

Social Security Administration (SSA) Agency-wide Recovery Act Plan

Recovery Act Goals

The American Recovery and Reinvestment Act (Recovery Act) of 2009 provides SSA with funding to carry out the following 3 projects:

- \$500 million for addressing disability and retirement workloads;
- \$500 million for constructing and partially equipping our National Support Center (NSC); and
- \$90 million for administering the Economic Recovery Payments.

Below is a short discussion of the goals of each project.

\$500 Million for Addressing Disability and Retirement Workloads:

The Recovery Act provides SSA with an additional \$500 million to help address our increasing disability and retirement workloads caused by the combination of the economic downturn and the leading edge of the baby boomer retirement wave. SSA will use Recovery Act resources to fund additional workyears, both regular and overtime. These additional workyears will improve our ability to process additional requests for hearings, continue to reduce the number of pending hearings, and help address our increasing disability and retirement workloads.

Individuals working in our workload components perform a wide variety of functions in addition to the processing of retirement and disability claims and hearings workloads. SSA's systems do not track work processed by individuals, but instead associate an overall level-of-effort (termed workyears) with the volumes of work processed.

Although we manage by workyears, we have attributed a portion of the employees the agency hired in FY 2009 to the Recovery Act. Specifically:

- Our disability and retirement operations will hire 1,530 new employees in local field offices, teleservice centers, and processing centers and 300 new employees in the State Disability Determination Service centers (approximately \$105 million);
- Hearings offices will hire 550 new support staff as well as 35 additional administrative law judges. This staff will be spread across the country to provide relief to those offices most in need (approximately \$30 million); and
- We will invest approximately \$16 million in information technology that directly supports our workload processing.

For FY 2010, the Recovery Act funding will enable us to sustain higher staff and overtime levels. As a result, the Recovery Act resources will help facilitate workload processing in terms of case preparation and completion as well as the processing of additional claims. We intend to spend \$24 million to contract with the health care

community to provide us with electronic health records to improve the speed and accuracy of our disability determination process.

The money Congress invested in SSA will allow us to better serve the American public during this time of economic crisis. Because of the twin forces of the economic downturn and the first Baby Boomer retirees, we expect to receive over 300,000 more retirement claims, about a 9 percent increase, and 300,000 more initial disability claims, about a 12 percent increase, over last year.

\$500 Million for Constructing and Partially Equipping our National Support Center:

The Recovery Act provides \$500 million for the construction and partial equipping of our National Support Center. SSA currently runs nationwide computer operations from the National Computer Center (NCC). The computers in the NCC maintain demographic, wage, and benefit information on almost every American. The data housed there are critical national economic and information resources and are essential to providing service to the millions of individuals who count on us each day. Because the NCC was designed over 30 years ago, it will no longer be capable of supporting the growing demands of our computer systems and electronic services. With these Recovery Act funds, SSA is taking timely action to ensure a new facility will be built and operational when the current center is near the end of its functional life.

\$90 Million for Administering the Economic Recovery Payments:

SSA received \$90 million to administer Economic Recovery Payments to individuals receiving Social Security and Supplemental Security Income (SSI) benefits. We are coordinating with the Railroad Retirement Board, and the Department of Veterans Affairs to ensure that the right individuals receive payments and that we avoid making duplicate payments. We are on track to send payments to individuals over a several-week period in May 2009.

Prior to issuing payments, we will send an informational notice to all individuals that receive Social Security and SSI benefits about the Economic Recovery Payments. In addition, we are distributing an informational leaflet to all SSA field offices and Wal-Mart stores. We have already provided both an informative recorded message for all callers to our National 800 Number and a web portal, accessible through a prominent link on the home page of our website, for visitors to learn more about the one-time payments. We have also developed guidance to help employees in our field offices answer the questions that will arise.

Funding Table

Below are the funding tables for these three projects.

Funding Table For Addressing Disability and Retirement Workloads by Fiscal Year Administrative Expenses – Recovery Act/Workloads (28041709/10) (Dollars in Millions)		
	FY 2009	FY 2010
Total Obligations	\$151*	\$349*
Labor costs of Federal employees and additional overtime	\$118	\$255
Labor costs of state employees and additional overtime (including indirect costs)	\$17	\$70
Video-Teleconferencing equipment, additional bandwidth to support the hearings process and workstations needed to accommodate new federal employees	\$16	\$0
Health Information Technology	\$0	\$24
* These planning estimates may change as specifics regarding health information technology spending are further developed.		

Funding Table for Constructing and Equipping Our National Support Center by Fiscal Year Administrative Expenses – Recovery Act/NSC (280417X) (Dollars in Millions)			
	FY 2009	FY 2010	FY 2011- FY 2012
Total Obligations	\$0	\$20	\$480
Planning, developing site criteria, conducting research and studies, and ultimately purchasing land	\$0	\$20	\$0
Contract award for the design and construction and Information Technology (IT) services and IT start-up equipment	\$0	\$0	\$480

**Funding Table for Administering the Economic Recovery Payments by Fiscal Year
Administrative Expenses – Recovery Act/ERP (28041709/11)**

(Dollars in Millions)

	FY 2009	FY 2010	FY 2011
Total Obligations	\$60	\$30*	\$0**
Salaries and benefits of employees responding to public inquiries either over the phone or at a field office as well as employees developing policy and the systems for processing the Economic Recovery Payments	\$27	\$10	\$0**
Printing and postage costs for the Economic Recovery Payment informational notices and leaflets	\$28	\$0**	\$0**
Systems development costs to conduct data matching runs with the Railroad Retirement Board and the Department of Veterans Affairs and updating the existing telephone contract for the National 800 Number network and field office phone lines for Recovery Act messages	\$5	\$0	\$0

* Based on the urgency of making these payments, SSA revised its original plan to consolidate the two planned mailings into a single notice to all potentially eligible individuals. As a result, the estimated administrative costs related to making these payments has decreased by \$20M, and we currently anticipate expending only \$10M in FY 2010.

** SSA will incur additional costs that are not significant enough to be reported in this table.

Agency Oversight and Accountability

SSA has taken many steps to hold executives and staff accountable for achieving the goals of this project. First, SSA’s Executive Internal Control Committee (EIC) will oversee Recovery Act performance across SSA. The Deputy Commissioner of Social Security chairs the EIC, which also includes the Inspector General and Deputy Commissioner for Budget, Finance and Management (DCBFM). Most other Deputy Commissioners also participate in EIC meetings. This level of oversight provides a strong message throughout SSA that accomplishment of Recovery Act objectives is a top priority.

The DCBFM will serve as SSA’s Senior Accountable Official (SAO). The performance expectations of our SAO were modified to specifically address the monitoring of all responsibilities that SSA received funding for under the Recovery Act. In addition, SSA’s components including our Office of Operations; Office of Disability Adjudication and Review; Office of Systems; Office of Communications and Office of Budget,

Finance and Management meet periodically for status meetings to ensure they execute their responsibilities under the Recovery Act. Management within these organizations monitor progress in meeting their organizations' tasks associated with successful implementation of the Recovery Act. They will reallocate resources as needed as new issues arise.

These same components are also represented on oversight groups at both the executive and staff level to assist SSA in properly coordinating our efforts across components to execute the requirements of the Recovery Act as well as the requirements of OMB Memorandum M-09-15, *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009*.

The Commissioner named a Special Advisor for Health Information Technology (IT) to provide leadership and oversight for all of SSA's Health IT initiatives, including those funded through the Recovery Act. The Special Advisor established an executive group, which meets bi-monthly, to consult on external and strategic issues; a program group, which meets bi-weekly, to provide governance for cross-component Health IT initiatives; and a procurement group to oversee Health IT acquisitions funded through the Recovery Act. The Inspector General is a non-voting member of the executive group and consultations with the Office of the Inspector General on the program governance and procurement will take place regularly.

Finally, all of our front-line employees are accountable through their Performance and Communications System (PACS) plans and appraisals. PACS allows all of SSA's employees to understand their expectations and how their job is directly aligned with the agency's core mission.

Expected Savings and Future Costs

The expected savings and future costs of SSA's three Recovery Act funded projects vary. Below is a discussion of savings and cost for each project.

Addressing Retirement and Disability Workloads:

SSA is using Recovery Act funding to sustain increased staffing levels and fund additional overtime. We will have to pay salaries and benefits for these employees beyond the FY 2010 timeframe for which the Recovery Act provides funding. Normal attrition of the SSA workforce will assist in funding the cost of these employees beyond FY 2010; however, decisions will need to be made to determine how to fund the remaining costs.

Constructing Our National Support Center:

The facility will be a state-of-the-art data center. The program of requirements is being designed to meet the Uptime Institute's standards for a tier three data center providing 99.982% availability. We have listed below examples of some of the prospective energy efficiencies expected from the new construction compared to the existing design. The facility will incorporate the *Guiding Principles for Federal Leadership in High Performance and Sustainable Buildings*. GSA is engaging industry experts in data center technology, including experts in energy efficiency in data center design and operations during the project development stages of this project.

- The emergency generators will be state-of-the-art. The newer diesel generators will burn fuel more efficiently, reduce environmental concerns and be sized to meet ongoing requirements;
- The cooling towers will be smaller in size than the NCC's cooling towers with each cooling tower containing approximately 25,000 gallons of water, or less. Technology has improved the efficiencies of cooling towers which will result in reduced operating and maintenance costs;
- The new chillers will be state-of-the-art. They are designed to be more energy efficient. Thus, they consume less electricity and freon, which will drive down the operational costs;
- New lighting systems will take advantage of the latest technology to control lighting throughout the facility and reduce costs with energy efficient lighting systems;
- Window, door and shell systems will be designed to be more energy efficient. Newer designs will allow for a building that will be more in line with Leadership in Energy and Environmental Design (LEED) certifications. The newer designs will provide substantial savings to the agency and will include advanced technologies and provide a "greener" building; and
- The Uninterrupted Power Source (UPS) systems will be energy efficient and provide critical redundancy for the National Support Center. A new UPS system will provide modern technology that enhances system integrity and will help the agency achieve Uptime Institute's standards for a tier three data center.

Construction projects of this magnitude may present unexpected challenges. Therefore, the agency will closely monitor the construction of the National Support Center to ensure mitigation of any unexpected challenges.

Administering the Economic Recovery Payments:

There are no savings or long term costs associated with this endeavor. We have identified costs arising from issuing the Economic Recovery Payments in our spending plan.

Contracting

SSA's use of contracting to accomplish the objectives of our Recovery Act funding varies. Below is a discussion of how we plan to utilize contractors for each objective.

Addressing Retirement and Disability Workloads:

SSA will use the majority of Recovery Act funding for Federal in-house activities. We will be paying for employees salaries and using overtime for providing services to individuals filing for retirement and disability benefits. SSA plans to use fully competed existing contract vehicles to acquire the majority of the video-conferencing services, additional bandwidth, and personal computers required to accommodate new employees. The remaining portion of the services that SSA needs will be acquired through new

competition. Funding for Health Information Technology will be used principally to award contracts to the health care community to provide us with electronic health records to improve the speed and accuracy of our disability determination process. SSA will award Health Information Technology contracts following full and open competition.

Constructing Our National Support Center:

For the construction of the NSC, SSA plans to release to GSA a reimbursable work authorization (RWA) to perform necessary research and studies to ultimately procure the land. In the second quarter of FY 2011, SSA plans to release to GSA a RWA to design and construct the facility.

Administering the Economic Recovery Payments:

Federal law requires SSA to fulfill our printing requirements through the Government Printing Office (GPO). GPO entered into two contracts on SSA's behalf, both through a competitive fixed-price bidding process. The first contract was to print and mail notices to all recipients of the Economic Recovery Payments. The second was to print and mail an informational leaflet for distribution to all SSA field offices and to Wal-Mart distribution centers for release to their stores nation wide.