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APPROPRIATION LANGUAGE

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 $10,603,000,000 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, of which not more than $5,000 may be expended for official reception and representation expenses: Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year 2018 not needed for fiscal year 2018 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, including work-related continuing disability reviews to determine whether earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, for the cost of co-operative disability investigation units, and for the cost associated with the prosecution of fraud in the programs and operations of the Social Security Administration by Special Assistant United States Attorneys, $1,735,000,000 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 $1,462,000,000 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, $118,000,000 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 2018 exceed $118,000,000, the amounts shall be available in fiscal year 2019 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.

Note.—A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114–254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

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.

SSA is requesting a total of $1,735,000,000 in dedicated program integrity funding, including funding for full medical Continuing Disability Reviews (CDR), SSI non-medical redeterminations of eligibility (redeterminations), work related CDRs, cooperative disability investigation (CDI) units, and fraud prosecutions by Special Assistant United States Attorneys (SAUSAs). The FY 2018 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 $1,462,000,000 in additional new budget authority for the full authorized level cap adjustment level for 2018.

In addition to the appropriated amounts, SSA is requesting to spend up to $118,000,000 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.
"Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year 2018 not needed for fiscal year 2018 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	The language allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.

Language Provision	Explanation
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…"	
"In addition, for the costs associated with continuing disability reviews under titles II and XVI of the Social Security Act, including work related continuing disability reviews to determine whether earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity, for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, for the cost of co-operative disability investigation units, and for the cost associated with the prosecution of fraud in the programs and operations of the Social Security Administration by Special Assistant United States Attorneys, $1,735,000,000 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 1,462,000,000 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 $1,735,000,000 of dedicated program integrity funding for SSA's full medical CDRs, redeterminations, work related CDRs, CDI units, and fraud prosecutions by Special Assistant United States Attorneys. That amount comprises a base of $273,000,000 and the authorized 2018 level of $1,462,000,000 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, as amended by the Bipartisan Budget Act of 2015 (BBA).

Language Provision	Explanation
"In addition, 118,000,000 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 2018 exceed $118,000,000, the amounts shall be available in fiscal year 2019 only to the extent provided in advance in appropriations Acts."	The language makes available up to $118,000,000 collected from states for administration of their supplementary payments to the SSI program. This assumes the fee will increase from $11.68 per check in FY 2017 to $11.97 in FY 2018 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 2017 Joint Committee Report, *P.L. 114-254*, as well as items set forth in House Report H.R. 5926 and Senate Report S. 3040. We just received the Omnibus Appropriation. We will provide updates, as required.

Table 3.2—Further Continuing Appropriations Act, 2017: Joint Committee Report (P.L. 114-254)—Significant Items

Work Incentives Planning and Assistance (WIPA) and Protection and Advocacy for Beneficiaries of Social Security (PABSS)
The agreement includes $23,000,000 for Work Incentives Planning and Assistance and $7,000,000 for Protection and Advocacy for Beneficiaries of Social Security.

Information Technology
The Social Security Administration is requested to submit to the Committee an information technology (IT) modernization plan in the fiscal year 2018 budget request. The plan shall include: a complete list of any new systems and significant improvements of existing systems proposed for development; the projected cost of each development project each year to completion including the total estimated cost of development; the estimated annual operations and maintenance costs for each system once development is complete; and a timeline and estimated maintenance cost savings of any legacy systems that will no longer be necessary and are proposed to be eliminated. The plan should also include an assessment of SSA's IT management controls, including how the systems integrate into SSA's enterprise architecture; an analysis of SSA's project management capabilities; and a review of SSA's IT investment and human capital management practices. The requested plan shall address IT funding provided in this Act and any other spending authority planned for or proposed to be used for such purposes.

Office of Disability Adjudication and Review (ODAR)
The Committee is aware that some locations average twice the processing times of others and that it can take up to two years to process. This degree of differential processing times is a concern to the Committee. The Social Security Administration is directed to include in the fiscal year 2018 budget request steps taken to reduce the processing times at offices that average over 600 days.

Medical Vocational Guidelines
The Committee is dedicated to ensuring that the disabled have access to needed benefits, and strongly encourages SSA to work with us to achieve that goal. The Committee continues to be concerned that SSA uses outdated rules to determine whether or not a claimant meets SSA's definition of disability. The Committee is encouraged by SSA's indication that they are beginning the regulatory process, having already received input from the National Disability Forum, the National Institute of Medicine, as well as various aging and employment experts. These initial steps are well received by the Committee as we continue to work with the Administration to modernize the outdated vocational guidelines into a structure that reflects the 21st century labor market. As this is the first significant overhaul of the grid in nearly 40 years, the Committee requests SSA to submit, no later than 60 days after the enactment of this act, a

report on its ongoing efforts to update the grid. In addition, the report shall include a study assessing the feasibility of maintaining a continuous update of the medical vocational guidelines every 10 years.

Social Security Advisory Board

The Committee recommends that not less than $2,300,000 of the LAE funding be available for the Social Security Advisory Board, which is the same as the fiscal year 2016 enacted level and $200,00 below the fiscal year 2017 budget request. The Committee requests the Social Security Advisory Board include additional information regarding the work of the Social Security Advisory Board and Federal administrative expenses in the fiscal year 2018 budget request.

Vocational Expert (VE)

The Committee notes that SSA's OIG has recommended that SSA periodically determine whether VE fees are appropriate to obtain the required level of VE service. The Committee understands that SSA plans to conduct such a review, including benchmark studies of VE fees paid in the national economy and those paid by other governmental and non-governmental organizations, during SSA’s acquisition planning process for the contracts to be awarded in fiscal year 2018. The Committee looks forward to an update in the fiscal year 2018 CJ regarding these studies.

Update to the Social Security Statement

The Social Security benefit calculation is based on an individual’s earnings history. Beginning in 1978, SSA has both covered and non covered earnings data. The Committee directs SSA to include both covered and non covered earnings information in the Social Security Statement, in order to allow Americans to confirm the accuracy of agency records from 1978 and later.

Muscular Dystrophy

The Committee is aware that the Social Security Administration is included in the Muscular Dystrophy Coordinating Committee under the Muscular Dystrophy CARE Act Amendments enacted in September 2014. The Committee expects the agency to make data available on the rate at which persons with Duchenne and Becker Muscular Dystrophy utilize SSA programs, particularly those focused on promoting employment and community independence such as the Ticket to Work Program.

Advertising Fees

The Committee continues a provision relating to disclosure of U.S. taxpayer funding for programs used in advertising.

Prioritizing Continuing Disability Reviews To Maximize Cost Savings

A recent Government Accountability Office report (GA0-16-250) found that SSA's Continuing Disability Review (CDR) prioritization models fail to maximize potential cost savings. Within 1 year, and every 3 years thereafter, the agreement directs SSA to review and update the models for prioritization of CDRs with the primary intent of efficiently and effectively maximizing lifetime cost savings to the government. A detailed, cost-based explanation for the model's prioritization of different CDR types and justification for any updates made should be included in the annual CDR Report.

Strengthening the Oversight of Social Security Disability Benefits

The Committee recommendation includes language strengthening oversight of Social Security disability programs. Specifically, the Committee encourages SSA to expedite efforts to update the medical vocational guidelines used as part of the initial disability determination process and to clarify how the medical improvement standard, and exceptions from it, should be applied during continuing disability reviews, as well as revise the treating physician rule to reflect changes in healthcare delivery. The Committee also supports the agency as it implements recommendations from GAO, as outlined in its annual duplication report, to reduce overpayments to individuals receiving concurrent Federal Workers Compensation Act [FECA] payments.

Medical Improvement Standard

The Committee commends SSA for its work to improve program integrity. However, the Committee is concerned, per previous GAO testimony and report findings from the SSA Office of the Inspector General, that confusion still exists about the Medical Improvement Standard (MIRS) and its exceptions. The Committee directs SSA to submit a report no later than 60 days after the enactment of this act on its progress in educating Disability Determinations Services in the proper application of the MIRS and its exceptions.

Disability Hearing Pilot Program

The Committee supports SSA's efforts to reduce the backlog of disability claims hearings. Given the successful implementation of the Disability Hearing Pilot Program in Region 1, the Committee encourages SSA to implement the changes on a nationwide level. The changes should include providing advance notice of a hearing date, and requiring claimants to inform SSA or submit written evidence within a certain period in advance of the hearing, subject to the good cause exception. Furthermore, as recommended in the pilot, SSA should consider removing "new and material evidence" as a basis for reopening any decision made at the hearing of Appeals Council levels for benefits based on disability. The Committee requests a report on plans for implementation no later than 60 days after the enactment of this act.

Report on LAE Expenditures

The Committee directs SSA to include in the fiscal year 2018 budget request the amount of funding for the following categories for fiscal years 2016-2018:

- Personnel costs by General Schedule grade, Administrative Law Judge personnel costs, Senior Executive Service personnel costs, reemployed annuitant personnel costs including the number of Full-Time equivalent for each General Schedule grade, Administrative Law Judge, and Senior Executive Service
- Personnel costs by region, including the number of General Schedule grade, Administrative Law Judge, and Senior Executive Service Full-Time Equivalent for each region
- Information technology costs broken out by hardware/software technology and upgrade/maintenance costs
- Physical infrastructure costs by region and office function
- Overall costs for personnel, time and dollars for the administrative expenses and program

operation expenses for the following programs:

- OASI
- DI
- SSI
- Other SSA missions, including return to work efforts

- Program Integrity work broken out by OASI, DI and SSI as well as types of spending (data matching, predictive data work and data analytics)
- Disability Determination Services State costs and federal staff costs- separated from other SSA administered program costs

Representative Payee

The agreement notes that any vendor hired to conduct representative payee monitoring reviews have significant and demonstrable experience monitoring representative payees, and addressing problems found among individuals with different types of disabilities and among different types of service providers. SSA should expect close Congressional oversight of this situation throughout the coming year. The agreement also notes with concern a lack of oversight and internal controls in the Representative Payee program. SSA is encouraged to improve program monitoring to address program deficiencies discussed in recent Office of the Inspector General reports.

Administrative Law Judge Hiring

The Social Security Administration's National Hearing Centers (NHCs) provide the Social Security Administration (SSA) with invaluable flexibility and support to address the hearings backlog. Understanding the value of this flexibility and support, the agreement directs SSA to ensure that its upcoming Administrative Law Judge (ALJ) hiring allocates additional ALJs to NHCs.

Reducing the Hearing Backlog

The Committee is aware of the discord between SSA and the ALJ community regarding the implementation of part of SSA’s Compassionate and Responsive Service [CARES] plan to reduce the significant hearing backlog at the agency. Specifically, there is concern regarding the Administration’s hiring of Administrative Appeals Judges for non-disability and remanded cases. The Committee recognizes the need for further discussion regarding this matter and encourages SSA to engage with the ALJ community and appropriate stakeholders to find innovative solutions to address hearing wait times, keeping in mind the goal of reducing the backlog to serve the over 1.1 million individuals and their families awaiting a hearing decision.

Reducing the Disability Adjudication Backlog

The agreement includes funds to address SSA's disability adjudication backlog, which is currently 560 days on average. The Committees on Appropriations of the House of Representatives and the Senate are disappointed in SSA's progress in reducing the backlog when specific funding was provided in the Further Continuing and Security Assistance Appropriations Act, 2017. Due to concerns about continued weaknesses with SSA's CARES plan, SSA is directed to submit a detailed report to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate within 90 days of enactment of this

Act that outlines its plan for reducing the disability backlog of the Office of Disability Adjudication and Review (ODAR) and increasing ODAR's effectiveness. The report shall include measurable milestones toward achieving key elements of SSA's hiring and improved automation goals. These milestones shall include workload information, including receipts, pending, and processing time, award rate, and decisions rate at each level of adjudication, workforce information for ALJ s, Decision Writers, and other support staff including new hires, separations, and support staff ratios, planned obligations by quarter for each component of the initiative, as well as the expected reductions in the backlog. To ensure this effort stays on schedule, SSA is directed to submit quarterly reports to such Committees that compare actual data with milestones identified in the initial report. The quarterly reports should compare actual and planned data on obligations, hiring, effects on the backlog, and other performance measures.

Disability Case Processing System

The agreement strongly supports the recommendation by the Office of Inspector General that SSA should periodically evaluate its path forward to ensure it is pursuing the most cost-effective alternative to achieve the goals of a modernized case-processing system for SSA and obtain the greatest value for the taxpayer. To that end, the agreement supports SSA's decision to obtain an independent, third-party evaluation of the advantages and disadvantages of pursuing various alternatives from this point forward, including continued deployment of DCPS2, and other options. The Social Security Administration is directed to brief the Committees on Appropriations of the House of Representatives and the Senate on the results of the evaluation within 90 days of enactment of this Act.

Duplication

As part of its annual duplication report GAO identified areas within the SSA where there are opportunities to improve efficiency and effectiveness and reduce costs. GAO report 15-531 recommends that the SSA evaluate the costs and benefits of alternatives for reducing the potential overpayments to individuals receiving concurrent Federal Employees’ Compensation Act payments to determine how best to strengthen internal controls. The Committee is encouraged by the Administration’s willingness to implement these recommendations, and requests a report on the progress of the implementation in the fiscal year 2018 CJ.

Disability Fraud Rate Baseline

The SSA has committed significant resources to fighting fraud in the Disability Insurance program. To understand if these efforts are effective, the Committee directs the SSA Commissioner to work with the Office of Inspector General to establish a disability fraud rate baseline no later than September 30, 2017.

The Treating Physician Rule

The Committee expects that in resolving claims for disability insurance, SSA's consideration of medical evidence should reflect the degree of relevance and familiarity each medical source has with the effect of an individual's medically determinable impairment(s) on his or her ability to perform Substantial Gainful Activity [SGA]. Since the Treating Physician rule was first published in the Federal Register in 1991, healthcare delivery in the United States has changed significantly and the Treating Physician rule no longer reflects the present reality of the medical personnel with greatest knowledge of an individual's physical and/or mental condition. The Committee encourages SSA to consider revising the controlling weight doctrine in the Treating Physician rule and revising its Acceptable Medical Sources to reflect the new degree of familiarity with their patients, and rigorous training of, nurse practitioners, physician assistants, licensed clinical social workers, audiologists, and speech and language pathologists for the particular impairments that they are well-equipped to treat.

Administrative Law Judge Data Publication

The Committee expects SSA to publish the same performance and decisional statistics for Administrative Appeals Judges (when holding hearings under SSA's "CARES" plan) as it does for Administrative Law Judges in its public use data files.

Improper Payments

The Committee is supportive of efforts to reduce improper payments and improve program integrity in the SSA's disability and Supplemental Security Income benefits programs. As part of the Bipartisan Budget Act of 2015, Congress empowered SSA to enter into an information exchange with a payroll data provider to prevent improper payments of such benefits. These programs have proven to be beneficial in reducing improper payments for other Federal and State benefits programs, and the Committee urges SSA to prioritize the utilization of these opportunities. Within the funds provided to SSA for continuing disability reviews under titles II and XVI of the Social Security Act and conducting redeterminations of eligibility, the Committee encourages SSA to utilize all of the tools available to it from commercial and non-commercial entities that collect and maintain data regarding employment and wages, to ensure that disability and SSI benefits are properly paid and to reduce fraud and abuse. The Committee requests an update in the fiscal year 2018 CJ on the progress that SSA has made in utilizing additional tools to identify improper payments, as well as progress it has made in those efforts.

Program Integrity

The agreement supports increased funding for program integrity activities within SSA. The intent of this agreement is for SSA to support program integrity activities solely from funds available for that purpose. The agreement provides an additional six months of availability to use program integrity funds to facilitate reconciliation of actual costs at the end of the fiscal year.

Report on Medical Listings

SSA employs medical listings to make disability determinations, many of which have not been up-dated for decades. The Committee directs SSA to provide a report within 60 days of enactment to the House of Representatives Committee on Appropriations Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies and the Committee on

Ways and Means Subcommittee on Social Security regarding the number of years since the last update and when the agency expects to conduct all of the updates.

PROMISE Initiative

The Committee strongly encourages SSA to consider what is being learned from the PROMISE evaluation in order to undertake further demonstration project work for young adults with disabilities who are eligible for SSI. In developing this initiative, the Committee directs the SSA to work in close consultation with the Departments of Labor, Education and Health and Human Services, and nationwide disability and peer advocacy organizations. The Committee also directs the SSA to submit a report to the House and Senate Appropriations Committees no later than 180 days after the enactment of this act regarding the agency's progress in developing this proposal.

Taxpayer Accountability

The Committee directs each agency funded in this bill to report to the Committee, within 1 year of enactment of this act, on all efforts made to address the duplication identified by the annual GAO reports along with identifying substantive challenges and legal barrier to implementing GAO's recommendations, as well as suggested legislative recommendations that could help the agency to further reduce duplication.

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 the Social Security Website. 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.

FY 2018 PRESIDENT’S BUDGET

SSA’s Programs

The FY 2018 President’s Budget of $12.457 billion will allow us to focus on our core mission of providing a financial security net for the American people. This core mission drives our resource decisions, service improvements, and our program integrity efforts. We will focus on addressing key backlogs, directing support to our frontline operations, and reducing improper payments. In addition, we will concentrate on making the agency an even more efficient and effective organization to improve service to the public.

SSA currently employs over 60,000 employees through a national network of over 1,200 offices, combined with nearly 16,000 State employees in the Disability Determination Services (DDS). In FY 2018, we expect to complete over 5.9 million applications for retirement benefits. We will pay about $851 billion in OASI benefits to an average of approximately 53 million beneficiaries a month, including 88 percent of the population aged 65 and over.

In FY 2018, we will complete 2.5 million initial disability claims. This Budget, combined with our improvements to the hearings process, will enable us to complete approximately 750,000 hearings, with an annual average processing time of 600 days in FY 2018. See Table 3.42 in the back of this section for more details on the disability appeal workload. In FY 2018, SSA will pay about $149 billion in DI benefits to an average of approximately 11 million disabled beneficiaries and their family members a month.

The SSI program is a 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. In FY 2018, we estimate that we will pay about $54 billion in Federal benefits and State supplementary payments to an average of 8.2 million recipients a month.

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. 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 2018.

In FY 2015, Congress passed the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). This bill prohibits displaying, coding, or embedding Social Security numbers on a beneficiary's Medicare card. In order to fund implementation costs to comply with this provision, SSA will receive $98 million funded incrementally from FY 2015 to FY 2018.

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

SSA receives special dedicated funding primarily for two types of program integrity work: CDRs, which are periodic reevaluations to determine if beneficiaries continue to meet SSA's standards of disability 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 Balanced Budget and Emergency Deficit Control Act of 1985, as amended (BBEDCA), authorizes 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. The Bipartisan Budget Act of 2015 (BBA) increased the cap adjustments proposed in the BCA by a net $484 million between FY 2017 – FY 2021 and it expanded the uses of the cap adjustment funds to include cooperative disability investigation units (CDI) and fraud prosecutions by Special Assistant United States Attorneys. It also clearly defines the use of funds for work related CDRs.

The Budget requests the full authorized level for the cap adjustment in 2018 of $1,462 million. With a $1,735 million total appropriation for program integrity, we plan to conduct 890,000 full medical CDRs and 2,822,000 SSI redeterminations in FY 2018, approximately 40,000 more medical CDRs compared to FY 2017. In FY 2017, we plan to complete 850,000 CDRs and 2,522,000 redeterminations. See Table 3.12 for information on the consolidated accounting of the total funding required for CDRs and redeterminations for FY 2016 through FY 2018.

Our CDRs and SSI redeterminations ensure that beneficiaries continue to meet the eligibility requirements to receive payments. These reviews save billions of program dollars with only a comparatively small investment of administrative funds. Our current estimates indicate that

CDRs conducted in 2018 will yield a return on investment (ROI) of about $8 on average in net Federal program savings over 10 years per $1 budgeted for dedicated program integrity funding, including OASDI, SSI, Medicare and Medicaid program effects. Similarly, our estimates indicate that non-medical redeterminations conducted in 2018 will yield a ROI of about $3 on average of net Federal program savings over 10 years per $1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects.[1]

The Budget assumes the full cost of performing CDRs in 2018 and beyond, to ensure that sufficient resources are available. The dedicated program integrity funding is estimated to eliminate our backlog of CDRs by the end of 2018, and allows us to remain current in the budget window.

CDI units are jointly operated by SSA, along with the Office of the Inspector General, State DDS, and State and local law enforcement. Generally, they investigate suspected fraud before the agency awards benefits as well as during the CDR and redetermination processes when fraud may be involved. Section 811 of The Bipartisan Budget Act of 2015 requires the agency to have CDI units in all 50 States, the District of Columbia, and the territories by October 1, 2022. Currently, the CDI program has 39 units covering 33 States, the District of Columbia, and the Commonwealth of Puerto Rico. In FY 2017, we plan to add one unit in New Jersey, bringing our total to 40 units. In FY 2018, we plan to open three additional CDI units.

Special Assistant United States Attorneys prosecute cases of alleged Social Security fraud. We have attorneys in 20 States and the Commonwealth of Puerto Rico. They successfully argued 196 cases and were able to obtain $14.7 million in restitution during FY 2016. In FYs 2017 and 2018, we expect to continue funding our corps of fraud prosecutors and their caseload.

Please refer to the Budget Process chapter in the Analytical Perspectives volume for more details.

Anti-Fraud

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[1] ROI calculations for the President's Budget use estimates and projections that precede the start of the actual budget year. These assumptions are subsequently refined based on the actual appropriation and actual costs incurred through the year for the CDR and non-medical redetermination workloads. For CDRs, the numerator represents the estimated program savings resulting from completion of all planned medical CDRs. The estimated savings do not include any assumption of program savings resulting from work CDRs. The denominator includes that portion of the dedicated PI administrative funding projected for CDRs, including any PI funds that may be needed for work CDRs. (For FY 2018, the CDR ROI is: $7,454M/$886M=8.41) For SSI non-medical redeterminations, the numerator represents the estimated program savings resulting from completion of all planned reviews. The denominator includes that portion of the dedicated PI administrative funding projected for SSI non-medical redeterminations. (For FY 2018, the SSI non-medical redetermination ROI is: $2,374M/$804M=2.95).

For reports to Congress after the close of a fiscal year, the ROIs are based on the actual work accomplished. For the numerator, program savings for the ten-year budget window relies on actuarial models that project future savings and may include cases worked that still have appeals pending. For the denominator, we look to our Cost Analysis System for details on the total administrative dollars expended. For SSI non-medical redeterminations, the denominator is all administrative costs incurred for the work completed. For medical CDRs, the denominator includes administrative expenses for all medical reviews conducted, both full medical reviews as well as our CDR mailers. This also includes the costs for hearings and appeals of medical CDR decisions in the subject year.

Our Office of Anti-Fraud Programs (OAFP) is leading the way in coordinating our anti-fraud efforts. Our programs build upon our dedicated program integrity activities and are funded by our base administrative funds. We are developing consistent anti-fraud policies; refining employee training; and solidifying relationships with other Federal, State, and private partners to identify individuals who wrongfully obtain Social Security and SSI benefits. We are expanding our use of data analytics and predictive modeling to enhance fraud detection. For example, we are collaborating with IBM to build an integrated Anti-Fraud Enterprise Solution (AFES). AFES is a multi-year effort that will enable the agency to replace and expand current anti-fraud systems and processes. AFES will integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions that require further review. When fully implemented, AFES will include a data analytics engine, case management system, and a workflow tool to combat fraud across all of the agency's lines of business.

Information Technology (IT) Modernization

IT plays a critical role in our day-to-day operations. Most of our IT funding is used for ongoing operational costs such as our National 800 Number service and our online services. In FY 2016, our IT infrastructure supported the payment of over $960 billion to an average of over 68 million Social Security beneficiaries and SSI recipients each month and the maintenance of hundreds of millions of Social Security numbers and related earnings records for nearly every American. However, the database systems our agency uses today are 40 years old and are no longer the best solution to administer our programs. The Budget invests over $100 million in FY 2018 to support our IT modernization effort.

While our existing systems capably support SSA's mission, they are outdated and expensive to maintain. Most importantly, our operations staff finds that our systems are challenging to use, and that affects their ability to serve our SSA customers, including our beneficiaries, their representatives, and external business partners.

Most of SSA's core systems are over 30 years old. They have been subject to constant variation to adapt to changes in legislation, regulations, and policy. Through the years, new technologies and capabilities have been patched into the core systems without a fundamental redesign. With each patch and workaround, the systems become more fragile, and that makes the next change more expensive to deliver. The cycle of workarounds adds to our technical debt – extra work that results from choosing easy solutions over more expensive redesigns.

SSA's IT modernization plan is aimed at returning the agency to a healthy IT foundation, where the costs of change compare favorably to the rest of the IT industry. Contrary to the incremental work of the last 30 years, IT modernization is a plan to replace our core systems with new components and platforms, engineered for maximum usability, innate interoperability, and future adaptability.

Disability Case Processing System

In an ongoing effort to render timely disability decisions, we are continuing to work to modernize our disability case processing system (DCPS). When complete, DCPS will replace 52 independently operated, outdated systems. We deployed DCPS to Delaware, Maine, and Ohio in

December 2016. This initial release of DCPS handles fully favorable decisions for initial adult Quick Disability Determinations and Compassionate Allowance cases from start to finish. In FY 2018, we plan to deploy the national case processing system to the remaining DDSs.

FUNDING REQUEST

Our FY 2018 LAE budget request of $12.457 billion will allow us to focus on our core mission of providing a financial security net for the American people. The table below provides dollars and workyears funded by this budget:

Table 3.3—Budgetary Request

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE)[1]	$12,162	$12,135	$12,457
Research and Demonstrations[2]	$101	$101	$101
Office of the Inspector General (OIG)	$106	$105	$106
Subtotal, One-Year Budget Authority	**$12,368**	**$12,341**	**$12,664**
Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)[3]	$22	$22	$27
Subtotal, Multi/No-Year Budget Authority	**$22**	**$22**	**$27**
Total, Budget Authority[4,5]	**$12,390**	**$12,363**	**$12,691**
Workyears			
Full-Time Equivalents	63,159	61,104	61,265
Overtime	1,893	1,552	1,683
Lump Sum	220	299	299
Total SSA Workyears	**65,272**	**62,955**	**63,247**
Total Disability Determination Services (DDS) Workyears	**15,152**	**14,416**	**14,110**
Total SSA/DDS Workyears	**80,424**	**77,371**	**77,357**
MACRA	0	21	357
Total SSA/DDS/MACRA Workyears	**80,424**	**77,392**	**77,714**
OIG Workyears	526	520	520
Total SSA/DDS/MACRA/OIG Workyears	**80,950**	**77,912**	**78,234**

[1] We will not receive $136 million in SSI User Fees in FY 2017. We have been given authority for $136 million, but we estimate that we will only collect $124 million. FY 2017 also includes approximately $150 million in dedicated funding to address the hearings backlog.
[2] The FY 2017 enacted Research and Demonstration amount is $58 million.
[3] The Congress appropriated SSA $98 million to fund the implementation costs to comply with the provisions of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). SSA will receive this funding incrementally. The available funding amount for each fiscal year is as follows: FY 2015 - $27 million (available through FY 2018), FY 2016 - $22 million (available through FY 2018), FY 2017 - $22 million (available through FY 2018), and FY 2018 - $27 million (available until expended).
[4] Totals may not add exactly due to rounding.
[5] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under the Further Continuing and Security Assistance Appropriations Act, 2017.

SSI STATE SUPPLEMENTATION

The SSI program was designed to provide a nationwide uniform floor of cash assistance to the aged, blind, and disabled. In recognizing that there were variations in living costs across the nation, Congress added section 1618 to the Social Security Act to encourage States to supplement the Federal payment. This ensured that SSI recipients received the full benefit of each cost of living adjustment (COLA). States may administer their own State supplement programs or have SSA administer the programs on their behalf. States electing to have SSA administer their programs reimburse SSA monthly in advance for these benefit payments, and SSA makes eligibility determinations and payments on their behalf.

Table 3.4—State Supplement Payments
(dollars in millions)

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Federally Administered State Supplement Payments	$ 2,838	$ 2,645	**$ 2,505**
Offsetting Collections	$ 2,617	$ 2,653	**$ 2,730**

Participating States pay SSA user fees to administer their programs, based on a schedule established by the Social Security Act. The user fee was $11.56 per SSI check payment in FY 2016 and is $11.68 in FY 2017. We estimate that the user fee will increase to $11.97 per payment in FY 2018. The Department of the Treasury receives the first $5.00 of each fee and SSA retains the amount over $5.00. This user fee is discretionary budget authority that supplements our LAE account.

Table 3.5—SSI User Fee Collections
(dollars in millions)

	FY 2016 Actual[1]	FY 2017 Estimate[2]	FY 2018 Estimate	*Change*
Number of Monthly Payments	13	12	**11**	
SSA User Fee Collections	$ 132	$ 124	**$ 119**	*-$ 5*
Treasury User Fee Collections	$ 100	$ 93	**$ 85**	*-$ 8*
Total User Fee Collections	$ 232	$ 217	**$ 204**	*-$ 13*

[1] The October 2016 payment (FY 2017) was paid in September 2016 (FY 2016).
[2] The October 2017 payment (FY 2018) is paid in September 2017 (FY 2017).

IMPACT OF STATES DROPPING OUT OF STATE SUPPLEMENTATION PROGRAM

Currently, SSA helps administer the State supplementation for 20 States and the District of Columbia. However, participation in the State supplementation program is voluntary. States can opt out of the program, but must provide notice to SSA at least 90 days in advance before dropping out. The result of States dropping out of the program is a loss of LAE funding in the current and possibly following fiscal year. In FY 2015, New York dropped out of the State supplementation program resulting in approximately a 30 percent reduction in user fee collections. California and New Jersey are the two largest States for whom SSA administers the State supplementation. If either State opted to administer their own State supplementation, our collections would dramatically decrease.

Table 3.6—Estimated User Fee Collections by State (in thousands)

State	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Arkansas	*	*	*
California	$ 111,369	$ 104,872	$ 100,148
Delaware	$ 48	$ 46	$ 44
DC	$ 112	$ 105	$ 101
Georgia	*	*	*
Hawaii	$ 238	$ 224	$ 214
Iowa	$ 151	$ 142	$ 136
Kansas	*	*	*
Louisiana	*	*	*
Maryland	$ 1	$ 1	$ 1
Michigan	$ 1,064	$ 1,002	$ 957
Mississippi	$ 1	$ 1	$ 1
Montana	$ 79	$ 75	$ 71
Nevada	$ 1,166	$ 1,098	$ 1,048
New Jersey	$ 15,689	$ 14,774	$ 14,108
Ohio	*	*	*
Pennsylvania	$ 574	$ 540	$ 516
Rhode Island	$ 35	$ 33	$ 31
South Dakota	*	*	*
Tennessee	$ 1	$ 1	$ 1
Vermont	$ 1,355	$ 1,276	$ 1,218
Total	**$ 131,883**	**$ 124,190**	**$ 118,595**

*Less than $500

ALL PURPOSE TABLE (APT)

Table 3.7—All Purpose Table (APT)

	FY 2016	FY 2017	FY 2018	
	Omnibus/ Enacted H.R. 2029 /1	Further Continuing Appropriations Act /2/3/4/5/6	President's Budget Submission	FY 2018 +/- FY 2017
Payments to Social Security Trust Funds				
Pension Reform	6,400	6,400	6,400	-
Unnegotiated Checks	5,000	5,000	5,000	-
Special Benefits for Certain Uninsured Persons	-	-	-	-
Military Service Wage Credits	-	-	-	-
Total PTF	**$ 11,400**	**$ 11,400**	**$ 11,400**	**$ -**
Supplemental Security Income				
Federal Benefits Payments	60,686,000	52,941,736	48,236,000	(4,705,736)
Beneficiary Services	70,000	70,000	159,000	89,000
Research & Demonstration	101,000	100,766	101,000	234
Administration	4,648,733	4,783,349	5,060,526	277,177
CHIMP	-	-	-	-
Subtotal SSI Program Level	65,505,733	57,895,851	53,556,526	(4,339,325)
Advance from PY	(19,200,000)	(14,500,000)	(14,500,000)	-
Subtotal Current Year SSI	**$ 46,305,733**	**$ 43,395,851**	**$ 39,056,526**	**$ (4,339,325)**
New Advance SSI	**$ 14,500,000**	**$ 14,500,000**	**$ 19,500,000**	**$ 5,000,000**
Limitation on Administrative Expenses				
Regular LAE				
OASDI Trust Funds	5,100,054	4,904,652	4,916,768	12,116
HI/SMI Trust Funds	1,777,800	2,008,371	2,012,556	4,185
Social Security Advisory Board	2,300	2,294	2,300	6
SSI	3,718,791	3,657,349	3,671,376	14,027
Subtotal Regular LAE	**$ 10,598,945**	**$ 10,572,666**	**$ 10,603,000**	**$ 30,334**
Program Integrity Funding				
OASDI Trust Funds	496,058	300,000	345,850	45,850
SSI	929,942	1,126,000	1,389,150	263,150
Subtotal Program Integrity Funding	**$ 1,426,000**	**$ 1,426,000**	**$ 1,735,000**	**$ 309,000**
Base Program Integrity	*273,000*	*273,000*	*273,000*	-
Cap Adjustment	*1,153,000*	*1,153,000*	*1,462,000*	*309,000*
User Fees				
SSI User Fee	136,000	135,662	118,000	(17,662)
SSPA User Fee	1,000	998	1,000	2
Subtotal User Fees	**$ 137,000**	**$ 136,659**	**$ 119,000**	**$ (17,659)**
Total LAE	**$ 12,161,945**	**$ 12,135,325**	**$ 12,457,000**	**$ 321,675**
Non-PI LAE	10,735,945	10,709,325	10,722,000	12,675
Office of the Inspector General				
Federal Funds	$ 29,787	$ 29,713	$ 30,000	$ 287
Trust Funds	$ 75,713	$ 75,525	$ 75,500	$ (25)
Total, OIG	**$ 105,500**	**$ 105,238**	**$ 105,500**	**$ 262**
Total, Social Security Administration, New BA	$ 68,435,845	$ 65,364,465	$ 66,069,900	$ 705,435
Federal Funds	$ 60,983,920	$ 58,073,623	$ 58,716,926	$ 643,303
Current Year	$ 46,483,920	$ 43,573,623	$ 39,216,926	$ (4,356,697)
New Advance	$ 14,500,000	$ 14,500,000	$ 19,500,000	$ 5,000,000
Trust Funds	$ 7,451,925	$ 7,290,842	$ 7,352,974	$ 62,132

/1 The FY 2016 Omnibus includes $150M in no year funding for the renovation and modernization of the Arthur J. Altmeyer Building. It is included in regular LAE.
/2 Includes an ATB cut of .496%, as required in P.L. 114-223, the Continuing Appropriations Act, 2017.
/3 Includes an ATB cut of .1901%, as required in Public Law 114-254, the Further Continuing and Security Assistance Appropriations Act, 2017.
/4 The second CR of FY 2017 includes $150M in no year funding for activities to address the hearing backlog within the Office of Disability Adjudication and Review. It is included in regular LAE.
/5 Includes a $4.7B reduction to offset the $4.7B increase in funding made available for the 1st quarter in the FY 2016 appropriation.
/6 We will not collect $136M in SSI User Fees in FY 2017. We have been given authority to collect $136M, but will only collect an estimated $124M.

PERFORMANCE TARGETS

The President's FY 2018 request will allow SSA to achieve the following key performance targets:

Table 3.8—Key Performance Targets

FY 2018 Performance Table	FY 2016 Actual[1]		FY 2017 Estimate[2]	FY 2018 Estimate
	52-week	53-week		
Retirement and Survivors Claims				
Retirement and Survivors Claims Completed (thousands)	5,502	5,602	5,782	5,948
Disability Claims				
Initial Disability Claims Receipts (thousands)	2,582	2,638	2,499	2,569
Initial Disability Claims Completed (thousands)	2,627	2,689	2,455	2,500
Initial Disability Claims Pending (thousands)	576	568	612	681
Average Processing Time for Initial Disability Claims (days)	110	110	113	114
Disability Reconsiderations				
Disability Reconsiderations Completed (thousands)	653	667	581	582
Disability Reconsiderations Pending (thousands)	121	121	130	149
Average Processing Time for Disability Reconsiderations (days)[2]	103	103	105	108
Hearings				
Hearings Receipts (thousands)	699	713	632	645
Hearings Completed (thousands)	637	652	683	750
Hearings Pending (thousands)	1,122	1,122	1,071	965
Annual Average Processing Time for Hearings Decisions (days)	543	545	605	600
National 800 Number				
National 800 Number Calls Handled (millions)[3]	N/A	37	35	33
Average Speed of Answer (ASA) (seconds)[3]	N/A	817	970	1,250
Agent Busy Rate (percent)[3]	N/A	8.9%	12%	16%
Program Integrity				
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	N/A	2,107	1,950	1,990
Full Medical CDRs (included above, thousands)	N/A	854	850	890
SSI Non-Medical Redeterminations Completed (thousands)	2,505	2,530	2,522	2,822
Selected Other Agency Workload Measures				
Social Security Numbers (SSN) Completed (millions)	17	17	16	16
Annual Earnings Items Completed (millions)	273	273	273	273
Social Security Statements Issued (millions)[4]	47	48	10	10

[1] FY 2016 was a 53-week year for management information purposes. For comparison purposes to FYs 2017 and 2018, we are reporting both 52 and 53-week actual performance data.
[2] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.
[3] The data reported for FY 2016 is based on the fiscal year beginning 10/1/2015 and ending on 9/30/2016.
[4] The Social Security Statements Issued performance measure includes paper statements only; does not include electronic statements issued. In FY 2016, *my* Social Security users accessed their Social Security Statements 40.5 million times.

FY 2018 Performance Table	FY 2016 Actual[1]		FY 2017 Estimate[2]	FY 2018 Estimate
	52-week	53-week		
Selected Production Workload Measures				
Disability Determination Services Production per Workyear	306	306	301	313
Office of Disability Adjudication and Review Production per Workyear	88	88	96	99
Other Work/Service in Support of the Public -Annual Growth of Backlog (workyears)	N/A	N/A	(1,600)	(3,100)

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

RECENT ACCOMPLISHMENTS

In FY 2016, we made several critical service improvements. We introduced new service options and significantly expanded online transactions. We focused on the disability hearings backlog. We hired necessary staff, improved our business processes, and continued to modernize case processing systems. We also expanded the collection of electronic medical records and increased our use of data analytics—all of which helps us to make timely, accurate decisions. We updated our disability determination policies to reflect contemporary health care delivery and advances in medicine—updating 93 percent of the medical criteria used in decisions—with final updates underway. At the same time, we completed high levels of program integrity work and expanded our anti-fraud initiatives. Most notably, we accomplished the following activities in FY 2016:

- Paid over $960 billion to an average of over 68 million Social Security beneficiaries and SSI recipients each month;
- Handled approximately 37 million calls on our National 800 Number;
- Served over 43 million visitors in over 1,200 field offices nationwide;
- Completed over 5.6 million new retirement, survivors, and Medicare applications and nearly 2.7 million new disability claims;
- Completed over 650,000 hearing dispositions;
- Updated more than 33 million beneficiary records;
- Issued more than 17 million new and replacement Social Security cards;
- Posted about 273 million earnings reports to workers' records;
- Handled over 17,000 disability cases in Federal district courts;
- Completed over 850,000 full medical CDRs; and
- Performed over 2.5 million non-medical redeterminations of SSI eligibility.

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 (APG), linked directly to our overarching strategic goals and objectives set forth in our FY 2014-2018 Agency Strategic Plan.

- **Improve customer service and convenience by increasing online services.**
  - In 2017, we will increase the number of transactions by 25 million over 2016. This increase will result in 137 million transactions.
- **Increase customer satisfaction with our services.**
  - In 2017, our combined customer satisfaction score for our internet services will remain above the excellent threshold (over 80 points) on average, with an average score of at least 85.
  - In 2017, our combined customer satisfaction rating (as Excellent, Very Good, or Good) for our office and telephone services will average at least 80.
- **Reduce the disability hearings pending.**
  - In FY 2017, we will decide 97% of cases that begin the fiscal year at 430 days old or older.
- **Reduce the percentage of improper payments made under the SSI program.**
  - In FY 2017, ensure that 94 percent of our payments are free of overpayment.

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

We began moving the IT services from the NCC to the NSC beginning in October 2014, and completed migration activities on August 22, 2016. The program will closeout on schedule and formal closeout activities are underway including preparatory efforts for the audit process.

In FY 2017, we will use the remaining ARRA funds to obtain cloud services, software, hardware, and support to build an agency cloud infrastructure. This agency cloud infrastructure will provide computing, memory storage, security, and network resources necessary for a hybrid cloud solution.

Actual and Planned Obligations for the New NSC

The following table provides actual and planned obligations for the NSC as of August 31, 2016.

Table 3.9—Actual and Planned Obligations for the New NSC
(Dollars in thousands – Table Continues on Next Page)

Year	Obligations
FY 2009 Actuals	$1,330.4
FY 2010 Actuals	$1,850.8
FY 2011 Actuals	$387,699.5

Year	Obligations
FY 2012 Actuals	($30,856.2)[1]
FY 2013 Actuals	$39,191.0
FY 2014 Actuals	$59,797.7[2]
FY 2015 Actuals	($12,451)[3]
FY 2016 Actual	$41,497.0[4]
FY 2017 Estimate	$11,940.8[5]

ANOMALY FUNDING TO REDUCE THE HEARINGS BACKLOG IN ODAR

Pursuant to OMB guidance, we prepared the President's Budget assuming that Congress would enact the full $150 million anomaly to address the hearings backlog in the Office of Disability Adjudication and Review for FY 2017. However, the Consolidated Appropriations Act, 2017 provided $90 million to address the hearings backlog in the Office of Disability Adjudication and Review. This funding is available through FY 2018. With this funding, we project that we will process approximately 120,000 additional cases and improve average processing time by 2 months by FY 2020.

The FY 2018 Budget builds off our anomaly hiring and investment plans in FY 2017 to enhance capacity and efficiency in the hearings operation. In FY 2018, we plan to hire 150 ALJs and increased support staff. We expect to reduce the pending by over 100,000 cases in FY 2018 – a nearly 10-percent reduction in the pending in one year. These results would not be possible without the anomaly investments in FY 2017. With sustained funding, our goal is to reduce hearings wait times to 270 days by the end of FY 2022, down from over 580 days today.

MAJOR BUILDING RENOVATIONS AND REPAIR COSTS

A number of SSA facilities need renovation or repair to improve infrastructure reliability and comply with current building codes, including health and safety standards, to ensure a safe work environment. SSA is also actively pursuing opportunities to reduce our real estate footprint by

[1] In FY 2012, there were $27.5 million in obligations and a recovery from previous construction obligations of $58.4 million, resulting in a net recovery of $30.9 million.
[2] In FY 2014, there were $69.8 million in obligations and a recovery from previous construction obligations of $10 million, resulting in a net obligation of $59.8 million.
[3] In FY 2015, there were $42.7 million in obligations and a recovery from previous construction obligations of $55.1 million, resulting in a net recovery of $12.5 million. Numbers don't add due to rounding.
[4] In FY 2016, actual obligations were $50.0M. These were offset by $8.5M recovered due to revised estimates and de-obligations from FY 2011-FY 2015, resulting in $41.5M in net obligations.
[5] In FY 2017, $11.9M in NSC funding is available.

reconfiguring and consolidating space for optimal space utilization. This exhibit describes our major building renovations, repairs, and other associated costs in support of these goals.

Building	FY 2016	FY 2017	FY 2018
Altmeyer (Woodlawn, MD)	$130	$2	$18
National Computer Center, Third Floor (Woodlawn, MD)	$24.9		
Dallas Regional Office (Dallas, TX)	$14.4	$4.9	$.6
MATSSC (Philadelphia, PA)		$4.4	$1.9
ITC /400 Virginia Avenue (District of Columbia)	$4.6	$1.3	$.2

Altmeyer Building

The Arthur J. Altmeyer federal office building is over 55 years old and requires major upgrades to address health and safety issues, meet current accessibility standards, improve space utilization, and provide a comfortable, energy efficient working environment that meets 21st century standards. The Altmeyer modernization project involves full interior and exterior renovation of the existing building, including infrastructure, electrical systems, and space. The improved space utilization would create space for about 300 to 350 additional staff, for 800 occupants.

The scope of the modernization, for which we received $150 million in FY 2016, includes the following:

- Taking the building down to the support structure (concrete columns and floor slabs);
- Full abatement of hazards (asbestos, lead paint, etc.);
- Building systems modernizations; and
- Space reconfiguration to achieve an office space utilization rate of 149 square feet per person for post-renovation occupancy.

In order to expedite procurement and ensure a more integrated approach to design and construction, the General Services Administration (GSA) is pursuing a construction manager by contractor (CMc) approach to this project. This decision allowed us to obligate most of the appropriated funds in FY 2016. In February 2017, GSA awarded the architectural and engineering (A&E) contract for design services associated with the Altmeyer modernization. Later this year GSA will begin the CMc procurement process to select a construction firm to work with the A&E throughout the design, providing input about constructability, construction methods, design efficiencies, cost controls, etc.

Timeline and Cost

Timeline	Milestones	Cost (in millions)
FY 2016	Funding appropriated; GSA began procurement actions for A&E contractor; began planning for construction manager by contractor (CMc) solicitation	$130
FY 2017	GSA awards contract for design services and begins CMc procurement; executives and staff begin to vacate Altmeyer for existing spaces around campus	$2
FY 2018	GSA awards CMc, A&E completes design; SSA obligates funds for furniture, security systems, and other special requirements in the modernized Altmeyer; executives and staff finish vacating the building and occupy swing space; demolition work begins	$18
FY 2019	Construction begins	N/A
FY 2021	Occupy renovated building	N/A

National Computer Center (NCC) – Third Floor Renovation

The NCC Third Floor Renovation Project follows the 2016 migration of SSA's primary data center operations from that space to the National Support Center. The planned renovation involves approximately 75,000 Useable Square Feet (USF).

The SSA Headquarters Master Plan, completed in September 2013, identified this project as integral to the goal of creating a dense campus and reducing leased space. The renovation will provide a more efficient office space layout for up to 500 people for a utilization rate of approximately 160 USF per person.

GSA's architecture and engineering contractor, WRA, completed the design in August 2016. GSA began the construction procurement process shortly thereafter, and awarded the contract in February 2017 to Whiting and Turner.

Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2016	Obligated funding for construction and for furniture design and acquisition	$24.9
FY 2017	Construction underway	N/A
FY 2018	Construction and furniture installation completed; occupy renovated space	N/A

Dallas Regional Office

The Dallas Regional Office is housed in a thirteen story building in the Dallas Downtown Central Business District. The original structure was built in 1952 with improvements made over time. The current building has multi-tenants and is fully leased by GSA with the lease set to expire in 2017, with SSA occupying all or part of eight floors. The Dallas Regional Office currently occupies 174,082 USF. GSA is in the process of completing the replacement lease. The new lease will support agency efforts to reduce our footprint with a reduction in square footage down to 117,617 USF.

The future lease will enable the Dallas Regional Office to provide more efficient continued housing and operations. The new lease will also significantly improve space utilization, as the overall utilization rate will be reduced from 317 to 172 USF per person. To achieve the square footage reduction with the award of the new lease, we will need funding for design, construction, furniture, and staff moves.

Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2016	Renovations/construction	$14.4
FY 2017	Furniture	$4.9
FY 2018	Move	$.6

Midatlantic Social Security Center (MATSSC)

The seven-story MATSSC in Philadelphia, Pennsylvania, which is over 40 years old, needs funding to address deficiencies identified in the 2015 Building Engineering Report. These critical needs include elevator modernization to address frequent failures and occasional entrapment; heating, ventilation and air conditioning infrastructure upgrades; accessibility enhancements; plaza replacement; and fire and life safety issues.

GSA recently completed a feasibility study that documents options for improving space utilization within the building.

International Trade Commission/400 Virginia Avenue D.C. (District of Columbia)

GSA currently leases space that we occupy in two buildings in the Washington, D.C. area: one lease at the International Trade Commission (ITC) and two leases at the World Trade Center, 400 Virginia Avenue, SW. The total leased space comprises 63,388 USF. The Virginia Avenue location leases expire in March 2018 and house the Social Security Advisory Board (SSAB) and Office of Retirement and Disability Policy staff. The ITC building lease, which expires in August 2018, provides space for staff from nine Deputy Commissioner-level components and houses the Acting Commissioner’s D.C. office.

We intend to optimize space in the new leases and consolidate the non-SSAB leases into one location at a new utilization rate of 194 USF per occupant, requiring approximately 40,079 USF for staff, plus 6,675 USF for special spaces (totaling 46,754 USF). The proposed space requirement will reduce our real estate footprint from our current leases by over 25 percent.

Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2016	Funding needed for tenant improvements and construction management services.	$4.6
FY 2017	Funding needed for furniture design and acquisition. Occupy new-leased space; funding needed for move costs.	$1.3
FY 2018	Move	$.2

SSA-RELATED LEGISLATION ENACTED FEBRUARY 10, 2016 – MAY 23, 2017

FY 2017

The Inspector General Empowerment Act of 2016 (P.L. 114-317, enacted December 16, 2016)

- The new public law modifies the "*Inspector General Act of 1978,*" providing additional authorities to Inspectors General, and removing barriers to performance of their investigative duties.

The Treatment of Certain Payments in Eugenics Compensation Act (P.L. 114-241, enacted October 7, 2016)

- The bill requires SSA to exclude - for purposes of the Supplemental Security Income and Medicare Part D Low Income Subsidy programs - payments made by a State program intended to compensate individuals who had been sterilized under the authority of the State. Such payments would be excluded from income and, if retained, from resources.

FY 2016

The Fraud Reduction and Data Analytics Act of 2015 (P.L. 114-186, enacted June 30, 2016)

- The law requires the Office of Management and Budget to establish guidelines for Federal agencies to establish financial and administrative controls to identify and assess fraud risks.
- The act also requires Federal agencies to implement control activities in order to prevent, detect, and respond to fraud, including improper payments.

MEDICARE ACCESS AND CHIP REAUTHORIZATION ACT (MACRA)

On April 16, 2015, the President signed the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) (Public Law 114-10). Title V, section 501, prohibits displaying, coding, or embedding Social Security Numbers (SSN) on beneficiaries' Medicare cards. The Centers of Medicare and Medicaid Service (CMS) will issue Medicare cards with a new Medicare Beneficiary Identifier (MBI) that replaces SSNs. CMS plans to issue the new cards in a phased approach from April 2018 to October 2018.

Congress appropriated SSA $98 million to fund the implementation costs to comply with the provisions of MACRA. Beginning in FY 2015, we began receiving the funding incrementally, and will receive funding FY 2018. The funding is available in the following amounts:

- FY 2015 - $27 million (available through FY 2018);
- FY 2016 - $22 million (available through FY 2018);
- FY 2017 - $22 million (available through FY 2018); and
- FY 2018 - $27 million (available until expended).

SSA will be funding the required systems changes to support CMS in the SSN Removal Initiative and implementation of MACRA. However, we are planning for the impact on our workload processing components due to inquiries from the public and requests for replacement cards. SSA had limited spending in FY 2015-2016 and will continue to have limited spending in FY 2017 for planning, inquires, and system updates. CMS outreach activities and phased Medicare card issuance will begin in 2018. SSA plans to spend about $34 million fielding inquires and processing requests for replacement cards in FY 2018.

MACRA Spending

FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
$75,000	$4,300,000	$34,100,000

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 2018 is $12.457 billion.

AMOUNTS AVAILABLE FOR OBLIGATION

Table 3.10—Amounts Available for Obligation[1,2,3]
(in thousands)

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
LAE			
LAE Appropriation	$12,011,945	$12,135,325	$12,457,000
Unobligated Balance, start-of-year	$241,330	$146,017	$144,730
Recoveries and Transfers	$27,905	$29,140	$29,140
Unrealized Non-Attorney User Fees	-$854	$0	$0
Unrealized SSI User Fees	-$1,455		
Subtotal LAE Resources	**$12,278,871**	**$12,310,482**	**$12,630,870**
Unobligated Balance, lapsing	-$48,293	$0	$0
Unobligated Balance, end-of-year (LAE Carryover)	-$82,253	-$135,870	-$29,140
Total Obligations, LAE	**$12,148,326**	**$12,174,612**	**$12,601,730**
American Recovery and Reinvestment Act Resources (ARRA) [4]			
National Support Center Unobligated Balances, start-	$53,438	$11,941	$0
National Support Center Estimated Recovery	$8,540	$0	$0
National Support Center Unobligated Balances, end-of-year	-$11,941	$0	$0
Obligations, ARRA	**$50,037**	**$11,941**	**$0**
Medicare Savings Plan (MSP)			
Unobligated Balances, start-of-year	$14,986	$14,986	$7,493
Unobligated Balances, end-of-year	-$14,986	-$7,493	$0
Obligations, MSP	**$0**	**$7,493**	**$7,493**

Table Continues on the Next Page

[1] Totals may not add due to rounding.
[2] Totals do not include reimbursables.
[3] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.
[4] SSA received a Presidential waiver from rescission allowing for the use of ARRA NSC funds until expended.

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Medicare Improvements for Patients and Providers Act (MIPPA) – Low Income Subsidy (LIS)			
Unobligated Balances, start-of-year	**$11,744**	**$11,657**	**$5,829**
Unobligated Balances, end-of-year	-$11,657	-$5,829	$0
Obligations, MIPPA – LIS	**$86**	**$5,829**	**$5,829**
State Children's Health Insurance Program (SCHIP)			
Unobligated Balances, start-of-year	**$2,051**	**$2,031**	**$1,015**
Unobligated Balances, end-of-year	-$2,031	-$1,015	$0
Obligations, SCHIP	**$20**	**$1,015**	**$1,015**
Medicare Access and CHIP Reauthorization Act (MACRA) [1]			
Unobligated Balances, start-of-year	**$26,983**	**$26,908**	**$66,566**
Expenditure Transfers from Trust Funds	$0	$22,000	$27,000
Unobligated Balances, end-of-year	-$26,908	- $44,566	- $59,432
Obligations, MACRA	**$75**	**$4,342**	**$34,134**

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 determine the share of administrative expenses that should have been borne by the appropriate trust funds for the administration of their respective programs and the General Fund for administration of the SSI program. SSA calculates the administrative costs attributable to each program using its Government Accountability Office 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. SSA will also receive $98 million funded incrementally from FY 2015 to FY 2018 for implementation costs associated with the MACRA provisions.

Table 3.11—Budget Authority and Outlays (dollars in thousands)[2]

	FY 2016[3] Actual	FY 2017[4] Estimate	FY 2018[5] Estimate
OASI and DI Trust Funds[6]	$5,596,112[7]	$5,204,652[8]	$5,262,618[9]

[1] Congress appropriated SSA $98 million to fund the implementation costs to comply with the provisions of the Medicare Access and CHIP Reauthorization Act of 2015. SSA will receive the funding incrementally. The available funding amount for each fiscal year is as follows: FY 2015 - $27 million (available through FY 2018); FY 2016 - $22 million (available through FY 2018); FY 2017 - $22 million (available through FY 2018); and FY 2018 - $27 million (available until expended).
[2] Totals may not add due to rounding.
[3] In FY 2016, our administrative costs were about 1.3 percent of the benefit payments we paid.
[4] In FY 2017, our administrative costs are about 1.2 percent of the benefit payments we plan to pay.
[5] In FY 2018, our administrative costs are about 1.2 percent of the benefit payments we plan to pay.
[6] OASDI includes funding for administration of the Special Benefits for Certain World War II Veterans.
[7] The total includes $2,924,552 in DI and $2,671,560 in OASI costs.
[8] The total includes $2,589,542 in DI and $2,615,110 in OASI costs.
[9] The total includes $2,641,898 in DI and $2,620,720 in OASI costs.

	FY 2016[3] Actual	FY 2017[4] Estimate	FY 2018[5] Estimate
HI and SMI Trust Funds	$1,777,800	$2,008,371	$2,012,556

Table Continues on Next Page

	FY 2016[3] Actual	FY 2017[4] Estimate	FY 2018[5] Estimate
SSA Advisory Board	$2,300	$2,294	$2,300
SSI Administrative Expenses	$4,648,733	$4,783,349	$5,060,526
SSI State Supplement User Fees	$136,000	$135,662	$118,000
Non-Attorney Representative User Fees	$1,000	$998	$1,000
MIPPA – LIS	N/A	N/A	N/A
MACRA	$22,000	$22,000	$27,000
Recovery Act	N/A	N/A	N/A
Total Budget Authority	**$12,183,945**	**$12,157,326**	**$12,484,000**
OASI and DI Trust Funds[1]	$5,459,558[2]	$5,303,898[3]	$5,306,400[4]
HI and SMI Trust Funds	$2,013,300	$2,047,600	$2,029,200
SSI Administrative Expenses	$4,598,042	$4,829,700	$5,091,500
SSI State Supplement User Fees	$136,000	$124,000[5]	$118,000
Non-Attorney Representative User Fees	$1,000	$998	$1,000
MIPPA – LIS	$0	$5,829	$5,829
MACRA[6]	$0	$4,300	$34,100
Recovery Act - Workload Processing	$0	$0	$0
Recovery Act - Economic Recovery Payment – Admin	$0	$0	$0
Recovery Act - New NSC	$69,556	$21,100	$0
Total Administrative Outlays	**$12,277,456**	**$12,337,425**	**$12,586,029**

[1] OASDI includes funding for administration of the Special Benefits for Certain World War II Veterans.
[2] The total includes $2,817,058 in DI and $2,642,500 in OASI costs.
[3] The total includes $2,634,300 in DI and $2,669,598 in OASI costs.
[4] The total includes $2,660,600 in DI and $2,645,800 in OASI costs.
[5] We will not collect $136M in SSI User Fees in FY 2017. We have been given authority to collect $136M, but will only collect an estimated $124M.
[6] MACRA outlays will not match outlays in the budget appendix.

PROGRAM INTEGRITY

The following table provides a consolidated account of the total funding required for CDRs and redeterminations for FY 2016 through FY 2018. More information is available in the Budget Process chapter of the Analytical Perspectives.

Table 3.12—Program Integrity (in millions)

	FY 2016 Actual[1]	FY 2017 Estimate[2]	FY 2018 Estimate[3]
Full Medical CDRs Completed	853,754	850,000	890,000
SSI Non-Medical Redeterminations Completed	2,530,446	2,522,000	2,822,000
Funding			
Dedicated Program Integrity Funding	$1,426	$1,426	$1,735
Related LAE Funding	$140	$125[4]	TBD

The following table satisfies SSA's requirement directed by the House Report.

Table 3.13 – SSA Program Integrity (PI) Spending (in thousands)

	FY 2016 Total PI Obligations[5]	FY 2017 Total PI Obligations[6]	FY 2018 Total PI Obligations[6]
OASI	$158,800	$0	$0
DI	$264,300	$299,000	$345,000
SSI	$1,005,800	$1,252,000	$1,390,000
HI	$65,000	$0	$0
SMI	$72,000	$0	$0
Total	**$1,565,800**	**$1,551,000**	**$1,735,000**

[1] FY 2016 actual represents the combined costs of CDRs and SSI redeterminations in FY 2016, including the $1.426 billion in the base and cap adjustment and an additional $140 million from LAE. The FY 2016 omnibus authorized the use of more or less than $116 million from LAE for Program Integrity activities.
[2] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.
[3] FY 2018 estimate represents $1.735 billion in the base and the fully authorized cap adjustment for dedicated program integrity funding.
[4] The Further Continuing and Security Assistance Appropriations Act of 2017 (PL 114-254) authorizes the use of more or less than $116 million from LAE; SSA estimates using $125 million from LAE.
[5] Represents the full cost of completing Continuing Disability Reviews and SSI Redeterminations as authorized by the Bipartisan Budget Act of 2015 (PL 114-74). Continuing Disability Review (CDR) costs include the cost of processing Medical and Work CDRs and excludes the cost of Medical CDR appeals, which are different than the costs reported in the CDR Report to Congress. For a description of anti-fraud activities, please see the Budget Overview.
[6] In budget formulation, workload costs are projected for DI and SSI spending but not for OASI, HI, or SMI. These costs will be reported with the actuals.

KEY ASSUMPTIONS

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.

We formulated this budget to address the following areas:

- Disability appeals hearings backlog;
- Complex disability process, see Social Security Disability;
- High demand for services due to the aging population, see Social Security Beneficiary Statistics;
- Combatting waste, fraud and abuse;
- Reducing improper payments and completing cost-effective program integrity work, see Social Security Improper Payments;
- Finding additional efficiencies and streamlining business processes;
- Expanding our service delivery;
- Modernizing computer systems; and
- Cyber threats.

Please see the performance table 3.8 for clarity for projected work completed for our major workloads, as well as our productivity numbers.

ANALYSIS OF CHANGES

The FY 2018 request for the LAE account represents a $445 million increase over the FY 2017 level. The following tables provide a summary of the changes from the FY 2017 level to the FY 2018 President's Budget.

Table 3.14—Summary of Changes from FY 2017 to FY 2018[1]
(dollars in thousands)

	FY 2017 Estimate[2]	FY 2018 Estimate	FY17 to FY18 Change
Total LAE	**$12,310,482**	**$12,630,870**	**$320,388**
Appropriation	$12,135,325	$12,457,000	**$321,675**
Amounts Available From Prior Year Unobligated Balances	$175,157	$173,870	**- $1,287**
Obligations, LAE	**$12,174,612**	**$12,601,730**	**$427,119**
Unobligated Balance, end-of-year	$135,870	$29,140	**-$106,730**
Recovery Act Obligations	**$11,941**	**$0**	**- $11,941**
National Support Center	$11,941	$0	**- $11,941**
MIPPA - LIS Obligations	**$5,829**	**$5,829**	**$0**
MIPPA – MSP	**$7,493**	**$7,493**	**$0**
SCHIP Obligations	**$1,015**	**$1,015**	**$0**
MACRA[3]	**$4,342**	**$34,134**	**$29,792**
Obligations, Total	**$12,205,232**	**$12,650,201**	**$444,969**

[1] Totals do not include reimbursables and may not add due to rounding.
[2] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.
[3] Congress appropriated SSA $98 million to fund the implementation costs to comply with the provisions of the Medicare Access and CHIP Reauthorization Act of 2015. SSA will receive the funding incrementally. The available funding amount for each fiscal year is as follows: FY 2015 - $27 million (available through FY 2018); FY 2016 - $22 million (available through FY 2018); FY 2017 - $22 million (available through FY 2018); and FY 2018 - $27 million (available until expended).

Table 3.15—Explanation of LAE Budget Changes from FY 2017 to FY 2018 (dollars in thousands)[1]

	FY 2017[2]		Change from FY 2017	
	Federal WYs	**Obligations**	**Federal WYs**	**Obligations**
BUILT-IN INCREASES[3]				
Payroll Expenses	62,502	$6,664,861		$329,080
Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System				213,042
Three-month effect of assumed Federal pay increase effective January 2017 – 2.1%				31,031
Nine-month effect of assumed Federal pay increase effective January 2018 – 1.9%				85,007
Non-Payroll Costs				
Mandatory growth in non-payroll costs, including higher costs of rent, lease renewals, security, and guard services		$1,891,600		$34,545
State Disability Determination Services				
Mandatory growth in State DDS costs, including pay raises and the cost of medical evidence		$2,300,300		$14,595
Subtotal, Built-In Increases				**+$378,220**
PROGRAM INCREASES				
Payroll Costs				
Net Increase in WYs			510	$56,412
Dedicated Funding to Address Hearings Backlog[4]	474	$52,810	118	$12,895
Non-Payroll Costs				
Social Security Statements Mailed		$5,671		$19,693
Dedicated Funding to Address the Hearings Backlog[4]		$0		$11,200

[1] Totals may not add due to rounding.
[2] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.
[3] Built in increases include only costs associated with growth in our fixed costs (e.g. payroll, benefits, rent, postage, guard services).
[4] The annualized funding level provided in FY 2017 under Public Law 114-254 - Further Continuing and Security Assistance Appropriations Act, 2017 includes $149,714,850 in dedicated funding to address the hearings backlog. Planned obligations include $73 million in FY 2017 and $77 million in FY 2018.

	FY 2017		Change from FY 2017	
	Federal WYs	Obligations	Federal WYs	Obligations
Funding for IT[5]		$930,487		$113,660
Subtotal, Program Increases			628	**+$213,860**
Total Increases			**+628**	**$592,080**
PROGRAM DECREASES				
Non-Payroll Costs				
Other Essential Operating Costs		$180,682		- $55,201
Net Decrease in State Disability Determination Services WYs				- $29,395
Funding for Information Technology (IT)[5]				
Obligations Funded from Other Prior-Year Unobligated Balances		$125,913		- $75,913
Dedicated Funding to Address the Hearings Backlog[4]		$20,000		- $20,000
Recovery Act – NSC Resources		$11,941		- $11,941
Total Decreases				**-$192,449**
OTHER OBLIGATIONS				
MIPPA – LIS		$5,829		$0
MIPPA – MSP		$7,493		$0
State Children's Health Insurance Program (SCHIP)		$1,015		$0
Altmeyer		$2,279		$15,547
Medicare Access & CHIP Reauthorization Act (MACRA)[6]		$4,342		$29,792
Total LAE Obligations, Net Change	**62,976**	**$12,205,231**	**+628**	**+$444,969**

[4] The annualized funding level provided in FY 2017 under Public Law 114-254 - Further Continuing and Security Assistance Appropriations Act, 2017 includes $149,714,850 in dedicated funding to address the hearings backlog. Planned obligations include $73 million in FY 2017 and $77 million in FY 2018.

[5] Planned obligations for Information Technology in FY 2017 total $1.085 billion including $20 million dedicated to address the hearings backlog and $125 million from prior year unobligated balances. The FY 2018 planned obligations total $1.1 billion including $70M dedicated to IT Modernization and an assumption that $50 million will be obligated from prior year unobligated balances.

[6] Congress appropriated SSA $98 million to fund the implementation costs to comply with the provisions of the Medicare Access and CHIP Reauthorization Act of 2015. SSA will receive the funding incrementally. The available funding amount for each fiscal year is as follows: FY 2015 - $27 million (available through FY 2018); FY 2016 - $22 million (available through FY 2018); FY 2017 - $22 million (available through FY 2018); and FY 2018 - $27 million (available until expended).

BUDGETARY RESOURCES BY OBJECT

Table 3.16—Budgetary Resources by Object [1,2,3,4,5]
(dollars in thousands)

	FY 2017	FY 2018	Change
Personnel Compensation			
Permanent positions	$4,779,063	$5,038,283	$259,220
Positions other than permanent	$100,707	$107,226	$6,520
Other personnel compensation	$119,646	$153,392	$33,746
Special personal service payments	$76,664	$79,340	$2,677
Subtotal, personnel compensation	$5,076,079	$5,378,241	$302,163
Personnel Benefits	$1,660,271	$1,786,287	$126,016
Travel and transportation of persons	$20,751	$20,547	- $204
Transportation of things	$4,993	$4,944	- $49
Rent, communications, and utilities			
Rental payments to GSA	$717,991	$726,949	$8,958
Rental payments to others	$638	$1,033	$395
Communications, utilities, misc.	$511,670	$533,632	$21,962
Printing and reproduction	$22,493	$22,913	$420
Other services (DDS, guards, etc.)	$3,902,390	$3,870,146	- $32,244
Supplies and materials	$27,007	$26,742	- $266
Equipment	$129,983	$131,446	$1,463
Land and structures	$85,206	$102,012	$16,806
Grants, subsidies and contributions	$18,302	$18,122	- $180
Insurance claims and indemnities	$27,455	$27,185	- $270
Interest and dividends	$2	$2	$0
Total Obligations	**$12,205,231**	**$12,650,201**	**$444,969**
Resources not being obligated in the current year (carrying over or lapsing)	$216,773	$88,572	- $128,201
Total Budgetary Resources	**$12,422,004**	**$12,738,773**	**$316,769**
Payments to State DDS (funded from other services and communications, utilities, and misc.)	$2,300,300	$2,285,500	- $14,800

[1] Totals do not include reimbursables and may not add due to rounding.
[2] The obligations include the base LAE appropriation, LIS, SCHIP, NSC, MACRA, the Altmeyer Renovation, and dedicated funding to address the hearings backlog. Total budgetary resources in the table reflect FY 2017 and FY 2018 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.
[3] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.
[4] FY 2016 DDS expenditures were $2.309 billion, as required by the House report language.
[5] As required by FY 2017 Omnibus General Provision 524, the Office of Communications estimates $4 million of FY 2017 funds to be obligated for advertising.

The following tables satisfy SSA's requirement directed by the House Report.

Table 3.17— FY 2016 Physical Infrastructure Costs by Component (dollars in thousands) [1]

Components	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities [2]	Operations & Maintenance of Equipment	Total Physical Infrastructure
	LAE One Year				
Office of Operations	$512,789	$25,999	$183,982	$71	$722,841
Office of Systems	$0	$1	$0	$0	$1
Office of Disability Adjudication and Review	$108,665	$3,669	$37,408	$19	$149,761
Office of Human Resources	$0	$2	$241	$0	$243
Office of Retirement and Disability Policy	$0	$14	$5	$0	$19
Office of Communication	$0	$0	$5	$0	$5
Office of the Chief Strategic Officer	$0	$2	$0	$0	$2
Office of Budget, Finance, Quality and Management	$4,375	$99	$586	$0	$5,060
Office of Budget, Finance, Quality and Management – Agency Level	$77,624	$148,128	$81,460	$292	$307,505
Office of General Counsel	$2,232	$72	$364	$0	$2,669
Disability Determination Services	$0	$33,909	$304	$0	$34,213
Information Technology Systems	$0	$247,623	$0	$581,392	$829,015
Social Security Advisory Board	$276	$5	$6	$3	$290
Subtotal LAE One Year	$705,961	$459,524	$304,360	$581,777	$2,051,622
	LAE No Year				
Delegated Buildings	$0	$20,091	$27,862	$0	$47,952
Information Technology Systems	$0	$0	$0	$188,217	$188,217
National Security Center	$0	$2,754	$96	$3,022	$5,872
Subtotal LAE No Year	$0	$22,845	$27,957	$191,239	$242,042
Grand Total	$705,961	$482,369	$332,317	$773,017	$2,293,663

[1] Totals may not add due to rounding.
[2] Includes guard services.

**Table 3.18 — FY 2017 Physical Infrastructure Costs by Component
As of April 30, 2017
(dollars in thousands)[1,2]**

Components	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities[3]	Operations & Maintenance of Equipment	Total Physical Infrastructure
	LAE One Year				
Office of Operations	$298,792	$15,400	$134,198	$10	$448,400
Office of Systems	$0	$0	$0	$0	$0
Office of Disability Adjudication and Review	$64,668	$2,397	$34,473	$3	$101,540
Office of Human Resources	$0	$0	$5	$1	$6
Office of Retirement and Disability Policy	$0	$14	$1	$0	$15
Office of Communication	$0	$0	$0	$0	$0
Office of the Chief Strategic Officer	$0	$1	$0	$0	$1
Office of Budget, Finance, Quality and Management	$2,821	$39	$325	$0	$3,185
Office of Budget, Finance, Quality and Management – Agency Level	$43,626	$87,960	$20,677	$134	$152,396
Office of General Counsel	$1,291	$15	$156	$1	$1,462
Disability Determination Services	$0	$18,917	$183	$0	$19,100
Information Technology Systems	$0	$99,388	$0	$259,710	$359,098
Social Security Advisory Board	$166	$1	$3	$0	$170
Subtotal LAE One Year	$411,364	$224,132	$190,020	$259,858	$1,085,374
	LAE No Year				
Delegated Buildings[4]	$0	$1,335	$4,551	$0	$5,886
Information Technology Systems	$0	$0	$0	$0	$0
National Security Center	$0	$61	$0	$0	$61
Subtotal LAE No Year	$0	$1,396	$4,551	$0	$5,947
	LAE Multi Year				
MACRA	$0	$0	$0	$1,009	$1,009
Subtotal LAE Multi Year	$0	$0	$0	$1,009	$1,009
Grand Total	$411,364	$225,528	$194,571	$260,867	$1,092,330

[1] Figures for FY 2018 are currently unavailable
[2] Totals may not add due to rounding.
[3] Includes guard services.
[4] Delegated Buildings are currently funded from LAE Annual, not LAE X year.

Table 3.19 — FY 2016 Physical Infrastructure Costs by Region (dollars in thousands)[1]

Regions	LAE One Year and No Year				
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities[2]	Operations & Maintenance of Equipment	Total Physical Infrastructure
Boston	$25,507	$1,952	$10,679	$3	$38,141
New York	$83,999	$6,116	$33,530	$14	$123,659
Philadelphia	$54,107	$5,116	$32,734	$18	$91,975
Atlanta	$118,350	$11,463	$36,005	$22	$165,840
Chicago	$93,484	$8,129	$35,870	$48	$137,532
Dallas	$65,929	$5,011	$21,915	$13	$92,867
Kansas City	$30,278	$3,448	$14,914	$12	$48,652
Denver	$13,971	$1,324	$7,067	$3	$22,364
San Francisco	$99,245	$7,566	$36,930	$41	$143,781
Seattle	$25,001	$1,522	$8,455	$4	$34,982
Headquarters[3]	$96,091	$430,723	$94,218	$772,840	$1,393,871
Total	**$705,961**	**$482,369**	**$332,317**	**$773,017**	**$2,293,663**

Table 3.20 — FY 2017 Physical Infrastructure Costs by Region As of April 30, 2017 (dollars in thousands – Table Continues on Next Page) [1,4]

Regions	LAE One Year, Multi Year, and No Year				
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities[2]	Operations & Maintenance of Equipment	Total Physical Infrastructure
Boston	$15,361	$1,165	$6,938	$1	$23,465
New York	$47,377	$2,416	$27,186	$5	$76,983
Philadelphia	$31,818	$2,257	$23,086	$8	$57,169
Atlanta	$69,343	$6,853	$35,267	$6	$111,469
Chicago	$54,340	$3,861	$31,855	$8	$90,064
Dallas	$39,144	$2,870	$5,190	$6	$47,210

[1] Totals may not add due to rounding.
[2] Includes guard services.
[3] Includes DDS, SSAB, ITS, NSC, and Delegated Buildings.
[4] Figures for FY 2018 are currently unavailable.

Regions	LAE One Year, Multi Year, and No Year				
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities[2]	Operations & Maintenance of Equipment	Total Physical Infrastructure
Kansas City	$17,526	$1,876	$3,313	$3	$22,718
Denver	$8,271	$807	$8,468	$1	$17,547
San Francisco	$58,349	$3,362	$22,952	$4	$84,667
Seattle	$14,668	$806	$5,721	$2	$21,197
Headquarters[1]	$55,167	$199,254	$24,595	$260,825	$539,841
Total	**$411,364**	**$225,528**	**$194,571**	**$260,867**	**$1,092,330**

[1] Includes DDS, SSAB, ITS, NSC, and Delegated Buildings.

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 the Department of Health and Human Services is responsible.

Table 3.21—Authorizing Legislation
(dollars in thousands)

	2016 Amount Authorized	2016 Actual[1]	2017 Amount Authorized	2017 Estimate[2]	2018 Amount Authorized	2018 Estimate[3]
Title II, Section 201(g)(1) of the Social Security Act	Indefinite	$12,161,945	Indefinite	$12,135,325	Indefinite	$12,457,000

[1] The FY 2016 appropriation included $1,426 million in dedicated funding for program integrity, $136 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).

[2] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017. The FY 2017 estimate includes $1,426 million in dedicated funding for program integrity, $135.7 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 2018 request includes $1,735 million in dedicated funding for program integrity, $118 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 2008, non-attorney representative user fees.

Table 3.22—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2008	$9,596,953,000[1]	$9,696,953,000 [2]	$9,721,953,000 [3]	$9,917,842,000 [4]
Rescission[5]				-$173,264,731
Final				**$9,744,577,269**
Economic Stimulus Act[6]				$31,000,000
2009	$10,327,000,000 [7]	- - - [8]	$10,377,000,000[9]	**$10,453,500,000** [10]
MIPPA – Low Income Subsidy[11]				$24,800,000
Recovery Act[12]				$1,090,000,000
2010	$11,451,000,000 [13]	$11,446,500,000 [14]	$11,446,500,000[15]	$11,446,500,000 [16]
Rescission[17]				-$47,000,000
2011	$12,378,863,280 [18]	- - - [19]	$12,377,000,000[20]	$11,446,500,000 [21]
Rescission[22]				-$22,893,000
Final				**$11,423,607,000**
2012	$12,522,000,000 [23]	- - - [24]	$11,632,448,000[25]	$11,474,978,000 [26]
Rescission[27]				$21,688,000
Final				**$11,453,290,000** [28]
2013	$11,760,000,000 [29]	- - -[30]	$11,736,044,000[31]	$11,453,290,000 [32]
Rescission				-$21,394,476 [33]
Sequestration				-$386,329,494 [34]
Final				**$11,045,566,321** [35]
2014	$12,296,846,000	- - -[36]	$11,697,040,000 [37]	**$11,697,040,000** [38]
LAE	$11,069,846,000 [39]			
PIAE	$1,227,000,000 [40]			
2015	$12,024,000,000 [41]	- - -[42]	- - - [43]	**$11,805,945,000** [44]
2016	$12,513,000,000 [45]	$11,817,945,000 [46]	$11,620,945,000 [47]	**$12,161,945,000** [48]
2017	$13,067,000,000 [49]	$11,898,945,000 [50]	$12,481,945,000 [51]	- - - [52]
2018	$12,457,000,000 [53]			

[1] 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).

[2] H.R. 3043.

[3] S. 1710.

[4] 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).

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

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

[7] 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).

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

[9] S. 3230.

[10] 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.

[11] 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.

[12] 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.

[13] 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).

[14] H.R. 3293.

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

[16] 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).

[17] $47,000,000 of Recovery Act Economic Recovery Payment administration funds rescinded by section 318 of P.L. 111-226.

[18] 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.

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

[20] S. 3686.

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

[22] 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).

[23] 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.

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

[25] S. 1599.

[26] 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).

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

[28] 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.

[29] 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).

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

[31] S. 3295.

[32] 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).

[33] 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.

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

[35] 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).

[36] 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.

[37] S. 3533.

[38] 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).

[39] 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).

[40] 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.

[41] Total includes $1,396,000,000 in dedicated funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $1,123,000,000 in funds outside the discretionary caps as authorized by the BCA, as well as $131,000,000 from LAE to assist in program integrity work. 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).

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

[43] The Senate Committee on Appropriations did not report a bill.

[44] Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). Total includes $1,396,000,000 for continuing disability reviews and SSI redeterminations. 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).

[45] Total includes $1,439,000,000 in dedicated funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $1,166,000,000 in funds outside the discretionary caps as authorized by the BCA. Includes up to $136,000,000 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).

[46] H.R. 3020.

[47] S.1695.

[48] Consolidated Appropriations Act, 2016 (P.L. 114-113). Total includes $1,426,000,000 for continuing disability reviews and SSI redeterminations. 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).

[49] The FY 2017 request includes $1,819,000,000 in dedicated funding for program integrity - $273,000,000 in base funding and $1,546,000,000 in funds outside the discretionary caps as authorized by the BCA. Additionally, the LAE account carves out funding to support the fully loaded costs of performing 1.1 million CDRs and approximately 2.8 million redeterminations, $126,000,000for SSI State Supplement user fees, and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[50] H.R. 5926.

[51] S. 3040.

[52] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.This Budget reflects the annualized funding level provided by P.L. 114-254 ($12.135 million). Total includes $1,426,000,000 for continuing disability reviews and SSI redeterminations. Includes up to $135,661,671 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $997,512 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[53] The FY 2018 request includes $1,735,000,000 in dedicated funding for program integrity - $273,000,000 in base funding and $1,462,000,000 in funds outside the discretionary caps as authorized by the BBA. Includes up to $118,000,000 for SSI State Supplement user fees, 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 DETAILS

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 $964 billion in FY 2016; under current law, Federal benefit payment outlays are expected to increase to $995.5 billion in FY 2017 and nearly $1.1 trillion in FY 2018. At less than 1.3 percent of total benefit payment outlays, SSA's administrative expenses[1] continue to be a small fraction of overall program spending, demonstrating the agency's cost-conscious approach to managing its resources.

Table 3.23—Federal Benefit Outlays[2,3]
(dollars in billions)

	FY 2016 Actuals	FY 2017 Estimate	FY 2018 Estimate
Old-Age and Survivors Insurance	$762.1	$797.1	$850.8
Disability Insurance	$143.0	$143.9	$148.8
Supplemental Security Income	$58.9	$54.5	$51.6
Total Outlays	**$964.0**	**$995.5**	**$1,051.1**

Paralleling the growth in benefit payment outlays, the number of Federal beneficiaries of the three major programs SSA administers is expected to increase from 65.8 million in FY 2016 to 67.1 million in FY 2017 and 68.7 million in FY 2018.

Table 3.24—Beneficiaries[4,5,6]
(average in payment status, in millions – Table Continues on Next Page)

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Old-Age and Survivors Insurance	49.5	51.0	52.6
Disability Insurance	10.8	10.6	10.6

[1] SSA's calculation of discretionary administrative expenses excludes Treasury administrative expenses, which are mandatory outlays.
[2] Totals may not add due to rounding.
[3] Totals do not include payments to recipients of Special Benefits for World War II Veterans.
[4] Totals do not include recipients of Special Benefits for World War II Veterans.
[5] Does not include recipients who only receive a Federally Administered State supplementary payment and no Federal benefit.
[6] Totals may not add due to rounding.

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Supplemental Security Income[1]	8.2	8.1	8.1
Concurrent Recipients[2]	-2.6	-2.6	-2.6
Total Beneficiaries	**65.8**	**67.1**	**68.7**

FULL TIME EQUIVALENTS AND WORKYEARS

The following table summarizes the LAE Federal and State workyears requested for FY 2018.

Table 3.25—SSA Supported Federal and State Workyears[3,4]

	FY 2016 Actual	FY 2017[5] Estimate	FY 2018 Estimate
Federal Full-Time Equivalents (FTEs)	63,159	61,104	61,265
Federal Overtime/Lump Sum Leave	2,113	1,851	1,982
Total SSA Workyears (excludes OIG)	**65,272**	**62,955**	**63,247**
Total State DDS Workyears	15,152	14,416	14,110
Total SSA/DDS Workyears (excludes OIG)	**80,424**	**77,371**	**77,357**

SOCIAL SECURITY ADVISORY BOARD

This Budget includes $2.3 million for the Social Security Advisory Board in FY 2018. The *Social Security Independence and Program Improvements Act of 1994* mandated the creation of a bipartisan, seven-member advisory board to advise the President, the Congress, and the Commissioner of Social Security, and to make recommendations on policies and regulations relating to SSA's major programs: OASDI and SSI.

The Board analyzes the OASDI and SSI programs, including how other public and private systems support these programs, and makes recommendations on how to improve the economic security of millions of Americans. The Board makes recommendations to the President and to the Congress on policies related to preserving the short-term and long-term solvency of the OASI and DI programs. The Board also analyzes and makes recommendations on the coordination of

[1] Does not include recipients who only receive a Federally Administered State supplementary payment and no Federal benefit.
[2] Recipients receiving both DI and SSI benefits.
[3] Excludes 21 workyears in FY 2017 and 357 workyears in FY 2018 funded by the Medicare Access and CHIP Reauthorization Act of 2015.
[4] Excludes workyears associated with the Children's Health Insurance Program (CHIP) Reauthorization Act of 2009 and the Medicare Savings Plan.
[5] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.

Social Security programs with other health security programs, improving the quality of service to the public, and improving public understanding of the Social Security.

The Board is required by law to meet at least four times per year but has traditionally held 10 meetings and one annual conference call each year. For more information about the Social Security Advisory Board, please see their website at *www.ssab.gov*.

Budget Authority by Object Class and Staffing

Object Class	**FY 2016 Actual**	**FY 2017 Estimate[1]**	**FY 2018 Request**
Salaries	$1,323,980	$1,455,826	$1,484,942
Benefits	$388,282	$342,574	$349,428
Subtotal, Compensation	**$1,712,262**	**$1,798,400**	**$1,834,370**
Travel	$71,705	$75,000	$75,000
Rent, Communications, Utilities	$281,010	$281,000	$281,000
Printing & Reproduction	$15,650	$10,000	$10,000
Consultants & Contracts	$149,524	$95,600	$79,630
Equipment	$19,596	$9,278	$10,000
Supplies	$16,422	$25,000	$10,000
Total, All Objects	**$2,266,169**	**$2,294,278**	**$2,300,000**
Staffing Levels			
Full-time, Permanent Staff	10	9	9
Part-time, Temporary Staff	5	4	4

Note: Totals may not add due to rounding.

[1] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.

INFORMATION TECHNOLOGY SYSTEMS (ITS) FUND TABLES

Table 3.26 — LAE Expired Balances & No-Year IT Account (in thousands)

LAE Expired Accounts	Amounts
LAE unobligated balance from FY 2012-2015	$103,200
LAE unobligated balance available from FY 2016	$49,400
Total LAE unobligated balance from FY 2012-2016	$152,600[1]
Amounts projected for prior year adjustments	-$152,600[2]
Total LAE unobligated balance available for transfer from FY 2012-2016	**$0**
No-Year ITS Account	
Carryover from funds transferred in FY 2015 for FY 2016	$29,600
Carryover from FY 2015 (Unobligated Balances)	$1,515
Total carryover from FY 2015 to FY 2016	$31,115
Funds transferred in FY 2016 for FY 2016	$209,957
Total FY 2016 no-year ITS funding available	$241,072
FY 2016 Obligations	-$188,217
Recoveries in FY 2016	$0
Total carryover into FY 2017	**$52,855**
Funds transferred in FY 2017 for FY 2017	$72,800
Funds available for transfer in FY 2017 for FY 2017	$0
Total FY 2017 no-year ITS funding available	**$125,655**

[1] Reflects adjustments to the unobligated balances for these years. Balances as of 2/28/2017.
[2] It is essential that these funds remain in the expired LAE accounts (FY 2012-2016) to cover potential upward adjustments. Otherwise, SSA could face an anti-deficiency violation.

ITS BUDGET AUTHORITY

SSA's FY 2018 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 SSA CFO and CIO affirm that the CIO had a significant role in reviewing planned IT support for program objectives and significant increases and decreases in IT resources; and the SSA CIO and CFO affirm that the IT Portfolio includes appropriate estimates of all IT resources included in the budget request.

The table below displays ITS budget authority, split by type of funding, and obligations from FY 2016 through FY 2018.

Table 3.27—ITS Budget by Activity[1]

LAE	FY 2016 Actual	FY 2017 Current Estimate	FY 2018 Estimate
One-Year	$928,543,139	$930,000,000	$1,044,000,000
No-Year	$188,217,265	$126,000,000	$50,000,000
Subtotal	$1,116,760,405	$1,056,000,000	$1,094,000,000
Recovery Act (NSC)	$48,291,603	$11,941,000	$0
Total	$1,165,052,008	$1,067,941,000	$1,094,000,000

Below are some of our significant accomplishments during FY 2016:

- **Public Facing Integrity Review (PFIR) –** This release included the creation of a secure process to download files to the Office of Anti-Fraud Programs (OAFP) and updated code to ensure accuracy of displayed data and counts. PFIR supports the agency's ability to prevent, deter, detect, and investigate instances of internet fraud and abuse.

- **Direct Deposit Fraud Prevention Release 4 –** The first release added functionality to display pending Direct Deposit (DD) changes input through my Social Security or the Post-entitlement Online System (POS) for Title II beneficiaries. This release also provided the user the option to cancel the pending DD change.

  This second release activated the Miscellaneous Suspense Code (LEGI3) and modified the Post Entitlement Online System LEGI screen to allow input of a suspension effective with Current Operating Month (COM) and subsequent resumption of benefits effective

[1] Includes base and cap Program Integrity. Excludes Reimbursable Authority. One-year funds include regular one-year, base CDRs, additional CDRs and DCPS. FY 2017 estimate excludes $20M for anomaly funding.

with the first suspension month. The Office of Anti-Fraud Programs requested this change for use when there is a suspicious direct deposit change and they are not able to contact the Title II beneficiary (or representative payee, if applicable) to verify the Financial Institution (FI) account information. The LEGI3 suspension prevents benefits from being deposited into a presumed unauthorized FI account.

The implementation of this initiative helps preserve customers' trust in our programs and improve the agency's stewardship of the trust funds by reducing the occurrence of unauthorized redirected Title II benefit payments.

- **Automated Resource Access System (ARAS) –** Automated Resource Access System (ARAS) replaced Automated System Access Forms Environment (ATSAFE) form SSA-613 via the Systems Access Management (SAM) portal. The ARAS business process is based on security, management, and resource owner approvals for access requests to data stored on SSA's mainframe computer. The implementation of ARAS agency-wide provides SSA with a consistent and auditable system to grant access to mainframe resources that satisfies audit findings and is one of many projects required to comply with the OMB M-11-11 mandate to align the agency with the Federal Identity, Credential, and Access Management (FICAM) roadmap.

- **Identity, Credential and Access Lifecycle Management –** The Identity, Credential and Access Lifecycle Management project aimed to address recent audit findings by the Office of the Inspector General and Grant Thornton stating that SSA lacked adequate, FISMA-compliant controls over the identity management lifecycle. The Electronic Personnel Enrollment Credential System (EPECS) Authoritative Source for Contractors (ASC), released June 2016 within EPECS version 2.6, introduced new functionality to include comprehensive and integrated processes to track all contractor personnel from onboarding to separation. The EPECS ASC also retains key data for both current and terminated contractor personnel.

- **Systems Access Management (SAM) – ARAS –** The Systems Access Management (SAM) project is an initiative meant to provide the digitization of paper-based forms, as well as centralized automation of business processes for increased efficiency.

  SAM provides:
    - A consistent look and feel to agency- wide security processes (access requests, TEC, Automated Resource Access System (ARAS), etc.)
    - The basis for OIS to incorporate other paper-based forms and processes in the future (e.g., SSA 1123, SSA 398, etc.)
    - The automated SSA-120 as the first process supported by the solution, followed by incorporation of ARAS into a consistent User Experience for access requests

  SAM ARAS moved to replace the current ARAS User Experience with the SSA standard compliant (User Experience Framework (UEF)/508) SAM portal for requesting additional access.

SAM ARAS improved the efficiency and usability of access to SSA mainframe systems, as well as providing centralized request storage in order to enhance auditing capabilities. In addition, SAM/ARAS eliminated a physical dependency on paper-based and legacy systems processes, as well as providing "anywhere" digital approvals in support of telecommuting/remote workers.

- **Systems Access Management (SAM) Access Removal Tool –** The SAM ART (Access Removal Tool) remediates audit findings for employee close out, termination, and access removal in a timely manner (i.e., 18 hours of separation). Additionally, the ART application replaces the current paper-based SSA-2324 form, Clearance of Employees for Separation of Transfer (Exit Checklist), first-line supervisors complete for federal employees under their supervision that exit the agency.

  SAM/ART was built to allow supervisors the ability to schedule access removals prior to the employee's date of separation. Upon the date of separation, systems access is automatically removed, adhering to the 18-hour federal standard.

  The release of the ART application resulted in a successful Systems pilot replacing the current paper SSA-2324 form first-line supervisors complete for federal employees exiting the agency. This will give supervisors the ability to schedule access removals prior to the employee's date of separation so the agency can adhere to the 18-hour federal standard. In addition, the Atlanta region is starting a pilot for regional office managers to successfully remove systems access.

- **National Support Center (aka New NCC) –** The Social Security Administration received an appropriation for facilities funding and initial IT funding via the American Recovery and Reinvestment Act of 2009 for a new data center to replace the existing NCC.
  - The NSC project uses green solutions in Office of Systems Operations and Hardware Engineering (OSOHE) daily operations through the use of new IT infrastructure and hardware that are more energy efficient than the current NCC
  - Completed the migration of 100% of Open Systems and IT security infrastructure applications to the NSC
  - Completed the virtualization of 77% of Open Systems servers at the NSC
  - Removed 99% of inner core systems at the NCC
  - Implemented 100% storage replication between our subsystems in the NSC and SSC
  - Initiated development of on premise cloud computing environment at NSC

  The National Support Center, NSC project built a Tier III data center using the latest 21st century technologies and green solutions to support the Agency’s IT infrastructure and hardware thus mitigating the projected risks to the IT infrastructure of the Agency. For additional information, please see the National Support Center exhibit.

- **Email Archiving and Records Management –** Federal records must be managed in accordance with all applicable records management laws and regulations, including but not limited to the Federal Records Act (44 U.S.C. chapters. 21, 29, 31, 33), and regulations of the National Archives and Records Administration (NARA) at 36 CFR Chapter XII Subchapter B. Managing records includes, but is not limited to, secure storage, retrievability, and proper disposition of all federal records including transfer of permanently valuable records to NARA in a format and manner acceptable to NARA at the time of transfer.

In order to stay in compliance with the records management laws and regulations the Email Archiving and Records Management project procured additional servers to set up the email archive in Exchange for managing SSA email records electronically. As a result, the agency complies with the Presidential Directive M-12-18, Managing Government Records before the required date December 31, 2016.

- **Modern Development Environment (MDE) –** MDE is SSA’s new software application development environment that will facilitate Agile principles and DevOps concepts such as test-driven development, automation, continuous integration, and continuous delivery. Shifting to MDE allows more flexibility in software deployment to ensure better delivery of the “product” rather than the “project.” Multi-Channel Communication is already using that flexibility to its advantage – completing automating the build and deploy processes into z/OS WebSphere Development and Validation environments and allowing developers to use the Jenkins Pipeline as-code to reduce job complexity.

- **Audit Database and Information Tracking System (AuDITS) –** The Audit Liaison Staff (ALS) relies on the Agency Audit Management System (AAMS) for storing, monitoring and tracking audits (and any resulting recommendations) originating from the Office of the Inspector General (OIG), the United States (US) Government Accountability. AAMS does not track audit workflow through the entire audit lifecycle (pre-audit, conferences, field work correspondence, draft/final reports and recommendations), and does not provide sufficient Management Information (MI) reporting needed for data driven analysis and decision making. In addition, ALS must utilize applications outside of AAMS (Outlook for correspondences and K drive for document storage) in order to complete audits.

  AuDITS was implemented to replace the AAMS application and streamline the Audit Liaison Staff’s business processes by improving their ability to track and control the agency’s audits during each audit phase. AuDITS also enhances search capabilities, and provides standardized and ad-hoc management information reporting. AuDITS interfaces with SSA's Electronic Management of Assignments and Correspondences (EMAC) application for tracking correspondences and assignments within SSA via the EMAC Webservice, which was also developed and implemented within this projcet to eliminate multiple steps that involve using multiple applications. ALS now has an application that follows current ALS business processes, provides standardized and ad-hoc MI needed for data driven analysis and decision-making, and interfaces with EMAC. For additional information on the NSC, please see the *National Support Center* exhibit.

- **8308 Enumeration Beyond Entry (EBE) I-765 –** Implementation of the Enumeration Beyond Entry (EBE) I-765 project required SSA to be able to receive data from DHS/USCIS for Enumeration purposes. The data would be processed in our Enumeration Batch system and result in the issuance of original and replacements SSN Cards. This effort also required an update to the Numident and Management Information (MI). Collaboration was necessary with our partners in Software Engineering, Enterprise Business Support, Programmatic Business Support, Policy, as well as the external agency, DHS/USCIS.

  The code was implemented in production but will be turned off until DHS is ready to release. DHS will be ready to release sometime in December 2017. Once released by DHS Enumeration Beyond Entry (EBE) will reduce the Field Office (FO) workload, since these individuals would no longer be required to visit a FO to apply for a Social Security Number (SSN) Card.

- **Inline QA –** This release contains functionality for the Office of Disability Adjudication and Review (ODAR) inline QA process performed at pre-hearing, post-hearing, and pre-disposition. The release provides ODAR with a reworked questionnaire for the QA offices to input when reviewing cases to allow for a more accurate review.

- **CONTRACTOR ACCESS TO eFOLDERS - Phase 1 –** Electronic Records Express (ERE) software was employed to share background evidence with Consultative Examination (CE) providers by sharing electronic folder documents with Medical and Vocational Experts for Hearings. This eliminated the need for hearing offices to burn CDs for Medical and Vocational Experts.

- **POT ENT-Child on Parent DIB Application –** This release enhanced the Modernized Claims System (MCS) to automatically list the children’s names on the DW01 (Development Worksheet) that are mentioned in the application and set tickle dates, diary, and listing codes for a Number Holder’s (NH’s) Retirement and Disability allowance. The award notice will include children’s names, reminding the NH or a representative to file a claim on their behalf. Workload Management software was updated to synchronize with these changes. The purpose of this enhancement is to track and secure children’s claims to prevent missed entitlement for approximately 17,600 children a year.

- **100% Permanent & Total Veterans Initiative –** Feedback received from 508 Test and Evaluation found the VAPT MI Dashboard was non-compliant for Section 508 due to eight Section 508 standards not being met, which would make the Dashboard difficult for 508 users.

  A 508 Non-Compliant waiver request was submitted on 03/11/2016 and the waiver was approved on 04/11/2016 with the condition that we complete our compliance effort by the end of August 2016. The project team was able to allocate resources to correct our 508 non-compliance issues during the 3rd quarter of FY16.

Systems implemented the VAPT MI project batch and on-line process that automates and expedites the claim process when information supplied by the Veterans Benefits Administration (VBA) identifies a client as 100% Permanent and Total Disabled Veteran. This release of VAPT MI allows our 508 users the benefit of being able to effectively access the full functionality of the VAPT MI Dashboard reports, charts, and files.

- **Systems Updates to Support Contract Requirements –** DRAP – Digital Recording Equipment and Procedures (DRAP) 8.0 records audio at a higher quality, and facilitates the Office of Disability Adjudication and Review (ODAR) business process through easier customization of the vendors COTS software. Rollout began in April, 2015, and completed within one year as planned in April, 2016. This included new hardware and software procured through a new vendor. With the initial investment to replace existing equipment, and the fact that the new equipment is cheaper to maintain, a return on investment will be possible in FY2022. After FY2022, DRAP 8.0 will begin to save the agency $642,000 a year.

- **eCAT** – The Electronic Case Analysis Tool (eCAT) was enhanced to improve Section 508 compliance for end users with disabilities; improve the efficiency of electronic claim processing; enhance productivity; enhance usability by making the interface more intuitive; and realize cost efficiencies to the agency. eCAT was also proactive by making language and functionality changes to support Child Continuing Disability Review (CDR) cases. These changes resulted in greater functionality, improved policy compliance, increased usability for DDS end users (employees) and time/cost savings.

- **MIDAS –** Modernized Integrated Disability Adjudicative System (MIDAS) Release 32 was a regularly scheduled release that updated the MIDAS legacy system to take advantage of DDS oriented modifications from several Electronic Folder Interface (EFI) releases, bringing MIDAS to the same level as EFI Release 32. In addition, a big part of the release was two User Requested Enhancements (URE).
    - Print Bundle will eliminate PII issues during contract issuance and printing
    - MC/PC GetNext will provide one case at a time to the MC when they are assigning work to themselves

In order to make Print Bundle successful, a new design and code was implemented to rewrite the printing process and "bundle" a complete package into one PDF. This rewrite allows a complete contract to print without interspersing different contracts/forms/letters from a different SSN. A second URE was implemented (MC/PC GetNext) that forces MC's to be assigned the next available case, eliminating the option to "cherry pick" cases. The MC may decline a claim if accepting the claim would break business rules; I.e. the MC had evaluated the claimant on a previous claim.

Contract bundles may now be printed without being contaminated with letters/forms pertaining to a different claimant. For MC/PC GetNext, the MC is only provided one case at a time and they may either accept the workload or decline it with a valid reason. This will help speed up the adjudication process by having the oldest claims assigned first.

- **HIT –** As the Health Information Technology (HIT) program continues to expand, we needed to stay up to date with the standard specifications for exchanging of medical records electronically between organizations. This would allow us to be able to integrate with more HIT partners and give us the ability to process and analyze more medical record evidences.

  The team was actively involved in the HIT workgroup to discuss the necessary changes, provided feedback, and planned for the new specifications. The team analyzed the requirements and provided the gap analysis to stakeholders, and recommended the enhancements to the user group.

  The HIT MER format enhancements for Consolidated Clinical Document Architecture (C-CDA) Versions 2.0 and 2.1 Support. This allows for new sections in the way MEGAHIT renders medical evidence records (MER).
    - Enhanced Payment Vendor Matching in SSOARS When Adding a Payment Vendor
    - MEGAHIT Support for International Addresses
    - SSA827 ISSUE - HIT Partner Acceptance Preferences Requirements

  We successfully implemented the support for the new Consolidated-Clinical Document Architecture (C-CDA) versions 2.0 and 2.1. With these new functionalities, we can now provide wider support for all of our current HIT partners who are still using the prior standards as well as having the ability to onboard any potential HIT partners who wish to use the new standards.

- **Title II Treasury Report on Receivables Release 2 and 3 –** The Treasury Report on Receivables (TROR) Phase 3 software was released into production, which automated the entire TROR report. This meets compliance set forth by the Department of the Treasury and eliminates any manual workload for OFPO. Logic changes released fixed a flaw in the requirements so that we more accurately accounted for idiosyncrasies of the ROAR Master file.

- **Multi Channel Communication – Click to Callback –** This release included the ability for a user to schedule a callback request, select from a list of topics to identify the reason for a callback request, review and edit the last question searched in Dynamic Help to submit with the callback request, review and edit the prepopulated phone number in Dynamic Help to submit for a callback when the request is initiated and the ability to cancel a callback request.

- **Work Portability –** Streamlined the Internet claims (iClaim) routing process, enabling Operations to change the routing of claims to specific Workload Support Units (WSU). The claims routing update process that once took a month to accomplish now takes only 1-2 weeks. Successfully developed a tool that enables SSA to more efficiently update and manage Operations' claims routing criteria when distributing the online claims workload among Workload Support Units (WSUs) throughout the country.

- **Ensuring Release of Withheld Benefits –** This release is in support of an Office of the Inspector General (OIG) audit recommendation for SSA to ensure accurate and timely payments of Old-Age Survivors and Disability Insurance (OASDI) benefits it withheld pending a windfall offset determination. Software changes to MCS included override options to streamline the process of releasing T2 back pay when Windfall Offset does not apply. Field Office employees who choose to suppress this exception will immediately release the retroactive benefits to the claimant, resulting in a faster payment, satisfying the OIG recommendation.

- **iTOPSS - PHASE 6 –** The primary goal of this project was to eliminate the need for SSA's use of the MAXSTAR and eCMIS systems. These two systems are owned and operated by the Ticket to Work program manager, Maximus. The SSA implementation of the MAXSTAR replacement, iTOPSS, results in the following benefits:
  - SSA will no longer need to budget for and pay Maximus for the use of Maximus' IT capabilities. The estimated cost for the use of the MAXSTAR system alone was about $1 million a year.
  - The SSA system reduces the need for the proprietary contractor work power and further increase direct cost savings.
  - SSA is now to allow competitively bid for the Program Manager of the Ticket to Work program. The TTW program will no longer depend on the Maximus MAXSTAR system.
  - Some business transactions, which used to take up to ten business days now occur on-line with our in house modern web based application.
  - The accuracy of some business transactions has been improved.
  - Security of the Internet facing application formerly a part of MAXSTAR has now been significantly improved in the SSA replacement of iTOPSS.
  - The newer SSA systems are now more maintainable.
  - Certain older SSA programs and one database have now been retired with the full implementation of iTOPSS

- **AWR –** Implemented the second phase of the multi-year Annual Wage Reporting (AWR) Redesign for processing of corrections wage reports (W-2cs). This release replaced legacy software while integrating redesigned corrections (W-3c/W-2c) processing into the existing redesigned regular wage report (W-3/W-2) processing. This release increases the ability of SSA to react to potential legislative changes, such as earlier employer filing deadlines, allowing increased volumes of processing capability to 100 million W-2/W-2cs per week and up to 20 million W-2/W-2cs per day. The modifications included in this release continue to build the foundation for future AWR Redesign releases, and support the Earning Redesign goals of increasing AWR processing capacity, reducing operational earnings workloads, and streamlining business processes.

- **Automatic Removal of K-Tac for Bene no longer in Current Pay –** Released software to automatically remove Cross Program Recovery Decisions from SSI records for beneficiaries who are no longer receiving Title II benefits due to termination or certain suspension reasons. This process places SSI debts into installment payments or SSI check adjustment based on the status of the record. This enhancement reduces a manual workload for technicians and ensures that the agency is actively pursuing and using all tools available to recover this debt.

- **Death Processing Initiative –** Successfully implemented Phase 2 of the Improving Death Processing project, which helps to identify and reduce improper payments, reduce improper release of personally identifiable information (PII), and improves the accuracy and consistency of death data on Social Security's master files. Phase 2 redesigned the Death Alert Control and Update System (DACUS) batch system to be more streamlined and efficient; 2) centralize the receipt of death data in one location and distribute it to other software such as MCS/MSSICS.

- **Bench Book –** Release included the Word interface for decisions with eBB instructions as well as a Case Processing Management Systems (CPMS) procedure change.

- **Workers' Compensation –** These releases are in support of a change in law regarding the age at which Workers' Compensation (WC) offset ends for disability beneficiaries from age 65 to Full Retirement Age or FRA. Software changes that included RETAP, Interactive Computation Facility (ICF), Rates Utilities, and Title 2 Infrastructure (Editor BTH, Business Function Start Date, and Transaction History (THIS)) Query. Subsequently on 09/23/15, 75,841 (including 464 Special Notice Option) one-time letters were generated to explain the change in the law to beneficiaries whose benefits are offset due to receipt of (WC) and Public Disability Benefit (PDB).

- **ECO Modernization –** The External Collection Operation (ECO) system is an application that selects and maintains delinquent SSA debts. The purpose of this project is to have the ability to store ECO notices in the Online Retrieval System (ORS). This storage will allow access to these notices for employees in the field to provide better customer service to our debtors. This project will also enhance ECO MI data for more accurate reporting and delete some reports that are no longer being used.

- **MSSICS Enhancements 2015 –** FY2015 MSSICS enhancements will address the electronic consent for wage verification in support of automated wage data from payroll providers and updated TXVI records. This release implemented the new CICS Personal Information Authorization (APIA) screen. APIA is now part of the MSSICS path and collects the claimant's or member of the deeming unit's authorization for SSA to receive personal information about him from a third party. This information will also be documented in the Print Options (DPRN) and Print Amendments (DPAM) screens. The APIA screen will eliminate the need for the paper SSA-8510.

- **Title II Post-Entitlement Accuracy –** Office of Quality Review (OQR) studies have repeatedly reported poor payment quality for the complex Processing Center (PC) workloads. The largest source of error resulted from the manual processing of Title II Redesign System (T2R) alerts, exceptions, and processing limitations**.**

  The goal of this release was to:

  1. Break down generic codes into more specific alerts
  2. Identify the source of the present condition and beneficiaries involved

3. Provide rates Title II calculates as being different from the established rates
4. Provide procedural guidance through links or POMS references

All changes assisted Processing Center technicians to quickly determine what is the procedure to process the cases which received the alerts, to understand what caused the alerts to be issued, and to improve accuracy and the ability to complete the case as quickly as possible.

- **BBA 831 Voluntary Delayed Retirement Credits (VOLDRC) –** Bipartisan Budget Act of 2015 Section 831 Closure of Unintended Loopholes – Voluntary Delayed Retirement Credits. Systems released the Title II Summary and Title II Notice software modifications in support of a short-term solution for Section 831 of the Bipartisan Budget Act of 2105, Closure of Unintended Loopholes. This prohibits beneficiaries from receiving retroactive benefits for a period of voluntary suspension or retroactive benefits based on the earnings of another individual who has entered a period of voluntary suspension. It also prohibits an individual whose benefits are suspended from receiving benefits on any other record while their own record is in suspense. Systems implemented the following;
    - T2 Summary made changes to prevent an incorrect payment or overpayment when a retroactive suspension for 'LEGIS1' is added to the system
    - Title II Notices added three new universal text indicators (UTI) to its repository and revised two UTIs in order to support the new legislation. The new UTIs provide language for notices issued to beneficiaries requesting voluntary suspension of benefits in order to earn delayed retirement credits. When applicable, an auxiliary notice is generated for the auxiliaries of the beneficiary requesting the voluntary suspension of benefits in order to earn delayed retirement credits

- **BBA 825 Treatment of Earnings Derived from Services –** Section 825 of the Balance Budget Act (BBA) amends the treatment of earnings derived from services in post entitlement evaluations of work activity. This will simplify and reduce overpayments associated with work CDRs by allowing SSA to assume earnings were earned when paid. New earnings verification codes were added to eWork to allow the technician to clearly identify the type of evidence used documenting when earnings were based on paid versus earned based upon the type of evidence used. The Due Process notice language was updated to advise beneficiaries their decision may have used such evidence. The simplification enacted by the BBA Section 825 will enable adjudicators to use readily available evidence of earnings, such as IRS data, SSI verified wages, quarterly earnings data, and earnings maintained by third party payroll providers while processing WCDRs. This will eliminate the need for slower methods, such as further contact with the employer (SSA-L725), as a first step. These changes to the WCDR process should shorten processing times and lessen overpayments for disabled beneficiaries.

Below is a list of our agency portfolios and their vision statements:

- **Administrative and Mission Support:** The Administrative and Missions Support portfolio aims to develop IT capabilities that support and enable core business functions across the agency. The investments in the Administrative and Missions Support portfolio will improve our responsiveness to the American public through enhancing our services and programs, modernizing our information technology, and building a model workforce.

- **Core Services:** The Core Services Portfolio will provide Innovative Quality Service to the public, Strengthen the Integrity of Our Programs, and Partner with Other Agencies and Organizations to Improve the Customer's Experience and Align with the Administration's One-Government Approach. We will transform the way we deliver service to the public and Enhance the Customer's Experience by striving to Complete the Customer's Business at the First Point of Contact. Core Services Portfolio investments will enhance and execute plans to modernize our legacy systems and streamline workloads for our frontline employees, maintain system performance, and Continuously Strengthen our Cyber Security Program and IT services.

- **Disability and Appeals:** The Disability and Appeals Process portfolio promotes efficient and effective IT systems that increase the quality, timeliness and consistency of disability decisions and services. These systems will facilitate the accurate collection, processing, and flow, of data and information that will allow our employees to provide quality service to disabled applicants and beneficiaries. The portfolio will help ensure we make the correct disability decision at the correct time, and apply disability policy and procedures consistently across all adjudicative levels.

- **IT Infrastructure:** The Infrastructure Portfolio provides us with the information technology stability and flexibility that we need in order to meet and sustain current operational requirements, adapt to changes in business operations, and plan for future growth and demand in our workloads.

  Our reliance on information technology and electronic data continues to increase with each new workload and each new service delivery channel. The portfolio seeks to address the rising demands on our infrastructure by not only continuing to deliver high levels of end-to-end availability, stability, security and performance but also by instituting new and/or enhanced technologies to remain current with industry standards. Through anticipation of the technology demands of our strategic objectives and investments, the portfolio strives to ensure a ready environment with each application delivery as well as improvements and enhancements to application portfolios.

- **IT Program Integrity:** The Program Integrity Portfolio supports SSA's goals to strengthen the integrity of the Social Security programs, deliver innovative quality services, and ensure reliable, secure and efficient Information Technology (IT) services. We seek to continually improve our comprehensive quality review and financial management programs in accordance with all laws and regulations. This includes accurately and timely paying benefits to our recipients and beneficiaries, detecting and preventing fraud wherever it may occur, and minimizing improper payments.

In January 2016, SSA introduced a chief technology officer to lead SSA's technology change, and balance change with service delivery reliability.
The agency currently manages 11 major OMB 300 exhibits. They are:

- Anti-Fraud Enterprise Solution (AFES)
- Customer Engagement Tools (CET)
- Disability Case Processing System (DCPS)
- DDS Automation (DDSA)
- Earnings Redesign
- Infrastructure Operations and Maintenance (O&M)
- Infrastructure Development Modernization Enhancement (DME)
- IT Modernization
- IT Security
- Smart Claim
- SSI Modernization

INFORMATION TECHNOLOGY COSTS BY TYPE

The following table satisfies SSA's requirement directed by the House Report.

Table 3.28 — Information Technology Costs[1]
(Actual dollars)

ITS	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Maintenance & Lease	$304,866,652	$326,069,800	$312,806,400
Contractor Support	$491,443,080	$360,668,800	$279,897,600
Inter-Agency Agreements	$11,157,531	$11,021,500	$12,100,200
Software	$28,650,756	$47,620,500	$51,453,100
Hardware	$98,948,668	$93,524,100	$205,140,800
Telecommunications	$249,825,621	$238,036,300	$238,601,900
Total[2]	**$1,184,892,308**	**$1,076,941,000**	**$1,100,000,000**

DIGITAL SERVICES TEAM

SSA no longer requires utilization of OMB's United States Digital Services (USDS) resources. Transformation of the agency's digital services will continue with in-house expertise leveraging on the success of the USDS Team in OMB, created in 2014.

[1] FY 2016 and FY 2017 include Reimbursable and ARRA funds (FY 2017 ARRA is $11.941M. FY 2017 Reimbursable is $9M); FY 2018 includes Reimbursable funds only (FY 2018 Reimbursable is $6M).
[2] Does not include personnel costs.

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 3.29 – SSA E-Gov Contributions
(in thousands)

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Disaster Assistance Improvement Plan	$56	$56	$56
E-Federal Health Architecture LoB	$100	$100	$100
E-Rulemaking	$24	$34	$30
Federal PKI Bridge	$147	$158	$168
Financial Management LoB	$67	$67	$67
Geospatial LoB	$25	$25	$25
GovBenefits.gov	$381	$377	$344
Grants.gov	$26	$25	$30
Human Resources Management LoB	$130	$130	$137
Integrated Acquisition Environment (IAE)	$104	$857	$874
Budget Formulation LoB[1]	$55	$55	$55
Total	**$1,115**	**$1,884**	**$1,886**

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.

Federal PKI Bridge collects fees as agreed to by OMB Passback 2011 for the operation of the Federal Public Key Infrastructure Management Authority (FPKIMA). The FPKIMA Program Management Office is responsible for all project, acquisition and financial management necessary to provide this end-to-end service to participating agencies. Services include providing PKI trust infrastructure services to support organizations in meeting their identity management and data security goals.

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

[1] Beginning in FY 2016, funds are paid from the IT budget.

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.

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.

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.

Budget Formulation LoB supports the Federal Government's effort to improve agency budgeting through collaboration and information sharing.

Table 3.30 – Other SSA Expenses/Service Fees Related to E-Gov Projects (in thousands)

	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Recruitment One-Stop	$368.2	$415.0	$414.0
E-Payroll	$18,092.3	$18,680.0	$19,241.0
E-Travel	$841.5	$850.0	$850.0
Total	**$19,302.0**	**$19,945.0**	**$20,505.0**

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

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

E-Payroll standardizes and consolidates government wide Federal civilian payroll services and processes. Enhanced Human Resource Integration, which is the initiative to develop 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 is incorporated into E-Payroll.

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

CYBERSECURITY

To address cyber threats, we collaborate with the White House National Security staff, the Federal Chief Information Officer, the Department of Homeland Security's (DHS) United States Computer Emergency Response Team, and various law enforcement agencies.

Table 3.31 – FY 2018 Cybersecurity Costs
(in millions)

Strategies	Cybersecurity Priorities	
Detection Strategies	Security Integrity Center	$23.3
	User Behavior Analysis	
Identification Strategies	Policy Maturity and Development	$3.3
	IT Security Services	
Protection Strategies	Cyber Defense Operations Center (CDOC)	$73.8
	Continuous Diagnostic and Mitigation (CDM)	
	Identity Management (IdM) Ecosystem	
	Cybersecurity Workforce Development	
	Cyber Academy	
Miscellaneous	Incident Response and Disaster Recovery operational costs	$5.0
	Total FY 2018 Cybersecurity Costs	**$105.4**

Our cybersecurity program continues to evolve our detection, protection, and identify functional capabilities for strengthening the agency's defenses against evolving threats and cyber-attacks. Our program incorporates these security capabilities into a comprehensive, multi-layered, defensive approach for ensuring the privacy of the American public and proper issuance of nearly a trillion dollars in benefits. For FY 2018, our cybersecurity program will focus on the following key strategies.

1. **Detection Strategies –** Our agency plans to develop its new Security Integrity Center (SIC) that will be responsible for developing new data security protections to prevent the unauthorized use and loss of sensitive PII and streamlined security administration by improving the security operational workflow process with advanced technology and capabilities.

    - **Security Integrity Center –** Process security operational workloads to ensure high standards using advanced technologies and capabilities.

    - **Re-engineered Comprehensive Integrity Review Process (RCIRP) –** For the last 20 years, our agency has used a Comprehensive Integrity Review Process (CIRP) application for detecting waste, fraud, and abuse committed by internal personnel. This effort seeks to modernize CIRP by incorporating new innovative technologies such as Big Data and predictive analytic tools, to proactively detect and stop potentially fraudulent employee programmatic transactions before they occur.

- **Operational Workloads –** We will create integrated administrative and security workflows to examine information obtained from the Personally Identifiable Information (PII), Data Loss Prevention (DLP), and Integrity Review processes, deriving relational analysis to form seamless operations. As a result, SSA will be able to quickly and accurately approve requests, detect data loss, assess the associated risk, and take mitigating steps to minimize negative effects.

- **User Behavior Analysis –** In FY 2018, we will continue to improve the agency's ability to detect threats to SSA's network based on suspicious behavior by analyzing information in several log repositories that regularly monitor computer, user, and network activities. Through this analysis, we will assess risk, and improve our ability to proactively detect unusual network activities and unauthorized user access activities.

2. **Identification Strategies –** Our agency seeks to provide Comprehensive Policy development and IT Security Services to our customers.

    - **Policy Maturity and Development –** We understand the importance of comprehensive, well-written security policies and their importance to SSA's information and IT governance program. To this end, we will adopt a clear hierarchical structure and policy framework, to focus on business outcomes regarding security information and the principles that underpin our policies. We will ensure successful communication of policy intent and provide clarity about how to implement the policies, the responsibilities of stakeholders, and how to manage legacy issues and approved deviations.

    - **IT Security Services –** As SSA's cyber information security capability continues to mature from asset-optimizing to process-optimizing, and ultimately to service-optimizing, we will deliver an information security service catalog to make it easier for our customers to do business with Office of Information Security (OIS). We will enable a clear understanding of the information security services we offer and deliver. Our services catalog will be a service order and demand channeling mechanism intended to make it easier for our consumers to request security services and, only secondarily, for us to streamline its services and transaction fulfillment workflows.

3. **Protection strategies –** Our agency is focused on 5 key priorities, the Cyber Defense Operations Center (CDOC), Continuous Diagnostic and Mitigation (CDM), Identity Management (IdM) ecosystem, Cybersecurity Workforce Deployment, and Cyber Academy.

    - **Cyber Defense Operations Center (CDOC) –** The Cyber Defense Operations Center (CDOC) seeks to modernize our Security Operations Center (SOC) to combat the next generation of threats and attacks. The primary function of the CDOC is to ensure the PII data entrusted to SSA by U.S. citizens remains secure and confidential.

The next goal is to prevent the disruption of SSANet and online services by malicious hackers or software. CDOC will accomplish this through a vast array of sophisticated detection and prevention technologies, a virtual sea of cyber intelligence reporting, and access to a rapidly expanding workforce of talented IT professionals.

- **Workflow Automation –** Evolving threats continue to grow in number, complexity, and sophistication of attack requiring the SOC to implement a strategy that automates as many of the day-to-day operational tasks as possible. Through workflow automation, the SOC will implement a rapid, streamlined workflow process for identifying, detecting, and responding to security incidents to combat against evolving threats. For implementing workflow automation, the SOC plans to deploy new Security Operations, Analytics, and Reporting solutions.
- **Security Data Analytics –** Security data is growing on an exponential scale requiring different approaches to aggregate and analyze large amounts of data from various sources to monitor for security events. We will develop and maintain a Big Data security analytics capability using Big Data tools and using predictive analytics approaches (such as statistical hypothesis testing) to improve information security and achieve risk reduction goals, security monitoring goals, or other security requirements.
- **Security Operations Center (SOC) Technologies –** We will build and maintain an intelligence-driven SOC, grounded in next generation technologies that will ensure the use of multisource threat intelligence, both strategically and tactically; the use of advanced analytics to operationalize security intelligence; the use of automation whenever feasible; and adoption of adaptive security architecture.

- **Continuous Diagnostic and Mitigation (CDM) –** We will deploy measures to prevent network breaches while simultaneously delivering a continuous-monitoring solution. Our CDM solution will prioritize threats and focus on mitigating and limiting damage from attacks.

  - **Network Segmentation –** Unauthorized network access to our internal network leaves us vulnerable to attacks targeted to compromise critical systems, network communications, and steal and destroy sensitive information. We can prevent unauthorized network access by limiting network access based on access need. With network segmentation in place, only authorized systems and users would have physical access to the network and network access would be limited to just those key resources, critical systems, and networks they are authorized to access. By limiting network access, we prevent attacks to our network, systems, and users across our enterprise. In FY 2018, we plan to deploy network segmentation technologies across our network.
  - **Application Whitelisting –** In FY 2018, we plan to implement application whitelisting to prevent the installation and execution of unauthorized software and malicious software (malware) on our network. Unauthorized software exposes us

to the potential of malware (virus, worms, Trojan) attacks that quickly spread and do harm to the confidentiality, integrity, and availability of our systems across our enterprise. Software whitelisting only allows authorized software ('whitelist') to install and run on systems. Software whitelisting prevents unauthorized software and malware from installing and running on systems, which provides further protection from the damaging effects of malware.

- **Signatureless Anti-Malware –** In FY 2018, we plan to implement two signatureless anti-malware that will provide further protection for email and at the endpoint. For email security, we will deploy a new email sandboxing solution that will improve the detection of embedded malicious links and malicious email attachments. This solution will detect malicious behavior by opening embedded links and by opening email attachments in email. For endpoint security, we plan to deploy signatureless anti-malware solutions across our enterprise; this anti-malware solution will examine the behavior of malware before it has a chance to run.

- **Identity Management (IdM) Ecosystem –** Our agency is focusing on unifying the following IdM initiatives to better support the business of the agency and improve the protection of its networks.

  - **Personal Identity Verification (PIV) Card Initiatives –** Through this initiative, by requiring PIV cards for authentication for all employees and contractors, we aim to provide stronger, second factor authentication, for access to facilities, networks, and systems. We have completed the rollout of PIV cards so that every agency employee, contractor, and state DDS employee is issued a PIV card. In FY 2018, we plan to continue to expand the interoperability of PIV card authentication with legacy systems and applications. We also plan to continue to automate workflows to automate the creation, maintenance, and removal of physical and logical network access.

  - **Privileged User Programs –** The leading cause of data breaches and cyber-attacks is the exploitation of privileged access. In FY 2018, we plan to continue to establish new controls around privileged access by developing the adoption of our privileged access management (PAM) solutions and improve our compliance to new requirements for privileged access. We will deploy different tools and processes to secure, manage, and monitor privileged accounts and access.

  - **Access Control –** We will improve access control by implementing new policies and a new solution for controlling device and user access to our SSA networks. Our solution will block, quarantine, or grant limited or full access to an endpoint, yet remain flexible enough to enforce access control in a multivendor network infrastructure.

- **Cybersecurity Workforce Development –** Our priority for improving our workforce is to attract, engage, retain, develop, and educate the best people. We will design and deliver a performance based improvement approach to learning and define Learning Paths or the ideal sequence of learning activities that endow our SSA Cybersecurity workforce with performance requirements and the knowledge, skills, and abilities needed to accomplish the enterprise stated goals and objectives in the shortest possible time. In FY 2018, we plan to acquire security contractual consulting services to assist us with the development of plans and strategies to accomplish the following initiatives.

    - **Plan –** We put a high premium on hiring the right number of people, with the right skillsets, in the right roles, at the right time. Therefore, workforce capability planning and development is at the top of our priorities. We will acquire contractor resources to help us develop and implement a formal security workforce planning process to build a talent pipeline that can adapt to, and support the dynamic and evolving direction of, the agency's information security mission and needs. We are developing internship programs and we continue to investigate alternative hiring authorities to attract the best talent.

    - **Recruit –** We will acquire contractor resources to better help us identify and examine the factors that influence supply and demand for internal and external cyber security talent, and develop a targeted talent sourcing strategy to fulfill mission and talent needs. We will monitor market trends closely and take appropriate action to identify and select the best approaches to properly source and develop SSA's cyber workforce.

    - **Develop and Retain –** We plan to acquire contract expertise to devise new strategies and plans for improving recruitment and retention. We will attract and retain the best of the best in pursuit of creating and maintaining a competitive edge in this digital era. We will develop strategy and plans that continuously invest in developing and retaining the SSA's cybersecurity workforce. We will create formal career development programs with defined cybersecurity career paths and competency levels.

- **Cyber Academy –** We will implement and mature the Cybersecurity Academy to enhance the education and development of Information Security professionals within the Agency. The Cybersecurity Academy will identify key Agency positions that have significant information security responsibilities, develop defined course curriculums for those positions, enhance the availability of training courses, and track information security certifications held by agency employees. Additionally, the academy will continue to explore methods to enhance annual security awareness training and tracking of completion for all employees and contractors including new hire orientation.

EMPLOYMENT

The following table provides a detailed view of the full-time equivalent employment levels.

Table 3.32—Detail of Full-Time Equivalent Employment[1,2]

	FY 2016 Actual	FY 2017[3] Estimate	FY 2018 Estimate
Limitation on Administrative Expenses Accounts	62,949	60,804	60,965
Reimbursable Work	210	300	300
	63,159	**61,104**	**61,265**

The following table lists the Average Grade and Salary for SSA employees for FY 2016. It includes averages for Executive Service (ES) and General Schedule (GS) employees.

Table 3.33—Average Grade and Salary

	FY 2016 Actual
Average ES Salary	**$175,200**
Average GS/WG Grade	**11**
Average GS/WG Salary	**$72,600**

The following tables satisfy SSA's requirement directed by the House Report.

Table 3.34 — FY 2016 Personnel Costs by Grade
(Table Continues on Next Page)

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS – 0	.1	$5,002	$2,120	$7,122
GS – 1	.5	$12,033	$2,978	$15,011
GS – 2	3.9	$118,780	$42,082	$160,863
GS – 3	19.3	$601,439	$169,662	$771,101

[1] Excludes 21 workyears in FY 2017 and 357 workyears in FY 2018 funded by the Medicare Access and CHIP Reauthorization Act of 2015.
[2] Excludes workyears associated with the Children's Health Insurance Program (CHIP) Reauthorization Act of 2009 and the Medicare Savings Plan.
[3] A full-year appropriation for FY 2017 was not enacted at the time the FY 2018 President's Budget was prepared. All FY 2017 figures assume funding at the annualized funding level provided in FY 2017 under Further Continuing and Security Assistance Appropriations Act, 2017.

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS – 4	214.5	$7,244,212	$2,519,382	$9,763,594
GS – 5	2,410.5	$86,193,598	$29,625,869	$115,819,467
GS – 6	2,738.6	$105,840,134	$38,005,599	$143,845,733
GS – 7	3,775.3	$163,733,535	$56,966,613	$220,700,148
GS – 8	9,013.7	$470,422,905	$173,753,971	$644,176,876
GS – 9	5,996.3	$328,312,295	$114,075,316	$442,387,612
GS – 10	478.9	$28,570,312	$9,392,217	$37,962,529
GS – 11	16,456.7	$1,118,315,237	$389,238,923	$1,507,554,159
GS – 12	12,830.7	$1,048,436,272	$341,945,420	$1,390,381,692
GS – 13	7,394.3	$747,752,907	$237,041,588	$984,794,495
GS – 14	2,878.6	$351,034,131	$106,023,382	$457,057,513
GS – 15	778.2	$115,015,155	$32,107,399	$147,122,555
Subtotal GS Grades[1]	**64,990.1**	**$4,571,607,948**	**$1,530,912,521**	**$6,102,520,469**
Administrative Law Judge (ALJ)	1,528.3	$244,499,619	$69,400,372	$313,899,991
Senior Executive Services (SES)	148.1	$25,918,774	$6,219,642	$32,138,417
Grand Total[2]	**66,666.5**	**$4,842,026,341**	**$1,606,532,536**	**$6,448,558,877**

Table 3.35 — FY 2017 Personnel Costs by Grade
(YTD through Pay Period 10 ending 4/29/2017 - Table Continues on Next Page)

Table Continues on Next Page

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS – 0	0.3	$47,186	$15,844	$63,029
GS – 1	0.3	$7,210	$1,778	$8,988
GS – 2	1.4	$44,807	$18,067	$62,874
GS – 3	15.8	$471,759	$141,759	$613,518
GS – 4	118.0	$4,093,908	$1,418,858	$5,512,766
GS – 5	941.6	$35,192,226	$12,091,585	$47,283,811
GS – 6	1,197.9	$48,218,501	$17,129,729	$65,348,230
GS – 7	2,194.9	$97,779,556	$34,234,860	$132,014,416
GS – 8	4,787.6	$256,635,705	$93,907,259	$350,542,963
GS – 9	3,652.4	$210,776,132	$72,042,537	$282,818,669
GS – 10	258.6	$16,866,784	$5,288,693	$22,155,477

[1] Includes $26,098,764.81 for Reemployed Annuitant (RA) Personnel Costs.
[2] Does not include all payroll costs. Only includes GS Grades (including RAs), ALJs, and SES personnel costs requested in the report language.

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS – 11	9,316.0	$659,255,249	$228,996,150	$888,251,400
GS – 12	7,540.0	$642,584,830	$209,117,597	$851,702,427
GS – 13	4,232.1	$442,410,115	$140,763,371	$583,173,486
GS – 14	1,677.7	$209,741,322	$63,769,637	$273,510,959
GS – 15	428.7	$64,194,025	$18,017,145	$82,211,170
Subtotal GS Grades[1]	**36,363.1**	**$2,688,319,315**	**$896,954,869**	**$3,585,274,183**
Administrative Law Judge (ALJ)	954.8	$152,360,609	$43,461,004	$195,821,613
Senior Executive Services (SES)	92.0	$16,151,424	$4,032,434	$20,183,858
Grand Total[2]	**37,409.8**	**$2,856,831,348**	**$944,448,307**	**$3,801,279,655**

Table 3.36 — Historical Staff-On-Duty by Major SSA Component[3]

	FY 2015 Actual	FY 2016 Actual
Field Offices	29,400	28,716
Teleservice Centers	4,604	4,397
Processing Service Centers	10,521	10,070
Regional Offices	1,853	1,840
Operations Subtotal[3]	**46,378**	**45,023**
Office of Disability Adjudication and Review	11,032	10,688
Systems	3,197	3,263
Headquarters[4]	5,089	5,013
SSA Total	**65,696**	**63,987**

The following tables satisfy SSA's requirement directed by the House Report.

Table 3.37 — FY 2016 Personnel Costs by Region (Table Continues on Next Page)

Regions	FTEs and OT Workyears	Salaries	Benefits	Total
Boston	2,015.0	$157,864,790	$52,323,261	$210,188,051
New York	5,321.5	$384,300,858	$122,581,216	$506,882,074

[1] Includes $3,965,796.25 for Reemployed Annuitant (RA) Personnel Costs.
[2] Does not include all payroll costs. Only includes GS Grades (including RAs), ALJs, and SES personnel costs requested in the report language.
[3] Includes full time, part time, and temporary employees.
[4] Headquarters includes counts for Operations Support Staff, Disability Case Processing System, GSA Delegations, and the Social Security Advisory Board.

Regions	FTEs and OT Workyears	Salaries	Benefits	Total
Philadelphia	7,271.7	$461,152,933	$153,492,922	$614,645,855
Atlanta	11,573.4	$782,993,321	$271,047,864	$1,054,041,186
Chicago	7,968.2	$567,999,491	$190,784,401	$758,783,893
Dallas	6,036.6	$421,952,257	$148,373,061	$570,325,318
Kansas City	3,542.4	$231,938,333	$80,295,685	$312,234,018
Denver	1,254.9	$92,388,160	$31,682,233	$124,070,393
San Francisco	7,702.8	$554,569,549	$184,453,988	$739,023,537
Seattle	2,185.4	$151,927,121	$51,815,860	$203,742,981
Headquarters	11,794.7	$1,034,939,526	$319,682,045	$1,354,621,571
Total[1]	66,666.5	$4,842,026,341	$1,606,532,536	$6,448,558,877

Table 3.38 — FY 2017 Personnel Costs by Region
(YTD through Pay Period 10 ending 4/29/2017)

Regions	FTEs and OT Workyears	Salaries	Benefits	Total
Boston	1,117.3	$92,032,861	$30,471,278	$122,504,139
New York	2,979.2	$230,594,202	$72,658,112	$303,252,314
Philadelphia	4,065.2	$272,080,769	$90,171,682	$362,252,452
Atlanta	6,578.0	$464,361,503	$160,515,726	$624,877,229
Chicago	4,452.8	$333,185,231	$111,259,895	$444,445,126
Dallas	3,369.6	$246,818,396	$86,850,873	$333,669,268
Kansas City	1,980.3	$137,566,469	$46,942,414	$184,508,884
Denver	701.3	$54,661,636	$18,636,112	$73,297,747
San Francisco	4,316.1	$328,322,879	$108,115,622	$436,438,501
Seattle	1,197.6	$88,193,576	$30,050,572	$118,244,149
Headquarters	6,652.4	$609,013,826	$188,776,020	$797,789,846
Total[1]	37,409.8	$2,856,831,348	$944,448,307	$3,801,279,655

PHYSICIANS' COMPARABILITY ALLOWANCE

Physicians' Comparability Allowance (PCA) permits agencies to provide allowances to certain eligible Federal physicians who enter into service agreements with their agencies to address

[1] Does not include all payroll costs. Only includes GS Grades (including RAs), ALJs, and SES personnel costs requested in the report language.

recruitment and retention problems (5 U.S.C. 5948). The following worksheet provides details on usage of PCA within SSA from FY 2016-2018.

Table 3.39—Physicians' Comparability Allowance Worksheet

		PY 2016 (Actual)	CY 2017 (Estimates)	BY 2018* (Estimates)
1) Number of Physicians Receiving PCAs		2	2	2
2) Number of Physicians with One-Year PCA Agreements		0	0	0
3) Number of Physicians with Multi-Year PCA Agreements		2	2	2
4) Average Annual PCA Physician Pay (without PCA payment)		160,300	160,300	160,300
5) Average Annual PCA Payment		30,000	30,000	30,000
6) 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.	2	2	2

Maximum annual PCA amount paid to each category of physician:

See tables 3.40 and 3.41 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 no MO separations in fiscal year 2016.

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 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 offered.

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 PHYSICIAN'S COMPARABILITY ALLOWANCES

Table 3.40 —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 3.41—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

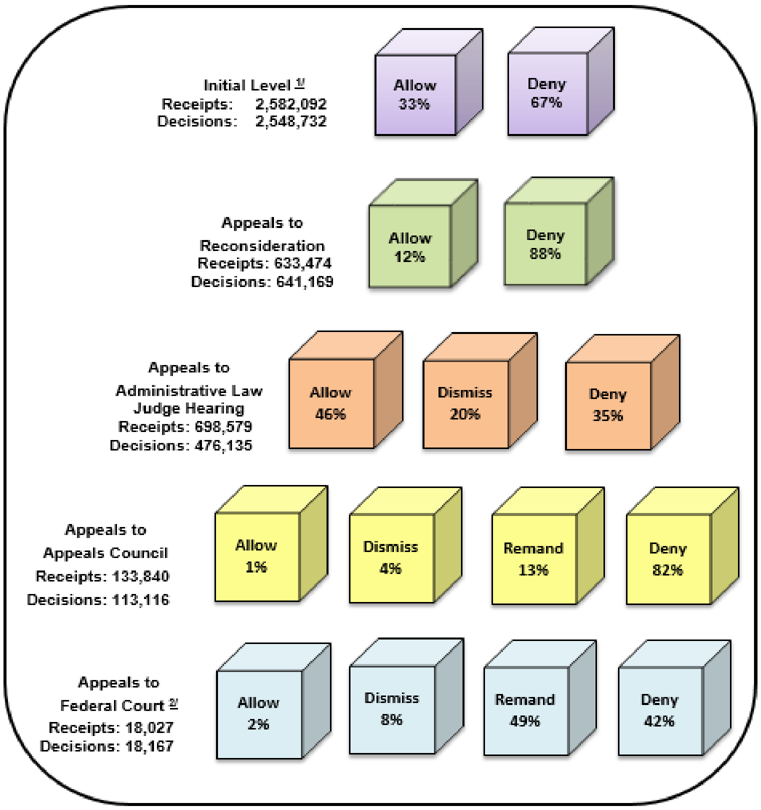
* SSA currently is not experiencing any recruitment or retention problems for the categories of Occupational Health and Disability Evaluation; therefore, no related maximum allowances have been established for these categories. Maximum allowances have been set for the category of Administration because 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 Policy.

FY 2016 DISABILITY WORKLOAD

The following table provides data on the FY 2016 disability claims and appeals workload.

Table 3.42—FY 2016 Workload Data Disability Appeals*

FISCAL YEAR 2016 WORKLOAD DATA:
DISABILITY DECISIONS*



*Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2016, 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 decision.

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, ODPMI (Office of Disability Program Management Information) January 30, 2017; Office of Budget, February 3, 2017
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

Receipt data for 52 weeks (consistent with decision data)

OVERPAYMENTS TO INDIVIDUALS RECEIVING FEDERAL EMPLOYEES' COMPENSATION ACT (FECA) PAYMENTS

Both SSA's Disability Insurance (DI) program and the Department of Labor's (DOL) FECA program offer an important safety net by providing monthly benefits to workers with disabilities. Federal law requires SSA to reduce DI benefits for some individuals receiving workers' compensation payments, including FECA payments. If DI benefits are not properly offset, overpayments may result.

DOL's FECA program provides workers' compensation benefits to Federal employees with work-related injuries and occupational diseases. To be eligible for FECA benefits, an individual must have been injured while in performance of duty as an employee of the U.S. Federal Government. FECA benefits include wage-loss benefits for total or partial disability, medical benefits, and vocational rehabilitation.

Individuals may receive concurrent DI and FECA payments up to a certain limit without having their DI benefits offset. This limit is based in part on the individual's average monthly earnings prior to disability. Federal law requires SSA to offset DI benefits when an individual's combined DI and FECA benefits exceed this limit. To identify individuals who are receiving concurrent FECA and DI benefits, SSA requires DI applicants to self-report any FECA benefits they are receiving as part of their initial applications. After individuals are approved for DI benefits, SSA requires beneficiaries to self-report any FECA benefits they receive. When SSA becomes aware of a DI beneficiary receiving FECA benefits, agency policy directs staff to obtain proof of FECA payments before offsetting DI benefits, if applicable. SSA also uses a series of automated and manual alerts to resolve pending information about concurrent workers' compensation payments.

STATUS OF GAO RECOMMENDATIONS

In its July 2015 audit, "Disability Insurance: Actions Needed to Help Prevent Potential Overpayments to Individuals Receiving Concurrent Federal Workers' Compensation," the Government Accountability Office (GAO) found that SSA detected concurrent DI and FECA payments received by some individuals during at least one calendar month from July 2011 through June 2014. Specifically GAO found that:

- SSA successfully detected the receipt of FECA benefits for approximately 52 percent of individuals who received concurrent FECA and DI payments during the period.
- SSA did not detect the receipt of FECA payments for approximately 13 percent of individuals.
- They were unable to determine whether SSA detected concurrent FECA benefits for approximately 35 percent of individuals due to limitations in the SSA data.

GAO issued four recommendations for executive action to improve SSA's ability to detect, prevent, and recover potential DI benefit overpayments due to the concurrent receipt of FECA benefits.

Recommendations and Status of SSA’s Progress

GAO’s Recommendation #1
Review the potential DI overpayments resulting from FECA benefits identified in GAO’s case studies, as well as any indicators of fraudulent activity related to FECA benefits that were not self-reported by DI beneficiaries, and establish debt-collection efforts and fraud-related penalties, as appropriate.

SSA Status
SSA reviewed a sample of the 2,730 cases identified by GAO and determined that the entire population requires further review. The agency is also reviewing 1,040 cases where GAO said SSA did not detect the receipt of FECA or any other workers’ compensation benefits. SSA will complete the review by the end of June 2017.

GAO Recommendation #2
Review the instances described in GAO’s report in which SSA staff did not obtain proof of FECA benefits that were reported by DI beneficiaries and (1) determine the reasons for these occurrences and whether this is a pervasive problem; and (2) if necessary, design appropriate controls or make other efforts, such as staff training, to help ensure SSA staff obtain proof of workers’ compensation payments as required by SSA policy.

SSA Status
SSA has completed and released administrative instructions to provide development and processing reminders to technicians. We are currently exploring a workflow change with implementation planned by June 30, 2017.

GAO Recommendations #3 and #4
In accordance with OMB guidance, compare the costs and benefits of alternatives to SSA’s current approach for reducing the potential for overpayments that result from the concurrent receipt of DI and FECA benefits, which relies on beneficiaries to self-report any FECA benefits they receive. These alternatives could include, among others, routinely matching DOL’s FECA program data with DI program data to detect potential DI overpayments.

SSA should strengthen internal controls designed to prevent DI overpayments due to the concurrent receipt of FECA benefits by implementing the alternative that provides the greatest net benefits.

SSA Status
SSA is pursuing a data exchange agreement with DOL. A draft agreement, which would allow SSA to obtain FECA payment information and reduce its dependency on beneficiary self-reporting, is in the review process. SSA has developed a plan to integrate the FECA data into our systems and business processes once the data exchange agreement is signed. An SSA workgroup is reviewing internal FECA controls and workflow processes to ensure greater efficiency. We believe that training and process improvements will improve accuracy.

LEGISLATIVE PROPOSALS

1. **Offset Overlapping Unemployment Insurance-Disability Insurance Payments.** The Budget proposes to close a loophole that allows individuals to receive Unemployment Insurance (UI) and DI for the same period of joblessness. The proposal would offset the DI benefit to account for concurrent receipt of UI benefits. Under current law, concurrent receipt of DI benefits and unemployment compensation is allowable. UI is intended to compensate individuals for short-term bouts of unemployment while they look to return to work while DI is intended to compensate individuals who cannot return to work on a long-term basis due to a disability, allowing double dipping that is unnecessary and wasteful.

2. **Allow SSA to Use Commercial Databases to Verify Real Property in the SSI Program.** This proposal would reduce improper payments and lessen recipients' reporting burden by authorizing SSA to conduct data matches with private commercial databases that maintain data on ownership of real property (i.e., land and buildings), which can be a countable resource for SSI purposes. The proposal would authorize SSA to use that information to automatically determine an individual’s eligibility for benefits, after proper notification. SSA would also be authorized to require beneficiaries to consent to allow SSA to access these databases as a condition of benefit receipt. All current due process and appeal rights would be preserved.

3. **Government-wide Use of Customs and Border Protection Entry/Exit Data to Prevent Improper Payments**. This proposal would provide Federal agencies access to and use of Customs and Border Protection (CBP) entry and exit data (i.e., when individuals enter and exit the United States). The information may be used in the SSI program, which requires all recipients to be physically present in the U.S. to receive benefits. Generally, U.S. citizens can receive Old-Age, Survivors, and Disability Insurance (OASDI) benefits regardless of place of residence. Non-citizens may be subject to additional residency requirements. SSA would use this data match to prevent improper payments. These data have the potential to be useful across the Government to prevent improper payments.

4. **Use Death Master File to Prevent Improper Payments.** This proposal would authorize SSA to share its full file of death information—including State-reported death data—with Federal law enforcement agencies, and with the Department of the Treasury’s Do Not Pay Portal for use in preventing improper payments. SSA receives death information from many sources, including family members, funeral homes, financial institutions, and the States. Current law limits the purposes for which SSA can share death information it receives from the States, and does not provide SSA authority to share State death data with Federal law enforcement agencies or Treasury’s Do Not Pay Portal. This proposal would ensure that Federal law enforcement and Treasury’s Do Not Pay Portal have access to all death information in SSA’s records, including State-reported death data.

5. **Expand the Definition of Overpayment to Authorize SSA to Use All Collection Tools to Recover Funds In Certain Scenarios.** Current law provides SSA only limited authority to recover certain incorrect payments that do not meet the statutory definition of an overpayment. Such incorrect payments include when someone improperly cashes a beneficiary's check or improperly removes benefit funds from a joint account after a beneficiary's death. Because these incorrect payments are not considered overpayments, SSA's recovery options are limited. This proposal would define such situations as overpayments, thus subjecting them to a broader range of collection procedures, while maintaining the same rules and right of due process. As a result, SSA would be able to use all of its overpayment collection tools, such as credit bureau reporting and administrative wage garnishment, to recover these newly defined overpayments.

6. **Hold Fraud Facilitators Liable for Overpayments.** The proposal would allow SSA to recover the overpayment of a beneficiary from a third party if said third party was responsible for making fraudulent statements or providing false evidence that allowed the beneficiary to receive payments that should not have been paid. Specifically, in any case in which a third party facilitates fraud against any program administered by the Commissioner of Social Security, by providing false evidence or by creating such false evidence which is submitted to the Commissioner, the third party or parties would be jointly and severally liable for the erroneous benefit made because of the fraud. The third party facilitator could not seek waiver of the overpayment, and such overpayment would be in addition to any other penalties that may be imposed on such third party. The third party would be required to repay the Commissioner the amount of any erroneous payment together with the interest. Such interest would be calculated in the same manner as interest would be calculated for persons who have underpaid federal taxes (in accordance with section 6621(a) (2) of the Internal Revenue Code).

7. **Increase the Overpayment Collection Threshold for OASDI.** This proposal would change the minimum monthly withholding amount for recovery of Title II benefit overpayments for the first time since the agency established the current minimum of $10 in 1960. By changing this amount from $10 to 10 percent of the monthly benefit payable, SSA would recover overpayments more quickly and better fulfill their stewardship obligations to the combined OASDI Trust Funds. The SSI program already uses a 10 percent recovery policy. Debtors could still pay less if the negotiated amount would allow for repayment of the debt in 36 months. If the beneficiary cannot afford to have that amount withheld because he or she cannot meet ordinary and necessary living expenses, the beneficiary may request partial withholding. To determine a proper partial withholding amount, SSA negotiates (as well as re-negotiates at the overpaid beneficiary's request) a partial withholding rate.

8. **Exclude SSA Debts from Discharge in Bankruptcy.** Debts due to an overpayment of Social Security benefits are generally dischargeable in bankruptcy. The Budget includes a proposal to exclude such debts from discharge in bankruptcy. This proposal would help ensure program integrity by increasing the amount of overpayments SSA recovers. Current administrative protections for undue hardship would remain.

9. **Test new approaches and reform Disability Programs.** The FY 2018 Budget proposes to evaluate creative and effective ways to promote greater labor force participation (LFP) of people with disabilities by expanding demonstration authority that allows SSA, in collaboration with other agencies, to test new program rules and requires mandatory participation by program applicants and beneficiaries. An expert panel will identify specific changes to program rules that would increase LFP and reduce program participation, informed by successful demonstration results and other evidence.

10. **Reinstating the Reconsideration 10 Prototype States.** The Budget proposes reinstating reconsideration in 10 states, conforming these states with the practices used in the rest of the country. This reform requires a second review by the state Disability Determination Services (DDS) before an appeal goes to an administrative law judge (ALJ). Other states already require disability applicants to have their claim "reconsidered" before they can appeal to an ALJ. The following 10 States are currently without the reconsideration level of appeal: Alaska, Alabama, California, Colorado, Massachusetts, Michigan, Missouri, New Hampshire, New York, and Pennsylvania.

11. **Reduce 12 month Retroactive DI Benefits to 6 Months.** New DI beneficiaries are eligible for up to 12 months of benefits before the date of their application, depending upon the date they became disabled. This proposal would reduce retroactivity for disabled workers, which is the same policy already in effect for individuals receiving retirement benefits. This proposal will not modify retroactivity for Medicare eligibility.

12. **Eliminate Workers Compensation Reverse Offset.** In most States, if an individual concurrently receives workers' compensation (WC) and DI, SSA may offset his or her DI benefits. Currently, some States instead have "reverse offset," whereby the WC is reduced due to the receipt of DI benefits. This option would eliminate reverse offsets in these States, allowing SSA to consistently offset DI benefits because of WC receipt (when needed), regardless of the State in which the WC is being paid.

13. **Create Sliding Scale for Multi-Recipient SSI Families.** Currently, families receive an equal amount for each SSI child recipient. However, economies of scale in some types of consumption—housing, in particular— reduces per capita living expenses and therefore means that two children generally do not need twice the income to be supported as one child. Federal poverty guidelines and other means-tested benefits take into account these efficiencies. The Budget proposes to create a sliding scale for SSI disability benefits that considers the number of additional family recipients. It would keep the maximum benefit for one recipient the same as in current law but reduce benefits for additional recipients in the same family.

14. **Create a Probationary Period for ALJs.** Currently, new ALJs do not have a probationary period, like other Federal employees or new senior executive service (SES) employees. There have been recent cases where an ALJ was hired and it became clear the individual would be unsuccessful at the job. This proposal would create a 1-year probationary period for ALJs, similar to SES, to ensure that the ALJ is performing at a satisfactory level.

15. **Strengthening Child Support Enforcement and Establishment.** SSA reduces a child's monthly SSI benefit by up to two thirds of any monthly child support payment he or she also receives. The President's Budget includes several proposals aimed at increasing and improving child support collections and program efficiency. By increasing the amount of child support collected, these proposals would result in savings to the SSI program.