2014		Change from FY 2014	
	Federal WYs	Obligations	Federal WYs	Obligations
BUILT-IN INCREASES				
Payroll Expenses	64,915	$ 6,527,570		$ 240,490
Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System				180,291
Three-month effect of assumed Federal pay increase effective January 2014 - 1%				15,165
Nine-month effect of assumed Federal pay increase effective January 2015 – 1%				45,035
Non-Payroll Costs				
Mandatory growth in non-payroll costs, including higher costs of rent, security, and guard services		$ 2,006,535		$ 41,534
State Disability Determination Services				
Mandatory growth in State DDS costs, including pay raises and the cost of medical evidence		$ 2,187,897		$ 66,136
Subtotal, Built-In Increases				**+$ 348,160**
PROGRAM INCREASES				
Net Increase in WYs			798	$ 80,316
Net Increase in State Disability Determination Services				$ 128,111
Social Security Statements Mailed		$ 1,700		$ 23,157
Increases in Obligations Funded from Other Prior-Year Unobligated Balances		$ 100,236		$ 124,764
Subtotal, Program Increases				**+$ 357,349**
Total Increases			**+798**	**+$ 705,509**

Table Continues on the Next Page

	FY 2014		Change from FY 2014	
	Federal WYs	**Obligations**	**Federal WYs**	**Obligations**
PROGRAM DECREASES				
Funding for IT		$ 973,339		-$ 205,882
Decrease in base funding for IT				
Net Decrease in Non-Payroll Costs				-$ 47,903
Recovery Act – New NSC Resources		$ 77,600		-$ 54,416
Non-personnel Costs				
Total Decreases				**-$ 308,200**
OTHER OBLIGATIONS				
MIPPA – LIS		$ 5,960		$ 0
State Children's Health Insurance Program (SCHIP)		$ 1,046		$ 0
Total LAE Obligations, Net Change	**64,915**	**$ 11,881,881**	**+798**	**+$ 397,309**

BUDGETARY RESOURCES BY OBJECT

Table 3.10—Budgetary Resources by Object[1,2]
(dollars in thousands)

	FY 2014	FY 2015	*Change*
Personnel Compensation			
Permanent positions	$ 4,612,267	$ 4,843,692	*$ 231,425*
Positions other than permanent	$ 111,783	$ 117,339	*$ 5,556*
Other personnel compensation	$ 283,165	$ 230,859	*-$ 52,306*
Special personal service payments	$ 5,071	$ 3,690	*-$ 1,381*
Subtotal, personnel compensation	$ 5,012,286	$ 5,195,580	*$ 183,294*
Personnel Benefits	$ 1,522,290	$ 1,659,803	*$ 137,513*
Travel and transportation of persons	$ 22,916	$ 22,590	*-$ 326*
Transportation of things	$ 6,794	$ 6,697	*-$ 97*
Rent, communications, and utilities			
Rental payments to GSA	$ 720,650	$ 727,410	*$ 6,760*
Rental payments to others	$ 236	$ 236	*$ 0*
Communications, utilities, misc.	$ 412,206	$ 450,311	*$ 38,106*
Printing and reproduction	$ 19,742	$ 22,461	*$ 2,719*
Other services (DDS, guards, etc.)	$ 3,835,064	$ 3,882,309	*$ 47,244*
Supplies and materials	$ 32,912	$ 32,443	*-$ 469*
Equipment	$ 197,680	$ 181,798	*-$ 15,883*
Land and structures	$ 51,398	$ 50,526	*-$ 873*
Grants, subsidies and contributions	$ 24,427	$ 24,079	*-$ 348*
Insurance claims and indemnities	$ 23,278	$ 22,946	*-$ 332*
Interest and dividends	$ 3	$ 3	*$ 0*
Total Obligations	**$ 11,881,881**	**$ 12,279,190**	*$ 397,309*
Resources not being obligated in the current year (carrying over or lapsing)	$ 51,785	$ 21,595	*-$ 30,190*
Total Budgetary Resources	**$ 11,933,667**	**$ 12,300,785**	*$ 367,119*
Payments to State DDS (funded from other services and Communications, utilities, and misc.	$ 2,187,897	$ 2,383,144	*$ 195,247*

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[1] Totals may not add due to rounding.

[2] The obligations include the base LAE appropriation, Recovery Act, LIS, and SCHIP. The table reflects FY 2014 and FY 2015 projections of spending by object class. Resources are not managed at the object class level and SSA has the flexibility within the LAE account to modify projected spending during the budget execution process.

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 3.11—Authorizing Legislation
(dollars in thousands)

	2013 Amount Authorized	2013 Actual[1]	2014 Amount Authorized	2014 Enacted[2]	2015 Amount Authorized	2015 Estimate[3]
Title II, Section 201(g)(1) of the Social Security Act	Indefinite	$11,045,566	Indefinite	$11,697,040	Indefinite	$12,024,000

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[1] The FY 2013 appropriation included $470 million in additional funding for program integrity work, $161 million for SSI State Supplement user fees, and up to $1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). This figure is post sequestration. The enacted total (P.L. 113-6) for FY 2013 was $11,431,896 and contained $483 million in additional funding for program integrity work above our base of $273 million.

[2] The FY 2014 appropriation included $1,197 million in additional funding for program integrity work, $172 million for SSI State Supplement user fees, and up to $1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[3] The FY 2015 request includes $1, 396 million in additional funding for program integrity work, $124 million for SSI State Supplement user fees, and up to $1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

APPROPRIATION HISTORY

The table below includes the amount requested by the President, passed by the House and Senate Committees on Appropriations, and ultimately appropriated for the LAE account, including any rescissions and supplemental appropriations, for the last 10 years. The annual appropriation includes amounts authorized from SSI State Supplement user fees and, beginning in FY 2005, non-attorney representative user fees.

Table 3.12—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2005	$8,878,000,000[1]	$8,798,100,000[2]	$8,622,818,000[3]	$8,801,896,000[4]
Rescission[5]				-$69,394,400
Final				**$8,732,501,600**
2006	$9,403,000,000[6]	$9,279,700,000[7]	$9,329,400,000[8]	$9,199,400,000[9]
Rescission[10]				-$90,794,000
Final				**$9,108,606,000**
Hurricane Katrina Funding[11]				$38,000,000
2007	$9,496,000,000[12]	$9,293,000,000[13]	$9,093,000,000[14]	**$9,297,573,000**
2008	$9,596,953,000[16]	$9,696,953,000[17]	$9,721,953,000[18]	$9,917,842,000
Rescission[20]				-$173,264,731
Final				**$9,744,577,269**
Economic Stimulus Act[21]				$31,000,000
2009	$10,327,000,000[22]	- - -[23]	$10,377,000,000[24]	**$10,453,500,000**
MIPPA – Low Income Subsidy[26]				$24,800,000
Recovery Act[27]				$1,090,000,000
2010	$11,451,000,000[28]	$11,446,500,000[29]	$11,446,500,000[30]	$11,446,500,000
Rescission[32]				-$47,000,000
2011	$12,378,863,280[33]	- - -[34]	$12,377,000,000[35]	$11,446,500,000
Rescission[37]				-$22,893,000
Final				**$11,423,607,000**
2012	$12,522,000,000[38]	- - -[39]	$11,632,448,000[40]	$11,474,978,000
Rescission[42]				$21,688,000
Final				**$11,453,290,000**
2013	$11,760,000,000[44]	- - -[45]	$11,736,044,000[46]	$11,453,290,000 [47]
Rescission				-$21,394,476 [48]
Sequestration				-$386,329,494 [49]
Final				**$11,045,566,321**[50]
2014	$12,296,846,000	- - -[51]	$11,697,040,000[52]	**$11,697,040,000** [53]
LAE	$11,069,846,000[54]			
PIAE	$ 1,227,000,000[55]			
2015	$12,024,000,000[56]			

[1] Total includes up to $121,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments.

[2] H.R. 5006.

[3] S. 2810.

[4] Consolidated Appropriations Act, 2005 (P.L. 108-447). Total includes up to $124,000,000 from user fees paid by states for Federal administration of SSI State Supplement 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).

[5] A total of $69,394,400 was rescinded by Consolidated Appropriations Act, 2005 (P.L. 108-447).

[6] 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 Supplement 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).

[7] H.R. 3010.

[8] H.R. 3010, reported from Committee with an amendment.

[9] Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149). Total includes up to $119,000,000 from user fees paid by states for Federal administration of SSI State Supplement 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).

[10] A total of $90,794,000 was rescinded by Department of Defense Appropriations Act, 2006 (P.L. 109-148).

[11] A transfer from Department of Homeland Security for Hurricane Katrina-related costs (appropriated by P.L. 109-234).

[12] 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 Supplement 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).

[13] H.R. 5647.

[14] S. 3708.

[15] Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

[16] 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 Supplement 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).

[17] H.R. 3043.

[18] S. 1710.

[19] Consolidated Appropriations Act, 2008 (P.L. 110-161). Includes up to $132,641,550 from user fees paid by states for Federal administration of SSI State Supplement 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).

[20] A total of $173,264,731 was rescinded by the Consolidated Appropriations Act, 2008 (P.L. 110-161).

[21] Economic Stimulus Act (P.L. 110-185) provides funds for work related to rebate checks for Title II beneficiaries and disabled veterans.

[22] Total includes $504,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $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 Supplement 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).

[23] The House Committee on Appropriations did not report a bill.

[24] S. 3230.

[25] Omnibus Appropriations Act, 2009 (P.L. 111-8). Total includes $504,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $264,000,000 in base funding and $240,000,000 in additional funds. After enactment of the FY 2009 appropriation, $1,378,700 was transferred from LAE to OIG.

[26] From the General Fund of the Treasury, the Medicare Improvements for Patients and Providers Act (MIPPA) (P.L. 110-275) provides $24,800,000 for activities related to the implementation of changes to the Low-Income

Subsidy program. The MIPPA total does not include $24,100,000 for Medicare Savings Program outreach and transmittal of data to states. Also not included is the Children's Health Insurance Program Reauthorization Act (P.L. 111-3), which appropriated to SSA $5,000,000 to provide states the option to verify citizenship or nationality for the purposes of determining Medicaid or Children's Health Insurance Program eligibility.

[27] The American Recovery and Reinvestment Act (Recovery Act) (P.L 111-5) provides SSA $500,000,000 to process growing disability and retirement workloads, $500,000,000 to replace the National Computer Center, and $90,000,000 to administer the $250 economic recovery payments for eligible Social Security and Supplemental Security Income beneficiaries.

[28] Total includes $758,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $485,000,000 in additional funds. Includes up to $165,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to $500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[29] H.R. 3293.

[30] H.R. 3293, reported from Committee with an amendment.

[31] Consolidated Appropriations Act, 2010 (P.L. 111-117). Total includes $758,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $485,000,000 in additional funds. The enacted amount matches the President's request, after accounting for a technical adjustment resulting from CBO's scoring of user fees. Total includes up to $160,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments, and $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[32] $47,000,000 of Recovery Act Economic Recovery Payment administration funds rescinded by section 318 of P.L. 111-226.

[33] Total includes $796,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $283,000,000 in base funding and $513,000,000 in additional funds. Includes up to $185,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Includes $1,863,280 to increase SSA's acquisition workforce capacity and capabilities.

[34] The House Committee on Appropriations did not report a bill.

[35] S. 3686.

[36] Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

[37] A total of $22,893,000 was rescinded by the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). The table does not display a $200,000,000 rescission of no-year IT funds enacted in the Additional Continuing Appropriations Amendments, 2011 (P.L. 112-6) or a $75,000,000 rescission of no-year IT funds enacted in the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

[38] Total includes $938,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $315,000,000 in base funding and $623,000,000 in additional funds. Includes up to $163,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Includes $1,863,000 to increase SSA's acquisition workforce capacity and capabilities.

[39] The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included $12,041,494,000.

[40] S. 1599.

[41] Consolidated Appropriations Act, 2012 (P.L. 112-74). Total includes $483,484,000 for continuing disability reviews and SSI redeterminations appropriated in the Disaster Relief Appropriations Act (P.L. 112-77).

[42] A total of $21,688,000 was rescinded by the Consolidated Appropriations Act, 2012 (P.L. 112-74).

[43] The FY 2012 enacted LAE Budget Authority is $11,453 million. However, effective April 1, 2012, Massachusetts will assume control of its State Supplementary payments reducing the estimated SSI user fees by approximately $7.1 million. The resulting available SSI user fee funding for FY 2012 is approximately $154 million. The available LAE funding for FY 2012 is approximately $11,446 million.

[44] Total includes $1,024,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $751,000,000 in additional funds. Includes up to $170,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[45] The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included $10,684,414,000 for LAE.

[46] S. 3295.

[47] At the time the Budget was formulated we had not received a full year appropriation for FY 2013. We were operating under a six month CR (P.L. 112-175) that funded agency operations at $11,520,000,000 if annualized. This represents a 0.612 percent increase from the FY 2012 enacted level. Funding was reduced to the FY 2012 enacted level of $11,453,290,000 under a full year CR (P.L. 113-6).

[48] As per BDR 13-19, SSA was subject to an Across-the-Board (ATB) Reduction/Rescission of .2% of LAE. Both Base and Cap Program Integrity funds were exempt from this reduction.

[49] Under P.L. 112-175, all non-SSI funding was reduced by 5% after sequestration was triggered by Congress.

[50] Agency funding post sequestration (P.L. 112-175) and ATB reduction (BDR 13-19) was $407,723,000 lower than the original CR funding level (P.L. 113-6).

[51] The House Committee on Appropriations did not report a bill. The LAE appropriation of $11,697,040,000 for FY 2014 was incorporated into H.R. 3547.

[52] S. 3533.

[53] Consolidated Appropriations Act, 2014 (P.L. 113-76). Total includes $1,197,000,000 for continuing disability reviews and SSI redeterminations. Includes up to $171,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[54] Total includes $273,000,000 in funding designated for SSI redeterminations and continuing disability reviews. Includes up to $173,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[55] The FY 2014 President's Budget included a legislative proposal to create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request was $1,227,000,000. With the addition of $273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 was $1,500,000,000.

[56] Total includes $1,396,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $1,123,000,000 in additional funds. Includes up to $124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and 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 programs we administer—both in terms of the amount of work performed and the number of people needed to process it—and by our continuing efforts to improve service, stewardship and efficiency.

Between the three major programs SSA administers—OASI, DI, and SSI—Federal benefit payment outlays totaled $855.4 billion in FY 2013; under current law, Federal benefit payment outlays are expected to increase to $901.7 billion in FY 2014 and $947.2 billion in FY 2015. At approximately 1.4 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 3.13—Federal Benefit Outlays[1,2]
(dollars in billions)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Old-Age and Survivors Insurance	$ 663.2	$ 703.9	$ 744.1
Disability Insurance	$ 139.4	$ 143.1	$ 146.8
Supplemental Security Income	$ 52.8	$ 54.7	$ 56.2
Total Outlays	**$ 855.4**	**$ 901.7**	**$ 947.2**

Paralleling the growth in benefit payment outlays, the number of Federal beneficiaries of the three major programs SSA administers is expected to increase from 62.6 million in FY 2013 to 64.3 million in FY 2014 and 65.9 million in FY 2015.

Table 3.14—Beneficiaries[1,3]
(average in payment status, in millions)

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Old-Age and Survivors Insurance	46.2	47.7	49.2
Disability Insurance	10.9	11.0	11.1
Supplemental Security Income[4]	8.1	8.2	8.3
Concurrent Recipients[5]	-2.6	-2.6	-2.6

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[1] Totals may not add due to rounding.
[2] Totals do not include payments to recipients of Special Benefits for World War II Veterans.
[3] Totals do not include recipients of Special Benefits for World War II Veterans.
[4] Does not include recipients who only receive a Federally Administered State supplementary payment and no Federal benefit.
[5] Recipients receiving both DI and SSI benefits.

Total Beneficiaries	62.6	64.3	65.9

FULL TIME EQUIVALENTS AND WORKYEARS

The following table summarizes the LAE Federal and State workyears requested for FY 2015.

Table 3.15—SSA Supported Federal and State Workyears[1]

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Federal Full-Time Equivalents (FTEs)	61,861	61,767	63,525
Federal Overtime/Lump Sum Leave	2,180	3,148	2,188
Total SSA Workyears (excludes OIG)	**64,041**	**64,915**	**65,713**
Total State DDS Workyears	14,081	14,279	15,050
Total SSA/DDS Workyears (excludes OIG)	**78,122**	**79,194**	**80,763**

SOCIAL SECURITY ADVISORY BOARD

This budget includes $2.3 million for the Social Security Advisory Board in FY 2015. The *Social Security Independence and Program Improvements Act of 1994* mandated the creation of a seven-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. For more information about the Social Security Advisory Board, please see their website: http://www.ssab.gov/.

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[1] Includes all workyears funded by the Recovery Act, MIPPA, and the Children's Health Insurance Program Reauthorization Act of 2009.

IT FUND TABLES

Table 3.16— LAE Expired Balances & No-Year IT Account (in thousands)

LAE Expired Accounts	Amounts
LAE unobligated balance from FY 2009-2012	$ 194,900
LAE unobligated balance available from FY 2013	$ 55,700
Total LAE unobligated balance from FY 2009-2013	$ 250,600[1]
Amounts projected for prior year adjustments	-$ 155,000 [2]
Total LAE unobligated balance available for transfer from FY 2009-2013	**$ 95,600**
No-Year ITS Account	
Carryover from funds transferred in FY 2012 for FY 2013	$ 0
Carryover from FY 2012 (Unobligated Balances)	$ 115,722
Total carryover from FY 2012 to FY 2013	$ 115,722
Funds transferred in FY 2013 for FY 2013	$ 145,600
Total FY 2013 no-year ITS funding available	$ 261,322
FY 2013 Obligations	-$ 161,322
Recoveries in FY 2013	$ 0
Total carryover into FY 2014	$ 100,000
Funds available for transfer in FY 2014 for FY 2014	$ 95,600
Total FY 2014 no-year ITS funding available	**$ 195,600**

ITS BUDGET AUTHORITY

SSA's FY 2015 Information Technology Systems (ITS) budget provides resources for the acquisition and maintenance of automated data processing (ADP) and telecommunications hardware and software, as well as ADP support services and related contractual services. SSA reviews all information technology (IT) spending to ensure it includes only those projects and activities that are most crucial for the agency's operations and/or have the highest payback. No-year funding is an essential portion of the total annual IT budget.

The table below displays ITS budget authority, split by type of funding, and obligations from FY 2013 through FY 2015.

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[1] Reflects adjustments to the unobligated balances for these years. Balances as of 9/30/2013.

[2] We believe it is essential that these funds remain in the expired LAE accounts (FY2009-2013) to cover potential upward adjustments. Otherwise, SSA could face an anti-deficiency violation.

Table 3.17—ITS Budget by Activity

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
Limitation on Administrative Expenses			
One-Year[1]	$ 783,181,666	$ 973,338,500	$ 767,456,700
No-Year	$ 161,321,633	$ 100,000,000	$ 225,000,000
Subtotal	$ 944,503,299	$ 1,073,338,500	$ 992,456,700
Recovery Act (National Support Center)	$ 39,191,074	$ 77,600,000	$ 23,184,468
Total	$ 983,694,373	$ 1,150,938,500	$ 1,015,641,168

Below are some of our significant accomplishments during FY 2013, which were made possible in part by the use of no-year funds:

- **Annual Benefit Change and Annual 1099 Benefit Statements:** In FY 2015, we will complete post-entitlement actions for beneficiaries, the Cost of Living Adjustment (COLA), changes in the Medicare premium rates, and to generate the Annual Benefit Statements (1099s) for beneficiaries' use for tax filings. We applied a 1.5% COLA to 57,327,346 Title 2 beneficiaries and adjusted the Medicare premium rates where applicable. Additionally, we generated the Annual Benefit Statements (1099s) in both print format and provided remedial capabilities, (e.g. 1099s in Braille), for the first time. SSA produced 61,297,468 Annual Benefit Statements (1099s) to SSA beneficiaries and another 26,798 to the beneficiaries' appointed representatives.

- **Initiatives to Improve Program Integrity:** Improper payments and fraud are very real for SSA. We strive to continually identify and implement changes to improve the accuracy of our benefit payments, improve our ability to collect debts, and eliminate the potential for fraud. Below we have listed the specific actions taken:

  - SSA successfully implemented the **Medicare Non-utilization Project** to identify Title II beneficiaries who may be deceased. We selected 1,880,809 beneficiaries from SSA's Master Beneficiary Record who are aged 90-99 and are currently receiving Title 2 benefits. We then forwarded these selected beneficiaries' records to the Center for Medicare and Medicaid Services (CMS) through a data exchange. CMS will advise if these beneficiaries had Medicare activity, were part of a group health insurance plan (GHP), or belonged to a health maintenance organization (HMO) in the last three years. The answers to these questions will help SSA determine the likelihood that a beneficiary is deceased and potentially receiving fraudulent benefit payments.

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[1] One-year funds include regular one-year, base CDRs, and additional CDRs.

  o SSA successfully converted the Critical Payment System (CPS) from a Customer Information Control System (CICS) mainframe COBOL application to a web based application, and converted the data stores to a modern DB2 relational database. SSA uses CPS to issue immediate payments in emergency or critical situations. In addition to supporting our goal to reduce the use of COBOL, these changes also simplified processing, improved usability, and reduced the likelihood of improper payments.

  o Direct Deposit Fraud Prevention – SSA identified fraudulent schemes that involve the diversion of benefits by the manipulation of direct deposit information. SSA implemented software changes to permit a beneficiary to block their Title II payment from online changes to direct deposit information.

  o SSA implemented the External Collections Operations (ECO) Enhancements to allow the Agency to collect delinquent debts past the 10-year period via Treasury offset of state payments by sending a new informational state notice to debtors. We identified 279,816 potential debtors to receive this notice beginning October 2013.

  o In September 2013, SSA created a new program integrity system, the Public Facing Integrity Review (PFIR) that uses Big Data analytics to identify fraud in on-line services and reduce improper payments. From September 2013 through January 2014, PFIR confirmed fraud in over 1,283 cases where beneficiary checks were fraudulently diverted to non-beneficiary bank accounts.

These efforts will improve the accuracy of benefit payments, reduce the potential incidence of fraud, and improve our ability to collect debt. For the PFIR application, the 1,283 fraudulent activities identified during the first four months of operation represented program cost-savings of approximately $1.4 million.

- **Affordable Care Act (ACA)**: H.R. 3590, the "Patient Protection and Affordable Care Act," requires SSA to determine whether an individual's name, Social Security Number, date of birth, and allegation of U.S. citizenship are consistent with SSA records and report such determinations to the Marketplace for individuals applying for a qualified health plan and employees of small businesses. It also requires such determinations to be made through the use of an online or electronic system developed by the Secretary of HHS, in consultation with the Commissioner of SSA. Below we have listed the specific actions taken:

  o CMS coordinated the ACA process across several participating agencies, including SSA, Internal Revenue Service, Department of Homeland Security, Veterans Health Administration, Office of Personnel Management, Peace Corps, and Tricare. In addition to the information required by the ACA legislation, SSA, through an agreement with CMS, also provides disability indicators, death, incarceration, monthly and annual title II income, and SSA quarters of coverage data. CMS uses the additional data to determine whether an individual qualifies

for programs and benefits, such as Advanced Premium Tax Credits, Cost Sharing Reductions, Medicaid, Children's Health Insurance Program, and Basic Health Plans.

o SSA implemented the ACA web service in August, 2013. CMS began using the SSA ACA application on October 1, 2013.

- **Utilizing the Cloud**: OMB implemented a "Cloud First" policy under which all new Information Technology projects must assess the viability of a Cloud implementation prior to choosing a specific technical solution. Below we have listed the specific actions taken:

  o SSA implemented a strategy to use the Private Cloud Computing model that is most consistent with its mission and its business operations models. This strategy allows SSA to leverage Cloud Computing in order to extend the service capabilities of its existing IT environment. The use of the Cloud Computing model – consistent with the Agency's risk management framework and its certification and accreditation standards – is enforced within the framework of SSA's centrally managed enterprise architecture governance as well as its IT service acquisition and source selection processes.

  o SSA will continue to maintain its Private/Internal Cloud as the principal deployment model for delivering IT services. Similarly, SSA anticipates that we will provide virtually all newly developed and implemented IT services within the scope of the existing Private Cloud.

  o SSA implemented technical and security policies addressing the "Cloud First" principle. The policies apply to all SSA components engaged in or considering the outsourcing of IT services to Cloud Service Providers (CSP), or considering the acquisition of cloud-based products and services from external CSPs. The CIO must approve all investments in Cloud Computing.

  o An example of a recent deployment in our Private Cloud is the Citizens Access Routing Enterprise through 2020 (CARE 2020) project. A single GSA Networx Universal contract for the CARE solution replaced two separate expiring contracts. SSA successfully completed the transition to the CARE 2020 solution replacing our existing National 800 Number infrastructure with a hosted, Private Cloud, Voice over Internet Protocol (VoIP) telephone network system. The CARE 2020 solution will assist us in improving operational efficiency and the quality and capabilities of the National 800 Number. Additionally, CARE 2020 will allow for enhanced automated telephone applications self-service features and speech-recognition technology. One hundred percent of the national toll-free call traffic migrated to the CARE 2020 platform as of September 9, 2013. The Interactive Voice Response (IVR)/automation phase of the CARE 2020 transition was also successfully completed on September 27, 2013.

o SSA developed, manages, and operates its Private Cloud to deliver IT infrastructure, platform, and software application capabilities as on-demand, scalable, and elastic services. Standardizing use of our Private Cloud infrastructure allows us to maximize capacity utilization, improve IT flexibility and minimize cost.

- **Health Information Technology:** SSA processes nearly 3 million disability claims annually, which require over 15 million requests for individual medical records from healthcare providers who have treated those claimants. The state disability determination services office manages the collection of supporting medical information and its analysis to adjudicate each disability claim. Traditionally, this is a tedious and largely paper-based process for all parties involved.

  SSA's Health IT provides health care organizations the ability to share medical information with us electronically. We have been able to streamline the disability determination process by requesting and obtaining medical records electronically and enabling computerized decision support.

  Health IT has demonstrated its potential to increase efficiencies in the disability program and dramatically improve service to the public.

As of January 31, 2014, we have a total of 21 partners with 1,673 participating providers in 20 States and the District of Columbia. Since January 2013, SSA:

- Partnered with about 500 new provider facilities
- Expanded to 4 new States and the District of Columbia
- Partnered with 3 new healthcare organizations:
  - Geisinger
  - Medical University of South Carolina
  - University of California – Davis
- Expanded current partners to additional facilities in new States:
  - Kaiser Permanente – 4 new Kaiser Permanente regions
  - Regenstrief – Transitioned to Indiana Health Information Exchange and expanded to new provider facilities
  - Oregon Community Health Information Network – Expanded to new facilities in new States

- **Increase Online Services (eServices):** SSA has a strategic vision to provide the public with easy and secure online access to as much information and as many actions as possible. The vision includes (1) transitioning from full-service to the preferred self-service option; (2) making eServices accessible through a variety of devices; (3) offering new and expanded opportunities for third parties; and (4) maintaining and updating the secure, authenticated *my* Social Security portal. Below are the specific actions taken towards increasing our on-line services availability:

  o **iClaim/i3368 Marriage** – In January 2014, we enhanced our online disability claims process by marrying the benefit application (iClaim) and the adult medical report

(i3368). This enhancement provides user access to both applications via a single entry point for applicants who chose to apply online and eliminates some duplicative questions. In addition to many functional improvements, this release also allows foreign applicants the ability to complete an i3368.

o   Every year we send more than 15 million requests for medical records on behalf of nearly 3 million disability claimants. A signed Authorization to Disclose Information (Form SSA-827) accompanies each request for medical evidence. **eAuthorization** provides claimants the option to sign and submit Form SSA-827 electronically. As of January 2014, 95.7% of eligible claimants have electronically signed the SSA-827.

o   In May 2013, SSA successfully implemented the **Mobile Contact** application. This web application allows members of the public to locate an SSA field office or card center via a desktop or mobile device. The size and presentation of the application is modified for a mobile view when a mobile device is being used. It also emphasizes all channels for the public to conduct business with SSA. (i.e., online, 800 number, email, and face-to-face).

o   **Appointed Representative Status Report** - In August, SSA implemented an application to allow Appointed Representatives to access and download status reports for all of their active or recently closed cases at the Appeals Council level, not including Federal Court cases.

o   **Social Security Income (SSI) Wage Reporting – Goldberg Kelly (GK) Release** - The Mobile Wage (mWage) application and SSI Automated Telephone Wage Reporting (SSITWR) system required a means to accept and permit successful wage reports before and after the GK systems cutoff date for advanced notice. To address this concern, the Agency updated mWage and SSITWR to allow SSI recipients or their representative payees to report the prior month of gross wages at any time during the reporting month.

o   In May, SSA improved service delivery by implementing the **National 800 Number Calendar Expansion Project** that enables our Field Offices nationwide to schedule appointments 60 days in advance. The previous timeframe only allowed for 30 days of scheduling.

o   **The Digital Government Strategy (**DGS) challenged agencies to rethink their central approaches to developing IT solutions, with an emphasis on managing data instead of documents; sharing platforms to reduce costs; focusing on enabling end users; and ensuring information is delivered safely and securely. SSA met all ten OMB milestones on schedule.

o   The Department of Education (DoED) requested that SSA set up a **new electronic data exchange** to obtain aggregate earnings data to be used to measure compliance of the Gainful Employment (GE) regulations by Institutions of Higher Education. SSA processed 7,250,026 records in FY13-FY14.

The above actions continue to move us toward our eServices Vision, and improving customer service by leveraging new and emerging technology. Self-service applications also contribute to improved accuracy, increase efficiency saving our employees' time, and allow our customers to interact with the Agency in a more convenient, integrated, and personalized electronic method.

The Appointed Representative (AR) Status Report resulted in a significant cost savings with the reduction in AR status inquires to the Appeals Council, as well as the costs associated with creating and mailing copies of the OAO Status report each month.

DoED used data from a new data exchange to provide aggregate disclosures of earnings information to the public to assist them in evaluating institutions that participate in the federal student aid programs.

SSA's participation in DGS has affirmed the agency's commitment to the core principles espoused in the DGS guidelines. SSA will continue to embrace the values set forth in the DGS in our ongoing commitment to improving communication and electronic services.

- **Alternative Format Notices:** SSA is continually improving our ability to provide notices in alternative formats to our blind and visually-impaired customer base who desire alternatively-formatted notices, as a result of the *American Council of the Blind versus Astrue and SSA* court decision.

    Since February 2013, SSA, via our Interagency Agreement with a notice-producing vendor, has produced over 829,000 notices in Braille, data compact disc, audio compact disc, and large print formats.

    SSA has increased the notices that we produce in alternative formats; most recently, the SSA-1099 and SSA-1042S, high-volume notices that beneficiaries use to complete their income tax returns.

    Since February 2013, SSA has increased the number of beneficiaries, representative payees, and recipients in our alternative notice format repository by more than 40,000 through outreach activities and by offering the options at claims intake.

    As a result of SSA's producing notices in alternative formats, we have improved access to our programs to blind and visually-impaired customers who otherwise may not have had easy access, thereby improving the effectiveness of our customer outreach activities.

Below is a list of major initiatives included in the IT budget.

- **IT Infrastructure:** The IT Infrastructure initiatives assure the sustained operation of current IT systems and provide an environment to support the growth of the agency's new systems and technical infrastructure. The following are major IT Infrastructure initiatives:

    o Citizen Access Routing Enterprise 2020 (CARE 2020)

- Interactive Video Teletraining - IVT
- Data Center
- Office Automation
- Telecommunications
- National Support Center

- **Core Services:** Core Services develop seamless, integrated, customer-centric automation tools that support all service delivery channels and several major business processes of the agency. The following are major Core Services initiatives:

  - Earnings Redesign
  - eService, including Online Claims
  - Medicare Modernization Act Project
  - SSI Modernization
  - Title II Redesign

- **Disability Process:** Disability Process investments will support the administration of SSA's disability programs and allow the agency's employees to provide quality service that is responsive to the needs of the disabled population. The following are major Disability Process initiatives:

  - Disability Case Processing System (DCPS)
  - Disability Determination Services (DDS) Automation
  - Intelligent Disability (IDib)

- **Security and Business Recovery:** The Security and Business Recovery investment implements security policies and procedures within the IT environment at SSA. This investment will ensure that IT resources are protected from internal and external users' threats, such as unauthorized access, misuse, damage, or loss.

- **High Performing Workforce:** The High Performing Workforce initiatives will improve the productivity, efficiency, and quality of the agency's human resource systems and services.

- **Program Integrity:** Program Integrity investments support the Agency's goal to preserve the public's trust in the agency's programs. The Agency's goals for program integrity are to: minimize improper payments; automate the collection of death information; increase the electronic filing of wage reports and improve earnings record accuracy; strengthen our ability to protect program dollars from fraud, waste, and abuse; ensure that internal control deficiencies affecting our financial statements are corrected; and ensure the safety of SSA's resources during emergencies.

- **Enterprise Architecture and Planning:** IT investments in this area provide support services, hardware, and software needed to design, develop, and document enhancements to SSA's Enterprise Architecture and explore promising technologies.

- **Financial Management Systems:** Financial Management Systems investments support the agency's compliance with applicable accounting principles, standard, and related requirements; management control standards; and policies and requirements prescribed by the Office of Management and Budget and the Department of Treasury. The Financial Accounting System is the only major investment in this initiative area.

- **Hearings Process:** The Hearings Process investments promote and manage IT projects that directly advance efforts to eliminate the backlog and prevent its recurrence.

SSA E-GOV CONTRIBUTIONS

SSA supports many E-Government initiatives. These initiatives serve citizens, businesses, and Federal employees by delivering high-quality services more efficiently and by providing services that might not otherwise be available. These initiatives are included in the agency's IT budget.

Table 3.18 – SSA E-Gov Contributions (in thousands)[1]

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Disaster Assistance Improvement Plan	$ 41	$ 39	$ 56
E-Federal Health Architecture LoB	$ 100	$ 500	$ 500
E-Rulemaking	$ 62	$ 17	$ 17
Financial Management LoB	$ 64	$ 64	$ 64
Geospatial LoB	$ 15	$ 25	$ 25
GovBenefits.gov	$ 173	$ 217	$ 217
Grants.gov	$ 41	$ 27	$ 27
Grants Management LoB	$ 311	$ 311	$ 0
Human Resources Management LoB	$ 130	$ 130	$ 130
Integrated Acquisition Environment (IAE)	$ 98	$ 104	$ 104
IAE-Loans and Grants	$ 13	$ 0	$ 0
Performance Management LoB	$ 17	$ 18	$ 0
Total	**$ 1,065**	**$ 1,452**	**$ 1,140**

Social Security remains an active participant to the following E-Government initiatives.

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

E-Federal Health Architecture Line of Business (LoB) supports integration of the agency's health information systems into the emerging Nationwide Health Information Network (NHIN).

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.

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

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.

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[1] Totals may not add due to rounding.

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.

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. Grants Management LoB is pursuing a consortia based approach to share operations and maintenance costs, and development, modernization, and enhancement 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.

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

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

Performance Management LoB modernizes the Federal Government's performance reporting framework by facilitating a transition from print-based GPRA performance plans and reports to a shared, web-based, Government-wide performance portal, as required by the GPRA Modernization Act (Sec. 7 and Sec. 10).

Table 3.19 – Other SSA Expenses/Service Fees Related to E-Gov Projects (in thousands)[1]

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Recruitment One-Stop	$ 430.2	$ 416.2	$ 415.2
Enhanced Human Resource Integration	$ 1,111.1	$ 944.5	$ 970.7
E-Payroll	$ 15,043.4	$ 13,649.3	$ 13,511.5
E-Travel	$ 640.0	$ 700.0	$ 552.4
Total	**$ 17,224.7**	**$ 15,710.0**	**$ 15,449.8**

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.

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[1] Totals may not add due to rounding.

Enhanced Human Resource Integration initiative develops 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 provides a government wide standard set of world-class travel management services to consolidate Federal travel, minimize cost, and improve customer satisfaction.

EMPLOYMENT

The following table provides a detailed view of the full-time equivalent employment levels.

Table 3.20—Detail of Full-Time Equivalent Employment[1]

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
Limitation on Administrative Expenses Accounts	61,627	61,467	63,225
Reimbursable Work	234	300	300
	61,861	**61,767**	**63,525**

The following table lists the Average Grade and Salary for SSA employees for FY 2013. It includes averages for Executive Service (ES) and General Service (GS) employees.

Table 3.21—Average Grade and Salary

	FY 2013 Actual
Average ES Salary	**$165,100**
Average GS/WG Grade	**11**
Average GS/WG Salary	**$71,500**

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[1] Includes all FTEs funded by the Recovery Act, MIPPA, and the Children's Health Insurance Program Reauthorization Act of 2009.

Table 3.22—Historical Staff-On-Duty by Major SSA Component[1]

	FY 2012 Actual	FY 2013 Actual
Field Offices	28,790	27,879
Teleservice Centers	4,535	4,275
Processing Centers	10,649	9,957
Regional Offices	1,663	1,575
Operations Subtotal[2]	**45,637**	**43,686**
Office of Disability Adjudication and Review[2]	10,041	9,510
Systems	3,345	3,185
Office of Quality Performance	1,181	1,122
Headquarters[2]	4,703	4,696
SSA Total	**64,907**	**62,199**

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[1] Includes full time, part time, and temporary employees.
[2] Headquarters includes counts for Operations Support Staff, Office of Appellate Operations, GSA Delegations, and the Advisory Board.

PHYSICIANS' COMPARABILITY ALLOWANCE

Table 3.23—Physicians Comparability Allowance Worksheet

Physicians' Comparability Allowance (PCA) permits agencies to provide allowances to certain eligible Federal physicians who enter into service agreements with their agencies to address recruitment and retention problems (5 U.S.C. 5948). The following worksheet provides details on usage of PCA within SSA from FY 2013-2015.

		PY 2013 (Actual)	CY 2014 (Estimates)	BY 2015* (Estimates)
Number of Physicians Receiving PCAs		5	5	4
Number of Physicians with One-Year PCA Agreements		0	0	0
Number of Physicians with Multi-Year PCA Agreements		5	5	4
Average Annual PCA Physician Pay (without PCA payment)		155,500	155,500	155,500
Average Annual PCA Payment		23,400	23,400	22,500
Number of Physicians Receiving PCAs by Category (non-add)	Category I Clinical Position			
	Category II Research Position			
	Category III Occupational Health			
	Category IV-A Disability Evaluation			
	Category IV-B Health and Medical Admin.	5	5	4

*FY 2015 data will be approved during the FY 2016 Budget cycle.

Maximum annual PCA amount paid to each category of physician:

See tables 3.24 and 3.25 for the maximum annual PCA amount paid to each category of SSA physicians. The amounts shown on the tables have allowed us to successfully recruit and retain our medical officers.

Recruitment and retention problem(s) for each category of physician:

SSA has had no medical officer (MO) accessions and 1 MO separation in fiscal year 2013.

SSA continues to offer PCAs to our MOs in order to recruit and retain the highly specialized physicians that we need. MOs are critical to our mission as they possess specialized skills required to write, revise, update, and develop agency medical policy, including medical policy that is used for evaluating reasonable accommodation requests and evaluating claims for disability benefits under the Social Security disability insurance program or payments under the Supplemental Security Income program.

The PCA helps to compensate for the decrease in salary that a physician accepts when becoming a civil servant. Our MOs accept a reduction in income under the General Schedule (GS) pay scale, which is capped at the GS 15/step 10.

Also, PCAs continue to be a point of importance among our MOs and are a key factor in our ability to retain our current MOs and recruit new ones. If we do not retain the PCA, our MOs may elect to find employment in other areas or agencies where PCAs are not only offered but also offered at higher amounts than what we offer.

SSA must continue to offer PCAs in order to recruit new physician MOs and retain the ones we have as we compete for their services with other government agencies.

Degree to which recruitment and retention problems were alleviated at SSA through the use of PCAs in the prior fiscal year.
SSA was able to retain its medical officers by continuing to offer PCAs.

MAXIMUM PHYSICIANS' COMPARABILITY ALLOWANCES

Table 3.24—Maximum Physician's Comparability Allowances- 1-Year Contract

CATEGORY	PHYSICIANS WITH 24 MONTHS OR LESS OF SERVICE			PHYSICIANS WITH MORE THAN 24 MONTHS OF SERVICE		
	GS-13	GS-14	GS-15/SES	GS-13	GS-14	GS-15/SES
1. Occupational Health	*	*	*	*	*	*
2a. Disability Evaluation	*	*	*	*	*	*
2b. Administration	$8,000	$9,000	$10,000	$12,000	$18,000	$24,000

Table 3.25—Maximum Physician's Comparability Allowances- 2-Year Contract

CATEGORY	PHYSICIANS WITH 24 MONTHS OR LESS OF SERVICE			PHYSICIANS WITH MORE THAN 24 MONTHS OF SERVICE		PHYSICIANS WITH MORE THAN 24 MONTHS BUT NOT MORE THAN 48 MONTHS OF SERVICE	PHYSICIANS WITH MORE THAN 48 MONTHS OF SERVICE
	GS-13	GS-14	GS-15/ SES	GS-13	GS-14	GS-15/SES	GS-15/SES
1. Occupational Health	*	*	*	*	*	*	*
2a. Disability Evaluation	*	*	*	*	*	*	*
2b. Administration	$12,000	$13,000	$14,000	$18,000	$24,000	$27,000	$30,000

* SSA currently is not experiencing any recruitment or retention problems for the categories of Occupational Health and Disability Evaluation; therefore, no related maximum allowances have been established for these categories. Maximum allowances have been set for the category of Administration because the Commissioner has determined that there is a significant problem recruiting and retaining physicians for a few positions in this category in the Office of Disability Programs, the Office of Medical and Vocational Expertise, and the Office of Personnel.

FY 2013 DISABILITY WORKLOAD

The following table provides data on the FY 2013 disability claims and appeals workload.

Table 3.26—FY 2013 Workload Data Disability Appeals

FISCAL YEAR 2013 WORKLOAD DATA: DISABILITY DECISIONS*
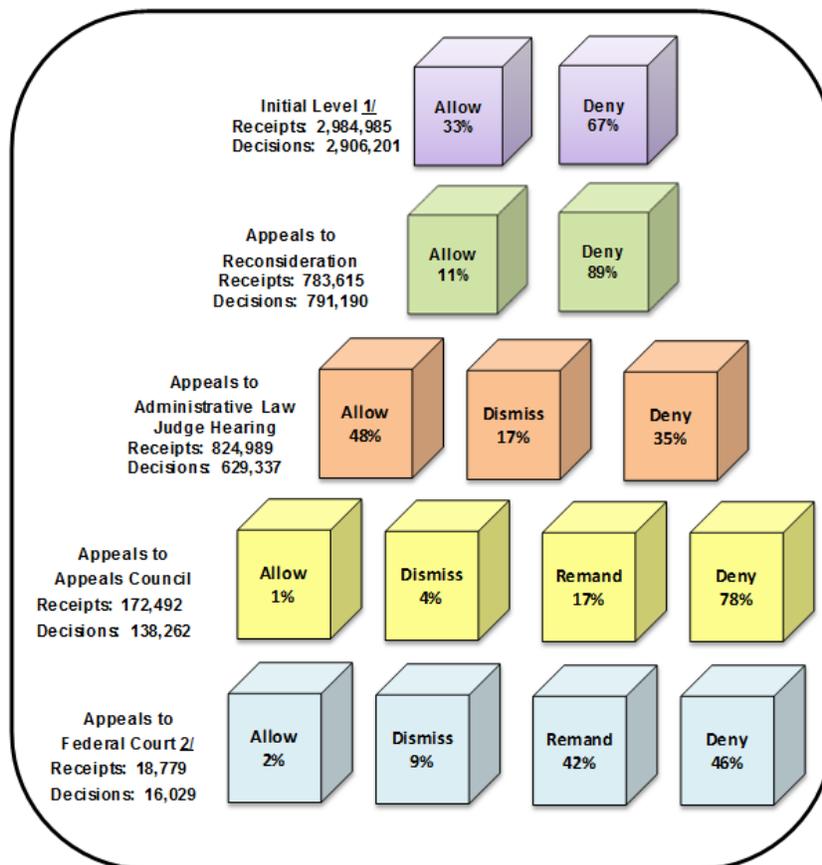
*Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2013, regardless of the year in which the initial claim was filed, and regardless of whether the claimant ever received benefits (in a small number of cases with a favorable disability decision benefits are subsequently denied because the claimant does not meet other eligibility requirements.) Does not include claims where an eligibility determination was reached without a determination of disability. If a determination or appeals decision was made on Title II and Title XVI claims for the same person, the results are treated as one concurrent

1/ About 24% of initial level denials are issued in States that use the Disability Prototype process, which eliminates the reconsideration step of the appeals process. The first level of appeal for these cases is a hearing before an Administrative Law Judge.

2/ Federal Court data includes appeals of Continuing Disability Reviews.

NOTE: Due to rounding, data may not always total 100%.

Prepared by: SSA, Office of Disability Program Management Information, 12/13/13; Office of Budget, 02/06/14 Data Sources: A) Initial and Reconsideration Data: SSA State Agency Operations Report; B) Administrative Law Judge and Appeals Council data: SSA Office of Disability Adjudication and Review (ODAR); C) Federal Court data: SSA Office of General Counsel

LEGISLATIVE PROPOSALS

Enhanced Demonstration Authority and Early Intervention Projects: The FY 2015 President's Budget calls for the reauthorization of modified section 234 demonstration authority for DI and conforming changes to SSI demonstration authority, in tandem with a detailed description of three potential early intervention pilots (See yellow tab, "Early Intervention Demonstrations".) SSA's demonstrations have shown interventions after the point of complete disability onset can yield positive outcomes for beneficiaries, but whether such interventions are the most cost-effective is a point of concern. As research indicates that health problems begin to materialize in advance of complete disability onset, practitioners are developing programs to help employers deal with health events of employees before they cause a separation from the workplace and an irreversible path toward cash benefit programs. Despite the suggestive benefits of early interventions, testing of these demonstrations has been scarce. Proposed legislation would provide $400 million in mandatory funding to renew and enhance SSA's demonstration authority for the DI Program, which will allow us to conduct multiple early intervention projects in partnership with other Federal agencies. These funds would be separately appropriated from general funds, and fully offset.

Death Master File Reform: The FY 2015 President's Budget proposes to use the "Death Master File" to prevent improper payments to deceased individuals by providing the full list to the Do Not Pay system at Treasury.

Windfall Elimination Provision (WEP) and Government Pension Offset (GPO): The FY 2015 President's Budget includes a proposal to develop automated data exchanges for states and localities to submit timely information on pensions that are based on work not covered by Social Security. This information would reduce improper payments that occur when we are unable to determine that a beneficiary should have been subject to WEP or GPO. The proposal provides $70 million in mandatory funding for developing and implementing data exchanges and provides for grants to state and local entities for this purpose. Of the $70 million, $20 million is intended for SSA administrative expenses.

Workers' Compensation Information Reporting: The FY 2015 President's Budget includes a legislative proposal to develop and implement a system to collect information on workers' compensation receipts from states and private insurers. We would use the information to improve the integrity of the workers' compensation reporting process, improve the accuracy of Social Security disability and SSI payments, reduce improper payments, and lessen our reliance on the beneficiary to report this information in a timely manner. We would also provide pertinent collected information to the Secretary of Health and Human Services for child support enforcement purposes.

Extend SSI Eligibility for Refugees and other Humanitarian Immigrants: The FY 2015 President's Budget includes a proposal to increase the SSI eligibility period for refugees, asylees, and other non-citizens in refugee-like immigration statuses (i.e., humanitarian immigrants) from a maximum of seven years to a maximum of nine years during fiscal years 2015 and 2016. Individuals whose benefits expired solely due to the seven-year time period would be eligible for

up to 24 months of extended benefits paid prospectively until the conclusion of the nine-year period or the end of FY 2016, if earlier.

Conform Treatment of State and Local Government Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) for SSI: The FY 2015 President's Budget proposes to conform the treatment of state and local EITC and CTCs to be consistent with the treatment of Federal EITC and CTC for purposes of determining eligibility for SSI. Currently, the Federal EITC and CTC credits are excluded from the SSI income and resource tests. However, state and local versions of these credits are not excluded, resulting in the reduction or loss of SSI benefits for those receiving the credits. This proposal would simplify SSI policy and eliminate the administrative costs of determining whether such credits are excluded Federal payments or countable state or local payments.

Terminate Stepchild Benefits in the Same Month as Stepparents: The FY 2015 President's Budget proposes a technical correction relating to when Social Security benefits stop due to divorce. A parent and stepchild may receive benefits on the record of a worker, but, if the marriage terminates in less than 10 years, they are no longer eligible for benefits. Currently when a stepchild's parent is divorced and no longer eligible for benefits from a former spouse, benefits for the parent terminate in the month before the month in which the divorce becomes final. However, benefits for the stepchild terminate one month later, in the month the divorce becomes final. This proposal would provide equal treatment for the stepchild and his or her parent; both benefits would end in the month before the month in which the divorce becomes final. The proposal would be effective with divorces that become final six months after the date of enactment.

Allow SSA to Certify Electronically Additional Railroad Retirement Board (RRB) Benefits: The FY 2015 President's Budget proposes to add the category of divorced spouses of railroad workers to the list of beneficiaries we would certify the amount of Social Security benefits to the RRB for payment electronically. This change would improve administration and result in fewer errors. In addition, it would ensure consistency with other Social Security benefits to railroad workers and their dependents.

Lower the Electronic Wage Reporting Threshold: Currently the Department of Treasury requires businesses that file 250 or more W-2s per calendar year to file electronically. The FY 2015 President's Budget proposes to modify the Internal Revenue Code so that the Department of Treasury can require more businesses to file electronically. The Budget would lower the electronic wage-reporting threshold from 250 to 25 employees, reducing the number of paper returns we must process. This change would increase the efficiency and accuracy of this process because electronic returns are generally more accurate than scanned or keyed returns. In FY 2013, the majority of employers this size reported electronically. The proposal would be effective for calendar years beginning after 2014.

Federal Wage Reporting: The FY 2015 President's Budget includes a legislative proposal to revert to quarterly wage reporting. The proposal would not affect reporting on self-employment. Increasing the timeliness of wage reporting would enhance tax administration and improve program integrity for a range of programs.

Offset Concurrent Receipt of Disability Insurance and Unemployment Compensation Benefits: The FY 2015 President's Budget takes other critical steps to find savings in government programs by making smart reforms that root out duplicative or wasteful spending, such as reducing an individual's DI benefit in any month in which that person also receives a state or Federal unemployment benefit. This proposal would eliminate dual benefit payments covering the same period a beneficiary is out of the workforce, while still providing a base level of income support.

Apply Treasury Offset to Retroactive Disability Insurance Payments and Reconcile OPM/SSA Retroactive Payments: The FY 2015 President's includes a legislative proposal that would apply the Treasury Offset Program (TOP) to retroactive DI payments, and separately, to resolve retroactive disability benefit coordination between OPM and SSA under the draft framework developed in CY 2010 in which SSA handles the reconciliation. The FY 2015 Budget includes $6 million in mandatory funding to cover SSA's systems implementation costs for the OPM/SSA reconciliation.

Enacted Adjustments Pursuant to the Balanced Budget and Emergency Deficit Control Act (BBEDCA) Converted to Mandatory Funding: The FY 2015 President's Budget includes a proposal to repeal the discretionary cap adjustments enacted in the Balanced Budget and Emergency Deficit Control Act, as amended by the Budget Control Act of 2011, beginning in 2016 for SSA and instead provide a dedicated, dependable source of mandatory funding for the Social Security Administration to conduct Continuing Disability Reviews (CDRs) and Supplemental Security Income (SSI) program Redeterminations. CDRs and Redeterminations help to ensure that only those beneficiaries who remain eligible for SSI or DI benefits continue to receive them. For FY 2015, recent estimates indicate that on average, every $1 spent on CDRs would save the Federal Government $9, and every $1 spent on Redeterminations would save the Federal Government more than $4. The proposal includes the creation of a new limitation account entitled Program Integrity Administrative Expenses, which will reflect mandatory funding for SSA's program integrity activities in addition to amounts provided to SSA through the Limitation on Administrative Expenses account.

Eliminate Aggressive Social Security Claiming Strategies: The FY 2015 President's Budget includes a legislative proposal that would eliminate aggressive Social Security claiming strategies, which allow upper-income beneficiaries to manipulate the timing of collection of Social Security benefits in order to maximize delayed retirement credits.

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TABLES

APPROPRIATION LANGUAGE

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, [$28,829,000] *$29,000,000*, together with not to exceed [73,249,000] *$75,622,000*, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the "Limitation on Administrative Expenses," Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: *Provided*, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any transfer.

GENERAL STATEMENT

OVERVIEW

The Fiscal Year (FY) 2015 President's Budget for the Social Security Administration (SSA) Office of the Inspector General (OIG) is $104,622,000 in total budget authority and 555 full-time equivalents (FTE). This is $2,544,000 above the funding received from the Consolidated Appropriations Act, 2014.

The FY 2015 budget request will support spending at an operating level that will allow our auditors and investigators to meet their productivity goals. The budget request will provide funding for a 555 FTE staffing level, the President's proposed 1 percent pay raise, payroll increases (e.g., within-grade increases, scheduled promotions, health benefits, etc.), and other related support costs. The budget request assumes OIG will replace some staffing losses during FY 2015, and provides ongoing support for the major initiatives already in place. OIG will continue to meet its homeland security responsibilities through audit and investigative activities that focus on strengthening the enumeration process and combating Social Security number (SSN) misuse.

Although American Recovery and Reinvestment Act of 2009 (ARRA) funding for oversight of the National Computer Center (NCC) replacement has expired, we plan to continue to oversee the building construction, final building commissioning, and the information technology (IT) migration to the new facility. We will complete reviews to address specific milestones as needed.

This FY 2015 budget includes $600,000 for training, which satisfies all FY 2015 training requirements for OIG. OIG will contribute to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) in FY 2015, and $237,000 has been requested for that purpose.

Table 4.1—Justification

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate	FY14 to FY15 Change
FTE	558	550	555	*+5*
Appropriation	$ 96,933,000	$ 102,078,000	$ 104,622,000	*+ $ 2,544,000*
Transfer Authority[1]	$3,000,000	$ 0	$ 0	$ 0
Total Obligations	$ 99,933,000	$ 102,078,000	$ 104,622,000	*+ $ 2,544,000*
Unobligated balance lapsing	$ 435,000	$ 0	$ 0	*$ 0*

ONGOING INITIATIVES

Computer Forensic Cyber-Related Investigations

OIG investigations have increasingly been linked to cyber-related activities, such as direct deposit fraud-related scams, fraudulent Internet applications for benefits, and employee computer misuse. In FY 2013, OIG's Digital Forensics Team (DFT) opened 154 forensic cases and examined over 31 terabytes of data. OIG currently has 14 trained computer forensic examiners with plans to increase our capabilities. Additionally, in FY 2014, we intend to continue our plans toward the construction and operation of an Electronic Intelligence Center (EIC) within OIG. Working alongside DFT, EIC will provide in-depth analysis and proactive analytics in support of our investigative and audit work, as well as provide direct intelligence support in furtherance of ongoing OIG investigations.

Recently, there has been a heightened awareness of the need for robust measures in the protection of government networks and the investigation of incidents of cybercrimes against those networks. The *National Security Presidential Directive 54* and the *Government's Trusted Internet Connection Initiative* prioritize the protection of government networks. OIG is a partner in the agency's effort to protect Personally Identifiable Information stored within SSA's networks. However, with the increased focus on network security, OIG must enhance its abilities in the area of Computer Security and Incident Response. OIG, by utilizing the capabilities of DFT and EIC, seeks to develop the skills and hire personnel to maintain an effective Computer Security Incident Response Team. This team will provide investigative and security support to SSA in the event of a network intrusion by determining the origin of the attack and referring the investigative lead to field investigators. To be effective, OIG must keep pace with technological advances. Our FY 2015 budget request includes funds to provide our computer forensic investigators and investigative analysts with the equipment, training, and

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[1] In FY 2013, SSA transferred $3,000,000 from its Limitation on Administrative Expenses (LAE) account to OIG's account. This transfer was to avoid OIG staff furloughs due to sequestration, and to support critical OIG operations. This transfer was made in accordance with the Consolidated Appropriations Act, 2012, Public Law (Pub. L.) 112-74, 125 Stat. 786, 1109-1110 (2011), as adopted by the Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. 113-6, Div. F, Title I, § 1101(a)(4), 127 Stat. 198, 412 (2013).

The appropriation language for SSA's FY 2013 budget provided authority to transfer from LAE to OIG "an amount not to exceed 3 percent of the total provided in this appropriation…." This transfer language has been included in all enacted appropriation language since FY 1998.

software needed to strengthen our computer forensics capabilities and thereby combat computer crimes. For example, we plan to use data analysis tools to identify trends and patterns that may be indicative of disability fraud.

Cooperative Disability Investigations

In continuance of OIG's commitment to work with SSA to prevent improper payments, OIG continues to participate with SSA, as well as State Disability Determination Services (DDS), and State/local law enforcement partners, in the Cooperative Disability Investigations (CDI) program. The CDI program currently has 25 units in 21 States and the Commonwealth of Puerto Rico. In FY 2013, the CDI program resulted in over 4,100 confirmed fraud cases, and over $340 million in SSA savings. The Acting Commissioner of SSA has granted approval to begin the process of opening up to seven new CDI units throughout the country in FY 2014. The seven new CDI units will be opened in States that currently do not have CDI units.

Allegation Management and Fugitive Enforcement

The Allegation Management and Fugitive Enforcement Division (AMFED) is responsible for receiving, analyzing, and referring allegations of fraud, waste, and abuse in Social Security programs and operations. AMFED is also responsible for managing the fugitive warrant verification and referral process for Social Security's fugitive enforcement operations.

In FY 2013, these processes contributed significantly to the mission of OIG and SSA. AMFED received 6,034 allegations. Through the development of referred allegations, SSA identified $2,736,585 in benefit overpayments. AMFED matched 128,494 fugitive subjects from incoming Federal, State, and local warrant files and referred them to law enforcement for apprehension and warrant verification. AMFED referred 1,032 fugitive subjects for benefit suspension. Through data-sharing efforts, 342 fugitives were apprehended.

Civil Monetary Penalty Program

OIG improves SSA program integrity through its administration of the Civil Monetary Penalty (CMP) enforcement statutes. This authority, delegated by the Commissioner of Social Security, allows OIG to impose CMPs against violators of Sections 1129 and 1140 of the *Social Security Act*. Section 1129 of the Act allows for the imposition of a CMP against those who make false statements, representations, or omissions in connection with obtaining or retaining Disability Insurance benefits or Supplemental Security Income (SSI) payments. Section 1129 also allows for CMPs against representative payees who misuse benefits or payments. Section 1140 of the Act enables OIG to impose penalties against individuals or entities that use SSA's program words, letters, symbols, or emblems in advertisements or other communications in a misleading manner that falsely implies SSA's approval, endorsement, or authorization. In FY 2013, OIG's CMP program successfully closed 280 Section 1129 cases, resulting in penalties and assessments of over $15.3 million; and 80 Section 1140 cases, resulting in penalties of over $164,000.

SSA'S SIGNIFICANT MANAGEMENT ISSUES

OIG annually identifies the most significant management issues facing SSA based on congressional mandates and its audit and investigative work. These issues are:
1. Strengthen Strategic and Tactical Planning
2. Improve Customer Service

3. Improve the Timeliness and Quality of the Disability Process
4. Improve Transparency and Accountability
5. Invest in Information Technology Infrastructure to Support Current and Future Workloads
6. Reduce Improper Payments and Increase Overpayment Recoveries
7. Reduce the Hearings Backlog and Prevent its Recurrence
8. Strengthen the Integrity and Protection of the Social Security Number

A summary of each is discussed below:

Issue #1: Strengthen Strategic and Tactical Planning
While near-term planning is important, SSA needs long-range plans that address its long-term challenges, including a rising workload, a decrease in experienced staff, complex program policies, and a rising need to provide more services electronically. In our FY 2011 report, *The Social Security Administration's Customer Service Delivery Plan*, we concluded SSA did not have a long-term customer service delivery plan. We noted that SSA must develop a plan that serves as a roadmap for ensuring the agency is technologically and structurally prepared with appropriate staff to operate its programs in the future. SSA published a Service Delivery Plan in February 2013, but it did not comprehensively describe the service options it will offer in the future or the resources needed to do so.

The number of individuals filing for benefits has increased, and SSA predicts it will continue increasing in coming years. Over the next 20 years, nearly 75 million people aged 62 and older will start receiving retirement benefits. The population applying for benefits will expect SSA to provide a greater number of services electronically. SSA realizes it needs to rely more on technology to meet customer expectations and keep up with a rising workload. As workloads rise, a greater proportion of SSA's workforce will become eligible to retire. Of the 60,771 full- and part-time permanent SSA employees on duty as of September 30, 2013, 21.6 percent were eligible to retire under the regular retirement option in FY 2013. In FY 2017, 33 percent of those employees will be eligible to retire, and, by FY 2022, this number will increase to 45 percent. Given the expectation of leaner future budgets, SSA needs to plan to meet its mission with fewer resources. SSA's Agency Strategic Plan (ASP) for FY 2013 – FY 2016 and its Information Resources Management Strategic Plan for FY 2012 – FY-2016 are near-term planning documents that do not provide plans on how SSA will address its challenges over the next 10 to 20 years and beyond. Both OIG and the Social Security Advisory Board have called for increased long-term planning to address SSA's future challenges.

At a time when SSA needs to plan to do more with less, the Board believes SSA lacks long-term plans in a number of critical areas. In its March 2011 report, *The Social Security Administration: A Vision of the Future - The First Steps on the Road to 2020*, the Social Security Advisory Board concluded that SSA needed to develop an innovative service delivery plan that reflected the service options currently available and anticipate those that will emerge in the next 10 years. It recommended that SSA take multiple steps to ensure success in 2020, including rethinking its service delivery strategy, performing a comprehensive review of program policy to reduce complexity, establishing a Systems Modernization Plan, and developing a Human Capital Plan.

In our June 2009 report, *The Social Security Administration's Information Technology Strategic Planning*, we stated that SSA did not have a comprehensive Agency Information Infrastructure Plan to meet potential processing needs for the next 20 years or that would allow the agency to

recover quickly if one or more major component of its processing infrastructure failed or was destroyed. While SSA has an IT planning process, it is decentralized, and SSA officials agreed it needed to be strengthened.

Issue #2: Improve Customer Service
The agency faces several challenges as it pursues its mission to deliver Social Security services that meet the changing needs and demographics of the American public. On average each day, almost 182,000 people visit SSA field offices, and more than 445,000 people call SSA for a variety of services, such as filing a claim, updating information, and asking questions. In FY 2013, SSA completed over 5 million retirement, survivor, and Medicare claims; over 3.1 million Social Security and SSI initial disability claims; and 231,000 SSI aged claims. Over the last 3 years, SSA has lost over 11,000 employees. The Acting Commissioner reports these losses have occurred unevenly nationwide, threatening some offices' viability.
The projected retirement of its employees continues to present a challenge to SSA's customer service capability. SSA estimates that about 45 percent of its employees, including 60 percent of its supervisors, will be eligible to retire by FY 2022. SSA also projects it will lose more than 2,000 employees annually over the next 10 years, because of retirement. This loss of institutional knowledge may adversely affect SSA's ability to deliver the quality service the public expects. In its May 2013 report on management challenges SSA faces in meeting its mission-related objectives, Government Accountability Office noted that SSA has not updated its succession plan since 2006.

Changing Customer Expectations: Technology is rapidly changing, and the public expects to complete more business with SSA online. Internet services and the use of mobile devices and social media continue to increase. At the same time, the nation is becoming more diverse. The Census Bureau projects the U.S. Hispanic population will nearly triple, from 46.7 to 132.8 million, between 2008 and 2050. As SSA enhances its service delivery strategies, it must consider the increasing multilingual and multicultural population it serves.

Direct Deposit: SSA uses direct deposit for about 98 percent of Social Security benefits and 94 percent of SSI payments. In October 2011, we began tracking allegations that indicated individuals other than the beneficiaries or their representatives had directed benefit payments away from the beneficiaries' bank accounts. As of September 30, 2013, we had received over 42,000 reports concerning inappropriate changes to beneficiaries' direct deposit accounts. To date, our investigative efforts have resulted in 10 criminal convictions, and we continue to pursue viable investigative leads in cases across the country.

Representative Payment Program: Providing oversight to ensure representative payees properly manage the Social Security benefits and SSI payments of vulnerable beneficiaries and recipients is a critical customer service performed by SSA. SSA appoints representative payees to receive and manage the benefits of beneficiaries and recipients who are incapable of managing or directing the management of their finances because of their age or mental or physical impairment. SSA reported approximately 5.9 million representative payees serve approximately 8.4 million beneficiaries and recipients and manage about $72 billion in payments. Our audits and investigations continue identifying problematic representative payees. For example, in FY 2013, we issued four audits of individual or organizational representative payees and found several issues with each payee. In addition, we issued the report, *Disabled Individuals with*

Mental Impairments Acting as Representative Payees, where we questioned the suitability of 37 percent of the representative payees in our sample.

Issue #3: Improve the Timeliness and Quality of the Disability Process

SSA needs to address millions of initial disability and reconsideration claims, as it continues to have backlogs of initial disability claims and continuing disability reviews (CDR). Over the past 2 years, SSA has received a large influx of initial and reconsideration claims. It received about 3.2 million initial and 832,000 reconsideration claims in FY 2012 and approximately 3 million initial and 784,000 reconsideration claims in FY 2013. As a result, SSA had a large number of initial claims pending completion. As of September 2013, SSA had over 698,000 initial disability claims pending.

In addition to increased receipts, some DDSs are facing high attrition rates, hiring freezes, and employee furloughs, which affect SSA's ability to process its disability workload. Because of State hiring freezes, some DDSs are not allowed to replace lost staff. For example, at the end of FY 2013, Nevada was still furloughing DDS employees.

Further, in our March 2010 report on Full Medical Continuing Disability Reviews, we stated that SSA estimated a backlog of over 1.5 million medical CDRs at the end of FY 2010. As a result, we estimated that from Calendar Years 2005 through 2010, SSA made benefit payments of between $1.3 and $2.6 billion that it could have avoided had State DDSs conducted the medical CDRs when they were due. SSA had a backlog of 1.2 million medical CDRs at the end of FY 2012. As of the end of FY 2013, SSA had a backlog of 1.3 million medical CDRs. In November 2010, SSA released its Strategy to Address Increasing Initial Disability Claim Receipts to reduce the initial claims backlog to a pre-recession level of 525,000 by FY 2014. The multi-year Strategy included:

- increasing staffing in the DDS and Federal disability processing components;

- improving efficiency through automation;

- expanding the use of screening tools to assist in identifying claims likely to be allowed; and

- refining policies and business processes to expedite case completion.

As part of the Strategy, SSA created Extended Service Teams, in Arkansas, Mississippi, Oklahoma, and Virginia, to assist States by taking claims from those with the highest pending levels. In FY 2010, SSA hired 237 additional employees in the Federal disability processing components that support the DDSs. SSA also provided funding for States to hire additional DDS employees. In total, SSA gained more than 2,600 DDS employees in FYs 2009 and 2010. However, SSA did only limited critical hiring from FYs 2011 to 2013. As a result, SSA lost over 2,800 DDS employees from FYs 2011 to 2013. With the loss of DDS employees and a high level of initial disability claims receipts in FY 2013, SSA no longer expects to achieve an initial claims pending level of 525,000 by FY 2014. In fact, pending initial disability claims rose to over 698,000 in FY 2013. We are reviewing the actions SSA is taking to address the initial disability claims backlog.

The agency is developing a Disability Case Processing System (DCPS), which is one single system that will replace the existing 54 systems that support the DDSs. DCPS will integrate case analysis tools and health IT. A common case processing system will help SSA timely distribute policy changes. Per SSA, it will provide consistent case processing abilities between the DDSs, which should have a positive effect on processing times and the consistency of disability decisions. SSA began testing the initial version of DCPS in the Idaho DDS in September 2012. In FY 2013, SSA tested, trained, and implemented the second software release to the Idaho and Illinois DDSs. SSA expects to test additional software releases in two other DDSs in FY 2014, with expanded implementation through FY 2016.

Issue #4: Improve Transparency and Accountability
SSA faces a number of challenges ensuring accountability, including concerns over its internal controls, systems security, and administrative cost allocations. The FY 2013 *Independent Auditor's Report* contained two significant deficiencies in internal control, summarized below.

Calculation, Recording, and Preventing Overpayments: In FY 2012, the auditor reported a significant deficiency related to Benefit Payment Oversight. In FY 2013, the auditor did not identify this significant deficiency. However, it identified three deficiencies in internal control that, when aggregated, were considered to be a significant deficiency in internal controls related to calculation, recording, and prevention of overpayments. Specifically, the auditor noted calculations errors in 38 percent of the overpayment items selected in a statistical sample. Although the impact of these errors was not deemed material, these errors evidence further control weaknesses in the overpayment process. In addition, SSA has a system limitation where overpayment installments extending past year 2049 are not tracked and reported systematically. Finally, SSA was not reconciling data between systems to detect discrepancies, which could lead to payment errors.

Information System Controls: In FYs 2010 and 2011, the auditor reported a significant deficiency in SSA's internal control over information security in its *Opinion on Management's Assertion about the Effectiveness of Internal Control*. In FY 2012, the auditor escalated the deficiency and determined there was a material weakness in internal control related to information security in the areas of monitoring, logical access, and configuration controls. It is the auditor's opinion that SSA made significant progress in strengthening controls over its information systems to address the material weakness reported in FY 2012.

While SSA made these significant efforts to strengthen controls over its systems and address weaknesses, the auditor's FY 2013 testing continued to identify control issues in both design and operation of key controls. In this audit, the auditor identified four deficiencies that, when aggregated, are considered to be a significant deficiency in the areas of information systems controls. The deficiencies noted were in the following areas:

- Threat Identification and Vulnerability Management;

- Change Management;

- Mainframe Security; and

- Access Controls/Segregation of Duties.

We also believe SSA can bring greater accountability to its administrative cost allocation. The *Social Security Act* (Pub. L. No. 74-271) authorizes SSA to allocate administrative costs to the four trust funds for which it provides administrative support: Retirement and Survivors, Disability, Hospital, and Supplementary Medical Insurance. SSA uses its Cost Analysis System (CAS) to allocate administrative costs to these four trust and general fund programs administered by SSA, such as the SSI program.

In FY 2012, our contractor completed a series of audits that examined SSA's CAS. Our contractor found CAS had certain risks that SSA needed to address to ensure it provided viable calculations of SSA's administrative costs. For example, SSA had not updated the CAS cost allocation methodology in over 30 years to account for changes in business processes, system technology, or Federal accounting standards. The failure to periodically revisit and update the cost allocation methodology could result in costing assumptions and cost factors that are no longer valid or accurate. Consequently, the equitable and appropriate allocation of SSA's administrative costs to the trust funds could be at risk.

Issue #5: Invest in Information Technology Infrastructure to Support Current and Future Workloads
SSA faces the challenge of how best to use technology to meet its increasing workloads with limited budgetary and human resources. Further, SSA will not be able to manage its current and future workloads without the proper IT infrastructure. The agency uses a variety of technologies, including telephone service, the Internet, and videoconferencing, to deliver service to its customers. We have concerns regarding the agency's IT physical infrastructure; development and implementation of secure electronic services; and logical access controls and security of sensitive information.

SSA's NCC, built in 1979, houses the infrastructure that supports the Social Security programs provided to the public and other services provided to Federal, State, international, and private agencies. Increased workloads and growing telecommunication services have strained the NCC's ability to support the agency's business. SSA's primary IT investment over the next few years is replacing the NCC. However, the agency has projected that its new facility will not be operational until 2016.

SSA's FY 2009, 2010, and 2011 Financial Statement Audits identified a significant deficiency in the agency's controls over access to its sensitive information. For example, SSA did not consistently comply with policies and procedures to periodically reassess the content of security access given to its employees and contractors. Moreover, some employees and contractors had greater access to systems than they needed to perform their jobs. Additionally, certain configurations increased the risk of unauthorized access to key financial data and programs. The FY 2012 Financial Statement Audit identified additional concerns and raised the significant deficiency to a material weakness. While SSA made significant efforts to strengthen controls over its systems and address weaknesses, the auditor's FY 2013 testing continued to identify control issues in both design and operation of key controls. In its audit, the auditor identified four deficiencies that, when aggregated, are considered to be a significant deficiency in the areas of Information Systems Controls.

SSA must provide additional electronic services to meet its customers' growing needs. For FY 2012, SSA had a goal to have 42 percent of its fourth quarter claims filed online. For FY 2013, the fourth quarter goal for online claims was 48 percent. During the fourth quarter of FY 2012, agency customers filed 44 percent of claims online. During the fourth quarter of FY 2013, agency customers filed 51 percent of claims online. While expanding its inventory of electronic services, the agency needs to ensure its existing and future electronic services are secure. In January 2013, SSA expanded its *my* Social Security online portal; however, fraudulent accounts were established to redirect Social Security benefits to unauthorized bank accounts. As of the end of FY 2013, we had received—from SSA and other sources—more than 22,000 fraud allegations related to *my* Social Security accounts.

Issue #6: Reduce Improper Payments and Increase Overpayment Recoveries
Workers, employers, and taxpayers who fund SSA's programs deserve to have their tax dollars effectively managed. As a result, SSA must be a responsible steward of the funds entrusted to its care and minimize the risk of making improper payments. SSA strives to balance its service commitments to the public with its stewardship responsibilities. However, given the size and complexity of the programs the agency administers some payment errors will occur. SSA is responsible for issuing over $800 billion in benefit payments annually to about 60 million people. Given the large overall dollars involved in SSA's payments, even the slightest error in the overall process can result in millions of dollars in over- or underpayments.

SSA is one of the Federal agencies with a large amount of improper payments. In FY 2012, the last FY for which data were available, SSA reported about $6.8 billion in over- or underpayments, and the agency incurred an administrative cost of $0.07 for every overpayment dollar it collected. Further, SSA needs to adhere to requirements in Executive Order 13520 – *Reducing Improper Payments* – and the *Improper Payments Elimination and Recovery Act of 2010* (IPERA) (Pub. L. No. 111-204) to address improper payments. Additionally, the Office of Management and Budget (OMB) recently issued guidance on implementing IPERA (Publ. L. No. 112-248), so SSA will need to take additional actions related to reducing improper payments.

One of the major causes of improper payments in the Old-Age, Survivors, and Disability Insurance program is benefit computation error. SSA has developed automated tools to address the more troublesome computation issues. Another major cause of improper payments in the SSI program is recipients' failure to provide accurate and timely reports of new or increased wages. In response, SSA developed a monthly wage reporting system incorporating touch-tone and voice recognition telephone technology. SSA also implemented its Access to Financial Institutions project to reduce SSI payment errors by identifying undisclosed financial accounts with balances that placed recipients over the SSI resource limit.

The CDR is a powerful tool for reducing improper payments. Through completion of CDRs, SSA periodically verifies that individuals are still disabled and eligible for disability payments. Available data indicate that SSA saves about $9 for every $1 spent on CDRs, including Medicare and Medicaid program effects.

Issue #7: Reduce the Hearings Backlog and Prevent its Recurrence

The agency's first goal in its FY 2008-2013 ASP is to eliminate the hearings backlog and prevent its recurrence. Specifically, the agency's goal was to reduce the number of pending hearings to 466,000 cases, and reduce the average processing time to 270 days by the end of FY 2013. However, SSA did not achieve the backlog goal since there were about 848,000 pending claims at the end of FY 2013, and the average processing time for hearing cases during FY 2013 was 382 days.

In a FY 2011 report, we stated that the agency would meet its hearings backlog goal if it accurately predicted administrative law judge (ALJ) productivity and availability, the number of hearing receipts, and senior attorney adjudicator (SAA) decisions. While ALJ productivity and availability were within a few percentage points of agency projections, hearing receipts exceeded agency projections by 15 percent or more each year, and there were fewer SAA decisions than anticipated in FYs 2012 and 2013.

The agency dropped the 466,000 pending claims backlog goal from its FY 2013-2016 ASP and focused instead on reducing the average wait time for a hearing decision to 270 days by the end of FY 2013. While the agency did not meet the 270-day goal, it has reduced the average wait times. For example, average processing time in FY 2008 was 514 days; by the end of FY 2013, it was 382 days.

Adjudicatory Capacity In FY 2007, the agency issued an interim final rule allowing SAAs to issue fully favorable on-the-record decisions, thereby conserving ALJ resources for the more complex cases that require a hearing. In our June 2013 report on the *Effects of the Senior Attorney Adjudicator Program on Hearing Workloads*, we stated that while the SAA Program contributed to an increase in adjudicative capacity and improved average processing time over the years, the number of SAA on-the-record decisions had been declining, and the quality of these decisions had dropped. We recommended the agency evaluate the benefits of conducting focused quality reviews on ALJ and SAA on-the-record decisions. In this way, common on-the-record issues can be identified and appropriate training developed. The agency agreed with our recommendation and stated it planned to conduct a focused quality review using a consistent set of criteria to gain a better understanding of the issues identified with the ALJs on-the-record decisions compared to SAA on-the-record decisions. Moreover, since we completed our audit, the agency instituted a new pilot program to restrict the types of cases reviewed by SAAs, which is also expected to reduce the number of SAA on-the-record decisions.

Management Oversight: Our January 2013 audit, *Identifying and Monitoring Risk Factors at Hearing Offices*, highlighted the agency's efforts to identify problematic workload trends among ALJs. We recommended that this new monitoring approach be made a permanent part of management oversight and the agency create additional monitoring of hearing office trends that may identify potential processing and management problems. In addition, we identified case rotation problems at hearing offices in a March 2013 audit, *Hearing Office Case Rotation among Administrative Law Judges*. We recommended that the agency continue monitoring hearing offices that had rotation issues and remind hearing office managers that ALJ coverage of remote sites should be consistent with its rotation policy.

In the agency's FY 2013-2016 ASP, SSA identified four strategies to achieve its hearings timeliness goal:

- eliminate the oldest cases first;

- expedite cases that do not require a hearing;

- enhance electronic tools that improve productivity and quality; and

- target national resources to meet workload demands.

Issue #8: Strengthen the Integrity and Protection of the Social Security Number
Protecting the SSN and properly posting the wages reported under SSNs are critical to ensuring eligible individuals receive the full benefits they are due. In FY 2013, SSA completed approximately 5.8 million original and 10.3 million replacement SSN cards. In addition, the agency received and processed about 250 million wage items, totaling approximately $5.7 trillion in earnings. Protecting the SSN and properly posting the wages reported under SSNs are critical to ensuring SSN integrity and eligible individuals receive the full benefits due them.

The SSN is heavily relied on as an identifier and is valuable as an illegal commodity. Accuracy in recording workers' earnings is critical because SSA calculates future benefit payments based on the earnings an individual accumulates over his/her lifetime. As such, properly assigning SSNs only to those individuals authorized to obtain them, protecting SSN information once the agency assigns the numbers, and accurately posting the earnings reported under SSNs are critical SSA missions.

SSN Misuse: To its credit, SSA has implemented numerous improvements in its enumeration process. However, given the preponderance of SSN misuse and identity theft in U.S. society, we continue to believe protection of this critical number is a considerable challenge for SSA. Unfortunately, once SSA assigns an SSN, it has no authority to control the collection, use, and protection of the number by other public and private entities. Our audit and investigative work have shown that the more SSNs are unnecessarily used, the higher the probability that they could be used to commit crimes throughout society. The Federal Trade Commission has estimated that as many as 10 million Americans have their identities stolen each year.

Earnings: SSA's programs depend on earnings information to determine whether an individual is eligible for benefits and to calculate the amount of benefit payments. Properly posting earnings ensures eligible individuals receive the full retirement, survivors, and/or disability benefits due them. If employers report earnings information incorrectly or not at all, SSA cannot ensure all individuals entitled to benefits are receiving the correct payment amounts.

SSA spends scarce resources correcting earnings data when employers report incorrect information. The Earnings Suspense File (ESF) is the agency's repository of wage reports on which wage earners' names and SSNs fail to match SSA's records. Per the latest available data, the ESF had accumulated over $1.1 trillion in wages and 326 million wage items for Tax Years 1937 through 2011. In Tax Year 2011 alone, 7.1 million wage items representing $70 billion were posted to the ESF. From Tax Years 2001 to 2011, the ESF grew by approximately $734.5 billion in wages and 91.9 million wage items, representing about 70

percent of the total wages in ESF and 28.1 percent of the total wage items in ESD are from this time period.

We are concerned about the size and growth of the ESF as it reached over $1 trillion in wages. Therefore, in 2014, we plan to review the steps SSA has taken to reduce the ESF's size and growth.

MONETARY BENEFITS

In FY 2013, OIG issued 94 audit reports with recommendations, identifying over $886 million in questioned costs and over $658 million in Federal funds that could be put to better use. OIG also received over 141,000 allegations of fraud, effected over 1,300 criminal prosecutions, and obtained a return of over $511 million in investigative accomplishments, comprised of over $107 million in SSA recoveries, restitutions, fines, settlements, and judgments, and over $404 million in projected SSA savings. Our FY 2015 funding will enable us to issue timely reports, provide training required by Government Auditing Standards, and cover mission-critical travel.

STRATEGIC PLANNING

FY 2013 was the third year under OIG's 5-year Strategic Plan (FY 2011-FY 2015). OIG operates within a framework set by three general goals: the *Impact* OIG's investigations, audits, and legal activities have on SSA's effectiveness and efficiency; the *Value* OIG brings to SSA, Congress, and the public; and the strategies OIG uses to cultivate the talents of its *People*. These general goals are further broken down into 15 separate performance measures. All of these measures are designed to support OIG's core mission to inspire public confidence by detecting and preventing fraud, waste, and abuse in SSA's programs and operations. For FY 2013, OIG successfully met or exceeded 14 out of 15 performance measures. The specific results for FY 2013 are as follows:

Table 4.2—2013 Performance Measure Results

Goal	Target	Result
Impact		
1. Maintain an annual acceptance rate of at least 88% for all audit recommendations.	88%	**91%**
2. Achieve a 5-year average implementation rate of 85% for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.	85%	**86%**
3. Ensure at least 80% of all cases opened during the FY directly relate to improper payments within SSA's Title II and Title XVI Programs.	80%	**94%**
4. Achieve a successful conclusion on at least 75% of all Title II and Title XVI cases closed during the FY.	75%	**89%**
Value		
5. Generate a positive return of $8 for every tax dollar invested in OIG activities.	$8 to 1	**$20 to 1**
6. Evaluate and respond to 90% of all allegations received within 45 days.	90%	**96%**
7. Complete investigative fieldwork on 75% of all cases within 180 days.	75%	**91%**
8. Respond to 95% of constituent-based congressional inquiries within 21 days.	95 %	**100%**
9. Take action on 90% of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.	90%	**99%**
10. Achieve a positive external user assessment rating of 85% for product service quality.	85%	**95%**
11. Issue 85% of final audit reports within 1 year of the entrance conference with SSA.	85%	**94%**
12. Complete 85% of requests for legal advice and review within 30 days.	85%	**99%**
People		
13. Achieve an annual attrition rate of 5% or less.	≤5 %	**4%**
14. Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvements are needed. (Improvement is indicated when the score of any of the 12 questions relating to job satisfaction is ≤ 75%.)	75%	**69%**
15. Ensure that 90% of OIG staff receives 40 or more hours of appropriate developmental and skill enhancement training annually.	90%	**97%**

TRANSFER AUTHORITY

The budget request includes language providing authority to transfer an amount of up to 3 percent of the total OIG appropriation from SSA's LAE appropriation. This language provides the flexibility to meet unanticipated funding requirements and to ensure that adequate resources are available to meet program objectives. The request is consistent with similar authority to transfer funds between appropriations provided to other departments and agencies in appropriation language.

BUDGETARY RESOURCES

The OIG annual appropriation consists of appropriations from both the general fund and the trust funds. The President's budget request for FY 2015 consists of $29,000,000 appropriated from the general fund and $75,622,000 which will be transferred and expended as authorized by Section 201(g) (1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

Table 4.3—Amounts Available for Obligation
(in thousands)

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
General Funds Annual Appropriation	$ 27,376	$ 28,829	**$ 29,000**
Trust Funds Annual Transfer	$ 69,557	$ 73,249	**$ 75,622**
Total Appropriation	**$ 96,933**	**$ 102,078**	**$ 104,622**
Transfer Authority[1]	$3,000	$0	$0
Total Budgetary Resources	**$ 99,933**	**$ 102,078**	**$ 104,622**
Total Obligations	**$ 99,498**	**$ 102,078**	**$ 104,622**
Unobligated balance lapsing	$ 435	$ 0	**$ 0**

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[1] In FY 2013, SSA transferred $3,000,000 from its LAE account to OIG's account. This transfer was to avoid OIG staff furloughs due to sequestration, and to support critical OIG operations. This transfer was made in accordance with the Consolidated Appropriations Act, 2012, Pub. L. 112-74, 125 Stat. 786, 1109-1110 (2011), as adopted by the Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. 113-6, Div. F, Title I, § 1101(a)(4), 127 Stat. 198, 412 (2013).

The appropriation language for SSA's FY 2013 budget provided authority to transfer from LAE to OIG, "an amount not to exceed 3 percent of the total provided in this appropriation.…" This transfer language has been included in all enacted appropriation language since FY 1998.

ANALYSIS OF CHANGES

The FY 2015 request represents a $2,544,000 increase over the FY 2014 estimate. These increases can be attributed to an increase in base expenses for employee salaries and benefits, to include the President's proposed 1 percent pay increase and for related support costs.

Table 4.4—Summary of Changes

	FY 2014 Estimate	FY 2015 Estimate	FY14 to FY15 Change
General Fund Appropriation	$ 28,829,000	$ 29,000,000	+ $171,000
Trust Fund Appropriation	$ 73,249,000	$ 75,622,000	+ $ 2,373,000
Total Appropriation	**$ 102,078,000**	**$ 104,622,000**	**+ $ 2,544,000**
Transfer Authority	$ 0	$ 0	$ 0
Total Obligations	**$ 102,078,000**	**$104,622,000**	**+ $ 2,544,000**

Table 4.5—Explanation of OIG Budget Changes

	FY 2014 Base		Change from Base	
	WYs (FTEs)	Budgetary Resources	WYs (FTEs)	Budgetary Resources
BUILT-IN INCREASES				
Base Payroll Expenses	**553 (550)**	$ 88,552,000	*+5 (5)*	
• *Change in base payroll expenses related to career ladder promotions and within-grade increases*	- - -	- - -	- - -	*+ $ 2,724,000*
• *Change in base expenses for employee benefits including health benefits and new employees hired under the Federal Retirement Employees System*	- - -	- - -	- - -	*+ $ 1,008,000*
• *All other payroll changes, including overtime and awards*	- - -	- - -	- - -	- - -
Non-Payroll Costs - All other built-in nonpayroll changes, including ARRA, travel management support and equipment	- - -	$ 7,271,000	- - -	- - -
• **Rent**	- - -	$ 6,000,000	- - -	- - -
• **CIGIE Contribution**	- - -	$255,000	- - -	- - -
Subtotal, Built-in increases	**553 (550)**	**$ 102,078,000**	*+5 (5)*	*+$3,732,000*
PROGRAM INCREASES				
Increase for operations and maintenance of facilities and equipment	- - -	- - -	- - -	*$ 0*
Subtotal, Program Increases	- - -	- - -	- - -	*$ 0*
Total Increases	**553 (550)**	**$ 102,078,000**	*+5 (5)*	*+$3,732,000*

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	FY 2014 Base		Change from Base	
	WYs (FTEs)	**Budgetary Resources**	**WYs (FTEs)**	**Budgetary Resources**
BUILT-IN DECREASES				
Base Payroll Expenses—Decrease in all other payroll costs	**553 (550)**	$ 88,552,000	*+5 (5)*	- - -
Non-Payroll Costs	- - -	- - -	---	*0*
Rent	- - -	$ 6,000,000	---	*-$ 200,000*
CIGIE Contribution	- - -	$ 255,000	---	*-$ 18,000*
Subtotal, Built-in decreases	- - -	**$ 94,807,000**	- - -	*-$ 218,000*
PROGRAM DECREASES	- - -	- - -	- - -	- - -
Decrease in costs for training, other support, services, and supplies	- - -	$ 7,271,000	- - -	*-$ 970,000*
Subtotal, Program Decreases	- - -	**$ 7,271,000**	- - -	*-$ 970,000*
Total Decreases	- - -	**$ 102,078,000**	- - -	*- $ 1,188,000*
Net Change	**553 (550)**	**$ 102,078,000**	*+5 (5)*	*+$ 2,544,000*

BUDGET AUTHORITY BY ACTIVITY

The table below displays budget authority, split by type of funding, and obligations. This table also includes FTEs.

Table 4.6—Budget Authority by Activity
(in thousands)

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate
General Funds	$ 27,376	$ 28,829	$29,000
OASDI Trust Fund Transfers	$ 69,557	$ 73,249	$ 75,622
Total Appropriation	**$ 96,933**	**$ 102,078**	**$ 104,622**
Transfer Authority[1]	$ 3,000	$ 0	$ 0
Total Budgetary Authority	**$ 99,933**	**$ 102,078**	**$ 104,622**
Obligations	**$ 99,498**	**$ 102,078**	**$ 104,622**
Unobligated balance lapsing	$ 435	$ 0	$ 0
FTEs	558	550	555

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[1] In FY 2013, SSA transferred $3,000,000 from its LAE account to OIG's account. This transfer was to avoid OIG staff furloughs due to sequestration, and to support critical OIG operations. This transfer was made in accordance with the Consolidated Appropriations Act, 2012, Pub. L. 112-74, 125 Stat. 786, 1109-1110 (2011), as adopted by the Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. 113-6, Div. F, Title I, § 1101(a)(4), 127 Stat. 198, 412 (2013).

The appropriation language for SSA's FY 2013 budget provided authority to transfer from LAE to OIG "an amount not to exceed 3 percent of the total provided in this appropriation…." This transfer language has been included in all enacted appropriation language since FY 1998.

BUDGET RESOURCES BY OBJECT

The table below displays the breakdown of budget resources by object class.

Table 4.7—Budget Resources by Object

	FY 2013	FY 2014	FY 2015	*FY14 to FY15 Change*
Full-time permanent	$ 63,389,000	$ 63,748,000	**$ 66,448,000**	*+ $ 2,700,000*
Other than full-time permanent	$ 565,000	$ 595,000	**$ 620,000**	*+ $ 24,000*
Other compensation	$ 223,000	$ 300,000	**$ 300,000**	*$ 0*
Subtotal, Personnel Compensation	$ 64,177,000	$ 64,643,000	**$ 67,367,000**	*+ $ 2,724,000*
Civilian personnel benefits	$ 24,633,000	$ 23,909,000	**$ 24,917,000**	*+$ 1,008,000*
Total, Compensation and Benefits	$ 88,810,000	$ 88,552,000	**$ 92,284,000**	*+ $ 3,732,000*
Travel	$ 2,509,000	$ 2,250,000	**$ 2,250,000**	*$ 0*
Transportation of things	$ 41,000	$ 60,000	**$ 60,000**	*$ 0*
Rental payments to GSA	$ 5,220,000	$ 5,620,000	**$ 5,640,000**	*+ $20,000*
Rental payments to others	$ 99,000	$ 80,000	**$ 60,000**	*- $ 20,000*
Communications, utilities, and others	$ 250,000	$ 300,000	**$ 100,000**	*- $ 200,000*
Printing and reproduction	$ 1,000	$ 5,000	**$ 2,000**	*-$ 3,000*
Other services	$ 1,823,000	$4,001,000	**$ 3,171,000**	*- $ 830,000*
Supplies and materials	$ 176,000	$ 325,000	**$ 300,000**	*- $ 25,000*
Equipment	$ 610,000	$ 1,095,000	**$ 1,000,000**	*-$ 95,000*
Insurance Claims	$ 2,000	$ 0	**$ 5,000**	*+$ 5,000*
Adjustments	-$ 43,000	-$ 210,000	**-$ 250,000**	*- $ 40,000*
Total Budgetary Resources	**$ 99,498,000**	**$ 102,078,000**	**$ 104,622,000**	***+ $ 2,544,000***

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BACKGROUND

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AUTHORIZING LEGISLATION

The Office of the Inspector General is authorized necessary expenses to carry out the provisions of the Inspector General Act of 1978.

Table 4.8—Authorizing Legislation

	FY 2014 Authorized	FY 2014 Enacted	FY 2015 Authorized	FY 2015 Estimate
Office of the Inspector General (P.L. 103-296)	$102,078,000	$ 102,078,000	Indefinite	$ 104,622,000

APPROPRIATION HISTORY

The table below displays the President's budget request, amounts passed by the House and Senate, and the actual amount appropriated for the period FY 2004 to FY 2015.

Table 4.9—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Subcommittee Passed	Enacted Appropriation
General Funds	$ 25,000,000	$ 24,500,000	$ 20,863,000	**$ 24,355,400**
Trust Funds	$ 65,000,000	$ 63,700,000	$ 61,597,000	**$ 63,324,200**
2004 Total	$ 90,000,000	$ 88,200,000[1]	$ 82,460,000[2]	**$ 87,679,600[3]**
General Funds	$ 26,000,000	$ 25,748,000	$ 26,000,000	**$ 25,542,000**
Trust Funds	$ 66,000,000	$ 65,359,000	$ 66,000,000	**$ 64,836,100**
2005 Total	$ 92,000,000	$ 91,107,000[4]	$ 92,000,000[5]	**$ 90,378,100[6]**
General Funds	$ 26,000,000	$ 26,000,000	$ 26,000,000	**$ 25,740,000**
Trust Funds	$ 67,000,000	$ 66,805,000	$ 67,000,000	**$ 65,736,000**
2006 Total	$ 93,000,000	$ 92,805,000[7]	$ 93,000,000[8]	**$ 91,476,000[9]**
General Funds	$ 27,000,000	$ 26,435,000	$ 25,740,000	**$ 25,902,000**
Trust Funds	$ 69,000,000	$ 67,976,000	$ 65,736,000	**$ 66,149,000**
2007 Total	$ 96,000,000	$ 94,411,000[10]	$ 91,476,000[11]	**$ 92,051,000[12]**
General Funds	$ 27,000,000	$ 27,000,000	$ 28,000,000	**$ 25,988,901**
Trust Funds	$ 68,047,000	$ 68,047,000	$ 68,047,000	**$ 65,926,000**
2008 Total	$ 95,047,000	$ 95,047,000[13]	$ 96,047,000[14]	**$ 91,914,901[15]**
General Funds	$ 28,000,000	- - -	$ 28,000,000	**$ 28,000,000**
Trust Funds	$ 70,127,000	- - -	$ 70,127,000	**$ 70,127,000**
2009 Total	$ 98,127,000	- - -[16]	$ 98,127,000[17]	**$ 98,127,000[18]**
ARRA[19]	N/A	N/A	N/A	**$ 2,000,000**
General Funds	$ 29,000,000	$ 29,000,000	$ 29,000,000	**$ 29,000,000**
Trust Funds	$ 73,682,000	$ 73,682,000	$ 73,682,000	**$ 73,682,000**
2010 Total	$102,682,000	$102,682,000[20]	$102,682,000[21]	**$102,682,000[22]**
General Funds	$ 30,000,000	- - -	$ 30,000,000	**$ 28,942,000**
Trust Funds	$ 76,122,000	- - -	$ 76,122,000	**$ 73,535,000**
2011 Total	$106,122,000	- - -[23]	$106,122,000[24]	**$102,477,000[25]**
General Funds	$ 30,000,000	- - -	$ 28,942,000	**$ 28,887,000**
Trust Funds	$ 77,113,000	- - -	$ 73,535,000	**$ 73,396,000**
2012 Total	$107,113,000	- - -[26]	$102,477,000[27]	**$102,283,000[28]**
General Funds	$ 30,000,000	- - -	$ 28,887,000	**$ 27,376,000**
Trust Funds	$ 77,600,000	- - -	$ 73,396,000	**$ 72,557,000**
2013 Total	$107,600,000	- - -[29]	$102,283,000[30]	**$ 99,933,000**
General Funds	$ 30,000,000			**$ 28,829,000**
Trust Funds	$ 75,733,000			**$ 73,249,000**
2014 Total	$105,733,000			**$102,078,000**
General Funds	$ 29,000,000			
Trust Funds	$ 75,622,000			
2015 Total	$104,622,000			

[1] H.R. 2660.

[2] S. 1356.

[3] Consolidated Appropriations Act, 2004 (P.L. 108-199). The $24,500,000 in general funds and $63,700,000 in trust funds included in the language for this account for FY 2004 were reduced by $144,600 and $375,800, respectively, in accordance with P.L. 108-199.

[4] H.R. 5006.

[5] S. 2810.

[6] Consolidated Appropriations Act, 2005 (P.L. 108-447). The $25,748,000 in general funds and $65,359,000 in trust funds included in the language for this account for FY 2005 were reduced by $206,000 and $522,900, respectively, in accordance with P.L. 108-447.

[7] H.R. 3010.

[8] H.R. 3010, reported from Committee with an amendment.

[9] Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149). The $26,000,000 in general funds and $66,400,000 in trust funds included in the language for this account for FY 2006 were reduced by $260,000 and $664,000, respectively, in accordance with the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

[10] H.R. 5647.

[11] S. 3708.

[12] Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

[13] H.R. 3043.

[14] S. 1710.

[15] Consolidated Appropriations Act, 2008 (P.L. 110-161). The $26,451,000 in general funds and $67,098,000 in trust funds included in the language for this account for FY 2008 were reduced by $462,099 and $1,172,000 respectively, in accordance with P.L. 110-161.

[16] The House Committee on Appropriations did not report a bill.

[17] S. 3230.

[18] Omnibus Appropriations Act, 2009 (P.L. 111-8).

[19] OIG received $2,000,000 through the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). OIG will conduct necessary oversight and audit of SSA programs, projects, and activities, assessing whether SSA used the resources as intended by the Act, and will identify any instances of fraud, waste, error, and abuse.

[20] H.R. 3293.

[21] H.R. 3293, reported from Committee with an amendment.

[22] Consolidated Appropriations Act, 2010 (P.L. 111-117).

[23] The House Committee on Appropriations did not report a bill.

[24] S. 3686.

[25] Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). The $29,000,000 in general funds and $73,682,000 in trust funds included in the language for this account for FY 2011 were reduced by $58,000 and $147,000 respectively, in accordance with P.L. 112-10.

[26] The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included $30,000,000 from general funds and $77,113,000 from trust funds, totaling $107,113,000.

[27] S. 1599.

[28] Consolidated Appropriations Act, 2012 (P.L. 112-74). The $28,942,000 in general funds and $73,535,000 in trust funds included in the language for this account for FY 2012 were reduced by $55,000 and $139,000 respectively, in accordance with P.L. 112-74.

[29] The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included $28,887,000 from general funds and $77,600,000 from trust funds, totaling $106,487,000.

[30] S. 3295.

OIG'S ORGANIZATIONAL STRUCTURE AND MISSION

GENERAL PURPOSE
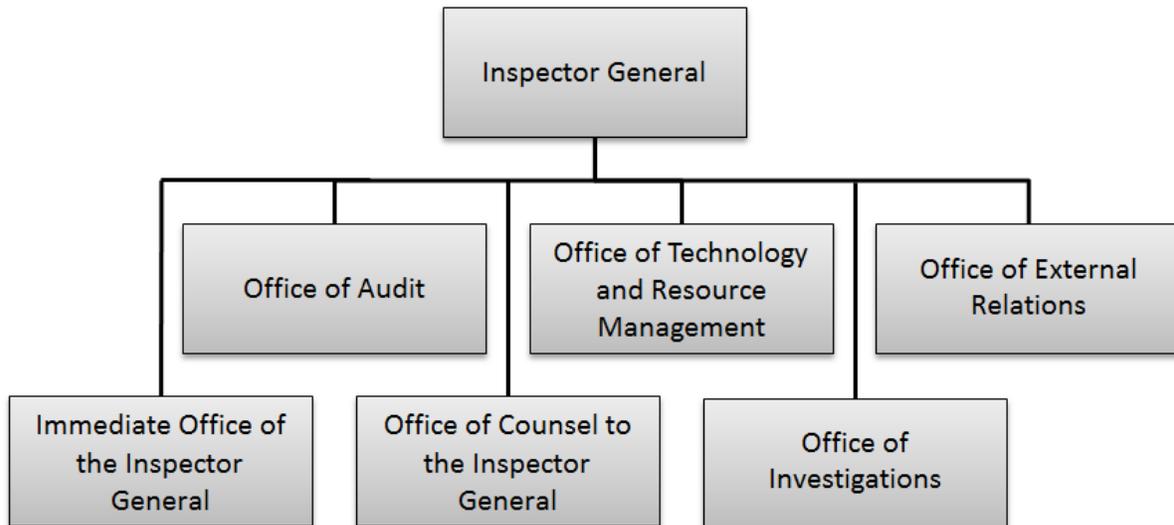
As mandated by the *Inspector General Act of 1978*, as amended, OIG's mission is to protect the integrity of SSA's programs. By conducting independent and objective audits, evaluations, and investigations, OIG works to ensure public confidence in the integrity and security of SSA's programs and operations, and works to protect them against fraud, waste, and abuse. OIG provides timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

OIG is comprised of six components: The Immediate Office of the Inspector General (IO), Office of Audit (OA), Office of Counsel to the Inspector General (OCIG), Office of Technology and Resource Management (OTRM), Office of Investigations (OI), and the Office of External Relations (OER).

Immediate Office of the Inspector General

IO provides the Inspector General (IG) and the Deputy IG with staff assistance on the full range of their responsibilities. IO also administers a comprehensive Quality Assurance and Professional Responsibility program, and conducts Quality Control reviews that ensure the adequacy of OIG compliance with its policies and procedures, internal controls, and professional standards. In addition, IO oversees the Organizational Health Committee (OHC). The purpose of the OHC is to be an agent of positive change by discussing, evaluating, and presenting to senior management employee issues and proposed solutions that affect the operations, administration, and efficiency of OIG. In doing this, the committee acts as a representative of all OIG employees.

Office of Audit

OA conducts and/or supervises comprehensive financial and performance audits of SSA's programs and operations and makes recommendations to ensure that program objectives and

operational functions are achieved effectively and efficiently. Financial audits, required by the *Chief Financial Officers' Act of 1990*, assess whether SSA's financial statements fairly present the agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program and operational fraud, waste, and abuse, as well as inefficiency and ineffectiveness.

Office of Counsel to the Inspector General
OCIG provides independent authoritative legal advice, guidance, and counsel to the IG and senior staff on a wide range of issues, including regulatory strategy, policy directives, and interpretation of new and emerging authorities and agency responsibilities. OCIG reviews materials to ensure sufficiency and compliance with regulatory and statutory requirements. OCIG advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. OCIG is also responsible for the CMP program, including imposition of penalties and assessments and the settlement and litigation of CMP cases.

Office of Technology and Resource Management
OTRM provides administrative and management support to OIG by providing information resource management; systems security and software development; and the coordination of budget, procurement, telecommunications, facilities, equipment, and human resources activities. OTRM also administers the Fugitive Felon Program and the OIG Fraud Hotline. In addition, OTRM is responsible for strategic planning, organizational performance management, and reporting.

Office of Investigations
OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations, including wrongdoing by individuals such as applicants, grantees, or contractors perpetrating criminal activity against SSA programs and operations. OI is responsible for managing DFT. OI also investigates allegations of employee misconduct in the performance of their official duties. This office serves as the OIG liaison to the Department of Justice on all matters relating to investigations of SSA programs and personnel. OI works with other investigative agencies and organizations on special projects and assignments.

Office of External Relations

OER manages OIG's public affairs programs, develops OIG's media and public information policies, and serves as the primary contact for those seeking information about OIG. OER responds to inquiries from the media and the public and prepares OIG publications and presentations for internal and external organizations. OER coordinates interagency activities as well as OIG participation in SSA and other Federal events. OER also coordinates input on pending and proposed legislation, and prepares congressional correspondence and testimony.

RATIONALE FOR THE BUDGET REQUEST

The budget request for FY 2015 is $104,622,000 and 555 FTEs, which reflects an increase of $2,544,000 from the FY 2014 annual appropriations level. The FY 2015 funding increase will provide funding for a 555 FTE staffing level, mandatory payroll increases (such as within-grade increases and benefit-rate increases), and for related support costs.

Table 4.10—Detail of Full-Time Equivalent Employment and Workyears

	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
FTEs	558	550	**555**
Overtime/Lump Sum Leave	2	3	**3**
Total	**560**	**553**	**558**

Table 4.11—Average Grade and Salary

	FY 2013 Actual
Average ES Salary	$ 169,093
Average GS Grade	13
Average GS Salary	$ 101,765

SOCIAL SECURITY ADMINISTRATION

ANNUAL PERFORMANCE PLAN
for Fiscal Year 2015

REVISED PERFORMANCE PLAN for Fiscal Year 2014

AND

ANNUAL PERFORMANCE REPORT
for Fiscal Year 2013

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ACTING COMMISSIONER'S MESSAGE

I am pleased to present our Annual Performance Plan for Fiscal Year 2015, Revised Performance Plan for Fiscal Year 2014, and Annual Performance Report for Fiscal Year 2013, which for the first time have been integrated into one streamlined document. The new format makes it easier to review our plans and priorities as well as our progress.

We take great pride in administering the Social Security programs. Whether paying a benefit or issuing a Social Security number, our programs touch millions of Americans. Each day our staff works diligently to serve the public with care and compassion. We are committed to providing world-class service for our customers each time they interact with us. This commitment remains one of our highest priorities.

Reflecting on the past year, we made great strides in moving our agency forward – enhancing our service delivery, providing greater access to services and critical information, improving our quality review tools, and making prudent fiscal decisions, while maintaining our focus on the needs of those we serve. Despite our resource limitations, our performance results demonstrate our ongoing commitment to service excellence. Highlights of our fiscal year 2013 performance include:

- Assisting more than 43 million visitors in our field offices;
- Handling 53 million transactions via our National 800 Number;
- Processing over 46 million online transactions;
- Continuing to expand our use of technology resulting in registering 6.2 million users for *my* Social Security online accounts – an increase of 4 million from fiscal year 2012;
- Remaining committed to providing access for all our customers and expanding our video remote interpreting services for our hearing-impaired visitors; and

- Expanding our video service delivery and holding 181,675 video interviews.

Over the next two fiscal years as we pursue our new priority goals, we will maintain our momentum, challenging ourselves to think innovatively while working to leverage the benefits of state-of-the-art technology and continuing to pursue ways to increase our efficiency and effectiveness.

We will remain good stewards of our resources, focusing on our program integrity and fraud prevention efforts. Working with our State and local law enforcement partners, we will increase the number of Cooperative Disability Investigation (CDI) units. The collaborative CDI work has proven to be highly effective in preventing potential fraud from the outset.

As our mission and vision statements reflect, we must continue to provide the highest standard of thoughtful and considerate service for generations to come. In order to meet the changing service needs of the public, it is imperative that we keep pace with advances in technology and automation and make wise decisions in our resource investments.

As Acting Commissioner, my priority is to position the agency for the future. Our recently released Agency Strategic Plan (ASP) for Fiscal Years 2014-2018 will guide us as we continue to improve our responsiveness to the American public; make enhancements in our services and programs; strengthen our current workforce; and attract, train, and retain new talent to serve today and in the future.

This Plan expands on the aggressive agenda we outlined in the ASP, including well-defined performance goals and metrics to measure our progress and to hold ourselves accountable. Our Plan also provides public transparency – an opportunity to further demonstrate our diligent stewardship of public resources.

I am very proud to head an agency with so many talented and innovative employees. Our employees are our greatest resource. I thank each employee for his or her continued commitment and dedication to public service.

In closing, based on internal evaluations, I assure you that the performance data in this report is complete, reliable, and accurate.

Carolyn W. Colvin

Carolyn W. Colvin
Acting Commissioner

OUR VALUES

Our Mission

DELIVER SOCIAL SECURITY SERVICES THAT MEET THE CHANGING NEEDS OF THE PUBLIC

Our Vision

PROVIDE THE HIGHEST STANDARD OF CONSIDERATE AND THOUGHTFUL SERVICE FOR GENERATIONS TO COME

Our Motto

SOCIAL SECURITY BENEFITS AMERICA

Our Service Principles

WE SERVE WITH EMPATHY, CREATIVITY, INTEGRITY, AND "AN UNBEATABLE DETERMINATION TO DO THE JOB AT HAND" BY FOLLOWING THESE SERVICE PRINCIPLES:

- ADHERENCE TO THE LAW
- CLARITY
- COMMITMENT TO BEST DEMONSTRATED PRACTICES
- CULTURAL SENSITIVITY
- HONESTY
- PREVENTION OF WASTE, FRAUD, AND ABUSE
- PROTECTION OF PRIVACY AND PERSONAL INFORMATION
- RECRUITMENT AND TRAINING OF THE BEST PUBLIC SERVANTS
- SAFETY OF THE PUBLIC AND OUR EMPLOYEES

Social Security Benefits America

Few government agencies touch the lives of as many people as we do. The programs we administer provide a financial safety net for millions of Americans, and many people consider them the most successful large-scale Federal programs in our Nation's history.

Old-Age, Survivors, and Disability Insurance Programs

Old-Age and Survivors Insurance Program

Created in 1935, the Old-Age and Survivors Insurance program provides retirement and survivors benefits to qualified workers and their families. When people work and pay Social Security taxes, they earn credits toward Social Security benefits. Most people need 40 credits, or 10 years of covered work, to qualify for retirement.

Reduced retirement benefits are payable as early as age 62. For people born in 1942 or earlier, full retirement benefits are payable at age 65. For people born from 1943 to 1960, the age at which full retirement benefits are payable increases gradually to age 67.

Benefits are also payable to certain members of retired workers' families and their survivors. In 1939, we began paying survivors benefits, which today include widows or widowers, mothers and fathers and divorced mothers and fathers with children in their care, minor children, children disabled before 22, and surviving divorced spouses of retired workers. Disabled widows and widowers benefits began in 1968.

Disability Insurance Program

In 1956, Social Security expanded to include a benefit program for disabled workers age 50 until full retirement age. In 1960, disabled workers of all ages could qualify for Social Security Disability Insurance benefits. We pay benefits to people who cannot work because they have a medical condition expected to last at least one year or result in death.

Supplemental Security Income Program

Established in 1972, the Supplemental Security Income (SSI) program is a means-tested program designed to provide a monthly payment to aged, blind, or disabled people with limited income and resources. Adults and children can receive payments based on disability or blindness.

OUR ORGANIZATION

Our organization is comprised of over 75,000 Federal and State employees. We deliver services through a nationwide network of about 1,500 offices that include regional offices, field offices (including Social Security Card Centers), teleservice centers, processing centers, hearing offices (including satellite offices and National Hearing Centers), the Appeals Council, and our headquarters in Baltimore, Maryland. We also deliver services in several United States embassies around the globe.

Our field offices and Social Security Card Centers are the primary points of contact for in-person interaction with the public. Our teleservice centers primarily handle telephone calls to our National 800 Number.

Employees in our processing centers primarily handle Social Security retirement, survivors, and disability payments, but they also perform a wide range of other functions, which include answering telephone calls to our National 800 Number.

We have created strong partnerships with State agencies and depend on State employees in 54 State and territorial disability determination services (DDS) to make disability determinations. The administrative law judges (ALJ) in our hearing offices and the administrative appeals judges in our Appeals Council make decisions on appeals of Social Security and SSI claims. The vast majority of our employees serves the public directly or provides support to employees who do. For more information about our components and their functions, visit our organizational structure webpage (www.socialsecurity.gov/org).

REGION I	REGION II	REGION III	REGION IV	REGION V
Boston Region	New York Region	Philadelphia Region	Atlanta Region	Chicago Region

REGION VI	REGION VII	REGION VIII	REGION IX	REGION X
Dallas Region	Kansas City Region	Denver Region	San Francisco Region	Seattle Region
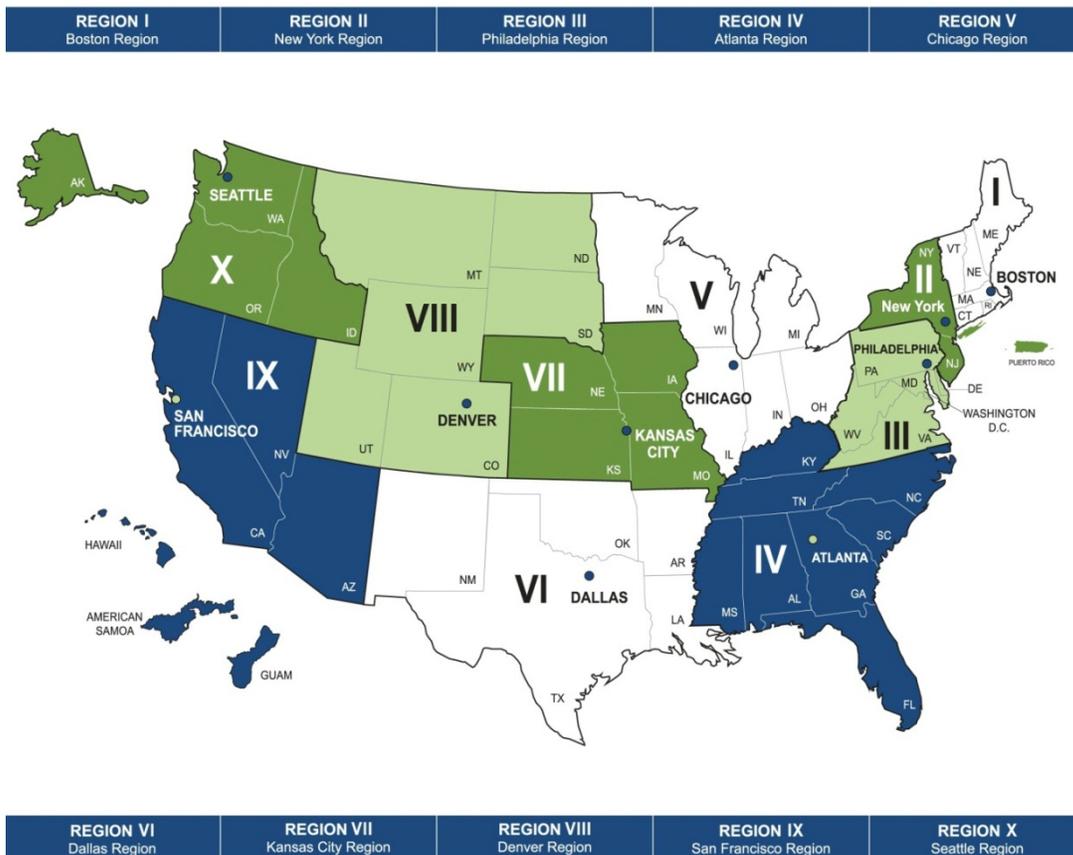
SUMMARY OF OUR GOALS AND OBJECTIVES

Deliver Innovative, Quality Services

- Develop and Increase the Use of Self-Service Options
- Enhance the Customer Experience by Completing Customers' Business at the First Point of Contact
- Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach
- Align Our Physical Footprint to Incorporate Improved Service Options

Strengthen the Integrity of Our Programs

- Transform the Way We Record Earnings to Enhance Data Accuracy
- Protect the Public's Data and Provide Secure Online Services
- Increase Payment Accuracy

Serve the Public Through a Stronger, More Responsive Disability Program

- Improve the Quality, Consistency, and Timeliness of Our Disability Decisions
- Maximize Efficiencies throughout the Disability Program
- Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work

Build a Model Workforce to Deliver Quality Service

- Attract and Acquire a Talented and Diverse Workforce that Reflects the Public We Serve
- Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public
- Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement
- Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs

Ensure Reliable, Secure, and Efficient Information Technology Services

- Maintain System Performance and the Continuity of Information Technology Services
- Enhance and Execute Plans to Modernize Our Systems
- Incorporate Innovative Advances in Service Delivery
- Continuously Strengthen Our Cyber Security Program

AGENCY PRIORITY GOALS

We have identified four Agency Priority Goals (APG). These goals support our overarching strategic goals set forth in our Fiscal Year 2014 – 2018 Agency Strategic Plan http://www.socialsecurity.gov/asp. Our APGs are aggressive, and we expect to achieve them within a 24-month period. We regularly review our progress and take necessary actions to improve our outcomes and reduce costs. The following table lists our APGs, strategies to achieve them, external factors that may affect achieving the APGs, and goal leaders.

Agency Priority Goals	Strategies to Achieve Priority Goals	External Factors	Goal Leader
Improve access to our services by increasing the number of citizens who complete their business with us online.	- Migrate existing online services to the *my* Social Security portal. - Work with external partners to promote direct access to online services. - Conduct a national marketing campaign targeted toward people approaching retirement age.	- Availability of information technology resources to add additional services to the *my* Social Security portal and expand direct access through external partners. - Stakeholder and advocacy groups acceptance of the *my* Social Security portal.	Sylviane Haldiman Associate Commissioner, Office of Electronic Services and Technology, Office of Operations.
Deliver a world-class customer experience by expanding the use of video technology to hold hearings.	- Update systems and infrastructure to improve the quality of video hearings. - Increase marketing and educational information. - Pursue policy and business process changes to maximize efficiency.	- Availability of Information technology resources. - Stakeholder acceptance of video hearings. - Public reaction to regulatory changes regarding video hearings.	Jim Borland Assistant Deputy Commissioner, Office of Disability Adjudication and Review.

Agency Priority Goals	Strategies to Achieve Priority Goals	External Factors	Goal Leader
Provide the public with access to personalized information by increasing the number of established *my* Social Security accounts.	• Enhance services provided online through the *my* Social Security portal. • Increase marketing and educational activities to promote *my* Social Security. • Pilot quick service kiosks in field offices. • Increase number of kiosks in external partner sites that provide full suite of Social Security online services.	• Budget constraints could affect our ability to migrate additional services to the *my* Social Security portal and impede our ability to implement new features.	Sylviane Haldiman Associate Commissioner, Office of Electronic Services and Technology, Office of Operations.
Reduce the percentage of improper payments made under the SSI program.	• Increase the volume of our program integrity workloads. • Enhance and expand use of technology to reduce improper payments. • Pursue new initiatives and program improvements; to the extent funding is available. • Ensure that newly implemented initiatives are designed to produce measurable outcomes through well-developed evaluation plans.	• Dependence upon SSI recipients and deemors (i.e., spouses or parents whose income and assets are considered in determining SSI eligibility and payment amount) timely reporting changes in income and resources. • Increase in job growth may result in more SSI recipients working and perhaps not reporting their wages timely. • Budgetary constraints determine the number of redeterminations we may conduct.	Nancy Martinez Associate Commissioner, Office of Income Security Programs, Office of Retirement and Disability Policy.

CHANGE IN PRESENTATION OF OUR PERFORMANCE MEASURES

Historically all of our performance measures were aligned with the strategic goals and objectives even though several of those measures were tied to our budgeted workloads. While budgeted workload measures support our strategic goals and objectives, their targets and outcomes are budget dependent.

In an effort to establish performance measures and targets that are within our control, we have decoupled our budgeted workload measures, presenting them independently. We established new measures and targets that are driven by our agency priorities.

The following sections provide an overview of our:

- Key Budgeted Workload Measures,
- Agency-Driven Performance Measures, and
- FY 2013 Performance Measures (for measures that will not go forward in FY 2014 and FY 2015).

KEY BUDGETED WORKLOAD MEASURES

The following tables provide an overview of our 15 budgeted workload performance measures. We achieved 11 out of the 14 budgeted workload targets where data is available. For historical data, refer to Appendix D, Key Budgeted Workloads – Historical Performance.

We published the FY 2013 Annual Performance Plan before we received our annual funding; therefore, some performance targets were not based on our FY 2013 appropriation. The FY 2013 targets reported here reflect performance commitments based on the FY 2013 Congressional Operating Plan (http://www.socialsecurity.gov/budget/FY13Files/2013COPCombined.pdf). (Please note that responsible official acronyms are listed in Appendix F, Summary of Key Management Officials' Responsibilities.)

Performance Measure	FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official
Complete the budgeted number of retirement, survivors, and Medicare claims	5,006,855 *(rec'd 4,952,591)* Met	5,269,000	5,131,000	5,311,000	DCO
Complete the budgeted number of initial disability claims	2,987,883 Met	2,962,000	2,947,000	2,847,000	DCO
Complete the budgeted number of disability reconsideration claims	803,194 Met	787,000	778,000	752,000	DCO
Complete the budgeted number of hearing requests	793,580 Met	793,000	735,000	801,000	DCDAR
Achieve the target speed in answering National 800 Number calls	617 seconds Not Met	535 seconds	1,020 seconds	600 seconds	DCO
Achieve the target busy rate for National 800 Number calls[1]	11.9% Met	16%	14%	2%	DCO
Achieve the target number of initial disability claims pending	698,127 Met	804,000	642,000	656,000	DCO

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[1] Since migrating to the new CARE 2020 network, complete wait time, including the time that the caller is on the line and the time the caller is waiting for a call back, is now included in the average speed of answer (ASA) calculation. This is in contrast to the legacy network which artificially deflated the ASA by only including the time the caller was on the line until a callback option was chosen, typically 2-3 seconds in duration. Under the legacy system, the customer's wait time was diluted and virtually excluded from the ASA calculation. The new CARE 2020 methodology is consistent with industry standards.

Performance Measure	FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official
Achieve the target number of disability reconsiderations	173,472 Met	220,000	174,000	177,000	DCO
Average processing time for initial disability claims	107.4 days Met	109 days	109 days	107 days	DCO
Average processing time for reconsiderations[2]	N/A				DCO
Average processing time for hearings decisions	396 days (September only) Not Met	~389 days (September only)	415 days[3]	435 days	DCDAR
Achieve the budgeted goal for DDS case production per workyear	322 Met	320	319	326	DCO
Achieve the budgeted goal for hearing case production per workyear	109 Not Met	111	106	109	DCDAR
Complete the budgeted number of full medical continuing disability reviews (CDR)	428,568 Met	422,000	510,000	888,000	DCO
Complete the budgeted number of SSI non-medical redeterminations	2,634,183 Met	2,622,000	2,622,000	2,622,000	DCO

[2]The average processing time for disability reconsiderations was under development in FY 2013. For September 2013 (the first month for which data are available), the overall average processing time for disability reconsiderations was 101 days. We will develop a performance target for this measure in FY 2016, after we have had the ability to analyze at least two years of actual data.

[3] Average processing time for hearings decisions is currently an annual performance measure.

AGENCY-DRIVEN PERFORMANCE MEASURES AT A GLANCE

The following tables provide an overview of our FY 2014 and FY 2015 agency-driven performance measures. We list the measures based on the Strategic Goals and Objectives they support in the FY 2014 - 2018 Agency Strategic Plan annotate agency priority goals (APG) and new measures (NEW). Many of our agency-driven measures are new and will not have an FY 2013 target; however, we display FY 2013 performance results where data is available. (Responsible official acronyms are listed in Appendix F, Summary of Key Management Officials' Responsibilities.)

STRATEGIC GOAL 1:
DELIVER INNOVATIVE, QUALITY SERVICES

Strategic Objective 1.1: Develop and Increase the Use of Self-Service Options

Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
1.1a APG NEW	Improve access to our services by increasing the number of citizens who complete their business with us online	Citizens completed 46.1 million online transactions		Increase the number of citizens completing business online by 10% over FY 2013 (50.7 million)	Increase the number of citizens completing business online by 10% over FY 2014 (55.8 million)	DCO	41

Strategic Objective 1.2: Enhance the Customer Experience by Completing Customer's Business at the First Point of Contact

Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
1.2a APG NEW	Deliver a world-class customer experience by expanding the use of video technology to hold hearings			28% of hearings conducted by video	30% of hearings conducted by video	DCDAR	44
1.2b NEW	Expand the services available under *my* Social Security by implementing an online Social Security Number Replacement Card application			Complete planning and analysis for implementing an online Social Security Number Replacement Card application	Implement the online Social Security Number Replacement Card application	DCO	44

Strategic Objective 1.2: Enhance the Customer Experience by Completing Customer's Business at the First Point of Contact							
Performance Measure		**FY 2013 Performance**	**FY 2013 Target**	**FY 2014 Target**	**FY 2015 Target**	**Responsible Official**	**Page**
1.2c NEW	Maintain customer satisfaction with our online services			Maintain an average customer satisfaction score of at least 80	Maintain an average customer satisfaction score of at least 80	DCO	45
1.2d APG NEW	Provide the public with access to personalized information by increasing the number of established *my* Social Security accounts	Added 6.32 million new *my* Social Security accounts		Increase the number of customers who sign up for *my* Social Security by 15% over FY 2013 *(7.27 million)*	Increase the number of customers who sign up for *my* Social Security by 15% over FY 2014 *(8.36 million)*	DCO	45
Strategic Objective 1.3: Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach							
Performance Measure		**FY 2013 Performance**	**FY 2013 Target**	**FY 2014 Target**	**FY 2015 Target**	**Responsible Official**	**Page**
1.3a NEW	Minimize the average response time to deliver medical evidence to the Department of Veteran Affairs (VA) for wounded warriors and veterans			Deliver medical evidence to the VA within an average of 5 days	Deliver medical evidence to the VA within an average of 4 days	DCO	48
1.3b NEW	Partner with the Department of Health and Human Services (HHS) and the VA to better serve the homeless population.			Partner with HHS and VA to draft a Federal best-practices model for facilitating access to SSI and Social Security Disability Insurance benefits.	Work with the United States Interagency Council on Homelessness to determine appropriate next steps in sharing the best-practice model with other Federal agencies.	DCRDP	46

Strategic Objective 1.4: Evaluate Our Physical Footprint to Incorporate Improved Service Options						
Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
1.4a NEW	In light of substantial staff losses and availability of many self-service options, we will reassess our physical footprint to identify opportunities for improved service delivery			Evaluate potential opportunities for co-locating and consolidating our public service facilities within and outside of the Social Security Administration	TBD	DCBFQM/DCO	48

STRATEGIC GOAL 2:
STRENGTHEN THE INTEGRITY OF OUR PROGRAMS

Strategic Objective 2.1: Transform the Way We Record Earnings to Enhance Data Accuracy

Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
2.1a NEW	Redesign our earnings system to improve the accuracy and timeliness of the earnings data used to calculate benefits			Complete construction of at least 50% of the redesigned functionality to process Forms W-2 within the Annual Wage Reporting (AWR) system	Implement the redesigned functionality to process Forms W-2 within the AWR system	DCS	54

Strategic Objective 2.2: Protect the Public's Data and Provide Secure Online Services

Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
2.2a NEW	Implement a fraud and integrity unit to protect the public's data			Establish the *my* Social Security Fraud Analysis and Coordination Team	Expand the Fraud Analysis and Coordination Team	DCO	56
2.2b NEW	Enhance our security features and business processes to prevent and detect fraud			Expand the Public Facing Integrity Review (PFIR) system to more rapidly detect a greater variety of fraudulent Internet transactions	Continue to expand the PFIR system to more rapidly detect a greater variety of fraudulent Internet transactions	DCS	56

Strategic Objective 2.3: Increase Payment Accuracy						
Performance Measure	**FY 2013 Performance**	**FY 2013 Target**	**FY 2014 Target**	**FY 2015 Target**	**Responsible Official**	**Page**
2.3a APG NEW Reduce the percentage of improper payments made under the SSI program	**Available June 2014**		No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayment and underpayments)	No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayment and underpayments)	DCRDP	62
2.3b NEW Maintain the low percentage of improper payments made under the Old-Age, Survivors, and Disability Insurance (OASDI) program	**Available June 2014**		No more than 0.4% of all payments made under the OASDI program are improper payments (i.e., overpayment and underpayments)	No more than 0.4% of all payments made under the OASDI program are improper payments (i.e., overpayment and underpayments)	DCRDP	62

STRATEGIC GOAL 3:
SERVE THE PUBLIC THROUGH A STRONGER, MORE RESPONSIVE DISABILITY PROGRAM

Strategic Objective 3.1: Improve the Quality, Consistency, and Timeliness of Our Disability Decisions						
Performance Measure	**FY 2013 Performance**	**FY 2013 Target**	**FY 2014 Target**	**FY 2015 Target**	**Responsible Official**	**Page**
3.1a NEW Expedite cases for the most severely disabled individuals by achieving the target percentage of initial disability cases identified as Quick Disability Determinations (QDD) or Compassionate Allowances (CAL)			6.5%	6.5%	DCRDP	67
3.1b Ensure the quality of our decisions by achieving the DDS decisional accuracy rate for initial disability decisions	98% decisional accuracy	97% decisional accuracy	97% decisional accuracy	97% decisional accuracy	DCO	67
	MET					

Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
3.1c NEW	Ensure the quality and consistency of our hearing decisions by randomly reviewing a percentage of cases using an inline review process			Randomly review 0.1% of our hearing decisions	Randomly review 1% of our hearing decisions	DCDAR	68
3.1d	Increase our ability to provide timely decisions by focusing on our oldest cases first	0.7% of pending hearing requests 700 days or older Not Met	Less than 0.5% of pending hearing requests 700 days or older	Make decisions on 99.5% of cases that start the year 310 days or older	Make decisions on 99.5% of cases that start the year 285 days or older	DCDAR	68
3.1e	Increase our ability to provide timely decisions by reducing the percentage of pending Appeals Council requests for review 365 days old or older	8.9% pending 365 days or older Met	19% or fewer pending 365 days or older	21% or less of cases pending 365days or older	20% or less of cases pending 365 days or older	DCDAR	69

Strategic Objective 3.2: Maximize Efficiencies throughout the Disability Program							
Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
3.2a NEW	Improve the disability determination process by increasing the percentage of initial disability claims with health Information Technology (IT) medical evidence			2.5% of initial disability claims with health IT medical evidence	4% of initial disability claims with health IT medical evidence	DCS	72

Strategic Objective 3.3: Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work						
Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
3.3a NEW	Achieve the target number of beneficiaries participating in the Ticket to Work program who begin earning above a certain level			1300 new beneficiaries	1330 new beneficiaries	DCRDP	75

STRATEGIC GOAL 4:
BUILD A MODEL WORKFORCE TO DELIVER QUALITY SERVICE

Strategic Objective 4.1: Attract and Acquire a Talented and Diverse Workforce that Reflects the Public We Serve

Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
4.1a	Achieve the target veteran and disabled veteran new hire percentage to improve their representation in the SSA workforce	46.6% of total hiring Met	18% Veterans	25% Veterans	25% Veterans	DCHR	78
		18.1% of total hiring Met	15% Disabled Veterans	16.49% Disabled Veterans	17.49% Disabled Veterans		
4.1b	Achieve the target on-board representation of employees with targeted disabilities	1.99% Not Met	2%	2%	2%	DCHR	79

Strategic Objective 4.2: Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public

Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
4.2a NEW	Reduce skills gaps for leaders and potential leaders to improve leadership competencies			Reduce skills gaps in Leadership Development Program participants in at least two critical competencies	Assess skills gaps for participants in the Leadership Essentials for New Supervisors initiative	DCHR	82

Strategic Objective 4.2: Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public							
Performance Measure		**FY 2013 Performance**	**FY 2013 Target**	**FY 2014 Target**	**FY 2015 Target**	**Responsible Official**	**Page**
4.2b NEW	Reduce skills gaps in mission-critical occupations to improve general and technical competencies			Assess skills gaps for human resources (HR) specialists	Reduce skills gaps for HR specialists in at least two critical competencies Assess skills gaps for legal assistants in the Office of Disability Adjudication and Review (ODAR)	DCHR	82

Strategic Objective 4.3: Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement							
Performance Measure		**FY 2013 Performance**	**FY 2013 Target**	**FY 2014 Target**	**FY 2015 Target**	**Responsible Official**	**Page**
4.3a NEW	Maintain status as one of Top 10 Best Places to Work among large agencies in the Federal Government	Achieved a Top 10 Ranking		Achieve a Top 10 Ranking	Achieve a Top 10 Ranking	DCHR	85
4.3b NEW	Achieve the target two-year new hire retention percentage	Retained 84.3% of newly hired employees		Retain 85% of newly hired employees	Retain 85% of newly hired employees	DCHR	85
4.3c NEW	Increase workplace flexibilities by expanding telework opportunities for employees	4,100 employees participated in telework		Increase the percentage of employees participating in telework by 100% over FY 2013 levels *(8,200)*	Increase the percentage of employees participating in telework by 100% over FY 2014 levels *(16,400)*	DCHR	86

Strategic Objective 4.4: Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs							
Performance Measure		**FY 2013 Performance**	**FY 2013 Target**	**FY 2014 Target**	**FY 2015 Target**	**Responsible Official**	**Page**
4.4a NEW	Conduct workforce analysis and planning activities to support future workforce transition initiatives			Conduct workforce staffing analysis to support workforce planning efforts	Expand workforce staffing analysis to include an analysis of workforce skills and competencies	DCHR	89
4.4b NEW	Achieve target number of human capital metrics identified in ongoing human capital performance review sessions			Achieve 75% of the human capital metrics	Achieve 80% of the human capital metrics	DCHR	89

STRATEGIC GOAL 5:

ENSURE RELIABLE, SECURE, AND EFFICIENT INFORMATION TECHNOLOGY SERVICES

Strategic Objective 5.1: Maintain System Performance and the Continuity of Information Technology Services

Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
5.1a	Provide uninterrupted access to our systems during scheduled times of operation	99.96% availability	99.5% availability	99.5% availability	99.5% availability	DCS	92
5.1b NEW	Ensure the continuity of our agency's operations by transitioning IT production functions to the National Support Center (NSC) by FY 2016			Complete migration planning and preparations	Enable network and tele-communications capabilities, and transition the first group of enterprise workloads to the NSC	DCS	92

Strategic Objective 5.2: Enhance and Execute Plans to Modernize Our Systems

Performance Measure		FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
5.2a NEW	Enhance systems performance and reliability by upgrading the telecommunications infrastructure in our offices			Complete the infrastructure upgrade to incorporate modern technologies that support future internet and network capacity needs and new capabilities	Modernize the telecommunications infrastructure to include improved external and internal communications capabilities, such as internet chat and video	DCS	95
5.2b NEW	Maintain reliable IT services by continually assessing business and infrastructure applications to identify those that are high risk, and determine strategies to renovate, replace, or retire			Identify high-risk applications and appropriate mitigation strategies Submit to IT Investment selection process	Identify high-risk applications and appropriate mitigation strategies Submit to IT Investment selection process	DCS	96

Strategic Objective 5.3: Incorporate Innovative Advances in Service Delivery						
Performance Measure	FY 2013 Performance	FY 2013 Target	FY 2014 Target	FY 2015 Target	Responsible Official	Page
5.3a NEW — Enhance our IT infrastructure by implementing innovative systems accessibility and performance capabilities			Implement Bandwidth on Demand, which will provide us with the ability to increase tele-communications capacity to quickly meet the changing service needs of our offices and clients	Increase hardware sharing to improve resource management, including more efficient use of resources, improved capacity, reduced physical server needs, and enhanced disaster recovery	DCS	98
5.3b NEW — Explore the use of emerging technologies by establishing a testing lab to promote research and development of innovative technology solutions that provide more effective and flexible ways for the public to conduct business with us online and for our employees to complete their work			Identify and implement new, innovative tools to expand the capabilities of the testing lab to develop solutions that accommodate evolving customer preferences	Upgrade testing lab security software and tools that enable us to safely test more innovative security and fraud detection solutions	DCS	99

Strategic Objective 5.4: Continuously Strengthen Our Cyber Security Program						
Performance Measure		**FY 2013 Performance**	**FY 2013 Target**	**FY 2014 Target**	**FY 2015 Target**	**Responsible Official**	**Page**
5.4a NEW	Provide secure and effective services to the public by improving cyber security performance			Meet the performance requirements of the Department of Homeland Security's (DHS) Federal Network Security Compliance and Assurance Program and the Cyber Security Cross-Agency Priority Goals	Meet the performance requirements of DHS's Federal Network Security Compliance and Assurance Program and the Cyber Security Cross-Agency Priority Goals	DCS	102

FISCAL YEAR 2013 PERFORMANCE MEASURES

This section provides results for FY 2013 performance measures that are not included as budgeted workload measures or agency driven measures for FY 2014 and 2015.

We established a total of 35 performance measures and targets for FY 2013 in support of the strategic goals and objectives established in our Agency Strategic Plan 2013-2016 (ASP 2013-2016). FY 2013 performance data will not be available before this document is published for five of our measures. We will report final performance for those five measures in the FY 2014 Agency Performance Report. Overall, we achieved 21 (70 percent) of the remaining 30 performance targets. We explained these goals, objectives, measures, and targets in our Annual Performance Plan for FY 2014 and Revised Final Performance Plan for FY 2013 (www.socialsecurity.gov/performance). Please note that measure numbers in this section relate to the ASP 2013-2016 goals and objectives. (Responsible official acronyms are listed in Appendix F (Summary of Key Management Officials' Responsibilities.)

1.1d: Eliminate the oldest pending hearing requests (DCDAR)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	281 of 135,160 cases remained pending (.21%)	228 of 166,838 cases remained pending (.14%)	47 of 139,026 cases remained pending (.03%)	103 of 111,792 cases remained pending (.09%)	169 of 113,593 cases remained pending (.15%)	1,278 of 172,809 cases remained pending (.7%)
Target	Less than 1% of hearings pending 900 days or older	Less than 1% of hearings pending 850 days or older	Less than 0.5% of hearing requests pending 825 days or older	Less than 0.5% of hearing requests pending 775 days or older	Less than 0.5% of pending hearing requests 725 days or older	Less than 0.5% of pending hearing requests 700 days or older
Target Met	Met	Met	Met	Met	Met	Not Met

Description of Results:

ALJs denied more cases, and denial decisions are more difficult to review and write than allowances. Under the possibility of sequestration, we suspended all planned hearing office hiring in FY 2013, and we reduced overtime available. The combination of these issues caused us to just miss the target.

1.2h: Update the medical Listing of Impairments (DCRDP)						
	FY 2008	**FY 2009**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**
Performance		Published eight Social Security Rulings in the *Federal Register*	Published three final regulations and one Notice of Proposed Rule Making	Published two regulatory actions and one Social Security Ruling	Published three rules for public comment	Published five rules for public comment, three final rules, and one Social Security Ruling; developed and submitted two Social Security Rulings to OMB.
Target		Develop and submit at least three regulatory actions or Social Security Rulings	Develop and submit at least three regulatory actions or Social Security Rulings	Develop and submit at least three regulatory actions or Social Security Rulings	Publish five rules for public comment and two final rules	Develop and submit at least five rules for public comment, three final rules, and three Social Security Rulings
Target Met		Met	Met	Met	Not Met	Met

Description of Results:

In FY 2013, we published:

- Notices of proposed rulemaking for public comment for respiratory system, genitourinary impairments, growth impairments, change in terminology from "mental retardation" to "intellectual disability",
- Advance notice of proposed rulemaking for public comment for hearing and labyrinthine-vestibular disorders,
- Final rules for congenital impairments that affect multiple body systems, visual disorders, change in terminology from "mental retardation" to "intellectual disability,"
- An extension of expiration date for mental disorders body system listings,

We also published a Social Security Ruling regarding drug addiction and alcoholism, and submitted Social Security Rulings to OMB regarding diabetes mellitus and endocrine disorders other than diabetes mellitus.

1.2i: Increase the percentage of disability cases evaluated using health Information Technology (DCS)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance			Baseline Established (3,000 claims)	108% above FY 2010 baseline (6,235 claims)	263% above FY 2011 performance (22,671 claims)	175% above FY 2012 performance (62,399 cases)
Target			Establish Baseline	500% above FY 2010 baseline (18,000 claims)	500% above FY 2011 performance (37,500 claims)	200% above FY 2012 performance
Target Met			Met	Not Met	Not Met	Not Met

Description of Results:

While we did not meet our performance target for this measure of 200 percent above the FY 2012 performance, we continued to make significant strides. Health IT polices and standards continue to mature and change with adjustments to: (1) certification standards; (2) Stage 2 meaningful use criteria; and (3) standards for secure exchange of medical information in a variety of formats. As a result of these changes, a number of the medical providers had to adjust their original plans, which resulted in delays to exchange medical records during the year.

Also, during FY 2013, the management of the eHealth Exchange shifted from the Office of the National Coordinator to a new non-profit, HealtheWay. When this shift occurred, a new testing program needed to be established for those organizations joining the eHealth Exchange, which is one of our requirements. HealtheWay's testing program was delayed from April to August. In spite of these obstacles, we expanded our current partner organizations with additional facilities and added four new partner organizations

1.2j: Number of Disability Insurance and Supplemental Security Income disability beneficiaries, with Tickets assigned and in use, who work (DCRDP)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	96,993	105,843	117,124	131,099	152,913	Data available July 2014
Target	Establish a new baseline	97,000	98,940	114,310	119,466	136,401
Target Met	Met	Met	Met	Met	Met	TBD

Description of Results:

In FY 2012, the last year for which data are available, we surpassed our target by nearly 28 percent.

1.3a: Achieve the target percentage of initial disability cases identified as Quick Disability Determinations or Compassionate Allowances (DCRDP)

	2008	2009	2010	2011	2012	2013
Performance		3.8%	4.6%	5.9%	5.8%	6.6%
Target		3.8% (September Only)	4.5% (September Only)	5% (September Only)	5.5% (September Only)	6% (September Only)
Target Met		Met	Met	Met	Met	Met

Description of Results:

We continued to meet the goal in FY 2013 through our constant and consistent efforts to improve the QDD predictive model and to add new CAL conditions. We completed a thorough re-evaluation of the QDD predictive model in December 2011, which provided us with the opportunity to increase the number of claimants served through the QDD process without sacrificing the quality of the claims selected for the process. We added 100 new CAL conditions from October 2011 through September 2013.

2.1a: Increase the percentage of claims filed online (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance			35%	39%	44%	50.97%
Target					42%	48% (last quarter only)
Target Met					Met	Met

Description of Results:

We met the percentage goal of claims filed online for FY 2013. The online filing rate for each of the four internet applications (Medicare, retirement, disability, and spouses) continues to be high.

In the fourth quarter FY 2013, the following percentages of claims were filed online:

- Medicare claims – 69.1 percent
- Retirement claims – 51.4 percent
- Disability claims – 48.3 percent
- Spouses claims – 23.3 percent

2.2c: Maintain the percent of people rating our services as "excellent," "very good," or "good" (DCBFQM)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	81%	81%	78.2%	81.4%	80.9%	80.2%
Target	83%	83%	83.5%	83.5%	83.5%	83.5%
Target Met	Not met	Not met	Not met	Not met	Not met	Not Met

Description of Results:

We based the overall service satisfaction rate on our annual surveys of customers who conducted business through one our major service delivery channels (i.e., in-person, National 800 Number, online). While the combined rate for all channels held steady, satisfaction with field office visits rose to 93 percent excellent, very good or good (E/VG/G) and satisfaction with National 800 Number service declined to 70 percent E/VG/G. The decline in satisfaction with National 800 Number service was linked to a sharp drop in satisfaction with access to service. The access rating fell by 12 percentage points to just 52 percent E/VG/G in FY 2013.

2.3a: Complete the planned number of video hearings (DCDAR)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	55,869	86,320	120,624	129,775	153,592	179,308
Target					140,000	154,000
Target Met					Met	Met

Description of Results:

We continued to improve service delivery by expanding access to video hearings, surpassing our goal by more than 25,000 video hearings.

3.1c: Percent of SSI payments free of Overpayment (O/P) and Underpayment (U/P) error (DCRDP)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	89.7% (O/P) 98.3% (U/P)	91.6%(O/P) 98.4% (U/P)	93.3% (O/P) 97.6% (U/P)	92.7% (O/P) 98.2% (U/P)	93.7% (O/P) 98.2% (U/P)	Data Available June 2014
Target	96% (O/P) 98.8% (U/P)	96% (O/P) 98.8% (U/p0	91.6% (0/P) 98.8% (U/P_	93.3% (O/P) 98.8% (U/P)	95% (O/P) 98.8% (U/P)	95% (O/P) 98.8% (U/P)
Target Met	NOT MET NOT MET	NOT MET NOT MET	MET NOT MET	NOT MET NOT MET	NOT MET NOT MET	TBD

Description of Results:

Our FY 2013 performance data will not be available until June 2014. We will discuss our FY 2013 performance in next year's report. We did not meet the SSI O/P or U/P accuracy measures for FY 2012. More information about our SSI payment accuracy rates is located in Appendix B Program Evaluation.

3.1d: Percent of OASDI payments free of Overpayment (O/P) and Underpayment (U/P) error (DCRDP)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	99.7% (O/P) 99.9% (U/P)	99.6% (O/P) 99.9% (U/P)	99.6% (O/P) 99.8% (U/P)	99.7% (O/P) 99.9% (U/P)	99.8% (O/P) 99.9% (U/P)	Data Available June 2014
Target	99.8%(O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)
Target Met	NOT MET MET	NOT MET MET	NOT MET MET	NOT MET MET	MET MET	TBD

Description of Results:

Our FY 2013 performance data will not be available until June 2014. We will discuss our FY 2013 performance in next year's report. We met both our O/P and U/P payment accuracy measures for FY 2012. More information about our OASDI payment accuracy rates is located in Appendix B Program Evaluation.

3.2a: Expand and enhance our debt collection tools (DCBFQM)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance					Implemented Treasury Offset Program (TOP) for programmatic delinquent debt over 10 years old	Sent 250,000 OASDI and SSI External Collection Operation notices to debtors with debts 10 years or more delinquent
Target					Implement TOP for programmatic delinquent debt over 10 years old	Send 180,000 OASDI and SSI External Collection Operation notices to debtors with debts 10 years or more delinquent
Target Met					Met	Met

Description of Results:

Treasury's regulations require us to notify debtors before referring our delinquent debts for recovery via TOP. In FY 2013, we exceeded our target of sending 180,000 notices to debtors with debts 10 years or more delinquent. By notifying 250,000 debtors, we increased our referrals of delinquent debt for recovery via TOP.

3.3a: Reduce the percentage of paper Forms W-2 completed (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance		16%	15%	14.4%	13%	12.44%
Target		17%	17%	15.5%	14%	13%
Target Met		Met	Met	Met	Met	Met

Description of Results:

We surpassed our FY 2013 goal for reducing the percentage of paper Forms W-2.

3.3b: Achieve the target percentage for correctly assigning original Social Security numbers (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	99.9%	99.9%	99.9%	99.9%	99.9%	Data available May 2014
Target	95%	95%	99%	99%	99%	99%
Target Met	Met	Met	Met	Met	Met	**TBD**

Description of Results:

In FY 2012, we correctly assigned 99.9 percent of Social Security numbers (SSN) exceeding our FY 2012 target of 99 percent. The most commonly cited error occurred when applicants received two different SSNs: six through our Enumeration-at-Entry process and one through the Social Security Number Application Process (SSNAP).

4.1c: Conduct mandatory employee training on diffusing difficult encounters with the public (DCBFQM)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance					Identified existing training and developed internal website	Developed safety and security training curriculum and piloted training curriculum
Target					Develop the safety and security training curriculum	Complete development of the safety and security training curriculum and finalize training products
Target Met					Not met	Not Met

Description of Results:

The safety and security training curriculum was not completed due to additional time being required to ensure the highest quality of the training curriculum and identification of pilot sites.

4.2a: Percentage of enterprise-wide systems availability (DCS)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance			99.84%	99.89%	99.9%	99.96%
Target					99.5%	99.5%
Target Met					Met	Met

Description of Results:

For FY 2013, our goal was to provide enterprise systems availability 99.5 percent of the time. These yearly service levels comprise 6 service channels representing 140 operational applications and 6 areas of processes, infrastructure architectures and services. Enterprise Systems Availability for FY 2013 was 99.96 percent, surpassing the 99.5 percent target by 0.456 percent. Exceeding the high performance levels resulted in a net savings/cost avoidance of over $179 million dollars in FY 2013 in administrative and productivity costs.

4.3a: Reduce energy intensity by 30 percent by 2015 (DCBFQM)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance			5.6%	1.8%	21.1%	20%
Target					7% reduction from FY 2003 (21%)	7% reduction from FY 2003 (24%)
Target Met					MET	NOT MET

Description of Results:

We did not meet the FY 2013 target due to poorer than expected performance on energy intensity, mainly due to the colder winter. In FY 2013, it was 23 percent colder than FY 2012. We also experienced mechanical issues as our boiler equipment was beyond its useful life. The boilers were completely refurbished to improve efficiency. We believe that once the Headquarters Energy Savings Performance Contract construction projects are complete in 2015 we will be closer to achieving the 30 percent reduction.

AGENCY PLANS AND PERFORMANCE

The following is an overview of our performance plans for the next two years and how we plan to measure our accomplishments. Our performance plans are based on full funding of the FY 2015 President's Budget. We organized this section by our strategic goals, objectives, means, and strategies defined in our Agency Strategic Plan for Fiscal Years 2014-2018 http://www.socialsecurity.gov/asp. Key initiatives that support our goals, objectives, means and strategies are listed under each objective. Performance measures and targets for FY 2014 and 2015 define how we will evaluate our results. For performance measures with an FY 2013 target, we have included our FY 2013 performance results.

Strategic Goal 1: Deliver Innovative, Quality Services

We have a long history of exemplary customer service marked by high customer satisfaction. Our high level of customer satisfaction is, in part, the result of our success in using technology to improve and expand the services we offer the American public.

We provide service to the public through multiple service channels: in-person, telephone, and online. In FY 2013, we assisted more than 43 million visitors, handled over 53 million transactions (e.g., changes of address, direct deposit) through our National 800 Number, registered 6.2 million users for *my* Social Security, and processed over 46 million online transactions.
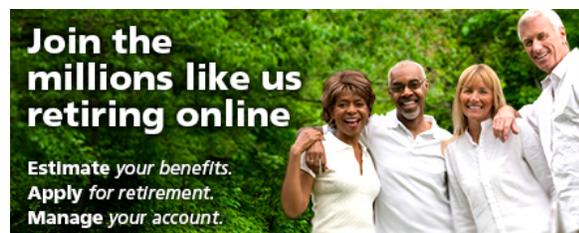
Technology has not replaced our employees or the in-person service for those customers who, for a variety of reasons, require or prefer more personalized service. Our goal is to provide quality and timely services in a manner that offers the convenience of interacting with us from anywhere, while preserving telephone and field office service for situations requiring personalized assistance. Our challenge is to increase customer satisfaction by expanding self-service delivery options that provide a personalized experience.

Strategic Objective 1.1: Develop and Increase the Use of Self-Service Options

In the past few decades, technology has revolutionized the business world. Advances in communication and IT have changed the face and the pace of our business processes and our ability to offer quality innovative service options. While we expanded the number of services and service delivery options we offer to the public, we continue to provide our customers with their preferred service delivery option, whether it is in person, by telephone, or online.

We will continue to look for ways to improve efficiency through service automation. Our strategies will streamline services and make them more relevant to customers. The public expects to complete more business online, and we will increase the number and types of self-service solutions, paperless processes, and electronic workflows, thereby improving overall efficiency.

We remain committed to meeting the public's needs by using technology. We will address the challenge of expanding easy-to-use online services as alternatives to in-person and telephone service. The public has responded positively to our current online options. In 2007, approximately 10 percent of applicants filed for retirement online. In the last quarter of FY 2013, over 50 percent of claims were filed online.

> **Did You Know?**
>
> Our most popular new online service, *my* Social Security, gets more than 2 million visits per month.

Strategies

- Expand personal services available under *my* Social Security to include high-volume workloads, such as SSN replacement cards;
- Move our online applications under a single customer account registration;
- Accelerate development of additional online products;
- Expand the availability of online applications using responsive design and the use of self-help personal computers available in our offices or community locations;
- Provide direct access to information and notices for individuals and designated third parties;
- Offer electronic delivery of notices and an option to opt out of paper notices; and
- Increase the public's use of self-service options by aggressively promoting and marketing our online applications and services.

Key Initiatives

Expanding Video Remote Interpreting Services

In FY 2012, we began piloting Video Remote Interpreting (VRI) services for hearing-impaired visitors in 37 field offices. Based on the success of this pilot, we expanded VRI services to an additional 262 field offices in FY 2013. In FY 2014, we plan to expand VRI services to approximately 148 field offices that already have video equipment installed.

Utilizing Self-Help Personal Computers to Develop and Promote Self-Service Options

Self-help personal computers (SHPC) enable field office managers to minimize visitor wait times. SHPCs allow customers to complete select services online using an in-office personal computer dedicated solely for use by the public. This initiative also educates the public on the various online services that we offer. We offer this service in 249 offices nationwide.

Leveraging *my* Social Security

We implemented a new, more secure procedure to authenticate the identity of customers interested in conducting business with us online through an online service called *my* Social Security

(www.socialsecurity.gov/myaccount/). Social Security beneficiaries and SSI recipients now can access their benefit verification letters, payment histories, and earnings records instantly. Social Security beneficiaries can also change their address and start or change direct deposit information online. Our *my* Social Security, which includes the online Social Security Statement, consistently ranks as one of the top 10 in customer satisfaction for all Federal websites.

Expanding Our Nationwide Marketing Campaign

We use public service announcements on television and radio, printed leaflets, billboards, bus posters, and displays in airport terminals to promote our online services. We also use social media to direct customers to our online service options. Locally, our offices find creative and cost-effective ways to inform the community about the advantages of using our online services.

We work with a broad network of national organizations, advocacy groups, and other stakeholders who represent the American public to promote our online services. Our audiences include individuals who are aged or disabled; claimants' representatives; financial planners; human resource managers; and our colleagues from other Federal agencies and State, local, and tribal governments. We also produce webinars and webcasts to promote online services and explain our programs and services.

People who visit our website (www.socialsecurity.gov/) by smartphones can access a mobile-friendly version of our frequently asked questions and publications they can easily read or listen to in both English and Spanish.

In addition, visitors to the mobile site can learn how to create a personal *my* Social Security account (www.socialsecurity.gov/myaccount/) and connect with us on Facebook, Twitter, YouTube, and Pinterest.

In FY 2014 and FY 2015, we will explore additional online marketing, such as Facebook advertising, and

increase the use of social media as an outreach tool to promote new and updated online services.

Enhancing iAppeals

We will further improve our online appeals application, iAppeals, by including more propagated fields to reduce the need for representatives to enter the same data multiple times. In FY 2015, representatives will have the option to scan additional forms and documents and submit them online.

Did You Know?

Social Security is on Facebook, Twitter, and more. Visit our Social Media Hub (www.socialsecurity.gov/socialmedia) to learn more.

External Factors

The following external factors may affect our efforts to develop and increase the use of self-service options:

- Dramatic increase in mobile and broadband Internet access is driving public expectation for instantaneous service via multiple service delivery channels.
- Input from external entities (i.e., advocacy groups, professional groups, and State, local, and other Federal governmental agencies) can influence our decisions on self-service options.

Performance Measures - Strategic Objective 1.1

1.1a: Improve access to our services by increasing the number of citizens who complete their business with us online (APG) (NEW)

Fiscal Year	2014	2015
Target	Increase the number of citizens completing business online by 10% over FY 2013	Increase the number of citizens completing business online by 10% over FY 2014

Data definition: eServices usage for *my* Social Security suite, Pre-Entitlement – Informational Services (excludes visits to Social Security Online, Frequently Asked Questions, and Field Office Locator), Entitlement – Claims & Appeals, and Post Entitlement. In FY 2013, we conducted 46.1 million online transactions. Our FY 2014 goal is to conduct 50.7 million transactions and 55.8 million transactions in FY 2015.

Data source: Social Security, Office of Electronic Services and Technology website: eServices Statistics (http://eis.ba.ssa.gov/oesweb/mi_space/index.html)

Strategic Objective 1.2: Enhance the Customer Experience by Completing Customers' Business at the First Point of Contact

As we make changes to meet the needs of our customers at the first point of contact, we remain mindful that a one-size-fits-all approach may not meet all of our customers' needs.

To enhance our customers' experience, we will integrate our IT systems and provide electronic solutions that keep individuals in their preferred service mode. Our goal is to provide employee assistance or extra help via online chat, video, or other means to customers who access our online services, enabling them to continue in the online service delivery channel.

Improved call routing, video service delivery (VSD), and employee development contribute to ensuring we complete transactions efficiently, accurately, and at the first point of contact, thereby enhancing our customers' experience.

Strategies

- Implement online support options, including click to talk, screen sharing, and instant messaging;
- Integrate our online applications, such as the streamlined online disability application; and
- Increase the use of video service.

Key Initiatives

Implementing Internet Social Security Number Replacement Card Application

In FY 2013, we processed over 10 million replacement SSN card applications at field offices and in Social Security Card Centers across the country. This workload is a significant `, highly sensitive, and sometimes complex one, often requiring in-person interviews.

In FY 2014, we will begin developing the Internet Social Security Number Replacement Card (iSSNRC), a secure, automated online tool that will allow the public to apply for a replacement SSN card over the Internet without having to visit a field office to submit proof of identity. The iSSNRC will help reduce this workload for field offices and Social Security Card Centers, providing more time for our employees to process other workloads.

In FY 2014, we will begin developing iSSNRC.

Providing Electronic Folder Access for Representatives

Representatives transact business with us on behalf of applicants who file for disability benefits. We provide appointed representatives access to their clients' electronic disability folders at the hearing and Appeals Council levels. At the end of FY 2013, nearly 11,300 appointed representatives were enrolled our program that allows them access to their clients' electronic disability folders, accounting for 87 percent of all hearing requests pending with appointed representatives.

Establishing the Social Security Administration Electronic Remittance System

We will enter into an agreement with the Department of the Treasury's (Treasury) Bureau of the Fiscal Service to establish a partnership to process credit card, debit card, and check transactions. We will then procure and implement commercial off-the-shelf software to provide an Intranet application that supports field office personnel in collecting fees from customers for services provided. We plan a phased rollout of the Social Security Electronic Remittance System to begin in FY 2014. We will collect fees from first or third party, walk-in customers for services associated with pre-approved standard fees, such as copying electronic or paper folders. We may consider collecting programmatic debt through this remittance system in a later phase of the project.

Increase Video Hearings

Video hearings play a critical role in our disability adjudication process. Since FY 2009, we have held almost 670,000 hearings by video. Video provides claimants the option of participating in a hearing more conveniently located to where they live. Video

hearings are held in hearing offices, permanent remote sites, stand-alone claimant-only sites, claimant-only sites inside field offices, rules National Hearing Centers, and through select representatives participating in the Representative Video Project. Video hearings provide workload allocation flexibility by electronic transfer of cases to offices with lower case receipts, and contribute to the reduction of pending hearings, as well as a reduction in claimant, representative and ALJ travel expenses. In FY 2014 and FY 2015, we will focus on updating systems and infrastructure to improve the quality of video hearings. We will also increase marketing and educational information about the benefits of video hearings, and pursue policy and business process changes to maximize efficiency.

Expanding Video Service Delivery

Some people who live in rural locations or places without public transportation have difficulty visiting a field office. VSD enables us to provide services to our customers at convenient third-party sites, such as hospitals, libraries, community centers, American Indian tribal centers, and homeless shelters.

In 2013, we provided 20 VSD units for DDSs, allowing them to conduct video disability hearings and video consultative exams. Additionally, we are installing 15 VSD units in video partner locations to assist veterans in Wounded Warrior sites and reduce our travel expenses. In FY 2014, we will expand the list of individuals who can use our VSD process to include all U.S. citizens with primary proof of identity applying for themselves and parents applying on behalf of a child if the parent' name appears on the child's SSN record.

Highlighting Section 504

Section 504 of the *Rehabilitation Act of 1973* requires Federal agencies to provide individuals with disabilities meaningful access to programs and services. We will ensure meaningful access by:

- Developing policy guidance;

- Developing an automated system for receiving and processing accommodation requests;
- Implementing a broad communication strategy; and
- Providing training for our employees.

Once implemented, individuals with disabilities will be able to efficiently request accommodations that allow them meaningful access to our programs and services.

Providing Real-Time Assistance to Online Users

We are exploring the use of web-support technologies to improve our level of customer service to online users. In FY 2012, we concluded the Network Online Web support pilot as a precursor to the Click-to-Communicate (C2C) initiative. The NOW pilot helped us develop a strategy for incorporating web support technologies into our business process. As part of the C2C initiative, we are considering using three web support technologies: Click-to-Talk, Screen Sharing, and Instant Messaging.

In FY 2013, we implemented a help desk to provide near real-time telephone support for users of *my* Social Security web services. Users can receive support by calling the National 800 Number or using a web-based form to request a callback from a help desk agent. We will begin planning for additional C2C initiatives in FY 2014.

External Factors

The following external factors may affect our efforts to enhance the customer experience by completing customer's business at the first point of contact:

- The effectiveness of VSD expansion relies on our customers' acceptance of its use.
- Electronic folder access for representatives relies on external parties to use these enhancements.

Performance Measure - Strategic Objective 1.2

1.2a: Deliver a world-class customer experience by expanding the use of video technology to hold hearings (APG) (NEW)

Fiscal Year	2014	2015
Target	28% of hearings conducted by video	30% of hearings conducted by video

Data definition:
The percentage of total hearings held during the fiscal year that were video hearings. The percentage is derived by dividing the total number of video hearings held during the fiscal year by the total number of hearings held during the fiscal year.

Data source:
Case Processing Management System

1.2b: Expand the services available under *my* Social Security by implementing an online Social Security Number Replacement Card application (NEW)

Fiscal Year	2014	2015
Target	Complete planning and analysis for implementing an online Social Security Number Replacement Card application	Implement the online Social Security Number Replacement Card application

Data definition:
FY 2014: Completion of the Planning & Analysis portion of the project, as defined by the Software Development Lifecycle on the Project Resource Guide website
(http://pride.ssahost.ba.ssa.gov/Planning_and_Analysis/default.cfm).
FY 2015: Implementation and successful usage of the application as measured by usage management information reports (not yet developed).

Data source:
FY 2014: Completed Project Scope Agreement and System Development Plan
FY 2015: Number of successful s submittals as reported by management information reports

1.2c: Maintain customer satisfaction with our online services (NEW)

Fiscal Year	2014	2015
Target	Maintain an average customer satisfaction score of at least 80	Maintain an average customer satisfaction score of at least 80

Data definition: Average American Customer Satisfaction Index (ACSI) score for the Social Security Administrations (SSA) eServices. Note that ACSI reports their data quarterly, based upon the calendar year. For this measure, to be consistent with the fiscal year, we will deviate from the ACSI time periods and use the fiscal year quarters. As a result, there may be some deviation from ACSI-published documents and the measure reported here.

Data source: Table entitled "SSA Average Satisfaction Score"
http://eis.ba.ssa.gov/oesweb/web_analytics/ACSI/index.html

1.2d: Provide the public with access to personalized information by increasing the number of established *my* Social Security accounts (APG) (NEW)

Fiscal Year	2014	2015
Target	Increase the number of customers who sign up for *my* Social Security by 15% over FY 2013	Increase the number of customers who sign up for *my* Social Security by 15% over FY 2014

Data definition:
The percentage increase in the number of established *my* Social Security accounts created in the current and prior fiscal years. In FY 2013, we added 6.32 million *my* Social Security accounts. Our FY 2014 goal is to add 7.27 million accounts and 8.36 million accounts in FY 2015.
Data source:
Office of Electronic Services and Technology, Division of Authentication

Strategic Objective 1.3: Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach

We recognize that many people seeking benefits from our agency also interact with other government agencies. We are committed to reducing the burden people face when dealing with multiple agencies to get the services they need. Agencies with similar programs can learn from each other, share data, and develop processes and procedures that are less cumbersome and more citizen centric. By partnering with other government agencies, community-based organizations, tribal governments, and the private sector, we can improve the customers' experience despite diminishing resources. The relationships we develop will allow us to provide expanded and innovative access options to our services.

Strategies

- Implement SSA Express to provide service using self-service kiosks in community locations;
- Provide Social Security services through other government agencies, community-based organizations, tribal governments, and private organizations that serve our customers;
- Increase collaboration with the Departments of Defense (DoD) and VA to improve processes for veterans and service members; and
- Improve information sharing among other government agencies for records, data, and other information.

Key Initiatives

Expand Our Partnerships with External Organizations

The public can conduct business with us while at various commercial centers and community locations using SSA Express. SSA Express encompasses three self-service options that allow the public to complete business with us remotely from external partner locations (local, State, or Federal government agencies like VA or the U.S. Department of Housing and Urban Development). The three self-service options are:

- An SSA Express icon installed on partner computers
- A quick service kiosk offering limited online services
- A full-service kiosk offering the full suite of online services, including chat and video capabilities

In FY 2013, 25 partner sites agreed to download the SSA Express icon to the desktops of their self-help computers, and 4 partner sites have agreed to use SSA-provided, self-help computers. In FY 2014, we plan to pilot a small number of kiosks in partner locations that will give the public access to our online services.

Expanding the Virtual Lifetime Electronic Record

In April 2009, DoD and VA launched the Virtual Lifetime Electronic Record (VLER) (www.prim.osd.mil/init/vler.html) initiative to create a unified lifetime electronic health record for members of our Armed Services. We are working closely with both agencies to ensure we address veterans' needs for benefits and services as seamlessly as possible, including integrated medical examinations and fully automated access to medical records.

In FY 2014 and FY 2015, we plan to enhance the clinical content available for health IT exchange and continue to evaluate the integration of our eAuthorization initiative into the health IT solution. (eAuthorization allows for electronic signature on our Authorization to Disclose Information, Form SSA-827, and is further described under Strategic Objective 3.2.)

Expanding Enumeration at Birth - U.S. Territories

Using information from hospital birth records, we can assign SSNs to newborns. Because the information is obtained directly from State's Bureaus of Vital Statistics, errors and the possibility of fraud

are minimized. In FY 2014, we will expand the Enumeration at Birth (EAB) process to include children born in all the U.S. territories, including: Guam, the Commonwealth of Northern Mariana Islands, the U.S. Virgin Islands, and American Samoa.

External Factors

The following external factors may affect our efforts to partner with other agencies and organizations to improve customer's experience and align with the administration's one-government approach:

- The economy and the number of veterans filing for disability benefits affect VLER. If a veteran has difficulty finding employment, he or she is more likely to file for disability benefits. An increase in disability claims can result in an increased backlog and longer processing times.

- DoD and VA have their own mission-critical work, priorities, and resource limitations, which affect implementation decisions related to VLER.
- Lack of buy-in from potential partners affects this objective.
- Other entities have competing priorities and resource limitations that may impede partnership efforts.
- An FY14 implementation of EAB for the territories is dependent upon the completion of appropriate legal and security agreements with each territory. The Agency cannot implement until the proper agreements are in place.

Performance Measure - Strategic Objective 1.3

1.3a: Minimize the average response time to deliver medical evidence to the VA for wounded warriors and veterans (NEW)

Fiscal Year	2014	2015
Target	Deliver medical evidence to the VA within an average of 5 days	Deliver medical evidence to the VA within an average of 4 days

Data definition: We currently track requests received from the VA for medical evidence. We also track how long it takes us to respond to the request.

Data source: Office of Systems

1.3b: Partner with HHS and VA to better serve the homeless population (NEW)

Fiscal Year	2014	2015
Target	Partner with HHS and VA to draft a Federal best-practices model for facilitating access to SSI and Social Security Disability Insurance benefits	Work with the United States Interagency Council on Homelessness to determine appropriate next steps in sharing the best-practice model with other Federal agencies.

Data Definition: Completion of targeted milestones for FY 2014 and FY 2015.

Data Source: Office of Research and Disability Policy

Strategic Objective 1.4: Evaluate Our Physical Footprint to Incorporate Improved Service Options

Our facility maintenance costs continue to increase despite staff losses. We are concerned about the high upfront costs for facilities and associated services (e.g., rent, utilities, security guard services, etc.), especially as more cost-effective and reliable alternatives to in-person service exist. Our success in providing service delivery options to the American public and the public's increased use of our options positions us to reassess our traditional physical infrastructure needs. As technology drives the realignment of our physical footprint, it will be unnecessary to maintain large brick-and-mortar infrastructures to address the needs of the public. However, when in-person contact is required, our services will be accessible.

Strategies

- Design space, maintain offices, and reassess the structure of internal facilities to optimize cost and maximize opportunities for improved service delivery; and
- Explore solutions that optimize the operational efficiencies of offices, including collocations

Key Initiatives

Consolidating Field and Hearing Offices

In FY 2013, we developed a business plan for consolidating field and hearing offices, as well as other permanent remote sites we use to conduct hearings. Consolidated offices can share reception areas, guard services, training rooms, and common areas. As of April 2013, we have five consolidated offices. We will also explore the feasibility of non-conventional approaches to consolidation, such as locating our offices with other Federal, State, and local government facilities.

Developing the Field Office Design Guide

We are developing the Field Office Design Guide (FODG) to set national standards for field office design. These standards will help ensure a secure, private, and efficient environment for our employees and the public. We are currently testing various aspects of FODG, such as interview windows. In FY 2014, we will begin implementing the FODG.

External Factors

The following external factors may affect our efforts:

- Increasing costs for rent and contract security guard services may affect savings realized.
- Space availability and labor relations issues also affect this objective.

Performance Measure - Strategic Objective 1.4

1.4a: In light of substantial staff losses and availability of many self-service options, we will reassess our physical footprint to identify opportunities for improved service delivery (NEW)

Fiscal Year	2014	2015
Target	Evaluate potential opportunities for co-locating and consolidating our public service facilities within and outside of SSA	TBD

Data definition: Completing the targeted milestones.

Data source: Offices of Budget, Finance, Quality and Management and Operations

Strategic Goal 2: Strengthen the Integrity of Our Programs

We pay $75 billion in benefits each month across all of our programs. 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.

We have a high accuracy rate in paying benefits in our retirement and survivors programs. In recent years, our accuracy rate has been over 99 percent.

Our disability insurance program provides benefits to people who cannot work because they have a medical condition expected to last at least one year or result in death, and is challenging due to the complexity of the laws and possible changes in medical conditions.

Our SSI program is a means-tested program, which provides cash assistance to aged, blind, and disabled people with limited income and resources. Changes in recipients' living arrangements or income can affect their eligibility for payment or the amount of payment. We rely on recipients to self-report this information, which is a significant reason for the inconsistencies in our SSI payment accuracy rate. Delayed reports of income or resource changes could result in improper payments.

We will make investments to enhance partnerships with our beneficiaries, while expanding opportunities to share information with other Federal and State Government agencies, which should result in receiving some payment-affecting information faster. We will also use the latest technology to mitigate identity theft and improve debt collection efforts.

Finally, we are using experts in evaluation methods to review implementation plans for each improper payment initiative. Our goal is to ensure that our initiatives produce clear and measureable outcomes that lead to actionable efforts to reduce improper payments and reclaim associated funds.

Strategic Objective 2.1: Transform the Way We Record Earnings to Enhance Data Accuracy

We base Social Security benefit amounts on a worker's lifetime earnings. We devote a significant amount of resources to ensure earnings records are accurate because the calculation of benefits is critical.

In FY 2013, we posted more than 251 million earnings items to individuals' records. Maintaining accurate Social Security records requires that we provide workers, employers, and government agencies the tools they need to accurately report wages to us.

Although employers electronically filed over 87 percent of Forms W-2 in calendar year 2013, we received nearly 29 million items on paper Forms W-2. We continue to work toward eliminating paper wage reports while migrating to a fully electronic earnings record process. We encourage electronic wage reporting because it is more accurate.

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 (IRS) to enhance earnings data exchanges for improved wage reporting.

We will increase efforts to encourage the public to verify their earnings information, broaden our communication efforts across the public and private sectors to promote shared reporting responsibilities, and enhance online service options to facilitate more accurate and timely reporting.

Strategies

- Modernize our earnings system;
- Encourage electronic wage reporting; and
- Encourage the public to review their Social Security Statement for earnings accuracy.

Key Initiatives

Continuing the Earnings Redesign Initiative

We are redesigning our systems to make our earnings process more efficient and accurate. In addition, we are working with the IRS to enhance the earnings data exchanges for improved wage reporting.

In FY 2013, we implemented the release of the AWR Redesign project, continuing our multi-year effort to:

- Improve our detection and prevention of potential wage reporting fraud;
- Replace outdated technology and business processes; and
- Automate our earnings reconciliation process.

In FY 2014, we will:

- Continue to improve our error-detection capabilities;
- Retire obsolete system functionality;
- Streamline automated business processes;
- Continue to retire outdated business processes; and
- Increase automation of our earnings reconciliation process.

Increasing Electronic Wage Report Filing

Annually, we receive nearly 29 million paper forms, W-2 from over 3.2 million paper wage reports from employers. Paper wage reports are more error prone, labor intensive, and expensive to process.

In FY 2013, we added functionality to our online Forms W-2 and implemented user-friendly enhancements to make it easier for small businesses to use our Electronic Wage Reporting (EWR) suite of services. We also added an option to our W-2 Online service to make it easier for prior-year customers to complete their current-year submission.

We will continue to encourage employers and third-party submitters to use EWR through promotional materials, articles in trade publications, and direct contact. We market EWR services online and at conferences and meetings attended by the wage reporting community.

Strengthening the Social Security Number Application Process

Enumeration is our process of assigning SSNs and issuing Social Security cards. Each year we receive approximately 17 million applications for original and replacement Social Security cards. Our employees use SSNAP, a web-based enumeration system to record information and evidence submitted with an individual's application for an SSN. SSNAP is available in all field offices (including Social Security Card Centers), teleservice centers, and Foreign Service posts. SSNAP also enables employees to correct the public's Social Security records.

As resources permit, we will continue to develop and implement the following enhancements to help us enforce enumeration policy:

- Put in place alerts to field office personnel of potential problems with the applicant's immigration status;
- Improve documentation of identity; and
- Enhance enforcement of proof of identity policy.

Expanding Use of Social Security Number Verification Services

We can accurately post employee wages only when employers report wages under the correct SSN. Social Security Number Verification Services (SSNVS) allow registered users (e.g., employers) to verify, the employee's SSN. We will continue to market SSNVS to the business community online, at conferences, and at meetings.

Accessing the Social Security Statement

The Social Security Statement is a concise, easy-to-read personal record of workers' earnings, the amount of Social Security taxes they paid and a summary of the estimated benefits they and their families may receive. In recent years, we mailed annual Social Security Statements to more than 150 million people; however, we suspended mailing paper Social Security Statements due to budget constraints. We now offer the public the option of obtaining the information online. During the third quarter of 2013, we again began making mailed

Statements available to people who are not able to successfully register online for a *my* Social Security account.

Both the mailed and online versions of the Social Security Statement include links to web information and services to help people plan for retirement.

External Factors

The following external factors may affect our efforts to transform the way we record earnings to enhance data accuracy:

- Fluctuating job markets affect the number of wage reports received for any given tax year.
- New and modified tax laws implemented late in the year affect employers' ability to quickly react and update any software used to timely report wages on Forms W-2.

- Available resources for marketing of SSNVS could affect the continued growth and use of these services.
- The initiatives that support this strategic objective may be affected should immigration reform legislation be enacted into law.
- Increased marketing of Business Services Online (BSO)/EWR will foster use of electronic wage reporting. Without directed marketing efforts, small businesses who currently submit on paper may not be aware of the services offered by BSO/EWR.

Did You Know?

In FY 2013 we processed over 251 million earnings items from over 6.3 million employers.

2.1a: Redesign our earnings system to improve the accuracy and timeliness of the earnings data used to calculate benefits (NEW)

Fiscal Year	2014	2015
Target	Complete construction of at least 50% of the redesigned functionality to process Forms W-2 within the AWR system	Implement the redesigned functionality to process Forms W-2 within the AWR system

Data definition: Construction of the redesigned Annual Wage Reporting (AWR) functionality is defined as the development of the software to meet the high-level requirements for processing Forms W-2. To meet the FY 2014 goal, we must develop software to meet 50 percent of the base-lined, high-level requirements. In FY 2015, we will apply the redesigned AWR software to process forms W-2.

Data source: The data source is the aggregate of the base-lined, high-level requirements for the redesigned Form W-2 processing within the AWR system. The software release certification process will document the software implementation.

Strategic Objective 2.2: Protect the Public's Data and Provide Secure Online Services

Our customers increasingly embrace online services, which save time and are critical to our ability to keep up with the increased number of claims we receive.

We are committed to maintaining the confidentiality and integrity of information in our records. We take the public's trust seriously and take great pride in securing the sensitive data and personal information we maintain to administer our programs. In response to the growing problems posed by identity theft, we will continue to develop ways to enhance protection of our beneficiaries' records.

Strategies

- Ensure strong authentication technologies and appropriate access to information and services;
- Ensure online services have appropriate security features; and
- Partner with other Federal agencies to aggressively combat identity theft to prevent unauthorized transactions.

Key Initiatives

Implementing Data Loss Prevention Technology

Protecting the personal information the public entrusts to us is integral to our mission. We implemented a Data Loss Prevention (DLP) security tool to help identify, monitor, and protect our sensitive data from unauthorized use or transmission. The DLP alerts us when it detects that personally identifiable information (PII) is leaving the agency's network boundary. We investigate these alerts to determine if our data was disclosed for non-program purposes. Future enhancements of the tool will increase our ability to prevent data from leaving our network.

Deploying Management System for Personally Identifiable Information and Federal Tax Information

We developed the Enterprise Test Data Management System (ETDMS) to manage and purge PII and Federal tax information in our test and training systems. We ensure these systems are well controlled and decrease any risk of exposing sensitive public data.

In FY 2013, we released ETDMS and the basic infrastructure for purging specific SSNs, Employer Identification Number, telephone number, email, and bank account data. In FY 2014 and FY 2015, we plan to:

- Sanitize additional data (such as name and address); and
- Extend ETDMS to manage, control, and sanitize new incoming test and training data in environments such as Integration, Training, and Development.

Once fully implemented, ETDMS will enhance management, control, and safeguarding of sensitive public data, including test data.

Producing a Public Facing Integrity Review

As we add more online services, we will remain alert to fraudulent and malicious acts against our systems. Our PFIR system identifies unusual and potentially fraudulent activity in our Internet applications.

In FY 2014, we will enhance the system with additional functionality and new scenarios to detect fraud. In FY 2015, we will continue to enhance PFIR and we will implement a robust architecture that will alert us sooner to fraud attempts

External Factors

The following external factor may affect our efforts to protect the public's data and provide secure online services:

- Unanticipated workload increases could affect planned activities.

Performance Measure - Strategic Objective 2.2

2.2a: Implement a fraud and integrity unit to protect the public's data (NEW)

Fiscal Year	2014	2015
Target	Establish the *my* Social Security Fraud Analysis and Coordination Team	Expand the Fraud Analysis and Coordination Team

Data definition: Completing the targeted milestones.

Data source: Office of Operations

2.2b: Enhance our security features and business processes to prevent and detect fraud (NEW)

Fiscal Year	2014	2015
Target	Expand the PFIR system to more rapidly detect a greater variety of fraudulent Internet transactions	Continue to expand the PFIR system to more rapidly detect a greater variety of fraudulent Internet transactions

Data definition: Expand functionality by planning, developing, and implementing new or additional reviews for fraud in existing web facing applications and new online services, as they are made available to the public.

Data source: Public Facing Integrity Review system

Strategic Objective 2.3: Increase Payment Accuracy

The American public expects us to be outstanding stewards of general revenues and the Social Security Trust Funds, and we are committed to protecting our programs from waste, fraud, and abuse.

Our most important program integrity tools are CDRs, which are periodic re-evaluations to determine if beneficiaries are still disabled, and SSI redeterminations, which are periodic reviews of non-medical factors of SSI eligibility, such as income and resources. Recent estimates for the FY 2015 President's Budget indicate that CDRs yield on average about $9 in net program savings for each dollar spent, including Medicare and Medicaid effects, and redeterminations yield on average over $4 in savings for each dollar spent, including Medicaid effects.

We will continue to perform CDRs and SSI redeterminations, and despite our rising additional workloads, enhance our program integrity efforts in other areas to improve payment accuracy for our programs. We will:

- Make better use of data exchanges between government agencies and payroll providers to receive more accurate earnings information;
- Simplify our work incentive policies and procedures;
- Continue to partner with financial institutions to expand on the success of our Access to Financial Institutions (AFI) initiative to identify financial resources that often go unreported;
- Implement new guidance and expand existing programs to recover more debt; and
- Pilot new computer technologies and data searches to help analyze agency data in new ways to identify and correct the most error-prone aspects of our programs.

Representative payees (i.e., persons who receive payments on behalf of recipients who cannot manage their own benefits) play a significant role in the lives of many beneficiaries. We will explore ways to better identify, screen, and appoint representative payees. We will continue to take

steps to improve the program to monitor representative payees and prevent the misuse of benefits. We will also look for ways to enhance coordination with other Federal agencies and entities that serve similar populations.

Strategies

- Collaborate with other Federal agencies, such as the Department of Veterans Affairs and Centers for Medicare and Medicaid Services, to find innovative ways to prevent and reduce improper payments;
- Increase efforts to recover overpayments;
- Enhance predictive models and automation tools to help identify error-prone aspects of benefit eligibility;
- Expand use of data analytics to reduce fraud and payment errors; and
- Streamline the Representative Payee program to better identify potential misuse of benefits.

Key Initiatives

Promoting Use of the SSI Telephone Wage Reporting System and SSI Mobile Wage Reporting

Unreported and untimely reported wages continue to be a major source of payment error in the SSI program. To facilitate timely reporting, we implemented the SSI Telephone Wage Reporting (SSITWR) system. Recipients, their spouses and parents, and their representative payees can call a dedicated telephone number to report monthly wages directly into the SSI system via a combination of touch-tone entry and voice-recognition software.

SSITWR is more efficient because it reduces unnecessary visits to the field office, diminishes the opportunity for manual keying errors, and allows us to process wage reports automatically.

As part of our ongoing efforts to promote monthly wage reporting, we are conducting a Representative Payee Outreach Pilot. We mailed notices to a group of representative payees for working SSI recipients asking them to use SSITWR to report wages. Based on the successful results of the pilot, in FY 2013 we

expanded the mailing to a larger group of representative payees for working SSI recipients.

In FY 2013, as part of our online services initiatives, we began piloting the SSI Mobile Wage Reporting (SSIMWR) program, which allows mobile wage reporting on both Android and Apple smartphones. Participants can download and use the free SSIMWR application to report wages. We also posted a webcast to promote the use of SSITWR and SSIMWR.

In FY 2014, we began allowing individuals to report at any time during the month rather than just the first six days of the month.

Conducting Continuing Disability Reviews

To ensure we pay disability benefits to only those who continue to meet our medical requirements, we conduct CDRs periodically for both Social Security beneficiaries and SSI recipients to determine if their disabling condition has improved and if they are still eligible for benefits. We use statistical modeling to identify a beneficiary's probability of medical improvement and to help us determine which cases to target for CDRs.

Although most CDRs do not result in a cessation of benefits, our CDR process is cost effective. In FY 2014 and FY 2015, we plan to complete 510,000 and 888,000 CDRs respectively.

Conducting Supplemental Security Income Redeterminations

Changes in recipients' living arrangements or the amount of their income and resources can affect their eligibility for SSI and the amount of their payments. To ensure the accuracy of SSI payments, we conduct redeterminations. In FY 2014 and FY 2015, we plan to conduct 2,622,000 redeterminations each year.

Using Predictive Modeling in Continuing Disability Review Enforcement Operation

The Continuing Disability Review Enforcement Operation (CDREO) identifies Social Security disability beneficiaries who potentially have substantial earnings after disability onset. We developed and piloted a PM to effectively identify Social Security disability beneficiaries at risk of incurring overpayments due to high earnings. In FY 2013, we implemented the PM nationwide, based on pilot findings that suggest a 55 percent increase in the proportion of cessations that occur within the first 90 days of using the PM score procedure.

In FY 2013, we completed about 252,900 work CDRs. In FY 2014 and FY 2015, we will evaluate the PM and the outcomes of the processing the work CDRs using the PM scores. Based on the outcomes of the evaluation we will identify and recommend potential model enhancements and processes for minimizing delays and unpredictability to allow the PM to learn and continue to grow.

Using Predictive Modeling in the Redetermination Process

We do not have the resources to conduct an annual redetermination of every SSI recipient, so we use a statistical scoring model to identify and prioritize for redetermination cases having a high likelihood of error. The statistical model uses various income, resource, and living arrangement variables to predict likely SSI overpayments. We also use third-party data to enhance the effectiveness of our PM.

In FY 2013, the cases we completed resulted in the prevention and recovery of $3.4 billion in total lifetime SSI overpayments. If we had relied on random case selection rather than using a PM, we project that, we would have prevented and recovered only $2.1 billion in total lifetime savings for the same period.

We continue to improve our predictive statistical modeling and data mining techniques to determine the potential value of such data in our SSI redetermination modeling and selection process. We will focus these advanced analytical techniques on ways to enhance our current redetermination selection model and potentially the redetermination process.

Expanding the Access to Financial Institutions Initiative

AFI is an electronic process that verifies bank account balances with financial institutions for purposes of determining SSI eligibility. In addition to verifying alleged accounts, AFI detects undisclosed accounts by using a geographic search to generate requests to other financial institutions. AFI's purpose is to identify excess resources in financial accounts, which are a leading cause of SSI payment errors. We currently use the AFI system in all 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands.

Along with preventing overpayments, AFI will help us to eliminate ineligible applicants at the beginning of the application process, reducing the workload in the State Disability Determination Services. Full implementation is defined as using AFI on every potential SSI claim and redetermination and assumes using no tolerance levels, increasing the number of bank searches, and fully integrating the process with our systems. In FY 2013, we lowered the tolerance levels and increased bank searches. We expect the account verifications we will complete in FY 2014 will be cost effective.

Expanding Our Cooperative Disability Investigation Program

We will work collaboratively with the Office of Inspector General (OIG), the DDSs, and State and local law enforcement agencies through our Cooperative Disability Investigation (CDI) units to resolve allegations of fraud in our disability programs. CDI units help prevent payments to people who are not disabled and reduce improper payments to beneficiaries who have failed to report medical improvement or work activity. In FY 2013, CDI investigations led to the denial or termination of over 4,100 claims, saving approximately $340 million in our Social Security and SSI disability programs, and approximately $246 million in non-SSA programs, such as Medicare and Medicaid.

In FY 2013, we opened a CDI Unit in Puerto Rico. In FY 2014 and FY 2015, we will add additional units and expand existing units as funding permits.

Continuing the Potential Entitlements Initiative

The law requires that we base a person's benefit amount on a number of factors including age, earnings history, and the type of benefit awarded. Inaccurate information or administrative mistakes can cause errors in calculating benefits.

The potential entitlements initiative is actively addressing improper underpayments and overpayments. In the OASDI program, we are correcting payments to young mothers who did not properly convert to widow's benefits when they attained full retirement age. For the SSI program, we are referring some veterans receiving SSI to the VA when we determine they may be entitled to veteran's benefits.

Expanding the Use of Electronic Death Data Exchange with Foreign Governments

We use an electronic death data exchange with foreign governments to ensure we do not pay benefits to deceased people who resided outside of the United States. In FY 2013, we transitioned five existing data exchanges to a new methodology and pursued new data exchanges with Canada, Poland, Switzerland, and other partner countries.

In FY 2013, we also identified France and Spain as the next candidate countries, based on the number of beneficiaries and expected results. We hope to engage new partner countries in the future, including the Slovak Republic.

Using Electronic Data Exchanges

We have over 3,700 data exchanges with a wide range of Federal, State, and local entities that provide us with information we need to adjust the amount of benefits we pay, which includes about 2,300 exchanges with prisons that allow us to quickly and effectively suspend benefits.

One exchange is the Electronic Death Registration (EDR). EDR is a web-based, data exchange application designed to allow a State's Bureau of Vital Statistics to verify decedents' SSNs using the Internet prior to submitting reports of death. EDR results in more timely and accurate State death reports. We continue to work closely with States to

enroll them in the EDR process. As of FY 2013, 34 States, the City of New York, and the District of Columbia participate in EDR, and we anticipate several new EDR States in FY 2014.

Improving the Death Reporting System Process

We are enhancing and streamlining our death reporting system to ensure we comply with policy, reduce improper payments, reduce improper release of PII, and improve consistency of data in our records.

In FY 2014, we will provide a new user interface for death reporting and collect new, comprehensive management information. Ultimately, our goal is to have one source for death data.

Implementing Data Exchange and Verification Online

We have a mission-critical need to meet the demands of the verification and data exchange workloads to ensure timely sharing of accurate data with customers such as Federal, State, local, and foreign government agencies, as well as court systems, the medical community, and employers.

In FY 2013, we implemented the Data Exchange and Verification Online (DEVO) application. DEVO will modernize our existing data exchange and verification systems into a new centralized application, replacing the many disparate verification and data exchange programs. In the future, resources permitting, we will process batch and online verifications and data exchanges under the new DEVO environment. The benefits of the new application software environment include:

- Centralized application for processing all SSN verification and data exchange requests;
- Efficient processing and data generation for an increased volume of SSN verifications and data exchange requests;
- Quick and accurate response to customized requests and legislative mandates;
- Enhanced stability and portability;
- Reduced maintenance activity;
- Enhanced management information capabilities;

- Leveraged new technology that maintains existing customer requirements; and
- Flexible, modern, and reusable software to effectively support our current workloads.

Implementing Direct Deposit Auto-Enrollment Fraud Prevention

In an effort to prevent the unauthorized redirection of payment, we created the direct deposit auto-enrollment fraud prevention service that blocks direct deposit changes initiated by financial Institutions at the request of beneficiaries. This service allows beneficiaries who have been a victim of fraud or who think they may become victims in the future to prevent changes to their payment information. In FY 2014 and FY 2015, to mitigate fraud, we will begin sending notice of changes to beneficiaries' old and new addresses anytime we receive simultaneous requests to change direct deposit and contact information.

Implementing New Tools for Debt Collection

We have statutory authority to offset eligible State payments due to debtors as a way to collect delinquent debts. In 2009, Treasury published regulations authorizing the State Reciprocal Program. The State Reciprocal Program allows States to enter into reciprocal agreements with Treasury to collect unpaid State debt by offset of Federal non-tax payments and the Federal Government to collect delinquent Federal non-tax debt by offset of State payments.

In FY 2011, we published regulatory changes authorizing us to collect our delinquent debts by offsetting eligible State payments via the Treasury Offset Program (TOP). To offset the payment, the issuing State will have entered into a reciprocal agreement with Treasury. In FY 2013, we implemented the necessary systems enhancements to begin notifying our delinquent debtors and accepting State payment offsets. In FY 2014, we will begin notifying debtors of our ability to offset eligible State payments to collect their delinquent debt, and we will have notified all debtors in FY 2015.

Maximizing Use of Proven Debt Collection Techniques

Although we strive to pay benefits accurately and timely, the complexity of our programs and dependence on beneficiaries to report changes can lead to improper payments. When overpayments occur we use debt collection techniques (i.e. payment withholding, TOP, Credit Bureau Reporting, Cross Program Recover) to recover overpayments. In FY 2013, we recovered $3.46 billion in Social Security and SSI overpayments, which was an improvement of $0.20 billion from FY 2012.

Referral of delinquent debts to TOP is an effective recovery method for individuals who are no longer entitled to our program benefits. From our initial implementation in FY 1992 through FY 2013, we recovered approximately $2.35 billion dollars through TOP. We also report delinquent debts to credit bureaus and use administrative wage garnishment, which allows us to garnish a debtor's private-sector wages.

Implementing Automatic Earnings Reappraisal Operation Delay Pilot

We are piloting a new process designed to delay the benefit increase resulting from a recomputation (known as Automatic Earnings Reappraisal Operation or AERO) for a disability beneficiary who has a pending work CDR. Processing the AERO increase before the completion of the work CDR could result in a higher payment that we could later determine to be an overpayment, thereby increasing improper payments.

In FY 2013, we began testing a new method to identify and delay the processing of certain AERO increase cases to allow six additional months to complete the pending work CDRs. We scored all pending work CDRs using the CDREO PM to identify cases with a high risk of incurring large work-related overpayments. We identified the top 10 percent of scored cases pending and matched these cases

against the October AERO increase cases. We identified nearly 11,000 beneficiaries likely to receive an overpayment and for whom we should delay processing the re-computations.

In FY 2013, we evaluated the use of the PM to help us prioritize work CDRs when a delay in benefit re-computation was warranted. The findings included an average overpayment of $22,000 for nearly 2,000 of the pilot cases. We concluded that we processed the sampled cases more quickly, preventing an even larger overpayment, and properly prevented the release of an underpayment that would have been in error. This conclusion supports the effectiveness of the sample selection criteria. In FY 2014, we will continue the pilot with nearly 15,000 sampled disability beneficiaries.

Assessing Non-Home Real Property

As previously discussed, SSI is a means-tested program, and undisclosed resources can affect recipients' eligibility. Non-home real property (NHRP) is land or buildings that do not serve as the principal residence of an SSI recipient or his or her deemors. In FY 2013, we began a study to research various methods to locate undisclosed NHRP in SSI claims and redeterminations. In FY 2014, we will evaluate study results to determine which methods are cost-beneficial for implementation in FY 2015.

External Factors

The following external factors may affect our efforts to increase payment accuracy:

- Our ability to implement new debt collection tools depends on the availability of system and operational resources.
- Timely execution of our IT initiatives is always dependent on sufficient funding.
- New legislation and other government mandates can also force a reprioritization of scarce budgetary and personnel resources.

Performance Measures - Strategic Objective 2.3

2.3a: Reduce the percentage of improper payments made under the SSI program (APG) (NEW)

Fiscal Year	2014	2015
Target	No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayment and underpayments)	No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayment and underpayments)

Data Definition: We determine the SSI payments free of overpayment and underpayment error by an annual review of a statistically valid sample of all payments issued. We base the payment accuracy on a non-medical review of sampled individuals who received SS payments during the fiscal year. We determine the overpayment accuracy rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. We determine the underpayment accuracy rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

Data Source: FY 2014 and 2015 SSI Payment Accuracy (Stewardship) Reports.

2.3b: Maintain the low percentage of improper payments made under the Old-Age, Survivors, and Disability Insurance program (NEW)

Fiscal Year	2014	2015
Target	No more than 0.4% of all payments made under the OASDI program are improper payments (i.e., overpayment and underpayments)	No more than 0.4% of all payments made under the OASDI program are improper payments (i.e., overpayment and underpayments)

Data Definition: We determine OASDI payment free of overpayment and underpayment error by an annual review of a statistically valid sample of the beneficiary rolls. We determine the overpayment accuracy rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. We determine the underpayment accuracy rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

Data Source: Old-Age, Survivors and Disability Insurance Stewardship Report.

Strategic Goal 3: Serve the Public through a Stronger, More Responsive Disability Program

Our disability program has been under stress for the last several years. The amount of work we received grew, our resources were severely limited, and our disability program remained increasingly complex to administer.

From FY 2007 to FY 2013, we experienced an increase of nearly 20 percent in initial disability claims and over 40 percent in our hearings workload.

Despite these challenges, we reduced the average time disability claimants wait for a hearing decision by nearly one-third, from an all-time high of 532 days in August 2008 to 396 days in September 2013.

Unfortunately, hearings receipts remain well over 800,000 and high ALJ attrition has left us with insufficient adjudicatory capacity, resulting in the average wait time for hearing decisions to increase again. We will hire ALJs qualified for SSA when the Office of Personnel Management provides a new ALJ register to us. In the meantime, we continue to focus our efforts on quality and efficiency.

While our customers expect us to make timely decisions, they also expect us to make the right decision, appropriately and consistently applying our rules and regulations. We will continue to balance timeliness with an emphasis on quality and consistency in decision-making. We will continue to look for ways to strengthen policies, improve processes, and increase the use of automation.

We will continue to provide timely and appropriate services to beneficiaries. We plan to meet the needs of our disability beneficiaries by increasing opportunities for those who want to return to work and by partnering with other Federal agencies to better coordinate our disability programs.

Did You Know?

Each year, we make over 15 million requests for medical records to over 500,000 medical providers.

Strategic Objective 3.1: Improve the Quality, Consistency, and Timeliness of Our Disability Decisions

Having achieved notable improvements in the timeliness of hearing decisions and in maintaining DDS processing times, we will continue to improve the quality and consistency of our decisions. We do not want to increase wait times at any stage of a disability claim. We 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 and at the earliest possible point in our process.

Strategies

- Expand use of management information to identify training needs and areas for improvement;
- Broaden use of case-analysis tools;
- Expand use of predictive modeling;
- Simplify policies;
- Collaborate with Bureau of Labor Statistics (BLS) to collect updated occupational information; and
- Formalize our pre-decisional quality review processes to increase national uniformity.

Key Initiatives

Enhancing the 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 and through collaboration with eCAT users. In FY 2014, we will enhance eCAT to handle initial adult CDR cases.

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 QDD PM (www.socialsecurity.gov/disabilityresearch/qdd.htm) 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 PM along with a new approach to the QDD selection process. Our evaluation found that the reconfiguration and the new selection process represent improvements over the existing model in efficiency and accuracy. We implemented the reconfigured PM and new selection process in the second quarter of FY 2014.

Advancing Compassionate Allowances

We developed the Compassionate Allowances (CAL) process to quickly target the most obviously disabled applicants based on available medical information. We award benefits in nearly all CAL cases if we receive confirmation of the diagnosis with medical evidence and the applicant meets our non-medical eligibility requirements.

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 the second quarter of FY 2014, we expanded our list of CAL conditions to 225 and revised the CAL impairment summaries to address advances in medical treatment and updates in the medical listings. Additionally, because many CAL conditions are diseases that affect children or people in specific age ranges, we will refine the CAL selection software to enhance the accuracy of cases selected for fast tracking based upon criteria such as age.

Developing an Occupational Information System

We rely on occupational information found in the Department of Labor's (DOL) Dictionary of Occupational Titles (DOT) to determine whether adult disability applicants can do their past work or any other work in the national economy. However, the DOL no longer updates the DOT. Since mid-2012, we have been working through an interagency agreement with BLS to test the feasibility of using the National Compensation Survey platform to collect updated occupational requirements for use in a new Occupational Information System (OIS) that will replace the DOT as our primary resource for vocational information.

In FY 2013, BLS completed three phases of test data collection. The results have been encouraging and indicate that BLS will be capable of providing the occupational information we need. We signed a new agreement with BLS to continue testing throughout FY 2014.

In FY 2014 and FY 2015, we will conduct the following activities in partnership with BLS:

- Refine data collection protocols in preparation for a large pre-production test starting mid-FY 2014 and concluding in FY 2015;
- Test collecting the primary mental and cognitive demands of occupations identified by our policy experts in FY 2013 and work together to evaluate and refine these elements based on test results; and
- Determine a sampling plan and updating schedule for production data collection.

In FY 2014 and FY 2015, we will also work with the DOL's Employment and Training Administration to:

- Identify elements of the Occupational Information Network (O*NET) that we can incorporate with BLS data into our new OIS; and
- Explore the feasibility of using O*NET's existing online infrastructure to support the IT needs of our new OIS.

Updating the Medical Listing of Impairments

The medical listing of impairments (Listings) is one of the most effective tools used to make disability decisions. The Listings allow us to find a claimant disabled when his or her impairment meets specified medical criteria, without the need to consider age, education, or work experience. The Listings improve the consistency and accuracy of our decisions throughout all levels of the disability process.

Working with the Institute of Medicine, we established a committee of medical experts to advise us on medical advancements relevant to our Listings. This committee will help ensure that our Listings are relevant, medically supportable, and technologically and scientifically current.

In calendar year 2013, we published in the *Federal Register* Notices of Proposed Rule Making (NPRM) for the respiratory system, genitourinary impairments, growth impairments, and for a change in terminology from "mental retardation" to "intellectual disability." We also published an Advance Notice of Proposed Rulemaking for public comment for hearing and labyrinthine-vestibular disorders.

We also published final rules for congenital impairments that affect multiple body systems, visual disorders, for a change in terminology from "mental retardation" to "intellectual disability," and an extension of the expiration date for mental disorders body system listings. We published a Social Security Ruling regarding drug addiction and alcoholism policy, and developed and submitted to OMB Social Security Rulings regarding diabetes mellitus and endocrine disorders other than diabetes mellitus.

We submitted for agency review NPRMs for malignant neoplastic diseases and hematological disorders. In calendar year 2014, we plan to develop and submit at least five rules for public comment, five final rules, and three Social Security Rulings in our effort to complete the comprehensive body system Listings revisions.

Ensuring an Adequate Supply of Administrative Law Judges

Only ALJs can conduct hearings; therefore, they are a vital component of the hearings process. Historically high ALJ attrition and dramatic workload growth leaves us short of adjudicatory capacity, resulting in the average wait time for hearing decisions to increase again. Therefore, it is vital that we hire additional ALJs and their support staff to keep up with increasing workloads and to replace ALJ losses as they occur. We will hire ALJs qualified for SSA when the Office of Personnel Management provides a new ALJ register to us.

Electronic Bench Book

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 during our case file review to take notes at the hearing, record analysis throughout the decision-making process, and prepare our hearing instructions. eBB guides users through every step of the sequential evaluation process to ensure that each step is fully addressed.

In FY 2014 and FY 2015, we will implement functionality that will generate decision notices using combined data from eBB and other databases,

and continue to refine and enhance eBB. We will expand eBB training to include more ALJs and hearing offices in FY 2014 and beyond.

Conducting Inline Quality Reviews

The inline quality review initiative involves using senior attorneys to review draft decisions for legal sufficiency and adherence to ALJ instructions. We modeled the initiative after an existing inline quality review program for hearings. We will randomly select cases for review and return those cases to production within five business days. We will provide the results of our review to hearing office management and collect summary data for analysis.

Reducing the Backlog at the Appeals Council

As we decide more cases at the hearing level, the Appeals Council receives more requests for review. Historically, we received approximately 100,000 requests for review annually. However, in recent years, we received approximately 175,000 requests for review each year. To address this increase, we continued to add staff in the Office of Appellate Operations. We are now focusing on decreasing the percentage of pending Appeals Council requests for review over 365 days old.

External Factors

The following external factor may affect our efforts to improve the quality, consistency, and timeliness of our disability decisions:

- Continued high levels of disability applications and appeals could negatively impact our ability to reduce the Appeals Council backlog.

3.1a: Expedite cases for the most severely disabled individuals by achieving the target percentage of initial disability cases identified as Quick Disability Determination (QDD) or Compassionate Allowance (CAL) (NEW)

Fiscal Year	2014	2015
Target	6.5%	6.5%

Data definition: We derive the percentage by dividing the total number of initial disability cases identified as QDD, CAL, or both by the total number of electronic initial disability cases filed in the fiscal year.

Data source: Management Information Disability

(http://emis.ba.ssa.gov/emis/emisusers/mgmnt/oassis_dismi/dibmi_menu.cfm)

3.1b: Ensure the quality of our decisions by achieving the DDS decisional accuracy rate for initial disability decisions

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015
Performance	97%	97%	98%	98%	98%	98%		
Target	97%	97%	97%	97%	97%	97%	97%	97%
Target Met	Met	Met	Met	Met	Met	Met		

Description of Results:

We have exceeded our DDS decisional accuracy rate goal since 2010.

Data definition: Net accuracy is the percentage of correct initial State disability determinations and is based on the net error rate (the number of corrected deficient cases with changed disability decisions), plus the number of deficient cases not corrected within 90 days from the end of the period covered by the report, divided by the number of cases reviewed.

Data source: Disability Quality Assurance Databases

3.1c: Ensure the quality and consistency of our hearing decisions by randomly reviewing a percentage of cases using an inline review process (NEW)

Fiscal Year	2014	2015
Target	Randomly review 0.1% of our hearing decisions	Randomly review 1% of our hearing decisions

Data definition: The percentage of hearing decisions randomly reviewed. The percentage is derived by dividing the total number of hearing decisions reviewed during the fiscal year by the total number of hearing decisions made during the fiscal year.

Data source: Case Processing Management System

3.1d: Increase our ability to provide timely decisions by focusing on our oldest cases first (NEW)

Fiscal Year	2014	2015
Target	Make decisions on 99.5% of cases that start the year 310 days or older	Make decisions on 99.5% of cases that start the year 285 days or older

Data definition: The oldest hearing requests are those cases that are 310 days old (FY 2014) or 285 days old (FY 2015) or more as of the start of each respective fiscal year. We derive the percentage by dividing the total number of those targeted cases disposed during the fiscal year by the total number of those targeted cases identified during the fiscal year.

Data source: Case Processing Management System

3.1e: Increase our ability to provide timely decisions by reducing the percentage of pending Appeals Council requests for review 365 days or older

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015
Performance					12%	8.9%		
Target					20% or less	19% or less	21% or less of case pending 365 days or more	20% or less of cases pending 365 days or more
Target Met					Met	Met		

Description of Results:

We met our goal of reducing the percentage of Appeals Council cases pending 365 days or over.

Data definition: The percentage of Appeals Council cases that are pending 365 days or more at the end of the fiscal year. The percentage is derived by dividing the total number of Appeals Council cases pending 365 days or more by the total number of Appeals Council cases pending.

Data source: Appeals Review Processing System

Strategic Objective 3.2: Maximize Efficiencies throughout the Disability Program

We remain committed to meeting the public's needs by using technology and using modern tools that are cost effective for the taxpayer and convenient for our customers. We have a history of finding smarter, more cost-effective ways of doing business, as evidenced by our productivity increases year after year. With workloads still at high levels we continue to explore new technologies and the modern business environment to help cut costs, operate more efficiently, and provide the service that Americans expect.

Strategies

- Enhance our ability to share workloads among our offices to maximize resources;
- Increase process automation; and
- Expand the use of health IT.

Key Initiatives

Simplifying the Disability Application Process with eAuthorization

Every year we send more than 15 million requests for medical records on behalf of over 3 million disability claimants. Each request is accompanied by a signed Authorization to Disclose Information (Form SSA-827). eAuthorization provides claimants the option to sign and submit Form SSA-827 electronically (e827). The eAuthorization process eliminates significant paper handling in all cases. Further, the elimination of mail time and personal re-contacts reduces disability application processing time by an estimated nine days for many cases filed online or by telephone.

As of December 2013, over 95 percent of claimants eligible to use eAuthorization do so, with no significant problems with provider acceptance.

Developing the Disability Case Processing System

We have a national initiative to bring greater consistency to the many disparate systems that support our State Disability Determination Services (DDSs). Disability Case Processing System (DCPS) will allow us to systematically support policy changes faster and provide the ability to modify our case processing system nationally. In addition, DCPS will allow us to share work across disability components seamlessly.

Using health Information Technology to Expedite Disability Decisions

Obtaining medical records electronically plays a key role in streamlining the disability determination process. Health IT provides health care organizations the ability to electronically share medical information with us. Health IT has already demonstrated its potential to increase efficiencies in the disability program and dramatically improve service to the public by:

- Reducing the time to obtain medical records;
- Decreasing the time to complete a disability claim; and
- Helping to offset increasing workloads and staffing constraints by fully automating requests for evidence and enabling broad computerized decision support.

A primary goal is to increase the volume of medical evidence received via health IT by expanding existing partnerships and adding new partners. We are actively discussing partnering with numerous health organizations and will complete expansion to all Kaiser Permanente sites in FY 2014.

External Factors

The following external factors may affect our efforts to maximize efficiencies throughout the disability program:

- eAuthorization is practical only to the extent providers of medical records accept it to authorize disclosure. While we have achieved great acceptance of eAuthorization forms, we remain vulnerable to HHS and State changes in requirements for signatures or authorizations.

- We are dependent on the medical community to respond to our requests for claimants' records. Not all providers have the same electronic capabilities, so we must continue to provide a full range of response options, including traditional methods of obtaining medical records.

Performance Measures - Strategic Objective 3.2

3.2a: Improve the disability determination process by increasing the percentage of initial disability claims with Health IT medical evidence (NEW)

Fiscal Year	2014	2015
Target	2.5% of initial disability claims with health IT medical evidence	4% of initial disability claims with health IT medical evidence

Data definition: Percent of initial disability claims with health IT medical evidence.

Data source: Health IT Management Information (MI) Database for number of Initial Level health IT cases, Performance Management Reports for number of initial level Disability cases.

Strategic Objective 3.3: Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work

To increase opportunities for beneficiaries to return to work, we must create clear and consistent employment incentives. The complexity of our rules, as well as beneficiary fears of incurring an overpayment resulting from earnings, discourages attempts to work. We will continue to:

- Look for ways to simplify work incentives and minimize improper payments due to earnings;
- Strengthen our employment support programs, including the Ticket to Work program, and
- Provide help for beneficiaries who want to work through the Work Incentive Planning and Assistance program.

To encourage beneficiary work efforts and prevent potential work-related overpayments, we updated our SSI work incentive notices in 2013. The new notices provide more information on our work incentive policies and clearly explain beneficiaries' reporting responsibilities.

We will encourage young people who receive SSI benefits to work and reduce their dependency on disability benefits. Recent agency-funded research has found that policy changes and improved services to young adults who receive SSI can sharply improve employment outcomes.

In previous reports, we have measured how many Ticket to Work program participants are working at any earnings level during the reporting year. We did not measure how much these participants earned or how quickly they got a job. Beginning this year, we will be reporting program performance for a much smaller subset of participants.

The new measure will tell us how many participating beneficiaries begin earning at least trial work level ($770 per month in FY 2014) within a year of starting the program. This will be a count of new beneficiaries each year (not cumulative) and will tell us:

- How rapidly people who sign up are going to work: and
- How many of those rapid job placements result in significant earnings milestones for the participating beneficiaries.

We are committed to the idea that our employment support efforts must be focused on ensuring that the people who use those supports not only work, but work at their maximum capacity, reaching self-sufficient earnings whenever possible.

We are working with OMB and other federal agencies to develop early intervention projects focused on providing resources and support to workers with disabilities to help them stay in the labor force as long as possible. Our FY 2014 budget includes a proposal to test ways to help people with disabilities remain in the workforce.

Strategies

- Partner with the Departments of Education, Labor, and Health and Human Services to implement Promoting Readiness of Minors on SSI (PROMISE);
- Simplify work incentive policies and improve programs such as Ticket to Work and Vocational Rehabilitation (VR) Cost Reimbursement Program; and
- Develop return to work demonstration proposals.

Key Initiatives

Improving Employment Support Programs

We continue our efforts to improve the results of our employment support programs. Disabled beneficiaries who want to work and attain self-sufficiency may receive services and support under the Ticket to Work and Self-Sufficiency Program, as well as under the VR Cost Reimbursement Program. We began enhancing the quality of services and support provided by Employment Networks (EN) in FY 2011 and will continue enhancements in FY 2014 and beyond. These ENs coordinate and deliver employment services under the Ticket to Work program.

We hold ENs accountable at multiple points in the service delivery continuum. In addition to providing

services and support to help beneficiaries obtain jobs, ENs are required to provide ongoing support to help beneficiaries stay employed, remain off the disability rolls, and advance in their jobs.

We monitor the business practices of ENs to ensure they provide quality services that support beneficiaries returning to work. We have also set clear performance goals to ensure ENs support beneficiaries in gaining and sustaining long-term employment, economic security, and financial independence. We publish an annual online EN Report Card that enables beneficiaries to evaluate and select an EN that best meets their needs, interests, and employment goals.

We are improving our beneficiary outreach and education efforts by expanding the use of our Ticket to Work call center, the Internet, and social media tools (e.g., YouTube, Facebook, and Twitter). Similarly, to increase beneficiary access while reducing program costs, we are providing all work incentive seminar events via webinars.

Individuals become eligible to participate in the Ticket-to-Work program when they begin receiving SSDI or SSI disability benefits. We used to send paper tickets to eligible participants. Paper tickets are no longer issued, but the phrase is still used to reference participants. The number of Tickets assigned or in use has increased 3.4 percent from over 309,000 at the end of calendar year 2012 to nearly 320,000 as of December 31, 2013. During that same period, the number of beneficiaries with Tickets in use who had benefits suspended or terminated because they successfully returned to work increased 20 percent.

In FY 2013, Mathematica Policy Research, Inc. completed their seventh, and final, report on the outcomes and net impacts of the Ticket to Work program, including a report on the effects of

changes to Ticket to Work regulations (http://www.ssa.gov/disabilityresearch/twe_reports.htm). We will use the results of the evaluation to identify ways we can continue to improve both the Ticket to Work and VR programs.

Improving Employment Support Outreach to Targeted Working-Age Beneficiaries

We have historically educated beneficiaries about our return to work programs through mass mailings of informational brochures to all new beneficiaries. Beginning January 2012, and continuing through most of FY 2013, we made automated telephone calls to targeted beneficiaries. We expect to continue the calls in FY 2014. This initiative, called Interactive Voice Response (IVR) relies on a model that uses an agency-developed algorithm to determine which beneficiaries are most likely to return to work.

We started a similar IVR campaign in March 2012, targeting beneficiaries who completed training through State VR agencies and who are currently employed. We also expect to continue these calls through 2014 and expect to inform individuals of their eligibility for the ongoing employment services and support available through the Ticket to Work program.

External Factors

The following external factor may affect our efforts to enhance employment support programs and create new opportunities for returning beneficiaries to work:

- We continue to work with our provider partners to cultivate jobs that can lead to eventual financial independence for a greater number of beneficiaries.

Performance Measures - Strategic Objective 3.3

3.3a: Achieve the target number of beneficiaries participating in the Ticket to Work program who begin earning above a certain level (NEW)

Fiscal Year	2014	2015
Target	1300 beneficiaries	1330 beneficiaries

Data definition: Count the number of DI, SSI and concurrent beneficiaries who have achieved trial-work-level (TWL) earnings for the first time within 12 months after assigning their Ticket to an employment network (EN) or to a State VR agency operating as an EN. Beneficiaries achieving TWL earnings prior to Ticket assignment will not be counted in this measure, nor will beneficiaries who place their Ticket in use with VR. Ticket assignments that occur in the previous fiscal year may be counted if TWL earnings are first achieved within the reporting period.

Data source: Office of Child Support Enforcement earnings database and the Disability Control File

Strategic Goal 4: Build a Model Workforce to Deliver Quality Service

Our employees are our most valuable asset. The commitment of our employees and State partners in the DDSs allows us to provide dedicated and compassionate services to the public. We will fully support and engage our workforce to create the necessary foundation for achieving the goals laid out in our strategic plan.

It is critical that we build innovative ways to share institutional knowledge. We will make strategic investments in our employees' skills, abilities, and safety, even in the face of challenging economic times.

We continue to consider workplace flexibilities, such as telework, while building an organization that ensures every employee has an opportunity to participate in personal and professional development. We will demonstrate our commitment to employee creativity, work-life balance, and family-friendly policies to help inspire innovation and employee engagement at all levels of the organization.

Did You Know?

We have the most diverse workforce among Federal agencies of comparable size.

Strategic Objective 4.1: Attract and Acquire a Talented and Diverse Workforce that Reflects the Public We Serve

As the public we serve continues to grow more diverse, we will ensure that our employees have the tools enabling them to work effectively with people of all ages, educational levels, cultural backgrounds, and language preference.

The President has made a commitment to promote diversity and inclusion in all Federal workplaces, and we take pride in knowing our agency mirrors the diversity of the people we serve. To remain an employer of choice for current and future generations, we will use modernized recruitment strategies and a full complement of human resources programs and flexibilities to compete for top talent and remove barriers to employment.

Strategies

- Compete for top talent through modernized recruitment strategies (e.g., social networking tools, virtual fairs) given changing generational expectations;
- Build a strong, diverse applicant pool through the use of various hiring flexibilities and programs, including Office of Personnel Management's (OPM) Pathways programs and volunteer internships;
- Market and expand use of hiring authorities for veterans and individuals with disabilities; and
- Ensure recruitment and selection processes focus on talent needs and core competencies for mission-critical positions.

Key Initiatives

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. In order to ensure continued success in following the President's hiring directives, we continue to focus on recruitment and retention of these individiuals. Each fiscal year, we establish operational goals that integrate strategic methods for recruitment, development, and retention that align with our human capital strategies.

Due to previous budget constraints over the past few years, we experienced hiring limitations. However, despite these challenges, our focus remains on working collaboratively with our external partners and using consistent marketing messages and outreach efforts to publicize us as an employer of choice.

Highlighting the Pathways Programs (for Students and Recent Graduates to Federal Careers)

In accordance with Executive Order 13562, *Recruiting and Hiring Students and Recent Graduates,* our Pathways Programs offer clear paths to Federal internships for students from high school through post-graduate school and to careers for recent graduates. These programs provide meaningful training and career development opportunities for individuals who are at the beginning of their Federal service.

The traditional hiring process focuses on experience, and very few students and recent graduates are able to compete and be hired through the process. The Pathways Programs compensate for this deficiency in the traditional hiring process. Our Pathways Programs offer a targeted hiring authority for selecting students and recent graduates, thereby helping us build a model workforce and enhancing our ability to attract and acquire a talented and diverse workforce that reflects the public we serve.

External Factors

The following external factor may affect our efforts to attract and acquire a talented and diverse workforce that reflects the public we serve:

- Our employees are our most valuable asset, and our ability to attract and retain the best talent is critical to the success of our programs. With more hiring flexibilities, it will be easier for us to market Federal benefits and job security.

Performance Measures - Strategic Objective 4.1

4.1a: Achieve the target veteran and disabled veteran new hire percentage to improve their representation in the SSA workforce

Veterans Hiring

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015
Performance	12.93%	15.07%	17.33%	26.72%	36.78%	46.6%		
Target					26.72%	18%	25%	25%
Target Met					Met	Met		

Description of Results:

Our percentage of FY 2013 veteran hires increased 26 percent over FY 2012 results.

Disabled Veterans Hiring

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015
Performance	6.04%	7.5%	8.72%	13.59%	15.49%	18.1%		
Target					14.59%	15%	16.49%	17.49%
Target Met					Met	Met		

Description of Results:

Our percentage of FY 2013 disabled veteran hires increased 16 percent over FY 2012 results

Data definition: Veteran Hiring: For a given fiscal year, the percentage of overall permanent hires who are veterans (e.g., an employee who has been discharged or released from active duty in the armed forces under honorable conditions; OR has a 5-point or 10-point Veterans' Preference; OR has creditable military service; OR has an annuitant indicator; OR has an appointment under either the Veterans Recruitment Appointment, the Veterans Employment Opportunities Act of 1998, or the 30 percent or more disabled veteran hiring authorities).

Disabled Veteran Hiring: For a given fiscal year, the percentage of overall permanent hires who are disabled veterans (e.g., an employee who has been discharged or released from active duty in the armed forces under honorable conditions and has a 10-point preference due to a service-connected disability.) This category is a subset of the overall veterans hiring statistic.

Data includes full-time permanent and part-time permanent employees only.

Data source: Federal Personnel and Payroll System (FPPS) DataMart

4.1b: Achieve the target on-board representation of employees with targeted disabilities

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015
Performance	2.03%	2.02%	1.99%	1.99%	1.99%	1.99%		
Target					2%	2%	2%	2%
Target Met					Not met	Not Met		

Description of Results:

We just missed our FY 2013 goal for employees with targeted disabilities.

Data Definition: The percentage of the on-duty workforce, as of the end of the fiscal year (September 30), who self-identified as an individual with a targeted disability (e.g., an employee who has self-identified with one or more of the following physical or mental impairments: deafness, blindness, missing extremities, partial paralysis, complete paralysis, epilepsy, severe intellectual disability, psychiatric disability, or dwarfism).

Data include full-time permanent and part-time permanent employees only.

Data Source: Human Resources Operational Data Store (HRODS)

Strategic Objective 4.2: Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public

Identifying and reducing skill gaps (i.e., gaps in knowledge of a skill or ability to perform it at a high level of proficiency) at all levels of the organization, while promoting ways for employees to develop more flexible career paths and remaining fully prepared to meet the customer service expectations, are key areas of focus for our agency. We must also ensure we have measures in place to strengthen our management and leadership ranks. Supporting our managers through training, tools, and hands-on experiences is important to ensuring that our workforce has effective leadership in the face of increasing challenges and complexities.

Changing business processes require our employees to demonstrate increasing flexibility and resilience. Finding ways to assist our employees by providing timely training and development opportunities, providing tools and resources, and ensuring employees are held accountable for performance are paramount to enhancing performance.

Strategies

- Ensure effective use of the agency's performance management systems to manage employee performance;
- Improve supervisory competencies and develop talent for future leadership opportunities;
- Create knowledge management tools and processes to ensure the capture of institutional knowledge (e.g., effective use of reemployed retirees);
- Reduce skills gaps in targeted mission-critical occupations to support talent development of employees; and
- Offer ongoing access to training and development resources to support continual learning for all employees.

Key Initiatives

Focusing on Career Development Programs

Our Strategic Human Capital Plan focuses on developing leaders at all levels through comprehensive succession management developmental programs and an extensive array of challenging opportunities. Our National Career Development Programs are the primary mechanisms we use to identify and develop employees who demonstrate potential for becoming future agency leaders.

We offer the Leadership Development Program and the Advanced Leadership Development Program to provide employees with developmental assignments and formal training to gain experience and achieve higher levels of leadership skills. These programs directly support our goal for knowledge transfer and succession planning. We design each program to attract the best and brightest individuals. Once selected, participants are exposed to greater opportunities for continual learning, personal development, and professional growth. Ultimately, the programs provide us with a cadre of leaders who are prepared, equipped, and ready to lead the agency.

Another example of our commitment to maintain programs that enhance leadership opportunities is our Senior Executive Service Candidate Development Program (SES CDP). The SES CDP is a key element of our succession management strategy for filling future executive-level leadership vacancies. We designed the SES CDP to identify, develop, and support a mobile, highly skilled, and diverse cadre of individuals.

Creating New Supervisory and Management Training

The competency-based Leadership Essentials for New Supervisors (LENS) training integrates technical skills with leadership competencies and emphasizes performance management.

Designing National Union Contract Training

In April 2012, we reached agreement with the American Federation of Government Employees (AFGE) on a national contract. It is mission-critical that we train all supervisors and managers on the content of the agreement, as well as the appropriate interpretation and intent of the agreement language. In preparation for providing this training nationwide, we designed a plan to train approximately 6,900 supervisors and managers, of which 4,040 are new supervisors and managers (i.e., first time supervisors and managers in our agency).

Closing Skills Gaps

We plan to develop competencies, identify skills gaps, and identify training to assist in closing the gaps in our mission-critical occupations (e.g., front-line service positions, IT support, HR resources support). We also ensure compliance related to competency management and skills gap reduction by aligning with the cross-agency priority goal to close skills gaps as reflected on the Performance.gov website (http://www.performance.gov/closingskillgaps).

Marketing Availability of On-Demand Training and Development

We plan to continue our marketing efforts to promote access to electronic libraries, online and distance training, and development resources to keep our costs low. Employees can choose content delivered in a format they prefer and schedule training that accommodates their job and personal commitments. Our Learning Management System provides courses, curricula, and materials through Video on Demand, customized online courses, and the SkillSoft training libraries available to all employees. SkillSoft's libraries provide over

3,000 interactive, online courses and over 18,000 eBooks, audio books, and training videos, all available anytime and from any location to support training needs on demand. This comprehensive library is easily combined with agency-specific content to provide consistent and equal access to professional development tools regardless of position or geographic location.

Highlighting our Human Resources Services Portal

Our HR business processes rely on many disparate and standalone applications that need separate security access. To improve our employees' experience and provide the tools they need, we will build a set of role-based portals so that each user has easy access to all the tools his or her role requires. We will also incorporate, where possible, single sign-on so that employees do not have to log in several times. We expect the portal will decrease the time needed for our employees to access applications and their personal information.

External Factors

The following external factor may affect our efforts to strengthen the competency, agility, and performance of our workforce to align with the needs of the public:

- Successful implementation of our workforce plans is dependent on adequate and sustained funding levels and sufficient levels of qualified staff to administer and maintain these key initiatives and programs.

4.2a: Reduce skills gaps for leaders and/or potential leaders to improve leadership competencies (NEW)

Fiscal Year	2014	2015
Performance		
Target	Reduce skills gaps in Leadership Development Program participants in at least two critical competencies	Assess skills gaps for participants in the LENS initiative
Target Met		

Data definition: A skill gap is a gap in a person's knowledge of a skill or ability to perform it at a high level of proficiency. Competency is defined as a measurable pattern of knowledge, skills, abilities, behaviors, and other characteristics that an individual needs to perform work roles or occupational functions successfully. Participants in the 2013 LDP and supervisors participating in the 2014 LENS pilot program will identify gaps in their skills associated with agency core and leadership competencies. LDP participants will use 360-degree assessments to identify skill gaps. HR will use the aggregate results to identify the two lowest scored competencies and target learning experiences to raise the aggregate proficiency levels. LENS participants will identify gaps in proficiency levels of skills using a survey tool.

Data source: Vendor provided 360-degree assessments and our survey tools.

4.2b: Reduce skills gaps in mission critical occupations to improve general and technical competencies (NEW)

Fiscal Year	2014	2015
Performance		
Target	Assess skills gaps for HR specialists	Reduce skills gaps for HR specialists in at least two critical competencies Assess skills gaps for legal assistants in ODAR
Target Met		

Data definition: The expected proficiencies are under development.

Data source: Agency Skills Inventory and Interagency Agreement through OPM

Strategic Objective 4.3: Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement

We have consistently ranked among the top 10 Best Places to Work among large agencies in the Federal Government. Our employees believe strongly in our mission and in the work that they do on behalf of the American people.

We are committed to supporting our employees to ensure that they are included in the shared direction of the agency. We believe the more effort we place on employee safety, collaboration between management and labor representatives, and agency-wide communication, the better the opportunities we will have to generate creativity and innovation.

Strategies

- Promote work-life balance and employee well-being through workplace flexibilities;
- Ensure access to employee services (e.g., financial literacy, career development, work-life resources) regardless of location;
- Provide employees and managers with support to navigate complex personnel matters (e.g., employee conduct, performance, reasonable accommodations);
- Promote safety of employees through ongoing safety training and emergency preparedness activities;
- Engage labor organizations to promote collaboration and transparency; and
- Develop practices that facilitate open communication and understanding in order to enhance employee engagement and appreciation of our diversity.

Key Initiatives

Improving the Employee Satisfaction Action Plan

The Federal Employee Viewpoint Survey (FEVS) provided useful information regarding how we can better foster workforce excellence. By measuring employee perceptions and satisfaction across various human capital dimensions (e.g., training and development, teamwork, performance

management, and diversity), the FEVS has helped us hone our focus on specific actions to increase employee satisfaction, morale, productivity, and retention. We created an Improve Employee Satisfaction Action Plan to document the steps we will take. We expect that these actions will have a positive impact on employee satisfaction and engagement.

Creating Management and Labor Forum Meetings and Pre-Decisional Involvement Opportunities

We are committed to fostering a collaborative labor-management relationship with our four unions (AFGE, International Federation of Professional and Technical Engineers, National Treasury Employees Union, and National Federation of Federal Employees) through discussions during forums. Engaging in pre-decisional involvement in all workplace matters is crucial for strengthening the labor-management relationship. The input and support of employees and management are critical to meeting our long-term public service commitment. We will continue to work collaboratively with employee representatives to ensure we deliver the highest quality service to the American people.

Highlighting Diversity and Inclusion

We have a long-standing history of being among the most diverse Federal agencies. We strive to recruit, promote, and retain a highly skilled, diverse workforce that draws from all segments of society. In FY 2012, we developed our Diversity and Inclusion (D&I) Strategic Plan that aligns with the government-wide D&I Strategic Plan and supports Executive Order 13583, *Establishing a Coordinated Government-Wide Initiative to Promote Diversity and Inclusion in the Federal Workforce*. Our D&I Strategic Plan highlights proven best practices for attracting, hiring, and retaining a diverse workforce. The plan also describes how we can foster a work environment that draws on our collective talents, respects individual differences, and leverages diversity.

To sustain further D&I commitment, we instituted a D&I Council with representation from all levels of

the agency, including senior leadership. The D&I Council's ongoing mission is to provide overarching guidance and support for the Agency's D&I Strategic Plan. Council members serve as role models and champion initiatives that engender inclusiveness and leverage the diversity of our workforce and recognizing employees' unique perspectives and contributions.

External Factors

The following external factors may affect our efforts to foster an inclusive culture that promotes employee well-being, innovation, and engagement:

- While we are committed to a diverse and inclusive workforce reflecting the public we serve, limited budgets in the past have curtailed our resources to replace lost employees and reduced our ability to participate in outreach and recruitment activities that enhance the diversity of our job applicant pool.
- The Council must draw on resources and people to accomplish the initiatives and educational opportunities it undertakes.

4.3a: Maintain status as one of top 10 Best Places to Work among large agencies in the Federal Government (NEW)

Fiscal Year	2014	2015
Target	Achieve a Top 10 Ranking	Achieve a Top 10 Ranking

Data definition: During a given year, the Partnership for Public Service (PPS) uses data from three FEVSs questions to develop index scores. PPS ranks Federal Government agencies based on the calculated index scores. PPS uses a proprietary formula to calculate the index scores based on the extent to which each question predicts employees' intent to continuing working in their agencies. The three FEVS questions follow:

- Question 40 - I recommend my organization as a good place to work.
- Question 69 - Considering everything, how satisfied are you with your job?
- Question 71 - Considering everything, how satisfied are you with your organization?

Data source: The PPS

4.3b: Achieve the target two-year new hire retention percentage (NEW)

Fiscal Year	2013	2014	2015
Performance	84.3%		
Target		Retain 85% of newly hired employees	Retain 85% of newly hired employees

Data definition: The percentage of employees who entered on duty as a new hire, including former SSA employees who returned, and remained at SSA for 730 days or longer.

Data includes full-time permanent and part-time permanent employees only.

Data source: HRODS

Fiscal Year	2014	2015
Target	Increase the percentage of employees participating in telework by 100% over FY 2013 levels	Increase the percentage of employees participating in telework by 100% over FY 2014 levels

Data definition: The agency is increasing the number of employees nationwide who telework (as reported to OPM annually) by 100% in FY 14 and again in FY 15. Telework is defined as working a normal tour of duty at an alternative duty station. In FY 2013, we had a total of 4,100 teleworkers. Our FY 2014 goal is to increase participation to 8,200 and 16,400 in FY 2015.

Data source: OPM Annual Telework Data

Strategic Objective 4.4: Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs

We will analyze our current workforce and develop strategies to meet our future organizational needs. Using workforce restructuring and reshaping programs, we will develop approaches to streamline and align our workforce. Our approaches will be supported by data analysis and forecasting to ensure we are prepared for the near term and for future service delivery needs.

Strategies

- Use workforce restructuring and reshaping programs (e.g., Voluntary Early Retirement Authority) to adjust and align the workforce with agency needs;
- Use HR MI and data analytics to conduct effective workforce planning and forecasting that assists leaders in making data-driven decisions;
- Conduct data-driven performance reviews to assess, monitor, and track alignment of human capital programs with service delivery needs; and
- Utilize effective management principles to optimize organizational structures and workforce composition as we automate processes and expand self-service.

Key Initiatives

Implementing HRStat Review Process

The OPM is piloting a new method to track and monitor human capital outcomes entitled "HRStat." Starting in FY 2014, in lieu of the annual Human Capital Management Report, agencies will be required to conduct recurring "data-driven human capital reviews" as part of the Administration's performance improvement initiative. Through these reviews, agencies are expected to develop internal capability to analyze HR management data and trends, identify HR actions that correlate with and improve agency performance, and evaluate results.

We are one of eight agencies participating in the HRStat pilot in FY 2013. OPM and the Office of

Management and Budget plan to use the results of the pilot to implement HRStat government-wide.

Using Applicant Flow Data

Applicants for Federal positions using USAJOBS have the option to complete a form that collects demographic information (i.e., sex, ethnicity, and race, and how they learned about the position). Applicant Flow Data refers to the analysis of this demographic information to determine differences in selection rates among different groups for a particular job. Agencies can use this information to:

- Examine the fairness and inclusiveness of recruiting efforts;
- Determine whether recruitment efforts are reaching all segments of the population, consistent with Federal equal employment opportunity laws;
- Identify barriers to employment and best practices at each stage of the hiring process: application, qualification, referral, and selection; and
- Strategically target resources to efficiently address challenges most applicable to each demographic group.

Applicant Flow Data collection and sharing is a new initiative for the Federal government. OPM strongly supports conducting organizational self-analyses, along with the removal of any discriminatory barriers found through these analyses. OPM also strongly supports the collection of demographic data, including Applicant Flow Data, because such collection is an integral part of the barrier-identification process described in the Equal Employment Opportunity Commission's Management Directive 715. Management Directive 715 provides policy guidance to Federal agencies on establishing and maintaining effective equal opportunity.

We are entering into a Memorandum of Understanding with OPM to obtain the Applicant Flow Data for all agency job postings.

External Factors

The following external factors may affect our efforts to enhance planning and alignment of human resources to address current and future public service needs:

- Stakeholders continue to demand higher levels of accountability from the Federal Government.
- OPM is currently crafting new regulatory language to fully integrate Federal agencies' human capital strategies with the *Government Performance and Results Modernization Act* process. OPM intends to eliminate the requirement for agencies to submit separate Strategic Human Capital Plans. Instead, OPM will expect agencies to merge strategic human capital plans with strategic and annual performance plans, in addition to adhering to the new HRStat process. The transition from two separate processes will be labor intensive and could adversely affect the productivity of our human capital efforts in the near term.

Performance Measure - Strategic Objective 4.4

4.4a: Conduct workforce analysis and planning activities to support future workforce transition initiatives (NEW)

Fiscal Year	2014	2015
Target	Conduct workforce staffing analysis to support workforce planning efforts	Expand workforce staffing analysis to include an analysis of workforce skills and competencies

Data definition: Workforce analysis and planning, a key component of strategic human capital management, is about aligning an organization's human capital—its people—with its business plan to achieve its mission. It is a systematic process for analyzing the current workforce, identifying future workforce needs, and establishing the gap between the workforce of today and the human capital needs of tomorrow, to provide a basis for developing and implementing human capital initiatives and solutions

Data source: HRODS, FPPS DataMart, and Office of Human Resources.

4.4b: Achieve target number of human capital metrics identified in ongoing human capital performance review sessions (NEW)

Fiscal Year	2014	2015
Target	Achieve 75% of the human capital metrics	Achieve 80% of the human capital metrics

Data Definition: After the end of the fiscal year, we determine the number of initiatives that met or exceeded the established target. We divide the number of metrics where we achieved the selected targets to the total number of initiatives that we monitored throughout the fiscal year.

Data Source: OPM's Federal Employee Viewpoint Survey, HRODS, FPPS.

Strategic Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services

We design, deploy, and maintain a robust and cost-effective technology environment that supports our mission-critical service delivery and business operations requirements. We rely upon a large and complex technology infrastructure, as well as a highly motivated and skilled workforce, to support our service delivery.

As our workloads increase, we will use technology to keep pace with the demand. Expanding online and mobile services improves service for those who want the convenience of interacting with us remotely and preserves field office service for situations that require in-person assistance.

The security of our information and systems is an essential responsibility; we will continue to enhance our cyber security protection. We will remain focused on completing the construction of our new data center, the NSC. Once the NSC is complete, we will ensure a smooth transition, with no service interruption.

> **Did You Know?**
>
> Our Internet services are available to the public 365 days a year.

Strategic Objective 5.1: Maintain System Performance and the Continuity of Information Technology Services

Technology is essential to everything we do. If our systems are not functioning optimally, the productivity of our workforce immediately declines, resulting in diminished service. We will maintain strong IT performance despite rising IT demands, increasing cyber security risks, and constant industry changes.

To meet our service delivery challenges, we rely upon a large and complex technology infrastructure that includes dual data centers, extensive national databases, hundreds of software applications, large supporting computing platforms, and thousands of networked computers, printers, telephones, and other devices. Change to our IT infrastructure is constant. We will ensure responsive, reliable performance in the presence of this constant change.

Our dual data centers, the National Computer Center (NCC) and the Second Support Center, maintain the demographic, wage, and benefit information enabling us to make prompt and accurate benefits payments. The NCC has been in continuous operation as a data center since it opened in 1980.

As part of the *American Recovery and Reinvestment Act of 2009*, Congress approved our requested funding to build a new data center. We will transition all current production data center operations from the existing NCC to the NSC in 2015 and 2016. The NSC will provide increased capacity and improved operational reliability and efficiency.

Strategies

- Successfully transition to the new NSC; and
- Maintain responsive, reliable system performance.

Key Initiatives

Maintaining Systems Performance While Transitioning to the National Support Center

We are extensively planning for our move to the new NSC that will begin in 2014. Efforts are under way now to virtualize and consolidate significant portions of our IT equipment, perform application and asset inventory, and formulate a concise migration plan so that we can meet this goal. The anticipated benefit is the ensured viability of our data center infrastructure. Our multi-year strategy includes using the latest technological advancements for data center operations to enhance the capacity,

flexibility, and performance of our IT environment and infrastructure.

Once operational, the NSC will dramatically increase our computing power, while reducing energy consumption. The NSC will be Leadership in Energy and Environmental Design Gold certified. We will reduce energy consumption by staffing minimally, lighting most areas only in staff's presence, and administering the infrastructure remotely. We will use innovative cooling systems to reduce cooling requirements, costs, and carbon footprint.

Improving Information Technology Cost and Performance

We use proven technologies to lower IT cost and improve performance. As part of our capital planning and investment control process, we evaluate the cost of IT projects in terms of their return on investment. We adopt new technologies, to provide stable and high-performing environments. In FY 2013, we upgraded the capacity and performance of our mainframe systems to address increasing workload demands and to support projects that will facilitate the transition from the NCC to the NSC during FY 2015 and FY 2016.

At the same time, we will continue virtualizing and consolidating our server-based platform to reduce the number of physical servers maintained in our data centers. We will continue to leverage Cloud Computing in order to extend the service capabilities of our existing IT environment.

Enhancing Our Infrastructure

In FY 2012, we completed infrastructure changes to restore national IT operations within one day in the event of a disaster. We test our critical system recovery processes on an annual basis. We will continue to conduct disaster recovery exercises.

Over the next several years, we will implement several technologies including high-speed disc replication, dynamic load balancing with high bandwidth connectivity between data centers, additional data center capacity, and automatic failover and staging systems.

External Factors

The following external factor may affect our efforts to maintain system performance and the continuity of information technology services:

- New legislation, changing technology, and high volumes of workloads may affect planned activities.

Performance Measures - Strategic Objective 5.1

5.1a: Provide uninterrupted access to our systems during scheduled times of operation

Fiscal Year	2010	2011	2012	2013	2014	2015
Performance	99.84%	99.89%	99.9%	99.96%		
Target			99.5% availability	99.5% availability	99.5% availability	99.5% availability
Target Met			Met	Met		

Description of Results:

We exceeded our FY 2013 goal for uninterrupted systems availability.

Data definition: We define enterprise availability as a weighted total availability of service channel mission-critical applications for all our customers. We consider an application available when the end user can perform all business functions within the application with reasonable response times. The weighting takes into account the relative impact that an outage could have on our customers, considering both the functionality and the service hours that are potentially affected. Six different service channels (online, DDS electronic disability process, Internet, telephone, data exchange, and weekend online services) and accompanying applications are included. Mission-critical services in our Enterprise Availability include:

- Self-service Internet benefits applications;
- Automated telephone menu data applications;
- Email and case processing systems used by our direct support staff, or by our partnering State DDS staff; and

Data exchange systems used by our governmental or business partners.

Data source: HP OpenView Service Center (data is limited to Critical Application Severity 1 outages).

5.1b: Ensure the continuity of our agency's operations by transitioning information technology production functions to the National Support Center (NSC) by FY 2016 (NEW)

Fiscal Year	2014	2015
Target	Complete migration planning and preparations	Enable network and telecommunications capabilities, and transition the first group of enterprise workloads to the NSC

Data Definition: This includes the planning, design, development, and construction of a new NSC to replace the aging NCC facilities infrastructure.

Data Source: NSC Migration Master Schedule

Strategic Objective 5.2: Enhance and Execute Plans to Modernize Our Systems

We support and employ technologies championed by the Federal Chief Information Officer (CIO) Council and the Federal IT Reform Plan, such as digital government; shared services; modular development; near 24 hours a day, 7 days a week system availability; and cloud computing architecture.

We are constantly evolving our IT to incorporate stable, modern technologies that align with our business needs. We are making good progress in evolving our computer code, once dominated by older programming languages (e.g., Common Business Oriented Language and Assembler Language Code) to reflect a better balance of more modern code with older, well-maintained, and highly-functioning code. We focus on improving the presentation and usability of our older systems and removing technical risks.

We strive for a balanced strategy of investing in new and improving existing business applications and infrastructure as funding permits. We incrementally modernize our older software applications based on business opportunity and technical risk. We will continue to push toward the use of newer, more adaptable technologies, while continuing to maintain the code base and systems that support our critical mission.

Strategies

- Refresh IT planning activities to effectively prioritize and manage IT investments;
- Employ technology to extend service, mitigate risk, and reduce cost; and
- Assess application portfolios, focusing on cost, business value, and technology sustainability.

> **Did You Know?**
>
> As we modernize our core network, we will double our bandwidth while lowering costs.

Key Initiatives

Modernizing Older Software Applications

We incrementally modernize our legacy software applications. We evaluate our existing software applications to ensure they meet our business goals and conform to our Enterprise Architecture plans. We use these evaluations to identify applications to retire, modernize, or maintain.

We plan to:

- Modernize our SSI programmatic systems;
- Modernize and consolidate our OASDI programmatic systems;
- Modernize and integrate additional workload processing systems, including Representative Payee, workload management listings, and Appeals processing systems; and
- Upgrade our telecommunications and network infrastructure.

Improving Information Technology Governance and Architectural Planning

This initiative addresses the governance of our IT planning activities and the technologies that support our infrastructure. Improving IT Governance and Architectural Planning covers a wide range of systems development and planning activities related to standards and regulations, systems management, life-cycle support, user groups, performance and availability, and new technologies. The major driving force for this initiative is to ensure that we develop and maintain our systems in a manner that adheres to our policies and to Federal IT requirements.

This initiative also includes support of technology needed to extend and maintain our services. We provide support for the design, installation, and maintenance of the hardware and software needed to ensure a reliable, efficient, and effective environment for all of our platforms.

External Factors

The following external factors may affect our efforts to enhance and execute plans to modernize our systems:

- It is critical that our budget continues to allow us to modernize our IT infrastructure.

Modern-day IT solutions help us build efficiencies into our processes and provide more service options to the public. .

- Legislative changes and other Federal mandates often require reallocation of scarce resources.

Performance Measures - Strategic Objective 5.2

5.2a: Enhance systems performance and reliability by upgrading the telecommunications infrastructure in our offices (NEW)

Fiscal Year	2014	2015
Target	Complete the infrastructure upgrade to incorporate modern technologies that support future internet and network capacity needs and new capabilities	Modernize the telecommunications infrastructure to include improved external and internal communications capabilities, such as Internet chat and video.

Data definition: This target provides for the design, installation, implementation, monitoring, and maintenance of our Wide Area and Local Area Networxs and the connectivity to these network services to end users nationwide. It also provides the communication medium through which our employees receive data such as voice and video, administers the Networks services agency-wide, and the exchange of data with other Federal and State agencies. The projects in this initiative involve the National 800 Number, Satellite and Wireless Communications Solutions, Video Teleconferencing, fax, Voice over Internet Protocol, Electronic Messaging, and the procurements of system hardware and software services.

Data source: Our Wide Area and Local Area Networks and Connectivity Plan (Networxs)

5.2b: Maintain reliable IT services by continually assessing business and infrastructure applications to identify those that are high risk, and determine strategies to renovate, replace, or retire those identified (NEW)

Fiscal Year	2014	2015
Target	Identify high-risk applications and appropriate mitigation strategies Submit proposals to IT Investment selection process	Identify high-risk applications and appropriate mitigation strategies Submit proposals to IT Investment selection process

Data definition: Application Portfolio Management (APM) is a disciplined and repeatable process used in assessing the business value of each existing software application and service through ensuring alignment with strategic business goals, deciding which applications are eligible to retire, renovate, or maintain while taking into account the risk factors involved.

Selected application candidates are reviewed during our Strategic Information Technology Assessment and Review (SITAR) process to ensure requirements and proposals support our strategic direction (as outlined in our ASP) and other target architecture plans.

Data source: APM Annual Review, SITAR Prioritization Review

Strategic Objective 5.3: Incorporate Innovative Advances in Service Delivery

Technology transforms how we conduct business. Advances in computer technology, the increase of high-speed networks, and mobile innovation have introduced new products and reshaped existing service channels. Growing customer expectations drive us to consider an expanding number of service delivery channels.

We will continue to actively participate in the Federal CIO Council, leverage the expertise of industry IT experts and technical consultants, and be attentive to emerging technologies and how other public and private organizations are innovating with technology. We will harness suitable technology innovations to create effective and efficient service delivery options.

Our business and technical staffs will work collaboratively to develop new, more flexible and efficient ways to perform our work, focusing on where reengineering is most needed. We are confident that we can develop the most effective IT solutions for our customers and our employees.

Strategies

- Deliver accurate, convenient, and flexible agency systems and services in a cost-conscientious manner;
- Explore the use of emerging technologies to improve service and increase efficiency; and
- Engage and benchmark private and public IT communities to ensure the timely identification of important new technologies and best practices.

Did You Know?

We celebrated our National 800 Number's 25th anniversary on October 1, 2013.

Key Initiatives

Replacing Our National 800 Number Infrastructure

The Citizens Access Routing Enterprise 2020 (CARE 2020) replaces our existing National 800 Number telecommunication infrastructure with enhanced menus, self-service features, and speech-recognition technology to improve the caller's experience and reduce customer frustration. CARE 2020 is a cloud-based service awarded under the GSA Networx contract. CARE 2020 utilizes Voice over Internet Protocol technology and will yield significant reductions in usage charges over the current service. CARE 2020 provides a platform for enhanced manageability and expanded options for new communications channels. In FY 2013, we deployed CARE 2020 infrastructure with automated services.

Implementing Field Office Estimated Wait-Time Messaging

In FY 2013, we implemented a feature that provides callers with the estimated amount of time it will take a field office representative to answer their calls. We will evaluate the results of the first year of service to see if we achieved our expected goals and projected savings. Based on the results of our evaluation, we may enhance this feature in FY 2014.

External Factors

The following external factor may affect our efforts to incorporate innovative advances in service delivery:

- Although we have used technology to improve our work processes, making them more efficient and enabling us to absorb huge increases in workloads, today's technology-driven information environment means that the public demands more sophisticated, integrated service channels to supplement our traditional structure.

Performance Measures - Strategic Objective 5.3

5.3a: Enhance our IT infrastructure by implementing innovative systems accessibility and performance capabilities (NEW)

Fiscal Year	2014	2015
Target	Implement Bandwidth on Demand, which will provide the ability to increase telecommunications capacity to quickly meet the changing service needs of our offices and clients.	Increase hardware sharing to improve resource management including more efficient use of resources, improved capacity, reduced physical server needs, and enhanced disaster recovery.

Data definition: This target provides for the design, installation, implementation, software, monitoring and maintenance of our Wide Area and Local Area Networks and the connectivity to these network services to end-users nationwide. It also provides the communication medium through which our employees receive data such as voice and video, administers the Networxs services agency-wide, and the exchange of data with other Federal and State Agencies. The projects in this initiative involve the National 800# Call Center, Satellite and Wireless Communications Solutions, Video Teleconferencing, Fax, Voice over Internet Protocol, Electronic Messaging, and the procurements of system hardware and software services.

Data source: Our Wide Area and Local Area Networks and Connectivity Plan (Networxs)

5.3b: Explore the use of emerging technologies by establishing a testing lab to promote research and development of innovative technology solutions that provide more effective and flexible ways for the public to conduct business with us online and for our employees to complete their work (NEW)

Fiscal Year	2014	2015
Target	Identify and implement new innovative tools to expand the capabilities of the testing lab to develop solutions that accommodate evolving customer preferences.	Upgrade testing lab security software and tools that enable us to safely test more innovative security and fraud detection solutions.

Data definition: As a result of today's volatile and unpredictable mobile, tablet and personal computer environment, we must conduct compatibility testing with a multitude of devices, browsers and operating systems to ensure our online customers are able to successfully conduct business with us no matter what device they use. By monitoring the advances being made in delivery channels and by monitoring the use of these channels to access our services, we determine which devices to purchase and test in our testing lab, focusing on the devices with the highest percent of use.

Data source: Industry and national trends; Google Analytics (http://www.socialsecurity.gov/).

Strategic Objective 5.4: Continuously Strengthen Our Cyber Security Program

Given the sensitive nature of the highly personal information and data within our systems, data integrity and security, as well as the protection of individual privacy, are primary IT service imperatives. New services and delivery channels expose us to modern threats. We must be vigilant and continue to strengthen our cyber security intelligence and protections.

We maintain a comprehensive, agency-wide information security program of controls that protect our information and communications assets. We continually review policies and processes and take appropriate corrective action to ensure adequate safeguards to prevent misuse and unauthorized access to assets and sensitive data, including PII.

Strategies

- Maintain information security preparedness;
- Continually adjust security processes and procedures to reflect changes in technology, the sensitivity of our data and systems, and awareness of actual and potential internal and external threats;
- Perform risk-based systems reviews to enhance continuous monitoring and data loss prevention strategies; and
- Enhance our audit trail, integrity review, and fraud prevention processes.

Key Initiatives

Protecting Our Systems and Data

We will continue to strengthen our information security program to meet the standards and requirements of the *Federal Information Security Management Act of 2002* by training our employees and implementing effective cyber security technologies. In FY 2012, we instituted agency-wide online systems security awareness training.
In FY 2013 we expanded this training. In FY 2014, we plan to further expand and enrich the current cyber security training curriculum and increase training opportunities.

We also continue to deploy new tools and techniques to enhance protection of our data, systems, and business processes. In FY 2013, we deployed a data-loss-prevention tool to strengthen our systems protection. In FY 2014, we will activate additional functionality of this tool, enabling more comprehensive protection of PII and other sensitive information.

Implementing Audit Trail System New Architecture Phase II

Initially developed in 1990, the Audit Trail System (ATS) ensures we protect our records and funds from improper use. ATS collects and maintains detailed information about transactions performed by employees and the American public. ATS stores data from programmatic and select Internet applications, allowing us to review transactions for the purpose of deterring, detecting, and investigating instances of fraud and abuse. ATS is an integral part of our cyber security program.

Our existing ATS architecture has become outdated, and we must now develop a new architecture. In FY 2014, we will pilot a new ATS architecture, which will include back-up and disaster recovery capabilities. We will also undertake research and systems enhancements to assist in detecting fraudulent activities related to our Internet transactions.

Implementing Information Security Plan

We maintain a comprehensive, agency-wide information security program of controls that protect information and communications assets, including hardware, systems, software, and data. We employ a defensive in-depth approach to security; whereby, we employ multiple complimentary layers of security defense. We continually review policies and processes and take appropriate corrective action to ensure adequate safeguards to prevent misuse and unauthorized access to assets and sensitive data, including PII.

We adhere to the following DHS's Federal Network Security Compliance and Assurance Program requirements and the Cross-Agency Priority goals:

- Established a single Trusted Internet Connection Access Provider;
- Participated in the National Cyber Protection System;
- Employed an Information Security Continuous Monitoring Strategy to ensure we have an accurate view of our risk position and the effectiveness of our controls. We automatically share our computer security information across the Federal civilian government so that Federal agencies are aware of the threats to their infrastructure and can act swiftly to take corrective measures; and
- Implemented Homeland Security Presidential Directive 12 Personal Identify Verification Cards as a secure form of identification.

New services and delivery channels expose us to modern threats. We must be consistently diligent and continue to strengthen our cyber security intelligence and protections. We continually adjust our Information Security Plan to reflect changes in technology, the sensitivity of covered information and information systems, and internal or external threats to information and communications.

External Factors

The following external factor may affect our efforts to continuously strengthen our cyber security program:

- As the agency continues to shift its business model to enable the public to use more online services, the potential for fraud will increase. Sufficient resources are essential to effectively safeguard personal information and protect the public trust against fraudulent activity.

Performance Measures - Strategic Objective 5.4

5.4a: Provide secure and effective services to the public by improving cyber security performance (NEW)

Fiscal Year	2014	2015
Target	Meet the performance requirements of the DHS' Federal Network Security Compliance and Assurance Program and the Cyber Security Cross-Agency Priority Goals	Meet the performance requirements of the DHS' Federal Network Security Compliance and Assurance Program and the Cyber Security Cross-Agency Priority Goals

Data definition: Define and implement strong controls to continuously monitor the security status of network, systems and information and ensure that individuals with access to our network resources are using strong authentication to connect.

Data source: DHS' Cyber Security Cross-Agency Priority Goals http://goals.performance.gov/goals_2013.

APPENDIX A - OUR MANAGEMENT AND PERFORMANCE CHALLENGES

In Fiscal Year (FY) 2013, the Office of the Inspector General (OIG) identified eight top management and performance challenges (see brief summary below). For additional information, please refer to OIG's Top SSA Management Issues. (Responsible official acronyms are listed in Appendix F, Summary of Key Management Official's Responsibilities.)

1. **Strengthen Strategic and Tactical Planning (COSS, CSO, DCHR, DCS)**
   Challenge: As workloads rise, a greater proportion of the Social Security Administration's (SSA) workforce becomes eligible to retire. Given the expectation of leaner future budgets, SSA needs long-range plans to meet its long-term challenges, including rising workloads, decreases in experienced staff, complex program policies, and a greater need for electronic services.

2. **Improve Customer Service (DCDAR, DCO, DCS)**
   Challenge: Many factors challenge SSA's ability to provide quality service to the public, including budget constraints, growing workloads, changing customer expectations, an aging workforce, and shifting demographics.

3. **Improve the Timeliness and Quality of the Disability Process (DCDAR, DCO)**
   Challenge: SSA needs to address millions of initial disability and reconsideration claims, resulting in a significant backlog. SSA must address efforts to reduce the initial claims and continuing disability review backlog and improve the timeliness and quality of the disability process.

4. **Improve Transparency and Accountability (DCBFQM, DCCOMM, DCS)**
   Challenge: Transparency and accountability are critical factors in the level of trust and confidence the American public has in the government, including SSA. Mismanagement, waste, and lack of transparency in government operations can erode the public's trust in our ability to accomplish our goals and address challenges. Specific challenges for SSA include concerns over its internal controls, systems security, and administrative cost allocations.

5. **Invest in Information Technology Infrastructure to Support Current and Future Workloads (DCS)**
   Challenge: SSA faces the challenge of how to best use technology to meet the agency's increasing workloads. Congress, SSA's Advisory Board, the OIG, and others have concerns about SSA's system continuity and availability, system modernization efforts, Information Technology (IT) service delivery, and IT strategic planning, and management of IT investments.

6. **Reduce Improper Payments and Increase Overpayment Recoveries (DCRDP, DCBFQM)**
   Challenge: Given the large overall dollars involved in SSA's payments, even the slightest error in the overall process can result in millions of dollars in over- or underpayments. SSA needs to adhere to requirements in Executive Order 13520, *Reducing Improper payments and Eliminating Waste in Federal Programs*; the *Improper Payments Elimination and Recovery Act of 2010*; and the *Improper Payments Elimination Act of 2012* to address improper payments.

7. **Reduce the Hearings Backlog and Prevent its Recurrence (DCDAR)**
   Challenge: While SSA had a plan to eliminate the hearings backlog by 2013, the number of pending cases increased, and the average processing time remains above the goal of 270 days.

8. **Strengthen the Integrity and Protection of the Social Security Number (DCS)**
   Challenge: Protecting the Social Security number (SSN) and properly posting the wages reported under SSNs are critical to ensuring eligible individuals receive the full benefits they are due.

The General Accounting Office (GAO) included SSA in the high-risk area for *Improving and Modernizing Federal Disability Programs* (www.gao.gov/highrisk/risks/insurance/federal_disability.php). GAO stated SSA relies on out-of-date criteria to a great extent in making disability benefit decisions. GAO also determined *Management of Disability Claims Workload Will Require Comprehensive Planning* (www.gao.gov/products/GAO-10-667T).

APPENDIX B - PROGRAM EVALUATIONS

We routinely evaluate our programs by conducting a variety of studies and surveys to determine if our programs are effective. We continue to build on our collection of program data, research, and analyses to identify our program strengths and weaknesses. We use information from program evaluations to develop strategies to address the major challenges we face and to improve the day-to-day administration of our programs. We complete many of our evaluations annually while others may be one-time efforts.

We list the evaluations under the strategic goal they support from our Agency Strategic Plan for Fiscal Years (FY) 2014 – FY 2018 http://www.socialsecurity.gov/asp .

STRATEGIC GOAL 1 – DELIVER INNOVATIVE QUALITY SERVICES

Field Office Telephone Service Evaluation

We conduct an annual evaluation of the telephone service in our field offices. Each year we select a random sample of over 100 field offices across the country for the evaluation. We monitor about 2,000 randomly selected calls over the course of the year to assess the accuracy of the information representatives provide and the actions they take. The representatives do not know when we monitor their calls. We use the results of our Field Office Telephone Service Evaluation, which we have conducted since 1999, to identify training needs and clarify operating instructions for our representatives.

We assess the accuracy of the information representatives provide and the actions they take based on our program policies and operating guidelines. We use three measures of accuracy in our Field Office Telephone Service Evaluation:

- Payment Accuracy - indicates the percentage of calls free of payment error. A payment error occurs when a representative's information or action (or failure to give information or take action) has the potential to affect a caller's payment or eligibility for benefits adversely;

- Service Accuracy - reflects the percentage of calls free of service error. A service error occurs when a representative does not meet the caller's need for information, causes the caller inconvenience, or creates an unnecessary additional workload; and

- Access and disclosure accuracy - reflects the percentage of callers properly identified to permit release of personal information from our records. We previously included access and disclosure errors in the calculation of service accuracy.

Our latest published accuracy rates are for FY 2012. Payment accuracy was 96.8 percent, statistically the same as the FY 2011 rate of 97.0 percent. Service accuracy was 91.5 percent. For purposes of comparison, we recalculated the FY 2011 service accuracy rate to remove access and disclosure errors now that we are reporting access and disclosure accuracy as a separate measure. The recalculated FY 2011 service accuracy rate of 92.8 percent was statistically the same as the FY 2012 rate. Access and disclosure accuracy in FY 2012 was 67.1 percent; in FY 2011, access and disclosure accuracy was 69.4 percent, not a statistically significant difference.

National 800 Number Telephone Service Evaluation

We monitor calls to our National 800 Number to evaluate both the accuracy of the information our telephone agents provide and the actions they take. Each year we monitor about 3,000 calls handled by agents in our 38 call centers nationwide. We randomly select and monitor calls throughout the year based on a statistical sampling methodology. Our agents do not know when we monitor their calls. We use the results of our annual National

800 Number Service Evaluation, which we have conducted on an ongoing basis since 1989, to identify training needs and improve operating instructions for our agents.

This evaluation identifies the specific causes of error and the operating policies that our agents did not follow. It uses the same standards of payment, service, and access and disclosure accuracy as our Field Office Telephone Service Evaluation discussed above. Our latest published accuracy rates are for FY 2012. The FY 2012 payment accuracy rate of 98.4 percent was comparable to the FY 2011 payment accuracy rate of 97.8 percent. Service accuracy was 92.2 percent in FY 2012. The FY 2011 rate, which we recalculated to remove access and disclosure errors, was nearly identical at 92.4 percent. The access and disclosure accuracy rate for FY 2012 was 94.5 percent, up significantly from the FY 2011 rate of 91.7 percent.
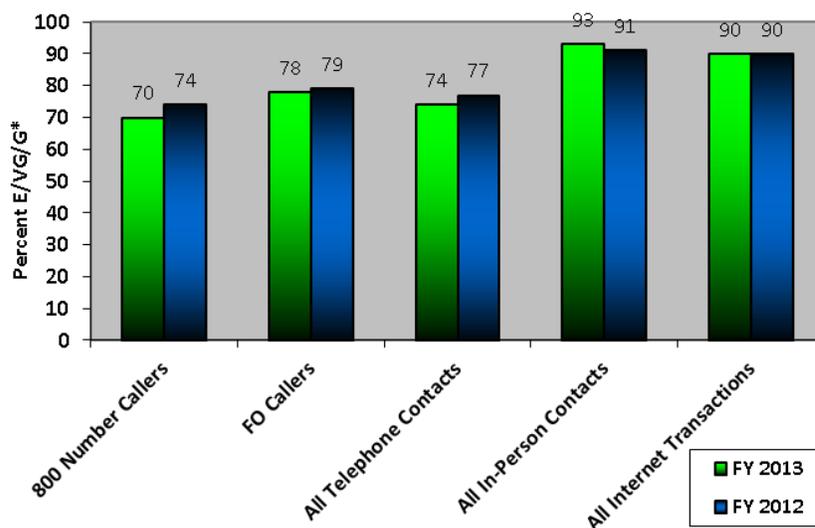
Overall Service Satisfaction Surveys

We measure satisfaction with our services by surveying people who use them. The surveys we conduct reflect the public's perception of the services we provide in person, on the Internet, or by telephone at our National 800 Number and in our field offices (FO). The feedback helps us identify strengths and weaknesses in our service delivery so we can make necessary improvements. We combine the survey results for our different types of services to produce a single customer satisfaction measure. In FY 2013, our service received a combined overall satisfaction rating of 80.2 percent excellent, very good, or good (E/VG/G). In addition to reporting satisfaction rates from our surveys here, we make them available to the public on Data.gov.

The FY 2013 service satisfaction survey results reflect considerable disparity in customer perceptions of service received through the major service delivery channels. Satisfaction with in-person service in FOs rose to a high of 93 percent E/VG/G while satisfaction with National 800 Number service fell to 70 percent E/VG/G. The decline in satisfaction with National 800 Number service was linked to a sharp drop in satisfaction with access to service. The National 800 Number access rating fell by 12 percentage points to just 52 percent E/VG/G in FY 2013.

Satisfaction with FO telephone service, at 78 percent E/VG/G, was also much lower than satisfaction with most other types of service. However, the FO telephone service satisfaction rate was stable from FY 2012 to FY 2013. Satisfaction with Internet transactions was also stable from FY 2012 to FY 2013 and was very positive at 90 percent E/VG/G.

The table below compares FY 2012 and FY 2013 overall satisfaction rates for each type of service.

Service Satisfaction Surveys: Overall Satisfaction Rates

Satisfaction with the service our employees provide is also a very important factor in the overall satisfaction of our service. Our surveys find that our employees receive high marks for their courtesy, helpfulness, job knowledge, and the clarity of their explanations, whether they provide service on the telephone or in person. Ratings of these employee attributes were close to 90 percent E/VG/G or above for all types of service.

Prospective Client Survey

We conducted the Prospective Client Survey, which samples the general public approaching retirement age (50 to 64) and explores service delivery preferences and expectations, four times since FY 2005. The survey addressed preferred methods for handling various types of Social Security business.

We have seen some growth in the Internet as the first choice preference for conducting various types of business. The greatest growth has been in the post-entitlement activities of changing or viewing personal information on the individual's record. The table below displays first choice preferences for some key activities for all responders.

First Choice Preference for Conducting Business Via Internet
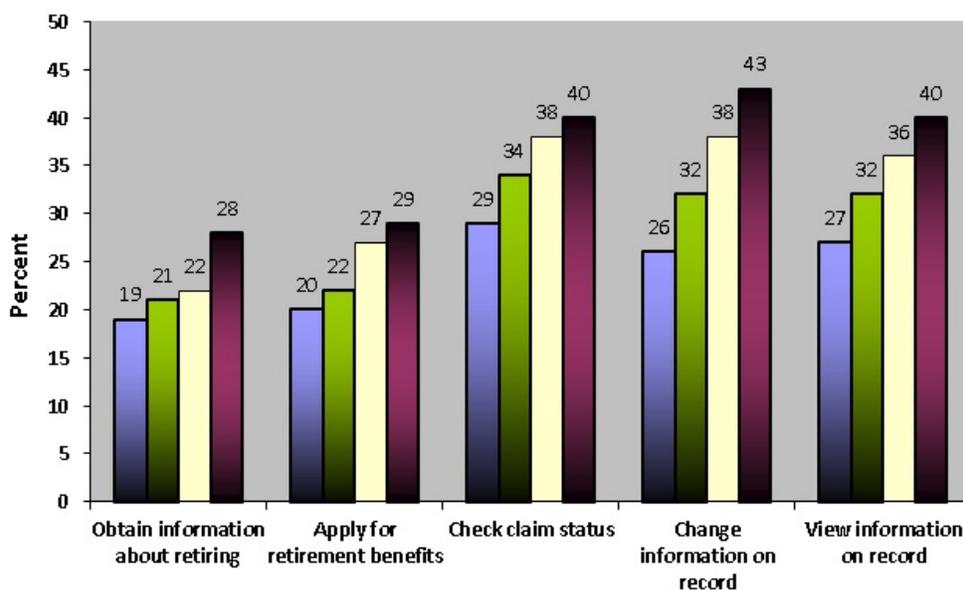
Online Authentication Survey

The Online Authentication Survey (OAS) focused on the satisfaction of customers who visited an FO to complete their *my* Social Security account registration after encountering a problem during the online process. The OAS measured satisfaction with key aspects of the service experience and obtained an overall rating of the online account registration process using our standard six-point rating scale: excellent, very good, good (E/VG/G), fair, poor, or very poor. In addition to addressing satisfaction with the online registration process, the survey also assessed satisfaction with service received during the FO visit or on the telephone.

Just over three-quarters of the survey responders who created an online account were satisfied (77 percent E/VG/G) with their entire *my* Social Security experience from start to finish. Nine out of 10 responders rated the overall service provided in person in the FO as E/VG/G. However, responders rated telephone service overall dramatically lower than in-person service at just 60 percent E/VG/G. A factor in this lower level of satisfaction with telephone service undoubtedly relates to the business process for resolving an authentication failure: The process

usually requires an in-person contact, so the employee cannot resolve the issue on the telephone, but must advise the caller to visit an FO.

Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds

The *Social Security Act* requires the Board of Trustees of the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds to report annually to Congress on the actuarial status and financial operations of the OASI and DI Trust Funds. The *2013 OASDI Trustees Report (www.socialsecurity.gov/OACT/TR/2013)*, issued in May 2013, includes projections for years 2013 to 2087. The 2013 report showed a similar projected long-term financial status of the Social Security program compared to the Trustees' 2012 report.

Highlights in the report included:

- Non-interest income fell below program costs in 2010 for the first time since 1983. Program costs are projected to exceed non-interest income throughout the remainder of the 75-year projection period;

- The combined OASI and DI Trust Fund reserves are still growing and will continue to do so through 2020. Beginning in 2021, the cost of the program is projected to exceed total income, and the trust fund reserves will begin to decline;

- The projected point at which the combined OASI and DI Trust Fund reserves will become depleted, if Congress does not act before then, comes in 2033–unchanged from the estimate in last year's report;

- The projected point at which the DI Trust Fund reserves will become depleted is 2016–unchanged from the estimate in last year's report;

- The projected actuarial deficit over the 75-year long-range period is 2.72 percent of taxable payroll–up slightly from 2.67 percent in last year's report.

Annual Report of the Supplemental Security Income Program

We report annually to the President and to Congress the status of the Supplemental Security Income (SSI) program. The report's purpose is to provide the necessary data to effectively manage the SSI program. The *2013 SSI Annual Report* (http://www.socialsecurity.gov/OACT/ssir/SSI13), issued in June 2013, includes projections for years 2013 to 2037.

Significant findings stemming from our evaluation included:

- By 2037, the end of the 25-year projection period, we estimate that the Federal SSI recipient population will reach 9.4 million. The number of SSI program recipients is projected to grow slightly faster than the U.S. population over the next few years reflecting the still-elevated unemployment rates during the remainder of the recovery from the recent economic downturn. Over the remainder of the 25-year projection period, the growth in the SSI recipient population is projected to be somewhat slower than the growth in the overall U.S. population.

- As a percentage of the total U.S. population, the number of Federal SSI recipients increased slightly from 2.47 percent in 2011 to 2.51 percent in 2012. We project this percentage to rise very slightly to 2.53 percent over the next few years before beginning a gradual decline over the remainder of the 25-year projection period reaching 2.42 percent of the population in 2037.

- We estimate that Federal expenditures for SSI payments in calendar year 2013 will increase by $1.9 billion to $53.6 billion, an increase of 3.7 percent from 2012 levels.

- In dollars adjusted by the Consumer Price Index to 2013 levels, we project that Federal expenditures for SSI payments will increase to $61.5 billion in 2037, a real increase of 0.6 percent per year.

- Federal SSI expenditures expressed as a percentage of the Gross Domestic Product (GDP) were 0.33 percent in 2012. We project that expenditures, as a percentage of GDP, will remain at 0.33 percent of GDP in 2013, and decline thereafter to 0.23 percent of GDP by 2037.

Enumeration Quality Review

The following presents results from our Enumeration Quality Review. These results were not available when we published our FY 2012 Performance and Accountability Report. Each year we process almost 6 million original and more than 10 million replacement Social Security card applications. We also verify Social Security numbers (SSN) more than one billion times a year through a variety of electronic data exchanges with public and private organizations. We refer to the process of assigning and issuing SSNs as enumeration.

To assess the accuracy of our enumeration process, we conduct annual reviews using a random sample of original SSNs assigned during the fiscal year by one of the following processes:

- **Enumeration-at-Birth**: Parents can apply for an SSN for their newborn child at the same time they apply for their newborn's birth certificate. The State agency that issues the birth certificate shares the information with us, and we assign an SSN and issue a Social Security card;

- **Enumeration-at-Entry**: Prospective immigrants can apply for an SSN as part of the Department of State's immigration process. When the immigrant enters the United States, the Department of Homeland Security electronically transmits enumeration information to us. If the immigrant qualifies, we assign an SSN and issue a Social Security card; and

- **SSN Applications**: A person can apply for an SSN by completing Form SS-5, Application for a Social Security Card, and submitting it to a local FO or Social Security Card Center; or by having one of our representatives file an application electronically through the Social Security Number Application Process (SSNAP) during an in-office interview. If the person is qualified, we assign an SSN and issue a Social Security card.

In FY 2012, we correctly assigned 99.9 percent of SSNs exceeding our FY 2012 target of 99 percent. The most commonly cited error occurred when applicants received two different SSNs: six through Enumeration-at-Entry and one through SSNAP. To help us meet and exceed this goal, we completed SSN specialized work in our Social Security Card Centers nationwide. We continue making improvements to the SSNAP tool, a web-based Intranet application that assigns original SSNs and issues original and replacement SSN cards. In October 2010, we implemented the alien registration number (ARN) alert within SSNAP. The ARN alert prevents the assignment of multiple SSNs by alerting FO personnel entering an SSN application if there is a pending SSN application or Numident (i.e., a database of information from all Social Security number applications) record with an identical ARN. The ARN is a unique identifier issued to aliens by the Department of Homeland Security.

We derive the percentage of correctly assigned SSNs using a statistically valid sample of original SSNs assigned in the fiscal year. We divide the number of correctly assigned SSNs by the total number sampled. We consider the SSN assigned correctly when: (1) the individual did not receive an SSN that belongs to someone else; (2) the individual did not receive more than one SSN, except where permitted; and (3) the individual is eligible to receive a SSN based on supporting documentation.

We will discuss the FY 2013 Enumeration Quality Review results in our FY 2014 Annual Performance Report.

Preeffectuation Review of Disability Determinations

Public Law 96-265, Public Health and Welfare, Section 221-c, requires us to review at least 50 percent of all Social Security DI and concurrent DI/SSI disability (SSI/DI) favorable initial and reconsideration determinations made by the State DDSs. In addition, Public Law 109-171, *Deficit Reduction Act*, requires we review at least 50 percent of all SSI adult initial and reconsideration favorable determinations made by the State DDSs.

We select Preeffectuation Review (PER) cases from all 52 DDSs (the 50 States, District of Columbia, and DI cases from the Commonwealth of Puerto Rico) using a statistical model to identify allowances with a high probability of containing substantive errors (i.e., potential to ultimately reverse the determination from allowance to denial). In FY 2012, we conducted 354,521 DI and 111,745 SSI/DI PERs. The reviews resulted in an estimated 6,512 DDS determinations reversed from an allowance to a denial.

Three agency components work in conjunction with the Centers for Medicare and Medicaid Services to produce a report to Congress on the lifetime savings resulting from PER. The FY 2012 results will not be available until later this calendar year. The most recent PER Report to Congress for FY 2011 shows estimated lifetime savings of $751 million (which also includes Medicare and Medicaid savings).

Retirement, Survivors, and Disability Insurance Stewardship Review

Stewardship findings provide the basic measure we use to report on the accuracy of OASDI payments. We base the FY 2012 report findings on non-medical reviews of monthly samples of OASDI payments issued from October 2011 through September 2012. We also provide payment accuracy rates for the current and previous reporting periods.

Overall, the OASDI accuracy rate was 99.8 percent for overpayments in FY 2012 based on improper payments totaling a projected $1.7 billion (i.e., 99.8 percent of all dollars paid were free of overpayment errors).

Accuracy for OASDI underpayments was 99.9 percent in FY 2012, based on unpaid dollars projected at $740 million (i.e., underpayment dollar errors, as a percentage of total dollars paid, were 0.1 percent).

Comparable accuracy rates for FY 2011 were 99.7 percent for overpayments and 99.9 percent for underpayments. The changes in the overall OASDI overpayment and underpayment accuracy rates are not statistically significant.

We will report the results of our FY 2013 Retirement, Survivors and Disability Insurance Stewardship Review in our FY 2014 Annual Performance Report.

Supplemental Security Income Stewardship Review

The review evaluates non-medical factors of eligibility and measures the accuracy of payments made to persons receiving SSI benefits. The primary objective is to measure the accuracy of payments we issued and to report these accuracy rates as required by the *Improper Payments Information Act of 2002*.

We reviewed 4,130 SSI cases in FY 2012. Accuracy rates are derived using data from the review of SSI cases with a payment made in at least one month of the fiscal year under review. Any difference between what was actually paid and what the quality review determines should have been paid, is expressed as an overpayment or underpayment error. The overpayment accuracy rate is the percentage of all dollars paid that are free of overpayment errors. The underpayment accuracy rate is the projected dollar value of underpayment errors represented as a ratio of all dollars paid. The overpayment and underpayment accuracy rates are calculated and reported separately.

In FY 2012, the overpayment accuracy rate was 93.7 percent based on overpaid dollars totaling a projected $3.4 billion. This represents an increase of 1.0 percentage point from the FY 2011 overpayment accuracy rate of 92.7 percent. This increase is not statistically significant.

In FY 2012, the underpayment accuracy rate was 98.2 percent based on underpaid dollars totaling a projected $0.95 billion. This represents no change from the FY 2011 U/P accuracy rate of 98.2 percent.

Office of Quality Performance Denial Review

In FY 2013, we conducted an internal control review of medically denied disability applications adjudicated by the DDSs. We conducted this review to identify whether the DDS' denial decisions were policy compliant and supported by the medical and vocational evidence in the case file.

We reviewed 45,462 cases from all 52 DDSs throughout the nation (all 50 States, the District of Columbia, and the Commonwealth of Puerto Rico). To select the cases, we used a statistical model to identify cases that matched the profile for highly error-prone medically denied disability applications. Out of the 45,462 cases we reviewed, 4,701 (10.3 percent) contained a substantive error (i.e., an error that could result in a change in the determination of the case).

Our review of denials in FY 2013 resulted in the reversal of 3,259 DDS denial determinations to allowances. These reversals resulted in claimants receiving their benefits at an earlier stage in the process.

Quality Review Assessment of Senior Attorney Advisor Disability Decisions

The following discusses the FY 2012 results of our Quality Review Assessment of Senior Attorney Advisor (SAA) Disability Decisions.

We agreed with 78 percent of the 864 sampled SAA decisions during FY 2012 as a preponderance of the evidence supported those decisions. This agreement rate was a statistically meaningful difference from FY 2011, when we agreed with 96 percent of the SAA decisions. When comparing the FY 2012 rate to prior fiscal years, the differences were also statistically meaningful. We attribute the change in the allowance agreement rate from the previous fiscal years to an increase in the number of decisions that lacked sufficient documentation to support a fully favorable decision or the evidence was conflictive.

We will discuss the results of our FY 2013 Quality Review Assessment of Senior Attorney Advisor Disability Decisions in our FY 2014 Annual Performance Report.

Disability Case Review of Administrative Law Judge Hearing Decisions

The Disability Case Review is an ongoing, post-effectuation quality review of administrative law judge (ALJ) hearing decisions, which we implemented in December 2009. Our four-year data comparison begins with the last six months of FY 2009 and ends with all of FY 2012.

- In the last six months of FY 2009 (April through September), we agreed with 90 percent of ALJ favorable decisions and 89 percent of their unfavorable decisions.

- For FY 2010, we agreed with 84 percent of the ALJ favorable decisions and 91 percent of the unfavorable decisions.

- For FY 2011, we agreed with 77 percent of the ALJ favorable decisions as compared to 87 percent of the unfavorable decisions.

- For FY 2012 we agreed with 77 percent of the ALJ favorable decisions and 91 percent of the unfavorable decisions.

As noted above, there was no change in the agreement rate between FYs 2011 and 2012 for ALJ favorable decisions. When comparing the FY 2012 findings to the 90-percent agreement rate for FY 2009, the difference is statistically meaningful. However, the 7-percentage point difference between FY 2012 and FY 2010 findings for ALJ favorable decisions is not statistically meaningful. We agreed with 91 percent of the ALJ unfavorable decisions for FY 2012 because a preponderance of the evidence supported those decisions. When comparing the FY 2012

agreement rate for ALJ unfavorable decisions to the prior reporting periods, none of the differences were statistically meaningful.

We will discuss the results of our FY 2013 Disability Case Review of ALJ hearing decisions in our FY 2014 Annual Performance Report.

Disability Scorecard Surveys

The Disability Scorecard Surveys measure customer satisfaction with the disability application process at the initial and hearing levels. We survey disability claimants–both Social Security DI and SSI–in the following groups that reflect different stages of the process:

- Mid-process - after an initial disability application is filed but before a decision is made;

- Initial awards and denials -after the initial level decision on the application; and

- Hearing awards and denials - after the hearing level decision on the application.

We ask those surveyed for an overall rating of the service we provided during the disability application process. Survey findings consistently show that respondent opinion is greatly influenced by the outcome of the application for disability benefits. In addition, our latest published results for FY 2012 show that respondents are for the most part satisfied with the initial disability process at the time they file but before a decision is made, rating overall service 81 percent E/VG/G. Claimants awarded at the initial level rated overall service 92 E/VG/G; claimants awarded at the hearing were also highly satisfied, giving a rating of 84 percent E/VG/G. In contrast, claimants denied at the initial level gave an overall rating of only 55 percent E/VG/G. Claimants denied at the hearing level gave the lowest overall rating of 39 percent E/VG/G. There is a clear decline in satisfaction as the application proceeds through the hearing level. However, the gap between initial and hearing level satisfaction is greater when the application is denied than when it is awarded.

Evaluation of Ticket to Work Program

We implemented the Ticket to Work Evaluation (http://www.ssa.gov/disabilityresearch/twe_reports.htm) to evaluate the progress of the program as required under the *Ticket to Work and Work Incentives Improvement Act of 1999*. In FY 2013, our independent evaluation contractor completed the seventh, and final, evaluation report. Overall, the Ticket to Work evaluation finds that beneficiaries who use the Ticket to Work program generally like it, that the program has increased use of return-to-work services, and those who participate in Ticket to Work have better outcomes than those who return to work without the help of Social Security-financed employment services. However, we also find that the increase in service use and better outcomes by participants has not translated into net increases in benefit suspension or termination for work or an increase in the number of months spent in suspense or termination for work. This suggests that Ticket to Work has primarily extended the types of services that were available under the program that preceded Ticket to Work, where services were offered only though State Vocational Rehabilitation Agencies, and has achieved the same level of success as before Ticket to Work. More beneficiaries are getting these services now, but the success rate has not measurably changed.

"Participant and Provider Outcomes since the Inception of Ticket to Work and the Effects of the 2008 Regulatory Changes," (July 2013). Our evaluation contractor found that after the implementation of the revised regulations, there was renewed interest in the Ticket to Work program, with a doubling of Employment Network (EN) providers from 2007 to 2010 and a quadrupling of participant assignments during that time in the payment systems established by Ticket to Work. Reflecting the growth in participants, the number of participants experiencing benefit suspension or termination for work increased, as did total amount Social Security DI beneficiaries did not receive in benefits because of work. Per participant, however, both outcomes declined over this recessionary period.

Our contractor examined the relative effectiveness of different EN service models. Our evaluator found that among beneficiaries who assigned their Ticket to a Top-100 EN between July 2008 and June 2009, nearly 1 in 10 Ticket to Work participants (9.4 percent) had their cash benefits suspended or terminated because of work (STW) for at least 1 month. These outcomes varied a great deal by the business model of the EN serving them. Participants in consumer-directed ENs were most likely to have an STW month (20.7 percent); whereas, those served by State Vocational Rehabilitation Agencies were least likely (4.3 percent). Those served under the Outcomes-Only payment system were much more likely than others to have an STW month, regardless of the EN's business model. Among those with at least one STW month, participants in consumer-directed and employer ENs remained in STW longer on average than participants in other business models.

"Initial Impacts of the Ticket to Work Program for Young New Social Security Disability Awardees: Estimates Based on Randomly Assigned Mail Months," (July 2013). Our independent evaluator used a more refined methodology than was available for earlier reports to reanalyze Ticket to Work impacts on the period before the July 2008 change in regulations (more recent data do not allow enough time to pass to see any potential effects of the Ticket to Work program). They also focused on young Social-Security-DI-only beneficiaries because prior research suggested this group was most likely to show results.

Under this refined methodology, our evaluator more confidently reaches the same conclusion as the fourth Ticket to Work evaluation report: they find that the Ticket mailings significantly increased service enrollment, but they find no consistent evidence that this impact translated into a substantive increase in benefit STW or an increase in the number of months spent in STW. We find these conclusions to be definitive. Given that the analysis finds no benefit-reduction impacts despite using the best-case population and timeframe for finding such impacts (outcomes are lower for SSI recipients and older Social Security DI beneficiaries, and employment outcomes have been somewhat lower in the period after the change in regulations), our evaluator did not recommend extending the analysis to other Ticket to Work- eligible groups or to a time period after the change in regulations.

STRATEGIC GOAL 4 – BUILD A MODEL WORKFORCE TO DELIVER HIGH QUALITY SERVICE

Federal Employee Viewpoint Survey (formerly the Annual Employee Survey/Federal Human Capital Survey)

The U.S. Office of Personnel Management sent the 2013 Federal Employee Viewpoint Survey to about 16,000 of our employees. Our employees had from April 30, 2013 through June 14, 2013 to take the survey, which over half of our permanent employees completed.

We use the Federal Employee Viewpoint Survey results as a tool for measuring employee satisfaction and engagement throughout our agency. Traditionally, our employees show high levels of satisfaction working for us. We rank high in the category of Leadership, and Knowledge Management.

For more information about survey results, see the Federal Employee Viewpoint Survey (www.fedview.opm.gov/).

Human Capital Accountability System

SSA maintains accountability for success in all of its human capital endeavors as well as appropriate use of human resources authorities by implementing and maintaining internal tracking and assessment procedures. These procedures are encompassed within the agency's Human Capital Accountability System (HCAS), providing a comprehensive framework for demonstrating results, evaluating progress, facilitating continuous improvement, and ensuring adherence to Merit System Principles, laws, regulations, and policies.

We monitor and evaluate the results of our human capital strategies, policies, and programs, as well as our adherence to merit system principles. On a cyclical basis, we conduct Human Resources Management and Delegated Examining Unit Assessments of components across the agency, and we measure how well our human capital programs support our agency's performance goals in our annual Human Capital Management Report.

We regularly review all aspects of the HCAS to determine efficiency, effectiveness, mission alignment, and compliance with the Human Capital Assessment and Accountability Framework (HCAAF) (http://www.opm.gov/policy-data-oversight/human-capital-management/#url=Framework). The HCAAF consists of human capital focus areas that together provide a consistent, comprehensive representation of human capital management for the Federal Government.

The evaluation of our human capital system is critical. As necessary, we adjust our system, in consultation with appropriate components and staff, to ensure that we integrate the HCAAF effectively into our human capital system as required by the Office of personnel management. Our human capital reviews show that our human capital strategies, policies, and programs are sound and that we adhere to merit system principles. We took all required corrective actions for deficiencies identified through these reviews. In addition, we issued policy reminders and provided refresher training, where needed, to ensure that we remain compliant with laws, regulations, and agency policies.

Some improvements in our accountability programs made as a result of our reviews include:

- Completion of a streamlined evaluation template summarizing results from our Human Resources Management Assessments (HRMA). A HRMA review team consisting of Office of Human Resources Subject Matter Experts completes the template to assist with their development of required and recommended actions for the component being reviewed;

- Implementation of a remote HRMA process to cut costs and improve efficiency; and

- Enhancement of the Delegated Examining Unit Audit process to increase audit effectiveness. Enhancements include more concise reporting of audit findings, ongoing suggestions based on trend analysis, and OHR led quarterly conference calls with Headquarters and regional servicing personnel offices.

Management Directive-715

The directive provides policy guidance and standards for establishing and maintaining effective affirmative action programs. The Equal Employment Opportunity Commission (EEOC) Management Directive 715 requires Federal agencies to conduct an annual self-assessment of their Equal Employment Opportunity (EEO) program to ensure it meets the requirements for each of the six essential elements of a model program. The assessment occurs in the first quarter of a fiscal year, with the report due to the EEOC in the second quarter of the fiscal year.

Below, we present our FY 2013 results, which were not available when we published our FY 2013 Performance and Accountability Report.

Our FY 2012 Management Directive 715 self-assessment showed that of the 117 measures of the essential elements of a model EEO program that are applicable to us, we met 103 measures and were deficient in only 14 measures. Highlights included:

- The Acting Commissioner issuing an EEO Policy Statement in May 2013, three months after installation as the Agency Head;

- Consistently informing employees about inappropriate behavior in the workplace through various methods (e.g., new employee orientation, mandatory *No FEAR Act* training, annual EEO training.)

- Continuing to utilize contractor for the identification of barriers that may be impeding the realization of EEO; and

- Collaborating and coordinating effectively between EEO and Human Resources.

For the 14 identified deficiencies, we described our plans to correct them to the extent possible. Examples of identified deficiencies included:

- Lack of timely compliance with EEOC orders;
- Not requiring managers to participate in Alternative Dispute Resolution;
- Not timely completing EEO pre-complaint counseling; and
- Not timely completing EEO investigations.

We will discuss the results of our FY 2013 assessment in our FY 2014 Annual Performance Report.

New Hire Survey

The New Hire Survey helps us to gauge our progress on recruiting, hiring, and engaging our newest employees. We complete the process of surveying our new employees hired throughout the fiscal year by the second quarter of the following fiscal year. Our 2012 New Hire Survey Report contains the survey results for our FY 2011 new hires.

We invited 639 newly hired employees in FY 2011 to complete the New Hire Survey, and 486 employees, or 76 percent, completed the survey. Survey results show that the majority (90 percent or more) of newly hired employees are satisfied with the application and hiring processes. Over 80 percent of newly hired employees indicate that they are satisfied with their overall orientation and training. Our efforts to make new employees feel welcome at their earliest points of interaction with us help retain a high-performing and diverse workforce.

Office of Civil Rights and Equal Opportunity Quality Assurance Program

We assess the effectiveness of our EEO programs and our compliance with regulatory requirements, policy, and directives.

Between FY 2010 and FY 2012, we conducted 12 Office of Civil Rights and Equal Opportunity Quality Assurance Reviews and drafted reports from these reviews. We found that 11 of the 12 offices met the legal requirements for an effective EEO program, continued to work toward efficiently managing EEO program resources, and met customer needs. We worked with 1 of the 12 offices to help them meet the legal requirements for an effective EEO program.

STRATEGIC GOAL 5 – ENSURE RELIABLE, SECURE, AND EFFICIENT INFORMATION TECHNOLOGY SERVICES

Federal Information Security Management Act Report

The *Federal Information Security Management Act* (FISMA) is part of the *E-Government Act of 2002*. FISMA is a framework requiring Federal agencies to ensure they provide adequate security and privacy protections for Federal information systems and information. We must submit an annual FISMA status report to the OMB. Our report summarizes the results from security and privacy reviews conducted of our major information systems and programs, progress on correcting identified weaknesses, and the results of other work performed during the reporting period using OMB's performance measures. There are currently several bills pending in Congress intended to strengthen FISMA. As Congress considers new cyber security legislation, we will continue our efforts to meet and exceed existing information security requirements for protecting Federal information systems and personally identifiable information.

For more information refer to the complete report, *FY 2011 Report to Congress on the Implementation of the Federal Information Security Management Act of 2002* (www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/fy11_fisma.pdf)

APPENDIX C - HOW WE ENSURE OUR DATA INTEGRITY

We remain committed to providing clear, reliable, and valid data for management decision making and oversight. We have internal controls in place to ensure that our data are quantifiable, verifiable, and secure. Our internal systems and controls include:

- Audit trails;
- Integrity reviews;
- Separation of duties;
- Restricted access to sensitive data;
- Reviews at all levels of management; and
- Validation and verification in our System Development Life Cycles.

We designed these controls to safeguard the integrity and quality of our vast data resources and provide assurances that our data contain no material inadequacies. These same controls support the Commissioner's *Federal Managers' Financial Integrity Act* Assurance Statement.

Data Integrity Systems and Controls

We gather data for our performance measures using automated management information and other workload measurement systems. In fiscal year (FY) 2010, we initiated a new data quality program designed to assess, measure, and monitor the quality of performance data. We evaluate the data in terms of four quality dimensions:

- Accuracy – measuring how well data adheres to specification (e.g., definitions, rules, and policies);
- Consistency – measuring consistency in internal and external reporting of data;
- Completeness – measuring missing occurrences or attributions of the data; and
- Timeliness – measuring the currency of the data (i.e., data are up to date, and reporting occurs on time).

We conduct these quality evaluations based on established internal methodologies. As we introduce new performance measures, we establish a baseline by performing a comprehensive assessment of management information data using these four quality dimensions. After the baseline, we automate the continuous monitoring of the data to make sure we are sustaining high-quality performance data. Continuous monitoring allows us to follow trends in data quality and proactively remediate potential data quality issues.

In FY 2013, we performed baseline assessments for the following performance measures:

- Increase the Percentage of Claims Filed Online;
- Net Disability Determination Service (DDS) Accuracy by State
- Medicare Determinations by State
- Social Security Administration Enumeration Accuracy

These data were in addition to continuously monitoring previously base lined performance measures, thereby expanding data quality program.

Also, the data for several accuracy and public satisfaction measures come from surveys and work samples, which provide confidence levels of 95 percent or higher.

The Audit Trail System (ATS) enables us to execute our fiduciary responsibility by ensuring we protect our records and taxpayer funds from improper use. ATS collects and maintains detailed information about transactions performed by employees and the American public and stores data from programmatic and select Internet applications, allowing us to retrieve transactions for the purpose of deterring, detecting, and investigating instances of fraud and abuse.

Audit of Our FY 2013 Financial Statements

The *Chief Financial Officers Act of 1990* requires the Office of the Inspector General (OIG) or an independent external auditor that it selects to audit our financial statements. OIG selected Grant Thornton, LLP to conduct the FY 2013 audit.

The audit concluded that our financial statements fairly present in all material respects our financial position. The audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

Role of the Office of the Inspector General

OIG plays a key role in protecting our programs and operations from waste, fraud, and abuse by conducting independent and objective audits, evaluations, and investigations. OIG provides timely, useful, and reliable information and advice to agency officials, Congress, and the public.

OIG's Office of Audit conducts performance audits of our programs and operations and makes recommendations to make sure we achieve our program objectives. In addition, OIG contracted with KPMG, LLP, an independent auditing firm, to audit our performance indicators to ensure our established performance measures comply with the *Government Performance and Results Act* (GPRA) *Modernization Act of 2010.* In FY 2013, OIG issued two audits evaluating three of our GPRA performance indicators: (1) DDS case production per work year, (2) achieve the target number of initial disability claims pending, and (3) complete the budgeted number of hearing requests.

The reports are:

- Performance Indicator Audit: Disability Claims (A-15-12-12116) (oig.ssa.gov/audits-and-investigations/audit-reports/A-15-12-12116); and

- Performance Indicator Audit: Hearing Requests (A-15-12-12115) http://oig.ssa.gov/sites/default/files/audit/full/pdf/A-15-12-12115.pdf.

The objectives of these audits were to:

- Comprehend and document our sources of data for the specific performance measure OIG selected for review;
- Identify and test critical controls (both electronic data processing and manual) of systems that generated the specified performance data;
- Test the adequacy, accuracy, reasonableness, completeness, and consistency of the underlying data for the specified performance measure; and
- Recalculate each performance measure to ascertain its accuracy.

For the performance measures, *Achieve the Budgeted Goal for Disability Determination Services Cases Production per Work-Year* and *Achieve the Target Number of Initial Disability Claims Pending*, KPMG stated, "Based on the results of our audit, we do not believe the performance indicators (PI) were adequate, accurate, reasonable, complete, and consistent with the underlying data. We noted, however, that internal controls over the system supporting the PIs were operating effectively."

For the third performance measure, *Complete the Budgeted Number of Hearing Requests*, KPMG stated, "Based on the results of our audit, we believe the PI was adequate, accurate, reasonable, complete, and consistent with the underlying data. In addition, we noted that internal controls over the system supporting the PI were operating effectively."

These and other OIG reports are located on OIG's webpage (oig.ssa.gov/audits-and-investigations/audit-reports/2012-10--2013-09).

APPENDIX D - KEY BUDGETED WORKLOADS - HISTORICAL PERFORMANCE

Achieve the target speed in answering National 800 Number calls (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	326 seconds	245 seconds	203 seconds	180 seconds	294 seconds	617 seconds
Target	330 seconds	330 seconds	269 seconds	267 seconds	285 seconds	535 seconds
Target Met	Met	Met	Met	Met	Not Met	Not Met

Description of Results:

The multi-year hiring freeze led to a 21 percent decrease in call agent staffing. Additionally, the new CARE2020 network has increased the queuing capacity of the National 800 Number allowing more callers to wait for live agents.

Achieve the target busy rate for National 800 Number calls (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	10%	8%	5%	3%	5%	11.9%
Target	10%	10%	8%	6%	6%	16%
Target Met	Met	Met	Met	Met	Met	Met

Description of Results:

We met the FY13 target goal

Complete the budgeted number of retirement, survivors, and Medicare claims (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	4,236,455	4,742,218	4,700,990*	4,877,955	5,001,092	5,006,855*
Target	4,065,000	4,543,000	4,718,000 (4,658,124 rec'd)	4,590,000	4,918,000	5,269,000 (4,952,591 rec'd)
Target Met	Met	Met	Met	Met	Met	Met

Description of Results:

We received over 4.9 million retirement, survivors, and Medicare claims and processed over 5.0 million, meeting the goal once again.
*Performance results are based on actual receipts because actual receipts were lower than the target.

Complete the budgeted number of SSI non-medical redeterminations (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	1,220,664	1,730,575	2,465,878	2,456,830	2,624,170	2,634,183
Target	1,200,000	1,711,000	2,422,000	2,422,000	2,622,000	2,622,000
Target Met	Met	Met	Met	Met	Met	Met

Description of Results:

We met our SSI non-medical redeterminations goal for FY 2013

Complete the budgeted number of full medical continuing disability reviews (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	245,388	316,960	324,567	345,492	443,233	428,568
Target	N/A	N/A	N/A	N/A	435,000	422,000
Target Met	N/A	N/A	N/A	N/A	Met	Met

Description of Results:

We met our FY 2013 full medical continuing disability review goal.

Average processing time for initial disability claims (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	106	101	111	109	102	107.4 days
Target	107	129	132	118	111	109 days
Target Met	Met	Met	Met	Met	Met	Met

Description of Results:

We met our FY 2013 initial disability claims average processing time goal

Average processing time for hearings decisions (DCDAR)

September	2008	2009	2010	2011	2012	2013
Performance	509	472	390	345	362	396 days (September only)
Target					321	~389 days (September only)
Target Met					Not met	Not Met

Description of Results:

Despite our hard work and past successes, we missed our goal by 7 days. The record number of hearing requests received between FY 2010 and FY 2012 continued to delay the timely completion of hearings decisions. We could not expand our adjudicative capacity to hear and decide cases because of a depleted administrative law judge (ALJ) register, which will be refreshed in FY 2014. In FY 2014, we plan to hire up to 200 ALJs and associated support staff to begin to decrease wait times once again.

Complete the budgeted number of initial disability claims (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	2,607,282	2,812,918	3,161,314	3,390,936	3,206,869	2,987,883
Target	2,582,000	2,637,000	3,081,000	3,273,000	3,173,000	2,962,000
Target Met	Met	Met	Met	Met	Met	Met

Description of Results:

We surpassed our FY 2013 goal of completing the budgeted number of initial disability claims by 25,883.

Complete the budgeted number of disability reconsiderations (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	560,365	598,098	735,067	828,010	808,521	803,194
Target					787,000	787,000
Target Met					Met	Met

Description of Results:

We surpassed our FY 2013 goal of completing the budgeted number of reconsideration disability claims by 16,194.

Complete the budgeted number of hearing requests (DCDAR)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	575,380	660,842	737,616	795,424	820,484	793,580
Target	559,000	647,000	725,000	815,000	875,000	793,000
Target Met	Met	Met	Met	Not Met	Not Met	Met

Description of Results:

We surpassed our FY 2013 goal of completing the budgeted number of hearing requests by 580 decisions.

Achieve the target number of initial disability claims pending (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	556,670	779,854	842,192	759,023	707,700	698,127
Target			1,041,000	845,000	861,000	804,000
Target Met			Met	Met	Met	Met

Description of Results:

We reduced our initial disability claims pending from the FY 2012 pending level and exceeded the FY 2013 target.

Achieve the target number of disability reconsiderations pending (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	115,059	161,264	157,977	164,049	197,788	173,472
Target					184,000	220,000
Target Met					Not Met	Met

Description of Results:

We reduced our reconsideration disability claims pending below the FY 2012 level and surpassed our FY 2013 goal by 46,528 claims.

Achieve the budgeted goal for hearing case production per workyear (DCDAR)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	103	105	105	109	111	109
Target	101	107	108	107	114	111
Target Met	Met	Not Met	Not Met	Met	Not Met	Not Met

Description of Results:

ALJs denied more cases in FY 2013 than in recent years. Because denial decisions are more difficult to review and write than allowances for both decision writers and ALJs, our productivity declined.

Achieve the budgeted goal for DDS case production per workyear (DCO)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Performance	266	274	273	287	324	322
Target	264	265	268	275	322	**320**
Target Met	Met	Met	Met	Met	Met	Met

Description of Results:

We achieved our FY 2013 DDS case production per workyear goal.

APPENDIX E - CHANGES TO PERFORMANCE MEASURES

	PERFORMANCE MEASURE ESTABLISHED IN FISCAL YEAR 2014
1.1a	Improve access to our services by increasing the number of citizens who complete their business with us online
1.2a	Provide the public with a more convenient hearing alternative by increasing the percentage of video hearings conducted
1.2b	Expand the services available under *my* Social Security by implementing an online Social Security Number Replacement Card application
1.2c	Maintain customer satisfaction with our online services
1.2d	Provide the public with access to personalized information by increasing the number of established *my* Social Security accounts
1.3a	Minimize the average response time to deliver medical evidence to the Department of Veterans Affairs (VA) for wounded warriors and veterans
1.3b	Partner with Department of Health and Human Services and the VA to better serve the homeless population
2.1a	Redesign our earnings system to improve the accuracy and timeliness of the earnings data used to calculate benefits
2.2a	Implement a fraud and integrity unit to protect the public's data
2.2b	Enhance our security features and business processes to prevent and detect fraud
2.3a	Reduce the percentage of improper payments made under the Supplemental Security Income program
2.3b	Maintain the low percentage of improper payments made under the Old-Age, Survivors, and Disability Insurance program
3.1a	Expedite cases for the most severely disabled individuals by achieving the target percentage of initial disability cases identified as Quick Disability Determination or Compassionate Allowances
3.1c	Ensure the quality and consistency of our hearing decisions by randomly reviewing a percentage of cases using an inline quality review
3.2a	Improve the disability determination process by increasing the percentage of initial disability claims with health Information Technology (IT) medical evidence
3.3a	Achieve the target number of beneficiaries participating in the Ticket to Work program who work
4.2a	Reduce skills gaps for leaders and/or potential leaders to improve leadership competencies
4.2b	Reduce skills gaps in mission critical occupations to improve general and technical competencies
4.3a	Maintain status as one of Top 10 Best Places to Work among large agencies in the Federal Government
4.3b	Achieve the target two-year new hire retention percentage
4.3c	Increase workplace flexibilities by expanding telework opportunities for employees

PERFORMANCE MEASURE ESTABLISHED IN FISCAL YEAR 2014	
4.4a	Conduct workforce analysis and planning activities to support future workforce transition initiatives
4.4b	Achieve target number of human capital metrics identified in ongoing human capital performance review sessions
5.1b	Ensure the continuity of our agency's operations by transitioning IT production functions to the National Support Center by fiscal year 2016
5.2a	Enhance systems performance and reliability by upgrading the telecommunications infrastructure in our offices
5.2b	Maintain reliable IT services by continually assessing business and infrastructure applications to identify those that are high risk, and determine strategies to renovate, replace, or retire those identified
5.3a	Enhance our IT infrastructure by implementing innovative systems accessibility and performance capabilities
5.3b	Explore the use of emerging technologies by establishing a testing lab to promote research and development of innovative technology solutions that provide more effective and flexible ways for the public to conduct business with us online and for our employees to complete their work
5.4a	Provide secure and effective services to the public by improving cyber security performance

CARRYOVER PERFORMANCE MEASURES WITH TITLE CHANGES		
	Fiscal Year 2014 New Title	**Fiscal Year 2013 Old Title**
3.1b	Ensure the quality of our decision by achieving the disability determination services (DDS) decisional accuracy rate for initial disability decisions	DDS decisional accuracy rate for initial disability decisions
3.1d	Increase our ability to provide timely decisions by focusing on our oldest cases first	Eliminate the oldest pending hearing requests
4.1a	Achieve the target veteran and disabled veteran new hire percentage to improve their representation in our workforce	Recruit and hire veterans and disabled veterans
4.1b	Achieve the target on-board representation of employees with targeted disabilities	Employ individuals with targeted disabilities
5.1a	Provide uninterrupted access to our systems during scheduled times of operation	Percentage of enterprise-wide systems availability

APPENDIX F - SUMMARY OF KEY MANAGEMENT OFFICIALS' RESPONSIBILITIES

Commissioner of Social Security (COSS), Carolyn W. Colvin (acting), manages all agency programs and staff. Also serves as the Chief Operating Officer, responsible for improving agency management and performance.

Deputy Commissioner of Social Security (DCOSS), [Vacant] serves as the alter ego for the COSS.

Chief Strategic Officer (CSO), Ruby Burrell, advises and assists the Commissioner and Deputy Commissioner to ensure that the mission and goals of the agency are achieved through strategic and performance planning, measurement, analysis, regular assessment of progress, and use of performance information to improve the results achieved. The CSO also serves as the Performance Improvement Officer.

Chief Actuary (CAct), Stephen C. Goss, plans and directs program actuarial estimates and analyses for our programs and for any proposed changes in programs and trust funds. The CAct provides technical and consultative services to the COSS, the Board of Trustees of the Social Security Trust Funds, Congress, and their staffs.

General Counsel (GC), David F. Black, advises the COSS, DCOSS, and all subordinate organizational components (except the Inspector General) on legal matters.

Inspector General (IG), Patrick P. O'Carroll Jr., promotes economy, efficiency, and effectiveness in the administration of our programs and operations, and prevents and detects fraud, waste, abuse, and mismanagement.

Deputy Commissioner for Budget, Finance, Quality and Management (DCBFQM), Peter D. Spencer, directs our comprehensive management programs including budget, quality reviews and studies, financial policy, acquisition and grants, facilities and supply management, and security and emergency preparedness.

Deputy Commissioner for Communications (DCCOMM), Doug Walker, conducts our national public information and outreach programs; leads our efforts to improve the clarity, tone, and readability of our notices; and fosters the transparency of our operations.

Deputy Commissioner for Disability Adjudication and Review (DCDAR), Glenn E. Sklar, administers our nationwide appeal and review program in accordance with relevant Federal laws.

Deputy Commissioner for Human Resources (DCHR), Reginald F. Wells, Ph.D., administers our human resources programs, including training, human capital initiatives, personnel and employee relations, labor management, and civil rights and equal opportunity.

Deputy Commissioner for Legislation and Congressional Affairs (DCLCA), Scott L. Frey, develops and conducts our legislative program, serves as our liaison to Congress, and analyzes legislative and regulatory initiatives.

Deputy Commissioner for Operations (DCO), Nancy A. Berryhill, directs our national network of field offices, National 800 Number teleservice centers, and processing centers. The DCO oversees the State disability determination services.

Deputy Commissioner for Retirement and Disability Policy (DCRDP), Marianna LaCanfora (acting), advises the COSS on major policy issues and is responsible for all major activities in the areas of program policy planning, policy research and evaluation, statistical programs, and overall policy development, analysis, and implementation. Also serves as the accountable official for improper payments.

Deputy Commissioner for Systems (DCS), William B. Zielinski, directs the strategic management of our systems and databases, which includes the development, validation, and implementation of any new systems. The DCS directs the conduct of systems and operational integration and strategic planning processes, and the implementation of a comprehensive systems configuration management, database management, and data administration program. The DCS also serves as the Chief Information Officer.

APPENDIX G - GLOSSARY OF ACRONYMS

A

ACSI	American Customer Satisfaction Index
AERO	Automatic Earnings Reappraisal Operation
AFGE	American Federation of Government Employees
ALJ	Administrative Law Judge
APM	Application Portfolio Management
ARN	Alien Registration Number
ASA	Average Speed of Answer
ASP	Agency Strategic Plan
ATS	Audit Trail System
AWR	Annual Wage Reporting

B

BLS	Bureau of Labor Statistics
BSO	Business Services Online

C

C2C	Click-to-Communicate
CAct	Chief Actuary
CAL	Compassionate Allowances
CARE 2020	Citizens Access Routing Enterprise
CDI	Cooperative Disability Investigation
CDR	Continuing Disability Review
CDREO	Continuing Disability Review Enforcement Operation
CIO	Chief Information Officer
COSS	Commissioner of Social Security

D

DCBFQM	Deputy Commissioner for Budget, Finance, Quality, and Management
DCCOMM	Deputy Commissioner for Communications
DCDAR	Deputy Commissioner for Disability Adjudication and Review
DCHR	Deputy Commissioner for Human Resources
DCLCA	Deputy Commissioner for Legislation and Congressional Affairs
DCO	Deputy Commissioner for Operations
DCOSS	Deputy Commissioner of Social Security
DCPS	Disability Case Processing System
DCQP	Deputy Commissioner for Quality Performance
DCRDP	Deputy Commissioner for Retirement and Disability Policy
DCS	Deputy Commissioner for Systems
DDS	Disability Determination Services
DEVO	Data Exchange and Verification Online
DHS	Department of Homeland Security
DLP	Data Loss Prevention
DoD	Department of Defense
DOL	Department of Labor
DoS	Department of State
DOT	Dictionary of Occupational Titles
D&I	Diversity and Inclusion

E

EAB	Enumeration at Birth

eBB	Electronic Bench Book
eCAT	Electronic Claims Analysis Tool
EDR	Electronic Death Registration
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
EN	Employment Network
ETDMS	Enterprise Test Data Management System
E/VG/G	Excellent, very good, good
EWR	Electronic Wage Reporting

F

FEVS	Federal Employee Viewpoint Survey
FISMA	Federal Information Security Management
FPPS	Federal Personnel and Payroll System
FY	Fiscal Year

G

GAO	Government Accountability Office
GC	General Counsel
GPRA	Government Performance and Results Act (GPRA) Modernization Act of 2010
GSA	General Services Administration

H

HHS	Department of Health and Human Services
HRODS	Human Resources Operational Data Store

I

iAppeals	Internet Appeal Applications
IRS	Internal Revenue Service
iSSNRC	Internet Social Security Replacement Card
IT	Information Technology
IVR	Interactive Voice Response

L

LENS	Leadership Essentials for New Supervisors

M

MI	Management Information

N

NCC	National Computer Center
NHRP	Non-Home Real Property
NPRM	Notice of Proposed Rulemaking
NSC	National Support Center

O

O*NET	Occupational Information Network
OAS	Online Authentication Survey
OASDI	Old-Age, Survivors, and Disability Insurance
OASI	Old-Age and Survivors Insurance
OIG	Office of the Inspector General
OIS	Occupational Information System
OPM	Office of Personnel Management

P

PFIR	Public Facing Integrity Review
PI	Performance Indicator
PII	Personally Identifiable Information
PM	Predictive Model
PPS	Partnership for Public Service

Q

QDD	Quick Disability Determinations

S

SES CDP	Senior Executive Service Candidate Development Program
SHPC	Self help personal computers
SSA	Social Security Administration
SSI	Supplemental Security Income
SSIMWR	SSI Mobile Wage Reporting
SSITWR	SSI Telephone Wage Reporting System
SSN	Social Security number
SSNAP	Social Security number Application Process
SSNVS	Social Security number Verification Services
STW	Suspended or terminated because of work

T

TBD	To Be Determined
TOP	Treasury Offset Program
TWL	Trial-work-level

V

VA	Department of Veterans Affairs
VLER	Virtual Lifetime Electronic Record
VR	Vocational Rehabilitation
VRI	Video Remote Interpreting
VSD	Video Service Delivery

SOCIAL SECURITY ADMINISTRATION

Fulfilling Our Commitments to the American People