

FY 2021 Congressional Justification

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Bipartisan Budget Act of 2015 Section 845(a) Report

A MESSAGE FROM THE COMMISSIONER



For more than 80 years, the Social Security Administration (SSA) has administered programs and provided services that make a difference in millions of people's lives. In fiscal year (FY) 2021, our programs will provide a combined total of about \$1.2 trillion in benefit payments to an average of over 70 million beneficiaries. Our fundamental mission is to ensure timely and accurate service for the public, but, in some areas, we have been missing the mark.

My plan is to improve public service because Americans are counting on us. Our employees and technology are foundational to this effort. We have made progress in some key areas, most notably in significantly reducing disability hearings wait times and backlogs, and in modernizing our information technology (IT), and we must keep this momentum while also improving other areas. When people call our National 800 Number and cannot get through, or stay on hold too long, or come to our offices only to be greeted with a long line, we are failing. SSA's programs are too important for us to let this level of service continue. The President's Budget supports our efforts to improve service now while investing in modern technology that will allow us to maintain better service in the long term:

- **Improve Public Service** – Public service drives our decisions. We will eliminate the disability hearings backlog in FY 2021, significantly improve our National 800 Number service, and invest in our frontline offices who work directly with the public. To achieve these service improvements, we are shifting resources to the front lines, targeting additional hires for these offices, and restoring office hours.
- **Modernize our IT** – Modern technology is key to providing more customer-centric and efficient service. We will continue to execute our IT Modernization Plan and replace outdated systems with modern technology, as well as increase our digital and automated services, which will help us achieve better service.
- **Streamline our Policies** – We plan to eliminate redundancy and burdensome administrative processes and requirements. We will also continue our efforts to collect updated occupational data to inform and update our medical-vocational rules.
- **Continue to Safeguard our Programs** – The Budget supports our quality reviews, cost-effective program integrity work, and high payment accuracy efforts. Americans should expect that we will properly pay the correct amount of benefits only to the people who are entitled to them. In addition, we will continue to enhance our cybersecurity to protect the sensitive information entrusted to us.

Our goal is to provide timely, quality service in the manner most convenient to the public. I am grateful for the opportunity to submit a budget that will help us make further progress in serving the American people.

BUDGET HIGHLIGHTS

The Social Security Administration's (SSA) budget request is \$13.351 billion. Major investments include:

- Nearly \$5 billion for payroll cost to fund the employees in our frontline operations, such as our field offices, National 800 Number, and processing centers. This amount includes funding to maintain the 1,100 additional new employees whom we are hiring in fiscal year (FY) 2020 in our National 800 Number and PCs. Once trained, these employees will improve service in critical areas and contribute to more timely service, reduced wait times, and fewer busy signals.
- Over \$1.1 billion for payroll cost to fund the employees in our hearings operation who will eliminate the hearings backlog in FY 2021.
- Almost \$2.5 billion for payroll, hiring, and other expenses for the State disability determination services (DDS) that make disability determinations for SSA.
- More than \$1.9 billion for Information Technology Services (ITS) funding to help us maintain and continue modernizing our large information technology (IT) infrastructure, as well as increase our digital and automated services. This amount includes \$118 million for IT modernization. We are working with public and private sector experts to modernize our infrastructure, so that we can serve the public more efficiently and with greater accuracy.
- Approximately \$1.6 billion for dedicated program integrity funding at the fully authorized level, which will allow us to keep up with our cost-effective program integrity reviews and continue to expand our highly successful cooperative disability investigations (CDI) program.

PROGRAMS AND BUDGETS

SSA’s budget request will fund the administrative expenses of SSA’s three major programs: Old-Age and Survivors Insurance (OASI), Disability Insurance (DI), and Supplemental Security Income (SSI) in addition to other administrative expenses.

OASI: Established in 1935, the OASI program is one of the Nation’s most successful government programs and one that is part of nearly every American’s life. The OASI program provides retirement and survivors benefits to qualified workers and their family members.

DI: Established in 1956, the DI program provides benefits for workers who become disabled and their families.

SSI: Established in 1972, the SSI program provides financial support to aged, blind, and disabled adults and children who have limited income and resources.

In addition, we support national programs administered by other Federal and State agencies, as required by law, such as Medicare, Employee Retirement Income Security Act of 1974, Coal Act, Supplemental Nutrition Assistance Program (formerly Food Stamps), Help America Vote Act, State Children’s Health Insurance Program, E-Verify, Medicaid, and Federal Benefits for Veterans.

Figure 1: Benefit Payments and Beneficiaries by Program, FY 2019-FY 2021

Benefit Payments by Program <i>(Outlays in Millions)</i>	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
OASI	\$888,067	\$939,212	\$996,767
DI	\$144,852	\$146,462	\$148,734
SSI Federal	\$55,856	\$56,532	\$57,551
SSI State Supplementary Benefits	\$2,569	\$2,595	\$2,640
Total¹	\$1,091,345	\$1,144,802	\$1,205,693

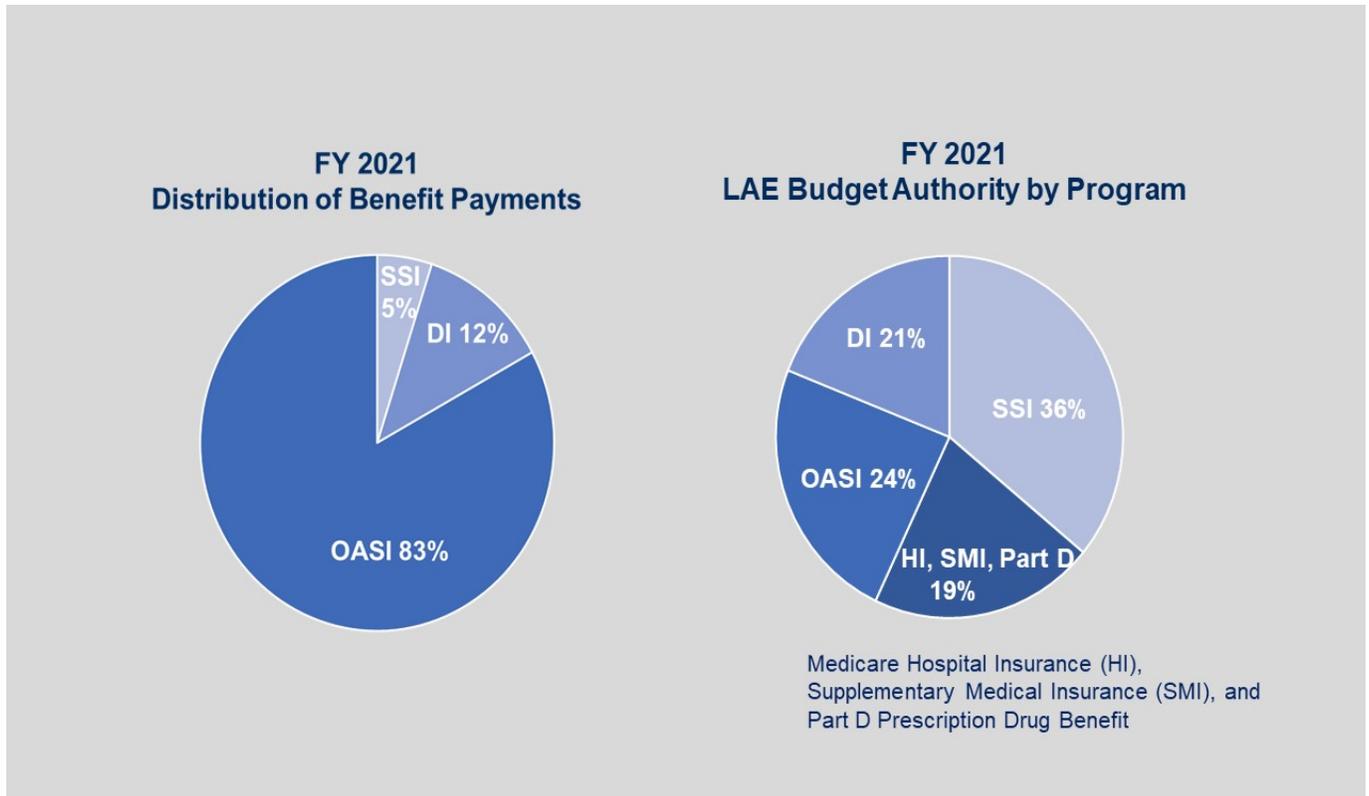
Beneficiaries by Program <i>(in Thousands)</i>	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
OASI	53,100	54,520	55,867
DI	10,114	9,973	9,900
SSI Federal Recipients	7,957	7,923	7,875
SSI State Supplementary Recipients (with no Federal SSI payment)	151	149	150
Total²	71,322	72,565	73,792

¹ Benefit payment totals include \$1 million for the Special Benefits for Certain World War II Veterans program, which is not broken out separately.

² Beneficiary totals include approximately 2.7 million concurrent recipients who receive SSI as well as OASI or DI.

Figure 2: Benefits and Administrative Budget by Program

While OASI accounts for over 80 percent of program benefits we pay out, the DI and SSI programs account for more than 50 percent of our main administrative budget, the Limitation on Administrative Expenses account (LAE).



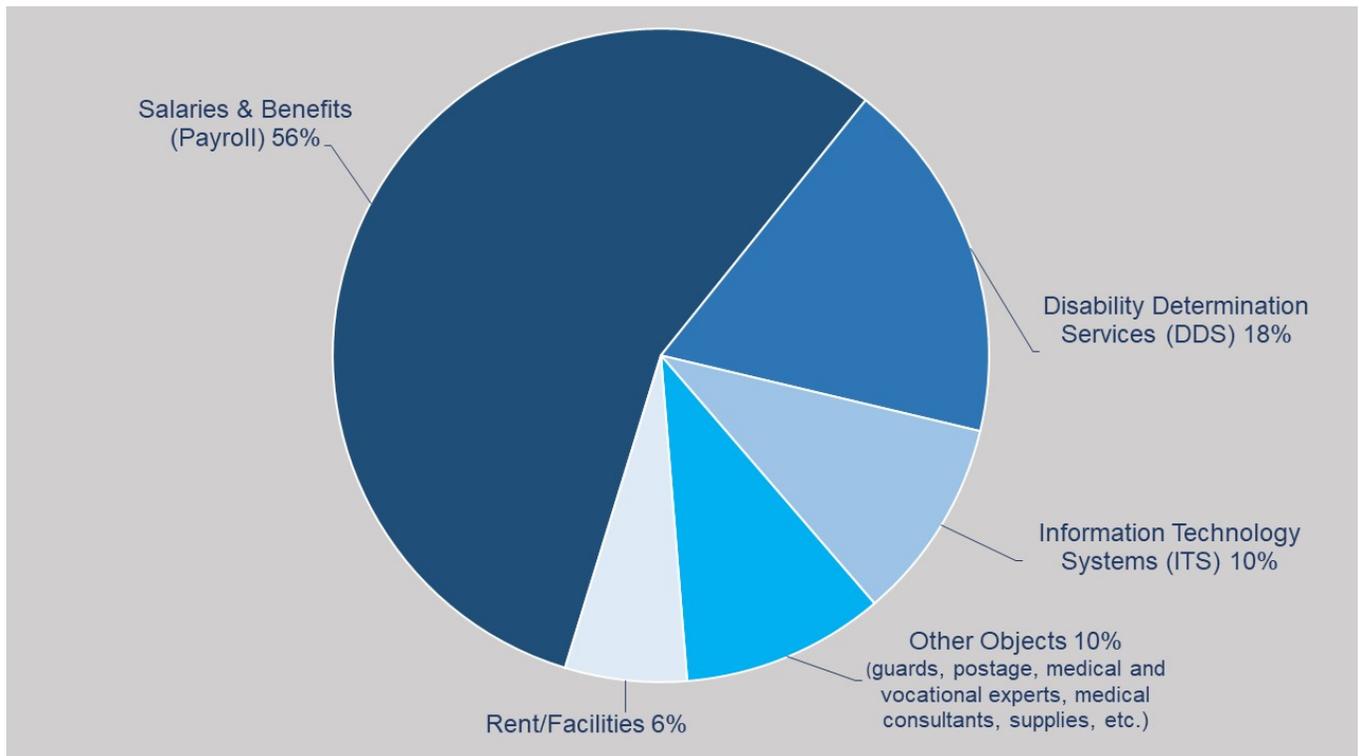
LAE Budget

The major parts of the LAE budget are:

- Salaries and benefits for our approximately 62,000 employees. About 90 percent of our employees provide direct service to the public;
- DDS costs, which include payroll for the State DDS agencies that make disability determinations for SSA;
- ITS costs, mostly for our large infrastructure and telecommunications network; and
- Other Objects costs, which are the non-payroll costs such as rent and guards for our over 1,500 offices across the Nation, postage, supplies, training, and medical consultant costs that are necessary to support our employees and the service we provide to the public.

Figure 3: LAE Budget by Major Funding Category

Salaries and benefits account for more than 50 percent of the LAE Budget. The next highest category is DDS costs, which includes salaries and benefits for State DDS employees. The third highest category is Other Objects, which includes the rent category that we broke out separately. The last category, ITS, accounts for about 10 percent of our budget, most of which is required to maintain our infrastructure and telecommunications network.



SSA's LAE Responsibilities

In addition to serving the public in our field offices and on our National 800 Number, our ongoing operational responsibilities include:

Claims and Evaluating Eligibility: We take claims, evaluate evidence, determine benefit eligibility and amounts, and pay benefits.

Medicare: We accept applications and determine eligibility for Medicare Hospital Insurance, Supplementary Medical Insurance, and the low-income subsidy for Medicare prescription drug coverage.

Our claims workloads, including Medicare, account for over one-third of our administrative budget.

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

- Reconsideration (a complete review of the claim by an employee who did not take part in the initial decision);
- Hearing before an administrative law judge (ALJ); and
- Review of the ALJ's decision by our Appeals Council.

These appeals are non-adversarial, and, generally, claimants may submit new evidence for review. If a claimant disagrees with the Appeals Council's decision, or if the Appeals Council decides not to review the case, a claimant may file a civil action in a United States District Court. Our appeals workloads account for over 25 percent of our administrative budget.

Program Integrity: Our duty to safeguard the integrity of our programs includes reviewing claims to determine continuing eligibility. Conducting full medical continuing disability reviews (CDR) and non-medical SSI redeterminations save significant program dollars by ensuring that only those people eligible for benefits continue to receive them. Our program integrity workloads account for nearly 15 percent of our administrative budget.

Social Security Numbers (SSN): We take applications for and assign SSNs to nearly all Americans and certain noncitizens. We update our records when information changes, such as a changing a maiden name to a married name. We also replace lost or missing cards.

Earnings Records: We use workers' earnings records to compute OASI and DI benefit payments. We receive regular updates on workers' earnings from employers and the self-employed. We post the reported earnings to workers' records and resolve any discrepancies.

Social Security Statements: We show workers their earnings and estimates of future benefits based on those earnings. The quickest way for individuals to access their Social Security Statements at any time is through secure personal online *my Social Security* accounts. We also mail paper Social Security Statements to people age 60 and over who are not receiving Social Security benefits and who are not registered for a *my Social Security* account.

Post-Entitlement Services: We complete about 100 million post-entitlement actions each year for beneficiaries and recipients, such as issuing emergency payments, recomputing payment amounts, and changing addresses. Our post-entitlement workloads account for nearly 15 percent of our administrative budget.

Data Exchanges: For our data exchange agreements, we ensure exchange criteria are met, handle any fees, and provide and verify data for many purposes like employment and eligibility for Federal and State programs. Our data exchanges also improve organizational effectiveness and reduce costs by providing reliable data to determine benefits and improve administrative processes, which in turn saves costs and reduces improper payments.

SSA's Research Budget

The FY 2021 funding request for research is \$86 million, a decrease of \$15 million from the FY 2020 enacted level. The Budget will fund our Occupational Requirements Survey, which will allow us to make disability decisions based on contemporary occupational information. This request also reflects our continuing efforts to support and encourage labor force participation of individuals with disabilities. The Budget will fund continued data development and dissemination, modeling efforts, administrative research, and retirement and disability policy research to better serve the public.

Office of the Inspector General (OIG)

The FY 2021 funding request for the OIG is \$116 million, an increase of \$10.5 million over FY 2020. The OIG's FY 2021 funding request includes \$4 million of no-year funding for IT modernization. The Budget includes a transfer of up to \$11.2 million, a \$1.2 million increase from FY 2020, from the program integrity cap adjustment funds from SSA to the OIG for the cost of jointly operated CDI units.

The OIG will continue efforts to promote economy, efficiency, and effectiveness in the administration of our programs and operations; and prevent and detect fraud, waste, abuse, and mismanagement in such programs and operations. To that end, the OIG conducts and supervises a comprehensive program of audits, evaluations, and investigations; searches for and reports systemic weakness in our programs and operations; and recommends program, operations, and management improvements.

FY 2021 FUNDING TABLE

	FY 2019 Actual¹	FY 2020 Enacted²	FY 2021 Request³
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE)	\$12,877	\$12,871	\$13,351
<i>(Bipartisan Budget Act Program Integrity Level, Base and Cap, included in LAE)⁴</i>	(\$1,683)	(\$1,582)	(\$1,575)
Research and Demonstrations ⁵	\$101	\$101	\$86
Office of the Inspector General (OIG) ⁶	\$106	\$106	\$116
Total, Budget Authority⁷	\$13,083	\$13,078	\$13,553
Workyears (WY)⁸			
Social Security Administration (SSA)			
Full-Time Equivalents	60,694	61,199	60,761
Overtime	3,164	1,000	700
Lump Sum	198	245	245
Total SSA WY	64,056	62,444	61,706
Disability Determination Services (DDS)	13,429	13,157	13,467
Total SSA/DDS WY	77,485	75,601	75,173
Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)	6	3	-
Total SSA/DDS/MACRA WY	77,491	75,604	75,173
OIG	518	538	552
Total SSA/DDS/MACRA/OIG WY	78,009	76,142	75,725

¹ P.L. 115-245 – Consolidated Appropriations Act, 2019, provided \$100 million in dedicated funding to address the hearings backlog and \$45 million in dedicated funding for IT Modernization.

² P.L. 116-94 – Further Consolidated Appropriations Act, 2020, provided \$100 million in dedicated funding to address the hearings backlog and \$45 million in dedicated funding for IT Modernization.

³ The FY 2021 Budget proposes that the total requested LAE budget authority of \$13.351 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million).

⁴ FY 2019 Program Integrity funding is available for 18 months (through March 31, 2020) by P.L. 115-245. FY 2020 Program Integrity funding is available for 18 months (through March 31, 2021) by P.L. 116-94. The FY 2021 budget assumes appropriations language for FY 2021 will provide for similar 18-month authority to obligate Program Integrity funds.

⁵ Congress appropriated \$101 million in FY 2019 (available through September 30, 2021) and \$101 million in FY 2020 (available through September 30, 2022) for research and demonstration projects. The Budget proposes \$86 million in FY 2021 (available through September 30, 2023) for research and demonstration projects.

⁶ P.L. 115-245 and P.L. 116-94 allow SSA to transfer up to \$10 million of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated CDI units in FYs 2019 and 2020. The Budget continues this transfer in FY 2021 at a level of up to \$11.2 million.

⁷ Numbers may not add due to rounding.

⁸ A workyear (WY) is a measure of time spent doing work or being paid for some element of time (e.g. leave). It is the equivalent of one person working for one year (2,080 hours) and may consist of regular hours, overtime, or lump sum leave, which is payment for unused annual leave upon leaving the agency. WYs include time spent in full-time or part-time employment. Full-time equivalents and overtime WYs include those funded from dedicated funding to reduce the hearings backlog, dedicated funding for IT modernization, and dedicated funding for program integrity. In addition, the WYs include those funded for reimbursable work, the Medicare Savings Program, the State Children's Health Insurance Program, and the Medicare Low-Income Subsidy Program.

FY 2021 PERFORMANCE TABLE

Workload and Outcome Measures	FY 2019 Actual	FY 2020 Enacted ¹	FY 2021 Request
Retirement and Survivor Claims			
Retirement and Survivors Claims Completed (thousands)	6,021	6,222	6,354
Disability Claims			
Initial Disability Claims Receipts (thousands)	2,346	2,399	2,545
Initial Disability Claims Completed (thousands)	2,310	2,289	2,359
Initial Disability Claims Pending (thousands)	594	704	890
Average Processing Time for Initial Disability Claims (days)	120	125	129
Disability Reconsiderations			
Disability Reconsiderations Receipts (thousands)	566	664	708
Disability Reconsiderations Completed (thousands)	544	554	613
Disability Reconsiderations Pending (thousands)	134	244	339
Average Processing Time for Disability Reconsiderations (days)	109	118	119
Hearings			
Hearings Receipts (thousands)	511	464	467
Hearings Completed (thousands)	794	688	559
Hearings Pending (thousands)	575	352	259
Annual Average Processing Time for Hearings Decisions (days) ²	506	380	260
National 800 Number			
National 800 Number Calls Handled (millions)	33	36	41
Average Speed of Answer (ASA) (minutes)	20	17	11
Agent Busy Rate (percent)	14	12	7
Program Integrity			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,939	1,803	1,790
Full Medical CDRs (included above, thousands)	713	703	690
SSI Non-Medical Redeterminations Completed (thousands)	2,666	2,150	2,000
Selected Other Agency Workload Measures			
Social Security Numbers (SSN) Completed (millions)	18	18	18
Annual Earnings Items Completed (millions)	288	288	288
Social Security Statements Issued (millions) ³	11	14	15
Selected Production Workload Measures			
Disability Determination Services Production per Workyear	303	304	308
Office of Hearings Operations Production per Workyear	111	106	96
Other Work/Service in Support of the Public-Annual Growth of Backlog (workyears)	N/A	(1,100)	(2,500)

¹ FY 2020 estimates are consistent with the Enacted FY 2020 Congressional Operating Plan performance targets.

² Average processing time for hearings is an annual figure. We estimate end of year (September) processing time for hearings to be 340 days and 240 days for FYs 2020 and 2021, respectively.

³ The Social Security Statements issued performance measure includes paper statements only, and does not include electronic statements issued. In FY 2019, *my Social Security* users accessed their statements 56 million times, and we spent approximately \$5.842 million to send paper statements to individuals aged 60 and older who were not receiving Social Security benefits and who are not registered for a *my Social Security* account. We are taking the same approach in FYs 2020 and 2021 at a cost of approximately \$7.363 million in FY 2020 and \$7.692 million in FY 2021. In FY 2021, it would cost approximately an additional \$75 million to send statements to individuals aged 25 and older who are not receiving Social Security benefits and who are not registered for a *my Social Security* account.

BUDGET SUMMARY: *IMPROVING PUBLIC SERVICE*

Improving Our Field Offices

We serve over 40 million visitors each year in our 1,200 field offices nationwide. Our field offices provide a broad range of services. Our customer service representatives:

- Handle benefit claims and appeals;
- Process applications for Social Security cards;
- Enroll people in Medicare;
- Address other needs and questions from visitors; and
- Play a critical role in our stewardship responsibilities by redetermining eligibility for SSI benefits and initiating CDRs.

Improving service in our field offices is a priority. The Budget invests in our frontline staff so that we have enough people to serve our customers, IT modernization to give employees responsive systems and tools to do their jobs better, and convenient digital and automated services so that our customers may get what they need without having to visit a field office.

As of January 2020, we restored our Wednesday afternoon field office public operating hours, which were reduced seven years ago, for better access to people who require in person service. The Budget will allow us to keep our offices open to provide help. Individuals can still access many services online 24 hours a day.

Improving National 800 Number Service

Our National 800 Number offers a broad range of services including:

- Answering a broad range of Social Security and Medicare questions;
- Scheduling appointments in our field offices;
- Providing status updates on current claims or appeals; and
- Ensuring the accuracy of our records.

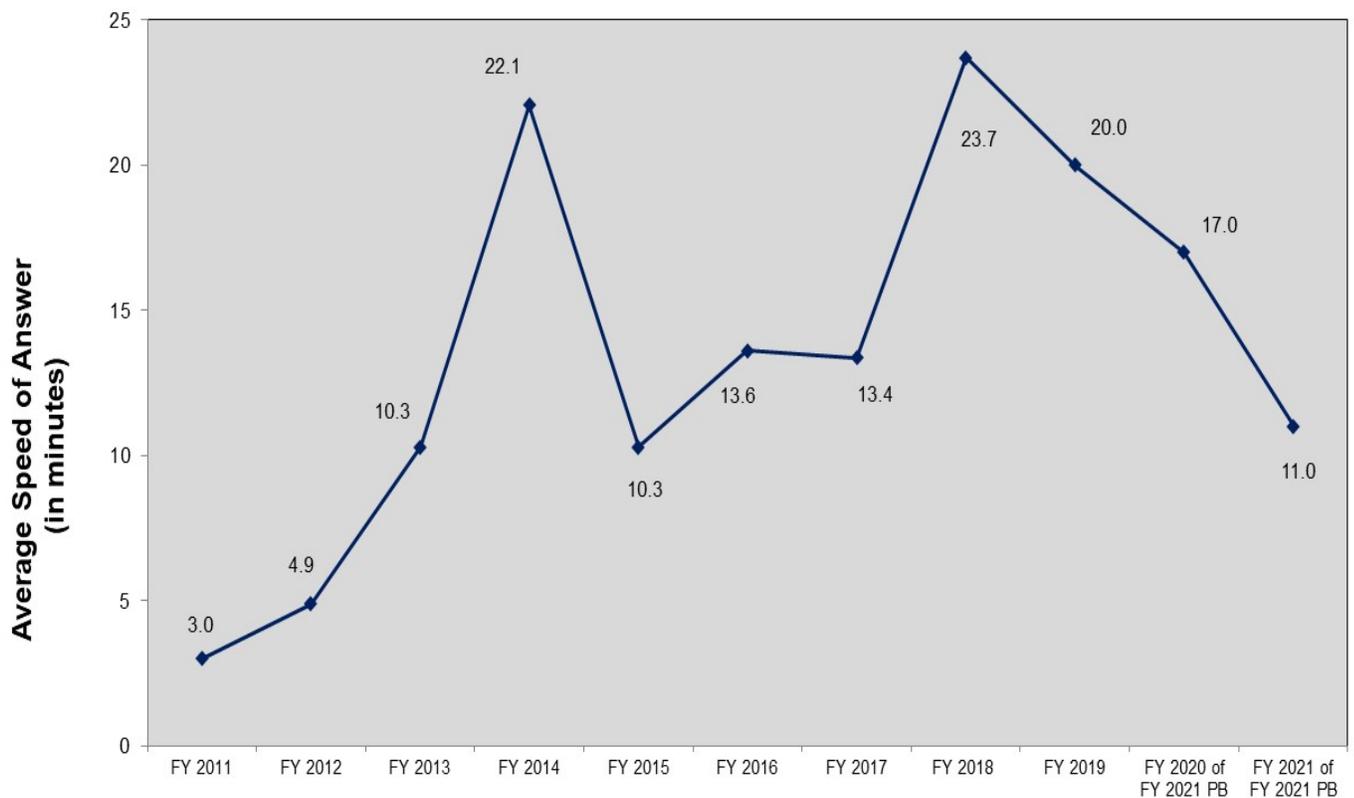
Millions of our customers depend on our National 800 Number technicians to answer important questions, and we are focused on improving the timeliness of our National 800 Number. In FY 2019, we handled almost 33.5 million calls with an average wait time of 20.4 minutes. We are taking tangible steps toward improving service and reducing wait times through targeted hiring, reassessing training methods, and advancing automated services through our new unified communications platform.

We are streamlining and enhancing our training for new hires, which will allow our new employees to begin handling targeted calls earlier and help increase productivity. We are also focusing our efforts on

improving automated services and our Interactive Voice Response applications to allow more callers to take advantage of self-service options. We are identifying and sharing best practices and clear performance metrics across our call centers to improve consistency and performance on our National 800 Number. By the end of FY 2021, we expect to reduce wait times to 11 minutes. We also plan to cut the average busy rate in half from 14 percent in FY 2019 to 7 percent in FY 2021. We have already made progress towards these goals in FY 2020.

Figure 4: National 800 Number Wait Times, FY 2011-FY 2021

We will significantly decrease National 800 Number wait times in FY 2021.



Reducing Processing Center Backlogs

Our PCs are responsible for key workloads that do not require face-to-face service including:

- Handling the most-complex benefit payment decisions;
- Issuing benefit payment after appeals decisions;
- Determining and collecting debt;
- Correcting records; and
- Performing program integrity work.

Currently, the PCs are working through a backlog of pending actions, and reducing these actions remains a focus area for improvement. In FY 2019, the PCs provided assistance to our National 800 Number to help address high busy rates and wait times. The PCs also had to rework a number of complex and time-consuming cases based on the outcome of the court case, *Steigerwald v. Berryhill*¹. While we continue working these complex cases in FYs 2020 and 2021 and fixing the problem so it does not recur, we remain focused on finding operational efficiencies. The PCs will also significantly reduce assistance to our National 800 Number in order to focus on the PC backlog.

We are increasing the number of PC technicians and instituting workflow enhancements and quality initiatives to improve overall performance. We will continue to screen new work to address simple tasks more quickly and implement PC automation initiatives that will eliminate duplicate work.

Eliminating the Disability Hearings Backlog

The Budget will allow us to eliminate the disability hearings backlog in FY 2021. For far too long, disability applicants had to wait over a year to receive a decision on their appeal. In FY 2016, we began implementing our Compassionate And REsponsive Service plan to reduce the backlog of cases. With Congress' support and the hard work of our employees, we have dramatically improved service.

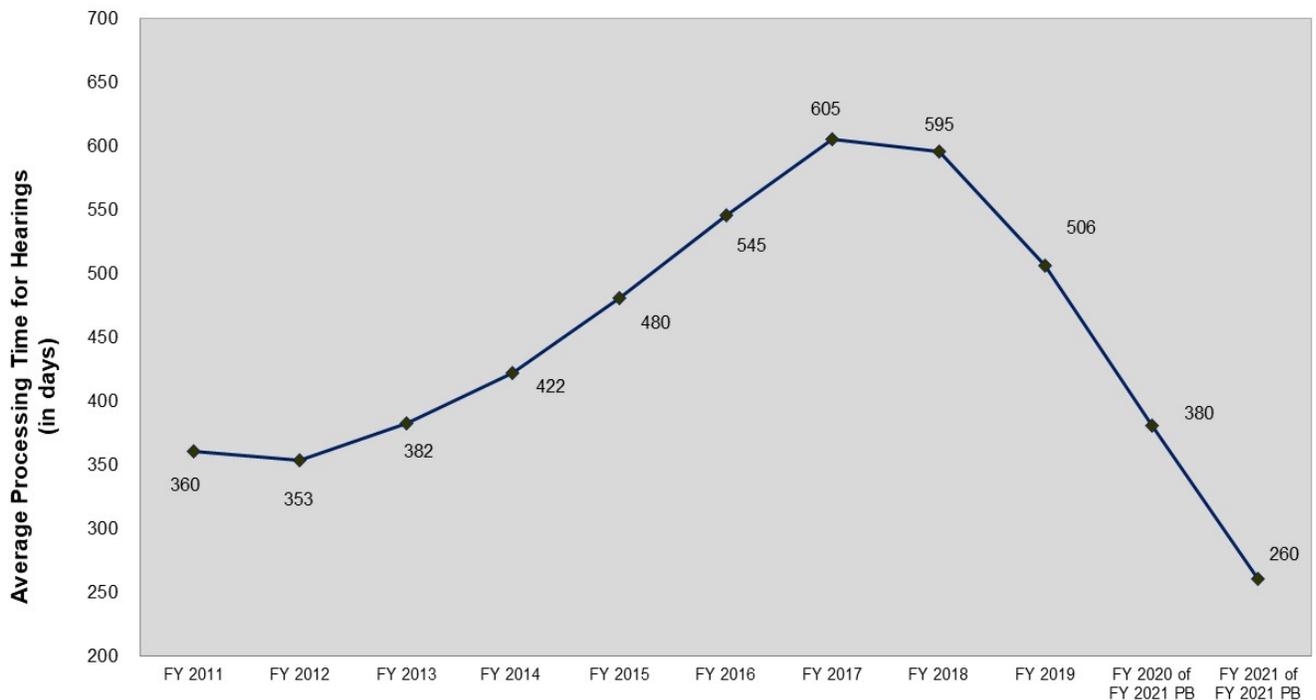
2019 was a pivotal year in reducing our disability hearings backlog. We significantly reduced the backlog and wait times, and we eliminated the decision writer backlog. As of December 2019, we reduced the average wait time for a hearing decision by 223 days since September 2017, and we will build on that progress over the next 18 months. Once the backlog is eliminated, we cannot let it return. It is the most expensive part of the disability process, and we need to ensure that we make fair, policy-compliant disability decisions augmented by the most efficient, modern business process. Therefore, we are engaging with an external partner for their data analysis capabilities and business reengineering techniques to help us identify business process and data improvements that will allow us to stay current with our hearings workload. We are also addressing the workloads affected as we eliminate the

¹ In the *Steigerwald v. Berryhill* class action suit, a Federal court ruled that we did not properly account for representatives' fees when calculating past-due benefit payments to individuals who were awarded both OASDI and SSI. As a result, we are reviewing approximately 130,000 cases, which we must complete before January 25, 2021.

hearings backlog, which includes handling the increase in requests for Appeals Council review and Civil Action court filings.

Figure 5: Hearings Wait Times, FY 2011-2021

We will eliminate the hearings backlog and reduce wait times in FY 2021.



BUDGET SUMMARY: *MODERNIZING OUR INFORMATION TECHNOLOGY*

Our IT infrastructure needs have evolved as the demands for our data and programs have increased and as new and increasingly agile technology has emerged. Many of our current systems and business processes have been siloed by program and service channel, requiring our employees to navigate many screens, systems, policies, and business processes. Our approach is to look at work from the customer’s perspective so that interaction with us is seamless. We are replacing outdated legacy systems with customer-centered, more flexible, and intuitive modern technology. For example, in our modern IT systems, our employees will be able to access all customer information in one place. We have begun to implement these modern systems interfaces, called the universal customer view. Shifting to our customers’ point of view will help make us more efficient and responsive. Meaning, if a customer goes online, calls us, and then visits a field office, our employees will know that history, and the customer will not have to start from square one with each interaction. These foundational changes will allow us to make many more improvements and stay abreast with technology. To continue to meet the needs of the millions of people who rely on Social Security services and our employees who assist

them, we must continue to assess our approach to IT Modernization. FY 2020 is the third year of our 5-year Information Technology Modernization plan to improve service to the public. In FY 2019, we successfully executed the second year of our 5-year plan. We:

- Replaced two additional legacy databases with modern databases for a total of four since FY 2018;
- Delivered our first online notice, the Cost of Living Adjustment Notice, via [my Social Security](#);
- Added a representative payee portal, which allows individual representative payees to conduct business online on behalf of their beneficiaries or themselves;
- Added functionality to our hearings case processing systems; and
- Replaced antiquated mainframe master file query screens with modern graphical user interfaces.

Enhancing Online Services at [my Social Security](#)

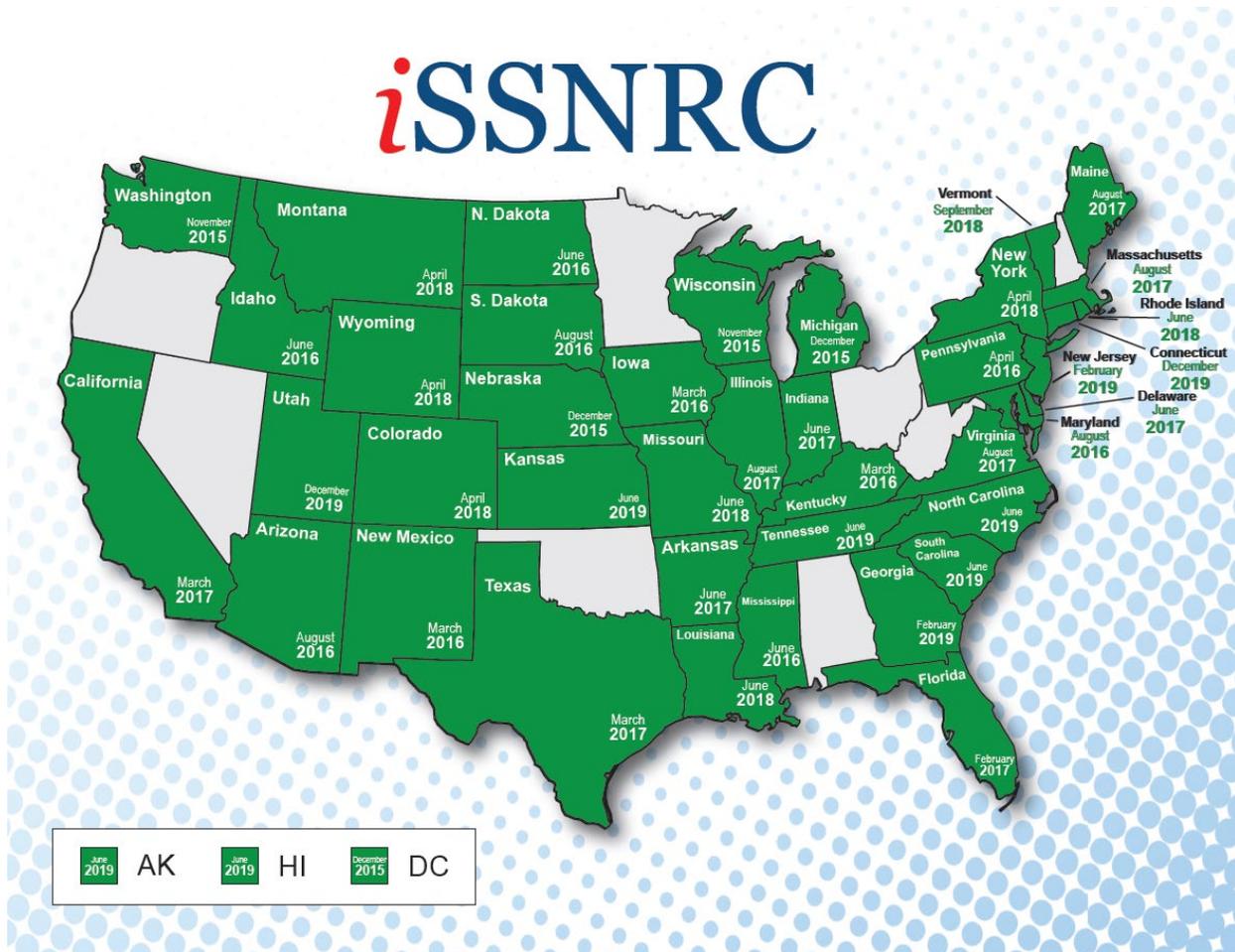
Over the last several years, we have built a robust online customer portal, [my Social Security](#), where customers can conduct business with us in the comfort of their homes. In FY 2019, the public completed about 184 million successful online transactions, up from 163 million in FY 2018. We continue to expand and enhance our online service capabilities.

[my Social Security](#) offers a broad range of services including:

- Applying for retirement or disability benefits;
- Changing address or direct deposit information;
- Getting personal retirement benefit estimates using our new Retirement Calculator; and
- Requesting a replacement Social Security card.

Figure 6: iSSNRC Coverage Map

We continue to expand our online services. The internet Social Security Number Replacement Card (iSSNRC) application is currently available in 42 States and the District of Columbia. In FY 2019, we issued over 1.3 million replacement cards through iSSNRC.



The Budget requests the authority to offset some of our administrative expenses by charging a fee for issuing Social Security replacement cards. The original card we issue when we establish a Social Security Number is free. The fee for replacement cards will be \$25 for in person and mail requests and \$7 for online requests. The new fee would partially offset the administrative costs of processing replacement card requests. It would also help us gradually move towards our goal of reducing dependence on the physical Social Security card, thereby lessening the risk of identity theft and fraud. To ensure a seamless transition, we will leverage existing systems to collect these fees. We also will update our publications and website to make sure our new fee collection process is clear.

Digital Services

Transforming our digital services is a logical next step to improve service to the public. Now that many of our applications are online, we are determining how we can make our existing electronic services easier to use and what additional transactions we should add. We are also exploring digital options for our field offices and phone channels that will make self-service an attractive alternative. We will provide near-term customer service improvements for all three service channels. These near term improvements will automate repetitive workloads currently handled by our technicians, reduce wait times for our public, improve program integrity and stewardship of the trust funds, and implement new customer-centered work processes.

Planned IT Modernization Accomplishments

By the end of FY 2021, we will have:

- Replaced outdated legacy systems with a modern database management system infrastructure;
- Implemented a modern portal for our employees to access a customer's information in one place;
- Improved our hearings case processing systems. We are building and creating a modern case processing system to improve case processing, decisional quality, and efficiency;
- Implemented an online notice delivery system that is comparable to current private sector systems;
- Implemented digital transformation initiatives to improve service by providing more convenient and secure self-service options for workloads that currently generate the highest numbers of calls and visits to field offices;
- Expanded the use of our online request for a replacement Social Security Number card;
- Started to rollout a new annual wage reporting process with new online tools to submit and correct annual wage reports;
- Implemented an enhanced online authenticated self-service application;
- Redesigned our website's layout and home page to optimize the navigation and usability;
- Expanded use of the Intelligent Medical-Language Analysis GENERation system, which uses artificial intelligence to aid our review of medical evidence;
- Invested in shared services, moving our modern software and our agency email to the cloud; and
- Improved our capacity to prevent, detect, respond, and defend against cyber threats.

BUDGET SUMMARY: *STREAMLINING AGENCY POLICIES*

We must streamline our policies and processes. Overly complicated policies are difficult to implement, automate, apply consistently, and understand, leading to longer wait times, improper payments, and incorrect actions.

While policy simplification will help our employees, we also need to objectively review how we train them, and how to give them more feedback about their performance. We need to implement additional quality checks so that we can let our employees know when they misapplied a policy or missed an issue. Our dedicated employees want to do work the right way the first time.

We are using data and feedback from our customers, our employees, and industry experts to determine steps for improvement that will make us more efficient and customer-focused.

Disability Determination Policies

We are using policy tools to improve both quality and timeliness of disability decisions. For example, we are:

- Expanding our use of electronic medical evidence which allows us to quickly obtain a claimant's medical information, review it, and make a determination faster than ever before;
- Using artificial intelligence to help us review medical evidence;
- Continuing to invest in efforts to develop modern occupational data; and
- Making significant progress in updating our Listing of Impairments, which describe disabling impairments for each major body system, to reflect advances in medical knowledge.

We also continue to modernize our disability case processing. The disability case processing system (DCPS) is a modern system for use by DDSs to process disability claims. It will replace aging systems and will provide more efficient case processing, improve customer service, and reduce administrative costs. In FY 2019, we increased functionality as planned, and we completed the deployment of DCPS to 19 DDSs as production sites, bringing the total number of DCPS sites to 31. Also, in FY 2019, 2 DDSs transitioned to only DCPS to process claims and no longer use legacy systems to process claims. In FYs 2020 and 2021, we plan to continue deployment and transition from legacy systems.

BUDGET SUMMARY: *SAFEGUARDING OUR PROGRAMS*

Supporting Our Cost-Effective Program Integrity Work

Program integrity workloads ensure that we issue program dollars appropriately. The Budget will allow us to keep current with CDRs and complete SSI redeterminations as part of our fiscal responsibility. These reviews ensure that we are paying the right person the right amount at the right time, which is important not only for stewardship, but to each person who is eligible for benefit payments.

The Budget assumes the authorized dedicated program integrity funding level in FY 2021. Dedicated funding was critical in helping us to eliminate the backlog of CDRs in FY 2018 and support the volumes coming due in FY 2019. In addition, it allowed us to conduct SSI redeterminations, expand the anti-fraud CDI program, and support special attorneys for fraud prosecutions. With program integrity funding expiring after FY 2021, we need Congressional action to keep this special funding in place.



Enhancing Our Fraud Prevention and Detection Activities

With the Office of the Inspector General, we jointly operate CDI units with State DDSs, and State and local law enforcement. Generally, these units investigate suspected fraud before we award benefits and during the CDR process. In FY 2019, we added three CDI units in Bismarck, North Dakota; Boise, Idaho; and Helena, Montana, and provided CDI coverage to the U.S. Virgin Islands. We ended the fiscal year with 46 CDI units covering 40 States and 6 U.S. territories. The Budget will allow us to add 3 new units, bringing us closer to our goal of coverage in all 50 States and U.S. territories by October 1, 2022.

Enhancing Our Payment Accuracy Efforts

The Budget supports our efforts to streamline and modernize our debt management and death reporting systems and refine the way we collect and use data to improve payment accuracy.

Debt Management System:

Currently, we use numerous systems to record, track, and manage OASI, DI, and SSI overpayments. We have begun a multi-year initiative to develop a streamlined, modernized enterprise Debt

Management System (DMS) to enable us to more effectively and efficiently post, track, collect, and report our overpayment activity. We recently developed an online debt collection application for certain benefit overpayments, and we will release the application to the public this year.

Death Data Processing:

We are continuing to improve death data processing. We collect data from a variety of sources so that we can administer our programs. We plan to make further progress in:

- Centralizing all death inputs into one system;
- Improving our processing of death data files; and
- Recording historical death data in our databases.

These changes will help reduce improper payments and protect personally identifiable information.

Investing in Cybersecurity to Safeguard our Data

The Budget will allow us to refine and adapt how we detect and prevent cyber threats as well as enhance our efforts to attract and retain cybersecurity professionals. We must stay ahead of ever evolving cyber threats and protect the personal information entrusted to us.

BUDGET SUMMARY: *LEGISLATIVE PROPOSALS*

- 1. Offset Overlapping Unemployment Insurance (UI)-Disability Insurance (DI) Payments:** This proposal would allow for the offset of DI benefits to account for concurrent receipt of UI. The offset would eliminate duplicative benefits by ensuring, in effect, that the benefit the individual receives would not exceed the higher of the UI or DI benefits.
- 2. Allow 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 entry and exit data (i.e., when individuals enter and exit the United States) without additional verification. Generally, U.S. citizens can receive Social Security benefits regardless of residence. Non-citizens may be subject to additional requirements depending on the country of residence and benefit type. However, an SSI beneficiary who is outside the United States an entire month is not eligible for benefits for that month. Federal agencies, including SSA, would use this data to identify individuals entering or leaving the U.S. who may no longer be eligible to receive Federal payments.
- 3. Authorize the Social Security Administration (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. Additionally, this proposal would provide SSA the authority to recover court-ordered judgments payable to the Commissioner. These proposed changes would expand SSA's authority to recover funds and end disparate treatment of similar types of improper payments, using all its overpayment collection tools, such as credit bureau reporting and administrative wage garnishment.
- 4. Hold Fraud Facilitators Liable for Overpayments:** The proposal would allow SSA to recover the overpayment of a beneficiary from a third party if the 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. The third party facilitator could not seek waiver of the overpayment, and the overpayment (including interest) would be in addition to any other penalties that may be imposed on such third party.
- 5. Increase the Overpayment Collection Threshold for OASDI:** This proposal would change the minimum monthly withholding amount for recovery of Title II benefit overpayments to reflect the increase in the average monthly benefit since SSA 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 its stewardship obligations to the combined Social Security Trust Funds. The SSI program already utilizes the 10 percent rule. 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 his or her full benefit payment 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.

- 6. Exclude SSA Debts from Discharge in Bankruptcy:** The proposal would exclude SSA debts from discharge in bankruptcy proceedings. Current administrative protections regarding waivers related to undue hardship would remain.
- 7. Test New Approaches to Increase Labor Force Participation:** This Budget promotes greater LFP of people with disabilities by expanding demonstration authority that allows the Administration to test new program rules and requires mandatory participation by program applicants and beneficiaries. This proposal calls on Congress to establish an expert panel that will identify specific changes to program rules that increase LFP and reduce participation on disability programs based on the results of successful demonstrations and other evidence. This panel would be responsible for making recommendations to reduce participation levels that would be directly tied to reaching a 5 percent reduction in DI and SSI projected outlays by FY 2032.
- 8. Revise 12-Month Retroactive DI Benefits to 6 Months:** This proposal would reduce retroactive benefits for disabled workers to no more than 6 months, which is the same policy already in effect for individuals receiving retirement benefits, but it would not modify retroactivity for Medicare eligibility.
- 9. Eliminate Workers' Compensation (WC) and Temporary Disability Reverse Offset:** This proposal would eliminate reverse offset in States where it is currently applied, allowing SSA to consistently offset DI benefits because of WC or Public Disability Benefits (PDB) receipt (when needed), regardless of the State in which the WC or PDB is being paid. This proposal would also require all States to provide SSA with State WC and PDB information.
- 10. Create a Sliding Scale for Multi-Recipient SSI Families:** This proposal would create a sliding scale family maximum for SSI disability benefits that considers the number of additional family recipients, gradually decreasing benefits to each eligible child as the number of eligible children in the family increases.
- 11. Strengthening Child Support Enforcement and Establishment:** The President's Budget includes several U.S. Department of Health and Human Services 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 since a child's monthly SSI benefit is partially reduced for child support payments.
- 12. Improve SSI Youth Transition to Work:** To promote greater self-sufficiency for transition-age youth, the Budget would implement several SSI reforms. First, the Budget would better identify medical improvement at the earliest point to increase oversight and signal the importance of SSI youth investing in their education and development by instituting initial disability reviews at age six and 12. Second, the Budget would improve SSI youth work incentives by disregarding all earned income and eliminating income reporting requirements through age 20, providing a higher disregard of earnings with a gradual phase-down for SSI recipients between ages 21 and 25, and eliminating school enrollment reporting requirements. In addition, the Budget would improve access to vocational rehabilitation services for SSI

transition-age youth by allowing SSA to make referrals to these services.

- 13. Simplify Administration of the SSI Program:** This proposal would replace complex in-kind support and maintenance (non-cash income assistance) determinations used for establishing monthly SSI benefits with a flat-rate benefit reduction for adult SSI recipients living with other adults. In addition, this proposal would eliminate the holding out and dedicated account policies, which would simplify the program and reduce the burden on beneficiaries and representative payees.
- 14. Improve Collection of Pension Information from States and Localities:** The Budget proposes a data collection approach designed to provide seed money to the States for them to develop systems that would enable them to report pension payment information to SSA. The proposal would improve reporting for non-covered pensions by including up to \$70 million for administrative expenses, \$50 million of which would be available to the States, to develop a mechanism so that SSA can enforce the current law offsets for the Windfall Elimination Provision and Government Pension Offset, which are a major source of improper payments.
- 15. Provide Additional Debt Collection Authority for SSA Civil Monetary Penalties (CMP) and Assessments:** This proposal would establish statutory authority for SSA to use the same debt collection tools (e.g., Federal Offset Program and Administrative Offset) available for recovery of delinquent overpayments towards recovery of delinquent CMP and assessments. This change would assist SSA with ensuring the integrity of its programs and increase the amount of monies that we recover.
- 16. Change the Representative Fee and Approval Process:** This proposal would eliminate fee caps, and relieve SSA of responsibility for fee approval, withholding, and payment functions; however, it would not affect our ability to prescribe who may and may not represent claimants. It would streamline and decrease SSA's operations and hearings workloads, allowing employees to focus on adjudicating more cases and completing other high priority workloads, thereby better serving the public.
- 17. Eliminate Travel Reimbursement for Claimants' Representatives:** This proposal would amend the Social Security Act to eliminate reimbursement for claimant representatives' travel expenses incurred when traveling to reconsideration interviews or proceedings before administrative law judges. The proposed change would simplify program administration, result in cost savings, and streamline SSA's operations and hearings workloads.
- 18. Modernize the Commissioner's Collection of Medical Evidence:** This proposal would allow SSA to receive more quickly the medical evidence it needs to determine initial and continuing entitlement to disability benefits by allowing medical records custodians to release records to SSA without the signed authorization of the person applying for or receiving disability benefits.
- 19. Allow State Hearing Officers to Hold Disability Hearings:** This proposal would amend the Social Security Act to allow State disability hearing officers to conduct hearings resulting from disability cessation determinations issued by a Federal component. The proposed change would allow additional flexibility for SSA to manage workloads at a national level, while preserving the individual's right to an evidentiary hearing.

- 20. Use Death Data to Prevent Improper Payments:** This proposal would require SSA to share the full file of death information it maintains—including State-reported death data—with Treasury’s Do Not Pay Business Center for use in preventing improper payments. It would also allow SSA to share State death data for tax administration and agency oversight purposes.
- 21. Improve Access and Quality of Ticket to Work (TTW) Services:** The Budget proposes to reform the TTW program, which is intended to help beneficiaries find and maintain work. Established in 1999 and administered by SSA, TTW was designed to increase access to and the quality of employment services for eligible disability beneficiaries by creating a competitive market to provide employment services. However, TTW is an administratively burdensome workload that falls outside of SSA’s core mission of administering benefit programs. Also, TTW’s services often duplicate and are not well coordinated with employment services supported by other Federal agencies, particularly the Department of Labor (DOL). Currently, there are low participation rates, and poor return to work outcomes. The Budget proposes to relocate the administration of TTW to DOL and replace the complicated voucher and payment model with performance-based grants to the States.
- 22. Enhance Work and Earning Opportunities for People with Disabilities:** Current rules governing DI beneficiaries’ earnings while they are attempting to return to work are difficult for beneficiaries to understand and very complex to administer, often resulting in an unexpected complete loss of benefits upon reaching certain earnings limits and deterring beneficiaries from attempting to work. The Budget proposes to replace existing return-to-work programs and earnings rules with a simple system of offsetting DI benefits based on a 4-tier earnings structure that is simpler and more efficient to administer.

SOCIAL SECURITY ADMINISTRATION

FY 2021 PRESIDENT'S BUDGET

Key Tables

Table i.1 - Summary Table of SSA's Appropriation Request

FY 2021	FTE	Amount
Payments to Social Security Trust Funds		\$ 11,000,000
Supplemental Security Income (SSI) Program	-	-
FY 2021 Request	-	\$ 40,308,177,000 ¹
FY 2022 First Quarter Advance	-	\$ 19,600,000,000
Limitation on Administrative Expenses (LAE)	60,761 ²	\$ 13,351,473,000 ³
Office of the Inspector General (OIG)	547	\$ 116,000,000

¹ Excludes \$19,900,000,000 provided in the Further Consolidated Appropriations Act, 2020, as a first quarter advance for FY 2021.

² FTEs include those funded from dedicated funding to reduce the hearings backlog, dedicated funding for IT modernization, and dedicated funding for program integrity. In addition, FTEs include those funded for reimbursable work, the Medicare Savings Program, the State Children's Health Insurance Program, and the Medicare Low-Income Subsidy Program.

³ Includes \$135,000,000 for SSI State Supplementary user fees, up to \$1,000,000 for non-attorney user fees, and up to \$270,000,000 for replacement Social Security card fees.

Table i.2 – Administrative Budget Authority and Other Planned Obligations¹ (in millions)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate	Change FY 20/FY 21
<u>Budget Authority</u>				
Base Limitation on Administrative Expenses (LAE)	\$11,059	\$11,158	\$11,640	\$483
Program Integrity Base Level	\$273	\$273	\$273	\$0
Program Integrity Cap Adjustment	\$1,410	\$1,309	\$1,302	-\$7
User Fees ²	\$135	\$131	\$136	\$5
Subtotal, LAE Appropriation	\$12,877	\$12,871	\$13,351	\$481
Percent change from FY 2020				3.7%
Research	\$101	\$101	\$86	-\$15
Office of the Inspector General (OIG) ³	\$106	\$106	\$116	\$11
Subtotal, Budget Authority	\$13,083	\$13,078	\$13,553	\$476
Percent change from FY 2020				3.6%
<u>Other Planned Obligations</u>				
No-year Information Technology ⁴	\$28	\$206 ⁵	\$150	-\$56
MIPPA – Low-Income Subsidy (LIS) ⁶	\$0	\$6	\$6	\$0
MIPPA - Medicare Savings Program (MSP)	\$0	\$7	\$7	\$0
SCHIP - State Children's Health Insurance	\$0	\$1	\$1	\$0
Medicare Access and Chip Reauthorization Act of 2015 (MACRA)	\$1	\$0	\$0	\$0
Recovery Act ⁷				
Workload Processing	\$0	\$0	\$0	\$0
Economic Recovery Payments Admin	\$0	\$0	\$0	\$0
National Computer Center Replacement	\$2	\$0	\$0	\$0
OIG Oversight	\$0	\$0	\$0	\$0
Subtotal, Other Planned Obligations	\$31	\$220	\$164	-\$56

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

² Includes SSI user fees and Social Security Protection Act user fees.

³ Public Law 115-245 allows SSA to transfer up to \$10 million of program integrity funds in the LAE account to the OIG for the costs associated with jointly operated cooperative disability investigations units in FY 2020. The Budget allows us to transfer up to \$11.2 million to the OIG in FY 2021. This line does not reflect the transfer of \$10 million and \$11.2 million in FY 2020 and FY 2021, as the budget authority is captured as part of the LAE PI cap adjustment line.

⁴ Excludes IT Modernization special funding.

⁵ Prior to receiving our approved annual apportionments from OMB our FY 2020 carryover was \$206 million. Subsequently, we realized an additional \$5 million in carryover.

⁶ The Medicare Improvements for Patients and Providers Act 2008 (MIPPA) provided funding through the general fund for our activities related to MSP outreach and transmittal of data to States and implementation of changes to the LIS program. \$27 million in carryover funds remain available, \$12 million of which are set aside for reimbursements for the LIS workload and the remaining \$15 million for MSP costs above our annual reimbursable cap of \$3 million.

⁷ Funds provided in the American Recovery and Reinvestment Act of 2009 (Recovery Act) (P.L. 111-5).

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate	Change FY 20/FY 21
TOTAL, BUDGET AUTHORITY AND OTHER PLANNED OBLIGATIONS	\$13,114	\$13,297	\$13,717	\$420

Table i.3 – SSA Full Time Equivalents and Workyears

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	Change FY 20/FY 21
SSA Full Time Equivalents	60,694	61,199	60,761	-438
SSA Overtime/Lump Sum Leave	3,362	1,245	945	-300
Subtotal, SSA Workyears¹	64,056	62,444	61,706	-738
Disability Determination Services (DDS) Workyears	13,429	13,157	13,467	310
Subtotal, SSA and DDS Workyears	77,485	75,601	75,173	-428
MACRA Workyears	6	3	0	-3
Subtotal, SSA, DDS and MACRA Workyears	77,491	75,604	75,173	-431
OIG Full Time Equivalents	508 ²	533	547	14
OIG Overtime/Lump Sum Leave	10	5	5	0
Subtotal, OIG Workyears	518	538	552	14
TOTAL SSA/DDS/OIG WORKYEARS	78,009	76,142	75,725	-417

¹ Workyears include those funded from dedicated funding to reduce the hearings backlog, dedicated funding for IT modernization, and dedicated funding for program integrity. In addition, the workyears include those funded for reimbursable work (234 workyears in FY 2019 and 300 workyears in FY 2020 and FY 2021), MSP, SCHIP, and LIS.

² This is the final FTE level, which is an update to the 501 FTEs in the President's Budget Appendix.

Table i.4 – SSA Outlays by Program (in millions)¹

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	Change FY 20/FY 21
<u>Trust Fund Programs</u>				
Old-Age and Survivors Insurance (OASI)	\$896,791	\$948,262	\$1,005,293	\$57,031
Disability Insurance (DI)	\$147,815	\$149,539	\$151,487	\$1,948
Subtotal, Trust Fund Programs	\$1,044,606	\$1,097,801	\$1,156,780	\$58,979
Medicare Access and Chip Reauthorization Act of 2015 (MACRA)	\$1	\$0	\$0	\$0
<u>General Fund Programs</u>				
Supplemental Security Income (SSI)	\$60,336	\$60,974	\$62,327	\$1,353
Special Benefits for Certain World War II Veterans	\$1	\$1	\$1	\$0
Recovery Act: National Support Center	\$2	\$2	\$0	-\$2
Subtotal, General Fund Programs	\$60,339	\$60,977	\$62,328	\$1,351
TOTAL SSA Outlays, Current Law	\$1,104,946	\$1,158,778	\$1,219,108	\$60,330
Percent change from FY 2020				5.21 %
<u>Proposed OASDI Legislation:</u>				
Increase the Overpayment Collection Threshold for OASDI	\$0	\$0	-\$13	-\$13
Exclude SSA Debts from Discharge in Bankruptcy	\$0	\$0	-\$4	-\$4
Reduce 12-Month Retroactive DI Benefits to 6 Months	\$0	\$0	-\$292	-\$292
Subtotal, Proposed OASDI Legislation	\$0	\$0	-\$309	-\$309
<u>Proposed General Fund Legislation:</u>				
Create a Sliding Scale for Multi-Recipient SSI Families	\$0	\$0	-\$752	-\$752
Improve SSI Youth Transition to Work	\$0	\$0	-\$4	-\$4
Reform Ticket to Work	\$0	\$0	-\$2	-\$2
Strengthening Child Support Enforcement and Establishment	\$0	\$0	-\$3	-\$3
Get Non-Custodial Parents to Work	\$0	\$0	-\$1	-\$1
Special Immigrant Visa Extension	\$0	\$0	\$12	\$12
Subtotal, Proposed General Fund Legislation	\$0	\$0	-\$750	-\$750
TOTAL SSA Outlays, Proposed Law	\$0	\$0	-\$1,059	-\$1,059
TOTAL SSA Outlays, Current & Proposed Law	\$1,104,946	\$1,158,778	\$1,218,049	\$59,271

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

Table i.5 – Current Law- OASDI Outlays and Income (in millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	Change FY 20/FY 21
<u>Outlays</u>				
OASI Benefits	\$888,067	\$939,212	\$996,767	\$57,555
DI Benefits	\$144,852	\$146,462	\$148,734	\$2,272
Other ¹	\$11,687	\$12,127	\$11,279	-\$848
TOTAL OUTLAYS, Current Law	\$1,044,606	\$1,097,801	\$1,156,780	\$58,979
<u>Income</u>				
OASI	\$900,037	\$956,808	\$995,663	\$38,855
DI	\$151,083	\$147,831	\$154,349	\$6,518
TOTAL INCOME, Current Law	\$1,051,120	\$1,104,639	\$1,150,012	\$45,373

Table i.6 – Current Law- OASDI Beneficiaries and Average Benefit Payments (in thousands)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	Change FY 20/FY 21
<u>Average Number of Beneficiaries</u>				
OASI	53,100	54,520	55,867	1,347
DI	10,114	9,973	9,900	-73
TOTAL BENEFICIARIES	63,214	64,493	65,767	1,274
<u>Average Monthly Benefit</u>				
Retired Worker	\$1,456	\$1,500	\$1,551	\$51
Disabled Worker	\$1,227	\$1,254	\$1,287	\$33
Projected COLA Payable in January	2.8%	1.6%	2.4%	0.8%

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

Table i.7 – Current Law- Supplemental Security Income Outlays (in millions)¹

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	Change FY 20/FY 21
Federal Benefits	\$55,856	\$56,532	\$57,551	\$1,019
Other ²	\$4,478	\$4,446	\$4,780	\$334
Subtotal, Federal Outlays	\$60,334	\$60,978	\$62,331	\$1,353
State Supplementary Benefits	\$2,569	\$2,595	\$2,640	\$45
State Supplementary Reimbursements	-\$2,568	-\$2,599	-\$2,644	-\$45
Subtotal, Net State Supplementary Payments³	\$2	-\$4	-\$4	\$0
TOTAL OUTLAYS, Current Law	\$60,336	\$60,974	\$62,327	\$1,353

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

² "Other" includes beneficiary services, research, administrative expenses, Afghans Special Immigrant Visa, and Liberian Deferred Enforced Departure.

³ States must reimburse us in advance for State Supplementary Payments. There will always be 12 State reimbursements in each fiscal year, but there can be 11, 12, or 13 benefit payments per fiscal year because a monthly payment is advanced into the end of the previous month anytime the due date falls on a weekend or holiday. Hence, the "Net State Supplementary Payment" numbers vary from year-to-year depending on the timing of the October benefit payments at the beginning and end of each fiscal year.

Table i.8 – SSI Recipients and Benefit Payments¹ (Recipients in thousands)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	Change FY 20/FY 21
<u>Average Number of SSI Recipients</u>				
Federal Recipients				
Aged	1,114	1,112	1,112	0
Blind or Disabled	6,842	6,811	6,763	-48
SUBTOTAL, FEDERAL RECIPIENTS	7,957	7,923	7,875	-48
State Supplement Recipients (with no Federal SSI payment)	151	149	150	1
TOTAL SSI RECIPIENTS, Current Law	8,108	8,072	8,025	-47
<i>SSI Federal Recipients Concurrently Receiving</i>				
<i>OASDI Benefits (included above)</i>	2,716	2,704	2,691	-13
<u>Average Monthly Benefit</u>				
Aged	\$412	\$424	\$437	\$13
Blind and Disabled	\$605	\$614	\$629	\$15
AVERAGE, All SSI Recipients	\$578	\$588	\$602	\$14
Projected COLA Payable in January	2.8%	1.6%	2.4%	0.8%

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

**Table i.9 – Special Benefits for Certain WWII Veterans Overview
(Outlays in millions)**

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	Change FY 20/FY 21
Federal Benefits	\$1	\$1	\$1	\$0
Administration	\$0	\$0 ¹	\$0 ¹	\$0
TOTAL OUTLAYS	\$1	\$1	\$1	\$0
Average Number of Beneficiaries	292	207	134	-73
Average Monthly Benefit	\$331	\$390	\$398	\$8

¹ Less than \$500,000.

Table i.10 – Administrative Outlays as a Percent of Trust Fund Income and Benefit Payments - FY 2021 (in millions)

	Administrative Outlays¹	Trust Fund Income	Percent of Trust Fund Income
OASI	\$3,136	\$995,663	0.3%
DI	\$2,399	\$154,349	1.6%
SSN Fees	\$270	-	-
OASDI (combined)	\$5,805	\$1,150,012	0.5%

	Administrative Outlays¹	Benefit Payments	Percent of Benefit Payments
OASI	\$3,136	\$996,767	0.3%
DI	\$2,399	\$148,734	1.6%
SSN Fees	\$270	-	-
Subtotal, OASDI (combined)	\$5,805	\$1,145,501	0.5%
SSI (Federal and State)	\$4,732	\$60,191	7.9%
Other ²	\$2,916	-	-
TOTAL	\$13,453	\$1,205,692	1.1%

¹ FY 2021 Budget proposes that the total requested LAE budget authority of \$13.351 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million).

² Includes administrative outlays for Hospital Insurance and Supplemental Medical Insurance (\$2.816 billion), administrative outlays from the General Fund to OIG, SCHIP, MIPPA LIS, and Special Benefits for Certain World War II Veterans (\$40 million), and reimbursables (\$60 million). Our calculation of discretionary administrative expenses excludes Treasury administrative expenses, which are mandatory outlays.

Table i.11 – Tax Rates, Wage Base and Economic Assumptions

	CY 2019	CY 2020	CY 2021	Change CY 20/CY 21
<u>Employer/Employee Rates (each)</u>				
OASDI (Social Security)	6.20%	6.20%	6.20%	0.0%
Hospital Insurance (HI) (Medicare)	1.45%	1.45%	1.45%	0.0%
EMPLOYEE TOTAL	7.65%	7.65%	7.65%	0.0%
<u>Self-Employment Rates</u>				
OASDI (Social Security)	12.40%	12.40%	12.40%	0.0%
HI (Medicare)	2.90%	2.90%	2.90%	0.0%
TOTAL	15.30%	15.30%	15.30%	0.0%
<u>Cost of Living Adjustments (COLAs)</u>				
January	2.8%	1.6%	2.4% ¹	0.8%
<u>Contribution and Benefit Base</u>				
OASDI	\$132,900	\$137,700	\$142,200 ¹	\$4,500
HI	(no cap)	(no cap)	(no cap)	
<u>Annual Retirement Test</u>				
Year Individual Reaches Full Retirement Age (FRA) ²	\$46,920	\$48,600	\$50,160 ¹	\$1,560
Under Full Retirement Age	\$17,640	\$18,240	\$18,840 ¹	\$600
<u>Wages Required for a Quarter of Coverage</u>	\$1,360	\$1,410	\$1,460¹	\$50

¹ Estimate.

² For months prior to attaining FRA. There is no limit on earnings beginning the month an individual attains full retirement age.

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APPROPRIATION LANGUAGE

PAYMENTS TO THE SOCIAL SECURITY TRUST FUNDS¹

For payment to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as provided under sections 201(m) and 1131(b)(2) of the Social Security Act, \$11,000,000. (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2020.*)

¹ Social Security checks, like those issued by other Federal agencies, are negotiable for only 12 months from their date of issue. Under the "Limited Payability" procedure, the value of unnegotiated checks issued on or after October 1, 1989, is credited directly to the trust funds from Treasury's general fund when the checks are canceled. These funds do not pass through the Payments to Social Security Trust Funds account, but the interest adjustments do pass through this account.

Section 1131 of the Social Security Act requires the Commissioner of Social Security to furnish information regarding deferred vested pension rights to pension plan participants (and their dependents or survivors). It permits the administrative expenses of carrying out this pension reform work to be funded initially from the Old-Age and Survivors Insurance (OASI) Trust Fund through SSA's Limitation on Administrative Expenses and authorizes an annual appropriation of Federal funds to reimburse the OASI Trust Fund.

GENERAL STATEMENT

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

ANNUAL APPROPRIATION

The annual PTF appropriation provides reimbursement to the Social Security trust funds for non-trust fund activities. These activities include pension reform and interest on unnegotiated checks. Listed below is the estimated annual appropriation and resulting obligations for FY 2021.

**Table 1.1—Annual Appropriation and Obligations
(In thousands)**

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate	<i>FY 2020 to FY 2021 Change</i>
Appropriation	\$ 11,000	\$ 11,000	\$ 11,000	\$ 0
Obligations¹	\$ 3,942	\$ 11,050	\$ 11,050	\$ 0

PERMANENT INDEFINITE AUTHORITY

Amounts not subject to the annual appropriation include: (1) receipts from Federal income taxation of Social Security benefits; (2) Federal Insurance Contribution Act (FICA) and Self-Employment Contribution Act (SECA) tax credits; (3) reimbursement for Federal employee union administrative expenses; and (4) reimbursements for the loss in FICA tax revenue resulting from the payroll tax holiday provided by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 and extended by the Temporary Payroll Tax Cut Continuation Act of 2011. The permanent appropriation provides that the trust funds be credited for each of these revenue items.

Taxation of Social Security Benefits

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

¹ The obligations include Coal Industry Retiree Health Benefits Act activity, funded from unobligated balances carried forward from prior years. These funds, provided in FYs 1996 and 1997, remain available until expended to reimburse the trust funds.

Insurance (HI) Trust Fund; no additional income is due to the Social Security trust funds resulting from the enactment of the 1993 law.

Section 733 of the Uruguay Round Agreements Act, P.L. 103-465, also increased the taxable portion of nonresident aliens' Social Security benefits from 50 percent to 85 percent. The Offices of the General Counsel at SSA and at the Centers for Medicare and Medicaid Services, Department of Health and Human Services, agreed that the additional income resulting from the law should go to the Old-Age, Survivors, and Disability Insurance (OASDI) trust funds as opposed to the HI Trust Fund.

The taxes are collected as Federal income taxes; subsequently, an equivalent payment to the Social Security trust funds is made from the general funds of the Treasury. Transfers of estimated aggregate tax liabilities arising from Social Security benefits of U.S. citizens are made quarterly and then adjusted as actual receipts are known. The estimated income from these taxes is \$39,011 million in FY 2020 and \$42,861 million in FY 2021 from U.S. citizens; the taxes imposed on aliens are withheld from benefit payments and will generate estimated income of \$243 million in FY 2020 and \$258 million in FY 2021. The estimates for taxation of benefits reflect corresponding growth related to benefit levels and the beneficiary population.

FICA and SECA Tax Credits

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

Reimbursement for Employee Union Expenses

In addition to taxation of benefits and tax credits, the PTF account includes reimbursement to the trust funds from general funds, including interest, for certain administrative expenses incurred in support of Federal employee union activities. In FYs 2020 and 2021, \$6 million and \$5 million, respectively, will be funded initially by SSA's Limitation on Administrative Expenses (LAE) appropriation.

Reimbursement for Payroll Tax Holiday

P.L. 111-312, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, reduced employees' payroll contributions from 6.2 percent to 4.2 percent for calendar year 2011. P.L. 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011, amended P.L. 111-312 to extend the reduced payroll contributions through February 29, 2012. On February 22, 2012, the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) extended the reduced rate through December 31, 2012. The general funds reimburse the trust funds for this loss in tax revenue. While the law has expired, we expect additional adjustments for prior years will continue to occur. We estimate that there will be a \$6 million prior year adjustment for FY 2020.

Payments to the Social Security Trust Funds

BUDGETARY RESOURCES

The FY 2021 annual appropriation request for PTF is \$11,000,000. We expect to make \$43,135,050,000 in payments to the trust funds in FY 2021, including amounts appropriated under permanent indefinite authority.

Table 1.2—Amounts Available for Obligation¹
(In thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate
Annual Appropriation	\$ 11,000	\$ 11,000	\$ 11,000
Permanent Appropriation	\$ 36,129,776	\$ 39,266,000	\$ 43,124,000
Total Appropriation	\$ 36,140,776	\$ 39,277,000	\$ 43,135,000
Unobligated Balance, Start-of-Year	\$ 12,822	\$ 12,822	\$ 12,772
Subtotal Budgetary Resources	\$ 36,153,599	\$ 39,289,822	\$ 43,147,772
Obligations	(\$ 36,133,718)	(\$ 39,277,050)	(\$ 43,135,050)
Unobligated Balance, End-of-Year	\$ 12,822	\$ 12,772	\$ 12,722
Unobligated Balance, Lapsing	\$ 7,058	\$ 0	\$ 0

The “Start-of-Year” and “End-of-Year” unobligated balances represent funds appropriated for the Coal Industry Retiree Health Benefits Act (CIRHBA) in FYs 1996 and 1997 and made available until expended. The lapsed unobligated balance represents the amount of the annual appropriation not obligated in the current year.

¹ Totals may not add due to rounding.

ANALYSIS OF CHANGES

The FY 2021 annual appropriation request is the same as the FY 2020 level. The obligations reported below include CIRHBA activity, funded from unobligated balances carried forward from prior years. These funds, provided in FYs 1996 and 1997, remain available until expended.

**Table 1.3—Summary of Changes
(In thousands)**

	FY 2020 Enacted	FY 2021 Estimate	<i>FY 2020 to FY 2021 Change</i>
Appropriation	\$ 11,000	\$ 11,000	\$ 0
Obligations	\$ 11,050	\$ 11,050	\$ 0

BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY

The table below displays the budget authority and obligations for each of the PTF activities funded by the annual appropriation. Prior year unobligated balances fund CIRHBA obligations.

**Table 1.4—New Budget Authority & Obligations, Annual Authority¹
(In thousands)**

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate
<u>Appropriation</u>			
Pension Reform	\$ 6,000	\$ 6,000	\$ 6,000
Unnegotiated Checks	\$ 5,000	\$ 5,000	\$ 5,000
Coal Industry Retiree Health Benefits	\$ 0	\$ 0	\$ 0
Total Annual Appropriation	\$ 11,000	\$ 11,000	\$ 11,000
<u>Obligations</u>			
Pension Reform	\$ 1,001	\$ 6,000	\$ 6,000
Unnegotiated Checks	\$ 2,941	\$ 5,000	\$ 5,000
Coal Industry Retiree Health Benefits	\$ 0	\$ 50	\$ 50
Total Obligations	\$ 3,942	\$ 11,050	\$ 11,050

¹ Totals may not add due to rounding.

Payments to the Social Security Trust Funds

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

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

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate
<u>Appropriation</u>			
Reimb. for Union Administrative Expenses	\$ 8,390	\$ 6,000	\$ 5,000
Employee Payroll Tax Holiday ¹	\$ 16,957	\$ 6,000	\$ 0
Taxation of Benefits, U.S.	\$ 35,876,010	\$ 39,011,000	\$ 42,861,000
Taxation of Benefits, Nonresident Alien	\$ 228,400	\$ 243,000	\$ 258,000
FICA Tax Credits	\$ 0	\$ 0	\$ 0
SECA Tax Credits	\$ 19	\$ 0	\$ 0
Total Permanent Appropriation	\$ 36,129,776	\$ 39,266,000	\$ 43,124,000
<u>Obligations</u>			
Reimb. for Union Administrative Expenses	\$ 8,390	\$ 6,000	\$ 5,000
Employee Payroll Tax Holiday	\$ 16,957	\$ 6,000	\$ 0
Taxation of Benefits, U.S.	\$ 35,876,010	\$ 39,011,000	\$ 42,861,000
Taxation of Benefits, Nonresident Alien	\$ 228,400	\$ 243,000	\$ 258,000
FICA Tax Credits	\$ 0	\$ 0	\$ 0
SECA Tax Credits	\$ 19	\$ 0	\$ 0
Total Obligations	\$ 36,129,776	\$ 39,266,000	\$ 43,124,000

¹ P.L. 111-312, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, reduced employees' payroll contributions from 6.2 percent to 4.2 percent for calendar year 2011. P.L. 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011 amended P.L. 111-312 to extend the reduced payroll contributions through February 29, 2012. On February 22, 2012, the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) extended the reduced rate through December 31, 2012. The general funds reimburse the trust funds for the loss in tax revenue (Title VI, Sec 601). While the law has expired, we expect additional adjustments for prior years will continue to occur.

OBLIGATIONS BY OBJECT CLASS

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

**Table 1.6—Obligations by Object
(In thousands)**

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Other Services	\$ 12,351	\$ 17,050	\$ 16,050
Financial Transfers	\$ 36,104,410	\$ 39,254,000	\$ 43,119,000
Financial Transfers: Employee Payroll Tax	\$ 16,957	\$ 6,000	\$ 0
Total Obligations	\$ 36,133,718	\$ 39,277,050	\$ 43,135,050

BACKGROUND

AUTHORIZING LEGISLATION

The Social Security Act sections described below authorize the PTF account.

Table 1.7—Authorizing Legislation (In thousands)

	Amount Authorized	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate
Pension Reform: S.S. Act, Section 1131(b)(2)	Indefinite	\$ 6,000	\$ 6,000	\$ 6,000
Unnegotiated Checks: S.S. Act, Section 201(m); Social Security Amendments of 1983, Section 152	Indefinite	\$ 5,000	\$ 5,000	\$ 5,000
Coal Industry Retiree Health Benefits: Internal Revenue Code of 1986, Sections 9704 and 9706; Energy Policy Act of 1992, Section 19141 ¹	Indefinite	\$ 0	\$ 0	\$ 0
Subtotal Annual PTF Appropriation		\$ 11,000	\$ 11,000	\$ 11,000
Reimbursement for Union Administrative Expenses: FY 2002 Social Security Appropriations Act	Permanent Indefinite	\$ 8,390	\$ 6,000	\$ 5,000
Employee Payroll Tax Holiday: P.L. 111-312, Section 601, As Amended By Temporary Payroll Tax Cut Continuation Act: P.L. 112-78	Permanent Indefinite	\$ 16,957	\$ 6,000	\$ 0
Taxation of Benefits, U.S.: Social Security Amendments of 1983, Section 121	Permanent Indefinite	\$ 35,876,010	\$ 39,011,000	\$ 42,861,000
Taxation of Benefits, Nonresident Aliens: Social Security Amendments of 1983, Section 121	Permanent Indefinite	\$ 228,400	\$ 243,000	\$ 258,000
FICA/SECA Tax Credits: Social Security Amendments of 1983, Section 124(b)	Permanent Indefinite	\$ 19	\$ 0	\$ 0
Subtotal Permanent PTF Appropriation		\$ 36,129,776	\$ 39,266,000	\$ 43,124,000
Total Appropriation		\$ 36,140,776	\$ 39,277,000	\$ 43,135,000

¹ We do not request additional funds because the balance of the \$10,000,000 per year appropriated in FYs 1996 and 1997 remains available until expended to reimburse the trust funds.

APPROPRIATION HISTORY

The table below displays our annual appropriation request, amounts approved by the House and Senate, and the amount Congress ultimately appropriated. This does not include amounts appropriated under permanent authority.

Table 1.8—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2011 ¹	\$ 21,404,000	--- ²	\$ 21,404,000 ³	\$ 21,404,000 ⁴
2012	\$ 20,404,000	--- ⁵	\$ 20,404,000 ⁶	\$ 20,404,000 ⁷
2013	\$ 20,402,000	--- ⁸	\$ 20,404,000 ⁹	\$ 20,404,000 ¹⁰
2014	\$ 16,400,000	--- ¹¹	\$ 16,400,000 ¹²	\$ 16,400,000 ¹³
2015	\$ 16,400,000	\$ 16,400,000 ¹⁴	--- ¹⁵	\$ 16,400,000 ¹⁶
2016	\$ 20,400,000	\$ 20,400,000 ¹⁷	\$ 20,400,000 ¹⁸	\$ 11,400,000 ¹⁹
2017	\$ 11,400,000	\$ 11,400,000 ²⁰	\$ 11,400,000 ²¹	\$ 11,400,000 ²²
2018	\$ 11,400,000	\$ 11,400,000 ²³	\$ 11,400,000 ²⁴	\$ 11,400,000 ²⁵
2019	\$ 11,000,000	\$ 11,000,000 ²⁶	\$ 11,000,000 ²⁷	\$ 11,000,000 ²⁸
2020	\$ 11,000,000	\$ 11,000,000 ²⁹	\$ 11,000,000 ³⁰	\$ 11,000,000 ³¹
2021	\$ 11,000,000			

Payments to the Social Security Trust Funds

- ¹ Requested \$1 million in FY 2011 for the quinquennial adjustment for military service wage credits from the general funds to the Federal DI Trust Fund. However, we later determined that transfers should be made from the trust funds to the general fund in FY 2011.
- ² The House Committee on Appropriations did not report a bill.
- ³ S. 3686.
- ⁴ Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).
- ⁵ The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$20,404,000.
- ⁶ S. 1599.
- ⁷ Consolidated Appropriations Act, 2012 (P.L. 112-74).
- ⁸ The House Committee on Appropriations did not report a bill.
- ⁹ S. 3295.
- ¹⁰ Department of Defense, Military Construction and Veterans Affairs, and Full-Year Continuing Appropriations Act, 2013 (P.L. 113-6).
- ¹¹ The House Committee on Appropriations did not report a bill.
- ¹² S. 1284.
- ¹³ Consolidated Appropriations Act, 2014 (P.L. 113-76).
- ¹⁴ H.R. 83.
- ¹⁵ The Senate Committee on Appropriations did not report a bill.
- ¹⁶ Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).
- ¹⁷ H.R. 3020.
- ¹⁸ S. 1695.
- ¹⁹ Consolidated Appropriations Act, 2016 (P.L. 114-113).
- ²⁰ H.R. 5926.
- ²¹ S. 3040.
- ²² Consolidated Appropriations Act, 2017 (P.L. 115-31).
- ²³ H.R. 3358.
- ²⁴ S. 1771.
- ²⁵ Consolidated Appropriations Act, 2018 (P.L. 115-141).
- ²⁶ H.R. 6470.
- ²⁷ S. 3158.
- ²⁸ Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245).
- ²⁹ H.R. 2740.
- ³⁰ The Senate Committee on Appropriations did not report a bill.
- ³¹ Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2020 in the Further Consolidated Appropriations Act, 2020 (P.L. 116-94).

PENSION REFORM

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

PURPOSE AND METHOD OF OPERATION

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

Table 1.9—Pension Reform: Budget Authority

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate	<i>FY 2020 to FY 2021 Change</i>
Budget Authority	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 0

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

Each time an employee leaves employment that earned him or her vested rights to a pension, we receive related information from the Internal Revenue Service (IRS) in either paper or electronic format. We control, scan (using optical character recognition), and, if necessary, key the paper forms and transfer the data to the ERISA mainframe system. We add these data, along with electronic data received from the IRS, to the ERISA Master Files after the name is verified against the NUMIDENT (SSN record) database. Each month, we compare an activity file of new benefit applications to the ERISA Master Files. We send an ERISA notice of pension plan eligibility to individuals included in both the activity file and the ERISA Master Files. This notice includes the information the worker needs to contact the pension plan administrator. We also resolve exceptions and respond to inquiries from employers and the public.

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

Table 1.10—Pension Reform: Obligations

Fiscal Year	Obligations
FY 2012	\$ 6,400,000
FY 2013	\$ 2,521,092
FY 2014	\$ 1,010,592
FY 2015	\$ 858,477
FY 2016	\$ 1,421,941
FY 2017	\$ 881,832
FY 2018	\$ 1,582,104
FY 2019	\$ 1,000,827
FY 2020 Estimate	\$ 6,000,000
FY 2021 Estimate	\$ 6,000,000

RATIONALE FOR BUDGET REQUEST

The FY 2021 budget requests \$6,000,000 to reimburse the OASI Trust Fund for the cost of carrying out our responsibilities under the Pension Reform Act. The FY 2021 request is the same as the FY 2020 level. The table below summarizes the recent trend of pension coverage report receipts:

Table 1.11—Receipts from Pension Coverage Reports

Fiscal Year	Pension Coverage Report Receipts
FY 2012 ¹	10,454,215
FY 2013	3,810,675
FY 2014	8,156,306
FY 2015	6,310,851
FY 2016	7,964,997
FY 2017	7,061,212
FY 2018	7,243,179
FY 2019	6,414,367

¹ Because IRS created a new form (IRS Form 8955-SSA) for filers and a new electronic filing system, in addition to granting a filing deferral during this timeframe, most of the pension coverage report receipts for FY 2011 were input into the system in FY 2012 (i.e., FY 2012 receipts essentially represent 2 years of receipts).

UNNEGOTIATED CHECKS

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

PURPOSE AND METHOD OF OPERATION

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

Table 1.12—Unnegotiated Checks: Budget Authority

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate	FY 2020 to FY 2021 Change
Budget Authority	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0

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

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

Table 1.13—Unnegotiated Checks: Obligations

Fiscal Year	Obligations
FY 2013	\$ 3,082,985
FY 2014	\$ 2,698,386
FY 2015	\$ 2,989,099
FY 2016	\$ 2,091,901
FY 2017	\$ 2,028,629
FY 2018	\$ 2,402,793
FY 2019	\$ 2,941,121
FY 2020 Estimate	\$ 5,000,000
FY 2021 Estimate	\$ 5,000,000

Payments to the Social Security Trust Funds

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

Table 1.14—Direct Deposit Participation Rate

	Direct Deposit Participation Rate
FY 2010	87%
FY 2011	89%
FY 2012	94%
FY 2013	98%
FY 2014	99%
FY 2015	99%
FY 2016	99%
FY 2017	99%
FY 2018	99%
FY 2019	99%

RATIONALE FOR BUDGET REQUEST

The FY 2021 request is for \$5,000,000 to reimburse the OASDI trust funds for the value of interest on unnegotiated checks. The FY 2021 request is equal to the FY 2020 level.

Table 1.15—Unnegotiated Checks: Budget Authority by Trust Fund

	FY 2020 Enacted
OASI Trust Fund	\$ 3,000,000
DI Trust Fund	\$ 2,000,000
Total	\$ 5,000,000

COAL INDUSTRY RETIREE HEALTH BENEFITS

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

PURPOSE AND METHOD OF OPERATION

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

Table 1.16—Coal Industry Retiree Health Benefits: Obligations

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate	<i>FY 2020 to FY 2021 Change</i>
New Budget Authority	\$ 0	\$ 0	\$ 0	\$ 0
Obligations	\$ 0	\$ 50,000	\$ 50,000	\$ 0

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

- Search the earnings records of the group of retired coal miners covered by the combined plan;
- Determine which retirees should be assigned to which mine operators;
- Notify the involved mine operators of the names and Social Security numbers of eligible beneficiaries who have been assigned to them;
- Process appeals from operators who believe that assignments have been made incorrectly; and
- Compute the premiums based on a formula established in the Act.

PROGRESS TO DATE

We have completed initial decisions and reviews on all of the retired miners covered under the provisions of the 1992 CIRHBA. In addition, we implemented the Coal Act provisions of the Tax Relief and Health Care Act of 2006 (P.L. 109-432), which significantly affected and restructured CIRHBA. We devoted considerable time and resources to comply with P.L. 109-432. All court cases challenging SSA's involvement in the Coal Act are now closed. We have also completed our obligation to provide yearly data on miner assignments to the UMWA Combined Benefit Fund. Our Office of the Chief Actuary continues to compute the beneficiary premiums on a yearly basis.

This account provides general fund reimbursement to the trust funds to the extent that the LAE account advances funds for SSA to carry out this work. We do not request additional funds for FY 2021 because the balance of the \$10,000,000 per year appropriated in FY 1996 and in FY 1997 remains available until expended to reimburse the trust funds.

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APPROPRIATION LANGUAGE

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, [~~\$41,714,889,000~~] *\$40,308,177,000* to remain available until expended: Provided, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury: Provided further, That not more than [~~\$101,000,000~~] *\$86,000,000* shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, [2022] *2023*.

For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year [2021] *2022*, [~~\$19,900,000,000~~] *\$19,600,000,000*, to remain available until expended. (*Further Consolidated Appropriations Act, 2020.*)

LANGUAGE ANALYSIS

The appropriation language provides us with the funds needed to carry out our responsibilities under the Supplemental Security Income (SSI) program. This includes the funds needed to pay Federal benefits, administer the program, and provide beneficiary services to recipients. The budget authority for these activities is made available until expended, providing us the authority to carryover unobligated balances for use in future fiscal years. Furthermore, a portion of this funding is made available for us to conduct research and demonstration projects, which is available for 3 years, providing us the authority to carryover unobligated balances into the next 2 fiscal years.

In addition, the language provides us with indefinite authority beginning June 15, in the event Federal benefit payment obligations in FY 2021 are higher than expected, and we do not have sufficient unobligated balances to cover the difference. Consistent with previous years, the appropriation also includes an advance appropriation for Federal benefit payments in the first quarter of FY 2022 to ensure the timely payment of benefits in case of a delay in the FY 2022 appropriations bill.

Table 2.1—Appropriation Language Analysis

Language provision	Explanation
“For carrying out titles XI and XVI of the Social Security Act... including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, \$40,308,177,000, to remain available until expended.”	Appropriates funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects under the SSI program. We may carryover unobligated balances for use in future fiscal years.
"Provided, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury."	Ensures that States do not carry unobligated balances of Federal funds into the subsequent fiscal year. Applies primarily to the beneficiary services activity.
<i>Provided further</i> , That not more than \$86,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2023.	Specifies that not more than \$86 million of the SSI appropriation is available for research and demonstration projects. We may carryover unobligated balances through September 30, 2023, at which point, funds are expired.
"For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.”	Provides an indefinite appropriation to finance any shortfall in the definite appropriation for benefit payments during the last months of the fiscal year.
"For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2022, \$19,600,000,000, to remain available until expended."	Appropriates funds for benefit payments in the first quarter of the subsequent fiscal year. Ensures that recipients will continue to receive benefits during the first quarter of FY 2022 in the event of a temporary funding delay.

GENERAL STATEMENT

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

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

Table 2.2—Summary of Appropriations and Obligations¹
(in thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate ²	<i>Change</i>
Appropriation	\$ 60,866,203	\$ 61,414,889	\$ 60,208,177	- \$ 1,206,712
Obligations	\$ 60,117,288	\$ 61,170,129	\$ 62,445,914	+ \$ 1,275,785
First Quarter Advance Appropriation for Subsequent Fiscal Year	\$ 19,700,000	\$ 19,900,000	\$ 19,600,000	- \$ 300,000

PROGRAM OVERVIEW

Eligibility Standards

As a means-tested program, individuals must have income and resources below specified levels to be eligible for benefits. Rules allow some specific categories of income and resources to be either totally or partially excluded.³ The process of evaluating eligibility and payment levels for the SSI program and addressing the accuracy of payments is inherently complex due to the different rules.

An individual's benefit payment is reduced dollar for dollar by the amount of their "countable income"—income less all applicable exclusions—in a given month. Income in the SSI program includes "earned income" such as wages and net earnings from self-employment; and "unearned income" such as Social Security benefits, unemployment compensation, deemed income from a

¹ Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the Limitation on Administrative Expenses (LAE) appropriation.

² The FY 2021 Federal Benefit Payment total includes \$11 million of SSI program effects related to the Afghan Special Immigrant Visa (SIV) and Liberian Deferred Enforced Departure programs; and will not match the amount included in the President's Budget Appendix.

³ The ABLE Act of 2014 created a new type of tax-advantaged account that has a limited effect on an individual's eligibility for the SSI program and other Federal means-tested programs.

Supplemental Security Income Program

spouse or parent, and the value of in-kind support and maintenance such as food and shelter. Different exclusion rules apply for different types of income.

Benefit Payments

We estimate we will pay \$57.6 billion in Federal benefits to approximately 8 million SSI recipients in FY 2021. Including state supplementary payments, we expect to pay a total of \$60.2 billion and administer payments to over 8 million recipients.

Federal benefit payments represent approximately 92 percent of Federal SSI spending. Administrative expenses represent about 7 percent of spending; beneficiary services and research and demonstration projects make up the remaining less than one percent.

Incentives for Work and Opportunities for Vocational Rehabilitation

The SSI program is designed to help recipients with disabilities achieve independence by encouraging and supporting their attempts to work. The program includes a number of work incentive provisions that enable recipients who are blind or disabled to work and retain benefits. The program also includes provisions to help disabled beneficiaries obtain vocational rehabilitation and employment support services. These provisions were revised by legislation establishing the Ticket to Work program, which is discussed in more detail in the Beneficiary Services section.

State Supplementation

Supplementation is mandatory for certain recipients who were on State rolls just prior to the creation of the Federal program on January 1, 1974. Otherwise, States are encouraged to supplement the Federal benefit and may elect to have us administer their State supplementation program. States that choose to have us administer their program reimburse us in advance and we make the payment on behalf of the State. Participating States also reimburse us for the cost of administering their program, based on a user fee schedule established by the Social Security Act. The user fee is \$12.41 per SSI check payment in FY 2020 and is expected to increase to \$12.71 in FY 2021. The Department of the Treasury receives the first \$5.00 of each fee and we retain the amount over \$5.00. Additional information regarding State supplementation can be found within the LAE section.

Coordination with Other Programs

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

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

SSI recipients may qualify for SNAP. We work with SSI applicants and recipients in a variety of ways to help them file for SNAP, including informing them of their potential benefits, making

applications available to them, and in some cases helping them complete their applications. We also share applicant data with a number of States in support of SNAP.

FY 2021 PRESIDENT’S BUDGET REQUEST

The SSI appropriation includes funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects. In total, the FY 2021 President’s Budget request is \$60,208,177,000. However, this includes \$19,900,000,000 appropriated for the first quarter of FY 2021 in the FY 2020 appropriation. The appropriation language provides us with our remaining appropriation for FY 2021, \$40,308,177,000—the total amount requested for FY 2021 less the advance already received.

Similarly, in addition to the amount above, the request includes an advance appropriation of \$19,600,000,000 for Federal benefit payments in the first quarter of FY 2022. This advance is to ensure recipients continue to receive their benefits at the beginning of the subsequent fiscal year in case there is a delay in passing that year’s appropriation.

Table 2.3—Appropriation Detail ^{1,2}
(in thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate³	Change
Advance for Federal Benefits ⁴	\$ 19,500,000	\$ 19,700,000	\$ 19,900,000	
Regular for Federal Benefits	\$ 36,855,123	\$ 37,282,000	\$ 35,551,434	
Subtotal Federal Benefits	\$ 56,355,123	\$ 56,982,000	\$ 55,451,434	- \$ 1,530,566
Base Administrative Expenses	\$ 2,930,287	\$ 3,063,766	\$ 3,357,204	+ \$ 293,438
Program Integrity (Base)	\$ 242,364	\$ 221,420	\$ 216,079	- \$ 5,341
Program Integrity (Cap)	\$ 1,111,428	\$ 1,001,703	\$ 1,052,460	+ \$ 50,757
Subtotal Administrative Expenses	\$4,284,080	\$4,286,889	\$4,625,743	+ \$ 338,854
Beneficiary Services	\$ 126,000	\$ 45,000	\$ 45,000	+ \$ 0
Research and Demonstration	\$ 101,000	\$ 101,000	\$ 86,000	- \$ 15,000
Subtotal Advanced Appropriation	\$ 19,500,000	\$ 19,700,000	\$ 19,900,000	
Subtotal Regular Appropriation	\$ 41,366,203	\$ 41,714,889	\$ 40,308,177	
Total Appropriation	\$ 60,866,203	\$ 61,414,889	\$ 60,208,177	- \$ 1,206,712
Advance for Subsequent Year	\$ 19,700,000	\$ 19,900,000	\$ 19,600,000	- \$ 300,000

¹ Does not include State supplementary payments and reimbursements or the corresponding State supplementary user fee collections; user fees are included in the LAE appropriation.

² Totals may not add due to rounding.

³ The FY 2021 Federal Benefit Payment total includes \$11 million of SSI program effects related to the Afghan Special Immigrant Visa (SIV) and Liberian Deferred Enforced Departure programs; and will not match the amount included in the President's Budget Appendix.

⁴ Amount provided or requested in the previous year’s appropriation bill.

KEY INITIATIVES

We continue to pursue efforts to ensure the proper management and stewardship of the SSI program. This includes a focus on reducing the major factors affecting payment accuracy, maintaining our roles through CDRs and non-disability redeterminations, combatting fraud, improving our debt collection tools, and using our data matching systems to detect changes in SSI eligibility. Further information on these programs can be found in our Improper Payments exhibit and the Program Integrity exhibit of the LAE section. Additional detail is also included in our Annual Performance Report (APR) and Agency Financial Report (AFR)¹.

¹ Both the APR and AFR can be viewed online at <https://www.ssa.gov/agency/budget-and-performance.html>

BUDGETARY RESOURCES

The SSI annual appropriation consists of a regular appropriation made available by the current year's appropriation bill and an advance made available by the prior year's appropriation. This advance is for Federal benefit payments in the first quarter of the subsequent fiscal year to ensure recipients continue to receive their benefits in case there is a delay in passing that year's appropriation bill. The President's Budget for FY 2021 is \$60,208,177,000, including \$19,900,000,000 appropriated in the FY 2020 appropriation.

Table 2.4—Amounts Available for Obligation^{1,2}

	(in thousands)		
	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate
Regular Appropriation	\$ 41,366,203	\$ 41,714,889	\$ 40,308,177
Advanced Appropriation	\$ 19,500,000	\$ 19,700,000	\$ 19,900,000
Total Annual Appropriation	\$ 60,866,203	\$ 61,414,889	\$ 60,208,177
Federal Unobligated Balance	\$3,373,225	\$ 4,166,076	\$ 4,410,836
Recovery of Prior-Year Obligations	\$ 43,936	\$ 0	\$ 0
Subtotal Federal Resources	\$ 64,283,364	\$ 65,580,965	\$ 64,619,013
State Supp. Reimbursements	\$ 2,567,615	\$ 2,599,000	\$ 2,644,000
State Supp. Unobligated Balance	\$ 216,092	\$ 214,203	\$ 218,203
Total Budgetary Resources	\$ 67,067,072	\$ 68,394,168	\$ 67,481,216
Federal Obligations	\$ 60,117,288	\$ 61,170,129	\$ 62,445,914
State Supp. Obligations	\$ 2,569,505	\$ 2,595,000	\$ 2,640,000
Total Obligations	\$ 62,686,793	\$ 63,765,129	\$ 65,085,914
Federal Unobligated Balance	\$ 4,166,076	\$ 4,410,836	\$ 2,173,099
State Supp. Unobligated Balance	\$ 214,203	\$ 218,203	\$ 222,203
Total Unobligated Balance	\$ 4,380,279	\$ 4,629,039	\$ 2,395,301

The SSI annual appropriation was \$60.9 billion in FY 2019. The enacted FY 2020 appropriation is \$61.4 billion. We have the authority to carry over unobligated balances for use in future fiscal years for Federal benefit payments, administrative expenses, and beneficiary services because the amounts appropriated are made available until expended. We carried over approximately

¹ Does not include state supplementary user fees; user fees are included in the LAE appropriation.

² Totals may not add due to rounding.

\$4.2 billion in Federal unobligated balances into FY 2020. We expect to carry over approximately \$4.4 billion into FY 2021, and use about \$2.2 billion in carryover funds.

In addition to these appropriated amounts, we have spending authority in the amount of the advance reimbursement we receive from States to pay their State supplementary benefits. Because States reimburse us in advance, we carry over the amount received for the October 1 payment, reimbursed at the end of September in the prior fiscal year, for use in the subsequent fiscal year.

ANALYSIS OF CHANGES

The FY 2021 request represents a decrease of approximately \$1.2 billion from the FY 2020 level. The majority of the decrease in our funding request is mainly to use our mandatory carryover funds.

We plan to use unobligated balances to partially fund Federal benefits, beneficiary services, research and demonstration projects, and administrative expenses in FY 2020 and FY 2021. We plan to use approximately \$205 million in unobligated balances and recoveries in FY 2020 and approximately \$2.2 billion in FY 2021.

Federal Benefit Payments

The FY 2021 request for Federal Benefit payments is \$1.5 billion less than the FY 2020 level. We decreased the FY 2021 request for Federal benefit payments mainly to use \$2.1 billion in carryover funds to cover our estimated obligations. The decrease in Federal benefit payments is partially offset by the the January COLA and the impact of Old-Age, Survivors, and Disability Insurance (OASDI) COLAs on concurrent SSI/OASDI recipients. Since OASDI benefits are counted as income in the SSI program, the annual OASDI COLA decreases the SSI benefit payment for concurrent recipients.

Administrative Expenses

The FY 2021 request for administrative expenses is \$338 million more than the FY 2020 level. We expect to use \$133 million in carryover funds in FY 2020 and \$74 million in carryover funds in FY 2021 to cover estimated obligations.

Beneficiary Services

We are requesting \$45 million in new authority for FY 2021. This is identical to our FY 2020 appropriation. Our estimate reflects a steady level of vocational rehabilitation reimbursement awards and Ticket payments to Employment Networks under the Ticket to Work program. We expect to use \$91 million in carryover funds in FY 2021 to cover our estimated obligations.

Research and Demonstrations

The FY 2021 request for research and demonstration projects is \$15 million less than the FY 2020 level. We expect to use \$24 million in carryover funds in FY 2020 in addition to our requested appropriation, to cover our estimated obligations.

Supplemental Security Income Program

Table 2.5—Summary of Changes^{1,2}

	(in thousands)		
	FY 2020 Enacted	FY 2021 Estimate	<i>Change</i>
Appropriation	\$ 61,414,889	\$ 60,208,177	- \$ 1,206,712
Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation	+ \$ 205,240	+ \$ 2,237,737	+ \$ 2,032,497
Increase in Obligations to reflect the most recent Actuarial Estimate	- \$ 450,000		+ \$ 450,000
Estimated Federal Obligations	\$ 61,170,129	\$ 62,445,914	+ \$ 1,275,785

¹ Does not include State supplementary payments and reimbursements or the corresponding State supplement user fee collections; user fees are included in the LAE appropriation.

² Totals may not add due to rounding.

Table 2.6—Explanation of SSI Budget Changes from FY 2020 to FY 2021
(in thousands)

	FY 2020 Obligations	Change
Federal Benefit Payments	\$ 56,982,000	
• COLA – 2.4% beginning January 2021		+\$ 1,651,000
• Net decrease due to annualized closings and awards		-\$ 226,000
• Effect of OASDI COLA for concurrent SSI/OASDI Recipients		-\$ 395,000
Federal Benefit Payments - Carryover	-\$ 450,000	
• Net change in obligations from carryover		-\$ 91
Administrative Expenses	\$ 4,286,889	
• Increase in base funding		+\$ 338,854
Administrative Expenses – Carryover	\$ 133,173	
• Decrease in amount of carryover funding planned for obligation in FY 2021		-\$ 59,421
Beneficiary Services	\$ 45,000	
Beneficiary Services – Carryover	\$ 48,000	
• Increase in amount of carryover funding planned for obligation in FY 2021		+\$ 6,000
Research and Demonstration	\$ 101,000	
• Decrease in base funding		-\$ 15,000
Research and Demonstration -- Carryover	\$ 24,067	
• Decrease in amount of carryover funding planned for obligation in FY 2021		-\$ 24,557
Total Obligations Requested, Net Change	\$ 61,170,129	+\$ 1,275,785

NEW BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY

The table below displays budget authority and obligations for the five main SSI activities – Federal benefit payments, administrative expenses, program integrity, beneficiary services and research and demonstration.

Table 2.7—New Budget Authority and Obligations by Activity^{1,2}
(in thousands)

	FY 2019 Actual	FY 2020 Enacted³	FY 2021 Estimate^{4,5}
<u>Federal Benefit Payments</u>			
Appropriation	\$ 56,355,123	\$ 56,982,000	\$ 55,451,434
Obligations	\$ 55,590,534	\$ 56,532,000	\$ 57,561,909
Monthly Check Payments	12	12	12
<u>Base Administrative Expenses</u>			
Appropriation	\$ 2,930,287	\$ 3,063,766	\$ 3,357,204
Obligations	\$ 2,930,939	\$ 3,196,939	\$ 3,430,956
<u>Program Integrity (Base)</u>			
Appropriation	\$ 242,364	\$ 221,420	\$ 216,079
Obligations	\$ 242,364	\$ 221,420	\$ 216,079
<u>Program Integrity (Cap)</u>			
Appropriation	\$ 1,111,428	\$ 1,001,703	\$ 1,052,460
Obligations	\$ 1,111,428	\$ 1,001,703	\$ 1,052,460
<u>Beneficiary Services</u>			
Appropriation	\$ 126,000	\$ 45,000	\$ 45,000
Obligations	\$ 100,372	\$ 93,000	\$ 99,000
<u>Research and Demonstration</u>			
Appropriation	\$ 101,000	\$ 101,000	\$ 86,000
Obligations	\$ 141,650	\$ 125,067	\$ 85,510
Total Appropriation	\$ 60,866,203	\$ 61,414,889	\$ 60,208,177
Total Federal Obligations	\$ 60,117,288	\$ 61,170,129	\$ 62,445,914

¹ Does not include State supplementary payments and reimbursements or the corresponding State supplement user fee collections; user fees are included in the LAE appropriation.

² Totals may not add due to rounding.

³ We expect to use carryover of prior year unobligated balances and recoveries for FY 2020 obligations as follows: beneficiary services, \$48 million; administrative expenses, \$133 million; and research and demonstration, \$24 million.

⁴ In addition to the FY 2021 President's Budget request, we expect to use carryover of prior year unobligated balances and recoveries for FY 2021 obligations as follows: Federal benefits, \$2.110 billion; beneficiary services, \$54 million; and administrative expenses, \$74 million.

⁵ The FY 2021 Federal Benefit Payment total includes \$11 million of SSI program effects related to the Afghan Special Immigrant Visa (SIV) and Liberian Deferred Enforced Departure programs; and will not match the amount included in the President's Budget Appendix.

NEW BUDGET AUTHORITY AND OBLIGATIONS BY OBJECT

In the table below, “Other Services” includes administrative expenses, program integrity, and beneficiary services.

Table 2.8—New Budget Authority and Obligations by Object ^{1,2}
(in thousands)

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate
<u>Other Services</u> ³			
Appropriation	\$ 4,410,080	\$ 4,331,889	\$ 4,670,743
Obligations	\$ 4,385,104	\$ 4,513,062	\$ 4,798,495
<u>Federal Benefits and Research</u>			
Appropriation	\$ 56,456,123	\$ 57,083,000	\$ 55,537,434
Obligations	\$ 55,732,184	\$ 56,657,067	\$ 57,647,419
Total Appropriation	\$ 60,866,203	\$ 61,414,889	\$ 60,208,177
Total Obligations	\$ 60,117,288	\$ 61,170,129	\$ 62,445,914

¹ Does not include State supplementary payments and reimbursements or the corresponding State supplement user fee collections; user fees are included in the LAE appropriation.

² Totals may not add due to rounding.

³ The administrative portion of these services includes the SSI’s prorated share of unobligated LAE money that has been converted into no-year IT funds. It is not part of the annual administrative appropriation.

BACKGROUND

AUTHORIZING LEGISLATION

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

Table 2.9—Authorizing Legislation

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate	FY Amount Authorized
Title XVI of the Social Security Act, Section 401 of P.L. 92-603 and Section 212 of P.L. 93-66, as amended, and Section 405 of P.L. 92-216 ¹	\$ 60,866,203,000	\$ 61,414,889,000	\$ 60,208,177,000	<i>Indefinite</i>
First Quarter Advance Appropriation for Subsequent Fiscal Year	\$ 19,700,000,000	\$ 19,900,000,000	\$ 19,600,000,000	---

¹ Does not include State supplementary payments and reimbursements or the corresponding State supplement user fee collections; user fees are included in the LAE appropriation.

APPROPRIATION HISTORY

The table below displays the President's Budget request, amounts passed by the House and Senate, and the actual amount appropriated, for the period FY 2010 to FY 2021. Indefinite budget authority is requested when actual Federal benefit payments exceed the amounts available for Federal benefit payments in a given fiscal year.

Table 2.10—Appropriation History¹

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	\$ 15,400,000,000	---	\$ 15,400,000,000	\$ 15,400,000,000
Current Year	\$ 34,742,000,000	\$ 34,742,000,000 ²	\$ 34,742,000,000 ³	\$ 34,742,000,000 ⁴
2010 Total	\$ 50,142,000,000	---	\$ 50,142,000,000	\$ 50,142,000,000
<i>2010 Indefinite</i>				\$ 458,465,781
Q1 Advance	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000	\$ 16,000,000,000
Current Year	\$ 40,513,000,000	---	\$ 40,513,000,000 ⁶	\$ 39,983,273,000 ⁷
2011 Total	\$ 56,513,000,000	---	\$ 56,513,000,000	\$ 55,983,273,000
Q1 Advance	\$ 13,400,000,000	---	\$ 13,400,000,000	\$ 13,400,000,000
Current Year	\$ 38,083,000,000 ⁸	---	\$ 37,922,543,000 ¹⁰	\$ 37,582,991,000 ¹¹
2012 Total	\$ 51,483,000,000 ¹²	---	\$ 51,322,543,000	\$ 50,982,991,000
<i>2012 Indefinite</i>				\$ 560,000,000
Q1 Advance	\$ 18,200,000,000	---	\$ 18,200,000,000	\$ 18,200,000,000
Current Year	\$ 40,043,000,000 ¹³	---	\$ 40,043,000,000 ¹⁵	\$ 32,782,991,000 ¹⁶
2013 Total	\$ 58,243,000,000 ¹⁷		\$ 58,243,000,000	\$ 50,982,991,000
2013 Rescission				\$ 32,779,347,000
<i>2013 Sequester¹⁸</i>				
Q1 Advance	\$ 19,300,000,000		\$ 19,300,000,000	\$ 19,300,000,000
Current Year	\$ 40,737,000,000 ¹⁹		\$ 40,568,741,000 ²⁰	\$ 41,249,064,000 ²¹
2014 Total	\$ 60,037,000,000 ²²		\$ 59,868,741,000	\$ 60,549,064,000
Q1 Advance	\$ 19,700,000,000		\$ 19,700,000,000	\$ 19,700,000,000
Current Year	\$ 40,927,000,000			\$ 41,232,978,000 ²³
2015 Total	\$ 60,627,000,000	No Data	No Data	\$ 60,932,978,000 ²⁴
Q1 Advance	\$ 19,200,000,000			\$ 19,200,000,000
Current Year	\$ 46,422,000,000	\$ 46,232,978,000 ²⁵	\$ 46,110,777,000 ²⁶	\$ 46,305,733,000 ²⁷
2016 Total	\$ 65,622,000,000	\$ 65,432,978,000	\$ 65,310,777,000	\$ 65,505,733,000 ²⁸
Q1 Advance	\$ 14,500,000,000			\$ 14,500,000,000
Current Year	\$ 43,824,868,000	\$ 43,162,469,000 ²⁹	\$ 43,618,163,000 ³⁰	\$ 43,618,163,000 ³¹
2017 Total	\$ 58,324,868,000	\$ 57,662,469,000	\$ 58,118,163,000	\$ 58,118,163,000 ³²

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Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	\$ 15,000,000,000			\$ 15,000,000,000
Current Year	\$ 38,557,000,000	\$ 38,591,635,000 ³³	\$ 38,450,927,000 ³⁴	\$ 38,487,277,000 ³⁵
2018 Total	\$53,557,000,000	\$ 53,591,635,000	\$ 53,450,927,000	\$ 53,487,227,000³⁶
Q1 Advance	\$19,500,000,000			\$ 19,500,000,000
Current Year	\$41,208,000,000	\$ 41,251,000,000 ³⁷	\$ 41,390,721,000 ³⁸	\$ 41,366,203,000 ³⁹
2019 Total	\$60,708,000,000	\$ 60,751,000,000	\$ 60,890,721,000	\$ 60,866,203,000⁴⁰
Q1 Advance	\$19,700,000,000			\$ 19,700,000,000
Current Year	\$41,832,000,000	\$41,938,540,000 ⁴¹	- - - ⁴²	\$ 41,714,889,000 ⁴³
2020 Total	\$61,532,000,000	\$61,638,540,000		\$ 61,414,889,000⁴⁴
Q1 Advance	\$19,900,000,000			\$ 19,900,000,000
Current Year	\$40,308,177,000			
2021 Total	\$60,208,177,000			
Q1 Advance	\$19,600,000,000			
Current Year				
2022 Total				

¹ Does not include State supplementary payments and reimbursements or the corresponding State user fee collections; user fees are included in the LAE appropriation.

² H.R. 3293.

³ H.R. 3293, reported from Committee with an amendment.

⁴ Consolidated Appropriations Act, 2010 (P.L. 111-117).

⁵ The House Committee on Appropriations did not report a bill.

⁶ S. 3686.

⁷ The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). Of this amount, \$3,493,273,000 was available for administrative expenses. The amount does not include a rescission of \$6,987,000 for SSI administrative expenses and \$72,000 for research and demonstration projects in accordance with P.L. 112-10.

⁸ Of this amount, not to exceed \$10,000,000 was for Supplemental Security Income Program-related performance-based awards for Pay for Success projects and not more than \$10,000,000 was to provide incentive payments and to conduct a rigorous evaluation of a demonstration project designed to improve the outcomes for SSI child recipients and their families.

⁹ The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$38,062,428,000 for fiscal year 2012. Of this amount, not more than \$17,428,000 was made available for research and demonstrations under sections 1110 and 1114 of the Social Security Act and remain available until the end of fiscal year 2013. Up to \$10,000,000 of the research funds were to provide incentives payments and to conduct a rigorous evaluation of a demonstration project designed to improve the

outcomes for SSI child recipients and their families. In addition, H.R. 3070 included \$18,200,000,000 for benefit payments for the first quarter of fiscal year 2013.

¹⁰ S. 1599.

¹¹ Consolidated Appropriations Act, 2012 (P.L. 112-74). Of this amount, not more than \$8,000,000 was made available for research and demonstrations under sections 1110 and 1144 of the Social Security Act. The amount does not include a rescission of \$6,377,000 for SSI administrative expenses and \$2,000 for research and demonstration projects in accordance with P.L. 112-74.

¹² The President's Budget proposed to provide \$140 million in cap adjustment funding in FY 2012, consistent with section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. Of the \$140 million, the SSI portion totaled \$46 million.

¹³ Of this amount, not more than \$48,000,000 was for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

¹⁴ The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$39,335,614,000 for fiscal year 2013. Of this amount, not more than \$8,000,000 was made available for research and demonstrations under sections 1110 and 1144 of the Social Security Act and to remain available until the end of fiscal year 2014. In addition, the draft bill included \$19,300,000,000 for benefit payments for the first quarter of fiscal year 2014.

¹⁵ S. 3295.

¹⁶ Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).

¹⁷ The President's Budget proposed to provide \$266 million in mandatory administrative funding in FY 2013. Of the \$266 million, the SSI portion totals \$106 million.

¹⁸ SSI was exempt from sequestration in FY 2013.

¹⁹ Of this amount, not more than \$54,000,000 is for research and demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

²⁰ S. 1284.

²¹ Consolidated Appropriations Act, 2014 (P.L. 113-76).

²² The President's Budget proposed to provide \$1.2 billion in mandatory administrative funding in FY 2014. Of the \$1.2 billion, the SSI portion totals \$587 million.

²³ Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

²⁴ Of this amount, not more than \$48,000,000 is for research and demonstrations and not more than \$35,000,000 is for early intervention demonstrations under sections 1110, 1115 and 1144 of the Social Security Act.

²⁵ H.R. 3020.

²⁶ S. 1695

²⁷ Consolidated Appropriations Act, 2016 (P.L. 114-113).

²⁸ Of this amount, not more than \$101,000,000 is for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act.

²⁹ H.R. 5926.

³⁰ S. 3040.

³¹ Consolidated Appropriations Act, 2017 (P.L. 115-31).

³² Of this amount, not more than \$58,000,000 is for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act.

³³ H.R. 3358.

³⁴ S. 1771.

³⁵ Consolidated Appropriations Act, 2018 (P.L. 115-141).

³⁶ Of this amount, not more than \$101,000,000 is for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act.

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³⁷ H.R. 6470.

³⁸ S. 3158.

³⁹ Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245).

⁴⁰ Of this amount, not more than \$101,000,000 is for research and demonstrations under sections 1110,1115, and 1144 of the Social Security Act.

⁴¹ H.R. 2740.

⁴² The Senate Committee on Appropriations did not report a bill. The Committee posted a draft bill which mirrored the FY 2020 President's Budget request for \$41,832,000,000.

⁴³ Further Consolidated Appropriations Act, 2020 (P.L. 116-94)

⁴⁴ Of this amount, not more than \$101,000,000 is for research and demonstrations under sections 1110,1115, and 1144 of the Social Security Act.

FEDERAL BENEFIT PAYMENTS

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

PURPOSE AND METHOD OF OPERATION

The SSI program was established to pay needy aged, blind and disabled individuals a minimum level of income through Federally-administered monthly cash payments. In many cases, these payments supplement income from other sources, including Social Security benefits and State programs. In FY 2021, we estimate benefit payments will total approximately \$57.6 billion for approximately 8 million Federal SSI recipients.

**Table 2.11—Federal Benefit Payments: New Budget Authority and Obligations¹
(in thousands)**

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate ²	<i>Change</i>
Appropriation	\$ 56,355,123	\$ 56,982,000	\$ 55,451,434	- \$ 1,530,566
Obligations Funded from Prior-Year Unobligated Balance and Recoveries	\$ 0	\$ 0	\$ 2,110,475	+ \$ 2,110,475
Obligations	\$ 55,590,534	\$ 56,532,000	\$ 57,561,909	+ \$ 1,029,909
Advance for subsequent fiscal year	\$ 19,700,000	\$ 19,900,000	\$ 19,600,000	- \$ 300,000

RATIONALE FOR BUDGET REQUEST

We are requesting \$55 billion in new budget authority for Federal benefit payments in FY 2021. We decreased the FY 2021 request for Federal benefit payments mainly to use \$2.1 billion in carryover funds to cover our estimated obligations.

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

¹ Federal benefit numbers reflect the most recent estimates from our Office of the Chief Actuary.

² The FY 2021 Federal Benefit Payment total includes \$11 million of SSI program effects related to the Afghan Special Immigrant Visa (SIV) and Liberian Deferred Enforced Departure programs; and will not match the amount included in the President's Budget Appendix.

SSI RECIPIENT POPULATION

The number of Federal SSI recipients has decreased from 8.2 million in FY 2016 to 8.0 million in FY 2019 and is expected to decrease to 7.9 million in FY 2021. The estimated decrease in Federal recipients in FY 2021 represents a 0.6 percent decrease over the FY 2020 level. We estimate the number of SSI recipients by analyzing a number of factors including applications, award and termination rates, and funding for program integrity initiatives.

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

	FY 2016	FY 2017	FY 2018	FY 2019
Aged	1,108	1,114	1,119	1,114
Blind or Disabled	7,048	6,986	6,924	6,842
Total Federal	8,157	8,100	8,043	7,957
<i>Year-to-Year Change</i>	<i>- 0.2%</i>	<i>- 0.7%</i>	<i>- 0.7%</i>	<i>- 1.1%</i>
State Supplement Only	166	162	158	151
Total Federally Administered	8,323	8,262	8,202	8,108

In addition to Federal SSI recipients, we currently administer State supplementary payments for 20 States and the District of Columbia. We administer payments for approximately 1.5 million State supplement recipients, of which approximately 150,000 do not receive a Federal SSI benefit and only receive the State supplementary payment.

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

	FY 2020 Estimate	FY 2021 Estimate	Change
Aged	1,112	1,112	+ 0.0%
Blind or Disabled	6,811	6,763	- 0.7%
Total Federal	7,923	7,875	- 0.6%
State Supplement only	149	150	+ 0.7%
Total Federally Administered	8,072	8,025	- 0.6%

¹ Totals may not add due to rounding.

SSI Disabled vs. Aged Recipient Population

The number of Federal blind or disabled SSI recipients as a percentage of all Federal SSI recipients gradually decreased from 86.4 percent in FY 2016 to 86.0 percent in FY 2019 and is projected to continue to decrease.

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

Fiscal Year	Total Federal	Aged	Blind or Disabled	Blind or Disabled as % of Total
2016	8,157	1,108	7,048	86.4%
2017	8,100	1,114	6,986	86.2%
2018	8,043	1,119	6,924	86.1%
2019	7,957	1,114	6,842	86.0%
2020 Estimate	7,923	1,112	6,811	86.0%
2021 Estimate	7,875	1,112	6,763	85.9%

Concurrent SSI/OASDI Recipients

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

¹ Totals may not add due to rounding.

BENEFIT PAYMENTS

Maximum Monthly Federal Payments

The maximum monthly Federal benefit rate (FBR) is increased each January when there are increases in the cost-of-living. There is a 1.6 percent cost of living increase in calendar year (CY) 2020. An increase of 2.4 percent is projected for January 2021. The FBR increased from \$771 for an individual and \$1,157 for a couple for CY 2019 to \$783 for an individual and \$1,175 for a couple in CY 2020. We estimate the FBR will increase to \$802 for an individual and \$1,204 for a couple in CY 2021. The COLA will be effective in January 2021, raising the maximum benefit rate to higher levels than the first 3 months of the fiscal year.

Table 2.15—Maximum Benefit Rates

	FY 2020		FY 2021	
	First 3 Months	Last 9 Months	First 3 Months	Last 9 Months
Individual	\$ 771	\$ 783	\$ 783	\$ 802
Couple	\$ 1,157	\$ 1,175	\$ 1,175	\$ 1,204

Average Monthly Benefit Payments

The amount actually paid to a recipient can vary from the FBR based on their income received (e.g., earnings and Social Security benefits) and the living arrangement of the recipient (e.g., residence in one's own home, the household of another person, or in a nursing home which meets Medicaid standards). The average monthly benefit is expected to increase from \$578 in FY 2019 to \$588 in FY 2020 and \$602 in FY 2021. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

Table 2.16—Average Monthly Benefit Payments

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Aged	\$ 412	\$ 424	\$ 437
Blind or Disabled	\$ 605	\$ 614	\$ 629
All SSI Recipients	\$ 578	\$ 588	\$ 602

Cost of Living Adjustments

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

Program Integrity Funding

Annual benefit payment estimates are dependent on us performing a certain level of SSI CDRs and redeterminations. Specifically, the FY 2021 estimate assumes we will conduct almost 472,000 SSI CDRs and 2,000,000 non-medical redeterminations.

Timing of Monthly Benefit Payments

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

Table 2.17—Check Payments by Fiscal Year

	Number of Check Payments	Federal Benefit Obligations
FY 2012	11	\$ 47,003,477,518
FY 2013	12	\$ 52,782,740,412
FY 2014	12	\$ 53,849,499,196
FY 2015	12	\$ 54,706,388,183
FY 2016	13	\$ 59,044,228,391
FY 2017	12	\$ 54,729,471,841
FY 2018	11	\$ 50,949,421,097
FY 2019	12	\$ 55,590,534,196
FY 2020	12	\$ 56,532,000,000
FY 2021	12	\$ 57,550,909,000

ADMINISTRATIVE EXPENSES

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

PURPOSE AND METHOD OF OPERATION

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

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

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

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

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate	<i>Change</i>
Total Appropriation	\$ 4,284,080	\$ 4,286,889	\$ 4,625,743	+ \$ 338,854
Obligations Funded from Prior-Year Unobligated Balance	+ \$ 652	+ \$ 133,173	+ \$ 73,752	- \$ 59,421
Obligations	\$ 4,284,732	\$ 4,420,062	\$ 4,699,495	+ \$ 279,433

RATIONALE FOR BUDGET REQUEST

SSI'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.

The FY 2021 request for SSI administrative expenses is \$4.626 billion. This appropriation is used to reimburse the trust funds for the SSI program's share of administrative expenses. This amount includes \$1.268 billion specifically for FY 2021 SSI program integrity activities.

These amounts exclude funding made available in the LAE account from State user fees for our expenses for administering SSI state supplementary payments. The LAE account assumes funding of up to \$135 million in FY 2021.

BENEFICIARY SERVICES

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

PURPOSE AND METHOD OF OPERATION

Beneficiary services consist of the Vocational Rehabilitation (VR) and Ticket to Work (TTW) programs. The objective of the programs is to help disabled individuals return to work. The trust funds and general revenues fund beneficiary services. OMB directly apportions the trust funds' portions of beneficiary services and they are not part of this appropriation request. The general revenues fund beneficiary services for disabled Supplemental Security Income (SSI) recipients as described below.

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

	FY 2019 Actual	FY 2020¹ Enacted	FY 2021 Estimate	<i>FY 2020 to FY 2021 Change</i>
Appropriation	\$ 126,000	\$ 45,000	\$ 45,000	\$ 0
Prior-Year Unobligated Balances and Recoveries	\$ 114,181	\$ 139,809	\$ 91,809	-\$ 48,000
Total Budgetary Resources	\$ 240,181	\$ 184,809	\$ 136,809	-\$ 48,000
Obligations	\$ 100,372	\$ 93,000	\$ 99,000	+\$ 6,000

Under the VR program, we repay State VR agencies for the reasonable and necessary costs of services that successfully help disabled recipients return to work. VR agencies are successful when a disabled recipient performs substantial gainful activity (SGA) for a continuous period of 9 out of 12 months.² VR agencies can serve as Employment Networks (ENs) in the TTW program or under our VR reimbursement program.

Under the TTW program, authorized by the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170), we pay ENs for providing vocational rehabilitation, employment, and other support services to disabled SSI recipients. These recipients select an EN, which we pay when EN services result in prescribed work milestones and outcomes that may reduce reliance on Federal cash benefits.

¹ Our FY 2020 request was \$81 million lower than the FY 2019 appropriation because we used prior year carryover to fund approximately \$84 million in obligations. In the years prior to FY 2020, systems updates have led to unpredictable fluctuations in obligations. We were projecting a more gradual annual increase as the obligations have stabilized to more accurately reflect the growth in the number of beneficiaries returning to work. We project to continue to use prior year carryover in FY 2021.

² In 2020, we consider non-blind and blind disabled recipients to be performing SGA if they earn more than \$1,260 and \$2,110 per month, respectively.

Ticket payments, unlike VR reimbursement awards, are not based on the costs of specific services provided by the EN. We pay ENs using either an outcome-milestone payment method or an outcome-only payment method.

We base Ticket payment amounts for SSI recipients on the prior year's average disability benefit payable under Title XVI. While we previously made Ticket payments only upon request, we now also initiate payments to ENs when information in our records indicates the recipient has achieved the prerequisite earnings and all other requirements qualifying the EN for a payment are met.

RATIONALE FOR BUDGET REQUEST

We are requesting \$45 million in new budget authority for beneficiary services in FY 2021. The FY 2021 forecast is based on an econometric model which uses prior payments as well as historical economic and demographic characteristics to predict future spending. The model predicts an increase in spending based on the economic assumptions for the FY 2021 President's Budget. The FY 2021 request funds an estimated six percent increase in obligations above the FY 2020 level.

Automation of payments through Ticket to Work and Cost Reimbursement has resulted in an increase in the amount paid to ENs and VRs. In July 2015, we automated the EN business processes and implemented ePay, a payment process that helps ENs receive payments more timely. While we saw an initial increase in the amount paid to ENs, this amount has stabilized in recent years, and in FY 2021, we anticipate this amount to remain the same.

In FY 2017, we implemented the Internet Ticket Operations Provider Support System (iTOPSS) that improves automation for the VR program. iTOPSS allows VRs to expedite the submission of claims for reimbursement payments. The new VR payment system replaces a slower, more error prone, paper-intensive VR payment process with an automated workflow management system allowing us to prioritize claims and process them faster and more efficiently. As a result of this new system, we witnessed an increase in the number of claims submitted by VRs, which led to an increase of backlogged claims awaiting payment processing. To address this backlog, we now require VRs to submit proof of earnings with reimbursement claims. We also follow up to obtain supplemental information from VRs after 30 days instead of 75 days. We are evaluating other mitigation strategies and, as a result of these efforts, anticipate an increase in the amount paid to VRs in FY 2021. Considering all the factors above, and assuming that more beneficiaries will return to work, we estimate an increase in cost reimbursement awards and the same number of milestone and outcome payments in FY 2021.

We continue our efforts to improve management and oversight of the VR and Ticket programs to ensure effectiveness. These efforts are solidified in the current EN agreements and include ongoing quality reviews of State reimbursement claims and internal audits of the agency's payment process. ENs and VRs help our beneficiaries attain higher levels of sustained employment success.

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments¹

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
<u>Vocational Rehabilitation</u>			
SSI Only Reimbursement Awards	5,788	5,048	5,451
SSI/DI Concurrent Reimbursement Awards	3,486	3,040	3,283
Total Reimbursement Awards	9,274	8,088	8,734
VR Obligations (in thousands)	\$ 85,624	\$ 75,000	\$ 81,000
<u>Ticket to Work</u>			
SSI Only Milestone Payments	4,083	4,900	4,900
SSI Only Outcome Payments	17,622	21,146	21,146
SSI/DI Concurrent Milestone Payments	7,415	8,898	8,898
SSI/DI Concurrent Outcome Payments	8,768	10,521	10,521
Total Ticket Payments	37,888	45,465	45,465
Ticket Obligations (in thousands)	\$ 14,748	\$ 18,000	\$ 18,000
Total VR Awards & Ticket Payments	47,162	53,553	54,199
Total Obligations (in thousands)	\$ 100,372	\$ 93,000	\$ 99,000

ADDITIONAL INFORMATION ON VR COST REIMBURSEMENT AND TICKET TO WORK PROGRAMS

The State VR agency may decide on a case-by-case basis whether to receive compensation under the long standing VR cost reimbursement payment option or one of the two TTTW payment methods described below. VR agencies have 90 days after they open a case (ticket assignment) to decide if they want to be reimbursed for their expenses under the Cost Reimbursement program or if they want to be paid under the Ticket program. Most agencies select cost reimbursement as the initial payment option and then switch to Ticket after further evaluation of a case. Regardless of the payment method the State VR agency chooses, the recipient must have agreed to use the Ticket with the State VR agency for the agency to be eligible for either type of payment.

Outcome-Milestone Payment Method:

- There are two phases of outcome-milestone payments. Phase I allows 4 payments, and Phase II allows 18 payments.
- We begin paying the EN when the recipient successfully achieves certain predetermined work-related milestones while still receiving Federal benefits.

¹ Totals may not add due to rounding.

- We stop paying milestone payments and begin outcome payments when the recipient's monthly Federal cash benefits are not payable because of work and earnings.

Outcome-Payment Method:

- Outcome payments are payable for a maximum of 60 months (consecutive or otherwise).
- We begin issuing monthly outcome payments after the individual's monthly Federal cash benefit payments cease and the individual earns above the SGA level in a month.
- The dollar amounts of the monthly outcome payments are larger when the EN elects not to receive milestone payments while the recipient still receives benefits.

When a State VR agency provides services to a recipient under the cost reimbursement payment option, and the recipient later seeks support services from an EN, we may pay the State VR agency and the EN for sequential periods of service. However, the EN is not eligible for Phase I Ticket payments, since the State VR agency would have provided initial services.

Proposal to reform the ticket to work program

In FY 2021, SSA will, subject to the enactment of authorizing legislation, transfer administrative management of the Ticket to Work Program to the Department of Labor's Employment and Training Administration (ETA). The Ticket to Work program allows SSA to pay service providers to help Disability Insurance (DI) beneficiaries and SSI recipients beneficiaries achieve employment outcomes.

In its current form, the Ticket to Work program faces several challenges in attempting to meet its mission. First, the program falls outside of SSA's core mission of administering the Old Age and Survivor Insurance (OASI), DI and SSI programs. Second, the program duplicates administrative structures and services where robust State and local workforce systems already exist. Finally, the program is administratively burdensome, making it difficult for beneficiaries, employers, and service providers to effectively interact with the program.

This proposal would move the Ticket to Work Program to ETA, the Federal government's leading workforce development agency. It would empower the American Job Center network to carry out the Ticket to Work Program in concert with other workforce programs. In addition, it would simplify program rules while potentially improving program structure and outcomes for the performance-based funding allocation. The reformed program will move toward a more integrated, effective, and efficient system for supporting DI beneficiaries and SSI recipients in obtaining and sustaining employment.

The ultimate goals of the proposal include:

- Increasing the number of disability beneficiaries who participate in the program, succeed in employment, and achieve economic mobility
- Improving the experience of individual program participants;
- Reducing program fragmentation and duplication;

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- Establishing national uniformity in essential program features while allowing local innovation;
- Restructuring funding mechanisms and performance metrics to align with the Workforce Innovation and Opportunity Act (WIOA);
- Providing financial incentives to states that perform well;
- Leveraging DOL's expertise in promoting innovative workforce development solutions and employment; and
- Better integrating services for disability beneficiaries into the core workforce system.

DOL's Office of Disability Employment Policy (ODEP) will provide policy guidance to ETA to support its new responsibilities in implementing the transfer and administration of the program.

RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH

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

PURPOSE AND METHOD OF OPERATION

We conduct extramural research, demonstrations, and outreach under Sections 1110, 1115, 1144, and 234 of the Social Security Act (Act). Projects funded under Section 234 are essential to our demonstration portfolio, but as they are part of the mandatory budget, we are not including them in our appropriations request. The Foundations for Evidence-Based Policymaking Act of 2018 also supports our research, demonstration, and outreach.

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

	FY 2019 Actual	FY 2020 Enacted	FY 2021 Estimate	<i>Change</i>
Appropriation	\$ 101,000	\$ 101,000	\$ 86,000	-\$ 15,000
Obligations Funded from Prior-Year Unobligated Balance and Recoveries	\$ 72,366	\$ 31,717	\$ 7,650	-\$ 24,067
Total Budgetary Resources	\$ 173,366	\$ 132,717	\$ 93,650	-\$ 39,067
Total Obligations	\$ 141,649	\$ 125,067	\$ 85,510	-\$ 39,557
Total Unobligated Balance	\$ 31,717	\$ 7,650	\$ 8,140	+\$ 490

Section 1110 of the Act provides the Commissioner of Social Security the authority to conduct broad-based, cross-programmatic projects for the Old-Age, Survivors, and Disability (OASDI) and Supplemental Security Income (SSI) programs. This section provides for waiver authorities for the SSI program, as well as projects dealing with specific SSI issues. Under Section 1110, we fund a range of extramural projects: disability and retirement policy research, demonstration projects to test creative and effective ways to promote greater labor force participation among people with disabilities (including early intervention rehabilitation strategies), evaluations of proposed or newly enacted legislative changes, and projects to maintain and improve basic data about our programs and beneficiaries.

Section 1115 provides the Secretary of Health and Human Services (HHS) with the funding and authority to waive compliance with Medicaid requirements to enable States to participate in our specific research and disability demonstration projects. There are currently no research projects funded under this section.

Section 1144 requires us to conduct outreach to individuals with Medicare who are potentially eligible for State-administered Medicaid programs or Medicare prescription drug subsidies under Medicare Part D. We identify these potential beneficiaries, inform them about these programs,

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and notify State Medicaid agencies. The Centers for Medicare & Medicaid Services, within HHS, oversees both the Medicare and Medicaid programs.

Section 234 gives the Commissioner of Social Security the authority to conduct research and demonstration projects testing alternative Disability Insurance (DI) benefit rules. We use trust fund monies, which are permanently appropriated and not part of our request, to conduct various demonstration projects, including projects that examine alternative program rules for treating work activity of individuals entitled to DI benefits. Section 234 covers both applicants and current beneficiaries of the program. We currently have authority to commence new projects under Section 234, as amended by the Bipartisan Budget Act of 2015 (BBA). However, our current authority is limited to voluntary participation of applicants and beneficiaries that requires informed written consent and a limited timeline that requires us to complete all projects by December 31, 2022.

The Foundations for Evidence-Based Policymaking Act (Evidence Act) of 2018 requires SSA to develop a Learning Agenda, Annual Evaluation Plan, and Capacity Assessment. The agency designated an executive to serve as the Evaluation Officer, who is working closely with the Performance Improvement Officer to complete these deliverables. Each of these deliverables will support the planning of our research and evidence-building activities.

RATIONALE FOR BUDGET REQUEST

We are committed to improving the quality, consistency, and timeliness of our disability decisions; maximizing efficiencies throughout the disability program; and enhancing employment support programs to create new opportunities for returning beneficiaries to the workforce. Our research activities are critical to our efforts in all three areas.

In FY 2021, we estimate that we will need \$86 million in new budget authority for traditional research activities under Sections 1110 and 1144. We are also requesting to extend Section 234 authority through at least 2032 to pursue a variety of promising demonstration ideas.

Our FY 2021 budget request builds upon the progress we have made with specific initiatives and also reflects a significant commitment to data development, modeling efforts, and retirement and financial literacy policy research that informs decision-makers of changes to improve the solvency of the Old-Age and Survivors Insurance (OASI) and DI Trust Funds.

Our FY 2021 budget reflects a commitment to provide the public with accurate, clear, and up-to-date information.

Extension of 234 Authority

In addition to the Section 1110 and 1144 projects, we are requesting an extension of the Section 234 authority to provide sufficient time to conduct demonstrations. This extension will allow us to carry out any initiated demonstrations for up to 10 years. When the BBA was enacted, the Trustees forecast that the DI trust fund reserves would be depleted around 2022, and Congress would again need to reauthorize our ability to conduct research and demonstration projects under

Section 234. The current forecast extends the DI trust fund reserve to 2052, allowing additional time to test innovative policies if the authorization is renewed.

The table and discussion that follows provides more details on the research and outreach efforts we plan to fund in FY 2021.

Table 2.22—Major Research Areas, Outreach, and Demonstration Obligations and New Budget Authority (in thousands)^{1,2}

	Obligations³		
	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Improving the Way We Do Business	\$ 120,722	\$ 103,094	\$ 63,444
Promoting Work through Early Interventions Project (PWEIP)	\$ 25,000	\$ 0	\$ 0
Retaining Employment and Talent After Injury/Illness Network (RETAIN)	\$ 42,349	\$ 32,651	\$ 0
Promoting Readiness of Minors in SSI (PROMISE)	\$ 7,823	\$ 0	\$ 0
Ticket to Work Notice Optimization	\$ 0	\$ 150	\$ 0
Supported Employment Demonstration (SED)	\$ 2,218	\$ 0	\$ 0
Advisory Services to Assist SSA with Disability Issues	\$ 3,146	\$ 4,385	\$ 4,495
Disability Analysis File (DAF)	\$ 913	\$ 873	\$ 900
Analyzing Relationships between Disability, Rehabilitation, and Work (ARDRAW)	\$ 300	\$ 300	\$ 300
BPA for Time Sensitive Research Projects	\$ 1,853	\$ 2,500	\$ 3,500
National Beneficiary Survey (NBS)	\$ 3,765	\$ 1,088	\$ 227
Disability Perceptions Survey	\$ 0	\$ 5,300	\$ 0
New and Emerging Research – Disability	\$ 416	\$ 4,055	\$ 4,043
NIH IAA for Data Analytics/FAB Development	\$ 3,233	\$ 3,728	\$ 4,000
Work Disability Functional Assessment Battery (WD-FAB) Data Collection	\$ 0	\$ 2,500	\$ 0
Occupational Information Systems (OIS) and Vocational Information Tool (VIT)	\$ 29,706	\$ 33,314	\$ 34,979
Appointed Representative Demonstration	\$ 0	\$ 5,000	\$ 5,000
Exits from Disability	\$ 0	\$ 7,250	\$ 0
Interventional Cooperative Agreement Program (ICAP)	\$ 0	\$ 0	\$ 6,000

¹ Does not include funding authorized under section 234.

² Totals may not add due to rounding.

⁴ This amount includes obligations funded from prior-year unobligated balances.

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	Obligations³		
	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Deliver Services Effectively	\$ 6,044	\$ 6,495	\$ 6,618
Understanding Americans Study (UAS) Enhancements	\$ 3,001	\$ 3,002	\$ 3,002
Data Development in an Enterprise Business Platform (EBI)	\$ 2,000	\$ 2,000	\$ 2,000
Medicare Outreach (1144)	\$ 1,043	\$ 1,493	\$ 1,616
Ensuring Stewardship	\$ 14,883	\$ 15,478	\$ 15,448
Census Surveys	\$ 600	\$ 950	\$ 950
Data Development	\$ 275	\$ 373	\$ 343
Health & Retirement Study (HRS) and Supplement	\$ 4,157	\$ 4,155	\$ 4,155
Retirement and Disability Research Consortium (RDRC)	\$ 9,851	\$ 10,000	\$ 10,000
Total Research Obligations	\$ 141,649	\$ 125,067	\$ 85,510
New Budget Authority	\$ 101,000	\$ 101,000	\$ 86,000

Improving the Way We Do Business

Promoting Work through Early Interventions Project (PWEIP)

The PWEIP is a joint undertaking between SSA and the Administration for Children and Families (ACF) within HHS. The project will identify, select, and evaluate programs likely to improve the employment and economic outcomes of individuals who have not yet applied for SSI and have little or no work history, current or foreseeable disabilities, and ties to U.S. safety net programs. Evaluations of programs will include impact assessments and implementation research. A select number of evaluations will also include a cost analysis.

In FY 2019, we developed and entered into a jointly financed cooperative arrangement with ACF and transferred \$25 million to support the evaluation and/or service provisions of selected intervention programs. In FY 2020, we will work with ACF to identify and select programs to participate in an evaluation under ACF’s Building Evidence on Employment Strategies (BEES) and Next Generation of Enhanced Employment Strategies (NextGen) projects. We have approved two programs. The Bridges from School to Work program is an employer-driven program that provides job readiness instruction, placement, and post-placement support for young adults with disabilities. The Kentucky Addiction Recovery Care Program is a mature, innovative model for combining recovery services with workforce development. The program operates in rural Kentucky and provides treatment, employment services, housing, and other supports to individuals with substance use disorders. SSA funds will support rigorous evaluations of these programs to understand outcomes related to employment, earnings, and benefit receipt. In FY 2021, ACF will complete the selection of programs to participate in the

BEES and NextGen projects, prepare evaluation design and analysis plans, and begin implementation. We expect to begin receiving final program evaluation reports in FY 2023.

Retaining Employment and Talent After Injury/Illness Network (RETAIN) Demonstration

The RETAIN demonstration is a joint demonstration between the Department of Labor (DOL) and SSA. The demonstration will test early interventions that focus on the early coordination of health care and employment-related supports and services to help injured or ill workers remain in the workforce. The ultimate policy goal is to reduce long-term disability, including the need for DI or SSI benefits, and increase labor force participation among those individuals.

Eight states (California, Connecticut, Kansas, Kentucky, Minnesota, Ohio, Vermont, and Washington) were initially awarded up to \$2.5 million dollars for 24 month pilot grants. These states are using their funds in a variety of ways to improve the early coordination of health care and employment-related supports and services, train health care providers in occupational best practices, and facilitate communication and return-to-work efforts between workers, their employers, and their health care providers. Up to five of the most successful states will receive up to \$20 million in additional funding in FY 2020 to expand and implement these strategies.

In FY 2019, we awarded a competitive contract to evaluate the RETAIN State awards and began working with State awardees to finalize project designs and prepare for the implementation of an initial pilot. In FY 2020, the evaluation contractor will continue to provide technical assistance and evaluate the projects. DOL will use the evaluations and other criteria to select a subset of States to continue to the full implementation phase of DOL's awards. The evaluation contractor will then begin collecting program data through FY 2024.

The evaluation contractor will produce an interim impact report in FY 2022 and final evaluation impact reports in FY 2024.

Promoting Readiness of Minors in SSI (PROMISE)

PROMISE is a joint pilot demonstration project with the Department of Education (ED), HHS, and DOL. The goal is to test interventions that improve the health, education, and post-school outcomes of children who receive SSI, including the completion of postsecondary education and employment. We also hope to improve family or household outcomes through improved services and supports, such as education and job training for parents.

In FY 2013, we awarded a contract to evaluate the PROMISE model demonstration projects. We released an interim services and impact report in FY 2019 and expect to produce a final evaluation report in FY 2022.

Ticket to Work (TTW) Notice Optimization

To notify beneficiaries of their eligibility to participate in the TTW program, we mail TTW notices to beneficiaries approximately two months after award and at the 12-month and 36-month anniversary dates post-award. The TTW Notice Optimization project seeks to increase

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participation in the TTW program by developing an evidence-based approach to targeting outreach to eligible beneficiaries. The project will test changes to Ticket notices including the types of notices we send, the language we use, and the timing of our notices.

In FY 2019, we analyzed administrative data to identify patterns of response to past mailings and characteristics associated with TTW participation and work. We also worked with the General Services Administration to develop prototype notices and a new cardstock Ticket directing beneficiaries to reach out to our TTW Helpline and visit the program's Choose Work Website.

In FY 2020, we will finalize the notice language and begin administering a test of the new notices and cardstock Ticket. The intervention will last for 9 months with a 9-month follow-up period. We expect to produce a draft evaluation report in late FY 2022.

Supported Employment Demonstration (SED)

While many demonstrations for existing DI beneficiaries have shown positive results (e.g., increased earnings), they have not identified interventions that would return beneficiaries to substantial and sustained employment. Research indicates that health problems materialize in advance of complete disability onset and that earnings begin to decline well before DI benefits are awarded. The SED evaluates whether offering evidence-based packages of vocational, medical, and mental health services to recently denied DI and SSI applicants (ages 18 to 50 with a mental impairment) can reduce the demand for DI benefits. The SED provides participants with long-term employment services and intensive behavioral health and related services beyond what is available through their existing health plans.

We awarded a contract to implement and evaluate the SED in August 2016. The contractor completed enrollment in FY 2019. In FY 2020, all sites will continue to deliver interventions and the contractor will continue to conduct regular monitoring and fidelity site visits that include ethnographic observations and interviews with key informants and participants. The contractor will deliver a final participation analysis report in late FY 2020, followed by a final process analysis report in FY 2021. We plan to receive the final evaluation report for the SED in late FY 2022.

Advisory Services to Assist SSA with Disability Issues

In FY 2018, we awarded a new five-year contract with the National Academies of Sciences (NAS) to continue the work on research into disability issues. NAS established a new standing committee of medical, vocational, and other experts to assist with policy issues. NAS will also establish and manage FACA compliant consensus study committees; organize and lead workshops with subject matter experts; and plan and organize outreach conferences with members of the public.

We also awarded a task order for a consensus study committee to provide information on disabling medical conditions likely to improve with treatment. This will help ensure we identify medical improvement at its earliest as part of our CDR process.

In FY 2019, we awarded task orders for a consensus study committee to provide information on the current status of the diagnosis, treatment, and prognosis of common childhood cancers including malignant solid tumors, and another for adult cancers including, but not limited to breast and lung cancer. We will use information from both evaluations to update the childhood cancer medical listings and determine necessary updates to our regulations and policy guidance for adult cancer.

In addition, we awarded a task order to plan and conduct a public workshop comprised of stakeholders from a host of backgrounds to discuss the use of biomarkers to establish the presence and severity of impairments. We will use this information to stay current on advances in medicine and science and the evidence we use to assess disability.

In FY 2020, we plan to award task orders to create a consensus committee to provide information on immune disorders other than Human Immunodeficiency Virus, as well as one to provide information on the current status of the diagnosis, treatment, and prognosis of connective tissue disorders and the relative levels of functional limitation typically associated with the disorders. We will use the information as we consider updating the criteria for evaluating these disorders under the Listing of Impairments.

Lastly, we plan to award a task order to plan and conduct a public workshop comprised of health care and allied professionals to discuss current status of organ transplants. We believe that the field of transplantation has evolved to the point where updated information could provide us with valuable information that we would use to enhance our medical evidence and documentation policies.

In FY 2021, we are considering a task order to create a consensus committee to provide information on combinations of impairments that are of at least equal medical significance to the findings of impairments in the Listing of Impairments. An impairment(s) is medically equal to a listed impairment if it is at least equal in severity and duration to the criteria of any listed impairment. This information will assist us in enhancing medical equivalence decision-making at step three of the sequential evaluation process before the point of considering vocational factors.

We are also considering a task order to create a consensus committee to provide information on new or improved diagnostic or evaluative techniques. This information will enable us to effectively evaluate the severity of impairments, particularly in the CDR process.

Finally, we are considering a task order to plan and conduct a public workshop comprised of stakeholders from a host of backgrounds to discuss vocational rehabilitation and other programs aimed at helping individuals with disabilities return to work. This workshop will help us understand the basic characteristics of programs, complexities involved, and most effective methodologies.

Disability Analysis File (DAF)

Our data are drawn from distinct administrative systems that underlie and support our programs. These data are generally available to researchers only as raw, unformatted, and undocumented

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extracts. Administrative data are critical for our understanding of beneficiaries with disabilities. They provide detailed data on the entire population and allow for the analysis of small subpopulations that cannot generally be studied with survey data, which is based on population samples. The DAF takes data from our ten most relevant administrative files and creates an annual formatted database that is ready for analysis, easy to use, and includes thorough documentation. The DAF focuses on data needed to answer questions about disability and work. The DAF is also designed to be complementary to the National Beneficiary Survey (NBS), which provides data on disability and work that is not available from our administrative sources. When combined, the DAF and NBS provide a complete picture of demographics, benefits, work, and work attitudes for all SSI and DI beneficiaries with disabilities.

We use the DAF for internal research and to support demonstration development and evaluation. For example, we use the DAF to examine the costs and benefits of the TTW program, the effectiveness of TTW mailings, and the characteristics associated with successful return to work by beneficiaries. We also use the DAF to model and forecast Employment Network and Vocational Rehabilitation payments under the TTW program. The DAF supports our analysis of the use of our programs by those with muscular dystrophy for the Extramural Research President's Budget Submission. We also use the DAF to support oversight by the Social Security Advisory Board (SSAB), our Office of the Inspector General (OIG), OMB, Congress, the Government Accountability Office, and others. Additionally, we also allow non-SSA researchers to use the DAF, primarily through the RDRC, and through a public-use version of the DAF available at www.data.gov. Since 2015, 49 research papers have used DAF data in their analyses. In FY 2021, we will continue to build the file.

Analyzing Relationships between Disability, Rehabilitation, and Work (ARDRAW)

The ARDRAW small grant program provides one-year stipends to graduate-level students to conduct research on beneficiaries' experience with work, disability, rehabilitation, and employment support. We awarded the grant management agreement for ARDRAW in August 2016. ARDRAW is renewable on a yearly basis for up to five years. The program provides an opportunity to support scholars pursuing careers in public policy research, who have a special interest in our beneficiaries' quality of life and DI program issues.

In FY 2019, we received applications for the third ARDRAW cohort and received the final project papers from the second ARDRAW cohort. In FY 2020, we plan to receive final projects from the third ARDRAW cohort and request applications for the fourth ARDRAW cohort. In FY 2021, we will receive final projects from the fourth ARDRAW cohort and request applications for the fifth and final cohort of ARDRAW student researchers. For more information, please see the ARDRAW website: <https://ardraw.policyresearchinc.org>.

Blanket Purchase Order Agreement for Time Sensitive Research Projects (previously Research and Innovation Lab)

In FY 2018, we awarded a Blanket Purchase Agreement (BPA) aimed at providing an alternate research channel for policy and program assessments and studies related to social science, medical, or vocational rehabilitation topics. This BPA supports projects that are smaller in scope

and less resource intensive than some of our more traditional contracts and allows for multiple research projects to occur simultaneously in relatively short timeframes. We can expect deliverables in the range of 4 to 6 months, which is considerably quicker than the 18-plus months expected from traditional contracts. We build an interactive process with the contractors as the projects proceed, which provides us with the ability to course-correct as the work progresses. The BPA also provides the option to contract with a trusted agent to develop and assess research questions, provide subject matter expertise, and evaluate research products to support policy decisions. The use of a trusted agent is optional and will be considered on a case-by-case basis, dependent upon the nature or sensitivity of the research topics.

In FY 2019, we awarded five studies. Subject areas included SSI Youth Employment, SSI Youth Community-Based Services and Supports, Compassionate Allowance Conditions, Mental Residual Functional Capacity, and Occupational Tasks and Required Functional Abilities of Occupations in the Standard Occupational Classification System (SOC). We anticipate funding comparable projects for FY 2020 and FY 2021 to support our research and regulatory and subregulatory policy efforts.

National Beneficiary Survey (NBS)

The NBS collects data from a nationally representative sample of DI beneficiaries and SSI recipients on a wide range of topics not available in our administrative data or in other public databases. These data include health and functional status, health insurance coverage, interest in work, barriers to work, use of services, work history, income, and experience with Social Security programs. The collection of these data improves our ability to conduct useful analyses regarding the factors that facilitate DI beneficiary and SSI recipient employment and, conversely, factors that impede their efforts to maintain employment.

Our researchers and analysts, along with researchers at other Federal agencies and academic institutions, use NBS data extensively to evaluate the TTW program and other DI and SSI work incentive programs and policies. In addition, we are able to provide timely information to Congress and other stakeholders for purposes of policymaking, budgetary review, program evaluation, service improvement, and oversight. The NBS is used to support both internal and external analyses of our disability programs. Since 2015, 58 research papers used the NBS data in their analyses.

The NBS gathers information through three samples. One is a nationally representative sample of DI beneficiaries and SSI recipients—called the Representative Beneficiary Sample (RBS)—which collects information on their health and well-being, employment-related goals and activities, and usage of programs and services. Through an additional sample of beneficiaries who have succeeded in earning amounts sufficient to have benefits suspended due to work—called the Successful Workers Sample (SWS)—the 2017 NBS included, for the first time, a large-scale focus on beneficiaries who have experienced employment success. The 2019 NBS is comprised of both the RBS and SWS components and also includes a longitudinal sample of successful workers who were part of the 2017 SWS.

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In FY 2019, we produced several analyses and reports conveying information and results from the 2017 round of the NBS and we administered the 2019 round of the NBS. In FY 2020, we will complete the administration of the 2019 NBS and make a public use file available conveying the results of the 2017 NBS, thereby facilitating additional research on the beneficiary population. In FY 2021, we will develop various quality reviews, reports, and data files conveying information and results from the 2019 round of the NBS. Upon completion of these activities, we will post the 2019 NBS public use file and associated documentation on our website.

Reports and public use files containing data from prior rounds of the NBS are available on www.data.gov and our website at: <http://www.ssa.gov/disabilityresearch/nbs.html>.

Disability Perceptions Survey

In FY 2020, we will award a contract for the Disability Perceptions Survey, that will gather information on knowledge, perceptions, and opinions working adults have about the DI program. We will use data from the survey to assess whether individuals' current knowledge of DI affects future decisions to seek benefits. We anticipate that the survey will provide information that will allow us to improve our projections of disability applications and incidence. We also expect that the survey will provide information about the anticipated need for future DI benefits among working age adults and insight into the most effective ways to communicate with the public about the DI program. We anticipate fielding this survey in FY 2021.

New and Emerging Research – Disability

This category includes projects that provide broad program analysis and development in support of the DI and SSI programs. These projects typically include studies of program policy issues, the identification of trends in the disability programs, the formulation of agency policy regarding cross-cutting programs or issues related to disability and/or income assistance programs, and the development and implementation of policy and procedures on DI and SSI work incentives. Projects that originate in this category and become larger, multi-year initiatives will move to their own category in the budget the following year; smaller, finite projects will remain in the New and Emerging Research – Disability category. For example, we are exploring research that would review disability adjudication policies and processes and test the impact of possible changes. We plan to conduct an enterprise review of our disability adjudication policies and processes and test the impact to prototype and test of possible improvement.

Given the size and scope of our research agenda, this category also allows us the flexibility to cover unanticipated cost increases and new research projects due to changes in laws, regulations, policy, and the research field.

SSA-NIH Research on Data Analytics and the Work Disability-Functional Assessment Battery (WD-FAB)

Under an Interagency Agreement (IAA), the National Institutes of Health (NIH) Clinical Center provides in-depth analysis of our existing data and continues to provide us support related to testing the WD-FAB in our CDR process. The WD-FAB may provide uniform information

about individuals' self-reported functional ability that we can use to inform our disability data collection and determination processes.

In FY 2019, NIH completed the study design plan for evaluating the usefulness of the WD-FAB in our CDR process. We are using the study design plan as a roadmap for collecting and analyzing the necessary data to examine potential uses and the value of the WD-FAB in our CDR process in FYs 2020-2022. NIH also continued to develop natural language processing (NLP) methods to assist us in identifying and extracting functional terminology within unstructured text of medical evidence. This included providing us with an initial version of a functional terminology ontology including terminology from the International Classification of Functioning (ICF)'s Mobility domain. We plan to use this ontology and NIH's methods to support disability decisions.

In FY 2020, NIH will continue their WD-FAB related work by providing us with an analysis of function in the SSA context as it relates to change in function over time. This smaller study will provide NIH with the information and data necessary to better understand how we currently measure change in function over time as part of our existing CDR business process. NIH will also continue to develop NLP methods and will provide us with updates to their functional terminology ontology, including the addition of terminology related to the ICF's Self-Care/Domestic Life domain. Building upon the foundational research delivered in FY 2019, NIH will provide us with documentation and user guides to assist our efforts to use their methods and ontology to support disability decisions.

In FY 2021, NIH will conduct the initial analysis of the FY 2021 WD-FAB data collected. NIH will also continue to expand upon their work to develop NLP methods.

Work Disability - Functional Assessment Battery (WD-FAB) Data Collection

In FY 2020, we will award a contract to support WD-FAB administration and data collection efforts to provide the necessary data to examine the potential uses and value of the WD-FAB in our CDR process. We will administer the WD-FAB to a sample of our beneficiaries on two occasions during FY 2021 and FY 2022.

In FY 2022, the NIH Clinical Center will analyze the data collected from these two administrations of the instrument and provide us with a report to help us evaluate the value and feasibility of incorporating the WD-FAB into our CDR business process.

Occupational Information System (OIS) and Vocational Information Tool (VIT)

We are developing a new OIS that will replace the DOL's Dictionary of Occupational Titles (DOT) as the primary source of occupational information in our disability adjudication process. In 1991, DOL stopped updating the DOT and replaced it with the Occupational Information Network (O*NET), a system that was developed as a career exploration tool. Unfortunately, O*NET does not measure strength and physical requirements of work in a way that our disability rules require.

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To ensure that we continue to make accurate disability decisions, we began collaborating with DOL's Bureau of Labor Statistics (BLS) in FY 2012 to develop the Occupational Requirements Survey (ORS) to collect updated information on the requirements of work in the national economy. We will use the ORS data, along with specified information from other occupational sources, to create the new OIS. The OIS will classify occupations using the O*NET SOC and include ORS data elements to measure the physical, sensory, and environmental requirements of entry-level work and the education and training needed to gain average proficiency in entry-level jobs within an occupation. The OIS will be housed, accessed, and operationalized through the VIT, a web-based information technology platform. The VIT will filter and sort the data for our staff to adjudicate disability claims.

In FY 2019, BLS collected data for the first year of the five-year update. As part of the update, BLS is using a new sample design that includes requirements for collecting occupations not included in the first wave of production data. Although the initial three-year collection, completed in FY 2018 and published in February 2019, provided us with data for roughly 90 percent of workers in the economy, it accounts for about 400 of the approximately 1,000 8-digit SOC occupations. While many of the missing SOCs are rarer occupations they are of interest to us as they will provide a more complete picture of work in the national economy. During the first year of the five year update, SSA and BLS determined the updated sample design was collecting data across a broader range of occupations as designed.

In FY 2020, BLS will complete the second year and begin the third year of data collection as part of the five-year update. We will discuss and determine with BLS executives the joint program development activities to ensure the ORS estimates published by BLS meet our needs, and our agencies will take the next steps in conducting agreed-upon research and analyses. BLS will also publish the data from the initial year of the five-year update.

In FY 2021, BLS will complete the third year, begin the fourth year, and publish data from the second year of the five-year update. BLS will conclude the update in FY 2024.

Appointed Representative Demonstration

Claimants for DI or SSI benefits can appoint a representative to assist with their application. Having an appointed representative (AR) is associated with an increased likelihood of award at the hearing level, but not earlier. The demonstration will study if incentives for representatives to work with claimants earlier affects the level of effective representation at earlier adjudication levels and identifies awards earlier in the disability process.

In FY 2020, we will use Section 1110 and Section 234 funds for this demonstration. We plan to recruit representatives to participate in the demonstration and randomly assign them to study groups. One group would have the alternative incentive structure; the second group would be under current program policies and rules. Additional incentives may also be tested using additional study groups. We will use administrative data to determine if the demonstration changes approval and appeal rates, processing times, and other outcomes. Because Section 234 demonstration authority sunsets after 2022, we will need an extension of 234 authority to fully implement the 234 authority portion of this demonstration.

Exits from Disability Evidence Study

Based on medical improvement, we terminate the benefits of thousands of DI beneficiaries and SSI recipients each year. However, many individuals whose benefits are terminated later return to the disability rolls. About 30 percent of adult SSI-only recipients and 20 percent of DI-only working beneficiaries who stop receiving benefits because of medical improvement return to these programs within eight years. Among the working DI beneficiaries whose benefits stop, few maintain employment or work above common thresholds of self-sufficiency.

In FY 2019, we conducted a Technical Expert Panel (TEP) to discuss options for a demonstration to support individuals exiting DI due to medical improvement. The TEP recommended we study the services this population needs to support continued or improved self-sufficiency.

We plan to initiate a study based on the TEP's recommendation. We will gather evidence through surveys and focus groups. We will also use motivational interviewing to identify the duration and intensity of supports that are necessary for an intervention. The information gathered during the interviews will provide additional context on the needs of this population and how to motivate individuals who have been removed from the program to remain employed and self-sufficient.

In FY 2020, we will award a contract to conduct a study of the types of services and supports that individuals exiting the DI or SSI programs need in order to maintain or achieve self-sufficiency.

In FY 2021, we will clear all data collection activities, per the Paperwork Reduction Act, set up interviewing activities, and finalize the schedule with the contractor. We expect to complete all activities by the end of FY 2023.

Interventional Cooperative Agreement Program (ICAP)

Due to increased attention from policymakers to the employment of individuals with disabilities and their participation in the DI and SSI programs, we propose the establishment of a cooperative agreement program to allow us to collaborate with States, private foundations, and others who have the interest and ability to identify, operate, and partially fund interventional research.

The research and interventions under this program will target the increased employment and self-sufficiency of individuals with disabilities (whether beneficiaries, applicants, or potential applicants of the DI or SSI programs) that could lead to a reduction in DI or SSI participation. This program will provide a process through which we can systematically review demonstration proposals from outside organizations and enter into agreements to collaborate with these non-Federal groups. The cooperative agreements will provide the mechanism for data sharing for evaluation purposes and allow for program waivers that are consistent with current demonstration waiver authorities. This work will complement and be coordinated with our own demonstrations and partnerships with other Federal agencies. This cooperative agreement

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program does not conflict with our other research grant programs—ARDRAW and the RDRC—which focus on “observational” or “survey” research as contrasted with “experimental” research.

The awards will be tiered, with funding eligibility and level of funding based upon the level of evidence that currently exists for the proposed intervention (i.e., feasibility studies with no causal evidence would be eligible for smaller awards than studies scaling up or otherwise implementing interventions that qualify as “effective” according to a statistical and evaluation criteria).

The one-year base period of each grant will support the development of data sharing agreements, project planning, evaluation design, and other administrative aspects of the agreement. If, at the end of the first year, the planning process results in an evaluable project, grants may be extended for up to four additional years. In FY 2021, we plan to pilot this program with up to two cooperative agreements.

Deliver Services Effectively

Understanding America Study (UAS) Enhancements

The Understanding America Study (UAS) is an innovative, nationally representative longitudinal internet panel. Through a jointly financed cooperative agreement with the National Institute of Aging (NIA), our support will maintain the sample size of 7,000 panel members we funded in prior fiscal years and allow the grantee to expand the sample size by the end of the grant to 10,000 panel members. It will also allow for additional data improvements that support policy-relevant research and evidence-based decision-making. For example, this will allow the grantee to administer new questions every two years to assess the public’s knowledge of our DI program and complement the retirement-focused Social Security program knowledge survey. Combined with the expanded sample size, we will gain a better understanding of the public’s knowledge about DI benefits and how we can improve our outreach efforts.

The planned improvements for the UAS allow us to make more informed decisions about initiating new policies, procedures, and educational products designed to enhance retirement security and administer the program. For example, we use the data to better understand public communications preferences. The UAS data also serves the public because the sample we support is available for researchers inside and outside our agency to use in addressing research questions. For example, the Financial Literacy and Education Commission (FLEC) and other Federal agencies have used data from the UAS in their publications about consumer debt, the public’s knowledge of Social Security programs, and sources of the public’s financial advice. Lastly, we have used the UAS data to publish several research papers on Social Security program knowledge and retirement savings behavior.

Data Development in an Enterprise Business Intelligence (EBI) Platform

The EBI Platform, together with our Office of Retirement and Disability Policy’s (ORDP) Analytics Research Center (ARC), provide advanced analytics and data integration tools for efficient access and analysis of agency records to support data driven decision-making. Section 1110 funds support a subset of activities to enhance research and statistical functions conducted

by our Office of Research, Evaluation and Statistics (ORES); primarily the publication of statistics from administrative records.

Some of our legacy processes used for producing statistics still require significant manual intervention. We generate reports and data files monthly, quarterly, yearly, and on an ad-hoc basis. Modernized applications automate the processes, which we use to create statistical data, tables, and reports for research. Modernization processes have improved report and data production efficiency and accuracy.

FY 2020 work will include:

- Modernization of Earnings data development processes to reduce errors and improve efficiency and accuracy in production of earnings publications.
- Modernization, enhancement, and automation of current earnings statistical publication including more than 15 source files and over 130 statistical tables.

In FY 2021, ORES will continue to build tools to enhance our research and statistical reports. Modernization efforts will focus on enhancing and standardizing obsolete data collecting methodologies with the use of modern statistical analytical tools such as Statistical Analysis Software.

Additional work includes:

- Developing business rules and assignment of industry codes for all workers. Improved methodology for assigning industry codes to the earnings data would significantly improve the “usefulness” of the earnings data in terms of policy analysis and research. Assignment would also provide critical information about the U.S. labor market and allow us to identify worker movements across industries. We will also be able to evaluate the industry codes in the one percent Continuous Work History Sampling (CWHS).
- Automating end-to-end validation processes for Earnings statistical publication including more than 15 source files and over 130 statistical tables.
- Automating cell suppressions for Earnings publication tables and reports.
- Developing new earnings statistical tables.

Medicare Outreach – Section 1144

We target outreach to income-tested Medicare eligible beneficiaries and beneficiaries who have experienced an income decrease. Rather than notify all potentially eligible beneficiaries each year, we annually notify 20 percent of those who previously received an outreach letter, have not received the benefits, and continue to meet the income test.

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The passage of the Medicare Prescription Drug, Modernization, and Improvement Act of 2003, P.L. 108-173, expanded the existing cost-sharing outreach requirements of section 1144 to include outreach to beneficiaries who were potentially eligible for the Medicare prescription drug card transitional assistance. Outreach now includes the subsidized Medicare Prescription Drug coverage program that replaced the transitional program. Since 2002, we have provided outreach letters to beneficiaries with incomes below 135 percent of the poverty level. The letters cover help with “traditional” Medicare, and since 2006, include information about subsidized prescription drug coverage, when appropriate.

In addition, we must share lists of individuals potentially eligible for cost sharing with State Medicaid agencies. The major objective of these projects is to increase the enrollment of eligible individuals with low income into programs that assist Medicare beneficiaries with their out-of-pocket medical expenses, including prescription drug coverage premiums.

Congress further amended section 1144 with the passage of P.L. 110-275, the Medicare Improvements for Patients and Providers Act of 2008. This law deemed every Medicare Prescription Drug low-income subsidy (Extra Help) application filed with SSA to be a protective filing for the state-administered Medicare Savings Program (MSP), unless the claimant objects. This new requirement was statutorily funded through FY 2010. Since FY 2010, HHS fully reimburses our costs in an amount not to exceed \$3 million per year.

In FY 2019, we mailed approximately 2.1 million outreach letters to those who potentially qualified for MSP or Medicare prescription drug coverage low-income subsidy. In FY 2020, we anticipate approximately the same number of mailings, and factor in a contingency amount for possible increases in enrollment, beneficiaries who experience an income decrease, and other expected expenses such as an increase in postage.

Ensuring Stewardship

Census Surveys

The Census Bureau’s Survey of Income and Program Participation (SIPP) is the foundation for much of our policy analysis and modeling efforts. Improving the overall quality of data obtained from Census Bureau surveys enhances the quality and reliability of our analyses. In particular, we support efforts to improve the quality and content of survey data that are of direct relevance to Social Security and SSI program analyses. In addition, we support efforts by the Census Bureau to improve the ability to match their survey data to our administrative data on benefits and earnings.

We rely upon SIPP data matched to our records to study OASI, DI, SSI, and related programs, along with the effect of changes to them on individuals, the economy, and program solvency.

In FY 2019, we developed new questions, and Census will integrate them into the existing SIPP content, create editing and other data processing specifications and code, and test the data collection instrument for the 2021 SIPP data collection.

Data Development

One of the main objectives of our extramural research program is to provide information for decision-makers on the OASI, DI, and SSI programs. As part of this effort, we develop and maintain a series of detailed, statistical databases drawn from our major administrative data systems and prepare a broad range of statistical tables. As one of 13 Federal statistical agencies, we also produce statistical compilations and publications, and develop information for research, evaluation, and models using survey data collected by SSA, other Federal agencies, and Federally-sponsored institutions.

This project funds activities central to our role as a Federal statistical agency: the creation of data needed to inform policymakers about important programs, efforts to make data more widely accessible or usable for policy research purposes, and collaboration with other agencies (to study issues of policy relevance and to improve data quality and methods of data analysis).

Projects that we are currently funding include:

- Committee on National Statistics of the National Research Council—provides support to the Committee to improve statistical methods and information on which public policy decisions are based. Recent Committee topics include survey options, redesigning the Consumer Expenditure Surveys, and improving healthcare cost projections for the Medicare population.
- Research on Survey Methodology Program—a project jointly sponsored by the National Science Foundation and the Interagency Council on Statistical Policy to further the development of new and innovative approaches to surveys that will have broad implications for the field and for the Federal statistical system. Research topics include survey measurement issues, data collection procedures, technological issues related to survey design, and methods for the analysis of survey data.
- Federal Interagency Forum on Aging-Related Statistics—provides support to the Forum for an interagency collaboration to improve aging-related data and produce the Older Americans 2020 Key Indicators of Well-Being chart book with information about older Americans in these areas: population, economics, health status, health risks and behaviors, and healthcare.
- National Longitudinal Survey of Youth (NLSY79)— an interagency collaboration with BLS. The collaboration adds questions to an existing NLSY79 survey that can provide unique insights about how early and mid-life events or experiences affect claiming for Social Security benefits, savings, retirement, as well as program knowledge.

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

Health and Retirement Study (HRS) and Supplement

The University of Michigan's Health and Retirement Study (HRS) surveys more than 22,000 Americans over the age of 50 every 2 years and provides an ongoing source of longitudinal data for research on retirement and aging. The study describes Americans' transition from work to

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retirement and provides data on health and economic well-being after retirement that is not available in our program data. HRS data help us assess a wide range of issues, including pre-retirement saving, health insurance and pension coverage, employment and retirement patterns, and projected benefits of disabled and retired workers. Through jointly financed cooperative agreements with the National Institute on Aging (NIA), we have supported the HRS from its inception. HRS has become the premier source of data on the retirement-age population, especially when linked with our administrative records on benefits and earnings.

The HRS is used for research projects we fund through the RDRC and by our staff in conducting research on topics including disability, pension participation, differences in contributions to tax-deferred savings accounts among different birth cohorts, and retirement income resources of near-retirees. For example, in FY 2020, our researchers will use the HRS for a study analyzing the accuracy of our Income of the Aged publications and for a study measuring total retirement resources (wealth and income) from 1992-2016, including in-kind transfer payments. The HRS data we support is also available for outside researchers to use. In FY 2021, researchers will continue to use the HRS to better understand the population aged 50 and older.

Retirement and Disability Research Consortium (RDRC)

The RDRC is one of our key tools for maintaining a strong capability to produce a large body of policy-relevant research on Social Security programs. The RDRC consolidates the efforts of two separate programs that ran through FY 2018: the Retirement Research Consortium (RRC) and Disability Research Consortium (DRC). The RDRC comprises four competitively selected research centers based at the University of Michigan, Boston College, the National Bureau of Economic Research, and the University of Wisconsin. These research centers are broadly charged with planning, initiating, and maintaining a high quality, multidisciplinary research program that covers retirement, disability, and Social Security program issues. The centers perform valuable research and evaluation of retirement and disability policy, disseminate results, provide training awards, and facilitate the use of our program data by outside researchers.

The current set of five-year cooperative agreements for the RDRC were awarded at the end of FY 2018, with activities beginning in FY 2019. These centers have greatly expanded the amount of policy research on Social Security-related issues and have responded to our specific analytical needs. The research results of the RDRC – as well as the former RRC and DRC – are widely reported in professional journals and conferences and in leading newspapers, radio, and television programs. The increase in funding for FYs 2020 and 2021 will allow us to expand the breadth and depth of research on topics of particular interest that will help inform our programmatic efforts.

RDRC funding supported approximately 60 research projects in FY 2019. Increased funding in FY 2020 allows us to support a wider variety of topics relating to retirement, disability, and Social Security. FY 2021 funding will help us enhance our research in a broader array of topics to address current issues affecting disability insurance applicants and beneficiaries. Central topics will include: trends in disability (i.e., the factors that influence disability awards and duration on the disability rolls); modernizing the disability determination process; the physical and mental requirements for work in the modern economy; informing the economic and

demographic assumptions underlying trust fund projections; improving our communication and outreach; state and local pension coverage and vulnerabilities for employees not covered by Social Security; modernizing totalization agreements; the economic security of our beneficiaries; the work-activity retention of disabled beneficiaries with overpayments; and improving service delivery. Additionally, the RDRC will continue to prepare future experts on retirement and disability issues and policy through research training fellowships, dissertation support, pre and post-doctoral fellowships, as well as early investigator grants.

RELATED FUNDING SOURCES

The Commissioner of Social Security has the authority to conduct research and demonstration projects under section 234 of the Act. We use trust fund monies to conduct various demonstration projects, including alternative methods of treating work activity of individuals entitled to DI benefits. These demonstration projects, authorized under the 1999 Ticket to Work Act and the BBA of 2015, are funded from the trust funds and are not part of the annual research appropriation request. OMB apportions section 234 funds. The BBA provided authorization to initiate such projects until December 31, 2021, and to carry out such projects through December 31, 2022.

In addition to the projects previously mentioned, we plan to develop additional demonstration projects to evaluate creative and effective ways to promote greater labor force participation of people with disabilities under an expansion of our section 234 demonstration authority. This will allow us, in collaboration with other Federal partners, to test new program rules and activities that require mandatory participation by program applicants and beneficiaries for longer periods than the currently authorized timeframe. The funding for these demonstrations will depend on the design and target population. Projects focused on changes to our program rules, such as testing the effects of removing all work incentives and earnings or interventions to help people exiting the SSI and DI programs to gain employment and remain off the rolls, will require an expansion of both Section 234 and Section 1110 authorities. We will also need an extension of the Section 234 authority to provide sufficient time to complete the 234 evaluations.

We are also financing our Appointed Representative Demonstration (described in the previous section) with combined Section 234 and 1110 funds because it tests how we administer both Title II and Title XVI programs.

Mandatory Participation of Program Applicants and Beneficiaries

Potential applicants and beneficiaries have a wide range of conditions and experiences; universal engagement is required in order to accurately assess how program changes might affect different groups of people. In contrast, when demonstration projects are voluntary (as required by our current authorities), the results reflect the outcomes of the subset of the population who volunteered. As a result, the effects are not easily generalizable to the national population and may not provide the adequate understanding required to make informed decisions about broader policy changes. Policy decisions made without an understanding of the distributional impact could have harmful repercussions. For these reasons, expanding our demonstration authority to allow for mandatory participation in the future will allow us to identify improved program designs that will provide a basis for permanent reforms to the programs.

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Benefit Offset National Demonstration (BOND)

The Benefit Offset National Demonstration (BOND) tests the effect of a \$1-for-\$2 offset of benefits for DI beneficiaries when earnings are above the substantial gainful activity (SGA) level.

We published the final evaluation report in FY 2019. In FY 2020 and FY 2021, we will continue to provide work incentive counseling services to the remaining BOND participants. We extended the contract to provide these services until the last BOND participant is no longer eligible for the offset in late 2022.

Promoting Opportunity Demonstration (POD)

Section 823 of the BBA amended Section 234 of the Act and instructed us to carry out a demonstration project testing a \$1-for-\$2 benefit offset. This project differs from BOND in several ways. Among these differences, POD applies a monthly offset to earnings above either a standard threshold (the Trial Work Period level) or an itemized Impairment Related Work Expenses (IRWE) level. Participation is voluntary and individuals can withdraw from the project at any time.

From FY 2019 through FY 2021, we will continue to provide benefits counseling and process offsets for participants. We will also conduct surveys of participants and an impact evaluation.

Lessons Learned from SSA Demonstrations

For more than 30 years, we have conducted several tests of new policies and programs to improve beneficiary work outcomes. These demonstrations have covered most aspects of the DI and SSI programs and populations and have addressed topics including family supports, children, informational notices, changes to benefit calculations, and a variety of employment services and program waivers. These demonstrations generate many reports about which policies worked and which did not, but there has yet to be a synthesis of the findings from the entire body of work, apart from a few cursory reviews in academic survey articles or brief reports. There remains a need for a comprehensive review to identify cross-demonstration lessons about which policies, programs, or other operational decisions would provide effective support for disability beneficiaries who want to work.

We plan to synthesize the lessons learned from these tests to highlight promising strategies policymakers could implement. By taking stock of the full lessons learned from these demonstrations, policymakers will have an understanding of what has been tested and whether and why those policies were effective. In turn, this understanding will enable us to implement policies that work in multiple settings, propose alternatives to policies that may not have worked for identifiable reasons, and identify policies and strategies for future demonstrations. The synthesis will help us identify new policies that build on prior research and ways to implement demonstrations (in terms of methodology and analytical approaches) that maximize the amount of usable information within reasonable timeframes and budgets.

We will begin the review in FY 2020 and disseminate the findings in FYs 2021 and 2022.

Table 2.23—Research Projects Obligations as of FY 2019
(in thousands)

	<u>Years</u>	<u>Total</u>
Improving the Way We Do Business		\$ 408,924
Promoting Work through Early Interventions Projects (PWEIP)	2019	\$ 25,000
Retaining Employment and Talent After Injury/Illness Network (RETAIN)	2019	\$ 42,349
Advisory Services to Asst. SSA with Disability Issues	2008-2019	\$ 25,350
Disability Analysis File (DAF)	2008-2019	\$ 15,022
Analyzing Relationships between Disability, Rehabilitation and Work: A Small Grant Program (ARDRAW)	2016-2019	\$ 1,200
BPA Time Sensitive (previously Research and Innovation Lab)	2018-2019	\$ 1,996
National Beneficiary Survey	2008-2019	\$ 18,535
New and Emerging Research Disability	2008-2019	\$ 7,128
SSA-NIH Research on Data Analytics and the Functional Assessment Battery (FAB)	2008-2019	\$ 24,906
Occupational Information System and Vocational Info Tool	2012-2019	\$ 144,500
Promoting Readiness of Minors in SSI (PROMISE)	2012-2019	\$ 22,763
Supported Employment Demonstration	2016-2019	\$ 74,855
Deliver Services Effectively		\$ 36,520
Understanding American Survey	2009-2019	\$ 14,698
Enterprise Business Platform	2015-2019	\$ 7,449
Medicare Outreach (1144)	2008-2019	\$ 14,373
Ensuring Stewardship		\$ 173,648
Census Surveys	2008-2019	\$ 8,600
Data Development ¹	2008-2019	\$ 5,487
Health and Retirement Study (HRS) and Supplement	2008-2019	\$ 48,507
Retirement and Disability Research Consortium ²	2008-2019	\$ 111,054
Total Section 1110 and 1144 Obligations		\$ 619,092
Section 234 (BOND)	2008-2019	\$ 130,598
Section 234 (POD)	2016-2019	\$ 47,481
Total Section 234		\$ 178,079

¹ Data Development now reflects total obligations for current research projects only.

² The Disability and Research Consortium (DRC) and the Retirement Research Consortium (RRC) were separate grant programs until FY 2017. In FY 2018, the Office of Research Evaluation and Statistics (ORES) consolidated into a single grant program to cover our program research. The DRC total obligations through FY 2017 - \$27,237 and the RRC total obligations through FY 2017 - \$63,962.

ADMINISTRATION OF OUR RESEARCH ACTIVITIES

To implement these demonstrations and Section 1110 and 1144 extramural research projects, we need to continue to hire and develop staff able to test creative and effective ways to reform the disability and retirement programs for a modern labor market and promote greater labor force participation of people with disabilities. The ability to design and implement rigorous research and demonstration projects requires employees with unique skill sets in program administration, policy design, project management, research and evaluation, and problem solving.

Our primary research components are housed within ORDP. ORDP is responsible for all major activities in the areas of strategic and program policy planning, policy research and evaluation, statistical programs, and overall policy development, analysis and implementation. Within ORDP, the Office of Research, Demonstration, and Employment Support; the Office of Disability Policy; and the Office of Research, Evaluation, and Statistics share the responsibility of administering projects funded under our research appropriation.

Office of Research, Demonstration, and Employment Support (ORDES) - ORDES conducts research and analysis related to the DI and SSI programs. ORDES implements demonstration projects to test changes to the disability programs primarily aimed at improving program administration and supporting employment. ORDES also conducts research, analysis, evaluations, and statistical modeling that support our goals to strengthen our DI programs and improve program integrity. ORDES is also responsible for the collection of new occupational information to support our disability programs. The Associate Commissioner for ORDES is our Evaluation Officer under the Foundations for Evidence-Based Policy Making (Evidence) Act.

Office of Disability Policy (ODP) - ODP oversees and supports the planning, development, evaluation, and issuance of substantive regulations, policies, and procedures for our DI programs; development and promulgation of policies and guidelines for use by State, Federal, or private contractor providers who implement the disability provisions of the Social Security Act; evaluation of the effects of proposed legislation and legislation pending before Congress to determine the impact on the disability programs; and the coordination of interrelated policy areas. ODP uses research to identify opportunities for policy improvement; to keep medical, childhood, DI, and CDR policies up to date; and to make informed DI policy decisions.

Office of Research, Evaluation, and Statistics (ORES) - ORES is a Federal statistical unit responsible for the production and dissemination of research, statistics, and data on Social Security programs. ORES meets these responsibilities through four primary functions:

- Research and Evaluation – ORES produces findings on the Social Security retirement, DI, and SSI programs from research conducted both through intramural research and extramural funding. Examples include original research published by ORES researchers, grants to support data development such as the HRS, grants through the RDRC; funding support for the UAS and HRS; and evaluation of the effects of Social Security research and public-use surveys.

- Data Development – ORES develops program and survey data to support our research and statistical objectives. These activities include providing administrative data to internal and external partners to support program research, developing administrative linkages to external data sources (e.g., the HRS), and partnering with entities to enhance data supporting program research (e.g., IAAs to develop data resources).
- Statistics – as a principal statistical unit of the U.S. Federal Government, ORES publishes a variety of statistics on our programs and beneficiaries using both administrative data and survey data. These activities include publishing a number of standing statistical publications, making custom estimates upon request, providing statistics based on administrative data to internal and external partners, and being an active participant in the community of federal statistical agencies (e.g., interaction with the Committee on National Statistics and coordination with the Interagency Council on Statistical Policy).
- Dissemination – maintaining a schedule of research and statistical publications allows ORES to both achieve agency goals and meet requirements for Federal statistical units. ORES statisticians and researchers collaborate with the dissemination team to provide reliable data about key Social Security program variables (e.g., trends in applications, benefits, earnings, etc.), information about the design of social insurance programs around the world to support comparative research, as well as social and behavioral research related to our programs.

The Associate Commissioner for ORES is the Chief Statistical Officer under the Evidence Act.

RESEARCH INVESTMENT CRITERIA

We support research that fosters a better understanding of the socio-economic status and other characteristics of Americans under the program we administer; how changes in demography and the economy might alter the well-being of the program and those it covers; the interrelationships between the program and other private and public programs; and the impact of the program on the overall economy. Within this framework, our extramural program places the best available evidence into the hands of policymakers to inform policy development and program administration. We have established guidelines for developing, managing, and vetting projects for potential inclusion in our long-term research and demonstration agenda. We employ a variety of methods to ensure: 1) we meet the funding requirements of the sections of the Act that authorize our extramural research and demonstration activities; and 2) our extramural research activities meet high standards for relevance, quality, and performance.

Relevance

The primary purpose of our extramural research is to support evidence-building to inform the improvement of our programs. We seek to support research and demonstrations that clearly connect with this goal. A fundamental step in our review is assuring that each project responds to issues facing the OASDI and/or SSI programs, with priority towards contemporaneous challenges. Our review process includes obtaining the advice and recommendations of researchers with technical expertise, program managers, and agency executives. We also receive

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input on our research program from the Social Security Advisory Board. The extramural research budget undergoes both our careful scrutiny and that of external monitoring authorities.

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

Our budget request reflects our support of the Administration's and Congress' ongoing goals to provide opportunities for DI beneficiaries to maximize their self-sufficiency through work and to increase the American public's basic financial management skills. For example, we are working collaboratively with DOL, ED, and the HHS to test interventions that will improve the postsecondary education and employment outcomes of children who receive SSI.

We are also working with DOL and with HHS' Administration for Children and Families to test early intervention and return-to-work services for individuals who may be potential future applicants for DI or SSI.

Quality

Our extramural program provides access to analysts at top research institutions from around the country to expand our base of expertise to produce the best evidence in support of our program. We use a competitive, merit-based, peer reviewed procurement process to ensure that our extramural research program selects the most appropriate individuals and techniques to produce high quality results. We award our extramural research projects conducted by private-sector organizations through competitive contracts, grants, or cooperative agreements. As a result, our extramural program features internationally recognized scholars including many that have held important Federal posts (e.g., Council of Economic Advisors) and received significant recognition for their research contributions (e.g., the John Bates Clark Medal).

We also use Technical Expert Panels to review projects while they are in progress to provide feedback and suggestions to the agency. These panels include internal experts in relevant disciplines, such as statistics, economics, and survey design. They help ensure that our sponsored research projects are methodologically sound and consistent with professional standards. The research projects we sponsor through the RDRC are often discussed in formal seminars or workshops, as well as published in top peer-reviewed scientific journals.

Performance

We carry out our extramural research and evaluation projects primarily through contracts, jointly funded cooperative agreements, and grants that identify specific deliverables and timetables. The agency has sent a strong message to contractors that they must complete projects on time and within budget. Contracting officers, contracting officer's representatives, analysts, and senior executives monitor the progress of all research contracts and agreements. These agreements are also subject to audits by the Office of the Inspector General.

Consistent with the Administration’s encouragement to support evidence-based evaluations, we produce reports and data files for each research and evaluation project in an effort to determine whether existing or proposed programs work as designed. Where appropriate, we make these reports publicly available or announce their availability in the *Social Security Bulletin* and online.¹ The RDRC also disseminates output at annual meetings, online, and through a variety of publications, workshops, and conferences. Finally, our research projects are widely cited in both peer-reviewed publications and the mainstream press.

Implementation of the Evidence Act

We have carefully reviewed the OMB guidance on the Evidence Act described in Memorandum M-19-23, and we have taken actions necessary to complete the requirements. The agency designated three executives to serve as the Chief Data Officer, the Evaluation Officer, and the Statistical Official. The agency formed a data governance board (DGB), developed a charter for the DGB, and held the first DGB meeting on November 5, 2019. We have posted information on the three designated officials, the DGB members, and the first DGB meeting on <https://www.ssa.gov/data>.

The agency has developed a strategy for completing the Learning Agenda, the Evaluation Plan, and the Capacity assessment and has begun the process of implementing the strategy. Our Evaluation Officer has participated in all of the Evaluation Officer Council meetings, and we have an agency representative who is a member of an inter-agency workgroup on the development of a Capacity Assessment. We have also reviewed draft versions of a Learning Agenda toolkit and an Evaluation Plan toolkit that are being developed by a GSA contractor. The information we have obtained from these activities will contribute to the successful completion of the agency Learning Agenda, the Evaluation Plan, and the Capacity Assessment.

¹ Our research publication, the *Social Security Bulletin*, features peer-reviewed research articles produced by agency research staff as well as third-party contributors. Recent publications include Laith Alattar, Matt Messel, David Rogofsky, and Mark Sarney (2019), “The Use of Longitudinal Data on Social Security Program Knowledge”, 79(4) <https://mwww.ba.ssa.gov/policy/docs/ssb/v79n4/v79n4p1.html>; Janice Peterson, Barbara A. Smith, and Qi Guan (2019), “Hispanics' Knowledge of Social Security: New Evidence” 79(4), <https://mwww.ba.ssa.gov/policy/docs/ssb/v79n4/v79n4p11.html>. Our extramural partners often publish supported research in scholarly journals. Recent examples include, but are not limited to: Sonnega, A., Helppie-McFall, B., Hudomiet, P., Willis, Robert J., and Fisher, Gwenith G. (2018) “A Comparison of Subjective and Objective Job Demands and Fit With Personal Resources as Predictors of Retirement Timing in a National U.S. Sample.” *Work, Aging and Retirement* Vol 4(1), pp 37-51. <https://doi.org/10.1093/workar/wax016>; Huang, Sean S., Banaszak-Holl, J., Yuan, S. and Hirth, Richard A. (2019) “The Determinants and Variation of Nursing Home Private-Pay Prices: Organizational and Market Structure.” *Medical Care Research and Review: MCRR* <https://doi.org/10.1177/1077558719857335>; Belbase, Anek, Geoffrey T. Sanzenbacher, Abigail Walters. (2019) “Dementia, Help with Financial Management, and Financial Well-Being.” *Journal of Aging & Social Policy* <https://doi.org/10.1080/08959420.2019.1685355>; Hou, Wenliang, Alicia Munnell, Geoffrey T. Sanzenbacher, and Yinji Li. (2018) “Why are US men retiring later?” *Journal of Pension Economics & Finance* <https://doi.org/10.1017/S1474747218000331>; Nicholas LH, Hanson C, Segal JB, Eisenberg MD. (2019) “Association Between Treatment by Fraud and Abuse Perpetrators and Health Outcomes Among Medicare Beneficiaries.” *JAMA Intern Med.* Published online <https://doi.org/10.1001/jamainternmed.2019.4771>; Autor D, Kostol A, Mogstad M, Setzler B (2019) “Disability Benefits, Consumption Insurance, and Household Labor Supply.” *American Economic Review.* 109(7): 2613-54.

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We have begun meeting with stakeholders on the Evidence Act requirements. As a first step, our Evaluation Officer and the Performance Improvement Officer have held meetings to develop a common understanding of the Evidence Act requirements and how the requirements will be integrated into the Agency Strategic Plan and the Annual Performance Plan. We have also presented the Evidence Act requirements to agency executives in our first DGB meeting, we have held meetings with agency offices on the requirements and expectations related to the Evidence Act, and we presented the Evidence Act requirements to the Social Security Advisory Board. We will continue to engage with stakeholders as we complete the Evidence Act requirements.

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APPROPRIATION LANGUAGE/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 we are responsible and Title XVIII of the Act for which the Secretary of the Department of Health and Human Services is responsible.

Table 3.1—Authorizing Legislation
(Dollars in thousands)

	2019 Amount Authorized	2019 Enacted ^{1,2}	2020 Amount Authorized	2020 Enacted ^{3,4}	2021 Amount Authorized	2021 Estimate ^{5,6}
Title II, Section 201(g)(1) of the Social Security Act	Indefinite	\$12,876,945	Indefinite	\$12,870,945	Indefinite	\$13,351,473

¹ The Consolidated Appropriations Act, 2019 (P.L. 115-245) appropriated this amount. The total includes \$45,000,000 to remain available until expended for information technology (IT) modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with IT modernization. The total also includes \$100,000,000 in available funding through September 30, 2020, for activities to address the hearings backlog within the Office of Hearings Operations. The total also includes \$1,683,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs, comprised of \$273,000,000 in base funding and \$1,410,000,000 in funds outside the discretionary caps, as authorized by the BBA of 2015 (P.L. 114-74) to remain available for 18 months through March 31, 2020. P.L. 115-245 allows SSA to transfer up to \$10 million of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated cooperative disability investigations units in FY 2019.

² The total includes \$134,000,000 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 (SSPA).

³ The Further Consolidated Appropriations Act, 2020 (P.L. 116-94), appropriated this amount. The total includes \$45,000,000 to remain available until expended for IT modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with IT modernization. The total includes \$100,000,000 in available funding through September 30, 2021, for activities to address the hearings backlog within the Office of Hearings Operations. The total also includes \$1,582,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs, comprised of \$273,000,000 in base funding and \$1,309,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L. 114-74) to remain available for 18 months through March 31, 2021. P.L. 116-94 allows SSA to transfer up to \$10 million of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated cooperative disability investigations units in FY 2020.

⁴ The total also includes \$130,000,000 for SSI State Supplement user fees and up to \$1,000,000 from fees collected pursuant to section 303(c) of the SSPA.

⁵ The FY 2021 Budget proposes that the total requested LAE budget authority of \$13.351 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million). The total includes \$1,575,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs, comprised of \$273,000,000 in base funding and \$1,302,000,000 in funds outside the discretionary caps, as authorized by the BBA of 2015 (P.L. 114-74) to remain available until March 31, 2022. The Budget proposes allowing SSA to transfer up to \$11.2 million of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated cooperative disability investigations units in FY 2021.

⁶ The total includes up to \$135,000,000 for SSI State Supplement user fees, and up to \$1,000,000 from fees collected pursuant to section 303(c) of the SSPA.

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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 [\$12,739,945,000] \$13,215,473,000 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 in such section *or from the fees authorized by the fifth paragraph under this heading, except that any amounts derived from such fees are only available for the issuance of replacement Social Security cards*: Provided, That not less than [\$2,500,000] \$2,700,000 shall be for the Social Security Advisory Board [: [*Provided further*, That \$45,000,000 shall remain available until expended for information technology modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with information technology modernization: Provided further, That \$100,000,000 shall remain available through September 30, 2021, for activities to address the disability hearings backlog within the Office of Hearings Operations]: Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2020] 2021 not needed for fiscal year [2020] 2021 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

Limitation on Administrative Expenses

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.

Of the total amount made available in the first paragraph under this heading, not more than [\$1,582,000,000] *\$1,575,000,000*, to remain available through March 31, [2021] *2022*, is 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: *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 [\$1,309,000,000] *\$1,302,000,000* is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: *Provided further*, That, of the additional new budget authority described in the preceding proviso, up to [\$10,000,000] *\$11,200,000* may be transferred to the "Office of Inspector General", Social Security Administration, for the cost of jointly operated co-operative disability investigation units: *Provided further*, That such transfer authority is in addition to any other transfer authority provided by law: *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

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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, [~~\$130,000,000~~] *\$135,000,000* 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: Provided, That to the extent that the amounts collected pursuant to such sections in fiscal year [2020] *2021* exceed [~~\$130,000,000~~] *\$135,000,000*, the amounts shall be available in fiscal year [2021] *2022* 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.

The Commissioner of Social Security shall charge a \$25 fee for the issuance of a replacement Social Security card if an individual requests the issuance of such card in a field office of the Social Security Administration and a \$7 fee if an individual requests the issuance of such card online: Provided, That any fees collected pursuant to the matter preceding this proviso shall be deposited in this account and shall be available subject to the restrictions in the first paragraph under this heading: Provided further, That the Commissioner may not charge such a fee for the issuance of a new Social Security card. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2020.)

LANGUAGE ANALYSIS

The Limitation on Administrative Expenses (LAE) appropriation language provides us 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 shares of administrative expenses, by the General Fund of the Treasury for the SSI program’s share of administrative expenses, and

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through applicable user fees. The language provides the limitation on the amounts that may be expended, in total from these separate sources, for our administrative expenses.

We are requesting a total of \$1,575,000,000 in dedicated program integrity funding, including funding for full medical Continuing Disability Reviews (CDRs), 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 2021 program integrity request, which proposes funding to remain available through March 31, 2022, 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 \$1,302,000,000 in additional new budget authority for the full authorized level cap adjustment level for 2021. In FY 2021, the Budget provides for the transfer of up to \$11.2 million from the program integrity cap adjustment funds to the Inspector General (OIG) to fund CDI unit team leaders. This is an authorized use of the cap adjustment.

In addition to the appropriated amounts, we are requesting to spend up to \$135,000,000 in SSI State Supplement user fees and up to \$1,000,000 in non-attorney representative fees.

Table 3.2—Appropriation Language Analysis

Language Provision	Explanation
<i>“or from the fees authorized by the fifth paragraph under this heading, except that any amounts derived from such fees are only available for the issuance of replacement Social Security cards”</i>	The language allows us to use fees collected for replacement Social Security cards for the cost of processing such replacement card requests.
<i>“Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year [2020] 2021 not needed for fiscal year [2020] 2021 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...”</i>	The language allows us to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.

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Language Provision	Explanation
<p>“Of the total amount made available in the first paragraph under this heading, not more than [\$1,582,000,000] <i>\$1,575,000,000</i>, to remain available through March 31, [2021] <i>2022</i>, is 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: <i>Provided</i>, 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 [\$1,309,000,000] <i>\$1,302,000,000</i> is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: <i>Provided further</i>, That, of the additional new budget authority described in the preceding proviso, up to [\$10,000,000] <i>\$11,200,000</i> may be transferred to the “Office of Inspector General”, Social Security Administration, for the cost of jointly operated co-operative disability investigation units: <i>Provided further</i>, That such transfer authority is in addition to any other transfer authority provided by law: <i>Provided further</i>, 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</p>	<p>The language appropriates \$1,575,000,000 of dedicated program integrity funding to remain available through March 31, 2022, for 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 2021 level of \$1,302,000,000 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. In FY 2021, we may transfer up to \$11.2 million from the program integrity cap adjustment funds to the Inspector General (OIG) to fund CDI unit team leaders. This is an authorized use of the cap adjustment.</p>

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Language Provision	Explanation
104–121 for fiscal years 1996 through 2002.”	
<p>“In addition, [\$130,000,000] <i>\$135,000,000</i> 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: <i>Provided</i>, That to the extent that the amounts collected pursuant to such sections in fiscal year [2020] <i>2021</i> exceed [\$130,000,000] <i>\$135,000,000</i>, the amounts shall be available in fiscal year [2021] <i>2022</i> only to the extent provided in advance in appropriations Acts.”</p>	<p>The language makes available up to \$135,000,000 collected from States for administration of their supplementary payments to the SSI program. This assumes the fee will increase from \$12.41 per check in FY 2020 to \$12.71 in FY 2021 according to increases established by statute. We receive the amount collected above \$5.00 from each fee.</p>
<p>“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.”</p>	<p>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.</p>
<p><i>“The Commissioner of Social Security shall charge a \$25 fee for the issuance of a replacement Social Security card if an individual requests the issuance of such card in a field office of the Social Security Administration and a \$7 fee if an individual requests the issuance of such card online: Provided, That any fees collected pursuant to the matter preceding this proviso shall be deposited in this account and shall be available subject to the restrictions in the first paragraph under this heading: Provided further, That the Commissioner may not charge such a fee for the issuance of a new Social Security card.”</i></p>	<p>The language provides fees that we will charge for replacement Social Security cards. If the Social Security card issuance request is made in a field office, the fee will be \$25, whereas, Social Security card issuance requests made online will have a \$7 fee. The issuance of a new Social Security card will have no fee.</p>

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SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS

The table below includes the significant items requested in House Report 116-62 and the joint explanatory statement accompanying the Further Consolidated Appropriations Act, 2020 (Public Law 116-94).

Table 3.3—Significant Items in Appropriations Committee Report

<u>Continuing Disability Reviews</u>	<u>Actions Taken or To Be Taken</u>
The agreement directs SSA to include in its next continuing disability review (CDR) report to Congress an evaluation of its CDR prioritization models and a cost-benefit analysis of how it uses estimated savings in determining which beneficiaries receive a full-medical CDR. Additionally, the agreement requests in the fiscal year 2021 Congressional Justification, the process by which SSA intends to pace its CDR workload to properly manage Limitation on Administrative Expenses funding.	We will include information in our next CDR report to Congress to satisfy this requirement. Please see the Program Integrity exhibit in the Limitation on Administrative Expenses (LAE) section of this Congressional Justification (CJ) for additional information on our CDR workload.
<u>Disability Case Processing System (DCPS)</u>	<u>Actions Taken or To Be Taken</u>
SSA is encouraged to engage with States to explore all possible options for modernization of the case processing system, to align with the needs of each State, so long as such options have similar or better functionality as DCPS, similar or lower costs to DCPS, and are consistent with Federal procurement and security standards. SSA should continue to provide regular updates on the effort to upgrade DCPS, including the cost and anticipated timeline of the project, and efforts by SSA to engage stakeholders, including any barriers to implementation.	We will continue to engage with all our stakeholders and provide regular updates on our efforts to upgrade DCPS.
<u>Disability Hearings Backlog</u>	<u>Actions Taken or To Be Taken</u>
The agreement encourages SSA to include comprehensive information in its existing reports to Congress on the specific policies SSA has implemented, or has considered, to streamline the disability determination and adjudication process. When considering or implementing changes, SSA should ensure due	We will include information in existing reports to Congress.

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<p>process, and that applicants have a full and adequate opportunity to present their claims.</p>	
<p align="center"><u>Field Office Closures</u></p> <p>While SSA's Inspector General reviews decisions to close field offices, the Commissioner is strongly encouraged to take every action possible to maintain operations at the offices under review. SSA is expected to support front line operations. As part of the fiscal year 2021 Congressional Justification, SSA should include a plan to identify opportunities for improved field office operations. Finally, SSA is strongly encouraged to ensure its policies and procedures for closing field offices include at least 120 days advance notice to the public, SSA employees, Congress, and other stakeholders. Such notice should include a rationale for the proposed closure and an evaluation of the effects on the public and SSA operations.</p>	<p align="center"><u>Actions Taken or To Be Taken</u></p> <p>Our fiscal year (FY) 2021 budget supports efforts to improve service in our field offices. For additional information, please refer to our Budget Overview in this CJ for more information.</p>
<p align="center"><u>Mail and Printing Systems</u></p> <p>SSA is encouraged to consider and evaluate modernization of its mail and printing systems and contracts that could result in budgetary savings while improving fraud prevention. The agreement requests a briefing for the committees within 180 days of enactment of this Act on current mailing and printing systems and contracts, including systems or contracts relating to Social Security Cards, and any ongoing efforts to modernize or otherwise improve such systems.</p>	<p align="center"><u>Actions Taken or To Be Taken</u></p> <p>We will brief the Committees by the requested due date on current mailing and printing systems and contracts.</p>
<p align="center"><u>Medical Vocational Guidelines</u></p> <p>The agreement directs SSA to provide a report to the Committees within 90 days of enactment of this Act on its plan and timetable for updating and modernizing medical vocational guidelines and to engage appropriate Committees of jurisdiction prior to making any changes to such guidelines.</p>	<p align="center"><u>Actions Taken or To Be Taken</u></p> <p>We will report to the Committees by the requested due date on modernizing medical vocational guidelines.</p>

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<p style="text-align: center;"><u>Telework</u></p> <p>SSA is urged to develop a telework plan for Operations employees as quickly as practicable and to brief the Committees on the status of efforts to reinstate telework within 60 days of enactment of this Act.</p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p> <p>We briefed the Committees on January 27, 2020.</p>
<p style="text-align: center;"><u>Video Hearings</u></p> <p>The agreement reiterates the language included under this heading in House Report 116-62, and directs SSA to provide an update in the fiscal year 2021 Congressional Justification detailing the extent to which SSA meets best practices outlined by the Administrative Conference of the U.S., and the extent to which SSA video hearings, policies, and practices are accessible to individuals with disabilities.</p> <p><i>From House Report 116-62 - The Committee is concerned that SSA’s proposal in the Notice of Proposed Rulemaking “Setting the Manner for the Appearance of Parties and Witnesses at a Hearing” (83 Fed. Reg. 57368, November 15, 2018) eliminates an individual’s right to an in-person hearing before an SSA Administrative Law Judge (ALJ). This change would deprive millions of Americans of their right to due process and could result in hearings which are less fair and less efficient. The Committee strongly urges SSA to maintain its current policy, which allows claimants to choose to use video hearings on a voluntary basis or to have an in-person hearing or proceeding if the party chooses to do so.</i></p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p> <p>We published the final rule on December 18, 2019 (84 Fed. Reg 69298). Under the final rule, we will decide how parties and witnesses will appear at a hearing before an ALJ based on several factors, but the parties to a hearing will continue to have the ability to opt out of appearing by video teleconference at the administrative law judge hearings level. This preserves an individual’s right to an in-person hearing.</p>
<p style="text-align: center;"><u>Work Incentives Planning and Assistance (WIPA) and Protection and Advocacy for Beneficiaries of Social Security (PABSS)</u></p> <p>The agreement includes \$23,000,000 for WIPA and \$7,000,000 for PABSS.</p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p> <p>We have dedicated funding for this purpose. We issued all PABSS awards notices on November 20, 2019. We plan to issue WIPA award notices in June 2020.</p>

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<u>Administrative Law Judge Selection</u>	<u>Actions Taken or To Be Taken</u>
<p>The Committee is deeply concerned about the impact of Presidential Executive Order 13843 on the judicial independence of administrative law judges (ALJs). The Order eliminates the competitive hiring process for ALJs and has the potential impact of converting independent adjudicators to political appointees, undermining longstanding principles of fair and unbiased consideration of matters of vital importance to the American people. ALJs must be independent decision-makers and it is the Committee’s expectation that SSA maintain the highest standards for appointment of ALJs. The Committee directs SSA to submit a report within 60 days of enactment of this Act to the Committees on Appropriations, Ways and Means, and Oversight and Reform, explaining the process, qualification standards, and criteria used to recruit, evaluate and hire ALJs under the executive order.</p>	<p>We will submit a report to the Committees by the requested due date.</p>
<u>Beneficiary Education</u>	<u>Actions Taken or To Be Taken</u>
<p>The Committee recommends SSA include more complete information on the basic coverage decision individuals must make when turning age 65 and enrolling in Medicare. Notifications and informational materials shared with individuals as they become Medicare-eligible or re-enroll in Medicare should clearly explain the basic decision that must be made when electing Medicare coverage. This information currently presents information on Medicare Parts A and B (or “Original Medicare”) but falls short in explaining the full options available to beneficiaries under Medicare, such as the opportunity to enroll in Part C and D, as well as supplemental coverage options (Medigap) should beneficiaries select Original Medicare. The Committee also recommends SSA include additional language to clarify the basic coverage options available to individuals provided on its website, www.ssa.gov/benefits/medicare and refer</p>	<p>We have taken the following actions to ensure public awareness about Medicare:</p> <ul style="list-style-type: none"> • Updated the Medicare Benefits webpage (https://www.ssa.gov/benefits/medicare) in October 2019. • Released Social Security Matters blogs, Medicare, A Simple Explanation (https://blog.ssa.gov/medicare-a-simple-explanation) on October 24, 2019 and Sign Up for Medicare and Estimate Medicare Costs (https://blog.ssa.gov/sign-up-for-medicare-and-estimate-medicare-costs) on November 7, 2019 to more than 364,000 subscribers. • Updated coverage language in the publications titled <i>Medicare, Apply Online for Medicare, Understanding the Benefits, What You Need to Know - Retirement & Survivors</i>, and <i>Retirement Benefits</i>; the updates will be published in January 2020. • Produced social media posts that link to the Centers for Medicare and Medicaid Services’

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<p>beneficiaries to CMS for more information on the benefits and limitations of coverage options.</p>	<p>(CMS) Medicare pages and ssa.gov/benefits/Medicare throughout the year, including during the Medicare Open Enrollment and General Enrollment Periods.</p> <ul style="list-style-type: none"> Released 12 social media posts on Facebook and Twitter in English and 6 posts in Spanish for the most recent Open Enrollment Period. <p>We will continue to collaborate with CMS on ways to better educate the public about Medicare and update informational materials as appropriate.</p>
<p>Collective Bargaining</p>	<p>Actions Taken or To Be Taken</p>
<p>The Committee strongly supports the rights of federal employees to bargain collectively. Presidential Executive Orders 13836, 13837, and 13839 undermine those rights, which is why a Federal court invalidated many provisions of those executive orders and enjoined Federal agencies from implementing them. The Committee is very concerned about reports that SSA, during recent contract negotiations with its union, insisted on proposals that closely resemble the invalidated provisions of the executive orders. The Committee understands that several of the articles still in dispute have been referred to the Federal Service Impasses Panel (FSIP) and are awaiting a final determination. Within 30 days of enactment of this Act, the Committee directs SSA to submit a report and brief the Committees on Appropriations, Ways and Means, and Oversight and Reform on all articles in dispute with the unions as of April 16, 2019. The report shall include the modifications SSA made to each of the articles in dispute in order to comply with the court order. Additionally, it is the Committee’s understanding that parties can continue to discuss open matters while awaiting a final determination from FSIP. The Committee directs SSA to do so and to engage the Federal Mediation and Conciliation Service (FMCS) in order to address these issues through mediation.</p>	<p>We continue to work closely with each of our three unions. We have fully agreed-upon and signed contracts with the National Treasury Employees Union (NTEU) and the American Federation of Government Employees (AFGE); therefore, this language would no longer apply to those unions. Combined, AFGE and NTEU represent over 45,000 SSA employees—over 95 percent of our bargaining unit employees. SSA and International Federation of Professional and Technical Engineers (IFPTE) agreed to over 20 articles at the negotiating table over the course of several months of bargaining overseen by a mediator appointed by the Federal Mediation and Conciliation Service (FMCS). The FMCS mediator declared SSA and IFPTE at impasse on nine remaining articles, and the agency and IFPTE are now engaged before the Federal Service Impasses Panel (FSIP) to resolve those matters. The agency will comply with the FSIP procedures, including any dispute resolution processes ordered by FSIP. Further, the language related to the District Court ruling on the labor-relations Executive Orders is no longer valid as that ruling was overturned in the Circuit Court.</p>

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<p>SSA is directed to resume contract negotiations with its union in good faith and to present proposals that do not mirror District Court discredited provisions of the aforementioned executive orders. If after a reasonable period of good faith bargaining has been conducted, FMCS determines that a contract impasse exists, the parties will jointly select an independent mediator-arbitrator from a list of mediators-arbitrators supplied by the FMCS. Such mediator- arbitrator will conduct mediation and, if needed, an arbitration hearing with the authority to decide the final contract.</p>	
<p><u>Headache Disorders</u></p>	<p><u>Actions Taken or To Be Taken</u></p>
<p>The Committee supports efforts to ensure consistent decision-making with regard to how to appropriately and correctly apply the current Listing of Impairments to headache disorders-related impairments.</p>	<p>We acknowledge the Committees’ support.</p>
<p><u>Information Technology</u></p>	<p><u>Actions Taken or To Be Taken</u></p>
<p>The Committee continues to monitor the Information Technology Modernization Plan and remains concerned that while SSA undertakes information technology upgrades and improvements, the agency must also maintain an appropriate balance between SSA’s various service delivery options. As the agency continues to focus on modernizing information technology and systems, the Committee strongly encourages SSA to focus on enhancements that positively affect service to the public and add efficiency to administration of its programs. In addition, the Committee encourages involvement of agency front-line staff, those most familiar with the use of such programs, in all aspects of development, testing and deployment. The Committee requests an update of the plan referenced under this heading in House Report 114–699.</p>	<p>We are currently working to update our Information Technology Modernization Plan to include items that positively affect service to the public and add efficiency to administering our programs. Once we finalize our updated plan, we will provide a copy to the Committees.</p>

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<p style="text-align: center;"><u>Mailing Paper Statements</u></p> <p>The Committee is concerned that SSA is not mailing Social Security benefits and earning statements to all contributors aged 25 and older not yet receiving benefits, in accordance with Section 1143 of the Social Security Act (42 U.S.C. 1320b–13). The Administration is directed to brief the Committee within 60 days of enactment of this Act on progress to date on implementing the law as written, and to include in its fiscal year 2021 Congressional Budget Justification an estimate of costs associated with the mailing of paper statements as required by law.</p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p> <p>We will brief the Committees by the requested due date. Please see the Budget Overview section of this CJ for information on Social Security Statement mailing costs.</p>
<p style="text-align: center;"><u>Muscular Dystrophy</u></p> <p>The Committee requests SSA include in the fiscal year 2021 Congressional Budget Justification 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.</p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p> <p>Please see the Utilization of SSA Programs for Muscular Dystrophy exhibit in the LAE section of this CJ for this information.</p>
<p style="text-align: center;"><u>Occupational Information System</u></p> <p>SSA is developing a new Occupational Information System (OIS) that will replace the Dictionary of Occupational Titles as the primary source of occupational information used in SSA’s disability adjudication process. The Committee directs SSA to continue to include in its annual Report on the Occupational Information System Project the estimated costs for each future fiscal year until the project is expected to be completed, as well as the estimated cost for a five-year data refresh cycle.</p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p> <p>We will continue to provide the requested information in our annual Report to Congress on the OIS project.</p>
<p style="text-align: center;"><u>Pilot Program Metrics</u></p> <p>The Committee appreciates the information on pilot program metrics provided in the fiscal year 2020 Congressional Budget Justification. The Committee expects that, prior to undertaking any new pilots, SSA will ensure</p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p> <p>Please see the Pilot Program Metrics exhibit in the LAE section of this CJ for this information.</p>

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<p>that it has developed a research design that identifies a clear purpose for the pilot, key objectives and an evaluation plan, including adequate metrics to determine the pilot’s effectiveness. Metrics should be specific, quantifiable measures—accompanied by specific goals for the measures— that can be used to evaluate success. The committee reminds SSA that it uses the term “pilot” to encompass all efforts to test the effects of process changes, including “initiatives” and “tests.”</p> <p>The Committee directs SSA to submit a report to the Committees on Appropriations, the Committee on Ways and Means, and the Committee on Finance not later than 90 days after the enactment of this Act with a description of all pilots conducted in fiscal years 2019 and 2020, or proposed for fiscal year 2021; the purpose and key objectives of each pilot; its start date and timeline; which SSA components are involved in the pilot; the evaluation plan; the measures or metrics the SSA will use to evaluate the pilot; and a specific goal for each metric that will be used to determine the pilot’s effectiveness. Similar information should be provided in the fiscal year 2021 Congressional Budget Justification. All SSA pilots should be included in the requested report and justification, including those undertaken as part of the Compassionate and Responsive Service (CARES) plan and in other parts of the agency. The report (and section in the justification) does not need to include programmatic demonstrations, such as those involving changes in program eligibility rules.</p>	
<p><u>Reconsideration</u></p>	<p><u>Actions Taken or To Be Taken</u></p>
<p>The Committee is concerned that SSA is reinstating reconsideration in ten States despite bipartisan, bicameral concern about the quality of the reconsideration process and the delays it causes, and without any plan to improve</p>	<p>We are working to satisfy this requirement.</p>

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<p>decision-making at the initial or reconsideration levels. The Committee directs SSA to provide a plan to the Committee on Appropriations and the Committee on Ways and Means within 180 days of enactment of this Act to improve the Disability Determination Services processes, including research topics and potential pilots to improve the disability process, including the reconsideration appeal step, to help ensure the correct decision is made as early as possible, avoiding the need for eligible individuals to seek a hearing in order to receive the benefits for which they are eligible.</p>	
<p style="text-align: center;"><u>Replacement Card Fees</u></p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p>
<p>The Committee considers the proposal to charge a fee to replace a lost or stolen Social Security card incomplete and ill-considered. It is an inappropriate attempt to circumvent the Federal rulemaking process and the agency is directed not to move forward with this proposal.</p>	<p>We acknowledge the Committees' request.</p>
<p style="text-align: center;"><u>Report on LAE Expenditures</u></p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p>
<p>The Committee continues to request that the data referenced under this heading in House Report 114-699 be included in future budget justifications. In addition, the Committee requests the fiscal year 2021 Congressional Budget Justification include a historical table of costs and fiscal year 2021 requests for personnel and benefits, by major SSA component to include Operations (field offices, teleservice centers, processing centers, and regional offices); Office of Hearings Operations; Systems; Office of Analytics, Review, and Oversight; and Headquarters.</p> <p>Report on LAE Expenditures (House Report 114-699) – 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:</p> <ul style="list-style-type: none"> • Personnel costs by General Schedule grade, Administrative Law Judge personnel costs, Senior Executive Service 	<p>Please see Tables 3.19, 3.20 and Table 3.21 for a historical table of costs and FY 2021 requests for personnel and benefits by major SSA component.</p> <p>For Personnel costs by General Schedule grade, Administrative Law Judge personnel costs, Senior Executive Service personnel costs, and reemployed annuitant personnel costs, please see Tables 3.34 through 3.36. For personnel costs by region, please see Tables 3.37 through 3.39. For Information Technology costs broken out by hardware/software technology and upgrade/maintenance costs, please see Table 3.30. For Physical infrastructure costs by region and office function, please see Tables 3.42 through 3.47. For Overall costs for personnel, time and dollars for OASI, DI, SSI, and other SSA missions, please see Table 3.15. For Program Integrity work broken out by OASI, DI and SSI as well as types of spending, please see Table 3.23. For Disability Determination Services State costs and Federal staff costs, please see Table 3.18.</p>

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<p>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</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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 	
<p><u>Social Media</u></p>	<p><u>Actions Taken or To Be Taken</u></p>
<p>The Committee is concerned about the proposal in the budget request to permit SSA disability adjudicators to use social media postings and other Internet-based sources as part of evaluating whether the individual meets the disability eligibility criteria. The reliability of social media is often low and hard to determine and SSA adjudicators lack the time, resources, and expertise to properly review, evaluate, and corroborate social media posts. SSA should not pursue this strategy, but</p>	<p>We acknowledge the Committees’ statement. This proposal is no longer moving forward.</p>

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<p>instead continue with its existing process of referring cases of suspected fraud to investigators at SSA’s Office of Inspector General, who are trained to investigate information found on the Internet or social media and corroborate it against other sources.</p>	
<p style="text-align: center;"><u>Vocational Experts</u></p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p>
<p>The Committee directs SSA to provide an update to the Committee on Appropriations and the Committee on Ways and Means within 90 days of enactment of this Act on the status of its plans to strengthen Vocational Expert (VE) qualification standards and to pay fees that are sufficient to hire VEs with the necessary expertise and current knowledge. The Committee directs SSA to ensure that anyone testifying as a vocational expert under a Blanket Purchase Agreement meets the qualification standards; and explain how SSA’s new fees will reflect VE qualification standards and take into account the fees paid for VE services by other Federal agencies and the private sector. The plan should be developed in consultation with knowledgeable stakeholders, including VEs.</p>	<p>We will provide an update to the Committees by the requested due date.</p>
<p style="text-align: center;"><u>Vocational Factors</u></p>	<p style="text-align: center;"><u>Actions Taken or To Be Taken</u></p>
<p>The Committee considers the recent Notice of Proposed Rulemaking “Removing Inability to Communicate in English as an Education Category” (84 Fed. Reg 1006, February 1, 2019) to be a harmful and unjustified attempt to deny Social Security and SSI disability benefits to older workers with long-term or fatal medical impairments who are severely limited in their functional capacity and who cannot communicate in English. The rule does not provide any valid evidence that there is a sufficient occupational base of jobs that this narrow group of severely disabled individuals can perform despite their pervasive limitations. The Committee understands that of the 157 organizations who submitted or signed</p>	<p>We acknowledge the Committees’ statement.</p>

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comments, all but one commented in opposition to the rule. In light of the harm that would be caused by this policy change, the Committee strongly urges SSA to withdraw this proposed rule.	
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IMPROPER PAYMENTS

We are committed to reducing improper payments. While our payment accuracy rates are very high, even a small error rate can add up to substantial improper payments due to the amount of benefits we pay. For instance, in FY 2018, we issued over \$1 trillion in benefit payments, while our combined overpayments and underpayments totaled over \$8 billion. Our internal quality reviews, which are validated by a third-party auditor, indicate that approximately 99.77 percent of our Old-Age, Survivor, and Disability Insurance (OASDI) benefit payments were free of overpayment and 99.95 percent were free of underpayment in FY 2018, the last year for which we have data. For the same year, 91.77 percent of all Supplemental Security Income (SSI) benefits were free of overpayment and over 98.52 percent were free of underpayment. One of our Agency Priority Goals is to improve the integrity of the SSI program by focusing our efforts on reducing overpayments. In FYs 2020 and 2021, our target is to achieve an SSI overpayment accuracy rate of 94 percent.

The Budget proposes to reduce improper payments in disability programs by using administrative resources to develop a uniform system of reporting in *my Social Security*. This is in addition to instituting a holistic view that provides all beneficiaries' data, including income and assets, in one electronic location, while simultaneously developing a network of automated processes across other IT platforms for work-related benefit payment adjustments, work continuing disability reviews, redeterminations, and payments to Ticket to Work providers. In addition, future related legislative changes to address the root causes of these improper payments could include requiring suspension of benefits when beneficiaries neglect to report wage and resources, and instituting mandatory training for beneficiaries on reporting requirements prior to receipt of their first benefit check.

Please refer to the Payment Integrity section of the Analytical Perspectives for more information on legislative proposals to reduce improper payments in our programs included in the Budget.

Furthermore, we have an aggressive strategy, utilizing various initiatives, to reduce improper payments:

- Determining the Value of Increasing Access to Financial Institutions Program Use;
- Identifying Non-Home Real Property;
- Enhancing the SSI Wage-Reporting Process;
- Performing Quality Reviews;
- Reducing Underpayments to Vulnerable Populations;
- Increasing Post-Entitlement Accuracy;

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- Improving Death Data Processing;
- Expanding Benefit Payment Offset;
- Developing a Debt Management Product; and
- Additional Data Exchanges to Prevent Improper Payments.

For more information about our efforts, please see our Agency Financial Report and Annual Performance Report, as well as information provided on our website at www.ssa.gov/improperpayments/index.html.

PILOT PROGRAM METRICS

The following list satisfies the request for information on agency pilot programs pursuant to House Report 116-62 accompanying the Further Consolidated Appropriations Act, 2020.

Completed Pilots

1. Proactive Analysis and Triage for Hearings (Pilot completed and implemented)

The Office of Hearings Operations (OHO), in conjunction with the Office of Analytics, Review, and Oversight (OARO), began the Proactive Analysis and Triage for Hearings (PATH) pilot in April 2017. PATH combines the use of classification algorithms and previously developed data analytic methods to identify patterns and predict the likely outcome of cases pending at the hearing level. The PATH initiative also establishes procedural rules for hearings and helps us to identify and triage cases that are most likely to result in a fully favorable decision before scheduling the case for a hearing before an administrative law judge. We review PATH cases through an informal remand to the prior adjudicative level if there is reason to believe that the revised determination could be fully favorable, or handled as an on-the-record decision prepared by a Senior Attorney Advisor (SAA).

In fiscal year (FY) 2019, we resumed the National Adjudication Team (NAT) with 24 SAAs and incorporated it into the PATH business model. The NAT consists of SAAs who screen and adjudicate cases where the evidence supports a fully favorable decision, removing those cases from the hearings backlog. Through December 2019, the NAT reviewed over 14,300 cases, reversing approximately 17 percent of the cases, and successfully issuing allowance decisions to approximately 3,000 individuals who will not have to wait for a hearing. We incorporated PATH into the OHO business process and PATH constitutes the case flow for the NAT. We will integrate PATH into our Hearings and Appeals Case Processing System at the appropriate time. This pilot is complete.

2. Pre-Hearing Development Contacts (Pilot completed and implemented)

In January 2018, we started conducting pre-hearing development contacts (PHDC) for two cohorts: all unrepresented continuing disability review (CDR) claimants between the ages of 18 and 25, and all unrepresented claimants in 12 offices with high populations of unrepresented claimants and higher than national average postponement rates. By May 2019, we expanded PHDCs for all unrepresented claimants to an additional 27 hearing offices bringing the total number of offices to 39. Of the almost 37,000 claimants we attempted to contact for a PHDC from January 2018 through August 2019, we successfully reached claimants 51 percent of the

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time. Of the tracked cases in the 12 offices conducting PHDCs for all unrepresented claimants, the postponement rate for unrepresented claimants who had a successful PHDC was approximately 44.5 percent compared to the approximately 68 percent postponement rate for unrepresented claimants that did not have a PHDC. Because of the pilot's success, we completed the pilot and integrated PHDCs into our hearing operation in FY 2019.

3. Voice to Text Pilot (Pilot completed)

In FY 2018, together with OHO, the Office of Systems (OS) evaluated and tested Voice to Text (VTT) software to determine if it could accurately transcribe hearing notes into a searchable text file. OHO uses a multi-channel Digital Recording and Processing System to record hearings. During the process of recording the hearing, Verbatim Hearing Reporter contractors spend a significant amount of time typing log notes associated to the hearing. Our objective of the VTT pilot was to determine whether a commercially available software product could automate the process of preparing hearing log notes and eliminate the time-consuming manual steps.

As part of the pilot, we evaluated multiple commercially available software products to determine if an existing product met our business needs. However, no product tested met minimum quality needs.

4. Virtual Assistant Pilot (Pilot completed)

OS, together with the Office of Operations (Operations), piloted a Virtual Assistant (VA) to integrate with our Click-to-Chat application. The objective of this pilot was to evaluate multiple commercially available software products to determine if there is a solution to meet our business needs. Under this pilot, the VA interacted with *my Social Security* customers, answering simple questions within the VA's knowledge base, allowing live customer service agents to handle more complex matters. This resulted in a complete conversation or transfer to a live agent. The VA pilot ended in September 2019.

Based on the experience from the pilot, the agency recently invested in Pega software at an enterprise level that provides Customer Engagement tools. The Pega software has an out of the box VA solution, so we no longer need to continue this pilot. We plan to develop the VA within Pega in FY 2021.

Active Pilots

5. Benefits Planning Query Pilot

Our Office of Retirement and Disability Policy (ORDP) received reports of delayed and inconsistent processing of Benefit Planning Query (BPQY) requests from employment support program service providers working with disabled beneficiaries. The BPQY is a document that contains information about a beneficiary's earnings history and assists beneficiaries to understand how future earnings may affect their disability benefits. We initiated the BPQY pilot to ensure the timely and accurate distribution of BPQYs to service providers.

Through this pilot, we will show how expedited processing of BPQY requests improves beneficiary work and earnings outcomes. Additionally, we plan to show how BPQY centralization and automation help ensure greater processing efficiency.

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We established a small cadre of centralized staff who receive and process secure BPQY requests from beneficiaries, Employment Networks (EN), Work Incentives Planning and Assistance Projects, Protection and Advocacy for Beneficiaries of Social Security, and Vocational Rehabilitation (VR) offices. The centralized staff reviews the authorization, processes the BPQY request, and emails the BPQY statement to the requestor through a secure system. The centralized process fulfills the request in a more timely, efficient, and consistent manner compared to our current business process, which requires the submission and processing of paperwork in a field office.

If the pilot is successful, we will also use our findings to support the development of a new BPQY fulfillment system currently underway, and to explore the possibility of expanding the new system nationally. Simultaneously, we will continue to collaborate with Operations to develop the organizational framework for responding to BPQY requests in a centralized location to support streamlining the fulfillment process and reducing the burden on our field offices.

Evaluation Plan/Timeline

FY 2019:

- Measure the length of time between fulfilled BPQYs and beneficiary earnings dates to determine the average time it takes to realize new earnings upon BPQY receipt.
- Compare the time taken to fulfill BPQY requests in the cadre to the time taken to fulfill BPQY requests from non-centralized Social Security Administration (SSA) offices.
- Review BPQY response times and subsequent earnings outcomes of pilot beneficiaries to determine whether shorter BPQY response times yield higher beneficiary earnings.

FY 2020:

- Gather and review data from the pilot to determine whether centralized production of BPQYs has an impact on beneficiary employment and earnings.

Measure of Success/Metrics

We will evaluate these outcomes to determine increases in employment and earnings among beneficiaries who receive the BPQY through this pilot.

6. Employment Network Marketing Pilot

In FY 2019, ORDP tested a secure process for transferring marketing information to an EN. ENs provide employment support services designed to assist disabled beneficiaries in returning to work. We invited a small sample of ENs to apply for participation in the pilot.

The goal was to increase program participation by offering ENs an opportunity to market their services directly to beneficiaries. This is the only process available for ENs to market services directly to disabled beneficiaries. We currently rely on “Good News” notices, COLA notices, and automated calls to inform beneficiaries of their eligibility to participate in the Ticket to Work (TTW) Program. These efforts directed the beneficiary to the dedicated TTW Call Center and the <https://choosework.ssa.gov/> website where beneficiaries can then obtain more information regarding potential service providers. However, these methods do not refer beneficiaries to specific service providers.

Limitation on Administrative Expenses

Through the pilot, we sent participating ENs limited beneficiary contact information consisting of the name, phone number, and/or address of the disabled beneficiary using selection criteria that the ENs provide (e.g., age, zip code). ENs use the contact information in the marketing file to inform the beneficiary about the TTW program and market their services with the goal of having the beneficiary assign their Ticket to the service provider.

In the past, we distributed data on a compact disc (CD) with beneficiary information to ENs across the United States. In March 2015, we decided that providing data on a CD no longer guaranteed the protection of sensitive beneficiary information. We implemented the EN Marketing Pilot process to develop a more secure process for transferring beneficiary information to ENs. Through the pilot, we will evaluate whether this solution of sending secure, encrypted data to ENs increases Ticket Program participation or enhances EN performance.

Evaluation Plan/Timeline

FY 2019:

- Compare the earnings of a cohort of beneficiaries who received services from a pilot EN in FY 2017 and FY 2018 to the earnings of a cohort of beneficiaries who received services from a non-pilot EN.
- Compare EN performance before and after receiving marketing data through the pilot.

FY 2020:

- Review data from the pilot.

Measure of Success/Metrics

We will evaluate whether receipt of beneficiary records through the pilot resulted in ENs assigning a larger volume of Tickets and facilitating higher beneficiary earnings to individuals whose information the ENs received. We will consider the pilot successful if EN performance metrics (Tickets assigned or beneficiary earnings) increase after the pilot intervention.

7. Monthly Earnings Pilot

ORDP, Operations, OS, and OARO created a process to select disabled beneficiaries for a work CDR when a beneficiary meets specified criteria and self-reports monthly earnings based on new reporting requirements in the Bipartisan Budget Act of 2015. The Monthly Earnings Pilot (MEP) will select beneficiaries completing their ninth trial work period (TWP) month or working Substantial Gainful Activity (SGA) outside of the TWP for a work CDR.

Because monthly earnings are reported shortly after month's end, MEP allows us to identify working disabled beneficiaries sooner compared to the current CDR enforcement operation process. This will allow us to minimize improper payments to beneficiaries.

Evaluation Plan/Timeline

FY 2019:

- Select cases for a work CDR when reported earnings indicate the beneficiary has reached the ninth TWP month or is working SGA outside of the TWP.

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- Track the results of the work CDRs using the Disability Control File and information gathered during the selection process.

FY 2020:

- Determine the average amount of overpayment from cases selected by MEP.

Measure of Success/Metrics

Since MEP selects cases for a work CDR shortly after the beneficiary reports earnings from work, our goal is to reduce the amount of overpayments for the cases selected by MEP. We expect the average overpayment from the cases selected by MEP to be half the amount of the average overpayment from other projects. In FY 2019, MEP selected roughly 14,000 cases for a work CDR. We continue to track those cases.

8. Ticket to Work Notice Optimization

The Ticket to Work and Work Incentives Improvement Act of 1999 established the TTW program we currently administer. This program provides Disability Insurance (DI) and Supplemental Security Income (SSI) beneficiaries and recipients with more options for receiving employment services. We provide DI and SSI beneficiaries and recipients with a Ticket to obtain vocational rehabilitation (VR) services, employment services, and other support services from ENs or State VR agencies of their choice. Goals of the TTW program include increasing exits from the DI and SSI programs due to work, expanding the availability of services for beneficiaries, reducing dependency on disability benefits, and obtaining benefit reductions that are greater than the cost we pay for services.

Participation rates are a key factor in the program's success. Though the program has served close to 1.2 million beneficiaries and recipients since 2000, participation in the program has been relatively low in relation to the total number of beneficiaries and recipients we serve. The TTW Notice Optimization project seeks to:

- 1) Analyze data to identify unique characteristics of our Ticket population; and
- 2) Use these data in conjunction with research on behavioral aspects of changes to our TTW notice (e.g., testing the types of notices we send, the language we use, and the timing of our notices) to optimize and target our outreach to maximize TTW participation and beneficiary earnings.

Evaluation Plan/Timeline

FY 2020:

- Continue to work with the General Services Administration to finalize notice prototypes.
- Work with OS to randomize sampling and begin testing prototype notices.
- Obtain notice language approval, modify systems processes, and implement this pilot.

FY 2021:

- Continue testing prototype notices and conducting data analyses.

Measure of Success/Metrics

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We will capture data on the number of beneficiaries who we assign a Ticket, their monthly earnings, and Ticket payments. We will measure success based on increases in Ticket assignment. Currently, slightly more than 1 percent of individuals assign their Tickets in the first year. Even a small increase in Ticket assignment could lead to cost savings. Secondary outcomes of interest include earnings above substantial gainful activity and Ticket payments.

9. Wage Reporting Pilot

In July 2016, ORDP implemented a Wage Reporting Pilot. This pilot enables SSA Ticket Program Manager (TPM) payment staff (currently contracted with Maximus Federal Services) to initiate or update a work or paystub report in the eWork system for more timely adjudicative action by our field offices and processing centers. TTW program service providers who are assisting SSA beneficiaries return to work report these earnings to the TPM.

The objective of our pilot is to strengthen the integrity of our TTW program and minimize improper payments due to earnings. This objective aligns with our Agency Strategic Plan Objective 3.1 – Improve Program Integrity. Necessary and timely action taken on reported wages reduces the likelihood of improper payments to disabled beneficiaries. Submitting proof of wages through the Wage Reporting Pilot provides an efficient method for ENs to receive payment in a timely manner and subsequently supports ENs to encourage disabled beneficiaries to report wages to SSA.

Evaluation Plan/Timeline

FY 2019:

- Collect pilot Social Security Number entries in FY 2019 from TPMs.
- Research the benefit status of at least 100 disabled beneficiaries with earnings entered through the pilot and compare this cohort to 100 disabled beneficiaries with earnings not entered through the pilot.
- Evaluate how soon adjudicative decisions were made to determine if the wage reporting entries accelerated a cessation of benefits.

FY 2020:

- Continue the evaluation of work CDR outcomes.
- If effective, promote automation of the wage reporting process.

Measure of Success/Metrics

We will consider this pilot successful if it takes us fewer days to cease benefits among the group whose earnings were entered into eWork through the Wage Reporting Pilot. We are still determining if it is possible to measure differences in overpayments between these groups.

10. Event Based Marketing Pilot

In September 2019, OS began the Event Based Marketing (EBM) pilot with the goal to encourage *my Social Security* users to maximize the functionalities of our online service delivery channel targeting users who filed an authenticated internet claim (iClaim). The MyAPS application within *my Social Security* provides an additional option to check claim status versus

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calling the National 800 Number for this information or making an in person visit to a field office.

The EBM pilot will also leverage the Granicus GovDelivery Targeted Message Service (TMS) Application Programming Interface to send e-mails to inform and instruct targeted users on how to use the appropriate online services. We will notify claimants when their claim status changes, and the e-mail encourages claimants to log into their *my Social Security* account to see the updated status.

Evaluation Plan/Timeline

FY 2019:

- Develop the EBM pilot in September 2019.
- Integrate EBM into *my Social Security* in September 2019.
- Release EBM pilot to 15 percent of iClaim users in November 2019.

FY 2020:

- Evaluate message delivery results and impact on service channels; if favorable, move to next step.
- Increase production delivery to 50 percent of iClaim users by March 2020 if 15 percent message delivery and service channel impact results support the increase.
- Increase production to all iClaim users by May 2020 if 50 percent message delivery and service channel impact results support increase.
- Transition EBM out of pilot status and into full production by September 2020, pending data showing favorable customer behavior.

Measure of Success/Metrics

The TMS must be able to send e-mails to selected recipients. We will measure if events are triggered at the correct points in the business process (e.g., there is a change in status and an e-mail is generated). The system must report delivery, usage, and service channel metrics. We will measure if recipients of marketing emails use our telephone and in-person service channels less than non-recipients.

11. SSA Form 827 Pilot

In FY 2020, OS will begin a pilot to evaluate a tool that electronically recognizes and verifies information on a wet-signed form SSA-827, Authorization to Disclose Information to the Social Security Administration. We collect form SSA-827 from every disability applicant. The applicant may sign the form through attestation, thereby, capturing an electronic signature, or by signing a paper SSA-827. The form authorizes SSA to collect medical records from relevant medical, educational, and other providers. Providers have challenges with the wet-signed SSA-827 if the form is incomplete.

When we do not identify incomplete wet-signed forms before providing the form to a provider, it affects our ability to obtain necessary medical evidence and consultative exams. Delays in obtaining medical information affect the time a claimant waits for a decision and requires additional agency resources to resolve the issue.

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We plan to evaluate an innovative Commercial Off the Shelf product from HyperScience. The HyperScience product specializes in extracting information from diverse types of documents using artificial intelligence. We will evaluate the effectiveness of the tool.

Evaluation Plan/Timeline

FY 2020:

- Identify and prepare a set of test SSA-827 documents by March 2020.
- Stand up an evaluation environment, and set up the HyperScience tool by March 2020.
- Run the test SSA-827 documents through HyperScience for six weeks to prove that the HyperScience product can identify and extract information within a wet-signed SSA-827.
- Prevent SSA systems (MegaHIT) from programmatically sending a request for Health IT data if the form is incomplete.
- Analyze results by June 2020.

Measures of Success/Metrics

We will capture data on the number of forms missing signatures and dates, as well as the number of times the tool identifies and extracts data. We will consider the tool successful if the tool can identify and extract missing information 90 percent of the time in approximately 4,500 wet-signed SSA-827s daily. In addition, we will consider this pilot successful if the tool identifies an incomplete form that prevents us from requesting HIT data in 100 percent of those cases.

12. SSA Wilkes-Barre Direct Operations Center Pilot

Each year, we receive Annual Wage Reports (AWR) from employers who are required to submit them (Forms W-3 Transmittal of Wage and Tax Statements, and W-2 Wage and Tax Statement) to SSA. Our Office of Central Operations Wilkes-Barre Direct Operations Center (WBDOC) receives the reports beginning as early as December of the previous year.

We receive approximately 2.5 million hand-written W-2/W-3 forms yearly. The WBDOC staff manually key the forms into our AWR system using a process commonly known as Key from Image (KFI)/Direct Data Entry (DDE). Manually keyed W-2/W-3s have an approximate 40 percent accuracy rate, which require additional rework.

This pilot will test, develop, and deploy the HyperScience Handwriting Recognition tool within the AWR program to automate the KFI/DDE processes for hand-written W-2/W-3s.

Evaluation Plan/Timeline

FY 2020:

- Stand up test environment for the Hyperscience tool by March 2020.
- Conduct testing for six weeks; evaluate the accuracy rate of automated hand-written recognition.
- Reduce manual workload of data entry from hand-written forms from start to finish by using the Hyperscience tool.
- Complete ROI/cost benefit analysis by June 2020.
- Analyze results by July 2020.

Measure of Success/Metrics

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We will consider this pilot successful if the HyperScience tool completes 90 percent of the KFI/DDE process. We also expect to achieve a 30 percent reduction in incomplete forms from the HyperScience process being returned for manual correction than those completed manually. We hope to achieve a 50 percent reduction in manual keying and automate the process to route exceptions to operators to correct data.

UTILIZATION OF SSA PROGRAMS FOR MUSCULAR DYSTROPHY

The FY 2020 Conference Report language from the House Report 116-62 requests we provide relevant data in our Congressional Justification on the rate at which persons with Duchenne and Becker Muscular Dystrophy utilize our programs, particularly those focused on promoting employment and community independence such as the Ticket to Work (TTW) Program.

We administer two programs that support individuals with disabilities. The Disability Insurance (DI) program is contributory, covering both individuals who have paid taxes into the program and their dependents. Supplemental Security Income (SSI) is a means-tested program for disabled children, disabled adults (age 18 through full retirement age [FRA]), and aged individuals.

This exhibit provides statistics on DI beneficiaries and SSI recipients who have a diagnosis code indicating muscular dystrophy as a primary or secondary impairment. Not all individuals with muscular dystrophy receive disability benefits. Some individuals may not meet the child or adult definitions of disability or may not meet other program requirements, such as having sufficient Social Security covered employment or having income or resources below the SSI thresholds.

Data on the number of individuals with muscular dystrophy in the overall United States population is incomplete, according to the Department of Health and Human Services. For context, we note that Duchenne muscular dystrophy is the most common form among children and, thus, most likely reflected in statistics on SSI children. In addition, Duchenne and Becker (which is similar to but less severe than Duchenne) muscular dystrophy primarily affect males. The Centers for Disease Control and Prevention estimates one in every 5,600 to 7,700 males aged five through 24 in the United States has Duchenne or Becker muscular dystrophy. Finally, for adults, we note the most common form of muscular dystrophy is Myotonic muscular dystrophy.¹

In December 2017, there were 37,429 DI beneficiaries and non-aged SSI recipients with a primary or secondary diagnosis of muscular dystrophy who were in current payment status (the data do not break out the type of muscular dystrophy). Among this group, 34,106 were adult beneficiaries (age 18 to FRA).²

Table 3.4—Beneficiaries with Muscular Dystrophy by Beneficiary Type in Current Pay Status, December 2017³

¹ Please see www.nichd.nih.gov/health/topics/musculardys/conditioninfo/pages/types.aspx and www.cdc.gov/ncbddd/musculardystrophy/data.html.

² Data from 2018 will be available in February 2020.

³ Program statistics were based on our tabulations of administrative records.

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Beneficiary Type	Number	Percent	Average Age at Start of Benefits
Adult (18-FRA)			
DI only ¹	21,594	57.7	37
SSI only	9,542	25.5	18
Concurrent	2,970	7.9	20
SSI child	3,323	8.9	4
Total	37,429	100.0	30²

There were 3,323 children on SSI with a diagnosis of muscular dystrophy or about one out of every 356 child recipients. Most of these children were male (74 percent); one out of every 324 male children on SSI had an impairment code indicating muscular dystrophy.

Table 3.5 provides additional information on the child population. Most began receiving benefits at a very young age. The average age for the start of benefits was four. About 37 percent of child recipients received benefits by age two, and 61 percent received benefits by age four. 87 percent of child recipients with muscular dystrophy received benefits by age eight.

Table 3.5—Age at First Benefit, Child Recipients, Ages 0-17 with Muscular Dystrophy in December 2017³

Child Age	Number	Percent
0-1	1,215	36.6
2-4	815	24.5
5-8	859	25.9
9-17	434	13.0
Total	3,323	100.0

The average age of child recipients was 11 (not shown in Table 3.5). One-quarter of child recipients were under the age of seven in December 2017, and almost three-quarters were under the age of 14.

Activities of Adult Beneficiaries with Muscular Dystrophy

The population under study includes not only adults who were in current pay in December 2017, but also adults that had benefits suspended or terminated due to work. There were 35,319 such beneficiaries with an impairment code indicating muscular dystrophy.

Among such individuals:

¹ Some of these individuals may have received benefits previously.

² Total reflects a weighted average of the age at start of benefits for adult beneficiaries only.

³ We continue to provide data from 2017 because it remains the latest available. Data from 2018 will be available in February 2020.

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- 4,815 (14 percent) participated in the TTW program, receiving services from either an Employment Network (EN) or a Vocational Rehabilitation (VR) center. The vast majority of individuals participating in TTW (93 percent) received services through VR.
- 1,213 (3 percent) had benefits suspended due to work in December 2017 or had their DI or SSI benefits terminated in the past due to work.
- 1,930 (5 percent) earned above the annualized Trial Work level¹ and 1,277 (4 percent) earned above the annualized Substantial Gainful Activity level² in 2017.
- Less than 1 percent used work incentives such as Impairment-Related Work Expenses, Blind Work Expenses, or Plans to Achieve Self-Support in 2017.

Allowance Rates for Child and Adult Beneficiaries with Duchenne Muscular Dystrophy

We also examined application records since 2008 and found 2,164 cases with Muscular Dystrophy listed as the impairment, and “Duchenne” included under the claim’s alleged description. These cases had a very high allowance rate at 87 percent. Among this group:

- Children age 1 and younger at the time of onset were allowed at a rate of 84 percent.
- The allowance rate for those between the ages of 1 and 10 was 81 percent.
- Those older than age 10 were allowed at a rate of 95 percent.

CONSULTATIVE EXAMINATIONS (CE)

In some cases, a claimant does not provide adequate evidence about his/her impairment(s) to us in order to determine whether he/she is disabled or blind. If we are unable to obtain adequate evidence from the claimant’s medical source(s), we may request to purchase a physical or mental examination or test from a medical source to provide evidence for the claim. While we manage our CE workload to an overall processing time goal for initial claims and reconsiderations, our systems do not capture the level of detail to identify the number of days for individual CE completion; therefore, we cannot provide average or accumulative number of days nationally or by State.

¹ Beneficiaries with monthly earnings of at least \$840 reached the Trial Work level in 2017.

² In 2017, we considered non-blind and blind disabled beneficiaries to be performing Substantial Gainful Activity if they earned more than \$1,170 and \$1,950 per month, respectively.

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Table 3.6 —FY 2019 CE Counts and Cost Data¹

	Annual Number of Cases with at Least One CE²	CE Rate³	CE Costs⁴	CE Cost per Case⁵
National Total (Disability Determination Services (DDS) + Federal)	1,376,588	33.5%	\$345,269,112	\$250.8
All DDS	1,374,571	34.1%	\$344,793,141	\$250.8
Boston Region	45,146	26.1%	\$9,968,784	\$220.8
Connecticut	9,951	26.5%	\$2,175,508	\$218.6
Maine	5,612	33.9%	\$1,336,818	\$238.2
Massachusetts	17,117	22.3%	\$3,537,567	\$206.7
New Hampshire	5,331	42.0%	\$997,077	\$187.0
Rhode Island	3,886	28.2%	\$981,868	\$252.7
Vermont	3,249	35.0%	\$939,946	\$289.3
New York Region	153,148	51.7%	\$35,823,011	\$233.9
New Jersey	29,373	34.7%	\$7,874,284	\$268.1
New York	111,285	51.9%	\$25,960,898	\$233.3
Puerto Rico	12,490	66.1%	\$1,987,829	\$159.2
Philadelphia Region	124,594	28.4%	\$32,573,173	\$261.4
Delaware	2,282	21.4%	\$660,566	\$289.5
District of Columbia	4,226	16.1%	\$1,338,765	\$316.8
Maryland	22,583	36.8%	\$8,007,452	\$354.6
Pennsylvania	62,324	35.8%	\$14,140,635	\$226.9
Virginia	19,606	16.9%	\$5,261,414	\$268.4
West Virginia	13,573	36.9%	\$3,164,341	\$233.1
Atlanta Region	367,889	35.8%	\$88,711,404	\$241.1
Alabama	34,370	36.3%	\$7,491,785	\$218.0
Florida	108,555	32.0%	\$28,423,173	\$261.8
Georgia	54,757	43.4%	\$14,920,605	\$272.5
Kentucky	33,606	38.4%	\$5,702,107	\$169.7
Mississippi	25,735	36.2%	\$4,499,807	\$174.9

¹ Extended Service Team (EST) CE data and costs are built into the State amounts (VA, MS, AR, OK).

² Our systems track the number of cases with at least one paid CE, not the total number of CEs ordered and completed for any given case.

³ CE rate is the number of cases for which at least one CE is ordered and paid compared to the total number of cases. This rate does not reflect the total volume of CEs ordered and paid. Our systems do not include the level of detail to identify if CEs were conducted by the treating medical provider.

⁴ CE costs represent costs for all CEs, including if there were more than one CE per case.

⁵ CE cost per case represents total CE Costs divided by the number of cases with at least one CE.

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	Annual Number of Cases with at Least One CE²	CE Rate³	CE Costs⁴	CE Cost per Case⁵
North Carolina	49,863	36.7%	\$13,439,414	\$269.5
South Carolina	24,803	36.0%	\$5,269,495	\$212.5
Tennessee	36,200	38.1%	\$8,965,018	\$247.7
Chicago Region	231,339	38.3%	\$55,023,814	\$237.8
Illinois	48,986	37.2%	\$12,101,556	\$247.0
Indiana	38,287	41.4%	\$8,787,959	\$229.5
Michigan	50,123	43.1%	\$8,777,681	\$175.1
Minnesota	14,779	31.1%	\$4,630,474	\$313.3
Ohio	55,624	34.7%	\$13,745,433	\$247.1
Wisconsin	23,540	37.4%	\$6,980,711	\$296.5
Dallas Region	181,731	29.0%	\$44,859,433	\$246.8
Arkansas	21,409	26.0%	\$4,949,351	\$231.2
Louisiana	31,255	37.7%	\$6,455,817	\$206.6
New Mexico	11,416	45.5%	\$2,741,653	\$240.2
Oklahoma	24,926	33.2%	\$5,955,084	\$238.9
Texas	92,725	28.7%	\$24,757,528	\$267.0
Kansas City Region	50,402	31.2%	\$13,421,066	\$266.3
Iowa	10,174	26.0%	\$2,799,410	\$275.2
Kansas	7,207	42.4%	\$2,093,953	\$290.5
Missouri	26,236	32.0%	\$6,464,961	\$246.4
Nebraska	6,785	42.4%	\$2,062,742	\$304.0
Denver Region	29,387	37.8%	\$12,065,878	\$410.6
Colorado	14,439	37.0%	\$6,104,832	\$422.8
Montana	2,974	34.3%	\$919,206	\$309.1
North Dakota	1,466	29.5%	\$631,087	\$430.5
South Dakota	1,554	23.9%	\$709,365	\$456.5
Utah	7,404	39.0%	\$2,879,273	\$388.9
Wyoming	1,550	43.6%	\$822,115	\$530.4
San Francisco Region	153,174	32.3%	\$37,975,541	\$247.9
Arizona	24,886	32.9%	\$6,424,754	\$258.2
California	118,395	31.3%	\$28,718,672	\$242.6
Hawaii	2,190	16.2%	\$916,452	\$418.5
Nevada	7,703	30.9%	\$1,915,663	\$248.7
Seattle Region	37,761	22.8%	\$14,371,037	\$380.6
Alaska	1,125	24.7%	\$670,675	\$596.2
Idaho	5,226	20.2%	\$1,659,206	\$317.5
Oregon	12,095	24.7%	\$4,338,443	\$358.7
Washington	19,315	24.9%	\$7,702,713	\$398.8

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	Annual Number of Cases with at Least One CE²	CE Rate³	CE Costs⁴	CE Cost per Case⁵
Federal	2,017	2.3%	\$475,971	\$236.0

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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 non-attorney representative user fees.

Table 3.7—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2011	\$12,378,863,280 ¹	--- ²	\$12,377,000,000 ₃	\$11,446,500,000 ⁴
Rescission ⁵				-
Final				\$22,893,000
				\$11,423,607,000
				0
2012	\$12,522,000,000 ⁶	--- ⁷	\$11,632,448,000 ₈	\$11,474,978,000 ⁹
Rescission ₁₀				\$21,688,000
Final				\$11,453,290,000 ¹¹
2013	\$11,760,000,000 ¹²	--- ¹³	\$11,736,044,000 ₁₄	\$11,453,290,000 ¹⁵
Rescission				-\$21,394,476 ¹⁶
				-\$386,329,494 ¹⁷
Sequestration Final				\$11,045,566,321 ¹⁸
2014		--- ¹⁹	\$11,697,040,000 ₂₀	\$11,697,040,000 ₂₁
	<u>\$12,296,846,000</u>			
LAE	\$11,069,846,000 ²²			
PIAE	\$1,227,000,000 ²³			
2015	\$12,024,000,000 ²⁴	--- ²⁵	--- ²⁶	\$11,805,945,000 ²⁷
2016	\$12,513,000,000 ²⁸	\$11,817,945,000 ₂₉	\$11,620,945,000 ₃₀	\$12,161,945,000 ₃₁
2017	\$13,067,000,000 ³²	\$11,898,945,000 ₃₃	\$12,481,945,000 ₃₄	\$12,481,945,000 ³⁵
2018	\$12,457,000,000 ³⁶	\$12,392,945,000 ₃₇	\$11,992,945,000 ₃₈	\$12,872,945,000 ³⁹
2019	\$12,393,000,000 ⁴⁰	\$12,557,045,000 ₄₁	\$12,951,945,000 ₄₂	\$12,876,945,000 ⁴³
2020	\$12,773,000,000 ⁴⁴	\$13,071,945,000 ₄₅	--- ⁴⁶	\$12,870,945,000 ⁴⁷

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\$13,351,473,000 ⁴⁸

- ¹ Total includes \$796,000,000 in funding designated for SSI redeterminations and CDRs – \$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 our acquisition workforce capacity and capabilities.
- ² The House Committee on Appropriations did not report a bill.
- ³ S. 3686.
- ⁴ Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).
- ⁵ The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10) rescinded a total of \$22,893,000. 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).
- ⁶ Total includes \$938,000,000 in funding designated for SSI redeterminations and CDRs – \$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 our acquisition workforce capacity and capabilities.
- ⁷ The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$12,041,494,000.
- ⁸ S. 1599.
- ⁹ Consolidated Appropriations Act, 2012 (P.L. 112-74). Total includes \$483,484,000 designated for SSI redeterminations and CDRs appropriated in the Disaster Relief Appropriations Act (P.L. 112-77).
- ¹⁰ The Consolidated Appropriations Act, 2012 (P.L. 112-74) rescinded a total of \$21,688,000.
- ¹¹ The FY 2012 enacted LAE Budget Authority was \$11,453,290,000. However, effective April 1, 2012, Massachusetts assumed control of its State Supplementary payments, reducing the estimated SSI user fees by approximately \$7,100,000. The resulting FY 2012 available SSI user fee funding was approximately \$154,000,000. The available FY 2012 LAE funding was approximately \$11,446,190,000.
- ¹² Total includes \$1,024,000,000 in funding designated for SSI redeterminations and CDRs – \$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).
- ¹³ The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$10,684,414,000 for LAE.
- ¹⁴ S. 3295.
- ¹⁵ At the time we formulated the Budget we had not received a full year appropriation for FY 2013. We were operating under a 6-month CR (P.L. 112-175) that funded our operations at \$11,520,000,000, if annualized. This represents a 0.612 percent increase from the FY 2012 enacted level. A full year CR (P.L. 113-6) reduced funding to the FY 2012 enacted level of \$11,453,290,000.
- ¹⁶ Per OMB Budget Data Request 13-19, we were subject to an Across-the-Board (ATB) Reduction/Rescission of .2 percent of LAE. Both base and cap program integrity funds were exempt from this reduction.
- ¹⁷ Under P.L. 112-175, all non-SSI funding was reduced by 5 percent after sequestration was triggered by Congress.
- ¹⁸ Our 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).
- ¹⁹ 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.
- ²⁰ S. 3533.
- ²¹ Consolidated Appropriations Act, 2014 (P.L. 113-76). Total includes \$1,197,000,000 designated for SSI redeterminations and CDRs. Includes up to \$171,000,000 from user fees paid by States for Federal

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- 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).
- ²² Total includes \$273,000,000 in funding designated for SSI redeterminations and CDRs. 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).
- ²³ 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.
- ²⁴ Total includes \$1,396,000,000 in dedicated funding designated for SSI redeterminations and CDRs – \$273,000,000 in base funding and \$1,123,000,000 in funds outside the discretionary caps as authorized by the Budget Control Act (BCA) of 2011 (P.L. 112-25), 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).
- ²⁵ The House Committee on Appropriations did not report a bill.
- ²⁶ The Senate Committee on Appropriations did not report a bill.
- ²⁷ Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). Total includes \$1,396,000,000 designated for SSI redeterminations and CDRs. 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).
- ²⁸ Total includes \$1,439,000,000 in dedicated funding designated for SSI redeterminations and CDRs – \$273,000,000 in base funding and \$1,166,000,000 in funds outside the discretionary caps as authorized by the BCA of 2011. 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).
- ²⁹ H.R. 3020.
- ³⁰ S.1695.
- ³¹ Consolidated Appropriations Act, 2016 (P.L. 114-113). Total includes \$1,426,000,000 in funding designated for SSI redeterminations and CDRs. 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).
- ³² The FY 2017 request includes \$1,819,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, cooperative disability investigation (CDI) units, and the prosecution of fraud by Special Assistant United States Attorneys (SAUSAs) - \$273,000,000 in base funding and \$1,546,000,000 in funds outside the discretionary caps as authorized by the Bipartisan Budget Act (BBA) of 2015 (P.L. 114-74). Additionally, the LAE account carves out funding to support the fully loaded costs of performing 1.1 million CDRs and approximately 2.8 million SSI redeterminations, \$126,000,000 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).
- ³³ H.R. 5926.
- ³⁴ S. 3040.
- ³⁵ Consolidated Appropriations Act, 2017 (P.L. 115-31). Total includes \$90,000,000 in available funding through September 30, 2018, for activities to address the hearings backlog within the Office of Hearings Operations (formerly the Office of Disability Adjudication and Review). Includes \$1,819,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,546,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available until March 31, 2018. Includes \$123,000,000 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).
- ³⁶ The FY 2018 request includes \$1,735,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,462,000,000 in funds outside the discretionary caps as

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authorized by the BBA of 2015 (P.L.114-74). 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).

³⁷ H.R.3358

³⁸ S. 1771

³⁹ Consolidated Appropriations Act, 2018 (P.L. 115-141). Total includes \$280,000,000 to remain available until expended for information technology modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with information technology modernization. Total includes \$100,000,000 in available funding through September 30, 2019, for activities to address the hearings backlog within the Office of Hearings Operations. Includes \$1,735,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,462,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available for 18 months through March 31, 2019. Includes \$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).

⁴⁰ The FY 2019 request includes \$1,683,000,000 in dedicated funding for program integrity including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,410,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available until March 31, 2020. Beginning in FY 2019, the Budget proposes that we may transfer up to \$10,000,000 of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated CDI units. Includes up to \$134,000,000 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).

⁴¹ H.R. 6470

⁴² S. 3158

⁴³ Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245). Total includes \$45,000,000 to remain available until expended for information technology modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with information technology modernization. Total includes \$100,000,000 in available funding through September 30, 2020, for activities to address the hearings backlog within the Office of Hearings Operations. Includes \$1,683,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,410,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available for 18 months through March 31, 2020. Public Law 115-245 allows us to transfer up to \$10,000,000 of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated CDI units in FY 2019. Includes \$134,000,000 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).

⁴⁴ The FY 2020 Budget proposed that the total LAE budget authority request of \$12,773,000,000 be offset by fees collected for replacement Social Security cards (estimated at \$270 million). The total includes \$1,582,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,309,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available until March 31, 2021. In FY 2020, the Budget proposed to transfer up to \$10,000,000 of program integrity cap adjustment funds in the LAE account to the OIG for the costs associated with jointly operated CDI units. Includes up to \$130,000,000 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).

⁴⁵ H.R. 2740

⁴⁶ The Senate Committee on Appropriations did not report a bill. The Committee posted a draft bill, which provided the FY 2020 President's Budget request of \$12,773,000,000.

⁴⁷ Further Consolidated Appropriations Act, 2020 (P.L. 116-94). The total includes \$45,000,000 to remain available until expended for IT modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with IT modernization. The total includes \$100,000,000 in available funding through September 30, 2021, for activities to address the hearings backlog

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within the Office of Hearings Operations. The total also includes \$1,582,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,309,000,000 in funds outside the discretionary caps as authorized by the BBA of 2015 (P.L.114-74) to remain available for 18 months through March 31, 2021. P.L. 116-94 allows us to transfer up to \$10 million of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated CDI units in FY 2020. The total also includes \$130,000,000 for SSI State Supplement user fees and up to \$1,000,000 from fees collected pursuant to section 303(c) of the SSPA.

⁴⁸ The FY 2021 Budget proposes that the total requested LAE budget authority of \$13,351,473,000 be offset by fees collected for replacement Social Security cards (estimated at \$270 million). The total includes \$1,575,000,000 in dedicated funding for program integrity, including the costs associated with SSI redeterminations, full medical CDRs, work CDRs, CDI units, and the prosecution of fraud by SAUSAs - \$273,000,000 in base funding and \$1,302,000,000 in funds outside the discretionary caps, as authorized by the BBA of 2015 (P.L.114-74) to remain available until March 31, 2022. The Budget proposes allowing us to transfer up to \$11.2 million of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated CDI units in FY 2021. The total includes up to \$135,000,000 for SSI State Supplement user fees, and up to \$1,000,000 from fees collected pursuant to section 303(c) of the SSPA.

SSA-RELATED LEGISLATION FROM DECEMBER 2018 TO DECEMBER 2019

FY 2020

Grant Reporting Efficiency and Agreements Transparency (GREAT) Act of 2019 (P.L. 116-103, enacted December 30, 2019)

- The bill establishes data standard requirements for Federal grant reporting and requires agencies to report audit-related information for Federal awards in an electronic format.

Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act (Pallone-Thune TRACED Act) (P.L. 116-105, enacted December 30, 2019)

- The law establishes monetary penalties for robocalls, and requires the Federal Communications Commission (FCC) to mandate telecommunications providers implement call authentication and traceback technology.
- The FCC is also required to issue rules, policies, or procedures to protect individuals from robocalls and spoofing, including texts, from an unauthenticated number.
- While the law does not require us to take any action, we will monitor our efforts to prevent robocall violations.

National Defense Authorization Act for Fiscal Year 2020 (NDAA) (P.L. 116-92, enacted December 20, 2019)

- The law includes several significant personnel provisions – most notably granting 12 weeks of paid parental leave and restricting agencies from requesting criminal history information before extending a conditional offer of employment –as well as a number of changes to general contracting authorities and procedures.

FY 2019

Creating Advanced Streamlined Electronic Services (CASES) for Constituents Act (P.L. 116-50, enacted August 22, 2019)

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- The law requires SSA and other agencies to incorporate forthcoming guidance to be developed per the law requiring agencies to accept electronic forms that allow an individual to provide consent to disclose information from or access to their records.

Taxpayer First Act (P.L. 116-25, enacted July 1, 2019)

- The bill requires the Internal Revenue Service (IRS) to notify individuals of employment-related identity theft. It also requires us, as necessary, to request annually such IRS employment-based identity theft information. Additionally, it authorizes IRS to lower the electronic wage reporting threshold.

Foundations for Evidence-Based Policymaking Act of 2018 (P.L. 115-435, enacted January 14, 2019)

- The bill expands upon prior Open Government policy initiatives and public access to Federal data assets, as well as creates new opportunities for agencies to systematically build and use evidence through such tools as a learning agenda and evaluation plan, all with an emphasis on leadership through the newly designated Evaluation Officers, Statistical Officials, and Chief Data Officers who will support and implement the Act's requirements.

Good Accounting Obligation in Government Act (P.L. 115-414, enacted January 3, 2019)

- The bill requires us to include in our annual budget justification a report on:
 - each public recommendation of the Government Accountability Office (GAO) that is classified as open or “closed, unimplemented” for a period of not less than one year from the date of the annual budget justification submission;
 - each public recommendation for corrective action from our Office of the Inspector General (OIG) for which no final action has been taken and was published not less than one year before the date of the annual budget justification submission; and
 - the implementation status of each such recommendation.
- Please see www.ssa.gov/budget/ for a link to our report.

21st Century Integrated Digital Experience Act (P.L. 115-225, enacted December 20, 2018)

- The bill requires that when we either create a public website or digital service, or redesign an existing public legacy website or digital service, to ensure that the website or service:
 - is accessible to individuals with disabilities,
 - has a consistent appearance,
 - does not overlap with or duplicate any legacy websites,
 - contains a search function,
 - is provided through an industry standard secure connection,
 - is designed around user needs,

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- provides users with the option for a more customized digital experience that allows users to complete digital transactions in an efficient and accurate manner, and
 - is fully functional and usable on common mobile devices.
- The bill also requires us to ensure that any website we make available to the public shall be in compliance with the website standards of the Technology Transformation Services of the General Services Administration (GSA).

GENERAL STATEMENT/BUDGETARY RESOURCES/PERFORMANCE

LIMITATION ON ADMINISTRATIVE EXPENSES OVERVIEW

The LAE account funds our operating expenses and our 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, we provide service to millions of Americans in our field offices, via telephone, or through the Internet at www.socialsecurity.gov. The LAE account provides the funds we need to perform our core responsibilities, including deciding applications for benefits, conducting hearings and appeals to review disputed decisions, ensuring benefits are distributed properly, and maintaining the integrity of the trust funds.

Please see the Budget Overview for more information.

KEY ASSUMPTIONS

We formulated our budget to improve public service. We will continue to invest in our frontline offices, modernize our information technology, streamline our policies, and safeguard our programs.

The budget addresses the following key areas:

- Improving service in our field offices, our National 800 Number, digital services, and our processing centers by increasing timeliness and accuracy;
- Eliminating the disability hearings backlog in FY 2021;
- Streamlining our policies and processes;
- Continuing to execute our Information Technology Modernization plan;
- Supporting our cost-effective dedicated program integrity work, and our fraud prevention and detection activities;
- Enhancing our payment accuracy efforts (see [Social Security Improper Payments](#)); and
- Investing in cybersecurity to safeguard our data.

Please see the Key Performance Table for projected work completed for our major workloads, as well as selected production workload measures.

SIZE AND SCOPE OF OUR PROGRAMS

Our 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.

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Between the three major programs we administer—OASI, DI, and SSI—benefit payment outlays totaled nearly \$1.1 trillion in FY 2019; under current law, benefit payment outlays are expected to be approximately over \$1.1 trillion in FY 2020 and about \$1.2 trillion in FY 2021. This includes the State supplementary payments that we administer on behalf of some States. At about 1.1 percent of total benefit payment outlays currently estimated for FY 2021, our administrative expenses¹ continue to be a small fraction of overall program spending, demonstrating our cost-conscious approach to managing resources.

Table 3.8—Benefit Outlays²
(Dollars in billions)

	FY 2019 Actuals	FY 2020 Estimate	FY 2021 Estimate
Old-Age and Survivors Insurance	\$888.1	\$939.2	\$996.8
Disability Insurance	\$144.9	\$146.5	\$148.7
Supplemental Security Income	\$55.9	\$56.5	\$57.6
SSI State Supplementary Benefits	\$2.6	\$2.6	\$2.6
Total Outlays³	\$1,091.3	\$1,144.8	\$1,205.7

Paralleling the growth in benefit payment outlays, the number of beneficiaries and recipients of the three major programs we administer, including those only receiving a SSI State supplementary payment, is expected to increase from 71.3 million in FY 2019 to 72.6 million in FY 2020 and 73.8 million in FY 2021.

Table 3.9—Beneficiaries²
(Average in payment status, in millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Old-Age and Survivors Insurance	53.1	54.5	55.9
Disability Insurance	10.1	10.0	9.9
Supplemental Security Income ⁴	8.1	8.1	8.0
Total Beneficiaries⁵	71.3	72.6	73.8

¹ Our calculation of discretionary administrative expenses excludes Treasury administrative expenses, which are mandatory outlays.

² Totals may not add due to rounding.

³ Benefit payment totals include \$1 million for the Special Benefits for Certain World War II Veterans program, which is not broken out separately.

⁴ SSI recipients include about 150,000 recipients each year who only receive a State supplementary payment.

⁵ Beneficiary totals include approximately 2.7 million concurrent recipients who receive SSI as well as OASI or DI.

Limitation on Administrative Expenses

FUNDING REQUEST

Our FY 2021 LAE budget request of \$13.351 billion allows us to focus on our agency priorities of improving public service, ensuring stewardship of our programs, modernizing our information technology, streamlining our policies, and continuing to safeguard our programs.

Table 3.10—Budgetary Request

	FY 2019 Actual ¹	FY 2020 Enacted ²	FY 2021 Budget ³
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE) <i>(Bipartisan Budget Act Program Integrity Level, Base and Cap, included in LAE)⁴</i>	\$12,877 <i>(\$1,683)</i>	\$12,871 <i>(\$1,582)</i>	\$13,351 <i>(\$1,575)</i>
Research and Demonstrations ⁵	\$101	\$101	\$86
Office of the Inspector General (OIG) ⁶	\$106	\$106	\$116
Total, Budget Authority (in millions)⁷	\$13,083	\$13,078	\$13,553
Workyears (WY)⁸			
Full-Time Equivalents	60,470	60,841	60,403
Overtime	3,164	1,000	700
Lump Sum Leave	198	245	245
Reimbursable Work	224	358	358
Total SSA Workyears	64,056	62,444	61,706
Disability Determination Services (DDS)	13,429	13,157	13,467
Total SSA/DDS Workyears	77,485	75,601	75,173
MACRA	6	3	-
Total SSA/DDS/MACRA Workyears	77,491	75,604	75,173
OIG	518	538	552
Total SSA/DDS/MACRA/OIG Workyears	78,009	76,142	75,725

¹ P.L. 115-245 – Consolidated Appropriations Act, 2019, provided \$100 million in dedicated funding to address the hearings backlog and \$45 million in dedicated funding for IT Modernization.

² P.L. 116-94 – Further Consolidated Appropriations Act, 2020, provided \$100 million in dedicated funding to address the hearings backlog and \$45 million in dedicated funding for IT Modernization.

³ The FY 2021 Budget proposes that the total requested LAE budget authority of \$13.351 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million).

⁴ FY 2019 Program Integrity funding is available for 18 months (through March 31, 2020) by P.L. 115-245. FY 2020 Program Integrity funding is available for 18 months (through March 31, 2021) by P.L. 116-94. The FY 2021 budget assumes appropriations language for FY 2021 will provide for similar 18-month authority to obligate Program Integrity funds.

⁵ Congress appropriated \$101 million in FY 2019 (available through September 30, 2021) and \$101 million in FY 2020 (available through September 30, 2022) for research and demonstration projects. The Budget proposes \$86 million in FY 2021 (available through September 30, 2023) for research and demonstration projects.

⁶ P.L. 115-245 and P.L. 116-94 allow SSA to transfer up to \$10 million of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated CDI units in FYs 2019 and 2020. The Budget continues this transfer in FY 2021 at a level of up to \$11.2 million.

⁷ Numbers may not add due to rounding.

⁸ A workyear (WY) is a measure of time spent doing work or being paid for some element of time (e.g. leave). It is the equivalent of one person working for one year (2,080 hours) and may consist of regular hours, overtime, or lump sum leave, which is payment for unused annual leave upon leaving the agency. WYs include time spent in full-time or part-time employment. Full-time equivalents and overtime WYs include those funded from dedicated funding to reduce the hearings backlog, dedicated funding for IT modernization, and dedicated funding for program integrity. In addition, the WYs include those funded for reimbursable work, the Medicare Savings Program, the State Children's Health Insurance Program, and the Medicare Low-Income Subsidy Program.

Limitation on Administrative Expenses

ALL PURPOSE TABLE

Table 3.11—All Purpose Table (APT)
(Dollars in thousands)

	FY 2019	FY 2020	FY 2021	
	Consolidated Appropriations Act ^{1,2,3} P.L. 115-245	Further Consolidated Appropriations Act ^{4,5} P.L. 116-94	President's Budget ⁶	FY 2021 +/- FY 2020
Payments to Social Security Trust Funds				
Pension Reform	6,000	6,000	6,000	-
Unnegotiated Checks	5,000	5,000	5,000	-
Total PTF	\$ 11,000	\$ 11,000	\$ 11,000	\$ -
Supplemental Security Income				
Federal Benefits Payment	56,355,123	56,982,000	55,451,434 ⁷	(1,530,566)
Beneficiary Services	126,000	45,000	45,000	-
Research & Demonstration Administration ⁸	101,000	101,000	86,000	(15,000)
	4,284,080	4,286,889	4,625,743	338,854
Subtotal SSI Program Level	60,866,203	61,414,889	60,208,177	(1,206,712)
Advance from PY	(19,500,000)	(19,700,000)	(19,900,000)	(200,000)
Subtotal Current Year SSI	\$ 41,366,203	\$ 41,714,889	\$ 40,308,177	\$ (1,406,712)
New Advance SSI	\$ 19,700,000	\$ 19,900,000	\$ 19,600,000	\$ (300,000)
Limitation on Administrative Expenses				
Regular LAE				
OASDI Trust Funds	5,666,761	5,715,042	5,177,159	(537,883)
SSN Card Fee Collections	-	-	270,000	270,000
HI/SMI Trust Funds	2,459,497	2,458,514	2,833,410	374,896
Social Security Advisory Board	2,400	2,500	2,700	200
SSI	2,930,287	2,981,889	3,357,204	375,315
Subtotal Regular LAE	\$ 11,058,945	\$ 11,157,945	\$ 11,640,473	\$ 482,528
Program Integrity Funding				
OASDI Trust Funds	329,207	277,000	306,461	29,461
SSI	1,353,793	1,305,000	1,268,539	(36,461)
Subtotal Program Integrity Funding ⁹	\$ 1,683,000	\$ 1,582,000	\$ 1,575,000	\$ (7,000)
<i>Base Program Integrity</i>	<i>273,000</i>	<i>273,000</i>	<i>273,000</i>	<i>-</i>
<i>Cap Adjustment</i>	<i>1,410,000</i>	<i>1,309,000</i>	<i>1,302,000</i>	<i>(7,000)</i>
User Fees				
SSI User Fee	134,000	130,000	135,000	5,000
SSPA User Fee	1,000	1,000	1,000	-
Subtotal User Fees	\$ 135,000	\$ 131,000	\$ 136,000	\$ (5,000)
Total LAE	\$ 12,876,945	\$ 12,870,945	\$ 13,351,473	\$ 480,528
Non-PI LAE	11,193,945	11,288,945	11,776,473	487,528
Office of the Inspector General				
Federal Funds	\$ 30,000	\$ 30,000	\$ 33,000	\$ 3,000
Trust Funds	\$ 75,500	\$ 75,500	\$ 83,000	\$ 7,500
Total, OIG ¹⁰	\$ 105,500	\$ 105,500	\$ 116,000	\$ 10,500
Total, Social Security Administration, New BA	\$ 69,775,568	\$ 70,315,445	\$ 68,760,907	\$ (1,554,538)
Federal Funds	\$ 61,242,203	\$ 61,786,889	\$ 60,088,177	\$ (1,698,712)
Current Year	\$ 41,542,203	\$ 41,886,889	\$ 40,488,177	\$ (1,398,712)
New Advance	\$ 19,700,000	\$ 19,900,000	\$ 19,600,000	\$ (300,000)
Trust Funds	\$ 8,533,365	\$ 8,528,556	\$ 8,672,730	\$ (125,826)

-
- ¹ P.L. 115-245 – Consolidated Appropriations Act, 2019, provided \$100 million in dedicated funding to address the hearings backlog and \$45 million in dedicated funding for IT Modernization. It is included in regular LAE.
- ² The regular LAE and program integrity program splits included in this APT are different than the program splits included in the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245) report language APT. The regular LAE program splits included in the Act report APT are 42.7%, 18.03%, and 39.27% for OASDI, HI/SMI/Part D, and SSI, respectively, whereas, the program splits included in this APT are 46.59%, 19.10%, and 34.31%. The program integrity splits included in the Act report APT are \$375 million and \$1,308 million for OASDI and SSI, respectively.
- ³ The Federal Benefits Payment total in this APT is ~\$639 million more than the Federal Benefits Payment total included in the FY 2019 Consolidated Appropriations Act (P.L. 115-245) report language APT due to a retroactive shift in SSI authority from discretionary (SSI administrative expenses) to mandatory (Federal Benefits). The total amount appropriated for SSI did not change.
- ⁴ P.L. 116-94 – Further Consolidated Appropriations Act, 2020, provided \$100 million in dedicated funding to address the hearings backlog and \$45 million in dedicated funding for IT Modernization. It is included in regular LAE.
- ⁵ The program integrity program splits included in this APT are different than the program integrity program splits included in the Budget Appendix. The FY 2020 of FY 2021 Budget includes \$359 million in OASDI program integrity and \$1,223 million in SSI program integrity based upon updated estimates.
- ⁶ The FY 2021 Budget proposes that the total requested LAE budget authority of \$13.351 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million).
- ⁷ The FY 2021 Federal Benefit Payment total includes \$11 million of SSI program effects related to the Afghan Special Immigrant Visa (SIV) and Liberian Deferred Enforced Departure programs; and will not match the amount included in the President's Budget Appendix.
- ⁸ Total SSI Administration reflects the sum of SSI regular LAE and SSI Program Integrity included in the LAE section.
- ⁹ FY 2019 Program Integrity funding is available for 18 months (through March 31, 2020) by P.L. 115-245. FY 2020 Program Integrity funding is available for 18 months (through March 31, 2021) by P.L. 116-94. The FY 2021 budget assumes appropriations language for FY 2021 will provide for similar 18-month authority to obligate Program Integrity funds.
- ¹⁰ P.L. 115-245 and P.L. 116-94 allow SSA to transfer up to \$10 million of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated CDI units in FYs 2019 and 2020. The Budget continues this transfer in FY 2021 at a level of up to \$11.2 million.

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SSI STATE SUPPLEMENTATION/IMPACT OF STATES DROPPING OUT

The SSI program was designed to provide a nationwide uniform floor of cash assistance to individuals who are aged, blind, and disabled, with limited income and resources. 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. States may administer their own state supplement programs or have us administer the programs on their behalf. States electing to have us administer their programs reimburse us monthly in advance for these benefit payments, and we make eligibility determinations and payments on behalf of the States.

Table 3.12—State Supplement Payments
(Dollars in millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Federally Administered State Supplement Payments	\$ 2,569	\$ 2,595	\$ 2,640
Offsetting Collections	\$ 2,568	\$ 2,599	\$ 2,644

Participating States pay us user fees to administer their programs, based on a schedule established by the Social Security Act. The user fee was \$12.21 per SSI check payment in FY 2019 and is \$12.41 in FY 2020. We estimate that the user fee will increase to \$12.71 per payment in FY 2021. The Department of Treasury receives the first \$5.00 of each fee and we retain the amount over \$5.00. This user fee is discretionary budget authority that supplements our LAE account.

Table 3.13—SSI User Fee Collections¹
(Dollars in millions)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate	<i>FY 2020 to FY 2021 Change</i>
SSA User Fee Collections	\$ 128	\$ 131 ¹	\$ 135¹	+\$ 4
Treasury User Fee Collections	\$ 89	\$ 88	\$ 88	+\$ 0
Total User Fee Collections	\$ 217	\$ 219	\$ 223	+\$ 4

Impact of States Dropping Out of State Supplementation Program

Currently, we help administer the state supplementation for 20 States and the District of Columbia. However, participation in the state supplementation program is voluntary. States can

¹ The User Fee for the enacted 2020 Budget is \$130 million; the request for the FY 2021 President's Budget is \$135 million. Any fees collected in excess of the appropriated amount may be used to cover a shortfall in collections for a future year.

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opt out of the program, but must provide notice to us at least 90 days in advance before dropping out. The result of States dropping out of the program is a loss of LAE authority in the current and possibly following fiscal year when it is too late to adjust our request. California and New Jersey are the two largest states for whom we administer state supplementation. If either State opted to administer their own state supplementation, our estimate would dramatically decrease.

Table 3.14—Estimated SSA User Fee Collections by State
(Dollars in thousands)

State	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Arkansas	*	*	*
California	\$ 107,413	\$ 110,142	\$ 113,503
Delaware	\$ 50	\$ 51	\$ 53
DC	\$ 94	\$ 96	\$ 99
Georgia	\$ 1	\$ 1	\$ 1
Hawaii	\$ 238	\$ 244	\$ 252
Iowa	\$ 117	\$ 120	\$ 124
Kansas	*	*	*
Louisiana	*	*	*
Maryland	\$ 1	\$ 1	\$ 1
Michigan	\$ 1,021	\$ 1,046	\$ 1,078
Mississippi	\$ 1	\$ 1	\$ 1
Montana	\$ 71	\$ 73	\$ 75
Nevada	\$ 1,300	\$ 1,333	\$ 1,374
New Jersey	\$ 15,595	\$ 15,992	\$ 16,480
Ohio	*	*	*
Pennsylvania	\$ 486	\$ 499	\$ 514
Rhode Island	\$ 41	\$ 42	\$ 44
South Dakota	*	*	*
Tennessee	\$ 1	\$ 1	\$ 1
Vermont	\$ 1,325	\$ 1,358	\$ 1,400
Total	\$ 127,755	\$ 131,000	\$ 135,000

* Less than \$500

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BUDGET AUTHORITY AND OUTLAYS

The Limitation on Administrative Expenses (LAE) account, our basic administrative account, is an annual appropriation and is financed from the Social Security and Medicare trust funds, as well as the General Fund. This account provides resources to administer the Social Security and SSI programs, as well as certain aspects of the Medicare program. We calculate the administrative costs attributable to each program using our Government Accountability Office approved cost analysis system. In FY 2009, we received additional funds from the General Fund of the Treasury, provided by the Recovery Act and the MIPPA. We also received \$98 million funded incrementally from FY 2015 to FY 2018, of which \$27 million is available until expended, for costs associated with the MACRA provisions.

CMS and SSA Cost Sharing Agreement Workgroup

The Social Security Administration's 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 and CMS are currently working together to evaluate the cost-sharing agreement that determines the portion of administrative expenses borne by the SSA and Medicare trust funds and the general fund.

Table 3.15—Budget Authority and Outlays¹
(Dollars in thousands)

	FY 2019 Actual^{2,3}	FY 2020 Enacted^{4,5}	FY 2021 Estimate^{6,7}
OASI and DI Trust Funds	\$5,995,969 ⁸	\$5,992,042 ⁹	\$5,483,620 ¹⁰
SSN Card Fee Collections	N/A	N/A	\$270,000 ¹¹
HI and SMI Trust Funds	\$2,459,496	\$2,458,514	\$2,833,410
SSA Advisory Board	\$2,400	\$2,500	\$2,700
SSI Administrative Expenses	\$4,284,080	\$4,286,889	\$4,625,743
SSI State Supplement User Fees	\$134,000	\$130,000	\$135,000

¹ Totals may not add due to rounding.

² In FY 2019, our administrative outlays were about 1.2 percent of the benefit payments we made.

³ P.L. 115-245 – Consolidated Appropriations Act, 2019, provided \$100 million in dedicated funding to address the hearings backlog and \$45 million in dedicated funding for IT Modernization.

⁴ P.L. 116-94 – Further Consolidated Appropriations Act, 2020, provided \$100 million in dedicated funding to address the hearings backlog and \$45 million in dedicated funding for IT Modernization.

⁵ In FY 2020, our administrative outlays are about 1.1 percent of the benefit payments we plan to pay.

⁶ In FY 2021, our administrative outlays are about 1.1 percent of the benefit payments we plan to pay.

⁷ The FY 2021 Budget proposes that the total requested LAE budget authority of \$13.351 billion be offset by fees collected for replacement Social Security cards (estimated at \$270 million).

⁸ The total includes \$3,263,481 in OASI and \$2,732,488 in DI costs.

⁹ The total includes \$3,334,070 in OASI and \$2,657,972 in DI costs.

¹⁰ The total includes \$3,105,693 in OASI and \$2,377,927 in DI costs.

¹¹ The total includes \$135,000 in OASI and \$135,000 in DI costs.

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	FY 2019 Actual^{2,3}	FY 2020 Enacted^{4,5}	FY 2021 Estimate^{6,7}
Non-Attorney Representative User Fees	\$1,000	\$1,000	\$1,000
MIPPA – LIS	N/A	N/A	N/A
MACRA	N/A	N/A	N/A
Recovery Act	N/A	N/A	N/A
Total Budget Authority	\$12,876,945	\$12,870,945	\$13,351,473
OASI and DI Trust Funds	\$5,791,000 ¹	\$5,994,600 ²	\$5,451,800 ³
SSN Card Fee Collections	N/A	N/A	\$270,000 ⁴
HI and SMI Trust Funds	\$2,602,500	\$2,457,500	\$2,816,400
SSI Administrative Expenses	\$4,467,000	\$4,285,100	\$4,597,200
SSI State Supplement User Fees	\$127,800	\$130,000	\$135,000
Non-Attorney Representative User Fees	\$1,000	\$1,000	\$1,000
MIPPA – LIS	\$39	\$5,800	\$5,800
MACRA	\$920	\$470	\$0
Recovery Act – New NSC	\$2,080	\$1,500	\$0
Total Administrative Outlays	\$12,992,339⁵	\$12,875,970	\$13,277,200

¹ The total includes \$3,224,100 in OASI and \$2,566,900 in DI costs.

² The total includes \$3,337,700 in OASI and \$2,656,900 in DI costs.

³ The total includes \$3,088,900 in OASI and \$2,362,900 in DI costs.

⁴ The total includes \$135,000 in OASI and \$135,000 in DI costs.

⁵ Due to variations in the reporting of outlays, FY 2019 outlays will not match those included in the Budget Appendix.

Limitation on Administrative Expenses

AMOUNTS AVAILABLE FOR OBLIGATION/ANALYSIS OF CHANGES

Table 3.16—Amounts Available for Obligation^{1,2}
(Dollars in thousands)

	FY 2019 ³ Actual	FY 2020 ^{4,5} Enacted	FY 2021 ^{6,7} Estimate	FY 20 to FY 21 Change
Limitation on Administrative Expenses (LAE)				
LAE Appropriation⁸	\$12,876,945	\$12,870,945	\$13,351,473	\$480,528
Unobligated Balance, start-of-year	\$715,249	\$538,626	\$292,460	-\$246,167
Unrealized Non-Attorney User Fees	-\$849	\$0	\$0	\$0
Unrealized SSI User Fees	-\$6,245	\$0	\$0	\$0
Subtotal LAE Resources	\$13,585,100	\$13,409,571	\$13,643,933	\$234,361
Unobligated Balance, lapsing	-\$163,909	\$0	\$0	\$0
Unobligated Balance, end-of-year (LAE Carryover)	-\$571,781	-\$142,460	-\$89,296	\$53,164
Total Obligations, LAE	\$12,849,410	\$13,267,112	\$13,554,637	\$287,525
American Recovery and Reinvestment Act Resources (ARRA)⁹				
National Support Center, Unobligated Balances, start-of-year	\$2,219	\$0	\$0	\$0
National Support Center Estimated Recovery/Offsetting Collections	\$0	\$190	\$0	-\$190
National Support Center Unobligated Balances, end-of-year	-\$190	\$0	\$0	\$0
Obligations, ARRA	\$2,029	\$190	\$0	-\$190
Medicare Savings Plan (MSP)				
Unobligated Balances, start-of-year	\$14,903	\$14,903	\$7,451	-\$7,451
Unobligated Balances, end-of-year	-\$14,903	-\$7,451	\$0	\$7,451
Obligations, MSP	\$0	\$7,451	\$7,451	\$0

¹ Totals may not add due to rounding.

² Table does not include reimbursables.

³ FY 2019 unobligated balances, end-of-year, include \$67 million of Program Integrity 18-month carry-out, \$90 million of Dedicated Hearings FY 19-20 multi-year carry-out, and \$142 million of IT Modernization no-year carry-out. Please note that the FY 2019 unobligated balances, end-of-year, do not match the FY 2020 unobligated balances, start-of-year, because of adjustments made after the close of the fiscal year.

⁴ FY 2020 unobligated balances, start-of-year, include \$37 million of Program Integrity 18-month carry-in and \$206 million transferred from prior-year accounts.

⁵ FY 2020 unobligated balances, end-of-year, include \$26 million of Program Integrity 18-month carry-out and \$74 million of IT Modernization no-year carry-out.

⁶ FY 2021 unobligated balances, start-of-year, include \$150 million transferred from prior-year accounts.

⁷ FY 2021 unobligated balances, end-of-year, include \$37 million of Program Integrity 18-month carry-out.

⁸ LAE Appropriation amounts displayed include \$10 million for OIG CDI team leaders in both FY 2019 and 2020 and \$11.2 million in FY 2021.

⁹ SSA received a Presidential waiver from rescission allowing for the use of ARRA NSC funds until expended.

Limitation on Administrative Expenses

	FY 2019 ³ Actual	FY 2020 ^{4,5} Enacted	FY 2021 ^{6,7} Estimate	FY 20 to FY 21 Change
Medicare Improvements for Patients and Providers Act (MIPPA) - Low Income Subsidy (LIS)				
Unobligated Balances, start-of-year	\$11,580	\$11,542	\$5,771	-\$5,771
Unobligated Balances, end-of-year	-\$11,542	-\$5,771	\$0	\$5,771
Obligations, MIPPA – LIS	\$39	\$5,771	\$5,771	\$0
State Children's Health Insurance Program (SCHIP)				
Unobligated Balances, start-of-year	\$1,975	\$1,975	\$987	-\$987
Unobligated Balances, end-of-year	-\$1,975	-\$987	\$0	\$987
Obligations, SCHIP	\$0	\$987	\$987	\$0
Medicare Access and CHIP Reauthorization Act (MACRA)				
Unobligated Balances, start-of-year	\$27,000	\$26,080	\$25,610	-\$470
Expenditure Transfers from Trust Funds	0	\$0	\$0	\$0
Unobligated Balance, end-of-year	-\$26,080	-\$25,610	-\$25,610	\$0
Obligations, MACRA	\$920	\$470	\$0	-\$470
GRAND TOTAL, OBLIGATIONS	\$12,852,397	\$13,281,982	\$13,568,846	\$286,864

Limitation on Administrative Expenses

Table 3.17—Summary of Change in Administrative Obligations from FY 2020 to FY 2021

	FY 2021 President Budget ¹					
	FY 2020		FY 2021		Change	
	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)
<p><u>BUILT-IN INCREASES</u> – Built-in increases are year-over-year cost increases that are outside agency control, such as across the board Federal pay raises, changes in employee health benefit premiums, and the price of postage. These increases are not a result of changes in overall agency resources or agency program or policy changes. Most agency operational costs are captured in this category as payroll costs.</p>						
A1. <u>Payroll Expenses</u>	62,276	\$7,353,579	62,276	\$7,670,990		\$317,411
OMB Circular A-11 requirement to include an increase of no less than 1 percentage point in awards spending, as a percent of non-SES/SL/ST salary spending, from FY 2020 to FY 2021		\$45,000		\$98,000		\$53,000
Increases due to periodic step increases, health benefits, and career ladder promotions				\$97,287		\$97,287
Three-month effect of Federal pay increase effective January 2020 – 3.1%				\$53,232		\$53,232
Nine-month effect of Federal pay increase effective January 2021 – 1.0%				\$49,892		\$49,892
FERS Employer Contribution increase from 16.0% to 17.3% effective October 2020				\$64,000		\$64,000
A2. <u>Non-Payroll Costs</u> - Mandatory growth in non-payroll costs, including costs of security, guard services, postage, rent, lease renewals, etc.		\$1,961,284		\$2,054,669		\$93,384
A3. <u>State Disability Determination Services</u> Mandatory growth in state DDS costs, including pay raises and the costs of obtaining medical evidence		\$2,336,287		\$2,407,199		\$70,912
A4. <u>Mailed Social Security Statements</u>		\$7,363		\$7,692		\$328
Subtotal, Built-In Increases	62,276	\$11,658,513	62,276	\$12,140,549		\$482,035

¹ Totals may not add due to rounding.

Limitation on Administrative Expenses

	FY 2020		FY 2021		Change	
	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)
<u>PROGRAM CHANGES</u> – Program changes are year-over-year cost increases or decreases not captured in the section above. These result from changes in agency priorities, policy decisions, or dedicated funding.						
<u>PROGRAM INCREASES</u>						
B1. <u>Net Increase in Disability Determination Services</u>				\$60,801		\$60,801
B2. <u>Payroll Increase - Net Increase in SSA Operations WYs</u>			719	\$77,724	719	\$77,724
B3. <u>Information Technology (IT) - Base Funding</u>		\$1,135,468		\$1,175,000		\$39,352
B4. <u>OIG Reimbursable Transfer</u>		\$10,000		\$11,200		\$1,200
Subtotal, Program Increases		\$1,145,468	719	\$1,324,725	719	\$179,257
Subtotal, Gross Increases	62,276	\$12,803,981	62,995	\$13,465,274	719	\$661,292
<u>BUILT-IN DECREASES</u>						
C1. <u>Payroll Decrease - Decrease due to fewer paid day (262 paid days in FY 2020 vs. 261 in FY 2021)</u>				-\$25,922		-\$25,922
Subtotal, Built-In Decreases				-\$25,922		-\$25,922
<u>PROGRAM DECREASES</u>						
D1. <u>Payroll Decreases – Net Decrease in SSA Non-Operations WYs</u>			-1,429	-\$191,055	-1,429	-\$191,055
D2. <u>IT Modernization out of Remaining \$325M No-Year Funds</u>	166	\$113,300	140	\$48,700	-26	-\$64,600
IT Costs in Support of IT Modernization, No-Year		\$86,500		\$25,000		-\$61,500
Payroll Costs in Support of IT Modernization, No-Year	166	\$26,800	140	\$23,700	-26	-\$3,100
D3. <u>Medicare Access & CHIP Reauthorization Act (MACRA) ¹</u>	3	\$470			-3	-\$470
D4. <u>Altmever</u>		\$21,149		\$7,000		-\$14,149
D5. <u>Non-Payroll Costs</u>		\$122,785		\$100,640		-\$22,145
D6. <u>Decreases in Obligations Funded from Other Prior-Year Unobligated Balances</u>		\$387				-\$387

¹ The funding available for SSA to carry out the provisions of the Medicare Access and CHIP Reauthorization Act of 2015 amount for FY 2018 and onward is \$27 million, available until expended.

Limitation on Administrative Expenses

	FY 2020		FY 2021		Change	
	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)
D7. <u>Decreases in IT Obligations Funded from Other Prior-Year Unobligated Balances</u> ¹		\$205,700		\$150,000		- \$55,700
Subtotal, Program Decreases	169	\$463,791	-1,289	\$115,285	- 1,458	- \$348,506
Subtotal, Gross Decreases	169	\$469,791	-1,289	\$89,363	- 1,458	- \$374,428
NO NET CHANGE - Obligations not expected to change in FY 2021 year-over-year compared to FY 2020.						
E1. <u>Medicare Improvement for Patient and Providers Act (MIPPA) - Low Income Subsidy (LIS)</u>		\$5,771		\$5,771		
E2. <u>Medicare Improvement for Patient and Providers Act (MIPPA) - Medicare Savings Program (MSP)</u>		\$7,451		\$7,451		
E3. <u>State Children's Health Insurance Program (SCHIP)</u>		\$987		\$987		
Subtotal, Net Change		\$14,209		\$14,209		
Total Obligations, Net	62,444	\$13,281,982²	61,706	\$13,568,846	- 738	+ \$286,864

¹ Estimated ITS carry-over is based on historical actuals of the total amounts available from the previous 5 fiscal years that became available for obligation gradually throughout the budget year.

² FY 2020 total obligations include \$190 million in dedicated funding to reduce the hearings backlog.

Limitation on Administrative Expenses

BUDGETARY RESOURCES BY OBJECT

Table 3.18—Budgetary Resources by Object^{1,2}
(Dollars in thousands)

	FY 2020	FY 2021	Change
Personnel Compensation			
Permanent positions	\$5,170,419	\$5,189,960	\$19,541
Positions other than permanent	\$110,253	\$110,671	\$418
Other personnel compensation	\$146,857	\$168,317	\$21,460
Special personal service payments	\$2,000	\$2,000	\$0
Subtotal, personnel compensation	\$5,429,530	\$5,470,948	\$41,419
Personnel Benefits	\$1,972,529	\$2,106,898	\$134,369
Benefits for former personnel	\$3,000	\$3,000	\$0
Travel and transportation of persons	\$14,436	\$14,174	-\$262
Transportation of things	\$4,594	\$4,511	-\$84
Rent, communications, and utilities			
Rental payments to GSA	\$747,286	\$756,874	\$9,588
Rental payments to others	\$173	\$161	-\$12
Communications, utilities, misc.	\$525,328	\$536,438	\$11,110
Printing and reproduction	\$24,323	\$23,880	-\$443
Other services (DDS, guards, etc.)	\$4,207,097	\$4,300,010	\$92,913
Supplies and materials	\$27,326	\$26,828	-\$498
Equipment	\$181,829	\$176,426	-\$5,403
Land and structures	\$74,269	\$79,718	\$5,449
Grants, subsidies and contributions	\$35,444	\$34,798	-\$646
Insurance claims and indemnities	\$28,101	\$27,589	-\$512
Interest and dividends	\$1	\$1	\$0
Financial Transfers	\$6,715	\$6,592	-\$122
Total Obligations	\$13,281,982	\$13,568,846	\$286,865
Resources not being obligated in the current year (carrying over or lapsing)	\$147,204	\$79,831	-\$67,373
Total Budgetary Resources	\$13,429,186	\$13,649,678	\$219,492
Payments to State DDS (funded from other services and Communications, utilities, and misc.)	\$2,336,287	\$2,468,000	\$131,713

¹ Totals do not include reimbursables and may not add due to rounding.

² The obligations include the base LAE appropriation, MSP, LIS, SCHIP, NSC, MACRA, the Altmeyer Renovation, and dedicated funding to address the hearings backlog and for IT modernization. Total budgetary resources in the table reflect FY 2020 and FY 2021 projections of spending by object class. Resources are not managed at the object class level and we have the flexibility within the LAE account to modify projected spending during the budget execution process.

Limitation on Administrative Expenses

ESTIMATED DISTRIBUTION OF AGENCY COSTS

Table 3.19—FY 2019 Estimated Distribution of Agency Costs^{1,2}

(Dollars in thousands)

Component	FTEs	Lump Sum	Overtime	Workyears	Payroll	Benefits	Other Objects	Total
Field Offices	27,358	72	1,471	28,901	\$2,236,025	\$760,435	\$479,258	\$3,475,718
Teleservice Centers	4,307	10	82	4,399	\$251,490	\$88,815	\$25,190	\$365,495
Regional Offices ³	1,348	9	35	1,392	\$168,712	\$57,226	\$289,662	\$515,600
Subtotal, RC Field	33,013	91	1,588	34,692	\$2,656,228	\$906,476	\$794,110	\$4,356,814
Program Service Centers and Office of Central Operations	9,467	32	1,027	10,526	\$735,836	\$222,847	\$111,579	\$1,070,262
Subtotal, Operations	42,480	123	2,615	45,218	\$3,392,064	\$1,129,323	\$905,689	\$5,427,075
Office of Hearings Operations	9,335	38	370	9,743	\$920,655	\$296,463	\$326,479	\$1,543,597
Office of Systems	3,084	10	28	3,122	\$363,292	\$115,478	\$49,891	\$528,661
Office of Analytics, Review, and Oversight	2,107	11	116	2,234	\$231,397	\$69,712	\$11,641	\$312,750
Office of General Counsel	720	3	1	724	\$93,038	\$29,647	\$45,815	\$168,501
Headquarters ⁴	2,744	13	30	2,787	\$303,605	\$122,414	\$748,275	\$1,174,295
Subtotal, SSA	60,470	198	3,160	63,828	5,304,051	1,763,037	2,087,790	9,154,878
ITS								\$1,405,965
DDS	13,149		280	13,429				\$2,281,554
Total LAE	73,619	198	3,440	77,257	\$5,304,051	\$1,763,037	\$2,087,790	\$12,842,397
OIG Transfer								\$10,000
Total, LAE and OIG Transfer								\$12,852,397

Table 3.20—FY 2020 Estimated Distribution of Agency Costs^{1,2}

(Dollars in thousands)

Component	FTEs	Lump Sum	Overtime	Workyears	Payroll	Benefits	Other Objects	Total
Field Offices	27,538	92	522	28,152	\$2,307,826	\$849,556	\$495,410	\$3,652,792
Teleservice Centers	4,780	13	50	4,843	\$293,486	\$112,446	\$26,039	\$431,971
Regional Offices ³	1,334	11	0	1,345	\$172,797	\$63,588	\$299,424	\$535,809
Subtotal, RC Field	33,652	116	572	34,340	\$2,774,109	\$1,025,590	\$820,873	\$4,620,572
Program Service Centers and Office of Central Operations	9,898	44	105	10,047	\$731,563	\$259,042	\$169,153	\$1,159,758
Subtotal, Operations	43,550	160	677	44,387	\$3,505,672	\$1,284,632	\$990,026	\$5,780,330
Office of Hearings Operations	8,816	30	150	8,996	\$896,370	\$316,003	\$322,725	\$1,535,098
Office of Systems	3,073	18	36	3,127	\$387,324	\$130,011	\$57,106	\$574,441
Office of Analytics, Review, and Oversight	2,055	12	114	2,181	\$240,705	\$75,784	\$12,174	\$328,663
Office of General Counsel	712	3	1	716	\$95,019	\$35,429	\$47,965	\$178,413
Headquarters ⁴	2,693	22	25	2,740	\$297,439	\$130,670	\$682,973	\$1,111,082
Subtotal, SSA	60,899	245	1,003	62,147	5,422,529	1,972,529	2,112,969	9,508,027
ITS								\$1,427,668
DDS	12,857		300	13,157				\$2,336,287
Total LAE	73,756	245	1,303	75,304	\$5,422,529	\$1,972,529	\$2,112,969	\$13,271,982
OIG Transfer								\$10,000
Total, LAE and OIG Transfer								\$13,281,982

¹ Excludes Reimbursables (234 in FY 2019 and 300 in FY 2020 workyears) and includes NSC, LIS, SCHIP, MACRA, and dedicated funding for OHO, IT Modernization, and Altmeyer.

² Totals may not add due to rounding.

³ Includes Field Office Guard Services in the Other Objects line.

⁴ Includes multiple items which cover expenditures for the entire agency. A few examples include: Return to Work Incentives, Department of Interior Payroll IAA for the Agency, GSA Delegations, Data Exchanges, Sustainability and Reinvestigations, Facilities and Maintenance, Employee Health Services as well as Headquarters Guard Services.

Limitation on Administrative Expenses

Table 3.21—FY 2021 Estimated Distribution of Agency Costs^{1,2}
(Dollars in thousands)

Component	FTEs ³	Lump Sum	Overtime	Workyears	Payroll	Benefits	Other Objects	Total
Field Offices	27,538	92	374	28,004	\$2,372,557	\$921,059	\$507,929	\$3,801,545
Teleservice Centers	5,531	13	36	5,580	\$347,718	\$140,824	\$26,697	\$515,239
Regional Offices ⁴	1,318	11	0	1,329	\$176,763	\$68,758	\$306,991	\$552,512
Subtotal, RC Field	34,387	116	410	34,913	\$2,897,038	\$1,130,641	\$841,617	\$4,869,296
Program Service Centers and Office of Central Operations	10,035	44	114	10,193	\$765,960	\$286,745	\$171,327	\$1,224,032
Subtotal, Operations	44,422	160	524	45,106	\$3,662,998	\$1,417,386	\$1,012,944	\$6,093,328
Office of Hearings Operations	8,176	30	100	8,306	\$859,431	\$313,350	\$329,738	\$1,502,519
Office of Systems	2,890	18	36	2,944	\$374,969	\$132,118	\$58,336	\$565,423
Office of Analytics, Review, and Oversight	1,930	12	40	1,982	\$221,593	\$77,273	\$12,465	\$311,331
Office of General Counsel	652	3	0	655	\$91,702	\$32,193	\$49,008	\$172,903
Headquarters ⁵	2,391	22	0	2,413	\$251,944	\$134,689	\$707,509	\$1,094,142
Subtotal, SSA	60,461	245	700	61,406	\$5,462,637	2,107,009	2,170,000	9,739,646
ITS								\$1,350,000
DDS	13,167		300	13,467				\$2,468,000
Total LAE	73,628	245	1,000	74,873	\$5,462,637	\$2,107,009	\$2,170,000	\$13,557,646
OIG Transfer								\$11,200
Total, LAE and OIG Transfer								\$13,568,846

¹ Excludes Reimbursables (234 in FY 2019 and 300 in FY 2020 workyears) and includes NSC, LIS, SCHIP, MACRA, and dedicated funding for OHO, IT Modernization, and Altmeyer.

² Totals may not add due to rounding.

³ In FY21, we are maintaining our FY20 staffing levels in our Operations front-line components

⁴ Includes Field Office Guard Services in the Other Objects line.

⁵ Includes multiple items which cover expenditures for the entire agency. A few examples include: Return to Work Incentives, Department of Interior Payroll IAA for the Agency, GSA Delegations, Data Exchanges, Sustainability and Reinvestigations, Facilities and Maintenance, Employee Health Services as well as Headquarters Guard Services.

Limitation on Administrative Expenses

WORKLOAD PROCESSING AND COST DISTRIBUTION ACROSS THE ORGANIZATION

As a way to provide additional transparency into how we spend resources across our agency, we are providing an example of how we process disability claims, one of our key workloads. This example demonstrates the movement of claims through multiple different organizational components within our agency as they pass through various stages of completion. Therefore, one claim or piece of work will incur costs in multiple components and also contain a portion of our agency's fixed costs (e.g., overhead costs such as rent, guard services, information technology systems). Once we assign direct costs to a particular workload, we distribute agency costs that benefit multiple workloads using generally accepted cost accounting principles of allocation.

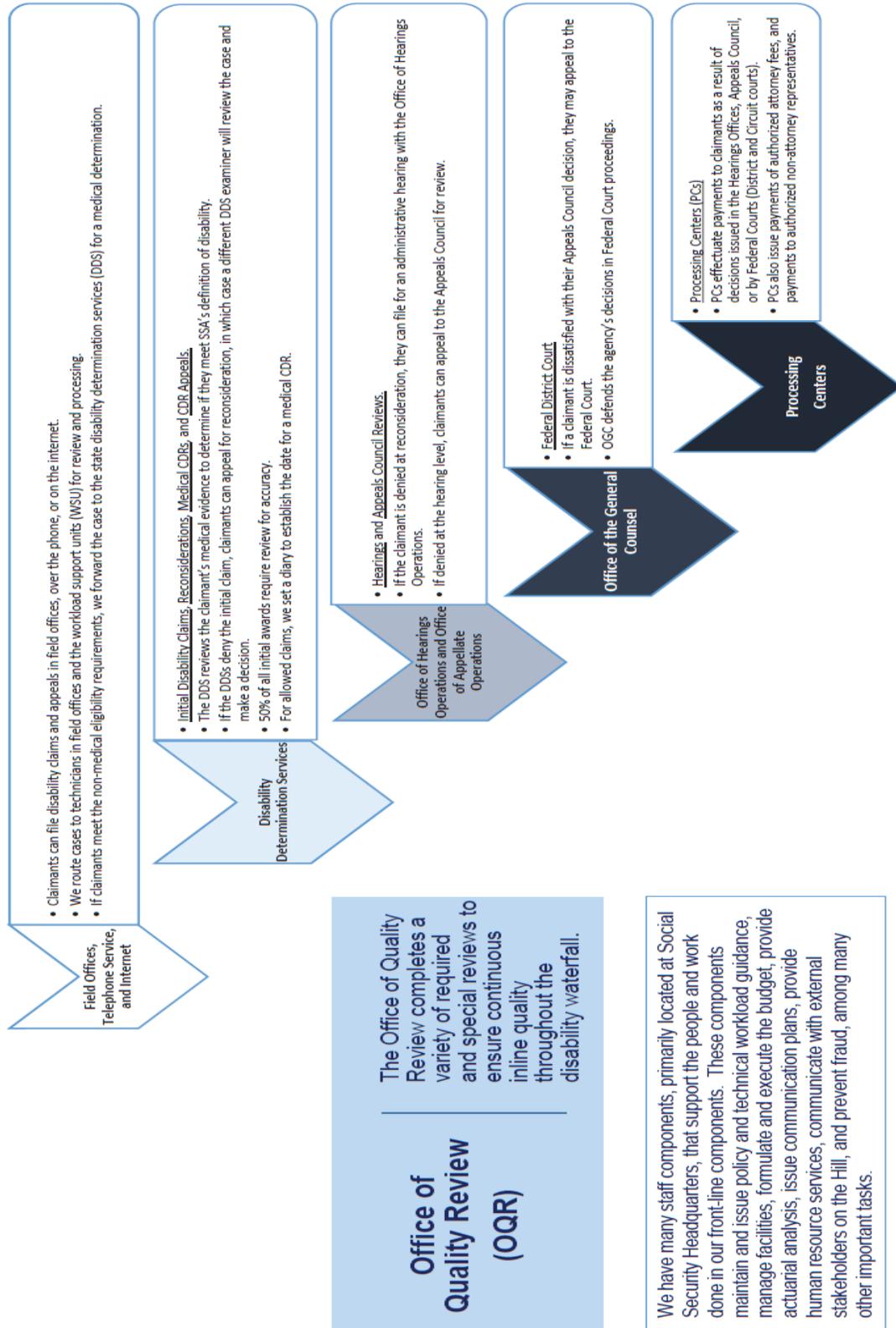
A disability applicant may file a claim in a field office where our field office staff ensures proper documentation and evaluates non-medical eligibility factors. That same claim then goes to the Disability Determination Services (DDS) for a medical determination. If the DDS issues a favorable determination, the claim then goes back to the field office for processing. In some cases where there are complex issues, such as payment offsets due to workers' compensation or other benefits, or systems limitations that require manual processing, the Processing Center (PC) will effectuate the claim. Our Office of Quality Review may also perform a review of the DDS determination prior to effectuation.

In the previous example, if the DDS issues an unfavorable determination, the disability applicant is eligible to request a hearing. A hearing request is also filed in a field office. The field office sends the case to our Office of Hearings Operations for a hearing by an Administrative Law Judge (ALJ). If the ALJ issues a favorable decision, the claim will then go to the PC where we calculate offsets, pay attorney fees, and initiate benefit payments.

We assign the costs for these completed direct work activities to the agency-level workload that they support. Agency costs that benefit multiple workloads, such as human resources, financial, and policy support, also indirectly supports the work we do, so we apply a portion of the overhead to each workload proportionally, based on the direct costs of doing the work.

The chart on the next page provides an organizational view of our disability waterfall to further illustrate an example of how work moves across components.

An Organizational View of Our Disability Work Process



Limitation on Administrative Expenses

PERFORMANCE TARGETS

The President's FY 2021 request will allow us to achieve the following key performance targets:

Table 3.22—Key Performance Targets

Workload and Outcome Measures	FY 2019 Actual	FY 2020 Enacted¹	FY 2021 Request
Retirement and Survivor Claims			
Retirement and Survivors Claims Completed (thousands)	6,021	6,222	6,354
Disability Claims			
Initial Disability Claims Receipts (thousands)	2,346	2,399	2,545
Initial Disability Claims Completed (thousands)	2,310	2,289	2,359
Initial Disability Claims Pending (thousands)	594	704	890
Average Processing Time for Initial Disability Claims (days)	120	125	129
Disability Reconsiderations			
Disability Reconsiderations Receipts (thousands)	566	664	708
Disability Reconsiderations Completed (thousands)	544	554	613
Disability Reconsiderations Pending (thousands)	134	244	339
Average Processing Time for Disability Reconsiderations (days)	109	118	119
Hearings			
Hearings Receipts (thousands)	511	464	467
Hearings Completed (thousands)	794	688	559
Hearings Pending (thousands)	575	352	259
Annual Average Processing Time for Hearings Decisions (days) ²	506	380	260
National 800 Number			
National 800 Number Calls Handled (millions)	33	36	41
Average Speed of Answer (ASA) (minutes)	20	17	11
Agent Busy Rate (percent)	14	12	7
Program Integrity			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,939	1,803	1,790
Full Medical CDRs (included above, thousands)	713	703	690
SSI Non-Medical Redeterminations Completed (thousands)	2,666	2,150	2,000
Selected Other Agency Workload Measures			
Social Security Numbers (SSN) Completed (millions)	18	18	18
Annual Earnings Items Completed (millions)	288	288	288
Social Security Statements Issued (millions) ³	11	14	15
Selected Production Workload Measures			
Disability Determination Services Production per Workyear	303	304	308
Office of Hearings Operations Production per Workyear	111	106	96
Other Work/Service in Support of the Public-Annual Growth of Backlog (workyears)	N/A	(1,100)	(2,500)

Limitation on Administrative Expenses

¹ FY 2020 estimates are consistent with the Enacted FY 2020 Congressional Operating Plan performance targets.

² Average processing time for hearings is an annual figure. We estimate end of year (September) processing time for hearings to be 340 days and 240 days for FYs 2020 and 2021, respectively.

³ The Social Security Statements issued performance measure includes paper statements only, and does not include electronic statements issued. In FY 2019, my Social Security users accessed their statements 56 million times, and we spent approximately \$5.842 million to send paper statements to individuals aged 60 and older who were not receiving Social Security benefits and who are not registered for a my Social Security account. We are taking the same approach in FYs 2020 and 2021 at a cost of approximately \$7.363 million in FY 2020 and \$7.692 million in FY 2021. In FY 2021, it would cost approximately an additional \$75 million to send statements to individuals aged 25 and older who are not receiving Social Security benefits and who are not registered for a my Social Security account.

Our budget is fully integrated with our Annual Performance Plan (APP), which is included as the second from 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.

PROGRAM INTEGRITY

The Budget includes \$1.575 billion in dedicated funding for program integrity (PI) activities, including the costs associated with SSI redeterminations (RZ), full medical continuing disability reviews (CDR), work CDRs, Cooperative Disability Investigation (CDI) units, and the prosecution of fraud by Special Assistant U.S. Attorneys (SAUSA) - as authorized by the Bipartisan Budget Act of 2015 (P.L. 114-74). Our program integrity activities are funded as a subset of our total LAE funding. Beginning in FY 2017, our appropriation provides 18-month availability for PI funding and also limits us from using any non-PI LAE funding on PI activities.

FY 2021 is the last year of discretionary caps and the authorized cap adjustment for PI funding. Congressional action is needed to continue adequate funding levels, as shown in the 2021 Budget, which support continued PI activities and associated savings in the baseline. The Budget shows the savings that would result from the increase in CDRs and RZs made possible by the discretionary cap adjustment funding requested in 2021-2025 with supporting levels continuing through 2030. With access to the amounts proposed, we will stay on track to remain current with dedicated program integrity workloads throughout the Budget window. Please refer to the Budget Process chapter in the Analytical Perspectives for more details.

We perform CDRs to ensure that only beneficiaries who still qualify to receive benefits under the OASDI and SSI programs continue to receive them. For those receiving SSI, we also perform non-medical RZs to confirm whether recipients meet the program's income and resource limits. We achieved full CDR currency in FY 2018 and expect to maintain currency in FY 2020 and FY 2021. In order to prevent a backlog from forming, we carefully balance our workloads to remain within our total funding level. In FY 2021, the Budget funds the completion of 690,000 full medical CDRs to maintain currency and 2.0 million SSI RZs.

Limitation on Administrative Expenses

Table 3.23—Program Integrity Workloads and Funding by Source¹
(Dollars in millions)

	FY 2019 Actuals	FY 2020 Estimate	FY 2021 Estimate
Volumes			
Full Medical CDRs Completed	713,156	703,000	690,000
SSI Non-Medical RZs Completed	2,666,287	2,150,000	2,000,000
Funding^{2,3}			
Unobligated Balance, start-of-year	\$68	\$37	\$26
Dedicated Program Integrity Funding	\$1,683	\$1,582	\$1,575
Subtotal PI Resources	\$1,751	\$1,619	\$1,601
Less Unobligated Balance, end-of-	-\$37	-\$26	-\$29
Total PI Obligations⁴	\$1,714	\$1,593	\$1,572
<hr/>			
OASI	\$155	-	-
DI	\$243	\$361	\$306
SSI	\$1,154	\$1,232	\$1,266
HI	\$69	-	-
SMI	\$83	-	-
Medicare Part D	\$10	-	-
Total PI Obligations^{5,6}	\$1,714	\$1,593	\$1,572

Pacing CDR and RZ Unit Costs to Manage LAE Funding Properly

While we take many steps to ensure we analyze and budget for the costs of our CDR and SSI RZ workloads, we do not know actual costs until after the end of the fiscal year. The 18 month authority allows us the flexibility to obligate our dedicated program integrity funding responsibly. The individual unit costs of CDRs and RZs and the total number of these workloads processed, determine the actual total program integrity costs. Fluctuations in our PI unit costs occur throughout the year due to a variety of factors, such as:

¹ Totals may not add due to rounding.

² The Consolidated Appropriations Act, 2017 (P.L. 115-31) extended the availability of the FY 2017 Program Integrity funding through March 31, 2018. Appropriations for FYs 2018, 2019, and 2020 continued this language, and the Budget proposes to continue 18-month availability in the FY 2021 appropriation. Dedicated Program Integrity Funding represents the authorized level provided in BBEDCA, as amended by the Bipartisan Budget Act of 2015 (P.L. 114-74). We received the authorized amount in FY 2019 and FY 2020, and the Budget assumes the fully authorized level in FY 2021.

³ The total includes \$10 million transfers in FY 2019 and 2020, and the transfer of up to \$11.2 million in FY 2021 from LAE to the SSA's Inspector General (OIG) for CDI unit team leaders. This anti-fraud activity is an authorized use of the cap adjustment.

⁴ These totals include the combined costs of CDRs, SSI RZs, CDI units, and the SAUSAs.

⁵ Totals may not add due to rounding.

⁶ In the budget formulation of our PI workloads, we project workload costs for DI and SSI spending but not for OASI, HI, SMI, or Medicare Part D. We report these costs with the actuals.

Limitation on Administrative Expenses

- hiring and training, which can impact productivity in the work units where the PI work is done;
- Information Technology investments (e.g. timing of development);
- policy changes;
- business process changes;
- timing of work completion (e.g. work can start in prior fiscal year and clear in the next); and
- the types of cases processed in a year (e.g. processing a greater number of more time-consuming types of CDRs in a year can increase unit costs in that year).

In addition to these items that add costs to the PI workloads, it can be difficult for the agency to control closely the volume of PI work that is completed. PI work occurs all across the country in every field office, processing center, and State DDS. Some PI work must be done on demand when SSA becomes aware of an issue with a claimants situation and cannot be planned. Therefore, it is difficult to predict exact workload processing targets in advance. Due to this challenge in shutting off PI work, in 2019 we exceeded our CDR target by over 10,000 cases, which added roughly \$13 million to the total program integrity spending.

SSA tracks PI spending throughout the fiscal year and we analyze and review cyclical trends in PI costs. However, the delay in actual costs challenges our ability to forecast spending and reconcile costs timely, and we must make a conservative estimate of total expected costs at the end of the year to stay within the total available program integrity funding.

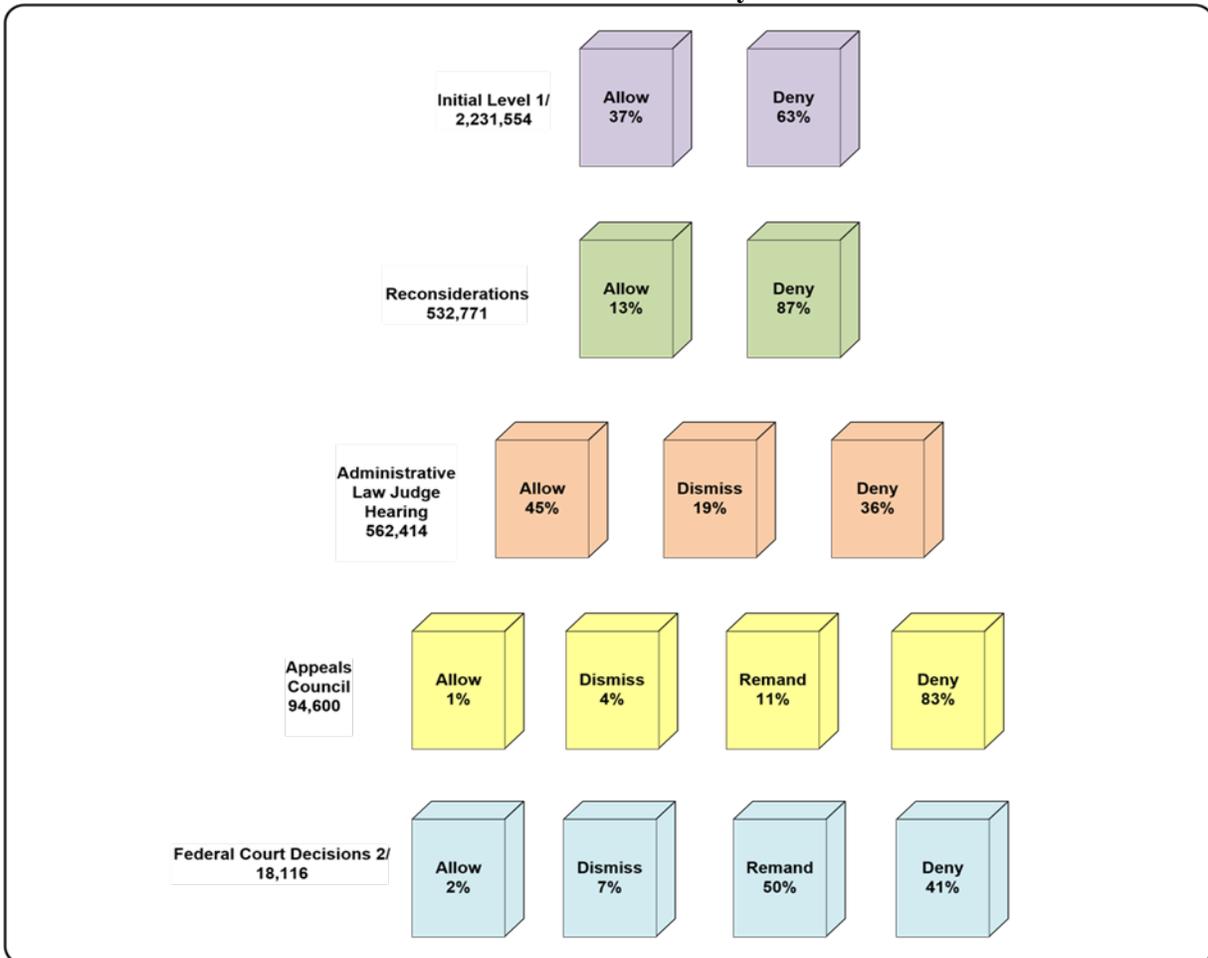
We calculate the unit costs for PI workloads using data from our Cost Analysis System. This system allocates our administrative costs to all of our workloads, including CDRs and RZs. Changes in the other agency workloads, as well as in other large agency cost categories such as IT, impact the overall total unit costs for PI workloads as well, which can make it difficult to predict end of year costs for CDRs and RZs prior to the end of the fiscal year.

Our PI unit costs can be broken down by direct payroll, direct other objects, information technology systems (ITS), and agency shared costs that include both payroll and other objects. Our direct payroll includes costs of our employees in the front-line workload processing components like our field offices, program service centers, and State disability determination services. Other objects costs can be broken down to just direct other objects costs of our front-line workload processing components. ITS costs include all non-payroll costs associated with our IT investments. Lastly, agency shared costs include all other component costs, like headquarters components as well as a portion of rent, postage, and guards.

The PI work we plan to complete in FY 2020 and FY 2021 will keep us on pace to remain current in our CDR workload and help us balance our other work. While we strive to hit all performance targets, we will closely monitor and adjust our workload processing plans for PI workloads based on our real experience. We will also continue to consider the effects of the cost factors described above in our ongoing analysis to pace this workload and to inform our spending decisions.

FY 2019 DISABILITY DECISION DATA

Table 3.24—Fiscal Year 2019 Disability Decision Data^{^*1,2}



Data Sources:

1. Initial and Reconsideration Data: SSA State Agency Operations Report
2. Administrative Law Judge and Appeals Council data: SSA Office of Hearings Operations (OHO) and Office of Analytics, Review, and Oversight (OARO)
3. Federal Court data: SSA Office of General Counsel

[^] Workload volumes do not align with actual performance as reported in our key performance measures table because the performance measure captures broader activity.

^{*} Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2019, 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 21% 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.

PRIORITY GOALS

To ensure our accountability to the public we serve, and as required by the GPRA Modernization Act of 2010, we established the following ambitious and outcome-focused Agency Priority Goals (APG). Our APGs help us achieve our overarching strategic goals and objectives set forth in our FY 2019–2021 Annual Performance Report (APR). These goals are:

1. Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision.
2. Improve the integrity of the SSI program by focusing our efforts on reducing overpayments.
3. Improve the customer experience by reducing the average speed of answer on the National 800 Number.

We have specific measures and milestones to monitor our progress, and our goals reflect our Enterprise Risk Management actions. 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.

Please see the FYs 2019–2021 APR for more information on APGs.

Limitation on Administrative Expenses

ADDITIONAL BUDGET DETAIL

INFORMATION TECHNOLOGY

Information technology (IT) is vital to our mission. Our staff rely on our IT infrastructure to serve the public and safeguard our programs. We developed our systems over 30 years ago, and the infrastructure and application code has lagged behind as newer technologies advanced what is possible with the use of modern tools and emerging IT capabilities. Our IT infrastructure has grown increasingly complex, inefficient to meet customer demands, and costlier to maintain and secure.

Recognizing that our current technology infrastructure and existing business systems would not allow us to serve the public the way we wanted or the way they expected us to, we developed a plan to modernize our IT systems.

We initiated a multi-year *IT Modernization Plan* in FY 2018. Although the plan was established as a living document from the outset, the first and foremost goal of the plan is to improve service to the public. With Congress's support, we have made progress in transitioning to a more modern IT infrastructure with the technical flexibility necessary to adapt to future demands, and we are working to refresh the current *IT Modernization Plan* to ensure that it reflects our renewed focus on improving service to the customer.

In parallel to our *IT Modernization Plan* efforts, which primarily consist of multi-year efforts, we have also initiated a series of shorter term efforts that have already begun providing an immediate benefit to the public. These enhancements will provide the public with more and better options to conduct business with us online, by phone, and in our field offices.

The table below provides a summary-level view of the IT budget authority. We provided a detailed view of the IT budget by portfolio in Appendix A. In addition, we have included our IT Resource Statement, IT Table, FTE Count, and LAE Expired Balances table in Appendix B.

Table 3.25—Total ITS Budget Authority

(Dollars in Millions)	TAFS Code	FY 2019 Actual	FY 2020	FY 2021
ITS New Budget Authority	28198704	\$1,294	\$1,135	\$1,166
Prior Year Transfer/Carryover ¹	028X8704	\$24	\$206	\$150
ITS Reimbursables	28198704	\$5	\$20	\$9

¹ Prior to receiving our approved annual apportionments from OMB our FY 2020 carryover was \$206 million. Subsequently, we realized an additional \$5 million in carryover.

Limitation on Administrative Expenses

(Dollars in Millions)	TAFS Code	FY 2019 Actual	FY 2020	FY 2021
Special Appropriation ITS (\$370 million)	028X8704	\$86	\$87	\$25
Recovery Act (NSC)	028X8704	\$2	\$0	\$0
<i>Subtotal ITS</i>		\$1,411	\$1,448	\$1,350
Internal Labor (Payroll)	28198704	\$516	\$560	\$566
Special Appropriation Internal Labor (Payroll) (\$370 million)	028X8704	\$53	\$27	\$24
<i>Subtotal Payroll</i>		\$569	\$587	\$590
Total		\$1,980	\$2,035	\$1,940

Note: Totals may not add due to rounding.

The Commissioner's top priorities are to:

- Improve Public Service;
- Modernize IT and Streamline Policies; and
- Safeguard Programs

Below, we highlight some of our IT investments that support those priorities.

Improve Public Service

Agency Website Modernization

Our SSA homepage is the first point of contact for many of our customers as they reach out to us for service.

- In FY 2020, we are redesigning our website to make it easier for the public to use.
- In FY 2021, we will procure and implement a Web Content Management System to ensure consistent web design and streamline our web site's maintenance.
- In FY 2020 and FY 2021, we will test the effectiveness of our new design by implementing it for a single self-service option available on our website.

Electronic Services – FY 2021: \$31 million

This initiative focuses on expanding online access for the public through various delivery channels, and continues the development and enhancement of our E-Government and eServices architecture. This includes:

- iClaim Anti-Fraud - Enhances authentication to ensure the security of our online claims process (iClaim).

Limitation on Administrative Expenses

- Abandoned iAppeals - Prevents customers, who complete an appeal online, from unknowingly abandoning their appeals.
- Internet Social Security Number Replacement Card (iSSNRC) - With the iSSNRC online application, adults with a *my Social Security* account, who meet certain criteria, may apply for a replacement card.
 - In FYs 2020 and 2021, we will continue to expand iSSNRC to additional States. iSSNRC will be available in 48 states plus the District of Columbia by the end of 2020. Expansion to the two remaining States, New Hampshire and Minnesota, is contingent upon State-specific legislation. New Hampshire and Minnesota are in the process of making changes to participate with iSSNRC.
- Enhanced Leads and Appointment System (eLAS) - In FY 2020, we are deploying a modernized Web version of the current National 800 Number application to make it easier and more efficient when scheduling appointments for our customers.

Customer Engagement Tools – FY 2021: \$3.3 million

The Customer Engagement Tools (CET) investment establishes an enterprise product to redefine and modernize the technology and processes front line employees use to manage requests from the public. The CET will make it easier for our employees to help the public.

In FY 2019, to provide agency technicians with a comprehensive set of customer information for both Title II and Title XVI, we added personal representative payee, and legal guardian information to the Customer View. We provided the ability to initiate the Preliminary Claim Systems (PCS) process from this view, and enabled alerts to support customer service activities. For our online services, we made improvements to Click to Chat, Dynamic Help, and our online Message Center and Email Us pages.

In FY 2021, we will continue to modernize how we manage online customer service requests. It will include a new communication functionality for *my Social Security* registrants, and incorporate the use of web-based features that will enhance our ability to assist online users. Overall, this initiative will expand communication methods and provide interactive services for the public.

my Social Security Services – FY 2021: \$8.8 million

my Social Security provides a personalized, interactive, customizable, and secure one-stop shop for our public-facing electronic services. We will continue to improve the *my Social Security* user experience and add service options.

- In FY 2019, we enhanced online services for representative payees with online wage reporting and direct deposit changes for individual representative payees. We provided the ability for users to view their estimates at early retirement age, full retirement age, and delayed retirement age. In addition, we provided the ability for users to estimate and customize their retirement benefits based on projected income and specific month of election. Estimates are displayed visually on a dynamic bar graph.

Limitation on Administrative Expenses

- In FY 2020, we will add a representative payee portal that will allow multiple views and strengthen and modernize how we authenticate our customers' identities to use our expanded *my Social Security* services.
- In FY 2021, we will continue expanding representative payee submission and verification features.

Next Generation Telephony Project (NGTP) – FY 2021: \$100.5 million

NGTP will replace our telephone structure with a modern unified communication platform (UCP) for the National 800 Number, over 1,200 field offices, and headquarters, replacing 120,000 telephones and reducing IT cost and increasing mission performance. In FY 2021, the transition will begin with National 800 Number sites and telephones in our field offices. NGTP will allow us to greatly improve service to our National 800 Number callers with self-service applications that will enable callers to complete automated actions without an agent. The UCP will provide streamlined menus and allow secure authentication that will support new automated features to address tasks with high agent call volumes, such as change of address, phone number, and direct deposit. We plan to make these services available in FY 2021, barring any further procurement delays.

Modernize IT and Streamline Policies

IT Modernization

We developed some of our systems over 30 years ago, and they have grown increasingly complex, inefficient to meet customer demands, and costlier to maintain. Our *IT Modernization Plan* will allow us to replace our outdated legacy systems with modern systems that will allow us to provide more and better service options to the public.

We have made tremendous progress in our modernization efforts thanks to the support of the Administration, Congress, and the hard work of our employees. In FY 2019, we successfully executed the second year of our five-year plan to modernize our legacy IT systems and business processes. We retired additional legacy systems, continued to develop the foundation for future expansion of online notices, improved the quality and efficiency of our case processing systems, and began developing modern claims intake screens for implementation next year.

- In FY 2019, we modernized our database infrastructure and support capabilities; improved access to master file data to allow the eventual retirement of legacy software; consolidated and eliminated duplicate data; expanded our enterprise data warehouse; and delivered Old Age, Survivors, and Disability Insurance (OASDI) Cost of Living Adjustment Notices online.

In FY 2020 and FY 2021, we will continue to:

- Modernize our claims-taking process, improve the quality of the data we use to make decisions on eligibility and payment, and improve how we communicate with beneficiaries and recipients;

Limitation on Administrative Expenses

- Consolidate data in areas that deliver measurable business value while improving data integrity and access, and continue to improve database support by using modern relational database formats and techniques; and
- Deploy the Customer Communications Management application capability to collect and react to customer communications preference for receiving information from the agency, allowing them to receive agency correspondence via traditional mail, online, or text.

A detailed view of the IT Modernization funding profile is located in Appendix C.

Disability Case Processing System (DCPS) – FY 2021: \$7.1 million

DCPS is a modern system for use by State DDS and Federal components to process disability claims. It will replace multiple aging systems and will provide more efficient case processing, improve customer service, and reduce administrative costs.

- In FY 2019, we increased functionality as planned, and deployed DCPS to 19 additional DDS sites, bringing the total number of DCPS sites to 31. In addition, the Maine and Wyoming DDSs transitioned to only DCPS for case processing and no longer use legacy systems to process claims.
- In FY 2020 and FY 2021, we plan to continue deployment and transition in additional States. The DCPS Roadmap is included in Appendix E.

Electronic Record Express (ERE) for Experts (ERECA) – FY 2021: \$1.1 million

SSA contracts with medical experts (ME) and vocational experts (VE) to perform services such as providing testimony and responding to interrogatories. Each year the agency creates over 1 million compact discs (CD) for experts. With this investment, we will eliminate the process of creating and mailing encrypted CDs for these contractors, which will save us approximately \$6.7 million per year.

- In FY 2019, we expanded the ME and VE access to the e-Folder by allowing them access to cases at the Appeals Council level. Prior to this release, experts only had access to cases at the Hearings level.
- In FY 2020, ERECA will focus on the DCPS Web Service and the ERECA – DCPS interface.

Health Information Technology – FY 2021: \$2.4 million

This investment creates efficiencies in the disability process by obtaining medical records electronically and enhancing the ability to apply data analysis and business rules against medical evidence. Receiving medical documentation sooner and in standardized electronic formats enables claimants to receive quicker disability determinations by reducing the waiting time to receive records.

Safeguard Programs

Digital Identity – FY 2021: \$5.7 million

In order to expand the range of secure self-service options for our customers, it is critical that we develop an enhanced digital identity capability. To that end, we are incorporating data-driven, secure, privacy-enhancing solutions for identity proofing, authentication, and authorization. These efforts will benefit the public by protecting access to agency online services and preventing fraud.

In FY 2019, we partnered with an external credential service provider and collaborated on a federated approach for accessing the *my Social Security* portal. We also enhanced our existing individual authentication solutions to further our compliance with National Institute of Standards and Technology standards.

- In FY 2020, we are expanding our partnership with an external credential service provider and collaborating on a federated approach for accessing the *my Social Security* portal. We will enhance our existing individual authentication solutions to reduce our reliance upon knowledge based authentication methods, such as the out-of-wallet quizzes.
- In FY 2021, we will begin to implement in a phased and incremental approach, new authentication principles and methods that allow users easier access to online services while maintaining security.

IT Security and Compliance – FY 2021: \$131.4 million

Maintaining the public's trust in our ability to protect sensitive data housed in our systems requires continuous monitoring of threats and continual improvement and strengthening of our cybersecurity program. Through constant assessment of the threat landscape and use of advanced cybersecurity controls, we can better protect against cybersecurity incidents and risks.

The IT Security and Compliance Investment implements security policies and controls within SSA IT. It also protects IT data resources from both internal and external user threats such as unauthorized access, misuse, damage, or loss.

- In FY 2019, we limited the impact of potential cyberattacks and implemented email and network safeguards to detect and prevent malware.
- In FY 2020, we will continue to tune our cybersecurity infrastructure and ability to find and remove vulnerabilities by using automated workflows. We will automate our response processes to provide seamless integration from the identification of threats through the mitigation of vulnerabilities, as well as implement additional protections designed to limit the impact of potential cyberattacks.
- In FY 2021, the IT Security and Compliance investment will continue to modernize our security infrastructure; expand our identity management, privileged user access, secure configuration management, High Value Asset and data protection programs; and engage the Department of Homeland Security (DHS) in specific requests for service within their Continuous Diagnostics and Mitigation (CDM) program.

Limitation on Administrative Expenses

Additional information regarding our Cybersecurity program is located in Appendix D.

Data Exchange – FY 2021: \$8.2 million

We provide SSN verifications and exchange birth, death, prisoner, and benefit payment information, as permitted under law, with Federal, State, and private partners, to efficiently obtain data to ensure our payment accuracy and to support the needs of other external programs. Our data exchanges improve organizational effectiveness and reduce costs by providing reliable data to determine benefits and improve administrative processes, which in turn saves costs and reduces improper payments. The Data Exchange Product investment created the Enterprise Data Exchange Network (EDEN) to reduce and centralize the many different systems and applications that process and manage data exchanges. This effort is part of a broader set of administrative actions to reduce SSA improper payments, including actions to improve timely access to wage and resource information.

- In 2019, we implemented the Foreign Travel Data application, which we built to facilitate access to DHS's Arrival and Departure Information System (ADIS) data. During an SSI redetermination, our staff can use ADIS to view foreign travel data for non-citizens and determine their SSI eligibility.
- In FY 2020, we will implement additional systems functionality and pursue a computer-matching agreement to expand the service for batch processing.
- In FY 2021, we will continue to pursue new data exchange partners from government and private sectors.

Unprocessed Medical Cessations (UMC) - FY 2021: \$0.3 million

Enhancements will establish automated solutions to prevent improper payments due to unprocessed medical cessations following CDRs in Title II, Title XVI and disability cases.

Debt Management Product - FY 2021: \$5.2 million

- Numerous systems record, track, and manage our OASDI and SSI overpayments. We have begun a multi-year initiative to develop a streamlined, modernized enterprise Debt Management System to enable us to more effectively and efficiently post, track, collect, and report our overpayment activity. iPaySSA, which provides individuals with the ability to access a payment portal and make payments via the Department of the Treasury's website, was developed in FY 2019. SSA developed additional functionality for an email receipt and plan to release the application in spring 2020.
- In FY 2020 and FY 2021, we plan to develop an electronic waiver form, SSA-632, via an Intranet overpayment waiver application for use by employees to capture, document, and support processing waiver requests. We anticipate completion of development of the minimum viable product for the new Debt Management system and transition from the legacy system by the end of FY 2021 and full system functionality by FY 2023.

Operational/Support IT Workload by Portfolio

The sections above describe new IT capabilities that we are developing to improve our ability to provide services to the public. We must also concurrently provide stable access to our existing systems used by our employees to serve the public, and we develop and maintain applications that support internal processes such as financial reporting and human resources workloads. The following section describes this work.

Agency Programmatic Applications Portfolio

The Agency Programmatic Applications portfolio encompasses investments used by employees to serve the public, initiatives enabling the public to conduct on-line transactions with SSA, and the applications and transactions we make with other government agencies. In this section, we describe the investments for ongoing support and maintenance of our existing systems.

Anti-Fraud Support Systems - FY 2021: \$16.2 million

This investment supports and maintains the legacy applications needed to provide robust and flexible fraud and abuse detection and prevention programs. This investment also supports the Anti-Fraud Enterprise Solution (AFES), which focuses on development and implementation activities for the Allegation Referral Intake System (ARIS). ARIS is a simplified interface for employees and other internal users to refer allegations of potential violations involving SSA programs and operations to the Office of the Inspector General (OIG).

Disability Claim Processing – FY 2021: \$58.3 million

These investments, which include DCPS, ensure operability of the applications used by employees to process disability claims at the initial, reconsideration, and hearings levels. Other investments include:

Bipartisan Budget Act (BBA) Section 823 - Promoting Opportunity Demonstration (POD) - FY 2021: \$0.3 million

Section 823 of the BBA of 2015 mandates that SSA conduct a demonstration to test a \$1 for \$2 benefit offset for Social Security Disability Insurance beneficiaries. The POD investment provides technology to allow us to conduct this test.

DDS Automation – FY 2021: \$10.3 million

This investment provides the DDSs with the technology needed to collect, process, maintain, share, transmit, disseminate, store, and retrieve disability claimant information electronically. DDS Automation will continue to support ongoing disability determination operations by maintaining functional and technical aspects of the DDS legacy systems until entirely replaced by DCPS. These costs will be phased out once DCPS is completely deployed to all DDSs.

Disability Claim Processing Applications – FY 2021: \$37.9 million

This investment covers multiple ongoing projects to maintain existing disability support applications for all adjudicative levels, and make modifications as needed. To a great extent, the functionality of the applications maintained in this investment is not included within the scope of DCPS.

Limitation on Administrative Expenses

Earnings – FY 2021: \$8.8 million

Our Earnings applications are part of a larger IT system called the Earnings Record Management System (ERMS). ERMS processes annual W3 and W2 data for employers, third-party wage providers, and self-employed individuals who submit through the Internal Revenue Service. This system also processes corrected data and updates information on our Master Earnings File, a master database of earnings records.

Electronic Services – FY 2021: \$52.2 million

This initiative focuses on expanding online access for the public through various delivery channels. We have already highlighted the majority of investments under the priority of Improving Public Service. Some of the other Electronic Services projects are:

Rep Payee Legislative Changes – FY 2021: \$7.9 million

This major investment includes the effort to align with the Strengthening Protections for Social Security Beneficiaries Act of 2018. The Act improves and strengthens the representative payee program by strengthening oversight, reducing the burden on families improving customer service, improving beneficiary protections, and limiting overpayment liability for children in the child welfare system.

Rep Payee Support Systems - FY 2021: \$1.2 million

This investment captures ongoing activities for our existing Representative Payee systems. This includes the electronic Representative Payee System (eRPS), a web-based application that processes representative payee applications, and contains all representative payee related information. With this investment, we will implement functionality in FY 2020 to designate a rep payee in advance. This gives claimants and beneficiaries the ability to identify a rep payee should they need one in the future.

Enumeration – FY 2021: \$4.6 million

We are responsible for assigning Social Security numbers, a process called enumeration. This initiative provides routine maintenance, enhancements as required, and investigation and correction of anomalies for all current and legacy Enumeration support applications.

Notice Improvement – FY 2021: \$7.9 million

Each year, we generate over 250 million notices mailed to the public. We must maintain the notice generation systems responsible for creating this correspondence. This initiative captures the ongoing cost to maintain the applications and architectures that deliver public-facing notices such as the Cost of Living Adjustment (COLA), SSA-1099/SSA-1042 Benefit Statements, and Special Notice Option (SNO). This investment also captures the cost to implement the Social Security Number Removal Initiative (SSNRI).

Payment Accuracy Support Systems – FY 2021: \$7.5 million

This initiative maintains the legacy applications that enable us to compute, process, and disburse payments to and from program beneficiaries and recipients, representatives, and other public and private entities.

Limitation on Administrative Expenses

Title II Processing Applications - FY 2021: \$20.3 million

This initiative will maintain systems processing efficiency for the frontline employees that serve the public and ensure accuracy and timeliness of Title II payments and Medicare transactions directly to the public.

Title XVI Processing Applications – FY 2021: \$11.4 million

This initiative maintains the programmatic systems for frontline employees when processing initial claims and post-entitlement actions.

Agency Administrative Applications Portfolio

The Agency Administrative Applications portfolio includes initiatives for administrative services and support systems. This includes functional areas such as financial management, human resources, acquisitions, accounting, training, and communications.

Business Intelligence and Data Analytics – FY 2021: \$47.3 million

This investment supports the development of Business Intelligence tools, collection of management information, and the retirement of legacy systems, which will assist the agency to make better data-driven decisions. This investment includes the cost to maintain Business Intelligence architecture and migration activities.

Table 3.26—Other SSA Expenses/Service Fees Related to E-Government Projects
(Dollars in thousands)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Recruitment One-Stop	\$444	\$476	\$495
E-Payroll	\$19,628	\$21,225	\$21,946
E-Travel	\$749	\$750	\$750
Total	\$20,821	\$22,451	\$23,191

Note: Totals may not add due to rounding.

E-Government Services – FY 2021: \$1.7 million

We support many E-Government initiatives. These initiatives serve individuals, 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 3.27—E-Government Services
(Dollars in thousands)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Budget Formulation and Execution LoB	\$55	\$55	\$60
Disaster Assistance Improvement Plan	\$56	\$56	\$56
E-Rulemaking	\$30	\$29	\$28

Limitation on Administrative Expenses

Federal PKI Bridge (FPKI)	\$189	\$212	\$212
Financial Management LoB	\$67	\$67	\$67
Geospatial LoB	\$25	\$25	\$25
GovBenefits.gov	\$415	\$391	\$394
Grants.gov	\$26	\$21	\$21
Human Resources LoB	\$137	\$137	\$137
Integrated Award Environment (IAE)	\$944	\$720	\$720
Total	\$1,944	\$1,716	\$1,721

Note: Totals may not add due to rounding.

Financial Management Systems – FY 2021: \$35.9 million

This investment supports the agency’s compliance with applicable accounting principles, standard, and related requirements; management control standards; and policies and requirements prescribed by OMB and the Department of the Treasury. This investment includes geospatial data management.

Human Resources Support Systems – FY 2021: \$18.9 million

This investment focuses on improving the overall effectiveness of Human Resources systems. Its objective is to leverage technology to help build a model workforce and support the ability to provide quality service to the public.

Legal Automated Workforce System (LAWS) Critical Needs – FY 2021: \$0.5 million

This investment will continue to provide critical and short-term workload management capabilities to meet Office of the General Counsel's (OGC) core business needs and agency strategic goals by providing solutions for Business Intelligence and LAWS application changes using existing architecture.

Electronic Records Management Product – FY 2021: \$8.9 million

This investment supports the agency’s implementation of OMB/NARA initiatives identified in the OMB/NARA Memorandum M-12-18, and Presidential Memorandum - Managing Government Records. These initiatives require all Federal agencies to manage both permanent and temporary email records in an accessible electronic format and manage all permanent electronic records in an electronic format.

We have taken steps to manage all permanent records electronically by December 31, 2022. We expect to manage a majority of our temporary records electronically by December 31, 2022. However, resources and funding availability could extend the modification of systems and applications that create and store temporary records beyond December 31, 2022.

Infrastructure Portfolio

The Office of Systems provides critical infrastructure needed to support SSA’s 10 regional offices, 8 processing centers, over 1,200 field offices, 25 teleservice centers, 5 national hearing centers, 164 hearing offices, 21 foreign offices, and 52 DDSs.

Limitation on Administrative Expenses

Services to these sites include Data Center Operations, Cloud Infrastructure, Telecommunications Management, Network Connectivity, Storage Solutions, Laptop & User Devices, 24x7x365 Monitoring of Enterprise Systems, and Tier-1 Help Desk for all IT Functionality.

Data Center and Cloud – FY 2021: \$496.6 million

The Data Center and Cloud standard investment secures and maintains demographic, wage, and benefit information for all American citizens. The core objective of the Data Center is to ensure the availability, changeability, stability, and security of SSA's IT architecture for the entire agency.

SSA has three enterprise data centers:

- The National Support Center (NSC) is an award-winning Tier 3 Data Center, opened for business in September 2014. We received American Recovery and Reinvestment Act funds to build and migrate the IT infrastructure and operations in the National Computer Center to the new data center. The NSC is a leader in the data center arena for its design, processing ability, and energy efficiencies.
- The Second Support Center provides operational assurance for the SSA. It is a fully-functional, co-processing data center operating in concert with the NSC to provide world-class IT services for the American public.
- The E-Vault provides a site to isolate and protect our data from a man-made or natural disaster. Situated 1,600 miles from SSA's eastern region data centers, the E-Vault provides a geo-dispersed, protected copy of agency data.

Provided within the Data Center investment are technical support services, technology refreshes, maintenance of the agency's data centers, IT hardware, and software. The cost of this investment includes plans to refresh our data centers' mainframe processors in FY 2021.

End User – FY 2021: \$238.9 million

The End User standard investment provides the agency with productivity software and desktops, laptops and other computing equipment required to meet our growing workload demands. This investment supports over 5,400 mobile hand-held devices, and over 129,000 laptops and workstations. As service demand increases, End User improves access to SSA's infrastructure and provides the desktop capability and capacity to increase the performance of internal systems. The budgeted cost of this investment includes ongoing laptop refreshment efforts in FY 2021.

Network – FY 2021: \$395.7 million

The Network standard investment provides secure, easy-to-use, and fast electronic services via the internet through telephone services, wide area network, and video conferencing systems. This investment allows us to maintain current systems and continue enhancing and refreshing telecommunications equipment and provides ongoing improvement of connectivity and bandwidth for data, voice and video communications. It benefits the American public as an effective, efficient, economical, and secure method of providing both digital and online services.

Limitation on Administrative Expenses

We will transition to NGTP, beginning with the transition of National 800 Number sites and telephones from field offices to the new system in FY 2021.

Under this investment, in the fall of 2019, we completed prerequisites, configuration, and required testing for a successful Authority To Operate for the SSA Office365 Infrastructure, enabling email and SharePoint site migration to the cloud.

Platform and Application – FY 2021: \$72.2 million

The Platform standard investment provides enterprise-wide platform capability that includes database, middleware, mainframe database, and mainframe middleware.

The Application standard investment supports enterprise wide software to support the agency's IT operations. This includes the analysis, design, development, code, test, and release services associated with application development. It involves a focus on user-centered development, testing, and standards; ensuring that applications are Section 508 compliant; and compliance with Enterprise Architecture standards. These centralized services are critical for implementation of new functionality, including public-facing applications.

IT Governance and Support Portfolio

The IT Governance and Support portfolio provides for enterprise-wide shared delivery capability, including the central personnel and account managers for products and services shared across the enterprise.

Delivery – FY 2021: \$31.1 million

The Delivery standard investment provides management and resources to support IT operations for the agency. This includes enterprise wide Product and Project Management resources to assist with agile development, and our Investment Management Tool used for project management reporting. This investment drives product strategy and operations, facilitates accessibility and user/customer experience, and develops the framework and governance standards for Product and Project Management.

IT Management – FY 2021: \$125.7 million

The IT Management standard investment captures all costs associated with IT Management and Strategic Planning (including CIO and other senior leadership FTE costs), Enterprise Architecture, Capital Planning, IT Budget/Finance, IT Vendor Management, general IT policy and reporting, and IT Governance.

Limitation on Administrative Expenses

Appendix A: IT Budget by Portfolio and Investment

Table 3.28—IT Budget by Portfolio and Investment

FY 2021 Agency IT Portfolio Summary Costs in Millions	Total Cost			Internal Labor			External Labor			IT Funds		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
IT Portfolio Total	\$1,979.82	\$2,035.01	\$1,939.98	\$568.52	\$587.17	\$589.99	\$383.33	\$302.41	\$203.22	\$1,027.98	\$1,145.42	\$1,146.77
IT Modernization	\$149.30	\$154.91	\$118.09	\$52.55	\$49.46	\$46.49	\$82.77	\$78.36	\$54.30	\$13.98	\$27.10	\$17.29
IT Modernization	\$149.30	\$154.91	\$118.09	\$52.55	\$49.46	\$46.49	\$82.77	\$78.36	\$54.30	\$13.98	\$27.10	\$17.29
Agency Programmatic Applications	\$289.51	\$227.33	\$211.37	\$160.87	\$161.58	\$161.13	\$105.88	\$41.30	\$23.25	\$22.77	\$24.45	\$26.99
Anti-Fraud	\$14.72	\$17.28	\$16.16	\$6.12	\$7.34	\$4.25	\$4.97	\$5.17	\$1.25	\$3.63	\$4.77	\$10.66
Anti-Fraud Enterprise Solution	\$6.13	\$6.96	\$0.00	\$1.37	\$3.04	\$0.00	\$3.53	\$3.92	\$0.00	\$1.23	\$0.00	\$0.00
Anti-Fraud Support Systems	\$8.59	\$10.32	\$16.16	\$4.75	\$4.30	\$4.25	\$1.44	\$1.25	\$1.25	\$2.40	\$4.77	\$10.66
Data Exchange	\$8.91	\$7.18	\$8.22	\$7.21	\$7.04	\$8.12	\$1.70	\$0.15	\$0.10	\$0.00	\$0.00	\$0.00
Data Exchange Product	\$0.73	\$0.22	\$0.50	\$0.59	\$0.22	\$0.50	\$0.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Data Exchange Support Systems	\$8.18	\$6.97	\$7.72	\$6.62	\$6.82	\$7.62	\$1.57	\$0.15	\$0.10	\$0.00	\$0.00	\$0.00
Disability Claim Processing	\$91.42	\$66.16	\$58.26	\$45.46	\$46.21	\$41.35	\$33.92	\$7.65	\$7.03	\$12.04	\$12.30	\$9.88
BBA Section 823 - Promoting Opportunity Demo	\$0.85	\$0.30	\$0.29	\$0.78	\$0.26	\$0.26	\$0.06	\$0.05	\$0.03	\$0.00	\$0.00	\$0.00
DDS Automation	\$13.58	\$12.96	\$10.28	\$2.18	\$2.20	\$1.86	\$0.92	\$1.11	\$0.79	\$10.48	\$9.66	\$7.62
Disability Case Processing System	\$37.85	\$13.62	\$7.10	\$9.36	\$9.08	\$2.64	\$28.49	\$4.53	\$4.44	\$0.00	\$0.01	\$0.01
Disability Claim Processing Applications	\$33.62	\$35.86	\$37.90	\$27.94	\$31.27	\$33.90	\$4.13	\$1.96	\$1.75	\$1.56	\$2.63	\$2.25
Disability Quality Review (DQR)	\$2.17	\$3.17	\$2.44	\$1.90	\$3.17	\$2.44	\$0.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Unprocessed Medical Cessations - Enhancements	\$3.34	\$0.25	\$0.25	\$3.29	\$0.25	\$0.25	\$0.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Earnings	\$8.21	\$8.36	\$8.76	\$7.19	\$7.52	\$8.16	\$1.02	\$0.84	\$0.60	\$0.00	\$0.00	\$0.00
Earnings Support Systems	\$8.21	\$8.36	\$8.76	\$7.19	\$7.52	\$8.16	\$1.02	\$0.84	\$0.60	\$0.00	\$0.00	\$0.00
Electronic Services	\$73.36	\$58.50	\$52.17	\$29.15	\$35.05	\$39.50	\$39.59	\$17.17	\$6.37	\$4.62	\$6.29	\$6.30
Customer Engagement Tools	\$6.26	\$5.60	\$3.30	\$3.95	\$3.30	\$3.30	\$2.30	\$2.30	\$0.00	\$0.00	\$0.00	\$0.00
Electronic Services	\$45.62	\$27.34	\$31.03	\$13.82	\$15.78	\$20.13	\$29.16	\$6.86	\$6.04	\$2.63	\$4.70	\$4.87
My SocialSecurity Services	\$9.50	\$12.73	\$8.78	\$5.54	\$8.78	\$8.78	\$3.95	\$3.95	\$0.00	\$0.00	\$0.00	\$0.00
Rep Payee Legislation	\$9.78	\$11.53	\$7.89	\$4.24	\$6.35	\$6.46	\$3.55	\$3.59	\$0.00	\$1.99	\$1.59	\$1.43
Rep Payee Support Systems	\$2.20	\$1.31	\$1.18	\$1.59	\$0.84	\$0.84	\$0.62	\$0.46	\$0.33	\$0.00	\$0.00	\$0.00
Enumeration	\$4.83	\$5.09	\$4.58	\$3.27	\$3.57	\$3.52	\$1.56	\$1.48	\$1.06	\$0.00	\$0.04	\$0.00
Enumerations Support Systems	\$4.83	\$5.09	\$4.58	\$3.27	\$3.57	\$3.52	\$1.56	\$1.48	\$1.06	\$0.00	\$0.04	\$0.00
Medical Evidence Processing	\$4.72	\$3.77	\$3.42	\$3.46	\$3.44	\$3.19	\$1.26	\$0.33	\$0.24	\$0.00	\$0.00	\$0.00
ERE for Experts	\$1.85	\$1.39	\$1.05	\$1.39	\$1.07	\$0.82	\$0.46	\$0.33	\$0.24	\$0.00	\$0.00	\$0.00
Health Information Tech (HIT)	\$2.87	\$2.37	\$2.37	\$2.07	\$2.37	\$2.37	\$0.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Notice Improvement	\$7.75	\$7.90	\$7.85	\$6.67	\$7.17	\$7.37	\$1.09	\$0.72	\$0.48	\$0.00	\$0.00	\$0.00
Notice Improvements	\$7.75	\$7.90	\$7.85	\$6.67	\$7.17	\$7.37	\$1.09	\$0.72	\$0.48	\$0.00	\$0.00	\$0.00
Payment Accuracy	\$17.95	\$11.95	\$12.68	\$11.57	\$11.55	\$12.40	\$6.39	\$0.39	\$0.28	\$0.00	\$0.00	\$0.00
FY 2021 Agency IT Portfolio Summary Costs in Millions	Total Cost			Internal Labor			External Labor			IT Funds		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Debt Management Product	\$9.53	\$4.63	\$5.22	\$3.67	\$4.63	\$5.22	\$5.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Payment Accuracy Support Systems	\$8.43	\$7.31	\$7.46	\$7.90	\$6.92	\$7.18	\$0.53	\$0.39	\$0.28	\$0.00	\$0.00	\$0.00
Reimbursable Services	\$11.68	\$8.13	\$7.59	\$2.99	\$5.94	\$6.11	\$6.22	\$1.12	\$1.34	\$2.47	\$1.06	\$0.14
Reimbursable Services	\$11.68	\$8.13	\$7.59	\$2.99	\$5.94	\$6.11	\$6.22	\$1.12	\$1.34	\$2.47	\$1.06	\$0.14
Title II Processing	\$28.49	\$21.05	\$20.27	\$23.38	\$17.22	\$17.53	\$5.11	\$3.83	\$2.75	\$0.00	\$0.00	\$0.00
PC Automation	\$0.31	\$0.00	\$0.00	\$0.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Title II Processing Applications	\$28.17	\$21.05	\$20.27	\$23.06	\$17.22	\$17.53	\$5.11	\$3.83	\$2.75	\$0.00	\$0.00	\$0.00
Title XVI Processing	\$17.48	\$11.97	\$11.40	\$14.42	\$9.52	\$9.65	\$3.06	\$2.45	\$1.75	\$0.00	\$0.00	\$0.00
Title XVI Processing Applications	\$17.48	\$11.97	\$11.40	\$14.42	\$9.52	\$9.65	\$3.06	\$2.45	\$1.75	\$0.00	\$0.00	\$0.00

Limitation on Administrative Expenses

FY 2021 Agency IT Portfolio Summary Costs in Millions	Total Cost			Internal Labor			External Labor			IT Funds		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Agency Administrative Applications	\$107.56	\$111.79	\$113.25	\$55.41	\$56.24	\$58.59	\$29.88	\$27.39	\$23.93	\$22.27	\$28.16	\$30.73
Business Intelligence-Data Analytics	\$44.87	\$48.78	\$47.32	\$25.26	\$27.05	\$28.33	\$16.56	\$15.81	\$13.50	\$3.05	\$5.92	\$5.49
Business Intelligence - Data Analytics	\$44.87	\$48.78	\$47.32	\$25.26	\$27.05	\$28.33	\$16.56	\$15.81	\$13.50	\$3.05	\$5.92	\$5.49
E-Gov	\$1.94	\$1.72	\$1.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.94	\$1.72	\$1.72
Budget Formulation and Execution LoB	\$0.06	\$0.06	\$0.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.06	\$0.06	\$0.06
Disaster Assistance Improvement Plan	\$0.06	\$0.06	\$0.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.06	\$0.06	\$0.06
E-Rulemaking	\$0.03	\$0.03	\$0.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03	\$0.03	\$0.03
Federal PKI Bridge	\$0.19	\$0.21	\$0.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.19	\$0.21	\$0.21
Financial Management LoB	\$0.07	\$0.07	\$0.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.07	\$0.07	\$0.07
Financial Management Systems	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Geospatial LoB	\$0.03	\$0.03	\$0.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03	\$0.03	\$0.03
GovBenefits.gov	\$0.42	\$0.39	\$0.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.42	\$0.39	\$0.39
Grants.gov	\$0.03	\$0.02	\$0.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03	\$0.02	\$0.02
Human Resources LoB	\$0.14	\$0.14	\$0.14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.14	\$0.14	\$0.14
Integrated Award Evt	\$0.94	\$0.72	\$0.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.94	\$0.72	\$0.72
Financial Systems	\$34.63	\$35.94	\$35.89	\$13.98	\$14.76	\$15.36	\$8.23	\$7.71	\$7.43	\$12.42	\$13.48	\$13.10
Financial Management Systems	\$34.63	\$35.94	\$35.89	\$13.98	\$14.76	\$15.36	\$8.23	\$7.71	\$7.43	\$12.42	\$13.48	\$13.10
Human Resources	\$19.84	\$18.74	\$18.94	\$11.58	\$11.84	\$12.33	\$3.40	\$1.96	\$1.86	\$4.86	\$4.94	\$4.75
Human Resources Services Portal	\$0.76	\$0.03	\$0.03	\$0.76	\$0.03	\$0.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Human Resources Support Systems	\$19.08	\$18.71	\$18.91	\$10.82	\$11.80	\$12.30	\$3.40	\$1.96	\$1.86	\$4.86	\$4.94	\$4.75
Legal-Public Disclosure Processing	\$2.86	\$0.57	\$0.51	\$2.86	\$0.52	\$0.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.05	\$0.05
LAWS - Critical Needs	\$2.86	\$0.57	\$0.51	\$2.86	\$0.52	\$0.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.05	\$0.05
Records Management	\$3.42	\$6.04	\$8.87	\$1.73	\$2.08	\$2.11	\$1.69	\$1.90	\$1.13	\$0.00	\$2.06	\$5.63
Electronic Records Management Product	\$3.42	\$6.04	\$8.87	\$1.73	\$2.08	\$2.11	\$1.69	\$1.90	\$1.13	\$0.00	\$2.06	\$5.63

FY 2021 Agency IT Portfolio Summary Costs in Millions	Total Cost			Internal Labor			External Labor			IT Funds		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Infrastructure	\$1,125.16	\$1,221.98	\$1,203.41	\$156.25	\$165.03	\$166.42	\$95.95	\$93.64	\$54.43	\$872.96	\$963.31	\$982.55
Application (S)	\$91.43	\$92.58	\$69.42	\$37.66	\$35.02	\$34.61	\$44.64	\$42.83	\$25.17	\$9.14	\$14.73	\$9.64
Data Center and Cloud (S)	\$426.34	\$440.15	\$496.57	\$37.98	\$44.19	\$44.96	\$23.58	\$23.35	\$13.71	\$364.77	\$372.62	\$437.91
End User (S)	\$156.16	\$235.02	\$238.93	\$57.47	\$57.70	\$58.48	\$10.09	\$9.98	\$5.86	\$88.61	\$167.33	\$174.58
Network (S)	\$445.98	\$451.17	\$395.70	\$19.97	\$26.88	\$27.12	\$16.68	\$16.51	\$9.69	\$409.33	\$407.78	\$358.89
Platform (S)	\$5.25	\$3.07	\$2.78	\$3.16	\$1.25	\$1.25	\$0.97	\$0.97	\$0.00	\$1.11	\$0.85	\$1.53
IT Governance and Support	\$162.70	\$173.79	\$156.78	\$107.12	\$116.75	\$118.12	\$39.32	\$34.33	\$20.35	\$16.26	\$22.70	\$18.31
Delivery (S)	\$36.22	\$36.05	\$31.12	\$6.85	\$6.48	\$6.06	\$23.78	\$20.66	\$12.21	\$5.59	\$8.91	\$12.85
IT Management (S)	\$126.48	\$137.74	\$125.65	\$100.26	\$110.27	\$112.06	\$15.54	\$13.67	\$8.14	\$10.67	\$13.79	\$5.45
Cybersecurity	\$145.58	\$145.21	\$137.10	\$36.32	\$38.11	\$39.24	\$29.53	\$27.40	\$26.96	\$79.73	\$79.70	\$70.90
Digital Identity (M)	\$4.27	\$7.30	\$5.70	\$0.23	\$3.05	\$2.14	\$4.04	\$1.50	\$1.06	\$0.00	\$2.75	\$2.50
IT Security & Compliance (S)	\$141.31	\$137.91	\$131.40	\$36.10	\$35.06	\$37.10	\$25.48	\$25.90	\$25.90	\$79.73	\$76.95	\$68.40

Appendix B: Required Tables and Statements

IT Resource Statement

In accordance with the Federal Information Technology Acquisition Reform Act (FITARA) of 2014, OMB Circular A-11, Sec. 51.3 and OMB FY 2021 IT Budget – Capital Planning Guidance, SSA is providing the following affirmations:

- a) SSA's CIO affirms he has collaborated with the SSA Senior Agency Official for Privacy (SAOP) and the SSA Chief Financial Officer (CFO) on the IT Budget submissions, and that it includes appropriate estimates of all IT resources included in the budget request.
- b) SSA's CIO affirms that he has reviewed and provided significant input in approving all IT Investments included in this budget request.
- c) SSA's CFO and CIO affirm that the CIO had a significant role in reviewing planned IT support for all major programs and significant increases and decreases in IT resources reflected in this IT budget request.
- d) SSA's CIO affirms that the agency has developed and implemented its plan to ensure that common baseline Element D ("D1. CIO reviews and approves Major IT Investment portion of the budget request") FITARA responsibilities are in place. The CIO common baseline rating is Fully Implemented for Element D.
- e) SSA's CIO certifies that IT investments are adequately implementing incremental development. SSA has implemented incremental development for 36 percent of our development IT investments.
- f) SSA's SAOP has reviewed the IT Budget submission and certifies that privacy requirements and associated costs are explicitly identified and included with respect to any IT resource that will be used to create, collect, use, process, store, maintain, disseminate, disclose, or dispose of personally identifiable information.

Limitation on Administrative Expenses

Table 3.29—LAE Expired Balances & No-Year IT Account
(Dollars in thousands)

<u>LAE Expired Accounts</u>	<u>Amounts</u>
LAE unobligated balance from FY 2015-2018	\$219,700
LAE unobligated balance available from FY 2019	\$163,800
Total LAE unobligated balance from FY 2015-2019	\$383,500 ¹
Amounts projected for prior year adjustments	-\$348,300 ²
Total LAE unobligated balance available for transfer from FY 2015-2019	\$35,200
No-Year ITS Account	
Carryover from funds transferred in FY 2018 for FY 2019	\$36,500
Carryover from FY 2018 (Unobligated Balances)	\$4,182
Total carryover from FY 2018 to FY 2019	\$40,682
Funds transferred in FY 2019 for FY 2019	\$193,300
Total FY 2019 no-year ITS funding available	\$233,982
FY 2019 Obligations	-\$24,139
Recoveries in FY 2019	\$960
Total carryover into FY 2020	\$210,803
Funds available for transfer in FY 2020 for FY 2020	\$35,200
Total FY 2020 no-year ITS funding available	\$246,003

¹ Reflects adjustments to the unobligated balances for these years. Balances as of September 30, 2019.

² SSA must maintain some funds in the expired LAE accounts (FY 2015-2019), otherwise, we could face an anti-deficiency violation. However, we routinely evaluate our unobligated balances in each expired year to determine amounts available for transfer to no-year ITS account. SSA IT Budget planning assumes that balances will be available for IT spending, with \$150 million assumed in the FY 2021 budget.

Table 3.30—Information Technology Costs

Dollars In Millions	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
Maintenance & Lease	\$337	\$385	\$401
Contractor Support	\$559	\$599	\$491
Inter-Agency Agreement	\$7	\$7	\$7
Software	\$37	\$49	\$47
Hardware	\$139	\$208	\$242
Telecommunications	\$318	\$182	\$133
IT Service/Subscription	\$14	\$18	\$30
Total	\$1,411	\$1,448	\$1,350

Note: Totals may not add due to rounding

Table 3.31—Work Year Count by Portfolio

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
IT Modernization	342	310	275
Agency Programmatic Applications	1,060	1,024	967
Agency Administrative Applications	374	365	360
Infrastructure	1,018	1,034	986
IT Governance and Support	698	732	700
Cybersecurity (IT Security & Compliance)	237	239	232
Total	3,729	3,704	3,520

Note: Totals may not add due to rounding.

Direct Hire Authority

We used Direct Hire Authority in FY 2019 to fill Cybersecurity positions. In accordance with the Federal Cybersecurity Workforce Assessment Act (FCWAA), we identified work roles of critical need based on positions assigned OPM Cybersecurity Codes and determined root causes of shortages. On April 29, 2019, we provided Office of Personnel Management (OPM) with the results of this assessment in our Cybersecurity Work Roles of Critical Need relative to cybersecurity responsibilities. We are considering using direct hire authority and other authorities to fill our target of 20 percent of the critical need gaps in FY 2020 and 20 percent in FY 2021.

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Technology Business Management

To select and effectively manage investments, we developed a comprehensive investment decision making and oversight process. We evaluate the IT investment management process regularly to strengthen and improve our capability in business planning, business case formulation - including better cost and return on investment data, designing and planning IT investments, out year estimation, and more transparent reporting and oversight. Over the past few years, we began integrating our investment budgeting process to adopt Technology Business Model (TBM) in a multi-phased approach. We are leveraging TBM to standardize our categorization on IT costs, technologies, resources, applications, and services to facilitate data-driven decision-making. By adopting TBM, we gain insight into the cost make-up of IT investments that helps us strategically allocate resources and modernize our IT portfolios. In FY 2020, we have aligned all investments to IT towers and cost pools metrics in preparation for full TBM implementation. In addition, in FY 2020, we are emphasizing the requirement for investments to articulate clearly the business value they are designed to deliver, and we are requiring each investment provide a system of measures that will enable agency leadership to observe the delivery of business value as our investments are deployed. This requirement extends to infrastructure investments where the value is cost savings or foundational capability necessary to enable business-oriented investments.

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Appendix C: IT Modernization

Table 3.32—Total IT Modernization Plan by Obligation Year

Dollars in millions	FY17	FY18	FY19	FY20	FY21	FY22	Total
Business Domains (Applications)	\$33	\$101	\$111	\$103	\$86	\$50	\$483
Communication	\$2	\$9	\$10	\$6	\$9	\$6	\$42
Title II	\$3	\$19	\$27	\$22	\$21	\$11	\$103
Disability	\$16	\$43	\$47	\$42	\$25	\$13	\$186
Title XVI	\$6	\$7	\$1	\$5	\$2	\$4	\$25
Earnings	\$3	\$14	\$15	\$17	\$17	\$10	\$76
Enumeration	\$3	\$9	\$11	\$11	\$12	\$6	\$52
Data, PMO, Infrastructure	\$13	\$39	\$39	\$54	\$33	\$32	\$208
Data	\$6	\$9	\$13	\$7	\$7	\$2	\$44
PMO / Senior Tech	\$0	\$1	\$1	\$2	\$2	\$2	\$8
Infrastructure	\$7	\$29	\$25	\$45	\$24	\$28	\$158
Total	\$46	\$141	\$149	\$155	\$118	\$82	\$691

Note: Totals may not add due to rounding.

Table 3.33—Dedicated IT Modernization Plan

Dollars in millions	FY17	FY18	FY19	FY20	FY21	FY22	Total
Business Domains (Applications)	\$0	\$59	\$160	\$113	\$71	\$37	\$440
Benefits	\$0	\$15	\$32	\$27	\$23	\$12	\$109
<i>Title II</i>	<i>\$0</i>	<i>\$15</i>	<i>\$31</i>	<i>\$22</i>	<i>\$21</i>	<i>\$11</i>	<i>\$100</i>
<i>Title XVI</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1</i>	<i>\$5</i>	<i>\$2</i>	<i>\$1</i>	<i>\$9</i>
Disability	\$0	\$15	\$45	\$42	\$25	\$13	\$140
Infrastructure	\$0	\$14	\$17	\$0	\$0	\$0	\$31
Communications	\$0	\$0	\$6	\$3	\$0	\$0	\$9
Earnings	\$0	\$0	\$17	\$8	\$0	\$0	\$25
Enumeration	\$0	\$0	\$11	\$6	\$0	\$0	\$17
Data, PMO, Infrastructure	\$0	\$0	\$11	\$28	\$0	\$0	\$39
Data	\$0	\$0	\$9	\$5	\$0	\$0	\$14
PMO	\$0	\$0	\$2	\$0	\$0	\$0	\$2
Infrastructure	\$0	\$0	\$0	\$23	\$0	\$0	\$23
Total	\$0	\$44	\$139	\$114	\$48	\$25	\$370

Note: Totals may not add due to rounding.

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Appendix D: Expanding CDM Program Capabilities and additional Cybersecurity Requirements

CDM is a collaborative program with the DHS that automates critical aspects of Federal agency cybersecurity programs to provide continuous monitoring functions to agencies.

We continue to improve our implementation of the Hardware Asset Management (HWAM) capability, which provides automated capabilities to detect IT assets as they are introduced to the network. Our Vulnerability Management capabilities and HWAM tools are leveraged with our agency-wide IT Asset Management tools and Risk Management program as a precursor to implementing network segmentation and a Network Access Control solution.

We will improve our Software Asset Management capabilities by implementing new technical solutions via CDM to inventory all installed software on systems. This is a fundamental step necessary to implement application whitelisting. Application whitelisting will prevent the installation and execution of unauthorized software and malicious software (malware) on our network. Unauthorized software applications expose 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.

Cybersecurity Reskilling

In FY 2019, we identified agency Position Descriptions that perform one or more Work Roles within the National Initiative for Cybersecurity Education (NICE) Cybersecurity Workforce Framework (NICE Framework). The NICE Framework is a government-wide standard that defines and describes cybersecurity functions and responsibilities performed by 52 IT, cybersecurity, and cyber-related Work Roles. Participants in an interagency reskilling program would receive developmental opportunities that map to one or more of the NICE Framework work roles.

High Value Asset (HVA) Protection

We have aligned our cybersecurity investments based on reducing our risk posture. For example, we have begun implementing network segmentation to further protect the majority of SSA's High Value Assets (HVA) at the network level. In addition, we have utilized threat intelligence services to aid in increased monitoring of sensitive agency data assets.

Security Operations Center (SOC)

Evolving threats continue to grow in number, complexity, and sophistication requiring the SOC to implement a strategy that automates as many of the day-to-day operational tasks as possible.

We submitted our SOC Maturation Plan to DHS in May of 2019. This plan demonstrated that the SSA Security Operations Center (SOC) has already consolidated cybersecurity operations

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functions into a unified enterprise SOC. The SOC also utilizes managed service providers for threat intelligence and Distributed Denial of Service protections.

Supply Chain Risk Management

We have an established Supply Chain Risk Management program and continually assesses its effectiveness. In 2019, we acquired several supply chain analysis tools and procured third party contractor services to assist with research and data gathering. We are awaiting further guidance because of the SECURE Technology Act to further enhance the program.

SSA Measurable Reductions of Risk

We have developed, and maintain, a cybersecurity strategic plan to assist in prioritizing spending requests. This plan is informed by our Federal Information Security Management Act of 2002 (FISMA) audit results, our internal self-assessment, and is in alignment with the NIST Cybersecurity Framework. This common framework is used across federal agencies, including OMB in spending categorization, DHS in risk assessments, and agency Inspector General's for FISMA compliance.

Protecting Privacy

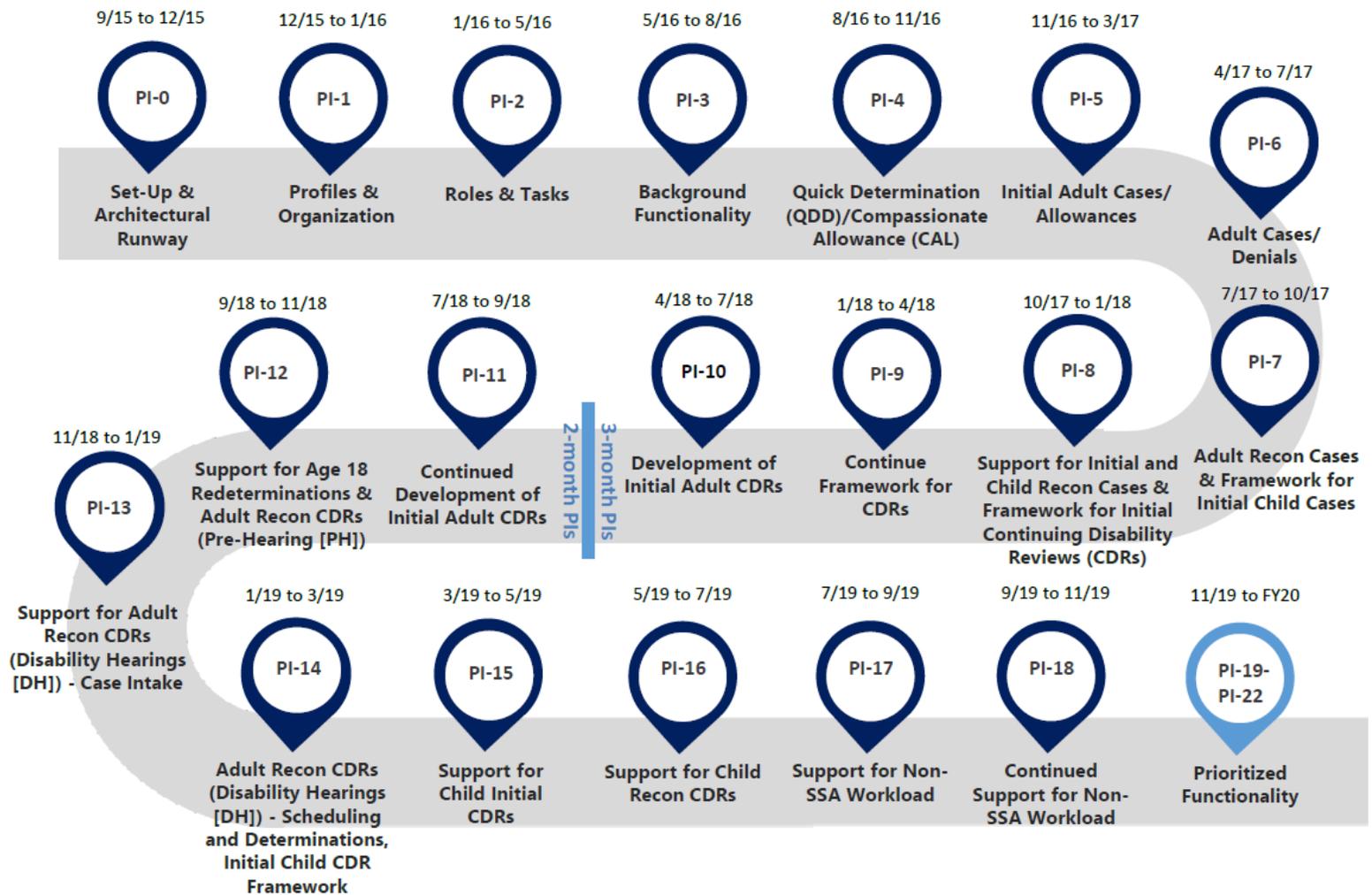
Our IT budget submission is a reflection of and by-product of privacy requirements identified and implemented through various SSA, IT governance processes, primarily the IT Investment Process (ITIP), and Systems Development Lifecycle (SDLC). Our Senior Agency Official for Privacy (SAOP) is an active member of the ITIP Investment Review Board (IRB), which governs the IT Investment Management Process, focusing primarily on up-front investment planning, which allows for privacy risks, mitigating controls, and requirements to be considered early in the IT investment lifecycle. We have also integrated necessary privacy requirements into the release-planning phase of our SDLC. This requirement ensures that all new or modified systems or other IT resources, regardless of whether they support the creation, collecting, use, processing, storing, maintenance, dissemination, disclosure, or disposal of personally identifiable information undergo necessary privacy compliance assessments to ensure relevant requirements and where applicable, associated costs are identified and implemented.

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Appendix E: DCPS

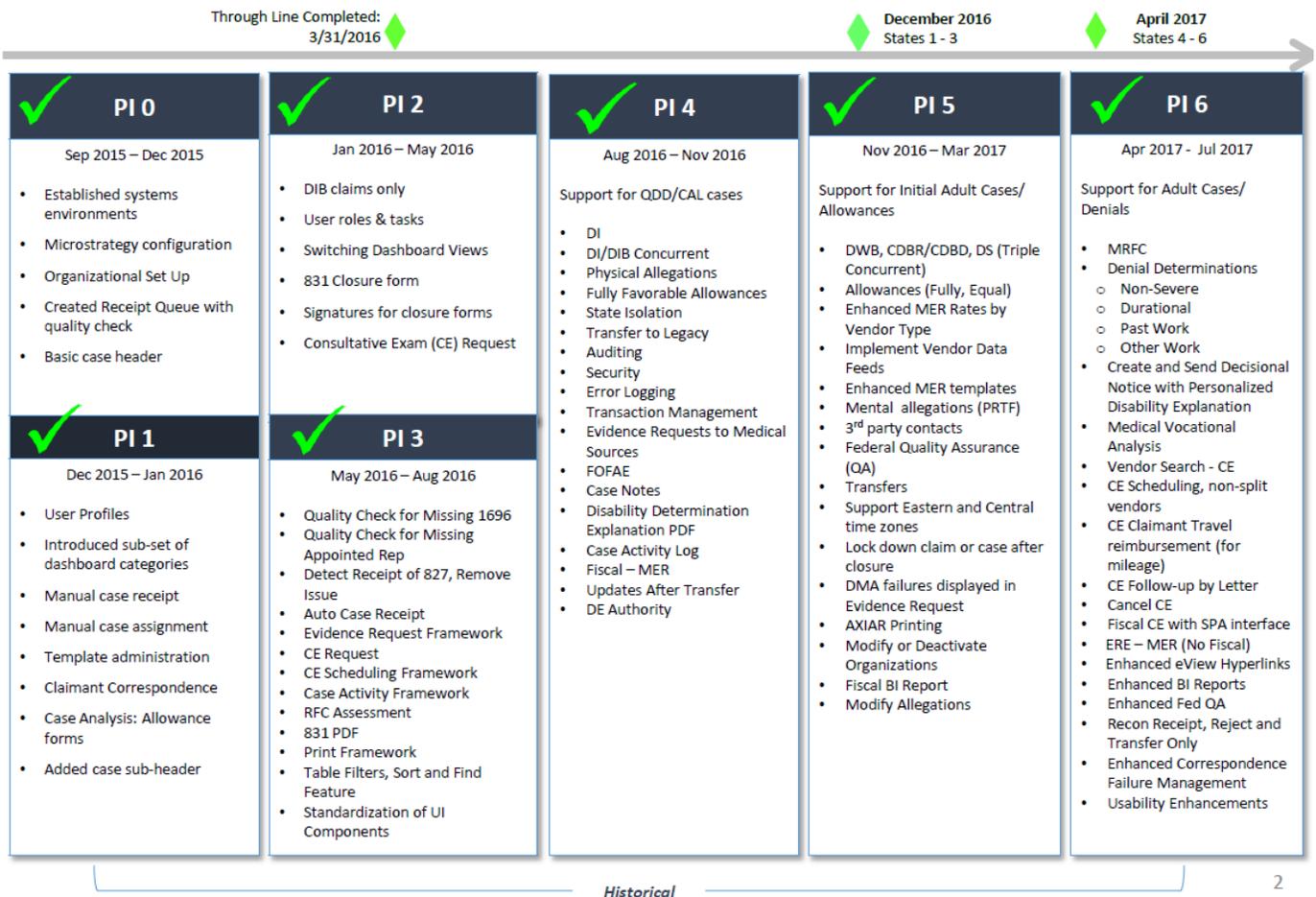
DCPS Product Road Map

Updated: 01/24/2020



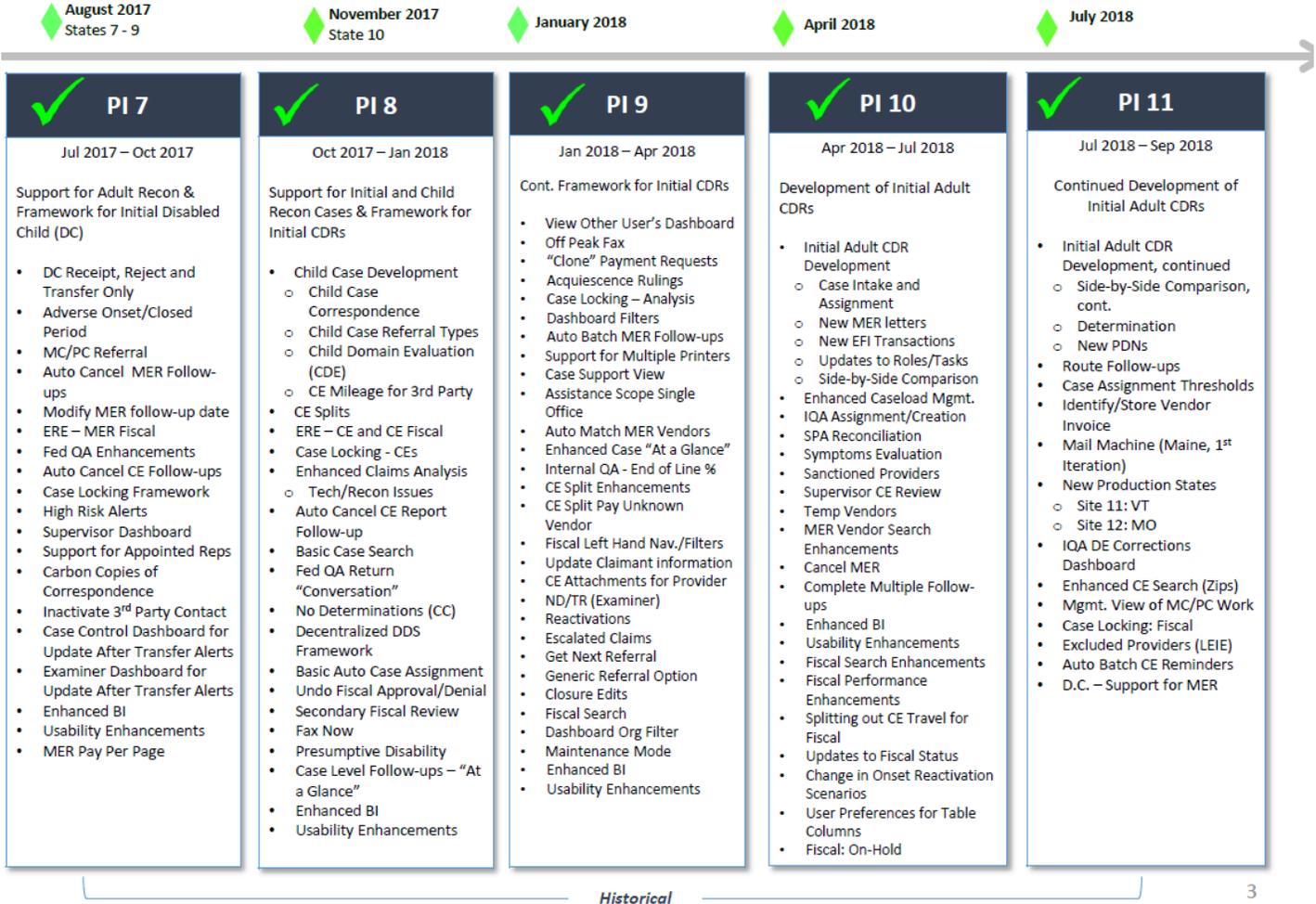
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DCPS Product Road Map



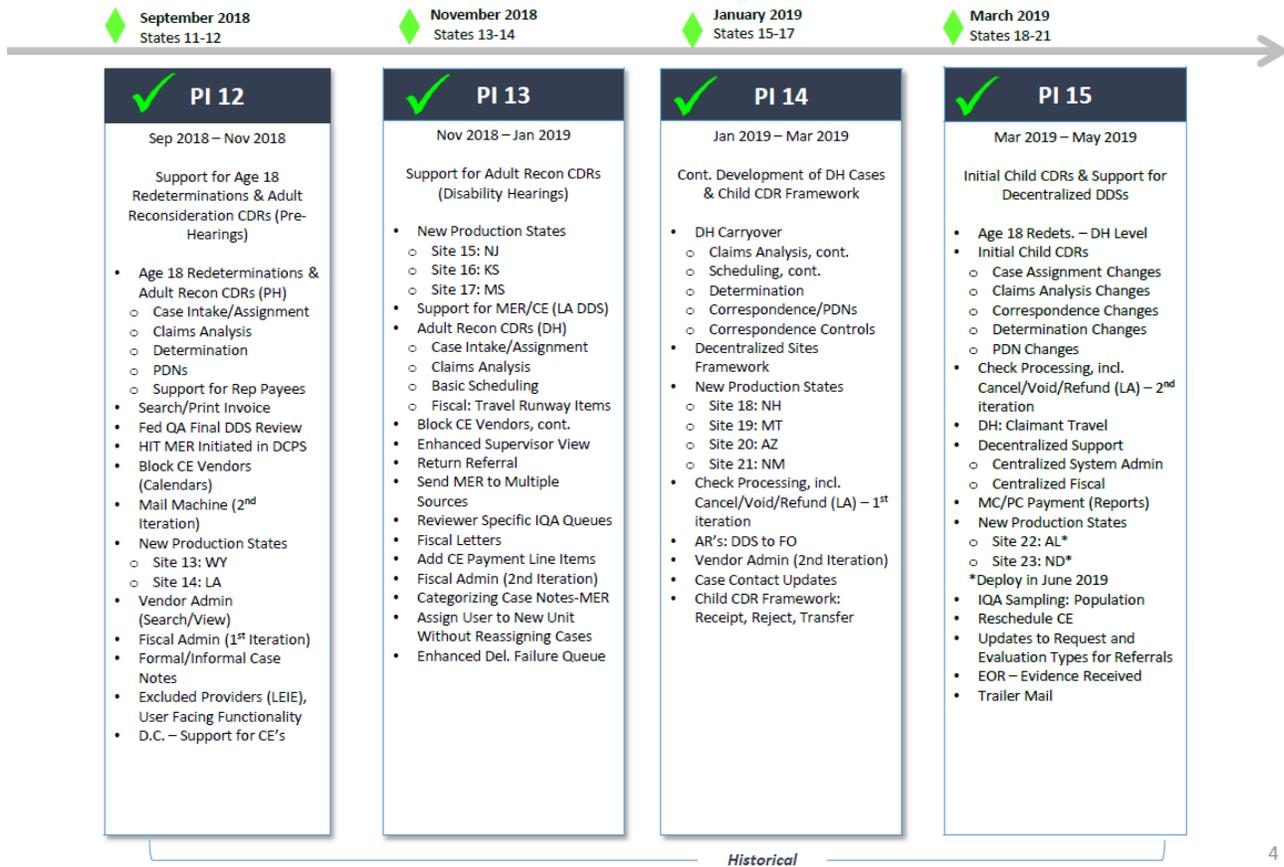
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DCPS Product Road Map



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DCPS Product Road Map



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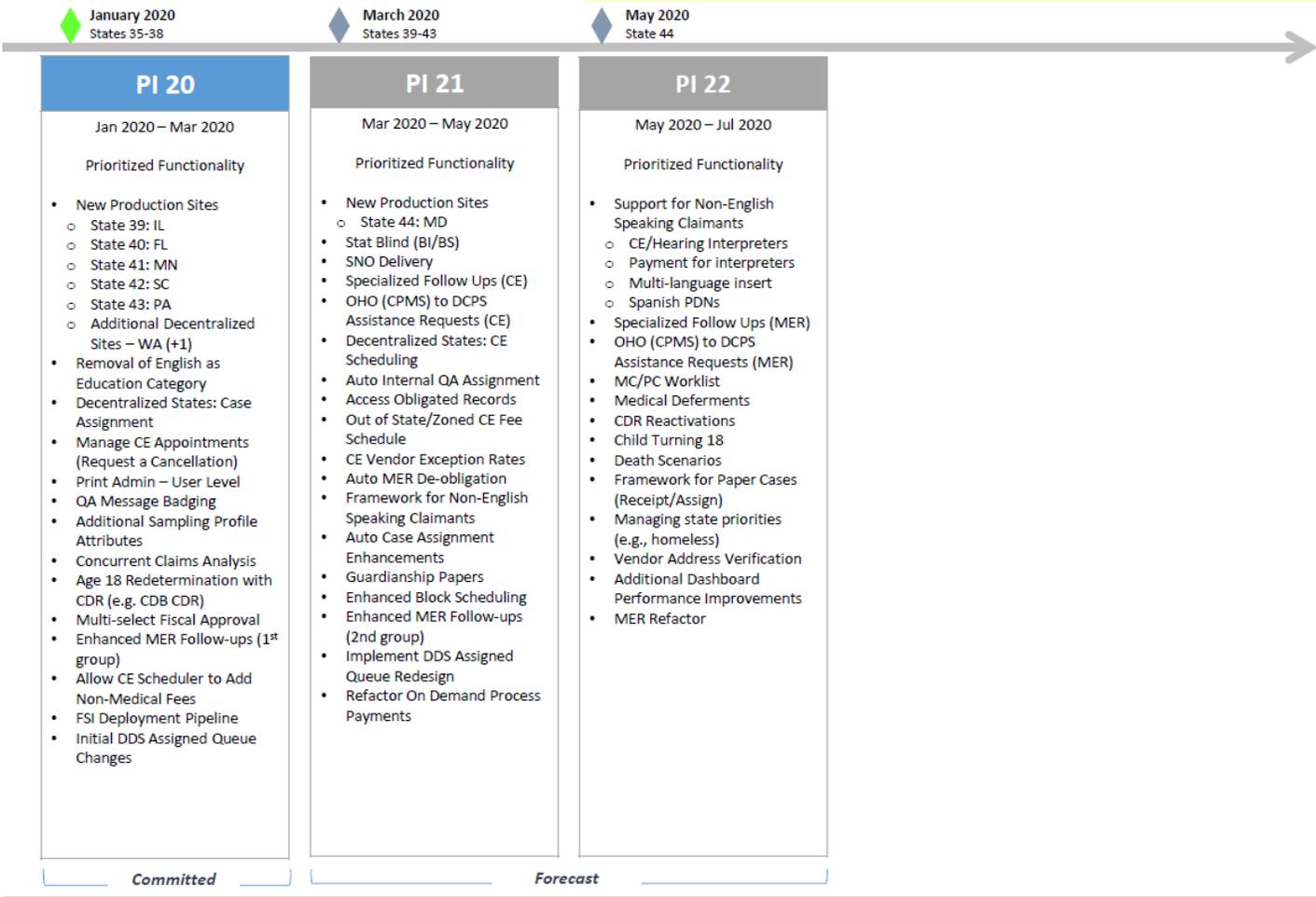
DCPS Product Road Map



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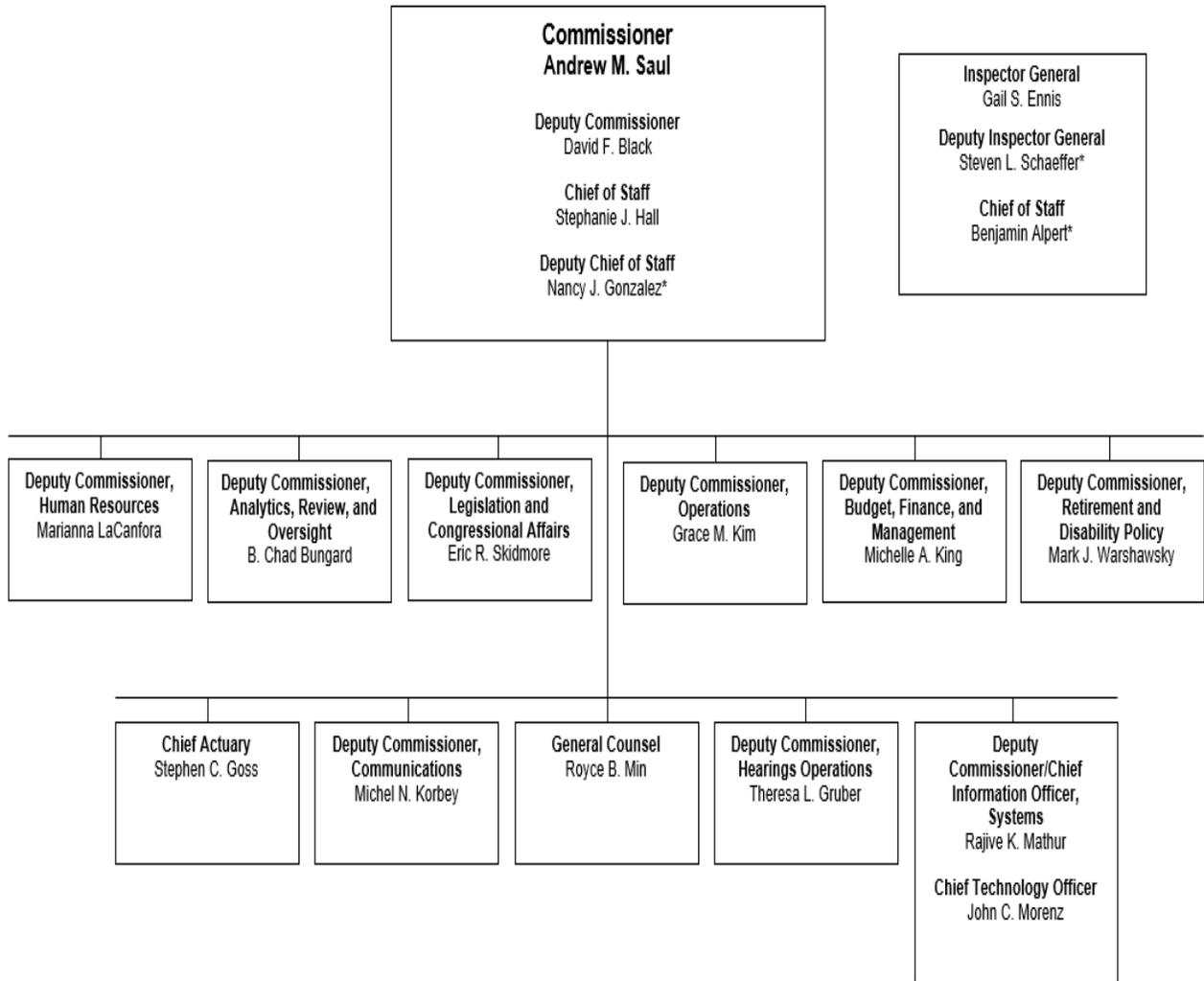
DCPS Product Road Map

PLEASE NOTE: The Road Map entries for PI 21 - PI 22 represent our plans based on the information currently available to us. It is subject to change, due to many factors including: our current velocity, our ability to estimate more accurately, and changing business priorities.



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SSA ORGANIZATIONAL CHART



For the full agency organization chart, please visit www.ssa.gov/org/ssachart.pdf.

*Acting

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EMPLOYMENT

The following tables satisfy the request for information on LAE Expenditures pursuant to House Report 116-62 accompanying the Further Consolidated Appropriations Act, 2020.

Table 3.34—FY 2019 Personnel Costs by Grade¹

General Schedule (GS) Grades	FTEs, OT, and LSL Workyears²	Salaries	Benefits	Total
GS - 1	6	\$154,900	\$14,100	\$169,000
GS - 2	5	\$145,300	\$30,300	\$175,600
GS - 3	23	\$759,700	\$171,600	\$931,300
GS - 4	184	\$6,830,000	\$2,216,900	\$9,046,900
GS - 5	2,305	\$91,541,100	\$31,140,800	\$122,681,900
GS - 6	1,945	\$86,345,700	\$29,811,800	\$116,157,500
GS - 7	3,010	\$149,301,400	\$50,201,200	\$199,502,600
GS - 8	8,368	\$484,262,700	\$172,288,700	\$656,551,400
GS - 9	5,766	\$372,445,000	\$123,351,100	\$495,796,100
GS - 10	441	\$32,649,900	\$10,024,800	\$42,674,700
GS - 11	16,422	\$1,274,906,900	\$430,538,000	\$1,705,444,900
GS - 12	13,270	\$1,240,641,600	\$399,147,500	\$1,639,789,100
GS - 13	7,189	\$816,335,500	\$260,880,400	\$1,077,215,900
GS - 14	2,936	\$392,774,700	\$122,065,600	\$514,840,300
GS - 15	737	\$117,944,900	\$34,763,000	\$152,707,900
Subtotal GS Grades³	62,607	\$5,067,039,300	\$1,666,645,800	\$6,733,685,100
Administrative Law Judge (ALJ)	1,547	\$263,154,100	\$76,825,400	\$339,979,500
Senior Executive Service (SES)	141	\$27,084,200	\$6,893,400	\$33,977,600
All Other Pay Plans	281	\$25,733,400	\$7,964,600	\$33,698,000
Grand Total	64,576	\$5,383,011,000	\$1,758,329,200	\$7,141,340,200

¹ Data includes OIG, Delegations, and Advisory Board.

² Workyears include Full-Time Equivalents (FTEs), Overtime (OT), and Lump Sum Leave (LSL).

³ Includes \$14,538,195 for Reemployed Annuitant (RA) Personnel Costs.

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Table 3.35—FY 2020 Estimated Personnel Costs by Grade^{1, 2}

General Schedule (GS) Grades	FTEs, OT, and LSL Workyears ³	Salaries	Benefits	Total
GS - 1	6	\$158,000	\$16,000	\$174,000
GS - 2	5	\$149,000	\$35,000	\$183,000
GS - 3	23	\$777,000	\$196,000	\$973,000
GS - 4	180	\$6,976,000	\$2,537,000	\$9,513,000
GS - 5	2,251	\$93,433,000	\$35,636,000	\$129,069,000
GS - 6	1,899	\$88,217,000	\$34,114,000	\$122,331,000
GS - 7	2,940	\$152,555,000	\$57,444,000	\$209,999,000
GS - 8	8,172	\$495,371,000	\$197,167,000	\$692,537,000
GS - 9	5,631	\$380,936,000	\$141,171,000	\$522,107,000
GS - 10	431	\$33,399,000	\$11,473,000	\$44,872,000
GS - 11	16,035	\$1,304,143,000	\$492,728,000	\$1,796,872,000
GS - 12	12,959	\$1,269,090,000	\$456,790,000	\$1,725,881,000
GS - 13	7,021	\$835,006,000	\$298,566,000	\$1,133,572,000
GS - 14	2,867	\$401,781,000	\$139,700,000	\$541,482,000
GS - 15	720	\$120,651,000	\$39,771,000	\$160,422,000
Subtotal GS Grades⁴	61,139	\$5,182,643,000	\$1,907,345,000	\$7,089,988,000
Administrative Law Judge (ALJ)	1,430	\$254,848,000	\$82,389,000	\$337,238,000
Senior Executive Service (SES)	141	\$27,706,000	\$7,882,000	\$35,587,000
All Other Pay Grades	275	\$26,321,000	\$9,115,000	\$35,437,000
Grand Total	62,985	\$5,491,518,000	\$2,006,731,000	\$7,498,250,000

Table 3.36—FY 2021 Estimated Personnel Costs by Grade^{5, 6}

General Schedule (GS) Grades	FTEs, OT, and LSL Workyears ⁷	Salaries	Benefits	Total
GS - 1	6	\$160,000	\$17,000	\$177,000
GS - 2	5	\$150,000	\$37,000	\$187,000

¹ Totals may not add due to rounding.

² Data includes OIG, Delegations, and Advisory Board.

³ Workyears include Full-Time Equivalents (FTEs), Overtime (OT), and Lump Sum Leave (LSL).

⁴ Includes \$14M for Reemployed Annuitant (RA) Personnel Costs.

⁵ Totals may not add due to rounding.

⁶ Data includes OIG, Delegations, and Advisory Board.

⁷ Workyears include Full-Time Equivalents (FTEs), Overtime (OT), and Lump Sum Leave (LSL).

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General Schedule (GS) Grades	FTEs, OT, and LSL Workyears⁷	Salaries	Benefits	Total
GS - 3	23	\$785,000	\$210,000	\$996,000
GS - 4	178	\$7,051,000	\$2,719,000	\$9,770,000
GS - 5	2,228	\$94,436,000	\$38,194,000	\$132,631,000
GS - 6	1,880	\$89,165,000	\$36,563,000	\$125,728,000
GS - 7	2,910	\$154,193,000	\$61,568,000	\$215,762,000
GS - 8	8,090	\$500,691,000	\$211,321,000	\$712,012,000
GS - 9	5,574	\$385,028,000	\$151,305,000	\$536,333,000
GS - 10	426	\$33,758,000	\$12,297,000	\$46,054,000
GS - 11	15,874	\$1,318,150,000	\$528,102,000	\$1,846,252,000
GS - 12	12,829	\$1,282,721,000	\$489,584,000	\$1,772,305,000
GS - 13	6,951	\$843,974,000	\$320,001,000	\$1,163,975,000
GS - 14	2,839	\$406,097,000	\$149,729,000	\$555,826,000
GS - 15	712	\$121,947,000	\$42,626,000	\$164,573,000
Subtotal GS Grades¹	60,525	5,238,307,000	2,044,275,000	\$7,282,582,000
Administrative Law Judge (ALJ)	1,320	238,230,000	82,971,000	\$321,201,000
Senior Executive Service (SES)	141	28,003,000	8,448,000	\$36,451,000
All Other Pay Grades	271	\$26,604,000	\$9,770,000	\$36,374,000
Grand Total	62,258	\$5,531,144,000	\$2,145,463,000	\$7,676,607,000

Table 3.37—FY 2019 Personnel Costs by Region²

Regions	FTEs, OT, and LSL Workyears³	Salaries	Benefits	Total
Boston	1,954	\$174,025,600	\$57,265,800	\$231,291,400
New York	5,123	\$439,491,500	\$134,650,400	\$574,141,900
Philadelphia	7,089	\$518,580,700	\$170,708,200	\$689,288,900
Atlanta	9,114	\$669,976,200	\$231,342,400	\$901,318,600
Chicago	7,729	\$629,622,300	\$207,219,800	\$836,842,100
Dallas	4,943	\$375,772,800	\$132,046,800	\$507,819,600
Kansas City	2,922	\$215,956,400	\$73,239,900	\$289,196,300
Denver	1,201	\$101,878,600	\$34,576,000	\$136,454,600

¹ Includes \$14M for Reemployed Annuitant (RA) Personnel Costs.

² Data includes OIG, Delegations, and Advisory Board.

³ Workyears include Full-Time Equivalents (FTEs), Overtime (OT), and Lump Sum Leave (LSL).

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Regions	FTEs, OT, and LSL Workyears ³	Salaries	Benefits	Total
San Francisco	7,497	\$625,561,100	\$202,065,900	\$827,627,000
Seattle	2,071	\$165,160,500	\$55,338,900	\$220,499,400
Headquarters ¹	14,933	\$1,466,340,000	\$459,802,600	\$1,926,142,600
Total	64,576	\$5,382,365,700	\$1,758,256,700	\$7,140,622,400

Table 3.38—FY 2020 Estimated Personnel Costs by Region^{2,3}

Regions	FTEs, OT, and LSL Workyears ⁴	Salaries	Benefits	Total
Boston	1,906	\$177,555,000	\$65,359,000	\$242,913,000
New York	4,997	\$448,404,000	\$153,679,000	\$602,083,000
Philadelphia	6,914	\$529,097,000	\$194,832,000	\$723,930,000
Atlanta	8,890	\$683,563,000	\$264,035,000	\$947,599,000
Chicago	7,539	\$642,391,000	\$236,504,000	\$878,895,000
Dallas	4,821	\$383,393,000	\$150,707,000	\$534,101,000
Kansas City	2,850	\$220,336,000	\$83,590,000	\$303,926,000
Denver	1,171	\$103,945,000	\$39,462,000	\$143,407,000
San Francisco	7,312	\$638,247,000	\$230,622,000	\$868,869,000
Seattle	2,020	\$168,510,000	\$63,159,000	\$231,669,000
Headquarters ⁵	14,565	\$1,496,077,000	\$524,781,000	\$2,020,858,000
Total	62,985	\$5,491,518,000	\$2,006,731,000	\$7,498,250,000

Table 3.39—FY 2021 Estimated Personnel Costs by Region^{6,7}

Regions	FTEs, OT, and LSL Work years ⁸	Salaries	Benefits	Total
Boston	1,884	\$178,836,000	\$69,877,000	\$248,713,000

¹ The Headquarters category includes frontline workload staff located at the Wabash and Security West buildings in Baltimore. This includes some staff from the Office of Central Operations and the Office of Analytics, Review of Oversight.

² Totals may not add due to rounding.

³ Data includes OIG, Delegations, and Advisory Board.

⁴ Workyears include Full-Time Equivalents (FTEs), Overtime (OT), and Lump Sum Leave (LSL).

⁵ The Headquarters category includes frontline workload staff located at the Wabash and Security West buildings in Baltimore. This includes some staff from the Office of Central Operations and the Office of Analytics, Review of Oversight.

⁶ Totals may not add due to rounding.

⁷ Data includes OIG, Delegations, and Advisory Board.

⁸ Workyears include Full-Time Equivalents (FTEs), Overtime (OT), and Lump Sum Leave (LSL).

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Regions	FTEs, OT, and LSL Work years ⁸	Salaries	Benefits	Total
New York	4,939	\$451,640,000	\$164,303,000	\$615,943,000
Philadelphia	6,834	\$532,915,000	\$208,302,000	\$741,217,000
Atlanta	8,787	\$688,496,000	\$282,289,000	\$970,785,000
Chicago	7,452	\$647,026,000	\$252,854,000	\$899,880,000
Dallas	4,766	\$386,160,000	\$161,126,000	\$547,286,000
Kansas City	2,817	\$221,926,000	\$89,369,000	\$311,295,000
Denver	1,158	\$104,695,000	\$42,190,000	\$146,885,000
San Francisco	7,228	\$642,853,000	\$246,565,000	\$889,418,000
Seattle	1,997	\$169,726,000	\$67,526,000	\$237,252,000
Headquarters¹	14,397	\$1,506,872,000	\$561,061,000	\$2,067,934,000
Total	62,258	\$553,114,000	\$2,145,463,000	\$7,676,607,000

¹ The Headquarters category includes frontline workload staff located at the Wabash and Security West buildings in Baltimore. This includes some staff from the Office of Central Operations and the Office of Analytics, Review of Oversight.

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PHYSICIANS' COMPARABILITY ALLOWANCE (PCA) WORKSHEET

1) Department and component:

Social Security Administration

2) Explain the recruitment and retention problem(s) justifying the need for the PCA pay authority.

(Please include any staffing data to support your explanation, such as number and duration of unfilled positions and number of accessions and separations per fiscal year.)

SSA has had no medical officer (MO) accessions in FY 2020.

We continue 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 GS 15/step 10.

As we compete for MO services with other government agencies, PCAs continue to be important to our MOs and are a key factor in our ability to retain our current MO and recruit new ones. If we do not retain the PCA, we could lose our MO to other agencies where PCAs are offered.

3-4) Please complete the table below with details of the PCA agreement for the following years:

	PY 2019 (Actual)	CY 2020 (Estimates)	BY* 2021 (Estimates)
3a) Number of Physicians Receiving PCAs	1	1	1
3b) Number of Physicians with One-Year PCA Agreements	0	0	0
3c) Number of Physicians with Multi-Year PCA Agreements	1	1	1
4a) Average Annual PCA Physician Pay (without PCA payment)	164,200	164,200	164,200
4b) Average Annual PCA Payment	30,000	30,000	30,000

*BY data will be approved during the BY Budget cycle. Please ensure each column is completed.

5) Explain the degree to which recruitment and retention problems were alleviated in your agency through the use of PCAs in the prior fiscal year.

(Please include any staffing data to support your explanation, such as number and duration of unfilled positions and number of accessions and separations per fiscal year.)

SSA lost a medical officer to retirement in FY 2019, but anticipates continuing to offer PCA.

6) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

MAXIMUM PHYSICIANS' COMPARABILITY ALLOWANCES

Table 3.40—Maximum Physicians' 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 Physicians' 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.

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MAJOR BUILDING RENOVATIONS AND REPAIR COSTS

The Social Security Administration (SSA) has maintained a record of accomplishment in real property efficiency. We continue to achieve our Reduce the Footprint (RTF) standards. Our major building costs are associated with our ongoing efforts to optimize space at our headquarters campus and regional facilities, and reduce our reliance on leased space where it makes business sense.

This exhibit describes our on-going major building renovations, repairs, and other associated costs in support of our space optimization goals.

Headquarters Campus (Woodlawn, MD)

Our main campus is located in Woodlawn, Maryland and consists of 9 General Services Administration (GSA)-owned, SSA occupied buildings on approximately 280 acres. Currently, over 6,000 employees work on the main campus, which does not include the outlying leased buildings in the Woodlawn area.

We are actively pursuing opportunities at our main campus to optimize our real estate footprint by reconfiguring and consolidating space for improved space utilization. Our plan is to create a flexible, secure, sustainable campus environment for the agency with reduced reliance on leased facilities in the Woodlawn area. This plan is also consistent with the Government-wide Reduce the Footprint mandate.

The following paragraphs outline our major headquarters projects and their approximate associated cost.

Building	FY 2016 (in millions)	FY 2017 (in millions)	FY 2018 (in millions)	FY 2019 (in millions)	FY 2020 (in millions)	FY 2021 (in millions)
Altmeyer Building (Woodlawn, MD)	\$130				\$20	
Perimeter East Building (Woodlawn, MD)	\$24.9		\$47.2			\$5
West High/Low Rise Buildings (Woodlawn, MD)						\$23.3

- 1) **Altmeyer Building:** We are currently in the construction phase for a full modernization of the Altmeyer Building, the oldest facility on our headquarters campus.
The full modernization includes:

- Taking down the building to its support structure (concrete columns and floor slabs);

Limitation on Administrative Expenses

- Fully abating any hazards (e.g., asbestos, lead paint, etc.);
- Modernizing building systems (e.g., electrical systems, heating, air conditioning, and ventilation systems, etc.); and
- Reconfiguring space to achieve a more efficient space utilization rate (UR).

GSA awarded the construction contract to Hensel Phelps in March 2018. We conducted interior demolition and abatement of hazardous materials from July 2018 through January 2019. We are now installing the building façade, which is scheduled for completion in early 2020. In conjunction with this work, interior construction is also underway.

We targeted a UR of 150 USF/per person for this project. Currently, we are on track to achieve a UR within the GSA recommended range of 150 to 200 USF/per person, which will result in a net gain of approximately 300-350 seats in the modernized building.

Once complete, the modernized building will house many of our executives, including three presidentially appointed officials. We will furnish the offices for these three officials in accordance with agency furniture standards, and we anticipate the cost of furniture will exceed \$5,000 per office.

The project is scheduled for completion in FY 2021.

Timeline and Costs

Timeline	Milestones	TBD (in millions)
FY 2016	Funding appropriated; GSA begins procurement actions for architectural and engineering (A&E) contractor; begins planning for construction manager as constructor (CMc) solicitation.	\$130 ¹
FY 2017	GSA awards construction manager as agent (CMa) contract and contract for A&E design services. GSA begins CMc procurement. Executives and staff vacate the Altmeyer Building for existing spaces around campus.	N/A
FY 2018	GSA awards CMc. A&E completes design. Executives and staff finish vacating the building and occupy swing space.	N/A
FY 2019- FY 2020	Construction begins/continues. SSA begins purchases for furniture, security systems, tenant improvement and other special requirements in the modernized Altmeyer.	\$20 ²
FY 2021	Occupy renovated building.	N/A

¹ In fiscal year (FY) 2016, we obligated \$9.1 million for Altmeyer design, \$4.4 million for CMa, \$106.6 million for construction, and \$9.7 million for swing space design and construction.

² The FY 2020 obligations represent an estimate at the point in time the budget was prepared. Funds will be applied at the end of the project for furniture, security, and other associated move-in costs.

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- 2) **Perimeter East Building (PEB):** In FY 2019, we populated the third floor of the PEB, repurposing this area from an information technology environment to office space. The new space provides a more efficient layout for approximately 500 occupants.

With the completion of the third floor, we have started planning for the renovation of the fourth floor, including infrastructure upgrades needed to support additional employees in the building. The PEB building is critical to our plan to create additional capacity for employee seating on campus and reduce our reliance on leased space in the Woodlawn area.

Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2016	Obligated funding for construction (\$21.4 million) and for furniture design and acquisition (\$3.5 million).	\$24.9
FY 2017	Construction ongoing	N/A
FY 2018	Continuing infrastructure upgrades, fourth floor design and renovation, and parking lot study (\$41.5 million); and cafeteria renovation (\$5.7 million).	\$47.2
FY 2019	Third floor construction completed and occupied. Design and infrastructure for fourth floor.	N/A
FY 2020 – 2021	Construction, occupation of the fourth floor, and furniture.	\$5

- 3) **West High/Low Rise Buildings (WHL):** The renovation of the WHL Rise buildings is critical to completing phase four of our headquarters master plan. This project will achieve both a modernization of the buildings and an optimization of the space. Collectively, these buildings, which were built in 1973, house approximately 500 occupants; however, we expect that, following renovation, the buildings will house over 1,000. As with all modernization projects, we are targeting a UR of 150 USF per person.

The total cost of the project is approximately \$237.241 million, which includes \$208.714 million in GSA repair and alteration funding requested via the Federal Buildings Fund. With FY 2021 funding appropriated to both agencies, we estimate project completion in FY 2026.

Timeline and Costs

Timeline	Milestones	Cost (millions)
FY 2021	Obligate funding for design (\$2 million) and construction (\$21.3 million).	\$23.3
FY 2022	Begin furniture design and purchases.	\$5.2

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Regional Facilities

In addition to efforts at our headquarters campus, we are also actively pursuing opportunities to optimize our real estate footprint at regional facilities.

The following chart paragraphs describe our regional facilities projects.

Building	FY 2016 (in millions)	FY 2017 (in millions)	FY 2018 (in millions)	FY 2019 (in millions)	FY 2020 (in millions)	FY 2021 (in millions)
Harold Washington Social Security Center (Chicago, IL)		\$12.3		\$1.3		
Dallas Regional Office (Dallas, TX)	\$14.4	\$3				

- 1) Harold Washington Social Security Center (HWSSC) (Chicago, IL):** HWSSC is a 10-story building that currently houses multiple agency components including, but not limited to, a field office, a processing service center, Chicago Teleservice Center, and regional office, in approximately 515,000 USF. In FY 2018, we consolidated three offices from leased facilities into HWSSC. We continue working with GSA to consolidate existing leases, which expire intermittently over the next several years, into the HWSSC.

Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2017	Funding needed for renovation of one floor to accommodate occupants of outlying building leases.	\$12.3
FY 2019	Furniture (including new and old de-install and removal)	\$1.3
FY 2020	Substantial Completion	N/A
FY 2021	Project Closeout	N/A

- 2) Dallas Regional Office (RO):** The Dallas RO is housed in a 13-story building in the Dallas Downtown Central Business District. The original structure was built in 1952 with improvements made over time. The building is a multi-tenant facility, with SSA occupying all or part of eight floors, and is fully leased by GSA. The Dallas RO currently occupies 174,082 USF.

On February 23, 2017, GSA awarded a new lease, which will reduce our real estate portfolio by almost 70,000 USF to 117,617 USF. We are currently working with GSA to prepare for the start of construction. We moved employees to swing space in anticipation of the first phase of construction in February 2019. We estimate completion of all phases in late FY 2020/early FY 2021.

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Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2016	Renovations/Construction	\$14.4
FY 2017	Furniture	\$3.0
FY 2020-FY 2021	Move	N/A

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The following tables satisfy the request for information on LAE Expenditures pursuant to House Report 116-62 accompanying the Further Consolidated Appropriations Act, 2020.

Table 3.42—FY 2019 Physical Infrastructure Costs by Component
(Dollars in thousands)¹

Components	LAE One Year				Total
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities ²	Operations & Maintenance of Equipment	
Office of Operations	\$517,789	\$26,022	\$202,574	\$71	\$746,456
Office of Systems	\$0	\$1	\$2	\$0	\$3
Office of Hearings Operations	\$112,256	\$4,029	\$40,953	\$7	\$157,245
Office of Human Resources	\$0	\$6	\$219	\$0	\$225
Office of Retirement and Disability Policy	\$0	\$12	\$6	\$0	\$17
Office of Communications	\$0	\$0	\$4	\$0	\$4
Office of Analytics, Review, and Oversight	\$4,217	\$235	\$526	\$1	\$4,980
Office of Budget, Finance, and Management	\$0	\$306	\$4	\$0	\$309
Office of Budget, Finance, and Management – Agency Level	\$75,983	\$144,437	\$81,143	\$306	\$301,868
Office of the General Counsel	\$2,010	\$17	\$260	\$0	\$2,287
Disability Determination Services	\$0	\$29,601	\$198	\$0	\$29,799
Information Technology Systems	\$0	\$256,470	\$1	\$644,162	\$900,633
Social Security Advisory Board	\$258	\$3	\$8	\$0	\$269
Subtotal LAE One Year	\$712,513	\$461,140	\$325,896	\$644,546	\$2,144,094
LAE No Year					
Delegated Buildings	\$0	\$14,068	\$43,478	\$0	\$57,546
Information Technology Systems	\$0	\$24,139	\$0	\$0	\$24,139
Information Technology Modernization	\$0	\$0	\$0	\$81,374	\$81,374
Subtotal LAE No Year	\$0	\$38,207	\$43,478	\$81,374	\$163,059
LAE Multi Year					
Program Integrity ³	\$0	\$0	\$0	\$182,723	\$182,723
Subtotal LAE Multi Year	\$0	\$0	\$0	\$182,723	\$182,723
Grand Total	\$712,513	\$499,346	\$369,374	\$908,643	\$2,489,876

¹ Totals may not add due to rounding.

² Includes guard services.

³ Of the \$182.7M in Program Integrity (PI), \$18.7M are 18/19 multi-year funds and \$164.0M are 19/20 multi-year funds.

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Table 3.44—FY 2021 Estimated Physical Infrastructure Costs by Component^{1,2}
(Dollars in thousands)

Components	LAE One Year				Total
	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	
Office of Operations	\$550,035	\$27,803	\$141,594	\$66	\$719,498
Office of Systems ³	\$0	\$1	\$1	\$0	\$2
Office of Hearings Operations	\$119,247	\$4,305	\$28,625	\$7	\$152,183
Office of Human Resources	\$0	\$6	\$153	\$0	\$159
Office of Retirement and Disability Policy	\$0	\$13	\$4	\$0	\$17
Office of Communications	\$0	\$0	\$3	\$0	\$3
Office of Analytics, Review and Oversight	\$4,480	\$251	\$368	\$1	\$5,099
Office of Budget, Finance, and Management	\$0	\$327	\$3	\$0	\$330
Office of Budget, Finance, and Management - Agency Level	\$80,715	\$154,322	\$56,717	\$286	\$292,040
Office of the General Counsel	\$2,135	\$18	\$182	\$0	\$2,335
Disability Determination Services	\$0	\$31,627	\$138	\$0	\$31,765
Information Technology Systems	\$0	\$274,022	\$1	\$602,716	\$876,738
Social Security Advisory Board	\$262	\$3	\$6	\$0	\$270
Subtotal LAE One Year	\$756,874	\$492,698	\$227,792	\$603,075	\$2,080,440
LAE No Year					
Delegated Buildings	\$0	\$12,039	\$37,207	\$0	\$49,246
Information Technology Systems ³	\$0	\$31,701	\$0	\$92,252	\$123,953
Information Technology Modernization	\$0	\$0	\$0	\$28,698	\$28,698
Subtotal LAE No Year	\$0	\$43,740	\$37,207	\$120,950	\$201,897
LAE Multi Year					
Program Integrity	\$0	\$0	\$0	\$167,679	\$167,679
Subtotal LAE Multi Year	\$0	\$0	\$0	\$167,679	\$167,679
Grand Total	\$756,874	\$536,438	\$264,999	\$891,704	\$2,450,015

¹ Totals may not add due to rounding.

² Includes guard services.

³ The ITS budget funds all information technology projects for the Agency. The Office of Systems is a staff component that is responsible for the Information Management and Information Technology programs.

Limitation on Administrative Expenses

Table 3.45—FY 2019 Physical Infrastructure Costs by Region¹
(Dollars in thousands)

Regions	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities ²	Operations & Maintenance of Equipment	Total
Boston	\$27,153	\$1,919	\$11,575	\$4	\$40,651
New York	\$81,773	\$5,630	\$35,924	\$18	\$123,345
Philadelphia	\$56,192	\$4,461	\$32,085	\$34	\$92,772
Atlanta	\$120,888	\$12,409	\$38,060	\$9	\$171,367
Chicago	\$94,137	\$9,286	\$42,475	\$10	\$145,909
Dallas	\$66,935	\$4,927	\$23,987	\$2	\$95,851
Kansas City	\$28,954	\$2,983	\$14,256	\$6	\$46,200
Denver	\$15,333	\$1,288	\$7,954	\$3	\$24,578
San Francisco	\$101,492	\$8,544	\$41,382	\$10	\$151,429
Seattle	\$25,688	\$1,461	\$9,168	\$38	\$36,354
Headquarters³	\$93,967	\$446,438	\$112,508	\$908,509	\$1,561,422
Total	\$712,513	\$499,346	\$369,374	\$908,643	\$2,489,876

Table 3.46—FY 2020 Estimated Physical Infrastructure Costs by Region^{1,2,3}
(Dollars in thousands)

Regions	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	Total
Boston	\$28,478	\$2,019	\$8,087	\$4	\$38,588
New York	\$85,764	\$5,923	\$25,097	\$18	\$116,802
Philadelphia	\$58,934	\$4,693	\$22,415	\$34	\$86,077
Atlanta	\$126,788	\$13,055	\$26,590	\$9	\$166,441
Chicago	\$98,731	\$9,769	\$29,674	\$10	\$138,185
Dallas	\$70,202	\$5,183	\$16,758	\$2	\$92,145
Kansas City	\$30,367	\$3,138	\$9,960	\$6	\$43,471
Denver	\$16,081	\$1,355	\$5,557	\$3	\$22,996
San Francisco	\$106,445	\$8,989	\$28,910	\$10	\$144,354
Seattle	\$26,942	\$1,537	\$6,405	\$38	\$34,922
Headquarters	\$98,553	\$469,667	\$78,601	\$918,255	\$1,565,076
Total	\$747,286	\$525,328	\$258,054	\$918,391	\$2,449,059

¹ Totals may not add due to rounding.

² Includes guard services.

³ Includes DDS, SSAB, ITS, and Delegated Buildings.

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Table 3.47—FY 2021 Estimated Physical Infrastructure Costs by Region^{1,2,3}
(Dollars in thousands)

Regions	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	Total
Boston	\$28,844	\$2,062	\$8,304	\$4	\$39,213
New York	\$86,864	\$6,048	\$25,773	\$18	\$118,703
Philadelphia	\$59,691	\$4,792	\$23,019	\$33	\$87,535
Atlanta	\$128,414	\$13,331	\$27,305	\$9	\$169,059
Chicago	\$99,998	\$9,976	\$30,473	\$10	\$140,456
Dallas	\$71,102	\$5,293	\$17,209	\$2	\$93,606
Kansas City	\$30,757	\$3,205	\$10,228	\$6	\$44,195
Denver	\$16,288	\$1,384	\$5,706	\$3	\$23,381
San Francisco	\$107,811	\$9,179	\$29,689	\$10	\$146,688
Seattle	\$27,287	\$1,570	\$6,577	\$37	\$35,472
Headquarters	\$99,817	\$479,600	\$80,716	\$891,573	\$1,551,706
Total	\$756,874	\$536,438	\$264,999	\$891,704	\$2,450,015

¹ Totals may not add due to rounding.

² Includes guard services.

³ Includes DDS, SSAB, ITS, and Delegated Buildings.

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SOCIAL SECURITY ADVISORY BOARD

This Budget includes \$2.7 million for the Social Security Advisory Board in FY 2021. 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.

According to the statute, the specific functions of the Board include: 1) analyzing the OASDI and SSI programs, including how other public and private systems support these programs; 2) making recommendations on how to improve the economic security of millions of Americans; 3) making 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; 4) analyzing and making recommendations on the coordination of Social Security programs with other health security programs; 5) improving the quality of service to the public, and 6) improving public understanding of Social Security. The board is requesting additional resources in FY 2021 for staffing in order to increase IT systems security and support other federal compliance requirements. The Board is not requesting reception and representation authority in FY 2021.

The Board is required by law to meet at least four times per year and currently holds 2-day meetings every other month supplemented with field visits and regular conference calls. 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 2019 Actual	FY 2020 Estimate	FY 2021 Request
Salaries	\$1,252,818	\$1,405,000	\$1,560,000
Benefits	\$346,996	\$440,000	\$435,000
Subtotal, Compensation	\$1,599,814	\$1,845,000	\$1,995,000
Travel	\$115,469 ¹	\$74,000	\$100,000
Rent, Communications, Utilities	\$264,281	\$280,000 ²	\$281,000
Printing & Reproduction	\$0	\$1,000	\$500
Consultants & Contracts	\$311,897 ³	\$260,000 ⁴	\$276,500
Equipment	\$14,684	\$25,000 ⁵	\$11,000

¹ Increase in 2019 travel due to the commissioning of the independent Technical Panel on Assumptions and Methods that completed its work by the end of FY 2019.

² Projected increase due to phone and internet service enhancements following office renovations from an SSA established when SSAB's was being renewed. The renovation money will enlarge the Board room, add some physical security features, increase bandwidth and replace the phone system, and enhance systems and video technology.

³ Increase in consultant/contract costs due to a new systems contract adding a systems plan to address federal security requirements.

⁴ Includes legal services for administrative and infrastructure issues and Department of Homeland Security costs for non-negotiable federal protection services.

⁵ Increase in IT software for Microsoft Office licenses for additional personnel, and device and software upgrade.

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Object Class	FY 2019 Actual	FY 2020 Estimate	FY 2021 Request
Supplies	\$29,658	\$15,000	\$36,000
Total, All Objects	\$2,335,803	\$2,500,000	\$2,700,000
Staffing Levels			
Full-time, Permanent Staff	9	11	12
Part-time, and other Special Government Employees, Temporary Staff	2	0	0
Board Members	4 ¹	6	7

Note: Totals may not add due to rounding.

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.

In April 2018, CMS began mailing Medicare cards with a new Medicare Beneficiary Identifier (MBI) that replaced the SSN-based Health Insurance Claim Number (HICN) to prevent fraud, fight identity theft, and keep taxpayer dollars safe. During the transition period – April 1, 2018 through December 31, 2019 – Medicare beneficiaries were able to use either the HICN or MBI to access benefits or file Medicare claims. Business partners could also use either the HICN or MBI for Medicare transactions, including billing, eligibility, and claim status during the transition period. As of January 1, 2020, the HICN can no longer be used to access benefits or for other Medicare transactions.

Congress appropriated the Social Security Administration (SSA) \$98 million to fund the implementation costs to comply with the provisions of MACRA. We received the funding incrementally through FY 2018, 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).

We did not require intensive systems changes to support CMS in the SSN Removal Initiative and implementation of MACRA. However, there is some workload impact due to inquiries from the public, requests for replacement Medicare cards, and address changes.

We plan to spend about \$470,000 in FY 2020 fielding inquiries, processing requests for Medicare replacement cards, and effectuating address changes. Since Medicare beneficiaries

¹ In FY 2019, there were 5 members appointed to the Board. This number reflects the number of Board members paid in the last pay period of FY 2019.

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must start using the new Medicare card starting January 1, 2020, we do not anticipate significant workloads for these replacement cards FY 2021. We did not spend approximately \$66 million of the MACRA funds available through FY 2018. At the end of FY 2020, we estimate having \$26 million remaining.

Table 3.48—MACRA Spending

FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
\$920,000	\$470,000	\$ -

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APPROPRIATION LANGUAGE

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, [~~\$30,000,000~~] \$33,000,000, together with not to exceed [~~\$75.500.000~~] \$83,000,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund: *Provided, That \$4,000,000 shall remain available until expended for information technology modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with information technology modernization.*

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the “Limitation on Administrative Expenses”, Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: *Provided, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any transfer.*

(Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2020.)

GENERAL STATEMENT

OVERVIEW

The FY 2021 President's Budget for the SSA Office of the Inspector General (OIG) is \$116 million in total budget authority and 497 FTE. The OIG intends to obligate \$127.2 million, and operate with 547 FTE, which includes a transfer of cap adjustment funds from SSA as described below.

The FY 2021 Budget supports OIG investments in staffing and resources necessary to conduct effective oversight of SSA, which processes over \$1 trillion in Social Security benefits, including to some of the nation's most vulnerable

OIG has had level budgets since FY 2016. The FY 2021 Budget provides funding for OIG direct appropriations that is \$10.5 million above the FY 2019 and 2020 appropriated levels and includes appropriation language to indicate that \$4 million remain available until expended for IT modernization. OIG's internal IT systems have not been updated in nearly 15 years and are nearing end-of-life. A dedicated IT modernization account will support OIG software and hardware spending, the enhancement of the OIG's key systems, and increased staffing to fill needs related to software development, project management, and systems security.

In addition to the request for \$116 million in direct appropriations, the Budget allows SSA to transfer up to \$11.2 million of its program integrity cap adjustment funds in SSA's Limitation on Administration Expenses (LAE) account, an increase of \$1.2 million from FY 2020, to the OIG for the cost of jointly operated Cooperative Disability Investigations (CDI) units. This important anti-fraud initiative is an authorized use of the cap adjustment.

CDI units are unable to function without an OIG team leader. Each CDI unit includes an OIG Special Agent who serves as the team leader, employees from that State's Disability Determination Services, and a programmatic expert from SSA, and State or local law enforcement officers. Generally, the CDI units investigate suspected fraud before the agency awards benefits and during the CDR and redetermination processes when fraud may be involved. In FY 2019, SSA added three CDI units in Bismarck, North Dakota; Boise, Idaho; and Helena, Montana, and provided CDI coverage to the U.S. Virgin Islands. At the end of FY19, there were 46 CDI units covering 40 States and 6 U.S. territories. In FY 2020, SSA plans to add four additional units in Nebraska, Nevada, New Hampshire, and Wyoming, totaling 50 units. The FY 2021 Budget will allow us to add 3 new units, bringing us closer to our goal of coverage in all 50 States and U.S. territories by October 1, 2022

The OIG Budget incorporates \$11.7 million in increases to the FY 2020 Budget. A breakdown of these increases includes \$3.8 million in Base Payroll and Employee Benefits, which includes CDI team leaders, and \$7.9 million in increase non-payroll costs. The increase for non-

payroll costs includes \$2.7 million in contracted services, \$3.7 million in equipment, and \$68,000 in Rent.

The OIG budget also includes \$1,159,000 for training, which satisfies the organization's FY 2021 training requirements. In FY 2021, OIG will contribute an estimated \$370,000 to the Council of the Inspectors General on Integrity and Efficiency (CIGIE), as requested by CIGIE.

The FY 2021 Budget supports OIG efforts that have consistently generated a high return-on-investment (ROI). In FY 2019, the OIG identified \$39 in returns to the government, through investigative recoveries and audit findings, for every \$1 it received through its appropriation; in FY 2018, the ROI was \$32-to-\$1. OIG attributes these returns to successfully identifying areas within SSA that are in most need of oversight and improvement.

Table 4.1—Justification

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Budget	FY20 to FY21 Change
FTE	508 ¹	533	547	14
Appropriation	\$ 105,500,000	\$ 105,500,000	\$ 116,000,000 ²	\$ 10,500,000
Total Obligations	\$ 104,969,893	\$ 105,500,000	\$ 116,000,000	\$ 10,500,000
Unobligated balance lapsing	\$ 530,107	\$ 0	\$ 0	\$ 0
Reimbursable Obligation	\$9,338,112 ³	\$10,000,000 ³	\$11,200,000 ⁴	\$ 1,200,000
Total Authority	\$115,000,000	\$115,500,000	\$127,200,000	\$ 11,700,000

¹ For FY 2019, OIG FTEs shown reflects correct final FTE level of 508, which is an update to the 501 FTEs in the President's Budget Appendix.

² For FY 2021, the Budget includes appropriations language providing \$4 million be made available until expended for IT modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with IT modernization.

³ For FYs 2019 and 2020, the enacted appropriations included language allowing the transfer of up to \$10 million to the Office of the Inspector General from SSA's LAE program integrity cap adjustment funds for the cost of jointly operated Cooperative Disability Investigations (CDI) units.

⁴ For FY 2021, the Budget allows the transfer of up to \$11.2 million to the Office of the Inspector General from SSA's LAE program integrity cap adjustment funds for the jointly operated Cooperative Disability Investigations (CDI) units.

ONGOING INITIATIVES

Modernizing Information Technology

To keep pace with current IT trends and technologies necessary to support efficient and effective OIG audit and investigative functions, OIG requires additional IT staff to handle various responsibilities, including IT support and services, systems development and infrastructure maintenance, and security and compliance. Currently, an OIG IT staff of about 30 employees supports OIG IT functions nationwide. OIG requires additional IT professionals, trained and skilled in these areas, to support current and future workloads.

Additionally, OIG is in the process of updating its investigative case management system and critical administrative applications. The FY 2021 President's Budget establishes a dedicated OIG account available until expended for IT modernization, to support OIG efforts to upgrade and maintain administrative applications and utilize the cloud and virtualization to reduce the future cost of IT ownership by consolidating server footprints. The cloud initiative will further enhance OIG's evolving business needs by improving reliability and availability of those systems. Cloud systems will make it easier to complete upgrades to applications and operating systems.

Combatting SSA Imposter Scams

In FY 2019, OIG received more than 478,000 allegations related to Social Security-related phone scams, a massive increase in this allegation type. The vast majority of these allegations are complaints from individuals who received a phone call, or several calls, from someone claiming to be from SSA or another government agency. According to reports, scammers claim there is a problem with an individual's Social Security number, account, or benefits. They may threaten arrest or other legal action, or may offer to increase benefits, protect assets, or resolve identity theft. They often demand immediate payment via retail gift card, cash, wire transfer, internet currency, or pre-paid debit card. They also may try to convince victims of their legitimacy by sending emails with fake letters and reports that appear to be from SSA or SSA OIG. The Federal Trade Commission has reported that Social Security-related scams have far outpaced IRS impersonation scams in terms of allegation volume and fraud losses.

Since the beginning of FY 2019, more than 100 OIG employees, or approximately 20 percent of the organization's total workforce, have contributed to efforts to combat these scams, including public outreach, deterrence, allegation processing, and investigative work. In FY 2019, OIG dedicated an estimated \$2.1 million in human capital resources and related overhead expenses to undertake these scam-related efforts, and it expended an estimated \$912,000 in overtime and extended hotline call center operations, for a total cost of about \$3 million.

OIG has dedicated additional resources to these efforts. In the first three months of FY 2020, OIG committed an estimated \$950,000 in human capital expenses and related financial costs; at the current rate of involvement in scam-related initiatives, the organization could expect to commit about \$3.8 million in total resources to these efforts in FY 2020.

Specifically, in October 2019, OIG established the Major Case Unit (MCU) within the Office of Investigations to focus resources and expertise on major frauds against SSA programs. The new unit applies investigative, analytical, and legal resources on those efforts requiring a coordinated national or multi-jurisdictional investigative approach. The MCU liaises with other agencies and organizations to establish strategic partnerships and leverage available resources.

The top priority of the MCU is to lead and coordinate our efforts to address the rise in Social Security imposter scams. These efforts include a three-tiered approach designed to investigate and disrupt ongoing scam activities. This approach includes investigations into the scam calls themselves, and those entities and individuals that facilitate them; targeting of “money mule” networks that collect, launder, and move money received from victims; and disruption efforts designed to impair the ability of robo-callers to deceive people by working to shut down telephone numbers used in the scams. Notably, MCU investigative efforts resulted in the Department of Justice’s (DOJ) January 28, 2020 filing of two civil complaints seeking injunctions against five telecommunications companies and their owners, for allegedly facilitating government imposter telephone scams that have reached Americans’ personal phones for years. The MCU continues to work with DOJ and other agencies, such as U.S. Postal Inspection Service, Homeland Security Investigations, Treasury Inspector General for Tax Administration, and the Federal Trade Commission, to combat these scams

The OIG will continue to enhance efforts to combat these scams with using the requested base funding increases in the FY 2021 President’s Budget.

Enhancing Cybersecurity Oversight

Federal information systems—and the information they hold—are increasingly becoming targets of cyber-attacks. Breaches at several other Federal agencies have underscored the importance of securing government systems and protecting sensitive information. It is imperative that Federal agencies have robust vulnerability management and intrusion detection programs. SSA must implement a strong information security program to detect and prevent intrusions. Our prior audit and investigative work has revealed serious concerns with the security of SSA’s information systems.

SSA’s total IT expenditure for FY 2019 was \$2 billion, or about 15% of its total expenses. Through our ongoing, independent assessments of SSA’s information security initiatives, OIG plays a vital role in helping to ensure those IT investments are made wisely, and in keeping SSA, the Congress, and the American public informed.

To ensure the organization is positioned to provide timely, effective oversight of SSA’s information security efforts in this ever-changing environment, we must ensure we have the necessary knowledge and skills. OIG in FY 2020 has begun to establish the framework for an in-house Cybersecurity Team, which will seek to coordinate with SSA and other federal agencies on potential SSA information security vulnerabilities and recommended improvements.

With the requested base funding increases in the FY 2021 President’s Budget, OIG plans to:

- **Train and Develop Existing Staff.** OIG will invest in ongoing training for information technology audit staff to keep abreast of advances in technology, new vulnerabilities, and emerging threats.
- **Hire Information Security Experts.** OIG will expand IT audit resources and hire additional staff with cybersecurity expertise. These experts would develop and execute a strategy to oversee SSA's cybersecurity protection efforts.
- **Contracts with Experts.** To support its audit staff and fill critical skill gaps, OIG will seek to contract with cybersecurity experts take a more in-depth look into SSA's cybersecurity efforts.

Detecting and Preventing Disability Fraud: Cooperative Disability Investigations (CDI)

The CDI Program is a key SSA anti-fraud initiative that combats fraud, waste, and abuse within SSA's disability programs. CDI units, consisting of personnel from SSA, OIG, State disability determination agencies, and local law enforcement, investigate initial disability claims and post-entitlement events involving suspected fraud. From inception in FY 1998 through FY 2019, CDI program efforts nationwide have resulted in over \$4 billion in projected savings to SSA's Title II and Title XVI disability programs, and over \$3 billion in related Federal and state benefit programs.

The CDI Program currently consists of 46 units covering 40 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, and American Samoa. In 2020, OIG plans to add 4 units in Nebraska, Nevada, New Hampshire, and Wyoming. OIG also plans to add 3 units in FY 2021, and cover all 50 States and U.S. territories by October 1, 2022, as required by the *Bipartisan Budget Act of 2015* (BBA).

As the CDI Program expands, OIG will add staff to support the CDI mission both in the field and at headquarters and replace those resources diverted to the program. The FY 2021 President's Budget supports this replacement of OIG resources by allowing SSA to transfer up to \$11.2 million of program integrity cap adjustment funds from the Limitation on Administrative Expenses (LAE) account to the OIG for CDI unit personnel expenses for CDI team leaders.

At OIG Headquarters, OIG expects to add CDI management and legal resources from the increase in base funding to manage this growing program, to stand up new units in a timely and efficient manner, and to ensure investigative consistency among units across the country.

Expanding Capacity for In-House Data Analytics

Efficient access to data and robust data analytics are critically important to identifying, prioritizing, and pursuing cases and audits that optimize the utilization of our resources. In the past, OIG has partnered with SSA's Analytics Center of Excellence (ACE) to provide a significant portion of the datasets and analytics necessary for successful cases and audits. Management for ACE recently indicated that their staff will discontinue providing data requested by OIG for use in OIG audits and investigations. While OIG can assume this workload from

ACE, the OIG does not currently have the capabilities or resources required to perform this workload. To assume this workload, OIG will seek to hire a data scientist and expend approximately \$40,000 for licensure for appropriate programs and applications, including Python, TOAD, SAS, and Webfocus, and an appropriate open-database connection for online/real-time access to the Enterprise Data Warehouse (EDW).

Social Security Act Enforcement

The OIG in recent years has increased enforcement efforts under Sections 1129 and 1140 of the *Social Security Act* to impose civil monetary penalties (CMPs) against individuals who make false statements, representations, and/or omissions, in connection with obtaining or retaining payments under Titles II, VIII, or XVI of the *Social Security Act* and who choose to misuse the SSA's reputation for financial gain. In FY 2019, OIG created the Office of Counsel for Investigations and Enforcement (OCIE) to enhance enforcement of civil and administrative penalties for abuses of SSA programs, and to increase prosecution of priority caseloads..

The OIG's CMP program is a critical deterrent against abuses of the SSA programs. The assessment of CMPs must discourage not only individuals from committing fraud to obtain improper disability benefits, but also third-party facilitators, including those who endeavor to commit large scale fraud schemes. Additionally, the CMP program is often the only enforcement mechanism when the prosecution of discrete fraudulent acts, such as those identified by the CDI units, are declined for prosecution because there has been no monetary loss.

The requested increase in the FY 2021 President's Budget helps to support OIG plans to fully staff OCIE, expand its CMP program, and enhance criminal prosecution efforts.

SSA'S SIGNIFICANT MANAGEMENT CHALLENGES

OIG annually identifies the most significant management challenges facing SSA based on congressional mandates and its audit and investigative work. These challenges are:

1. Improve Administration of the Disability Programs
2. Minimize Payment Errors and Improve Management of Payment Workloads
3. Improve Prevention, Detection, and Recovery of Improper Payments
4. Improve Service Delivery
5. Secure Information Systems and Protect Sensitive Data
6. Modernize Information Technology

A summary of each management challenge is discussed below:

Challenge #1: Improve Administration of the Disability Programs

The Agency continues to face challenges with pending initial disability claims and pending hearings, as well as hearings processing times. While pending levels and hearings timeliness have improved in recent years, SSA has not yet achieved its average hearings processing time goal of 270 days. Average processing time for hearings increased 65 percent from 360 days in Fiscal Year (FY) 2011 to 595 days in FY 2018, but it improved to 506 days in FY 2019. Also, few Ticket-eligible beneficiaries used their Tickets for vocational or employment services. To improve administration of the disability program, we believe SSA needs to 1) continue to implement and monitor its Compassionate and REsponsive Service initiative, designed to improve timeliness and reduce the hearings backlog; 2) focus resources on capacity issues to better balance processing times and hearing office workloads. In addition, SSA should continue to create new opportunities for returning beneficiaries to work and ensure measurement of costs, savings, and effectiveness are part of the design of such initiatives. In FY 2019, we completed nine audits in this area; as of January 2020, we have seven reviews ongoing.

Challenge #2: Minimize Payment Errors and Improve Management of Payment Workloads

SSA issues monthly payments to an average of over 70 million people and must be a responsible steward of the funds entrusted to its care by minimizing the risk of making improper payments, and effectively managing payment workloads. In FY 2018, SSA estimated computation errors resulted in \$942 million in over- and underpayments, and verification deficiencies resulted in nearly \$1 billion in overpayments. Improper payments can also result from inadequate management and processing of payment workloads. SSA has taken steps to minimize payment errors and improve management of payment workloads, but we believe the Agency needs to 1) do more to address the root causes of improper payments; 2) enhance accountability through program and automation improvements; 3) ensure staff have adequate training and technology; and 4) periodically review manual processes to determine whether they can be automated to reduce computation errors. In FY 2019, we completed 11 audits in this area and; as of January 2020, we have completed three reports in FY 2020 and have 19 reviews ongoing.

Challenge #3: Improve the Prevention, Detection, and Recovery of Improper Payments

SSA is responsible for issuing over \$1 trillion in benefit payments, annually. Given the amounts involved, even the slightest error in the overall payment process can result in millions of dollars in over- or underpayments. Preventing, detecting, and recovering improper payments continues to be a challenge. In its FY 2019 Agency Financial Report, SSA estimated it had made approximately \$8.2 billion in improper payments in FY 2018. The Agency continues collaborating with external partners to address the root causes of improper payments to prevent their recurrence, and modernize its debt management and collection processes. We believe SSA needs to 1) prevent improper payments through automation and data analytics, identifying changes that affect benefit payments; 2) expand efforts to collect data from reliable third-party sources that would aid SSA in mitigating discrepancies that can occur when beneficiaries and recipients self-report information; and 3) develop new initiatives to address improper payments. In FY 2019, we completed 15 audits in this area; as of January 2020, we have completed two reports in FY 2020 and have seven reviews ongoing.

Challenge #4: Improve Service Delivery

SSA faces several challenges as it pursues its mission to deliver quality service to the public. SSA estimates, in FY 2020, it will pay over \$1 trillion in Old-Age, Survivors and Disability Insurance (OASDI) benefits to nearly 65 million beneficiaries and nearly \$60 billion in Supplemental Security Income (SSI) payments to 8 million recipients. The Agency expects to process, among other workloads, 8.7 million initial OASDI and SSI claims, and 100 million post-entitlement actions. SSA faces growing workloads, but expects that more than 10,000 of its approximately 62,000 employees will retire within the next 5 years. SSA continues expanding its suite of automated and on-line service options, but we continue to have concerns about identity authentication for on-line transactions. Finally, the Agency must focus on strengthening its representative payment program, to ensure the protection of its most vulnerable customers. The Agency must continue to implement the provisions of the *Strengthening Protections for Social Security Beneficiaries Act of 2018*. In FY 2019, we completed nine audits in this area; as of January 2020, we have five reviews ongoing.

Challenge #5: Secure Information Systems and Protect Sensitive Data

Information breaches at several Federal agencies have underscored the importance of securing Federal systems and protecting sensitive information. SSA houses sensitive information about every individual who has been issued a Social Security number (SSN). It is imperative that SSA have a robust information security program yet auditors have identified weaknesses that, when aggregated, created a significant deficiency in SSA's overall information systems security program. In the most recent report for SSA's compliance with the *Federal Information Security Modernization Act of 2014*, Grant Thornton LLP identified a number of deficiencies that may limit SSA's ability to protect the confidentiality, integrity, and availability of SSA's information systems and data. To address this significant challenge, SSA must 1) address the deficiencies identified by the independent auditor; 2) ensure its electronic services are secure and comply with Federal security requirements; 3) continue to be vigilant in protecting SSNs and ensure any electronic applications related to SSN card issuance include effective authentication; and 4) improve wage reporting by informing employers about potential SSN misuse cases, identifying and resolving employer reporting problems, re-examining the validity and integrity checks used to prevent suspicious W-2s from being posted, and encouraging greater use of SSA's employee verification programs. In FY 2019, we completed three audits in this area; as of January 2020, we have completed four reports in FY 2020 and have four reviews ongoing.

Challenge #6: Modernize Information Technology

SSA must continue to modernize its IT infrastructure to accomplish its mission despite budget and resource constraints. SSA's aging infrastructure is increasingly difficult and expensive to maintain: the agency continues relying on outdated applications and technologies to process its core workloads. In addition, the Agency requires modern software engineering tools and skills that could make its operations more efficient. SSA reports that budget constraints have forced it to use much of its IT funding to operate and maintain existing systems. Still, to ensure the Agency can keep pace with increasing workloads, it must maintain its legacy systems while developing their modern replacements.

For several years, SSA has worked incrementally to modernize its IT infrastructure. The Agency's Chief Information Officer has acknowledged the Agency must undertake a larger, multi-year effort. However, SSA faces challenges in executing and implementing major IT projects and delivering expected functions on-schedule and within budget. For example, SSA estimated its costs for its Disability Case Processing System through FY 2022 would be approximately \$191 million, and the Agency needs to finish developing full functionality for all claim types and communication with State fiscal systems and implement DCPS in 21 more disability determination services (DDS). In FY 2019, SSA deployed the system to 31 states and plans to transition from legacy systems in FY 2020 and FY 2021. To address its modernization challenges, SSA needs to 1) prioritize modernization activities to ensure available resources lead to service it provides the public; and 2) ensure its IT planning and investment control processes are effective. Since FY 2018, we completed three audits in this area; as of January 2020, we have completed one report in FY 2020 and have two reviews ongoing.

MONETARY BENEFITS

In FY 2019, OIG issued 65 audit reports with recommendations, identifying over \$1.4 billion in questioned costs and over \$2.6 billion in Federal funds that could be put to better use. OIG also received over 635,000 allegations of fraud, effected over 797 criminal convictions, and obtained a return of over \$395 million in monetary accomplishments, comprising over \$171 million in SSA recoveries, restitutions, fines, settlements, and judgments, and over \$223 million in projected SSA savings. Additionally, OIG successfully resolved 128 civil monetary penalty actions against individuals who made false statements, representations, or omissions to obtain, retain, or convert Social Security benefits (violating Section 1129 of the *Social Security Act*), imposing more than \$12 million in penalties and assessments. Overall in FY 2019, the OIG identified \$39 in returns to the government for every \$1 it received through its appropriation.

TRANSFER AUTHORITY

The budget request includes language providing authority to transfer an amount of up to 3 percent of the total OIG appropriation from SSA's LAE appropriation. This language provides the flexibility to meet unanticipated funding requirements and to ensure that adequate resources are available to meet program objectives. The request is consistent with similar authority to transfer funds between appropriations provided to other departments and agencies in appropriation language.

In addition, the Budget includes language to transfer up to \$11.2 million in program integrity cap adjustment funds to the SSA OIG from SSA's LAE account to fund the cost of jointly operated cooperative disability investigations (CDI) units. This anti-fraud activity is an authorized use of the cap adjustment.

BUDGETARY RESOURCES

The OIG annual appropriation consists of appropriations from both the general fund and the trust funds. The President’s Budget request for FY 2021 consists of \$33,000,000 appropriated from the general fund, and \$83,000,000, which will be transferred and expended as authorized by Section 201(g) (1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund. Please note that the split differs slightly from that in the Appendix.

Table 4.2—Amounts Available for Obligation
(In thousands)

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Budget
General Funds Annual Appropriation	\$ 30,000	\$ 30,000	\$ 33,000
Trust Funds Annual Transfer	\$ 75,500	\$ 75,500	\$ 83,000 ¹
Total Appropriation	\$ 105,500	\$ 105,500	\$ 116,000¹
Reimbursable Authority	\$9,500²	\$10,000²	\$11,200
Reimbursable Obligation	\$ 9,338	\$ 10,000	\$ 11,200³
Total Budgetary Resources	\$ 115,000	\$ 115,500	\$ 127,200
Total Obligations	\$ 104,970	\$ 115,500	\$ 127,200
Unobligated balance lapsing	\$ 530	\$ 0	\$ 0
Reimb. Bal returned to SSA LAE	\$162	\$ 0	\$ 0

¹ For FY 2021, the Budget includes appropriations language providing \$4 million be made available until expended for IT modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with IT modernization.

² The FY 2019 and 2020 appropriations provided for the transfer of up to \$10 million in program integrity cap adjustment funds to the SSA OIG to fund the cost of jointly operated cooperative disability investigations (CDI) units. This anti-fraud activity is an authorized use of the cap adjustment.

³ For FY 2021, the Budget includes language allowing the transfer of up to \$11.2 million to the Office of the Inspector General from SSA’s LAE program integrity cap adjustment funds for jointly operated Cooperative Disability Investigations (CDI) units.

ANALYSIS OF CHANGES

The FY 2021 request represents an increase of \$10.5 million to the Total Appropriation and \$1.2 million to the Reimbursable Obligation for a total increase of \$11.7 million from the FY 2020 Budget. Increases in base expenses for employee salaries and benefits will be offset by reductions in other objects.

Table 4.3—Summary of Changes (in thousands)

	FY 2020 Estimate	FY 2021 Budget	FY20 to FY21 Change
General Fund Appropriation	\$ 30,000	\$ 33,000	\$3,000
Trust Fund Appropriation	\$ 75,500	\$ 83,000 ¹	\$7,500
Total Appropriation	\$ 105,500	\$ 116,000¹	\$10,500
Reimbursable Obligation	\$ 10,000²	\$ 11,200³	\$1,200
Total Obligations	\$ 115,500	\$ 127,200	\$11,700

¹ For FY 2021, the Budget includes appropriations language providing \$4 million be made available until expended for IT modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with IT modernization.

² For FY 2020, the enacted Budget included language allowing the transfer of up to \$10 million in program integrity cap adjustment funds to the SSA OIG to fund the cost of jointly operated cooperative disability investigations (CDI) units. This anti-fraud activity is an authorized use of the cap adjustment.

³ For FY 2021, the Budget includes language allowing the transfer of up to \$11.2 million to the Office of the Inspector General from SSA's LAE program integrity cap adjustment funds for jointly operated Cooperative Disability Investigations (CDI) units.

Table 4.4—Explanation of OIG Budget Changes

	FY 2020 Base		Change from Base	
	WYs (FTEs)	Budgetary Resources	WYs (FTEs)	Budgetary Resources
<u>BUILT-IN INCREASES</u>				
Base Payroll Expenses	538		+14	
	(533)		(+14)	
• <i>Change in base payroll expenses related to career ladder promotions and within-grade increases</i>	---	\$71,989,000	---	+ \$ 3,435,000
• <i>Change in base expenses for employee benefits including health benefits and new employees hired under the Federal Retirement Employees System</i>	---	\$ 31,202,000	---	+ \$ 335,000
• <i>All other payroll changes, including overtime and awards</i>				
Non-Payroll Costs - All other built-in non-payroll changes, travel management support and equipment	---	\$ 7,706,000	---	+ \$ 7,862,000
* Rent	---	\$ 4,603,000	---	+ \$ 68,000
Subtotal, Built-in increases	538	\$ 115,500,000	+14	+11,700,000
	(533)		(+14)	
<u>PROGRAM INCREASES</u>				
Subtotal, Program Increases	---	---	---	\$ 0
Total Increases	538	\$ 115,500,000	+14	+\$11,700,000
	(533)		(+14)	

Table Continues on the Next Page

	FY 2020 Base		Change from Base	
	WYs (FTEs)	Budgetary Resources	WYs (FTEs)	Budgetary Resources
<u>BUILT-IN DECREASES</u>				
Base Payroll Expenses —Decrease in all other payroll costs	538 (533)	<i>\$ 101,740,000</i>	<i>+14</i> <i>(+14)</i>	
Non-Payroll Costs	---	<i>\$ 9,060,000</i>		
Rent	---	<i>\$ 4,700,000</i>		
Subtotal, Built-in decreases	---	<i>\$ 115,500,000</i>	---	<i>\$0</i>
<u>PROGRAM DECREASES</u>				
Decrease in costs for training, other support, services, and supplies	---	---	---	---
Subtotal, Program Decreases	---	---	---	<i>\$0</i>
Total Decreases	---	<i>\$ 115,500,000</i>	---	<i>\$0</i>
Net Change	538 (533)	<i>\$ 115,500,000</i>	<i>+14</i> <i>(+14)</i>	<i>\$ 0</i>

BUDGET AUTHORITY BY ACTIVITY

The table below displays budget authority, split by type of funding, and obligations. This table also includes FTEs.

**Table 4.5—Budget Authority by Activity
(In thousands)**

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Budget
General Funds	\$ 30,000	\$ 30,000	\$ 33,000
OASDI Trust Fund Transfers	\$ 75,500	\$ 75,500	\$ 83,000
Total Appropriation	\$ 105,500	\$ 105,500	\$ 116,000¹
Total Budgetary Authority	\$ 105,500	\$ 105,500	\$ 116,000
Reimbursable Obligation	\$9,338²	\$10,000²	\$11,200³
Obligations	\$ 104,970	\$ 115,500	\$ 127,200
Unobligated balance lapsing	\$ 530	\$ 0	\$ 0
FTEs	508 ⁴	533	547

¹ For FY 2021, the Budget includes appropriations language providing \$4 million be made available until expended for IT modernization, including related hardware and software infrastructure and equipment, and for administrative expenses directly associated with IT modernization.

² For FY 2019 and FY 2020 appropriations language provided for the transfer of up to \$10 million in program integrity cap adjustment funds to the SSA OIG to fund the cost of jointly operated cooperative disability investigations (CDI) units. This anti-fraud activity is an authorized use of the cap adjustment.

³ For FY 2021, the Budget includes language allowing the transfer of up to \$11.2 million to the Office of the Inspector General from SSA's LAE program integrity cap adjustment funds for jointly operated Cooperative Disability Investigations (CDI) units.

⁴ For FY 2019, OIG FTEs shown reflects correct final FTE level of 508, which is an update to the 501 FTEs in the President's Budget Appendix.

BUDGET RESOURCES BY OBJECT

The table below displays the breakdown of budget resources by object class.

Table 4.6—Budget Resources by Object¹

	FY 2019	FY 2020	FY 2021	<i>FY20 to FY21 Change</i>
Full-time permanent	\$ 64,474,000	\$ 69,598,000	\$ 72,919,000	+ \$ 3,321,000
Other than full-time permanent	\$ 365,000	\$ 394,000	\$ 413,000	+ \$ 19,000
Other compensation	\$ 1,850,000	\$ 1,997,000	\$2,092,000	+ \$ 95,000
Subtotal, Personnel Compensation	\$ 66,689,000	\$ 71,989,000	\$ 75,424,000	+ \$3,435,000
Civilian personnel benefits	\$ 28,017,000	\$ 31,202,000	\$ 31,537,000	+ \$ 335,000
Total, Compensation and Benefits	\$ 94,706,000	\$ 103,191,000	\$ 106,961,000	+ \$3,770,000
Travel	\$ 2,745,000	\$ 1,656,000	\$ 1,441,000	- \$ 215,000
Transportation of things	\$ 41,000	\$ 40,000	\$ 40,000	\$0
Rental payments to GSA	\$ 4,250,000	\$ 4,181,000	\$ 4,243,000	+ \$ 62,000
Rental payments to others	\$ 100,000	\$ 0	\$ 0	\$ 0
Communications, utilities, and others	\$ 524,000	\$ 735,000	\$ 834,000	+ \$ 99,000
Printing and reproduction	\$ 22,000	\$ 30,000	\$ 36,000	+\$ 6,000
Other services	\$5,878,000	\$3,703,000	\$ 7,598,000	+ \$3,895,000
Supplies and materials	\$ 367,000	\$ 352,000	\$ 620,000	+ \$ 268,000
Equipment	\$ 6,198,000	\$ 1,889,000	\$ 5,556,000 ²	+\$3,667,000
Insurance Claims	\$ 3	\$ 4	\$ 5	\$ 1
Adjustments	-\$ 526,000	-\$ 281,000	-\$ 134,000	+\$147,000
Total Budgetary Resources	\$ 104,970,000	\$ 115,500,000	\$ 127,200,000	\$ 11,700,000

¹ Totals may not add due to rounding.

² \$4 million of no-year funds added to Equipment line item

BACKGROUND

AUTHORIZING LEGISLATION

The Office of the Inspector General is authorized necessary expenses to carry out the provisions of the Inspector General Act of 1978, as amended.

Table 4.7—Authorizing Legislation

	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Authorized	FY 2021 Estimate
Office of the Inspector General (P.L. 116-94)	\$ 105,500,000	\$ 105,500,000	Indefinite	\$ 116,000,000

APPROPRIATION HISTORY

The table below displays the President's budget request, amounts passed by the House and Senate, and the actual amount appropriated for the period FY 2004 to FY 2020.

Table 4.8—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
General Funds	\$ 25,000,000	\$ 24,500,000	\$ 20,863,000	\$ 24,355,400
Trust Funds	\$ 65,000,000	\$ 63,700,000	\$ 61,597,000	\$ 63,324,200
2004 Total	\$ 90,000,000	\$ 88,200,000 ¹	\$ 82,460,000 ²	\$ 87,679,600³
General Funds	\$ 26,000,000	\$ 25,748,000	\$ 26,000,000	\$ 25,542,000
Trust Funds	\$ 66,000,000	\$ 65,359,000	\$ 66,000,000	\$ 64,836,100
2005 Total	\$ 92,000,000	\$ 91,107,000 ⁴	\$ 92,000,000 ⁵	\$ 90,378,100⁶
General Funds	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 25,740,000
Trust Funds	\$ 67,000,000	\$ 66,805,000	\$ 67,000,000	\$ 65,736,000
2006 Total	\$ 93,000,000	\$ 92,805,000 ⁷	\$ 93,000,000 ⁸	\$ 91,476,000⁹
General Funds	\$ 27,000,000	\$ 26,435,000	\$ 25,740,000	\$ 25,902,000
Trust Funds	\$ 69,000,000	\$ 67,976,000	\$ 65,736,000	\$ 66,149,000
2007 Total	\$ 96,000,000	\$ 94,411,000 ¹⁰	\$ 91,476,000 ¹¹	\$ 92,051,000¹²
General Funds	\$ 27,000,000	\$ 27,000,000	\$ 28,000,000	\$ 25,988,901
Trust Funds	\$ 68,047,000	\$ 68,047,000	\$ 68,047,000	\$ 65,926,000
2008 Total	\$ 95,047,000	\$ 95,047,000 ¹³	\$ 96,047,000 ¹⁴	\$ 91,914,901¹⁵
General Funds	\$ 28,000,000	--	\$ 28,000,000	\$ 28,000,000
Trust Funds	\$ 70,127,000	---	\$ 70,127,000	\$ 70,127,000
2009 Total	\$ 98,127,000	--- ¹⁶	\$ 98,127,000 ¹⁷	\$ 98,127,000¹⁸
ARRA ¹⁹	N/A	N/A	N/A	\$ 2,000,000
General Funds	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000
Trust Funds	\$ 73,682,000	\$ 73,682,000	\$ 73,682,000	\$ 73,682,000
2010 Total	\$ 102,682,000	\$ 102,682,000 ²⁰	\$ 102,682,000 ²¹	\$ 102,682,000²²
General Funds	\$ 30,000,000	---	\$ 30,000,000	\$ 28,942,000
Trust Funds	\$ 76,122,000	---	\$ 76,122,000	\$ 73,535,000
2011 Total	\$ 106,122,000	--- ²³	\$ 106,122,000 ²⁴	\$ 102,477,000²⁵
General Funds	\$ 30,000,000	---	\$ 28,942,000	\$ 28,887,000
Trust Funds	\$ 77,113,000	---	\$ 73,535,000	\$ 73,396,000
2012 Total	\$ 107,113,000	--- ²⁶	\$ 102,477,000 ²⁷	\$ 102,283,000²⁸
General Funds	\$ 30,000,000	---	\$ 28,887,000	\$ 27,376,000
Trust Funds	\$ 77,600,000	---	\$ 73,396,000	\$ 72,557,000
2013 Total	\$ 107,600,000	--- ²⁹	\$ 102,283,000 ³⁰	\$ 99,933,000³¹
General Funds	\$ 30,000,000	---	\$29,689,000	\$ 28,829,000
Trust Funds	\$ 75,733,000	---	\$74,972,000	\$ 73,249,000
2014 Total	\$ 105,733,000	---	\$104,670,000 ³²	\$ 102,078,000³³

Office of the Inspector General

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
General Funds	\$29,000,000	\$28,829,000		\$ 29,000,000
Trust Funds	\$75,622,000	\$74,249,000		\$ 74,350,000
2015 Total	\$104,622,000	\$103,078,000 ³⁴		\$103,350,000³⁵
General Funds	\$31,000,000	\$30,000,000	\$28,829,000	\$ 29,787,000
Trust Funds	\$78,795,000	\$78,795,000	\$74,521,000	\$ 75,713,000
2016 Total	\$109,795,000	\$108,795,000 ³⁶	\$103,350,000 ³⁷	\$105,500,000³⁸
General Funds	\$31,000,000	\$29,787,000	\$29,787,000	\$ 29,787,000
Trust Funds	\$81,000,000	\$75,713,000	\$75,713,000	\$ 75,713,000
2017 Total	\$112,000,000	\$105,500,000 ³⁹	\$105,500,000 ⁴⁰	\$105,500,000⁴¹
General Funds	\$30,000,000	\$29,796,270	\$29,796,270	\$30,000,000
Trust Funds	\$75,500,000	\$74,987,280	\$74,987,280	\$75,500,000
2018 Total	\$105,500,000	\$104,783,550 ⁴²	\$104,783,550 ⁴³	\$105,500,000⁴⁴
General Funds	\$30,000,000	\$31,000,000	\$30,000,000	\$30,000,000
Trust Funds	\$75,500,000	\$77,500,000	\$75,500,000	\$75,500,000
2019 Total	\$105,500,000	\$108,500,000 ⁴⁵	\$105,500,000 ⁴⁶	\$105,500,000⁴⁷
General Funds	\$30,000,000	\$31,000,000	\$30,000,000	\$30,000,000
Trust Funds	\$75,500,000	\$77,500,000	\$75,500,000	\$75,500,000
2020 Total	\$105,500,000	\$108,500,000 ⁴⁸	\$105,500,000 ⁴⁹	\$105,500,000⁵⁰

¹ H.R. 2660.

² S. 1356.

³ Consolidated Appropriations Act, 2004 (P.L. 108-199). The \$24,500,000 in general funds and \$63,700,000 in trust funds included in the language for this account for FY 2004 were reduced by \$144,600 and \$375,800, respectively, in accordance with P.L. 108-199.

⁴ H.R. 5006.

⁵ S. 2810.

⁶ Consolidated Appropriations Act, 2005 (P.L. 108-447). The \$25,748,000 in general funds and \$65,359,000 in trust funds included in the language for this account for FY 2005 were reduced by \$206,000 and \$522,900, respectively, in accordance with P.L. 108-447.

⁷ H.R. 3010.

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

⁹ Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149). The \$26,000,000 in general funds and \$66,400,000 in trust funds included in the language for this account for FY 2006 were reduced by \$260,000 and \$664,000, respectively, in accordance with the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

¹⁰ H.R. 5647.

¹¹ S. 3708.

¹² Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

¹³ H.R. 3043.

- ¹⁴ S. 1710.
- ¹⁵ Consolidated Appropriations Act, 2008 (P.L. 110-161). The \$26,451,000 in general funds and \$67,098,000 in trust funds included in the language for this account for FY 2008 were reduced by \$462,099 and \$1,172,000 respectively, in accordance with P.L. 110-161.
- ¹⁶ The House Committee on Appropriations did not report a bill.
- ¹⁷ S. 3230.
- ¹⁸ Omnibus Appropriations Act, 2009 (P.L. 111-8).
- ¹⁹ OIG received \$2,000,000 through the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). OIG will conduct necessary oversight and audit of SSA programs, projects, and activities, assessing whether SSA used the resources as intended by the Act, and will identify any instances of fraud, waste, error, and abuse.
- ²⁰ H.R. 3293.
- ²¹ H.R. 3293, reported from Committee with an amendment.
- ²² Consolidated Appropriations Act, 2010 (P.L. 111-117).
- ²³ The House Committee on Appropriations did not report a bill.
- ²⁴ S. 3686.
- ²⁵ Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). The \$29,000,000 in general funds and \$73,682,000 in trust funds included in the language for this account for FY 2011 were reduced by \$58,000 and \$147,000 respectively, in accordance with P.L. 112-10.
- ²⁶ The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included \$30,000,000 from general funds and \$77,113,000 from trust funds, totaling \$107,113,000.
- ²⁷ S. 1599.
- ²⁸ Consolidated Appropriations Act, 2012 (P.L. 112-74). The \$28,942,000 in general funds and \$73,535,000 in trust funds included in the language for this account for FY 2012 were reduced by \$55,000 and \$139,000 respectively, in accordance with P.L. 112-74.
- ²⁹ The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included \$28,887,000 from general funds and \$77,600,000 from trust funds, totaling \$106,487,000.
- ³⁰ S. 3295.
- ³¹ Consolidated Appropriations Act, 2013 (P.L. 113-6). The \$69,557,000 in trust funds included in the language for this account for FY 2013 were increased by \$3,000,000 to \$72,557,000 as a transfer from SSA to OIG.
- ³² S. 1284.
- ³³ Consolidated Appropriations Act, 2014 (P.L. 113-76).
- ³⁴ H.R. 5464.
- ³⁵ Consolidated Appropriations Act, 2015 (P.L. 113-235).
- ³⁶ H.R. 3020
- ³⁷ S. 1695.
- ³⁸ Consolidated Appropriations Act, 2016 (P.L. 114-113).
- ³⁹ H.R. 5926.
- ⁴⁰ S. 3040.
- ⁴¹ Consolidated Appropriations Act, 2017 (P.L. 115-31).
- ⁴² Further Additional Continuing Appropriations Act, 2018 (P.L. 115-56). Funding includes a rescission of 0.6791% of FY 2017 appropriation. The \$30,000,000 in general funds and \$75,500,000 in trust funds included in the language for this account for FY 2018 were reduced by \$415,284 and \$301,166 respectively, in accordance with P.L. 115-56.

⁴³ Further Additional Continuing Appropriations Act, 2018 (P.L. 115-56). Funding includes a rescission of 0.6791% of FY 2017 appropriation. The \$30,000,000 in general funds and \$75,500,000 in trust funds included in the language for this account for FY 2018 were reduced by \$415,284 and \$301,166 respectively, in accordance with P.L. 115-56.

⁴⁴ Consolidated Appropriations Act, 2017 (P.L. 115-56).

⁴⁵ H.R. 6157.

⁴⁶ H.R. 6157.

⁴⁷ Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245).

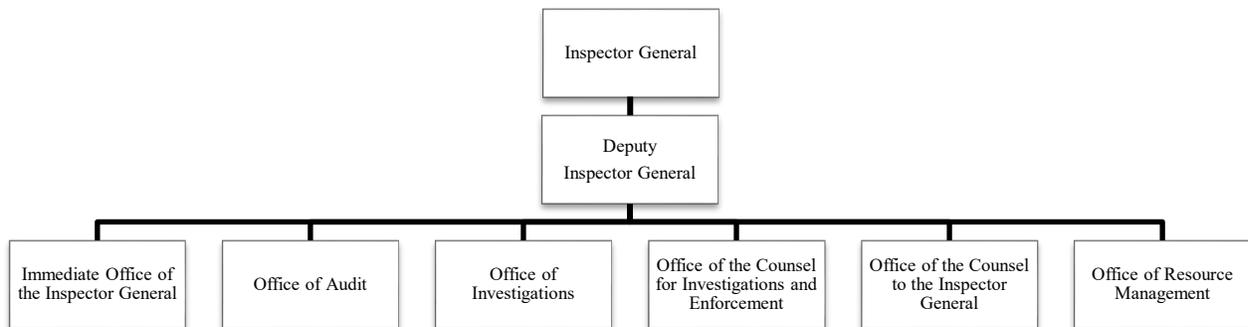
⁴⁸ H.R. 1865.

⁴⁹ H.R. 1865.

⁵⁰ Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2020 (P.L. 116-94).

OIG'S ORGANIZATIONAL STRUCTURE AND MISSION

GENERAL PURPOSE



As mandated by the *Inspector General Act of 1978*, as amended, OIG's mission is to protect the integrity of SSA's programs. By conducting independent and objective audits, evaluations, and investigations, OIG works to ensure public confidence in the integrity and security of SSA's programs and operations, and works to protect them against fraud, waste, abuse, and mismanagement. OIG provides timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

OIG is composed of six components: The Immediate Office of the Inspector General (IO), the Office of Audit (OA), the Office of Investigations (OI), the Office of the Counsel for Investigations and Enforcement (OCIE), the Office of Counsel to the Inspector General (OCIG), and the Office of Resource Management (ORM).

Immediate Office of the Inspector General

IO provides the Inspector General (IG), Deputy IG, and the Chief of Staff with staff assistance on the full range of their responsibilities. IO staff leads the OIG's strategic planning efforts, directs OIG communications with the public and the media, provides liaison with all agencies sharing common interests with the OIG, and ensures coordination with congressional committees, SSA, the Social Security Advisory Board, and the Council of Inspectors General on Integrity and Efficiency.

Office of Audit

OA conducts and/or supervises comprehensive financial and performance audits of SSA's programs and operations and makes recommendations to ensure that program objectives and operational functions are achieved effectively and efficiently. Financial audits, required by the *Chief Financial Officers' Act of 1990*, assess whether SSA's financial statements fairly present the agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the public.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. The office serves as OIG's liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies. OI additionally operates the Cooperative Disability Investigations (CDI) program, in coordination with SSA, and manages the OIG's Allegation Management and Fugitive Enforcement Division.

Office of the Counsel for Investigations and Enforcement

OCIE is comprised of investigative counsel, which supports the organization, development, and prosecution of complex and high-priority Social Security fraud cases, as well as the administration of the Civil Monetary Penalty (CMP) program. OCIE also includes the Office of Quality Assurance and Professional Responsibility (OQAPR), which conducts reviews of each of the OIG's component offices to ensure compliance with Federal laws and regulations, Agency policies, and relevant professional standards, as well as investigates allegations of misconduct by OIG employees.

Office of the Inspector General

Office of the Counsel to the Inspector General

OCIG provides independent authoritative legal advice, guidance, and counsel to the IG and OIG executives on a wide range of issues, including regulatory strategy, policy directives, and interpretation of new and emerging authorities and agency responsibilities. OCIG reviews materials to ensure sufficiency and compliance with regulatory and statutory requirements. OCIG advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material.

Office of Resource Management

ORM carries out the OIG's budget and logistics, human resources, and information technology functions, encompassing a comprehensive range of programs, initiatives, and responsibilities. These include OIG budget formulation and execution; the establishment and coordination of OIG's general personnel management policies and procedures; and the design, development, and management of major technical systems, programs, and information security practices throughout OIG.

RATIONALE FOR THE BUDGET REQUEST

The budget request for FY 2021 is \$116,000,000, an increase of \$10.5 million from the FY 2019 and FY 2020 appropriations. The FY 2021 budget request will include appropriations language to indicate that \$4 million of the \$116 million remain available until expended for IT modernization. Moreover, the FY 2021 budget request will provide funding for a 547 FTE staffing level, payroll increases (e.g., within-grade increases, scheduled promotions, health benefits, etc.), and other related support costs.

For FY 2021, the Budget proposes for the transfer of up to \$11.2 million to the Office of the Inspector General from SSA's LAE program integrity cap adjustment funds for the cost of OIG employees who serve as team leaders in the jointly operated Cooperative Disability Investigations (CDI) units. This is an increase of \$1.2 million from FY 2020 and will provide funding for 53 CDI unit team leaders, payroll increases, and other related support costs.

Table 4.9—Detail of Full-Time Equivalent Employment and Workyears

	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
FTEs	508*	533	547
Overtime/Lump Sum Leave	10	5	5
Total	518	538	552

* For FY 2019, OIG FTEs shown reflects correct final FTE level of 508, which is an update to the 501 FTEs in the President's Budget Appendix.

Table 4.10—Average Grade and Salary

	FY 2019 Actual
Average ES	\$ 188,292
Average GS	13
Average GS	\$ 116,011

Annual Performance Report

Fiscal Years 2019–2021



Annual Performance Plan for Fiscal Year 2021

Revised Performance Plan for Fiscal Year 2020

Annual Performance Report for Fiscal Year 2019

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A Message from the Commissioner



I am pleased to present the Social Security Administration's *Annual Performance Plan for Fiscal Year 2021, Revised Performance Plan for Fiscal Year 2020, and Annual Performance Report for Fiscal Year 2019*, which detail our priorities and goals for the next two fiscal years and our accomplishments in the past fiscal year.

My top priorities are to improve public service, particularly reducing National 800 Number, field office, and hearings wait times and modernizing our disability policies and our information technology (IT), and augmenting in-person services with digital and automated service options.

Last year, the agency made significant progress in addressing some key challenges. For example, we reduced the hearings pending to 575,421 cases, the lowest level since fiscal year (FY) 2004. In addition, we reduced the average wait time for a hearing decision to 470 days, a 26 percent improvement from the height of 633 days in September 2017. We are on track to eliminate the hearings backlog in FY 2021. We need to bring similar improvement to our National 800 Number service, field office wait times, and IT modernization efforts.

Public service will be at the center of my decisions. We will focus on delivering services effectively, improving the way we do business, and ensuring stewardship. We will use these performance goals to measure how well we are delivering public service and preserving the public's trust in our programs. Based on internal evaluations, I affirm that the performance data in this report is complete, reliable, and accurate.

Respectfully,



Andrew Saul

Baltimore, Maryland

February 10, 2020

Our Mission

Deliver quality Social Security services to the public.

Our Programs

Few government agencies touch the lives of as many people as we do. We administer three programs under the Social Security Act, as amended:

- **Old Age and Survivors Insurance:** Established in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their family members. In fiscal year (FY) 2019, we paid OASI benefits to over 53 million beneficiaries on average each month, and paid about \$888 billion to OASI beneficiaries through the fiscal year.
- **Disability Insurance:** Established in 1956, the Disability Insurance (DI) program provides benefits for workers who become disabled and their families. In FY 2019, we paid DI benefits to more than 10 million beneficiaries on average each month, and paid approximately \$145 billion to DI beneficiaries through the fiscal year.
- **Supplemental Security Income:** Established in 1972, the Supplemental Security Income (SSI) program provides financial support to aged, blind, and disabled adults and children who have limited income and resources. In FY 2019, we paid SSI benefits to approximately 8 million recipients on average each month (approximately 2.7 million of whom concurrently receive OASI or DI benefits), and we paid over \$58 billion in SSI Federal benefits and State supplementary payments through the fiscal year.

In addition, we support national programs administered by other Federal and State agencies, as required by law, such as Medicare, Employee Retirement Income Security Act of 1974, Coal Act, Supplemental Nutrition Assistance Program (formerly Food Stamps), Help America Vote Act, State Children's Health Insurance Program, E-Verify, Medicaid, and Federal Benefits for Veterans.

We administer our programs in accordance with law and regulations. We have implemented enterprise risk management processes to improve the effectiveness of our organization and program administration. Our goals are informed by strategic opportunities as well as our assessment of identified risks.

Our Organization

Approximately 62,000 Federal employees and 15,000 State employees serve the public from a network of more than 1,500 offices across the country and around the world. Most of our employees directly serve the public or provide support to employees who do. Each day, approximately 173,000 people visit and about 233,000 call one of our field offices nationwide for various reasons such as to file claims, ask questions, or update their information.

Our National 800 Number handles over 33 million calls each year. Callers can conduct various business transactions by speaking directly with a customer service representative or through our 24-hour automated services, which include requesting benefit verification letters, ordering replacement Medicare cards, and obtaining claim status updates.

The public can also do business with us online. Our online suite of services provides a convenient, safe option for anyone interested in conducting business with us online, viewing his or her Social Security records, or looking for information about our programs and services.

Our processing centers (PC) handle complex Social Security retirement, survivors, and disability claims, as well as provide support to our National 800 Number and field offices. State agencies make disability determinations for initial claims, reconsiderations, and continuing disability reviews (CDR). Administrative law judges (ALJ) in our hearings offices and administrative appeals judges in our Appeals Council decide appealed cases.

For more information about our organization and its functions, visit our organizational structure webpage at www.ssa.gov/org.

Agency Plans and Performance

This Annual Performance Report addresses the goals, strategic objectives, and strategies in our *Agency Strategic Plan for Fiscal Years 2018–2022* as required by the Government Performance and Results (GPRA) Modernization Act of 2010. We evaluate our progress by the performance measures and targets for each strategic objective.

Cross-Agency Priority Goals

Per the GPRA Modernization Act of 2010 requirement to address Cross-Agency Priority Goals in the agency strategic plan, the annual performance plan, and the annual performance report, please refer to www.performance.gov for the agency's contributions to those goals and progress, where applicable.

Agency Priority Goals

As required by the GPRA Modernization Act of 2010, we established two agency priority goals (APG) for FYs 2018–2019, which will continue into FYs 2020–2021:

1. Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision.
2. Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments.

We established an additional APG for FYs 2020–2021:

3. Improve the customer experience by reducing the Average Speed of Answer on the National 800 Number.

The APGs are 24-month goals reflecting the priorities of our executive leadership, as well as those of the Administration. To access our APGs visit www.performance.gov.

Strategic Goal 1: Deliver Services Effectively

We must be able to deliver our services effectively whether it is in-person, on the telephone, or online. As we interact with the public every day, our employees experience firsthand the impact of our programs. We understand that doing our work well matters. We also know that advancements in technology provide opportunities to do business differently, and often more efficiently and conveniently.

Strategic Objective 1.1: Improve Service Delivery

Lead: Deputy Commissioner for Operations and Deputy Commissioner for Hearings Operations

Strategies

- Advance and update the Compassionate And REsponsive Service (CARES) plan to address the number of pending hearings decisions and lengthy wait times
- Implement a comprehensive approach to reduce the number of pending PC actions
- Increase the use of online services

Key Initiatives

Reduce the Hearings Backlog

Noteworthy Progress

Eliminating the hearings backlog and reducing the time it takes to get a hearing decision remains one of our most critical priorities. Our plan for CARES is a multi-pronged approach to eliminate the hearings backlog through increased decisional capacity, business process efficiencies, and information technology (IT) innovations. With our CARES plan, the special hearings backlog funding we have received, and our dedicated employees, we are reducing the average wait for a hearing decision. We expect to eliminate the hearings backlog in FY 2021.

We have made great progress with the hearings backlog, reducing the number of people awaiting a hearing decision for each consecutive month since January 2017, and we will continue building a modern case processing system for hearings and appeals level cases to improve case processing, decisional quality, and efficiency.

- In FY 2019, the number of people waiting for a hearing decision decreased by nearly 33 percent and we reduced the number of hearings to 575,421 cases, which is the lowest level since FY 2004.
- In FY 2020, we project 352,000 hearings pending and an annual average processing time of 380 days. However, by September 30, 2020, we will reduce the average wait time to 340 days.

- In FYs 2020 and 2021, we will continue building and creating a modern case processing system for hearings and appeals level cases to improve case processing, decisional quality, and efficiency.
- In FY 2021, we project 259,000 hearings pending and an annual average processing time of 260 days. However, by September 30, 2021, we will reduce the average wait time to 240 days.

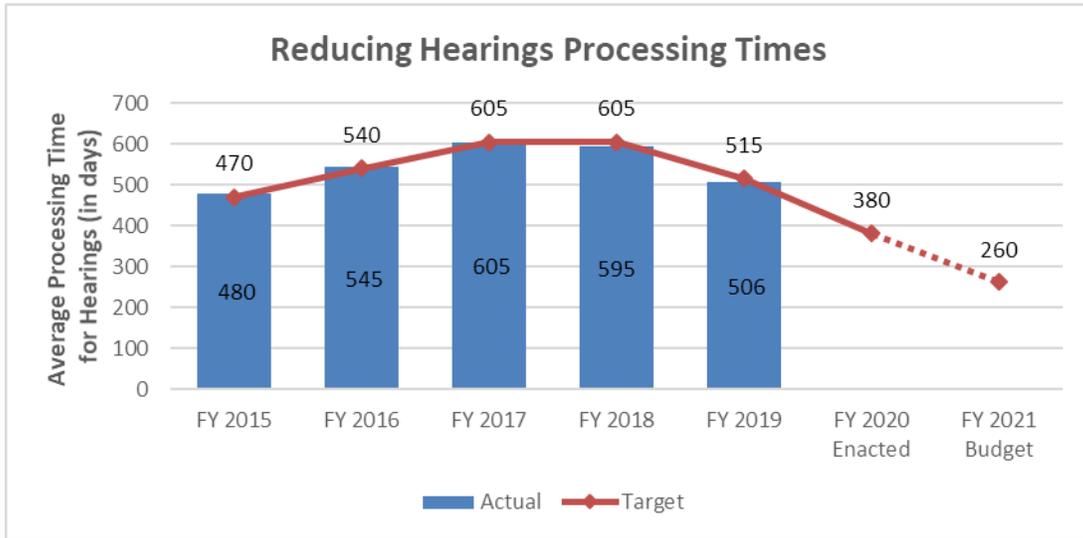


Figure 1. The average number of days a person waits for a decision by an ALJ at the end of each fiscal year from 2015 to 2021.

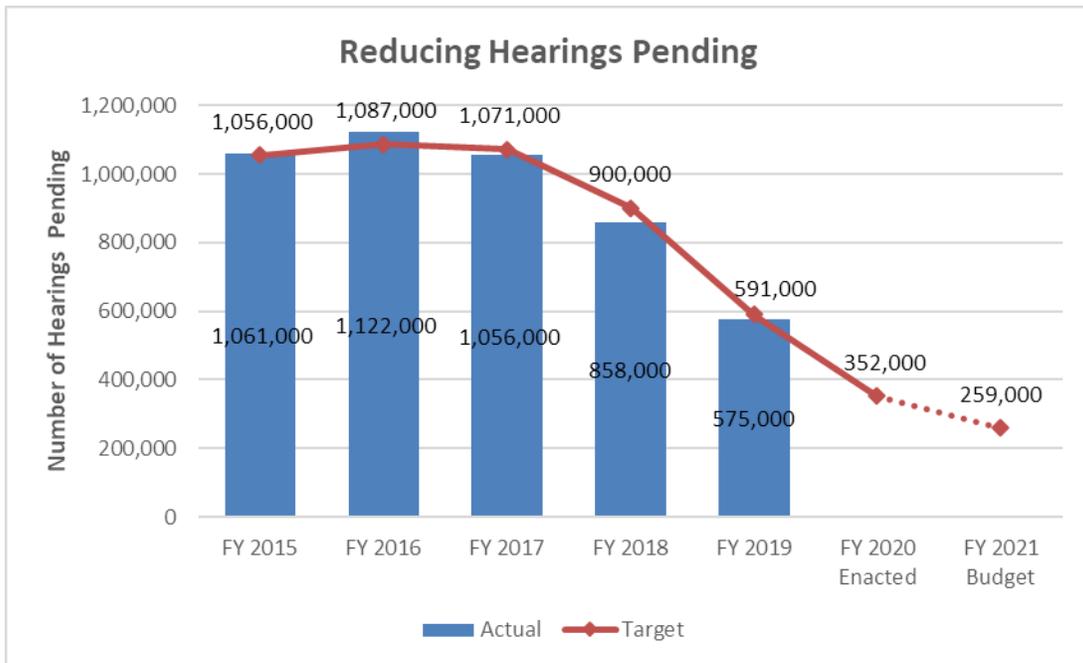


Figure 2. The number of hearings pending in the Office of Hearings Operations at the end of each fiscal year from 2015 to 2021.

Improve 800 Number Services

Millions of our customers depend on our National 800 Number technicians to answer important questions, and we are focused on improving the timeliness of our National 800 Number average speed of answer (ASA). In FY 2019, we handled almost 33.5 million calls with an ASA of 20.4 minutes. We are committed to taking tangible steps toward improving service and reducing wait times through targeted hiring, reassessing training methods, and advancing automated services through our new unified communications platform.

- In FY 2020, we will streamline and enhance our training for new hires, which will allow our new employees to begin handling targeted calls earlier and help increase productivity.
- In FY 2021, we will continue to focus our efforts on improving automated services and our Interactive Voice Response applications to allow more callers to take advantage of self-service options.

Reinstate the Reconsideration Process

Previously, claimants in 10 prototype States were without the reconsideration step and appealed directly to an ALJ—a remnant from a pilot begun in 1999. In January 2019, we began restoring the reconsideration step in 5 States and plan to return all 10 States to a uniform administrative review process by FY 2020. Reinstating the reconsideration step will benefit the public. We will have a nationally consistent, more efficient disability process that will provide standardized service to residents in every State. Some claimants will receive their benefits sooner at the reconsideration step rather than waiting for a favorable decision by an ALJ. Reinstating the reconsideration step will also reduce the number of claimants waiting for an ALJ decision, helping us accelerate the hearings backlog reduction goal from the end of FY 2022 to FY 2021.

- In FY 2019, we restored the reconsideration step in six States: California, Colorado, Louisiana, New Hampshire, New York, and Pennsylvania.
- In FY 2020, we will reinstate the reconsideration in the remaining four States: Alabama, Michigan, Missouri, and Alaska, returning all prototype States to a uniform administrative review process.

Reduce the Processing Center Backlog

Currently, the PCs are working through a backlog of pending actions. Reducing the number of pending actions at the PCs remains a focus area for improvement for the agency. In FY 2019, the PCs provided assistance to our National 800 Number to help address high busy rates and wait times. The PCs also had to rework a number of complex and time-consuming cases based on the outcome of the court case, *Steigerwald v. Berryhill*. These efforts contributed to an increase in the PC backlog, ending FY 2019 with 4.5 million pending cases. While we continue working these complex cases in FYs 2020 and 2021, we remain focused on finding operational

efficiencies. The PCs will also significantly reduce assistance to our National 800 Number in order to focus on the processing center backlog.

- In FY 2019, we provided training to all PCs on existing automation tools and we developed extensive training on overpayment processing to improve our quality.
- In FYs 2020 and 2021, we will increase the number of PC technicians and institute workflow enhancements and quality initiatives to improve overall performance. We will continue to screen new work to address simple tasks more quickly and implement PC automation initiatives that will eliminate duplicate work.

Expand Video Service Delivery

Video service delivery (VSD) allows us to balance our workloads, reduce wait times, and provide a face-to-face service option for individuals living in rural and frontier areas. We offer VSD in over 700 convenient locations across the country such as hospitals, libraries, community centers, American Indian tribal centers, homeless shelters, and other government agencies.

- In FY 2019, we expanded VSD service to 61 additional sites. We also completed over 89,000 video transactions.
- In FYs 2020 and 2021, we will continue to partner with other organizations (e.g., U.S. Department of Veterans Affairs, U.S. Department of Health and Human Services, and tribal governments) to expand VSD service to an additional 130 sites.

Expand Internet Replacement of Social Security Number Cards

Replacing Social Security cards is one of our most requested services and the number one reason our customers visit our field offices. Each year, we process over 11 million applications for Social Security Number (SSN) replacement cards in our field offices. Adults with a [my Social Security](#) account, who meet certain criteria, may apply for a replacement card through the Internet Social Security Number Replacement Card (iSSNRC) online application.

- In FY 2019, we expanded iSSNRC to 8 additional States, making the iSSNRC option available in 40 States and the District of Columbia. Additionally, we processed over 1.3 million replacement cards online.
- In FYs 2020 and 2021, we will continue to expand iSSNRC to additional States.

iSSNRC

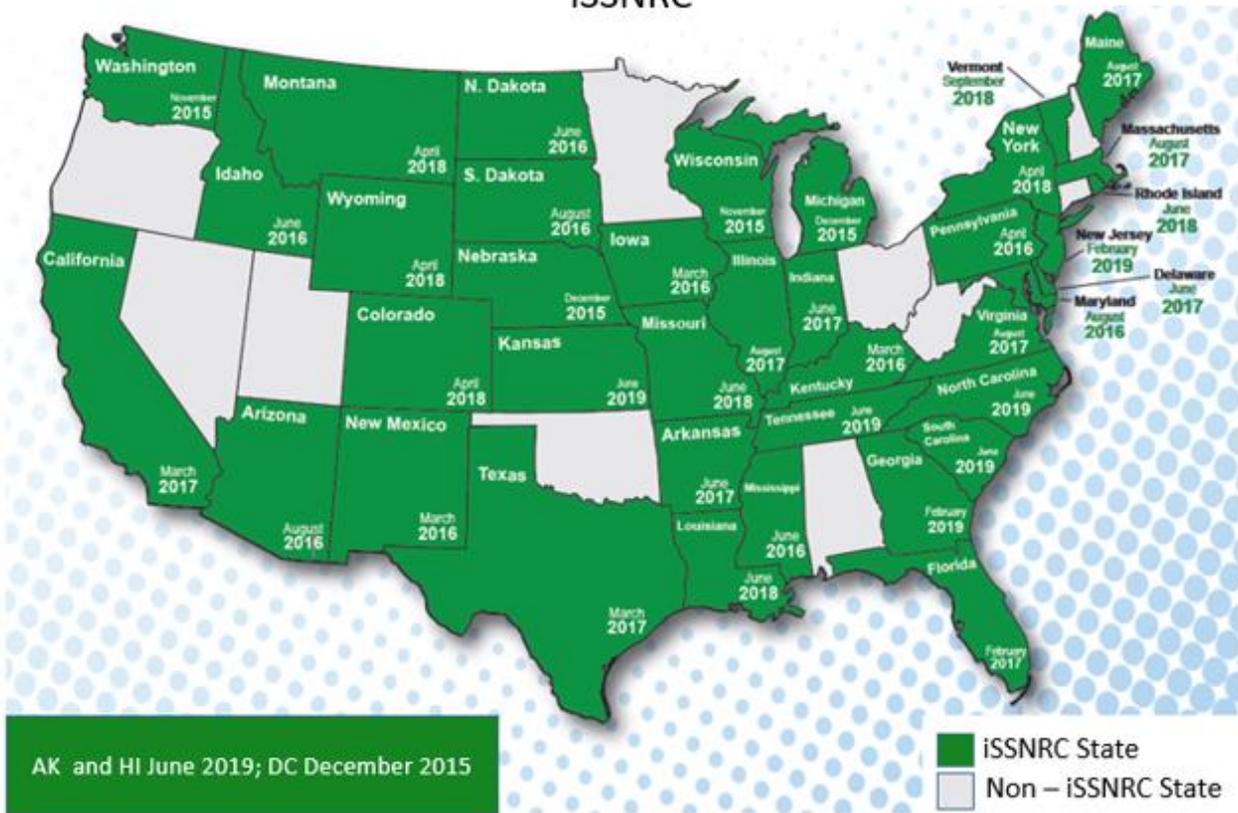


Figure 3. The States that have the iSSNRC option available.

Performance Measures

Performance Measure 1.1a: Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision (APG)

Fiscal Year	2016	2017	2018	2019	2020	2021
Target	Decide 99% of the cases that begin the fiscal year 430 days old or older	Decide 97% of the cases that begin the fiscal year 430 days old or older	Complete 97% of cases that begin the fiscal year 430 days old or older (~374,000 cases)	Complete 95% of cases that begin the fiscal year 350 days old or older (~355,000 cases)	Decide 98% of cases that begin the fiscal year 270 days old or older (~235,000 cases)	Decide 98% of cases that begin the fiscal year 190 days old or older (~180,000 cases)
Target Met	Not Met	Not Met	Met	Met	TBD	TBD
Performance	98%	96%	98%	98%	TBD	TBD
FY 2019 Performance Results	We ended FY 2019, with 98.21% (368,232 aged cases), exceeding our 95% goal.					

Data Definition: The target represents the percentage of aged cases completed.

NEW Performance Measure 1.1b: Improve the customer experience by reducing the Average Speed of Answer on the National 800 Number (APG)

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	12 minutes	16 minutes	16 minutes	25 minutes	13 minutes	17 minutes	11 minutes
Target Met	Met	Met	Met	Met	Not Met	TBD	TBD
Performance	10 minutes	14 minutes	13 minutes	24 minutes	20 minutes	TBD	TBD
FY 2019 Performance Results	In FY 2019, we handled almost 33.5 million calls with an ASA of 20.4 minutes.						

Data Definition: The target represents the ASA, which calculates the average amount of time it takes to answer a call once it routes to an agent for service.

Performance Measure 1.1c: Reinstate Reconsideration to implement a national uniform disability process at step 2 of the appeal stage

Fiscal Year	2019	2020	2021 ¹
Target	Reinstate Reconsideration in 6 prototype States	Reinstate Reconsideration in 4 prototype States	Discontinued
Target Met	Met	TBD	Not Applicable
Performance	Reconsideration Reinstated in 6 prototype states	TBD	Not Applicable
FY 2019 Performance Result	We reinstated the reconsideration level of the disability appeals process in six states: California, Colorado, Louisiana, New Hampshire, New York, and Pennsylvania.		

Data Definition: The target represents the number of States that will reinstate the reconsideration process, no longer allowing disability appeals cases to go directly to an ALJ.

Performance Measure 1.1d: Improve customer service by reducing the number of actions pending at the processing centers

Fiscal Year	2018	2019	2020	2021
Target	3.3 million	2.9 million	5.5 million	5.2 million
Target Met	Met	Not Met	TBD	TBD
Performance	3.2 million	4.5 million	TBD	TBD
FY 2019 Performance Result	The PCs provided support to other critical agency efforts and thereby ended FY 2019 with 4.5 million cases pending.			

Data Definition: The target represents the total number of pending actions in all of the PCs at the end of the fiscal year.

¹ The performance measure to reinstate reconsideration to implement a national uniform disability process at step 2 of the appeal stage will be completed in FY 2020. This measure is discontinued for FY 2021.

Strategic Objective 1.2: Expand Service Delivery Options

Lead: Deputy Commissioner for Operations

Strategies

- Respond to customer feedback on how we connect with the public and improve the customer experience
- Strengthen and enhance the *my Social Security* login and registration process
- Add additional services to *my Social Security*

Key Initiatives

Expand Online Self-Service Options

We continue to explore ways to improve the customer service experience by providing convenient and secure online self-service options and modern, user-friendly interfaces. We are committed to optimizing the navigation and usability of the ssa.gov website.

- In FY 2020, we will streamline content and implement a redesigned ssa.gov homepage. We will solicit customer satisfaction and user feedback by conducting online surveys and hosting at least two focus groups with the public.
- In FY 2021, we will increase customer satisfaction by two points with the redesigned home page.

Enhance *my Social Security*

my Social Security is our online portal for the public to conduct business with us. With over 45.7 million registered users, we increased the number of registered users by 17 percent from FY 2018. We will continue to improve the *my Social Security* user experience and add service options.

- In FY 2019, we enhanced online services for representative payees by adding the representative payee portal, which allows individual representative payees to conduct business online on behalf of their beneficiaries or themselves. We also added a new *my Social Security* Retirement Calculator that allows users to view retirement benefit estimates that compare their selected dates or ages to begin receiving retirement benefits to retirement benefit estimates for ages 62, Full Retirement Age, and 70. Users can also vary their expected future income for inclusion in the estimate.
- In FY 2020, we plan to further expand and enhance the representative payee portal by allowing individual representative payees the ability to view and print benefit verification letters for beneficiaries they represent, and the capability to view, print, or request a mailed copy of a replacement 1099 or 1042 tax form on behalf of their beneficiaries.

- In FY 2021, we will continue expanding representative payee submission and verification features. We will also continue expanding individual representative payee services within *my Social Security*.

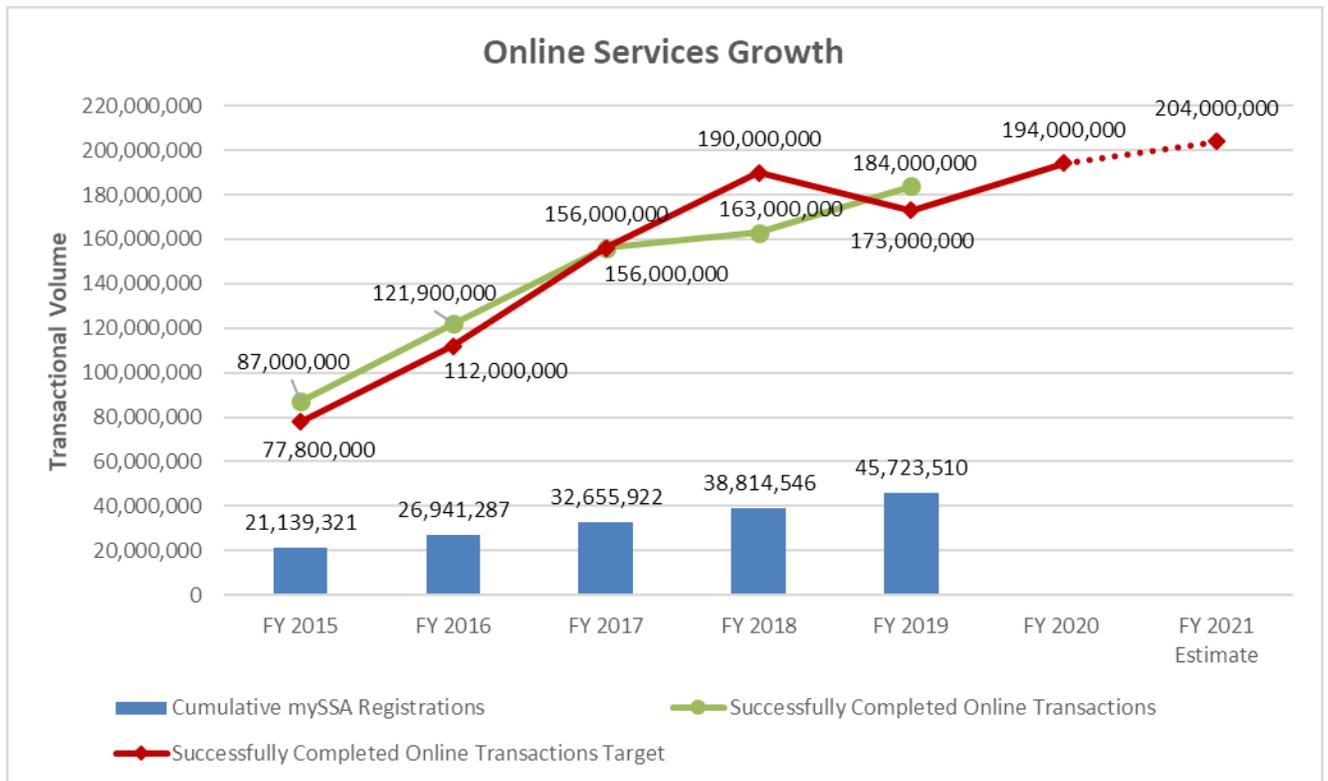


Figure 4. The cumulative number of *my Social Security* registrations, successfully completed online transactions targets, and successfully completed online transactions from fiscal years 2015 to 2021.

Enhance Online Appeals

We are improving the iAppeals online application process for people who are appealing an agency decision for non-medical issues such as overpayments and Medicare premium rates. Our enhancements will integrate iAppeals Medical and iAppeals Non-Medical into a single application behind the *my Social Security* portal.

- In FY 2019, we enhanced screen navigation and clarified language to reduce the potential for users to inadvertently abandon online appeals. Additionally, we opened the iAppeals medical application to individuals in the six States that reinstated the reconsideration appeals process.
- In FY 2020, we will support the use of iAppeals in the remaining States where we are reinstating the reconsideration appeals process.
- In FY 2021, we will provide a single online entry point that will route beneficiaries and appointed representatives to the appropriate medical or non-medical appeal.

Performance Measures

NEW Performance Measure 1.2a: Redesign SSA’s website to enhance the user’s online experience

Fiscal Year	2020	2021
Target	Implement a redesigned ssa.gov web template and home page	Achieve a two point increase in customer satisfaction with the redesigned home page
Target Met	TBD	TBD
Performance	TBD	TBD

Data Definition: The target represents implementation of a redesigned ssa.gov web template and home page, and achieving a ForeSee customer satisfaction score increase over the prior fiscal year.

Performance Measure 1.2b: Maintain customer satisfaction with our online services above ForeSee’s Threshold of Excellence (80)

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	Not Applicable	Satisfaction rating of 84.5 for online services	Satisfaction rating of 85.0 for online services				
Target Met	Not Applicable	Met	Met	Not Met	Not Met	TBD	TBD
Performance	Satisfaction rating of 84.0 for online services	Satisfaction rating of 84.9 for online services	Satisfaction rating of 85.5 for online services	Satisfaction rating of 83.5 for online services	Satisfaction rating of 83.1 for online services	TBD	TBD
FY 2019 Performance Results	In FY 2019, we used the feedback from our customers to make necessary adjustments to our online applications. Although we did not meet our FY 2019 target, we continue to exceed the ForeSee Threshold of Excellence of 80.						

Data Definition: The target represents the combined fiscal year average customer satisfaction rating for the following eight online services: Business Services Online, iClaim Disability, Medicare Extra Help, iClaim RIB, iAppeals, my Social Security, Retirement Estimator, and SSA Main Pages.

Performance Measure 1.2c: Increase the number of successfully completed online transactions

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	77.8 million	112.0 million	156.0 million	Increase the number of successfully completed online transactions by 35 million over the prior year (~190 million)	Increase the number of successfully completed online transactions by 10 million over the prior year (~173 million)	Increase the number of successfully completed online transactions by 10 million over the prior year (~194 million)	Increase the number of successfully completed online transactions by 10 million over the prior year. (~204 million)
Target Met	Met	Met	Met	Not Met	Met	TBD	TBD
Performance	87.0 million	121.9 million ²	156.0 million	163 million	184 million	TBD	TBD
FY 2019 Performance Results	In FY 2019, our performance result was 184 million online transactions, which exceeded our target.						

Data Definition: The target represents the total the number of online transactions successfully completed.

² Most fiscal years are 52 weeks; however, FY 2016 included 53 weeks. This data reflects 53 weeks of performance.

Strategic Goal 2: Improve the Way We Do Business

Improving the way we do business is imperative to delivering services effectively to the public. We must continuously evaluate our policies and business processes using data and modern methods to ensure we meet service demands and reinforce efficient and effective service. Recognizing that our current technology infrastructure and existing business systems would not allow us to serve the public the way we want or the way they expect us to, we developed a plan to modernize our IT systems. This multi-year modernization effort is fundamental to our overall ability to improve service to the public.

Strategic Objective 2.1: Streamline Policies and Processes

Lead: Deputy Commissioner for Retirement and Disability Policy

Strategies

- Expand our use of electronic medical evidence
- Strengthen employment support programs
- Explore program and policy areas where rules and agency practices need to be modernized
- Modernize the Social Security Statement to increase the public's understanding of our programs

Key Initiatives

Expand Access to Electronic Medical Evidence

We depend on healthcare providers to provide the medical records we need to determine whether a claimant is disabled. Expanding the use of electronic medical evidence allows disability adjudicators to easily navigate the record to identify pertinent information, makes it easier for medical providers to submit evidence, and provides our agency with additional opportunities to use data analytics to improve the disability process.

- In FY 2019, we received 51 percent of all medical records electronically and our employees reviewed 13 million pieces of medical evidence.
- In FYs 2020 and 2021, we plan to increase the percentage of medical evidence received electronically by investing in additional networks.

Increase the Number of People with Disabilities Who Return to Work

Many disabled beneficiaries want to work, and with adequate support, may attain self-sufficiency. The Ticket to Work program, the Vocational Rehabilitation (VR) cost reimbursement program, and Employment Networks (EN) help beneficiaries transition to employment.

- In FY 2019, approximately 344,000 beneficiaries worked with VR agencies and ENs to attempt to return to the workforce.
- In FYs 2020 and 2021, we will continue employment outreach to beneficiaries through ongoing mailings, marketing efforts, webinars, and social media. To maximize participation rates and earnings outcomes, we will continue to test and apply changes to our Ticket to Work program notices.

Develop an Occupational Information System

We often need information about work to make a disability determination, but the types of jobs in the workforce and job requirements change over time. Our Occupational Information System partnership with the Department of Labor’s Bureau of Labor Statistics (BLS) enables us to collect occupational information for use in our disability adjudication process and to make consistent, better-informed disability decisions.

- In FY 2019, BLS published estimates encompassing the entire three years of initial data collection,³ which we are continuing to analyze. BLS also began a second wave of data collection. We will update the data on a five-year cycle to ensure our disability program continues to use accurate and relevant data.
- In FYs 2020 and 2021, BLS will publish annual estimates from the second wave of data collection.

Update the Listing of Impairments

The Listing of Impairments describes disabling impairments for each of the major body systems. We continue to make significant progress in updating these listings to reflect advances in medical knowledge, and we plan to implement a three to five-year review cycle.

- In FY 2019, we published a Notice of Proposed Rulemaking to update the digestive and skin disorders listings.
- In FY 2020, we plan to publish a final rule for the musculoskeletal body system and a proposed rule for the cardiovascular disorders body system.
- In FY 2021, we plan to publish a final rule for updates to three body systems.

³ Based on an occupational shelf-life study commissioned by BLS, we will update the data every five years after the completion of the initial three years of data collection.

Modernize the Social Security Statement

We are modernizing the online *Social Security Statement* through the *my Social Security* portal to improve customer service and the public’s understanding of our programs. The modernized online *Statement* will continue to provide the public with their earnings record, Social Security and Medicare taxes paid, and future benefit estimates. It will also provide the public with access to retirement planning, benefit eligibility, decisions on their benefit applications, and will be customized based on the user’s age. The modernized online *Statement* will be housed in a central location and linked with the Benefit Entitlement Center (BEC)⁴.

- In FY 2019, we integrated the *my Social Security* online *Statement* with additional benefit estimation tools through the BEC.
- In FYs 2020 and 2021, we will add customized age based features and conduct a *Social Security Statement* user survey to assess customer feedback in relation to the changes and future modernization features and enhancement efforts.

Performance Measures

Performance Measure 2.1a: Improve the disability determination process by increasing the percentage of medical evidence received electronically

Fiscal Year	2018	2019	2020	2021
Target	45%	50%	60%	65%
Target Met	Met	Met	TBD	TBD
Performance	48%	51%	TBD	TBD
FY 2019 Performance Results	In FY 2019, additional organizations participated in Health IT and Electronic Records Express (ERE). As a result, we observed a steady increase in the amount of medical evidence received through these channels. We exceeded our overall target.			

Data Definition: The target represents the percentage of medical records received electronically through ERE, ERE Web Services, Bulk Transfer, and Health IT.

⁴ The Benefits Entitlement Center is a self-service solution that allows customers to easily find available services for planning, filing, appealing and managing benefits within the *my Social Security* portal.

NEW Performance Measure 2.1b: Increase the percentage of beneficiaries whose successful work outcomes within three years of assignment resulted in a payment to an Employment Network (EN) or State Vocational Rehabilitation (VR) agency

Fiscal Year	2020	2021
Target	7.1%	7.2%
Target Met	TBD	TBD
Performance	TBD	TBD

Data Definition: The target represents the percentage of beneficiaries who assigned a Ticket to an EN or VR agency within the last three years who also generated a payment in the current fiscal year.

Performance Measure 2.1c: Update the Listing of Impairments

Fiscal Year	2018	2019	2020	2021
Target	Publish a Notice of Proposed Rulemaking to revise three body systems in the Listing of Impairments	Publish a final rule to revise the Musculoskeletal disorders system, and a proposed rule for the Cardiovascular, Digestive, and Skin body systems	Publish a final rule for the Musculoskeletal body system and a proposed rule for the Cardiovascular disorders body system	Publish a final rule for updates to three body systems
Target Met	Not Met	Not Met	TBD	TBD
Performance	The Notice of Proposed Rulemaking is in process, with a publication goal of early to mid FY 2019	The proposed rule for the Digestive and Skin disorders body systems was published in the Federal Register on 7/25/2019	TBD	TBD
FY 2019 Performance Results	In FY 2019, we successfully published the proposed rule for the Digestive and Skin disorders body systems. The proposed rule for the cardiovascular disorders body system and the final rule for the musculoskeletal disorders body systems are in process, with a new publication goal of early FY 2020.			

Data Definition: The target represents the number of proposed and final rules we will submit to the Office of Management and Budget for review and approval to publish in the Federal Register.

Strategic Objective 2.2: Accelerate Information Technology Modernization

Lead: Deputy Commissioner for Systems

Strategies

- Modernize IT infrastructure to respond to evolving business needs
- Build modern applications that improve the customer and employee experience
- Strengthen our cybersecurity program and modernize our cybersecurity infrastructure
- Modernize disability case processing

Key Initiatives

Information Technology Modernization

Our staff rely on our IT infrastructure to serve the public and safeguard our programs. As program and data needs change, our IT infrastructure must continue to adapt to future demands.

We developed our systems over 30 years ago, and they have grown increasingly complex, inefficient to meet customer demands, and costlier to maintain. In FY 2018, we initiated our IT Modernization Plan to address IT concerns and improve our service to the public.

- In FY 2019, we modernized our database infrastructure and support capabilities; improved access to master file data to allow the retirement of legacy software; consolidated and eliminated duplicate data; expanded our enterprise data warehouse; and delivered Old-Age, Survivors, and Disability Insurance (OASDI) Cost of Living Adjustment Notices online.
- In FYs 2020 and 2021, we will continue to:
 - Modernize our claims-taking process, improve the quality of the data we use to make decisions on eligibility and payment, and improve how we communicate with beneficiaries and recipients;
 - Consolidate data in areas that deliver measurable business value while improving data integrity and access, and continue to improve database support by using modern relational database formats and techniques; and
 - Deploy the Customer Communications Management application capability to collect and react to customer communications preference for receiving information from the agency, allowing them to receive agency correspondence via traditional mail or online.

Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure

Maintaining the public's trust in our ability to protect sensitive data housed in our systems requires continuous monitoring of threats and continual improvement and strengthening of our cybersecurity program. Through constant assessment of the threat landscape and use of advanced cybersecurity controls, we can better protect against cybersecurity incidents and risks.

- In FY 2019, we mitigated vulnerabilities and enhanced our identity management platform to protect our IT assets.
- In FY 2020, we will strengthen our efforts to attract, develop, and retain our cybersecurity workforce. We will automate our detection and response processes to identify threats, mitigate vulnerabilities, and limit the impact of potential cyberattacks.
- In FY 2021, we will continue to align our practices with the National Institute of Standards and Technology Cybersecurity Framework and other Federal initiatives to identify, detect, and stop potential fraudulent transactions before they occur.

Modernize Disability Case Processing

The disability case processing system (DCPS) is a modern system for use by State disability determination services (DDS) and Federal components to process disability claims. It will replace aging systems and will provide more efficient case processing, improve customer service, and reduce administrative costs.

- In FY 2019, we increased functionality as planned, and we completed the deployment of DCPS to 19 DDSs as production sites, bringing the total number of DCPS sites to 31. Also, in FY 2019, 2 DDSs transitioned to only DCPS to process claims and no longer use legacy systems to process claims.
- In FY 2020 and FY 2021, we plan to continue deployment and transition from legacy systems.

Performance Measures

Performance Measure 2.2a: Modernize databases, replacing and retiring outdated technology and designs

Fiscal Year	2018	2019	2020	2021 ⁵
Target	Replace two legacy databases with modern design databases	Replace two legacy databases	Replace three legacy databases	Discontinued
Target Met	Met	Met	TBD	Not Applicable
Performance	Replaced two legacy systems	Replaced two legacy databases	TBD	Not Applicable
FY 2019 Performance Results	In FY 2019, we retired our Appointed Representative database and replaced it with the modernized Registration, Appointment and Services for Representatives database. We also retired our legacy Post Entitlement Management Information database and replaced it with a modern DB2 database.			

Data Definition: The number of legacy databases we replace or retire to reduce infrastructure costs and our mainframe footprint by migrating these databases to the cloud hosted Enterprise Data Warehouse for Management Information and Business Information data.

⁵ The performance measure to modernize databases, replacing and retiring outdated technology and designs will be completed in FY 2020. This measure is discontinued for FY 2021.

Performance Measure 2.2b: Continue to modernize the IT Infrastructure

Fiscal Year	2019	2020	2021
Target	Extend the on premise cloud capability by offering Platform-as-a-Service ⁶	Migrate 100% of agency e-mail to the cloud platform	Migrate 75% of SharePoint to the cloud platform
Target Met	Met	TBD	TBD
Performance	Extended cloud capability	TBD	TBD
FY 2019 Performance Results	We completed our security impact assessment on July 3, 2019, granting operational status.		

Data Definition: The target represents our transition and use of the cloud platform to improve the quality and efficiency of critical agency services.

⁶ Platform-as-a-Service is a category of cloud computing service, which allows the agency to develop, run, and manage applications without the complexity of building and maintaining the infrastructure typically associated with developing and launching an application.

Performance Measure 2.2c: Modernize our customer communications infrastructure

Fiscal Year	2018	2019	2020	2021
Target	Implement a modernized notice infrastructure to enable multiple notice delivery options	Deliver OASDI Cost of Living Adjustment Notices online via <i>my Social Security</i>	Establish the capability to direct agency correspondence through either USPS mail or <i>my Social Security</i> Message Center, based on communications delivery preferences of <i>my Social Security</i> customers	Enhance the enterprise customer communications management architecture to enable front-line customer support technicians to generate manual notices
Target Met	Met	Met	TBD	TBD
Performance	Modernized notice infrastructure implemented	Delivered over 14.8 million online OASDI Cost of Living Adjustment notices	TBD	TBD
FY 2019 Performance Results	In FY 2019, we delivered over 14.8 million online OASDI Cost of Living Adjustment notices to SSA’s Message Center.			

Data Definition: The target represents our progress towards offering *my Social Security* customers additional notice delivery options.

NEW Performance Measure 2.2d: Expand Self-Service for Claims Status Inquiries

Fiscal Year	2020	2021
Target	Implement event based emails to SSA customers	Develop infrastructure for a claims status mobile product
Target Met	TBD	TBD
Performance	TBD	TBD

Data Definition: The target represents our goal to implement new functionality that allows SSA customers to receive claims status updates.

Performance Measure 2.2e: Provide uninterrupted access to our systems during scheduled times of operations

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	99.50% availability	99.50% availability	99.90% availability				
Target Met	Met	Met	Met	Met	Met	TBD	TBD
Performance	99.96% availability	99.91% availability	99.96% availability	99.95% availability	99.95% availability	TBD	TBD
FY 2019 Performance Results	In FY 2019, we exceeded the system availability target with a 99.95% availability. We limited the impact of potential cyberattacks and implemented email and network safeguards to detect and prevent malware.						

Data Definition: The target represents the average percentage of availability of our systems infrastructure.

Performance Measure 2.2f: Maintain an effective cybersecurity program

Fiscal Year	2018	2019	2020	2021
Target	Achieve an overall score of “managing risk” on the Federal Cybersecurity risk Management Assessment ⁷	Achieve an overall score of “managing risk” on the Federal Cybersecurity Risk Management Assessment	Achieve an overall score of “managing risk” on the Federal Cybersecurity Risk Management Assessment	Achieve an overall score of “managing risk” on the Federal Cybersecurity Risk Management Assessment
Target Met	Met	Met	TBD	TBD
Performance	Managing Risk score achieved	Managing Risk score achieved	TBD	TBD
FY 2019 Performance Results	Department of Homeland Security (DHS) assesses each agency’s risk across several National Institute of Standards and Technology (NIST) aligned security domains and capabilities. After reviewing our cybersecurity program, DHS rated us as “managing risk” across all five NIST functions of Identify, Protect, Detect, Respond, and Recover.			

Data Definition: The target represents our annual overall risk score from the Federal Cybersecurity Risk Management Assessment.

⁷ Presidential Executive Order 13800, *Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure*, and OMB Memorandum M-17-25 require Federal agencies and departments to implement risk management measures and require OMB to evaluate Federal agencies on how they are managing their cybersecurity risk. Risk ratings are based on capabilities defined in the NIST Cybersecurity Framework. Potential risk ratings range from (1) High Risk, (2) At Risk, or (3) Managing Risk.

Strategic Goal 3: Ensure Stewardship

We take the stewardship of our programs seriously and we will continue to demonstrate a commitment to sound management practices. To ensure stewardship and the efficient administration of our programs, we will focus our efforts in three major areas: improving program integrity; enhancing our fraud prevention and detection activities; and improving workforce performance and increasing accountability.

Strategic Objective 3.1: Improve Program Integrity

Focus Area for Improvement

Lead: Deputy Commissioner for Analytics, Review, and Oversight

Strategies

- Collaborate with partners to address improper payments
- Address the root causes of improper payments to prevent their recurrence
- Modernize our debt management and debt collection business processes

Key Initiatives

Promote Timely Wage Reporting

Changes in a person's work and wages are a leading cause of improper payments in the DI and SSI programs. Currently, we use a number of sources to verify wage amounts, including pay stubs submitted by recipients, annual earnings data from the IRS, and payroll information from The Work Number. However, verifying wages is a manual process, and we continue to rely on beneficiaries being able to self-report wages.

In FY 2017, we implemented an online tool, myWageReport (myWR), which allows DI beneficiaries to report earnings electronically on computers, mobile devices, and smartphones through *my Social Security*. In FY 2018, we expanded myWR to allow SSI recipients, their representative payees, or their deemors (e.g., an ineligible spouse or parent living with the recipient) to report earnings electronically.⁸

⁸ Over the years, we created a few automated methods to improve wage reporting for SSI recipients. We implemented a telephone wage reporting system that allows recipients to call in their wages and a downloadable wage reporting application for smartphone users.

- In FY 2019, users successfully submitted over 99,000 myWR transactions. In addition, we developed requirements, conducted market research, and awarded a contract to a payroll data provider, which allowed us to collect over 11.8 million consent authorizations from applicants, beneficiaries, and recipients.
- In FYs 2020 and 2021, we plan to expand on our management information capabilities for myWR.

Modernize our Debt Management System

Currently, we use numerous systems to record, track, and manage our OASDI and SSI overpayments. We have begun a multi-year initiative to develop a streamlined, modernized enterprise Debt Management System (DMS) to enable us to more effectively and efficiently post, track, collect, and report our overpayment activity.

- In FY 2019, we developed an online debt collection application for certain benefit overpayments.
- In FY 2020, we will release the online debt collection application to the public. The application will allow individuals to print, save, or request an email confirming their payment after successfully completing a transaction.
- In FY 2021, we plan to implement a new, modernized DMS.

Performance Measures

Performance Measure 3.1a: Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments (APG)

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	95.0% (O/P)	95.0% (O/P)	94.0% (O/P)	94.0% (O/P)	94.0% (O/P)	94.0% (O/P)	94.0% (O/P)
Target Met	Not Met	Not Met	Not Met	Not Met	TBD	TBD	TBD
Performance	93.94% (O/P)	92.38% (O/P)	92.71% (O/P)	91.77% (O/P)	Data available summer 2020	TBD	TBD
FY 2019 Performance Results	FY 2019 results will be available in summer 2020.						

Data Definition: The target represents our annual overpayment accuracy rate findings from our stewardship review of non-medical aspects of the SSI program.⁹ (Overpayment (O/P) accuracy rate is the percentage of all dollars paid that are free of O/P errors.)

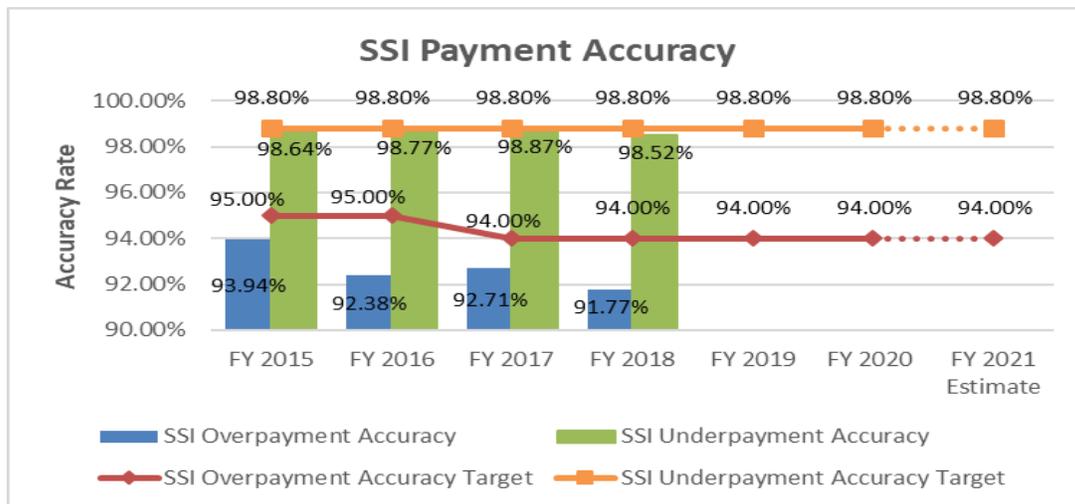


Figure 5. The SSI overpayment and underpayment accuracy rates and targets from fiscal years 2015 to 2021.

⁹ “Ensure Stewardship” is a Strategic Goal in our [Agency Strategic Plan for Fiscal Years \(FY\) 2018–2022](https://www.ssa.gov/agency/asp). Each year, we report improper payment findings, both overpayments and underpayments, from our stewardship reviews of the non-medical aspects of the OASI, DI, and SSI programs.

Performance Measure 3.1b: Maintain a high payment accuracy rate by reducing overpayments, in the Old-Age, Survivors, and Disability Insurance program

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	99.8% (O/P)	99.8% (O/P)	99.8% (O/P)	99.8% (O/P)	99.8% (O/P)	99.8% (O/P)	99.8% (O/P)
Target Met	Not Met	Not Met	Not Met	Not Met	TBD	TBD	TBD
Performance	99.64% (O/P)	99.79% (O/P)	99.36% (O/P)	99.77% (O/P)	Data available summer 2020	TBD	TBD
FY 2019 Performance Results	FY 2019 results will be available in summer 2020.						

Data Definition: The target represents the annual overpayment accuracy rate findings from our stewardship reviews of the non-medical aspects of the OASDI program.¹⁰

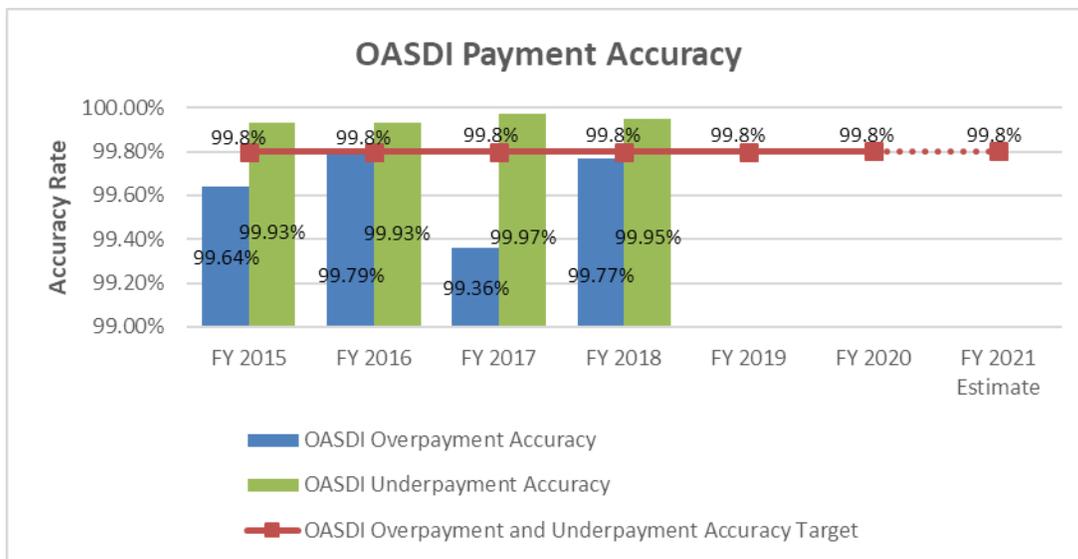


Figure 6. The OASDI overpayment and underpayment accuracy rates and targets from fiscal years 2015 to 2021.

¹⁰ “Ensure Stewardship” is a Strategic Goal in our [Agency Strategic Plan for Fiscal Years \(FY\) 2018–2022](#) (www.ssa.gov/agency/asp). Each year, we report improper payment findings, both overpayments and underpayments, from our stewardship reviews of the non-medical aspects of the OASI, DI, and SSI programs.

Performance Measure 3.1c: Ensure the quality of our decisions by achieving the State disability determination services decisional accuracy rate for initial disability decisions¹¹

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	97% net accuracy	97% net accuracy	97% net accuracy	97% net accuracy	97% decisional accuracy	97% decisional accuracy	97% decisional accuracy
Target Met	Met	Met	Met	Met	Met	TBD	TBD
Performance	98% net accuracy	98% net accuracy	97% net accuracy	98% net accuracy	97% decisional accuracy	TBD	TBD
FY 2019 Performance Results	The public expects us to make timely and accurate decisions. We met our goal in FY 2019, by achieving a 97 percent DDS decisional accuracy for initial disability decisions. We have consistently met our target for this measure since FY 2010.						

Data Definition: The target represents the percentage of correctly decided cases compared to all sampled cases.

¹¹ Decisional Accuracy reflects all DDS medical determinations in which the determination was policy compliant at the time of the quality review and the initial determination did not change after additional documentation was obtained because of a quality review.

Performance Measure 3.1d: Modernize our Debt Management System

Fiscal Year	2019	2020	2021
Target	Implement online debt collection for benefit overpayments	Develop functionality to send an email confirmation as part of SSA's online remittance application	Implement the new modernized debt management system
Target Met	Not Met	TBD	TBD
Performance	Developed the initial release of an online remittance application, which provides individuals with the ability to access a payment portal and make payments via the Department of the Treasury's Pay.gov website	TBD	TBD
FY 2019 Performance Results	In FY 2019, we developed the online overpayments remittance application, but delayed rollout in order to include email receipt functionality.		

Data Definition: The target represents our goal to develop a streamlined modernized enterprise Debt Management System that enables us to more effectively and efficiently post, track, collect, and report our overpayment activity. As part of our progress towards implementation, we will develop functionality for an optional email confirmation.

Strategic Objective 3.2: Enhance Fraud Prevention and Detection Activities

Lead: Deputy Commissioner for Analytics, Review, and Oversight

Strategies

- Expand the use of data analytics and increase internal and external partnerships
- Develop and conduct regular fraud risk assessments of our programs

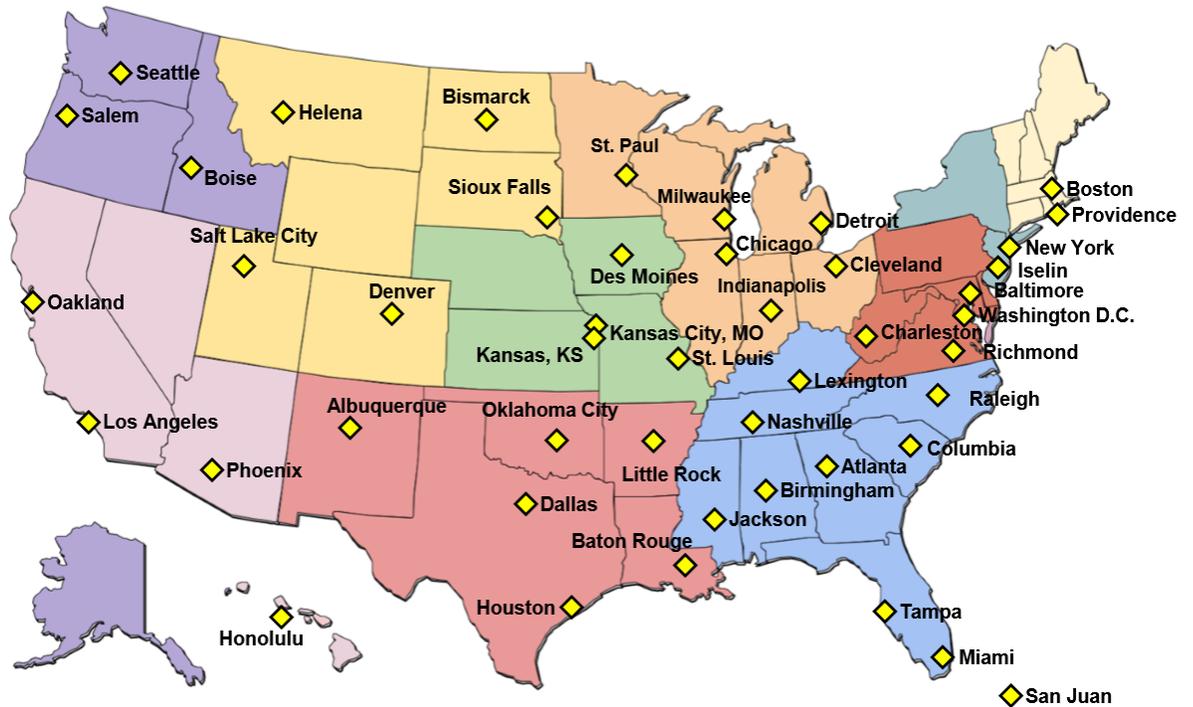
Key Initiatives

Expand Our Cooperative Disability Investigations Program

With the Office of the Inspector General, we jointly operate cooperative disability investigations (CDI) units with State DDSs, and State and local law enforcement. Generally, these units investigate suspected fraud before the agency awards benefits and during the CDR process.

- In FY 2019, we added three CDI units in Bismarck, ND; Boise, ID; and Helena, MT, and provided CDI coverage to the U.S. Virgin Islands. We ended the fiscal year with 46 CDI units covering 40 States and 6 U.S. territories.
- In FYs 2020 and 2021, we plan to add 2 to 4 CDI units each year with the goal of providing coverage to covering all States and U.S. territories by October 1, 2022.

Cooperative Disability Investigations (CDI) Coverage



46 Units covering 40 states, the Commonwealth of Puerto Rico, the District of Columbia and the territories of American Samoa, Guam, the Northern Mariana Islands and the U.S. Virgin Islands.

Figure 7. The CDI unit coverage through FY 2019.

Enhanced Fraud Prevention and Detection Activities

We are focusing on a holistic analytical approach to our fraud risk management and prioritizing our anti-fraud efforts consistent with the Fraud Reduction and Data Analytics Act of 2015 (FRDAA) and the Government Accountability Office (GAO) Framework for Managing Fraud Risks in the Federal Programs.

We continue to expand the use of data analytics and predictive modeling to enhance fraud prevention and detection in our programs. With these models, we can better identify suspicious and evolving patterns of activities in our workloads, allowing us to proactively detect and prevent fraud before payments are made.

- In FY 2019, we developed the disability fraud risk profile. We also completed two additional fraud risk assessments focused on key electronic services (eServices) and administrative areas, such as payroll, contracts, and travel purchase cards. Lastly, we finalized our Enterprise Fraud Risk Management (EFRM) strategy, which establishes a standardized business process and schedule for conducting fraud risk assessments across our major program areas, ensuring compliance with FRDAA and the GAO Framework.
- In FY 2020, we will deploy an updated fraud allegation referral process that will provide employees a modern, streamlined interface to report fraud and improve our ability to analyze allegation data.
- In FYs 2020 and 2021, we will initiate additional risk assessment activities, consistent with our EFRM strategy.

Performance Measures

Performance Measure 3.2a: Expand our CDI coverage

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	Not Applicable	Not Applicable	Not Applicable	Add three CDI units	Add three CDI units	Add two to four CDI units	Add two to four CDI units
Target Met	Not Applicable	Not Applicable	Not Applicable	Met	Met	TBD	TBD
Performance	Added nine CDI units	Added two CDI unit	Added one CDI unit	Added three CDI units	Added three CDI units	TBD	TBD
FY 2019 Performance Results	In FY 2019, we added three CDI Units: Bismarck, North Dakota; Boise, Idaho; and Helena, Montana.						

Data Definition: The target represents the number of additional CDI units to be added to cover the 50 States, the District of Columbia, Puerto Rico, Guam, American Samoa, the Northern Mariana Islands, and the U.S. Virgin Islands.

Performance Measure 3.2b: Mature the Enterprise Fraud Risk Management Program

Fiscal Year	2018	2019	2020	2021
Target	Operationalize AFES and implement eServices analytics	Complete eServices risk assessment, develop disability fraud risk profile, implement anti-fraud disability analytics	Complete the eServices fraud risk profile, the Administrative Issues fraud risk profile, and the Representative Payee fraud risk assessments	Complete the Representative Payee fraud risk profile, the SSI fraud risk assessment, and the Employee Fraud risk assessment
Target Met	Not Met	Met	TBD	TBD
Performance	We have not fully implemented the Anti-Fraud Enterprise Solution (AFES), but we deployed our first disability fraud analytic model and improved our eServices analytics and fraud detection	We completed the eServices risk assessment, developed the disability fraud risk profile, and implemented disability analytics	TBD	TBD
FY 2019 Performance Results	We completed the eServices Fraud Risk Assessment in August 2019, and the final report was presented to the National Anti-Fraud Committee on September 4, 2019. The Disability Fraud Risk Profile was completed in September 2019. We continued to implement disability analytics in FY 2019. We re-ran our first disability fraud model and tested new models.			

Data Definition: The target represents our EFRM strategy to systematically assess fraud risks and determine whether any specific risks require additional actions to further reduce the likelihood or impact of that risk.

Strategic Objective 3.3: Improve Workforce Performance and Increase Accountability

Lead: Deputy Commissioner for Human Resources

Strategies

- Enhance accountability for managing performance through program and automation improvements
- Align employee development with agency succession plans
- Invest in training and support for managers to effectively address performance and conduct challenges

Key Initiatives

Strengthen the Performance Management Process

The electronic 7B (e7B) application provides the ability to complete and track employee performance management documents and required acknowledgement statements (systems access, and handling of personally identifiable information [PII]) that were previously maintained in paper form. The application also provides employees and management the ability to electronically deliver and sign these documents and enhances management and employee accountability.

- In FY 2019, we added a performance standard for managers' and supervisors' performance plans to hold them accountable for addressing employee conduct issues and poor performance.
- In FY 2020 and FY 2021, we plan to increase the percentage of performance management documents completed in a timely manner.

Execute Talent Management and Succession Planning

Our goal is to continue to increase the proficiency of our leadership cadre and pipeline to enhance their readiness to fill potential gaps in leadership and critical positions.

- In FY 2019, we continued to refine our Senior Executive Service Talent and Succession Planning process, including the implementation of Executive Development Plans; launched a National Leadership Development program; and established shared guidelines for regional and component-based developmental programs.
- In FY 2020, we will identify competency baselines in national leadership development program selectees.
- In FY 2021, we will reduce leadership competency gaps among at least 90 percent of leadership development program participants.

Invest in Training and Support for Managers

We are responsible for providing the training and technology necessary for managers and employees to carry out their work in order to provide the level of service the public expects and deserves. Our goal is that within 90 days of a promotion, new supervisors will receive training to develop and improve their leadership skills and competencies.

- In FY 2019, we launched and updated our National Leadership Essentials for New Supervisors (LENS) curriculum to train new SSA managers and supervisors on management laws and responsibilities, in conjunction with SSA and OPM's policies and procedures. We also offered soft-skill training and development resources to

experienced SSA managers and supervisors through our National Leadership Education and Development for Supervisors (LEADS) curriculum.

- In FY 2020, we will develop a new and centralized managerial curriculum that consolidates LENS and LEADS to encompass sequential training for managers within the first three years of their supervisory role.
- In FY 2021, we plan to implement the consolidated LENS and LEADS unified curriculum.

Performance Measures

Performance Measure 3.3a: Strengthen manager accountability for effective performance management

Fiscal Year	2018	2019	2020	2021
Target	90% performance-related documents completed and tracked electronically through our e7B system	93% of performance-related documents completed and tracked electronically through our e7B system	95% of required signed employee acknowledgements maintained in our e7B system	97% of required signed employee acknowledgements maintained in our e7B system
Target Met	Met	Met	TBD	TBD
Performance	92%	94%	TBD	TBD
FY 2019 Performance Results	•Overall, 94.4% of all FY 2019 performance-related documents were uploaded into the e7B, exceeding the 93% performance target.			

Data Definition: The target represents the percentage of required employee acknowledgements that are completed and tracked electronically through our e7B system.

Performance Measure 3.3b: Enhance the leadership pipeline through a modernized national leadership development program

Fiscal Year	2018	2019	2020	2021
Target	Review readiness of at least 95% of career executives	Launch a redesigned national leadership development program	Identify competency baselines in national leadership development program participants	Reduce leadership competency gaps of at least 90% of national leadership development program participants
Target Met	Met	Met	TBD	TBD
Performance	99%	Launch Complete	TBD	TBD
FY 2019 Performance Results	In FY 2019, we launched all three tracks of the new National Leadership Development Program (NLDP) with formal announcements on USAJobs.			

Data Definition: The target represents the release of a redesigned NLDP, which includes developing program graduates by increasing their baseline competency and reducing competency gaps.

Performance Measure 3.3c: Ensure new supervisors receive timely training to improve their leadership skills and competencies

Fiscal Year	2019	2020	2021
Target	At least 90% of new supervisors enroll in supervisor training within 90 days and complete training within one year of the effective date of their supervisory appointment	At least 95% of new supervisors enroll in supervisor training within 90 days and complete training within one year of the effective date of their supervisory appointment	At least 95% of new supervisors enroll in supervisor training within 90 days and complete training within one year of the effective date of their supervisory appointment
Target Met	TBD	TBD	TBD
Performance	TBD	TBD	TBD
FY 2019 Performance Results	Final FY 2019 results will be available in October 2020.		

Data Definition: The target represents the percentage of new supervisors enrolled in supervisor training within the first 90 days and complete training within one year of the effective date of their supervisory appointment.

Strategic Objective 3.4: Improve Organizational Effectiveness and Reduce Costs

Lead: Deputy Commissioner for Budget, Finance, and Management and Deputy Commissioner for Retirement and Disability Policy

Strategies

- Align our real estate footprint with current and future business needs
- Streamline our organization and how we manage workloads
- Improve strategic partnerships with other government and private entities

Key Initiatives

Reduce Our Real Property Footprint

We are reducing our real property footprint as we renovate existing buildings and renew lease agreements. Our *Real Property Efficiency Plan* stipulates a 1,005,000 useable square feet (USF) reduction in our real estate portfolio from FY 2020 through FY 2024.

- In 2019, we reduced our footprint by 25,000 USF, and finalized our revised Space Allocation Standards, which codifies the use of standardized workstations and implements optimized office sizes for all renovations projects and space actions moving forward. We also adjusted the size of furniture workstations to reflect current business needs, which will lower the cost by about 25 percent per workstation and enables us to increase the number of employees that occupy our buildings.
- In FYs 2020 and 2021, we will continue to implement our revised standards as we adjust new leasing actions and modifications.

Expand Strategic Partnerships with External Partners

We provide SSN verifications and exchange birth, death, prisoner, and benefit payment information, as permitted under law, with Federal, State, and private partners, to efficiently obtain data to ensure our payment accuracy and to support the needs of other external programs. Our data exchanges improve organizational effectiveness and reduce costs by providing reliable data to determine benefits and improve administrative processes, which in turn saves costs and reduces improper payments.

- In 2019, we implemented the Foreign Travel Data application, which we built to facilitate access to DHS's Arrival and Departure Information System (ADIS) data. Our technicians can use ADIS to view foreign travel data for non-citizens and determine their SSI eligibility during the SSI redetermination process.

- In FY 2020, our technicians will use ADIS to view foreign travel data for non-citizens and determine their SSI eligibility during the SSI redetermination process. We will also implement systems functionality and pursue a computer-matching agreement to expand the service for batch processing.
- In FY 2021, we will continue to pursue new data exchange partners from government and private sectors.

Develop a new Electronic Consent Based Social Security Number Verification (eCBSV) Service

We are committed to safeguarding SSNs from fraud. We continue our stewardship efforts to reduce fraud through modernizing digital services and expanding public-private partnerships. We will implement the electronic Consent Based Social Security Number Verification (eCBSV) Service. eCBSV is a fee-based SSN verification service that allows permitted entities to verify if an individual's SSN, name, and date of birth combination matches our records consistent with the Economic Growth, Regulatory Relief, and Consumer Protection Act.

- In FYs 2020 and 2021, we will roll out eCBSV to a limited number of permitted entities enrolled during the 2019 initial enrollment period. We will expand the number of permitted entities approximately six months following the initial rollout.

Performance Measures

Performance Measure 3.4a: Reduce our real property footprint

Fiscal Year	2016	2017	2018	2019	2020	2021
Target	Achieve a 190,000 USF reduction	Achieve a 15,000 USF reduction	Achieve a 55,000 USF reduction	Achieve a 25,000 USF reduction	Achieve a 19,500 USF reduction	Achieve a 85,000 USF reduction
Target Met	Not Met	Met	Met	Met	TBD	TBD
Performance	Achieved a 174,755 USF reduction	Achieved a 83,375 USF reduction	Achieved a 182,040 USF reduction	Achieved a 25,000 USF reduction ¹²	TBD	TBD
FY 2019 Performance Results	We achieved this reduction primarily by relocating our headquarters office in Washington, DC and implementing space sharing in the Boston, MA office.					

Data Definition: The target represents the actual space occupied. Usable square footage does not include common areas of a building such as lobbies, restrooms, stairwells, storage rooms, and shared hallways.

NEW Performance Measure 3.4b: Implement the electronic Consent Based Social Security Number Verification (eCBSV) Service

Fiscal Year	2020	2021
Target	Implement eCBSV services for 10 permitted entities selected and enrolled during the initial enrollment period	Implement a second release of eCBSV services for additional permitted entities that applied during the July 2019 initial enrollment period
Target Met	TBD	TBD
Performance	TBD	TBD

Data Definition: The target represents the enrollment of a permitted entity (i.e., financial institution or service provider, subsidiary, affiliate, agent, subcontractor, or assignee) as defined by section 509 of the Gramm Leach Bliley Act, governing the treatment of nonpublic personal information about consumers by financial institutions, that applied in the July 2019 initial enrollment period.

¹²USF results are based on agency calculations pending final reconciliation with GSA in February 2020.

Budgeted Workload Measure Results

In addition to the performance measures and targets we develop to demonstrate our incremental efforts to achieve our strategic goals, we have a number of budgeted workload performance measures that represent how much of our core workloads we will complete each year and how efficiently and effectively we complete this work. While budgeted workload measures support our strategic goals and objectives, the targets and outcomes are directly affected by our funding level each year. Thus, we present our budgeted workload measures separately in the following table.

Retirement and survivor claims completed

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	5,247,000	5,586,000	5,782,000 (4,196,566 received)	5,801,000	6,009,000	6,222,000	6,354,000
Performance	5,327,221	5,602,312	5,619,831	5,862,065	6,020,702	TBD	TBD

Initial disability claims receipts

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	2,755,000	2,807,000	2,499,000	2,476,000	2,295,000	2,399,000	2,545,000
Performance	2,756,319	2,637,755	2,442,592	2,353,970	2,345,615	TBD	TBD

Initial disability claims completed

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	2,767,000	2,695,000 (2,637,755 received)	2,455,000	2,300,000	2,295,000	2,289,000	2,359,000
Performance	2,759,432	2,688,977	2,455,000	2,306,570	2,310,057	TBD	TBD

Initial disability claims pending

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	621,000	733,000	612,000	699,000	565,000	704,000	890,000
Performance	621,315	567,644	522,869	565,013	593,944	TBD	TBD

Average processing time for initial disability claims

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	109 days	113 days	113 days	111 days	113 days	125 days	129 days
Performance	114 days	110 days	111 days	111 days	120 days	TBD	TBD

Disability reconsiderations receipts

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	Not Applicable	Not Applicable	Not Applicable	540,000	635,000	664,000	708,000
Performance	704,341	647,910	582,935	552,755	566,462	TBD	TBD

Disability reconsiderations completed

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	739,000	702,000 (647,910 received)	581,000	518,000	597,000	554,000	613,000
Performance	723,485	666,948	595,588	541,806	544,148	TBD	TBD

Disability reconsiderations pending¹³

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	143,000	136,000	130,000	129,000	153,000	244,000	339,000
Performance	143,540	120,829	105,022	115,028	133,503	TBD	TBD

¹³ The increase in pending is a result of the phased-in reinstatement of the reconsideration process in the 10 prototype States.

Average processing time for disability reconsiderations^{14,15}

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	Not Applicable	Not Applicable	105 days	102 days	105 days	118 days	119 days
Performance	113 days	103 days	101 days	103 days	109 days	TBD	TBD

Hearings receipts

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	805,000	746,000	632,000	582,000	511,000	464,000	467,000
Performance	746,300	712,853	620,164	567,911	510,901	TBD	TBD

Hearings completed

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	727,000	703,000	683,000	738,000	779,000	688,000	559,000
Performance	663,129	652,241	685,657	765,554	793,863	TBD	TBD

Hearings pending

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	1,056,000	1,087,000	1,071,000	900,000	591,000	352,000	259,000
Performance	1,060,907	1,121,519	1,056,026	858,383	575,421	TBD	TBD

¹⁴ Reconsideration processing times could increase slightly due to reconsideration reinstatement and the effect of a learning curve in the prototype States. We will continue to monitor closely.

¹⁵ Average processing time does not include the special processing of iAppeals claims that involve a specific universe of online appeals that claimants abandoned prior to completion.

Annual average processing time for hearings decisions¹⁶

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	470 days	540 days	605 days	605 days	515 days	380 days	260 days
Performance	480 days	545 days	605 days	595 days	506 days	TBD	TBD

National 800 Number calls handled

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	38,000,000	34,000,000	35,000,000	33,000,000	36,000,000	36,000,000	41,000,000
Performance	36,900,641	37,231,564	36,053,988	31,910,965	33,496,515	TBD	TBD

Average speed of answer¹⁷

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	12 minutes	16 minutes	16 minutes	25 minutes	13 minutes	17 minutes	11 minutes
Performance	10 minutes	14 minutes	13 minutes	24 minutes	20 minutes	TBD	TBD

Agent busy rate

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	8.0%	9.5%	12.0%	16%	9%	12%	7%
Performance	7.5%	8.9%	10.2%	14.7%	14.1%	TBD	TBD

Periodic continuing disability reviews completed

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	1,890,000	1,950,000	1,970,000	1,990,000	1,803,000	1,803,000	1,790,000
Performance	1,971,812	2,107,139	2,257,140	2,286,326	1,939,167	TBD	TBD

¹⁶ Average processing time for hearings is an annual figure. End of year (September) processing time for hearings is estimated at 340 days and 240 days for FYs 2020 and 2021, respectively.

¹⁷ To more clearly communicate our National 800 Number performance, we are now reporting the standard unit of measure in minutes instead of seconds.

Full medical continuing disability reviews

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	790,000	850,000	850,000	890,000	703,000	703,000	690,000
Performance	799,013	853,754	874,411	896,508	713,156	TBD	TBD

Supplemental Security Income non-medical redeterminations completed

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	2,255,000	2,522,000	2,562,000	2,900,000	2,822,000	2,150,000	2,000,000
Performance	2,266,993	2,530,446	2,589,638	2,913,443	2,666,287	TBD	TBD

Social Security numbers completed

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	16,000,000	16,000,000	16,000,000	17,000,000	17,000,000	18,000,000	18,000,000
Performance	16,468,018	17,336,833	17,400,585	17,082,844	17,646,561	TBD	TBD

Annual earnings items completed

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	257,000,000	264,000,000	273,000,000	281,000,000	285,000,000	288,000,000	288,000,000
Performance	265,830,718	272,999,400	279,381,782	284,306,239	288,089,658	TBD	TBD

Social Security Statements issued¹⁸

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	44,000,000	38,000,000	10,000,000	14,000,000	15,000,000	14,000,000	15,000,000
Performance	50,092,070	47,507,890	13,724,897	14,971,689	11,347,689	TBD	TBD

Disability determination services production per workyear

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	313	307	301	302	302	304	308
Performance	307	306	306	310	303	TBD	TBD

Office of Hearings Operations production per workyear

Fiscal Year	2015	2016	2017	2018	2019	2020	2021
Target	95	88	94	103	105	106	96
Performance	104	94	96	98	111	TBD	TBD

¹⁸ The Social Security Statements Issued measure includes paper statements only; it does not include electronic statements issued. We send paper statements to individuals aged 60 and over. In FY 2019, *my Social Security* users accessed their Social Security Statements 56 million times.

Major Management and Performance Challenges

As we strive to improve our performance, we face a variety of challenges. Each year, the Office of the Inspector General (OIG) identifies our top management and performance challenges. In addition, our leadership also identifies challenges, which often overlap with the OIG report. A listing of acronyms for the responsible officials is in Appendix D, Summary of Key Management Officials' Responsibilities.

Challenges Identified by the Office of the Inspector General

In FY 2019, OIG identified six top management issues for our agency.

1) Improve Administration of the Disability Programs

Components: DCO, DCHO, DCRDP, DCS, DCHR, DCARO, and DCBFM

Challenge: The Agency continues to face challenges with pending disability hearings and related processing times. Continued focus is necessary to simplify work incentive regulations and create new opportunities for returning beneficiaries to work.

Actions we are undertaking to address this challenge include:

- Reduce the Hearings Backlog;
- Reinstatement of the Reconsideration Process;
- Reduce the Processing Center Backlog;
- Expand Video Service Delivery;
- Expand Access to Electronic Medical Evidence;
- Increase the Number of People with Disabilities Who Return to Work;
- Develop an Occupational Information System;
- Update the Listing of Impairments;
- Modernize Disability Case Processing; and
- Expand Our Cooperative Disability Investigations Program.

2) Minimize Payment Errors and Improve Management of Payment Workloads

Components: DCRDP, DCBFM, DCO, DCHO, DCS, OCACT, DCCOMM, GC, DCARO, and IG

Challenge: SSA issues monthly payments to approximately 70 million people and must be a responsible steward of the funds entrusted to its care by minimizing the risk of making improper payments and effectively recovering overpayments when they occur.

Actions we are undertaking to address this challenge include:

- Reduce the Processing Center Backlog;
- Promote Timely Wage Reporting;
- Improve the Death Reporting System Process;
- Modernize our Debt Management System;
- Expand Our Cooperative Disability Investigations Program; and
- Enhanced Fraud Prevention and Detection Activities.

3) Improve the Prevention, Detection, and Recovery of Improper Payments

Components: DCRDP, DCBFM, DCO, DCHO, DCS, OCACT, DCCOMM, GC, DCARO, and IG

Challenge: SSA is responsible for issuing approximately \$1 trillion in benefit payments, annually. Given the amounts involved, even the slightest error in the overall payment process can result in millions of dollars in over-or-underpayments. Preventing, detecting, and recovering improper payments continues to be a challenge.

Actions we are undertaking to address this challenge include:

- Improve the Death Reporting Process;
- Expand our Cooperative Disability Investigations Program; and
- Expand Strategic Partnerships with External Partners.

4) Improve Service Delivery

Components: DCO, DCHO, DCBFM, DCRDP, and DCS

Challenge: SSA faces challenges, including growing workloads as experienced employees are expected to retire, as it pursues its mission to deliver quality service to the public.

Actions we are undertaking to address this challenge include:

- Reduce the Hearings Backlog;
- Improve 800 Number Services;

- Reinststate the Reconsideration Process;
- Reduce the Processing Center Backlog;
- Expand Video Service Delivery;
- Expand Internet Replacement of Social Security Number Cards;
- Expand Online Self-Service Options;
- Enhance *my Social Security*;
- Enhance Online Appeals;
- Update the Listing of Impairments;
- Modernize the Social Security Statement; and
- Strengthen the Performance Management Process.

5) Secure Information Systems and Protect Sensitive Data

Component: DCS

Challenge: SSA must ensure its information systems are secure and sensitive data are protected.

Actions we are undertaking to address this challenge include:

- Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure; and
- Enhanced Fraud Prevention and Detection Activities.

6) Modernize Information Technology

Component: DCS

Challenge: SSA must modernize its IT to accomplish its mission despite budget and resource constraints.

Actions we are undertaking to address this challenge include:

- Expand Internet Replacement of Social Security Number Cards;
- Enhance *my Social Security*;
- Enhance Online Appeals;
- Information Technology Modernization;
- Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure; and
- Modernize Disability Case Processing.

Additional Challenges Identified by Our Leadership

Prevent Fraud, Waste, and Abuse

Components: DCO, DCARO, DCRDP, DCBFM, DCS, and IG

Fraud, waste, and abuse erode the public's trust in our ability to efficiently and effectively provide vital services. Prevention is critical to conserving valuable resources and meeting our mission to meet the changing needs of the public.

Actions we are undertaking to address this challenge include:

- Improve the Death Reporting System Process;
- Expand Our Cooperative Disability Investigations Programs;
- Enhance Fraud Prevention and Detection Activities; and
- Reduce Our Real Property Footprint.

Have Enough Employees with the Right Skills in the Right Place at the Right Time

Component: DCHR

Employee turnover challenges our ability to retain and develop empowered, knowledgeable, compassionate, and engaged employees. Having employees with the right skills in the right place at the right time is critical to our mission.

Actions we are undertaking to address this challenge include:

- Strengthen the Performance Management Process;
- Execute Talent Management and Succession Planning; and
- Invest in Training and Support for Managers.

Meet Future Service Delivery Needs

Components: DCO, DCHO, DCS, and DCRDP

The service delivery expectations of our customers are constantly evolving. We must improve our current services and develop new service delivery options to continue to meet customer needs.

Actions we are undertaking to address this challenge include:

- Expand Video Service Delivery;
- Expand Internet Replacement of Social Security Number Cards;
- Expand Online Self-Service Options;
- Enhance *my Social Security*;

- Enhance Online Appeals; and
- Modernize the Social Security Statement.

Keep Pace in the Disability Program with Medicine, Technology, and the World of Work

Components: DCRDP, DCHO, DCO, and DCS

Medicine, technology, and the nature of work are also constantly evolving. We must create a more agile and responsive organization committed to keeping pace with those changes and maximizing efficiencies throughout the disability program.

Actions we are undertaking to address this challenge include:

- Expand Access to Electronic Medical Evidence;
- Develop an Occupational Information System;
- Update the Listing of Impairments; and
- Modernize Disability Case Processing.

Appendix A: Program Evaluations

We routinely conduct studies and surveys to evaluate the effectiveness of our programs. Continuous evaluation of the collection of program data, research, and analyses assists us in identifying strengths and weaknesses in our programs. Information from the program evaluations assist us in developing strategies to address the major challenges we face and improve the day-to-day administration of our programs. We complete many of our evaluations annually, while others may be biennial or one-time efforts. We have included a summary of findings for the most current reports available at this time.

Strategic Goal 1 – Deliver Effective Services

ForeSee Experience Index E-Government Report (Quarterly)

The ForeSee Experience Index E-Government report measures citizen satisfaction with government websites. The fiscal year (FY) 2017 third quarter report noted two SSA websites, “Extra Help with Medicare Prescription Drug Plan Costs” and “SSA Retirement Estimator” topped the E-Government Satisfaction Index. Four out of the top six sites were SSA webpages.

Office Visitor Surveys (Biennial)

Our Office Visitor Survey measures customer satisfaction with our in-person service and includes the field office and hearing office segment and the Social Security Card Center segment. We conducted the surveys annually until FY 2018, but we will now conduct the surveys biennially, with the next series of Office Visitor Surveys occurring in FY 2020.

Overall satisfaction among field office visitors was 93 percent in FY 2018, higher than the FY 2017 rating of 91 percent. Hearing Office visitors’ overall satisfaction rating was 92 percent in FY 2018, which is higher than the FY 2017 rating of 89 percent. In FY 2018, 93 percent of Social Security card center visitors were satisfied with the service they received – an increase from 92 percent in FY 2017.

In FYs 2017 and 2018, all aspects of employee service (helpfulness, courtesy, job knowledge, and clarity of explanations) garnered very favorable ratings from field office, hearing office and Social Security card center visitors.

The rate of Internet use among field office visitors was 44 percent in FYs 2017 and 2018. Internet use by hearing office visitors was 53 percent in FY 2017 and 55 percent in FY 2018. Social Security card center visitors’ rate of Internet use also increased slightly in FY 2018 to 74 percent from 73 percent in FY 2017. In both years, more than half of field office respondents had already created [my Social Security](#) accounts, and a majority of the remainder (59 percent in

FY 2017 and 56 percent in FY 2018) said they were very likely or somewhat likely to create accounts for future use. Hearing office visitor responses were even more encouraging, with more than 60 percent in both years having already created accounts, and a large proportion (73 percent in FY 2017 and 60 percent in FY 2018) of the remainder saying they were likely to create accounts. Card center visitors were less likely to have created *my Social Security* accounts (41 percent in FY 2017 and 47 percent in FY 2018), but those without accounts indicated they would be very or somewhat likely to create one. Most field office, hearing office, and card center visitors who said they were unlikely to create accounts told us it was because they preferred to speak to a person rather than conduct their business online.

Prospective Client Survey (Biennial)

Surveys people between ages 50 and 64 to identify service expectations and preferences of the upcoming wave of retirees. In FY 2017, key survey findings included:

- Retirement planning – Eighty-five percent of survey respondents remembered getting a Social Security Statement within the past year.
- Conducting Business with the Agency – Eighty-seven percent of respondents said they would conduct business by telephone, 84 percent would visit an office, and 79 percent would use the Internet.
- First Choice Service Preferences – More respondents preferred agent phone service for correcting their earnings record (42 percent) and scheduling an appointment to discuss their application (48 percent) than any other channel. On the other hand, the largest group of respondents preferred the Internet for checking application status and changing personal information on their Social Security record (both 44 percent). An office visit was the top choice (35 percent) only for completing an application for benefits.
- Important Features of Service – The majority of respondents considered the ability to speak to an agent on the telephone without having to call back (87 percent) and the ability to complete their business in one office visit (83 percent) as very important features of service.

Retirement Application Survey (Biennial)

The Retirement Application Survey measures customer satisfaction with the retirement application process and identifies service expectations and preferences for future service among recent retirees. In FY 2018, we found an exceptionally high level of satisfaction with the retirement application process, with respondents rating their overall experience at 94 percent Excellent, Very Good, and Good. This rating reflects a slight decline from the FY 2016 satisfaction rating of 95 percent.

In FY 2018, almost half of the respondents – 45 percent – noted they filed their applications for retirement benefits online, significantly higher than the 41 percent in FY 2016. Alternately, the

in-person filing decreased significantly from 45 percent in FY 2016 to 40 percent in FY 2018, while telephone filing remained fairly steady at 15 percent compared to 14 percent in FY 2016.

Most respondents indicated they use the Internet, and 70 percent of those Internet users said they had already created *my Social Security* accounts. Among the remaining Internet users who had not yet created an account, the majority said they would be likely to create one. To identify perceived drawbacks of creating a *my Social Security* account, the survey asked Internet users who had not yet created accounts for the main reason why they might not be likely to do so. More than one third of responders indicated they simply preferred to speak to a person when conducting Social Security business.

Strategic Goal 2 – Improve the Way We Do Business

Evaluation of the Ticket to Work and Other Employment Support Programs (Continuously)

Examines employment patterns and outcomes of disabled beneficiaries, including those beneficiaries who use employment services such as the Ticket to Work, Partnership Plus, and Work Incentives Planning and Assistance programs. We completed an independent 10-year evaluation of the Ticket to Work (TTW) program in 2013, which produced seven reports. All reports are publically available at <http://www.ssa.gov/disabilityresearch/research.htm#Ticket>.

Overall, the TTW evaluation found that beneficiaries who use the program generally like it, and the program has increased the use of return to work services. In addition, those beneficiaries who participate in TTW have better outcomes than those who return to work without the help of SSA-financed employment services. However, we also found that the increase in service use and better outcomes by participants has not translated into net increases in the rate of benefit suspension or termination for work or an increase in the average number of months spent in suspension or termination for work. This finding suggests that TTW has primarily extended the types of services that were available under the previous program where services were offered only through State vocational rehabilitation agencies. To summarize, more beneficiaries are getting these services now, but the success rate has not measurably changed.

Since 2013, we have transitioned to evaluating TTW and other employment support programs through internal research by SSA staff, funding collaborative and external research through our Retirement and Disability Research Consortium, and other grant programs. We also provide public use administrative data and survey on disability and employment through our public use Disability Analysis File, and National Beneficiary Survey file. Both of these files and their documentation are available through data.gov and the SSA website at <https://www.ssa.gov/disabilityresearch/research.htm>. Our research has produced more than 50 papers, reports, statistical abstracts, and published articles on a broad range of return-to-work

topics since 2015. We highlight two recent studies on the effectiveness of our employment support programs below.

A November 2015 *Social Security Bulletin* article, “Changes to the Ticket to Work Regulations in 2008 Attracted Providers and Participants, but Impacts on Work and Benefits Are Unclear” presents new statistics on the extent to which beneficiaries have given up their benefits to return to work since the introduction of the TTW program in 2002. Looking at the 2008 changes to TTW regulations, the analysis found that provider and beneficiary participation increased substantially after the regulations changed, but the percentage of participants foregoing benefits for work declined.

A November 2018 article in the *Social Security Bulletin*, “Social Security Administration Payments to State Vocational Rehabilitation Agencies for Beneficiaries Who Work: Evidence from Linked Administrative Data” examines the extent to which DI and SSI beneficiaries who receive VR services from State VR Agencies go on to earn at a level high enough to forgo disability benefits. The analysis found that the cumulative value of cash benefits foregone due to work exceeded the cumulative value of VR payments more than tenfold, though it could not say what portion of the difference is due specifically to VR services.

Federal Information Security Modernization Act Report (Annually)

Reports to Congress whether our overall information technology security and privacy programs and practices comply with the Federal Information Security Modernization Act of 2014. In FY 2019, we made substantial improvements and progress in securing applications, leveraging the cloud, managing our assets and vulnerabilities, strengthening our network and incident response capabilities, improving our security training, and enhancing the overall effectiveness of our cybersecurity program.

Department of Homeland Security Risk Management Assessment (quarterly)

Reports generated by the Office of Management and Budget (OMB) and DHS as required by Executive Order 13800 and outlined in OMB Memoranda M-17-25 to provide an assessment of risk for each agency based on information submitted by agencies for the Federal Information Security Management Act CIO metrics, which leverage the NIST Cybersecurity Framework. The report is sorted into Security Domains, and organized by the five NIST Framework functions of Identify, Protect and Detect, Respond, and Recover with a risk rating of High Risk, At Risk, or Managing Risk. The risk levels per Security Domain are then used to calculate the overall risk level for the NIST function area. SSA has improved several areas from “At Risk” to “Managing Risk”, and we maintain an assessment of “Managing Risk” overall on the report.

Pre-Effectuation Review of Disability Determinations (Annually)

Assesses the accuracy of initial and reconsideration disability allowances made by DDSs as required in the Social Security Act. In FY 2017, we reviewed 371,214 allowances of applications for benefits and 6,475 continuances of medical continuing disability reviews. We estimate these reviews will result in a present value of net lifetime savings of about \$482 million in benefits to the Old-Age and Survivors Insurance Trust Fund and Disability Insurance Trust Fund on a combined basis. We also estimate a present value of net Federal lifetime savings of \$63 million in SSI payments, \$212 million to the Medicare trust funds, and a net cost of \$5 million in the Federal share of Medicaid payments.

Safeguard Security Report (Annually)

We provide examples of our policies and procedures to demonstrate how we safeguard personally identifiable information and Federal tax information. We submit this report to the Internal Revenue Service (IRS) on an annual basis.

Safeguard Review (Triennial)

Evaluates the use of Federal tax information and the measures we employ to protect this information. This review is an onsite evaluation completed in collaboration with the IRS.

The IRS completed its full Safeguard Review of our agency in the summer of 2016. The review concluded with a closing conference in September 2016 and produced findings pertaining to both physical and IT security. We received one critical finding from the review and addressed it in June 2017. The findings from this review are reported on a semi-annual basis through submission of a corrective action plan to the IRS. The next evaluation is scheduled for June 2020.

Strategic Goal 3 – Ensure Stewardship

Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds (Annually)

Reports annually to Congress on the financial and actuarial status of the two Social Security trust funds. At the end of 2018, the Old-Age, Survivors, and Disability Insurance (OASDI) program was providing benefit payments to about 63 million people, 47 million retired workers and dependents of retired workers, 6 million survivors of deceased workers, and 10 million disabled workers and dependents of disabled workers. During 2018, an estimated 176 million people had earnings covered by Social Security and paid payroll taxes on those earnings. The total cost of the program in 2018 was \$1,000 billion. Total income was \$1,003 billion, which consisted of \$920 billion in non-interest income and \$83 billion in interest earnings.

Annual Report to Congress on Medical Continuing Disability Reviews (Annually)

A legislatively mandated report that provides summary information on medical continuing disability reviews (CDR) conducted for a completed fiscal year, including actuarial estimates of the lifetime savings in OASDI; Supplemental Security Income (SSI); Medicare; and Medicaid benefits resulting from the reviews conducted during that fiscal year. In FY 2015, we conducted 1,971,812 periodic CDRs. Based on these reviews, we made initial determinations that benefits should be ceased in 209,270 cases. Our Office of the Chief Actuary estimates that, after all appeals, we will cease paying benefits to 137,195 individuals and their eligible dependents. We estimate the present value of net future Federal benefits saved to be \$14.314 billion. The FY 2016 reviews are in progress.

Annual Report of the Supplemental Security Income Program (Annually)

Reports annually to the President and Congress on the status of the SSI program and provides 25-year projections of program participation and costs. In January 2019, 7.97 million individuals received monthly SSI payments averaging \$549, a decrease of 98,000 recipients from the 8.07 million recipients with an average payment of \$526 in January 2018. By 2043, the end of the 25-year projection period, we estimate that the SSI recipient population will reach 8.7 million. The projected growth in the SSI program over the 25-year period is largely due to the overall growth in the U.S. population, though the growth in the SSI recipient population is projected to be somewhat slower than the growth in the U.S. population.

Enumeration Accuracy Report (Triennial)

Assesses the accuracy of original Social Security numbers assigned during the fiscal year. In FY 2018, the enumeration accuracy rate was 100 percent. The enumeration accuracy rate for FY 2015 accuracy rate was also 100 percent.

Evaluation of the Continuing Disability Review Enforcement Operation Predictive Model (Annually)

We continue to evaluate the results of a predictive model used to score work issue CDR cases to ensure that cases most likely to result in overpayments are prioritized and worked first. Our tracking and evaluation each year indicate the need for improved coordination with the processing centers in reviewing cases based on the scores' priority order. While SSA Enforcement Operation issues various types of alerts, we showed progress on the challenging task of separating enforcement alert events that do not result in work reviews. Our prime objective for the future is aligning together the Continuing Disability Review Enforcement Operation predictive model, based on IRS annual earning data and the quarterly earning work review process, via quarterly reporting.

Federal Employee Viewpoint Survey (Annually)

Assesses employee perspectives of organizational performance across several major human capital areas: recruitment, development, performance culture, leadership, job satisfaction, and personal work experiences. The 2019 Federal Employee Viewpoint Survey results indicate both strengths and opportunities for improvement. The most positive employee perceptions center around willingness to exert extra effort, knowledge of work importance, searching for ways to improve job performance, knowledge of how jobs support agency goals and priorities, and supervisor communication about performance. Opportunities for improvement include questions that reference the linkage between performance and pay raises, dealing with poor performers, performance-based recognition, merit-based promotions, and ability to get a better job within the organization.

Human Capital Evaluations (Annually)

Monitors and evaluates how well human capital policies and programs support our mission accomplishments and is a critical step in evaluating organizational performance and determining how to improve processes. Our Human Capital Evaluation System (HCES) also helps leadership assess the impact of human capital strategies designed to achieve agency goals.

The HCES serves as a mechanism to monitor and evaluate outcomes related to human capital management strategies, policies, programs, and activities. We leverage business intelligence, analytics, and data-based decision-making structures to support our evaluation strategy by tracking agency progress on all milestones and performance measures through its Human Capital Operating Plan (HCOP), HRStat reviews, and Independent Audit Program, as well as an annual Human Capital Reviews with the Office of Personnel Management.

Our HCOP describes plans for executing the human capital elements stated within our Agency Strategic Plan and Annual Performance Report, and supports the Office of Management and Budget's Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce, as described in Memorandum M-17-22. To ensure our sustained success at both the agency and component levels, we developed mature structures and processes to support executive oversight and accountability and detailed plans for implementation of our key focus areas and corresponding initiatives. We also established an ongoing evaluation process to identify challenges and make course corrections that ensured we achieved our target outcomes.

HRStat is a metric-based, analytical monitoring process that tracks human capital priorities and supports leadership data-driven decision making, as related to agency goals and performance outcome improvement strategies.

Independent Audit Program – We conduct a comprehensive Human Capital Framework audit of all Servicing Personnel Offices (i.e., currently 10 regions, Office of Central Operations and Headquarters) on a cyclical basis so that each site is reviewed at least every five years. SSA conducts audits virtually or onsite, if necessary. We conducted two human capital evaluations in

FY 2019. We evaluated the Seattle Region in January 2019 and the New York Region in May 2019. We reviewed more than 50 outcomes set by OPM covering the following HR functions: training, labor-management/employee relations, civil rights and equal opportunity, staffing (including delegated examining unit hiring and work-life), workers' compensation, and security and suitability. The number of resulting required corrective actions for the Seattle region assessment was low and was for non-critical issues – no illegal appointments or serious violations. However, the number of resulting required corrective actions for the New York region are more than usual indicating areas marked for improvement, most notably the staffing area. We found one illegal Delegated Examining appointment.

Management Directive 715 Report (Annually)

Describes the status of our efforts to establish and maintain effective equal employment affirmation actions programs under Section 717 of Title VII of the Civil Rights Act of 1964 and effective affirmation action programs under Section 501 of the Rehabilitation Act of 1973.

In 2019, the Office of Civil Rights and Equal Opportunity improved or continued efforts toward achieving the status as a Model Equal Employment Opportunity agency. These initiatives include:

- 1) Continued to expand efforts to identify and eliminate potential barriers to Equal Employment Opportunity (EEO) by completing analysis of detected triggers that indicate potential barriers. Developed a Barrier Analysis Project Plan to identify and mitigate potential barriers.
- 2) Provided senior executives with a comprehensive analysis of their components' workforce demographics. The analysis included diversity workforce trends and identified areas in need of improvement based on low representational rates as compared to the civilian labor force.
- 3) Revised the Alternative Dispute Resolution (ADR) policy to increase management participation in the ADR by requiring managers to get Deputy Commissioner-level concurrence to decline ADR. The ADR process is a tool to promote voluntary settlements early and throughout the EEO process and to resolve workplace disputes in a positive and constructive manner at the lowest level.
- 4) Collaborated with Office of Labor-Management and Employee Relations on the Notification and Federal Employee Anti-discrimination and Retaliation Act policy by conducting an independent review of complaints in any discrimination finding. The purpose of the independent review was to determine whether disciplinary action is recommended against named management officials. This review also included significant settlements.
- 5) Increased our efficiencies by implementing eFile, which allows SSA employees to initiate EEO cases and monitor the status of their cases in an electronic environment, and an

electronic tracking tool to monitor the usage of EEO representative time for complainants and union representatives.

Targeted Denial Review (Annually)

Assesses the accuracy of initial and reconsideration disability denials made by the DDS. In FY 2019, we analyzed 56,696 cases and cited 2,279 decisional errors and 5,952 documentation errors. We returned 8,231 cases to the adjudicating components for correction—a return rate of 15.1 percent.

Retirement, Survivors, and Disability Insurance Stewardship Review (Annually)

Measures the accuracy of payments to persons receiving Social Security retirement, survivors, or disability benefits. In FY 2018, the overpayment (O/P) accuracy rate was 99.77 percent, based on overpayments totaling a projected \$2.2 billion. Payment accuracy for underpayments (U/P) was 99.95 percent based on unpaid dollars projected at \$435 million. In FY 2017, the O/P accuracy rate was 99.36 percent, and the U/P accuracy rate was 99.97 percent. For FYs 2017 and 2018, the changes in the overall accuracy rates were not statistically significant.

Supplemental Security Income Stewardship Review (Annually)

Measures the accuracy of payments to persons receiving SSI benefits by reviewing all non-medical factors of eligibility and payment. In FY 2018, the O/P accuracy rate was 91.8 percent based on overpaid dollars totaling a projected \$4.7 billion. This rate represents an increase of 0.9 percentage points from the FY 2017 O/P accuracy rate of 92.7 percent. This change is not statistically significant. The U/P accuracy rate was 98.5 percent based on underpaid dollars totaling a projected \$842 million. This decrease from the FY 2017 U/P accuracy rate of 98.9 percent is not statistically significant.

Supplemental Security Income Transaction Accuracy Review (Annually)

Review of non-medical aspects of eligibility to evaluate the adjudicative accuracy of SSI initial claims, redeterminations, and limited issues to ensure compliance with operational policy. In FY 2018, the sample of 6,997 cases provides meaningful information about the quality of the non-medical aspects of SSI initial claims, redeterminations, and limited issue transactions. The national case accuracy rates for FY 2018, defined as the percentage of cases free of either an O/P or a U/P, are 92.1 percent for O/P and 93.8 percent for U/P. In FY 2017, these rates were 92.0 percent and 94.5 percent, respectively. The changes in both the O/P and U/P case accuracy rates from FY 2017 to FY 2018 are not statistically significant.

Retirement, Survivors, and Disability Insurance Transaction Accuracy Review (Triennial)

Review of non-medical factors of eligibility to evaluate recently processed retirement, survivors, and disability insurance claims to ensure compliance with operational policy. For FY 2017, the overall OASDI O/P case accuracy was 98.9 percent, and the overall OASDI U/P case accuracy was 97.2 percent. The case accuracy rates indicate that approximately 4 out of every 100 claims were incorrectly paid – about 1 out of 100 cases had O/Ps, and about 3 out of 100 cases had U/Ps.

Appendix B:

How We Ensure Our Data Integrity

We are committed to providing consistent, reliable, and valid data. We have internal controls to ensure that our data are quantifiable, verifiable, and secure. Our internal systems and controls include:

- Audit trails;
- Integrity reviews;
- Separation of duties;
- Restricted access to sensitive data;
- Reviews at all levels of management; and
- Validation and verification in our System Development Life Cycles.

These same controls support the Commissioner's Federal Managers' Financial Integrity Act Assurance Statement.

Data Integrity Systems and Controls

We gather performance data using automated management information and other workload measurement systems. We evaluate the data in terms of four quality dimensions:

- Accuracy – Measures how well data adheres to specification (e.g., definitions, rules, and policies);
- Consistency – Measures consistency in internal and external reporting of data;
- Completeness – Measures missing occurrences or attributions of the data; and
- Timeliness – Measures the currency of the data (i.e., data are up to date and reporting occurs on time).

We conduct quality evaluations based on established internal methodologies. As we introduce new performance measures, we perform a comprehensive data assessment using the four quality dimensions. From the assessment results, we establish a baseline. After establishing the baseline, we automate continuous monitoring to sustain high-quality data. Continuous monitoring allows us to follow data trends and proactively remediate potential issues.

In our data quality program, we also derive several accuracy and public satisfaction measures from surveys and work samples. These measures provide confidence levels of 95 percent or higher.

As part of our fiduciary responsibility to the public, we use an audit trail system (ATS) to protect our records and taxpayer funds from improper use. The ATS collects and maintains detailed information about our internal and public transactions. We store the data from programmatic and select Internet applications, so we can review transactions for fraud and abuse.

Audit of Our FY 2019 Financial Statements

The Chief Financial Officers Act of 1990 requires the Office of the Inspector General (OIG) or an independent external auditor that it selects to audit our financial statements. OIG selected Grant Thornton LLP to conduct the FY 2019 audit.

The auditor found we fairly presented the basic financial statements, in all material respects, in conformity with accounting principles generally accepted in the United States of America for Federal entities. This finding marks the 26th consecutive year that we received an unmodified audit opinion. The auditor also found that our agency maintained, in all material respects, effective internal control over our financial reporting.

The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit did not find instances of noncompliance with laws, regulations, or other materials tested.

Appendix C: Changes to Performance Measures

Results for Discontinued or Modified Fiscal Year 2019 Performance Measures

Performance Measure 2.1b: Increase labor force participation: Increase the number of persons with disabilities receiving employment support services who achieve the consequential earnings threshold of the trial work level

Fiscal Year	2015	2016	2017	2018	2019
Target	50,000 beneficiaries	55,000 beneficiaries	67,800 beneficiaries	85,600 beneficiaries	98,000 beneficiaries
Target Met	Met	Met	Met	Met	TBD
Performance	58,341 beneficiaries	62,831 beneficiaries	80,054 beneficiaries	93,600 beneficiaries	Data available Spring 2020

Performance Measure 3.4b: Initiate the data exchange process with new partners or expand existing data exchanges to improve operational efficiency and reduce improper payments

Fiscal Year	2018	2019
Target	Engage with at least two new data exchange partners from government or the private sector	Engage with at least two new data exchange partners from government or the private sector
Target Met	Met	Met
Performance	Engaged with four new data exchange partners	Engaged with four new data exchange partners

Appendix D:

Summary of Key Management Officials' Responsibilities

Commissioner of Social Security (COSS) is a Senate confirmed position. The COSS manages all agency programs and staff.

Deputy Commissioner of Social Security (DCOSS) is a Senate confirmed position, authorized to act on behalf of the COSS. Also serves as the Chief Operating Officer, responsible for improving agency management and performance.

Chief Actuary (OCACT) plans and directs program actuarial estimates and analyses for our programs and for any proposed changes in programs and trust funds. OCACT provides technical and consultative services to the COSS, the Board of Trustees of the Social Security Trust Funds, Congress, and their respective staffs.

General Counsel (GC) advises the COSS, DCOSS, and all subordinate organizational components (except the Inspector General) on legal matters. GC also oversees the implementation of privacy protections and ensures that all privacy requirements are met serving as the Senior Agency Official for Privacy.

Inspector General (IG) promotes economy, efficiency, and effectiveness in administering our programs and operations, and prevents and detects fraud, waste, abuse, and mismanagement.

Deputy Commissioner for Analytics, Review, and Oversight (DCARO) oversees the review of program quality and effectiveness and makes recommendations for program improvement utilizing feedback from the adjudication of cases, predictive modeling, and other advanced data analysis techniques. Additionally, DCARO coordinates the agency's anti-fraud initiatives and responds to the recommendations of external monitoring authorities. DCARO also serves as the accountable official for improper payments.

Deputy Commissioner for Budget, Finance, and Management (DCBFM) directs our comprehensive management programs including budget, financial policy, acquisition, grants, facilities and logistics management, and security and emergency preparedness. DCBFM also serves as the Chief Financial Officer; Performance Improvement Officer; the Program Management Improvement Officer; and the responsible official for Enterprise Risk Management and the Digital Accountability and Transparency Act.

Deputy Commissioner for Communications (DCCOMM) conducts our national public information and outreach programs and fosters the transparency of our operations.

Deputy Commissioner for Hearings Operations (DCHO) administers our nationwide hearings program in accordance with relevant Federal laws.

Deputy Commissioner for Human Resources (DCHR) administers our human resources programs, including training, human capital initiatives, personnel and employee relations, labor

management, and civil rights and equal opportunity. DCHR also serves as the Chief Human Capital Officer and the senior accountable official on employee engagement initiatives.

Deputy Commissioner for Legislation and Congressional Affairs (DCLCA) develops and conducts our legislative program, serves as our liaison to Congress, and analyzes legislative and regulatory initiatives.

Deputy Commissioner for Operations (DCO) directs our network of field offices, National 800 Number teleservice centers, and processing centers. DCO also oversees the State disability determination services offices.

Deputy Commissioner for Retirement and Disability Policy (DCRDP) advises the COSS on the major policy issues and is responsible for all major activities in the areas of program policy planning, policy research and evaluation, statistical programs, and overall policy development, analysis, and implementation. DCRDP serves as liaison with the Centers for Medicare and Medicaid Services and leads our efforts to improve the clarity, tone, and readability of our notices. DCRDP also leads our efforts in implementing the Evidence-Based Policymaking Act of 2018.

Deputy Commissioner for Systems (DCS) directs the strategic management of our systems and databases, which includes the development, validation, and implementation of new systems. DCS directs operational integration, strategic planning processes, and implementation of a systems configuration program. DCS is responsible for implementing the agency's five-year IT Modernization Plan. DCS also serves as the Chief Information Officer.



Social Security Administration
Fiscal Year 2019
Bipartisan Budget Act of 2015 Section 845(a) Report

Bipartisan Budget Act Reporting Requirements

Section 845(a) of the Bipartisan Budget Act of 2015 (BBA 845(a)) requires the Social Security Administration (SSA) to include in our annual budget a report on our activities to prevent fraud and improper payments for each fiscal year (FY) from 2016 through 2021. The report must contain:

- The total amount spent on fraud and improper payment prevention activities;
- The amount spent on cooperative disability investigations (CDI) units;
- The number of cases of fraud prevented by CDI units and the amount spent on such cases;
- The number of felony cases prosecuted under section 208 and the amount spent by our agency in supporting the prosecution of such cases;
- The number of such felony cases successfully prosecuted and the amount spent by our agency in supporting the prosecution of such cases;
- The amount spent on and the number of completed:
 - Continuing disability reviews (CDR) conducted by mail;
 - Redeterminations (RZ) conducted by mail;
 - Medical CDRs conducted pursuant to sections 221(i) and 1614(a)(3)(H) of the Social Security Act (Act);
 - RZs conducted pursuant to section 1611(c) of the Act; and
 - Work-related CDRs to determine whether earnings derived from services demonstrate an individual's ability to engage in substantial gainful activity (SGA);
- The number of cases of fraud identified resulting in benefit termination as a result of medical CDRs, work-related CDRs, and RZs, and the amount of resulting savings for each such type of review or RZ; and
- The number of work-related CDRs in which a beneficiary improperly reported earnings derived from services for more than three consecutive months, and the amount of resulting savings.

A brief overview of our programs and anti-fraud activities as well as information required by BBA 845(a) follows.

Overview of Our Programs

Considered one of the most successful large-scale Federal programs in our Nation's history, the Old-Age, Survivors, and Disability Insurance (OASDI) programs provide social insurance for most of our population. Workers earn coverage for retirement, survivors, and disability benefits by working and paying Social Security taxes on their earnings. About 9 out of 10 individuals age 65 and older receive Social Security benefits. The disability insurance (DI) program provides benefits to people who cannot work because they have a medical condition that is expected to last at least one year or result in death. Individuals who have worked long enough and paid Social Security taxes and certain members of their families can qualify for DI benefits.

We also administer the Supplemental Security Income (SSI) program, which provides monthly payments to people with limited income and resources who are aged, blind, or disabled. Adults and children under the age of 18 can receive payments based on disability or blindness. General tax revenues fund the SSI program.

We pay benefits to over 70 million OASDI beneficiaries and SSI recipients on average each month. We paid over \$1 trillion in FY 2019.

Our Anti-Fraud Efforts

Combatting fraud is an agency priority, and we take seriously our responsibility to prevent and detect fraud. We have centralized our anti-fraud efforts to take advantage of data analytics and predictive models to prevent fraud, ensure consistent anti-fraud policies, refine employee training, and solidify relationships with other Federal, State, and private partners to identify individuals who wrongfully obtain OASDI and SSI payments.

In FY 2018, we established a deputy commissioner-level organization - the Office of Analytics, Review, and Oversight (OARO). Under OARO, we aligned our anti-fraud programs, quality reviews, audits, appellate operations, business improvements, and advanced data analytics. By realigning our organizational structure, we maximized our resources, streamlined collaborative efforts, and centralized the oversight of the agency's anti-fraud efforts consistent with the Fraud Reduction and Data Analytics Act (FRDAA) of 2015 and the Government Accountability Office's (GAO) report, *A Framework for Managing Fraud Risks in Federal Programs*.

Fraud threats are constantly evolving, and we must continuously enhance our anti-fraud efforts to strengthen our ability to detect, deter, and prevent attempts to defraud agency programs.

In FY 2019, we developed our Enterprise Fraud Risk Management (EFRM) strategy, which establishes a business process and long-term schedule for completing fraud risk assessments across our major program areas. The EFRM strategy meets the FRDAA requirements by

incorporating leading practices for managing fraud risks established in the *GAO Framework*. We will use the results of the fraud risk assessments to identify our most serious fraud risks and determine what, if any, additional controls are needed to further mitigate the risks. Each fraud risk assessment, combined with our tailored plans to mitigate specific risks, will form the fraud risk profile for each program area. Once we complete all initial fraud risk assessments, we will conduct ongoing reassessments of each area at least every three years.

Our Improper Payment Prevention Initiatives

In FY 2019, we implemented a plan to further reduce and prevent improper payments. We established a new Improper Payment Prevention (IPP) team under OARO to focus solely on developing innovative and effective strategies to mitigate the root causes of our improper payments.

We reestablished the Improper Payments Oversight Board (IPOB) and developed the IPOB Charter, establishing Deputy Commissioner-level responsibility for reviewing, approving, and implementing all improper payment initiatives.

We also established a formal Improper Payment Alignment Strategy (IPAS) that we will use to obtain agency-wide engagement and agreement on actions needed to remedy improper payment issues. IPAS outlines how we determine underlying causes of errors, develop corrective actions with key stakeholders, and identify cost-effective actions to reduce improper payments. IPAS will also serve as a template to ensure we considered and evaluated all required factors before implementing a corrective action. We will conduct annual reviews to evaluate the success of our initiatives and as needed, implement new strategies to address the root causes of improper payments.

Bipartisan Budget Act Reporting Requirements

Total Expenditures on Fraud and Improper Payment Prevention Activities¹

In FY 2018, we issued the Agency Strategic Plan for Fiscal Years 2018-2022². To streamline our focus, we migrated the Fraud and Improper Payment Prevention activities objective from the former goal, Strengthen the Integrity of Our Programs into Strategic Goal 3: Ensure Stewardship. This goal has four objectives:

- 3.1 Improve Program Integrity;
- 3.2 Enhance Fraud Prevention and Detection Activities;
- 3.3 Improve Workforce Performance and Increase Accountability; and

¹ For more information on our improper payment prevention activities, refer to the Payment Integrity section of the Fiscal Year 2019 Agency Financial Report at <https://www.ssa.gov/finance/>.

² For more information on the Agency's Strategic Plan for FY 2018-2022, refer to <https://www.ssa.gov/agency/asp/>.

- 3.4 Improve Organizational Effectiveness and Reduce Costs.

Our FY 2019 total operating expense for the Ensure Stewardship strategic goal was \$2.968 billion. These expenditures included key program integrity (PI) workloads and other stewardship activities, some of which are specific to our anti-fraud efforts. Distinguishing between specific efforts to reduce fraud and our overall efforts to reduce improper payments is challenging, as both are key elements of our program integrity workloads. Most improper payments we detect do not involve any evidence of intent to commit fraud. Rather, they involve complex rules about eligibility for program benefits and delays in receiving information about changes in beneficiaries' circumstances.

Although we lack the level of detailed data necessary to compute the specific expenditures for our anti-fraud-related activities, each year, we verify that we distribute the correct costs to the proper goals. Additionally, during 2017, we modified our process to better track the costs separately for CDI units. We began identifying agency and disability determination services' (DDS) CDI payroll and other object costs through specific/separate common accounting numbers. We determined the proportion of costs already distributed to the PI workloads and removed those costs from the CDI costs to avoid double counting. All PI workloads fall under our strategic goal to Ensure Stewardship.

Total Expenditures on CDI Units, the Number of Cases of Fraud Prevented by CDI Units, and the Amount Spent on Such Cases

The CDI program is a key anti-fraud initiative that plays a vital role in combatting fraud, similar fraud, and abuse in our disability programs. CDI units investigate claimants and beneficiaries, as well as third parties who we suspect of committing or facilitating disability fraud. The units consist of personnel from our agency, the Office of the Inspector General (OIG), DDSs, and State and local law enforcement. CDI units investigate initial disability claims and post-entitlement events involving suspected fraud.

We continue to expand our CDI program as resources allow. We currently have 46 units, covering 40 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, Northern Mariana Islands, and the U.S. Virgin Islands. We are on track to meeting our goal of having CDI units covering all 50 states and U.S. territories by October 1, 2022.

In FY 2019, we spent a total of approximately \$36.5 million to operate our CDI units, of which \$27.2 million was SSA's cost, and \$9.3 million³ was OIG's cost. These expenditures included personnel costs, training, travel, and equipment. In FY 2019, CDI investigations resulted in the

³ The FY 2019 appropriations language provides that SSA may transfer up to \$10 million to the SSA OIG for the operation of the CDI units (Pub. L. No. 115-245). This anti-fraud activity is an authorized use of the cap adjustment.

cessation or denial of 2,900 claims and 93 judicial actions (i.e., sentencing, pre-trial diversion, civil settlement, and civil monetary penalties), which contributed to OIG projecting more than \$177 million in savings to SSA programs and monies⁴ of \$17.5 million.

We do not track CDI-related costs on a per-investigation basis. We estimate the average cost per CDI investigation is \$10,503 based on 3,488 CDI investigations closed during FY 2019.

For FY 2020, we plan to spend a total of approximately \$37.2 million to operate our CDI units, of which approximately \$27.2 million is SSA's cost, and approximately \$10 million⁵ is OIG's cost.

The Number of Felony Cases Prosecuted Under Section 208 and the Amount Spent in Supporting the Prosecution of Such Cases; the Amount of Such Felony Cases Successfully Prosecuted and the Amount Spent in Supporting the Prosecution of Such Cases⁶

Our employees refer allegations of potential fraud to OIG for investigation. OIG conducts criminal investigations and refers cases to U.S. Attorney's Offices (USAOs) within the Department of Justice (DOJ), or to State and local prosecuting authorities, for prosecution.⁷ We primarily rely on the U.S. attorneys to prosecute Social Security fraud, which is a Federal crime. The U.S. attorneys have discretion whether to accept fraud cases for prosecution and what Federal statutes to charge.⁸ As an initiative to increase Federal Social Security fraud prosecutions, the Office of the General Counsel has provided DOJ with attorneys who serve as Special Assistant United States Attorneys (SAUSAs) in multiple USAOs throughout the country and focus solely on prosecuting Social Security fraud. The goal of this initiative is to increase the number of prosecutions for fraud involving Social Security programs.

Since FY 2003, SAUSA prosecutions have led to the order of over \$200 million in restitution and more than 1,600 convictions. We ended FY 2019 with 33 SAUSAs in 32 Federal judicial districts. In FY 2019, our SAUSAs successfully prosecuted 319 criminal cases under section 208 of the Act [42 U.S.C. §408] and related fraud statutes.⁹ In 249 of those cases, courts ordered payment of over \$29.6 million in restitution to the Government, over \$16.8 million of which was

⁴ SSA monies include recoveries, restitution, fines, penalties, judgments and settlements.

⁵ The FY 2020 appropriations language provides that SSA may transfer up to \$10 million to the SSA OIG for the operation of the CDI units (Pub. L. No. 116-94). This anti-fraud activity is an authorized use of the cap adjustment.

⁶Consistent with our 2019 report, this section of our report focuses on how SSA expended funds made available for the prosecution of fraud in the programs and operations of SSA by SAUSAs.

⁷ This report does not include financial information pertaining to the success of OIG investigations.

⁸ Social Security fraud criminal cases are prosecuted under many different fraud statutes. Because this report is limited to cases prosecuted under section 208 (42 USC 408) and its functional equivalent, 18 USC 641 (theft of public funds), it does not represent the total number of Social Security cases involving fraud against our programs successfully prosecuted. To learn more about OIG's activities and investigations, please see: OIG's *Semiannual Reports to Congress* at <https://oig.ssa.gov/newsroom/semiannual-reports>.

⁹ Our SAUSAs sometimes exercise their discretion to charge 18 USC 641 rather than 42 USC 408 for the same fraudulent conduct to enhance the agency's prospect of obtaining court-ordered restitution, which is mandatory under section 641 and discretionary under section 408.

to SSA's Trust Funds. The estimated FY 2019 costs of SAUSAs to obtain these convictions was \$5,557,162, including the salary and benefit costs of these attorneys.

Program Integrity Expenditures and Numbers

Periodic Continuing Disability Reviews

The American public expects and deserves outstanding stewardship of the Social Security Trust Funds and general revenues that finance our programs. As such, we are committed to ensuring program rules and eligibility standards are fully enforced. One of our most important program integrity tools is the CDR. CDRs are periodic reevaluations to determine whether beneficiaries continue to be eligible for benefits because of their medical conditions. We conduct periodic CDRs to ensure that only those beneficiaries who continue to be disabled, based on our standard of disability, receive monthly benefits. We schedule almost all medical CDRs based on a beneficiary's likelihood of experiencing medical improvement (MI) rather than on suspicion or evidence of fraud. A finding of MI does not mean the beneficiary committed fraud; however, our ability to perform additional CDRs may allow us to detect potentially fraudulent or suspicious activities. There are no improper payments associated with medical CDRs. Benefits for individuals who have medically improved are improper only if the agency fails to suspend payment after we fully complete the CDR appeals process or the individual fails to cooperate with the CDR.

When an adult beneficiary's medical review diary matures, we conduct periodic CDRs using one of two methods: a full medical review or a mailer. We decide which method to use after profiling all cases and identifying individuals with a higher probability of no longer being disabled according to our standard of disability and the likelihood of MI. For individuals with a higher likelihood of no longer being disabled, we send their cases to DDSs for full medical reviews. For individuals with a lower likelihood of no longer being disabled, we send them mailers and use information gathered to determine any indication of MI. If we find an indication of MI, we then send the case to a DDS for a full medical review. If there is no indication of MI, we set a new medical review diary and schedule the case for a future CDR. Each year, we refresh the case priority selections based on the results of a predictive statistical scoring model. We continue to initiate full medical reviews for all SSI child beneficiaries.

We conduct some CDRs outside the centralized process based on events, such as voluntary or third party reports of MI. We send these CDRs to the DDSs for full medical reviews. In addition, there is a subset of cases where the medical review diary matures, but we curtail further development for technical reasons, such as the suspension or termination of benefits for non-medical reasons. Current estimates indicate that CDRs conducted in 2021 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.

Work-Related Continuing Disability Reviews

When a beneficiary is receiving DI benefits, we review his or her case to determine if the beneficiary is performing SGA, and if eligibility for benefits should continue. We commonly refer to this process as a “work CDR”.

The table below reflects actual CDR workload volumes for FY 2019.

FY 2019			
Actual Volumes	Title II	Title XVI	TOTAL
Full Medical CDRs	271,819	441,337	713,156
CDR Mailers	897,055	328,956	1,226,011
Work CDRs	313,807	-	313,807

In FY 2019, we spent \$677 million¹⁰ on periodic CDRs, which included the cost of CDR mailers. We spent an additional \$234 million¹¹ on work CDRs.

We learn about work activity two primary ways: self-reported wages and earnings enforcements. We initiate work CDRs when beneficiaries directly self-report their work or earnings as required by law. DI beneficiaries must report any changes in work activity, and we must determine whether such work constitutes SGA. DI beneficiaries report work activity through their local field offices or by calling the National 800 Number. In September 2017, we expanded the options to report work by creating an Internet reporting application—myWageReport (myWR). The application not only allows DI beneficiaries and representative payees to report wages to us, it also provides a receipt of the report. In June 2018, we began accepting SSI and concurrent (DI/SSI) reports of earnings through myWR.

We also generate work CDRs through earnings enforcement. The Continuing Disability Review Enforcement Operation (CDREO) uses annual Internal Revenue Service (IRS) earnings reports. We also initiate work CDRs based on quarterly earnings received by the Office of Childhood Support Enforcements. The quarterly earnings are timelier than IRS data and allow us to learn about unreported work activity sooner. Section BBA 824 also provides us the ability to contract with third party payroll providers to obtain monthly payroll data. We look forward to incorporating the monthly data into our enforcement operation.

¹⁰ This figure represents the total workload costs chargeable to both Program Integrity and our Information Technology modernization (IT Mod) efforts. The total amount includes \$315 million in costs allocated to DI, retirement and survivors insurance (RSI), and hospital insurance/supplementary medical insurance/Part D (HI/SMI/Part D) and \$362 million in costs allocated to SSI.

¹¹ This figure represents the total workload costs chargeable to both PI and IT Mod. This figure includes about \$104 million in costs allocated to DI, \$66 million in costs allocated to RSI, and \$64 million in costs allocated to HI/SMI.

The following table reflects enacted CDR workload volumes for FY 2020.

FY 2020			
Estimated Volumes	Title II	Title XVI	TOTAL
Full Medical CDRs	265,000	438,000	703,000
CDR Mailers			1,100,000
Work CDRs year-to-date (YTD) ⁱ	70,061		70,061
<i>i/We do not develop official volume projections for work CDRs; therefore, we have included our most recent FY 2020 YTD figures, which are through December 2019.</i>			

In FY 2020, we anticipate spending a total of \$917 million¹² on full medical CDRs, CDR mailers, and work CDRs. Since work CDRs are not an agency-controlled workload, we do not develop official volume projections for that workload in a given fiscal year. Historically, work CDR volumes are consistently 250,000–300,000 annually.

In formulating the budget, we fully incorporate the projected costs of work CDRs into the total projected costs for CDRs.

Supplemental Security Income Redeterminations (RZ)

Another important program integrity tool is the SSI RZ, conducted under section 1611(c) of the Act, which is a periodic review of non-medical eligibility factors, such as income and resources.

Changes in recipients’ living arrangements or the amount of their income and resources can affect both their eligibility for SSI and the amount of their payments. To ensure the accuracy of SSI payments, we conduct RZs. These reviews can be scheduled or unscheduled. We select most scheduled reviews using a predictive statistical model that we implement each year to prioritize these RZs and focus on reviews with the highest expected overpayment amount. We conduct other scheduled RZs as a limited review of a certain aspect of eligibility, resulting primarily from a computer match against other data sources. Typically, information reported by recipients, representative payees, or other third parties may cause an SSA employee to initiate an unscheduled RZ. RZs can result in the identification of overpayments, underpayments, or both.

RZs are a key activity in ensuring the integrity of the SSI program and maintaining and improving payment accuracy. SSA estimates indicate that non-medical RZs conducted in 2021 will yield a ROI of approximately \$3 on average of net Federal program savings over 10 years

¹² This figure includes an estimated \$346 million in costs allocated to DI, RSI, and HI/SMI/Part D and \$571 million in costs allocated to SSI.

per \$1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects.

Effective October 2008, we ceased conducting SSI RZs via mail, as we determined they were not cost effective.

In FY 2019, we spent \$772 million to conduct 2,666,287 SSI RZs pursuant to section 1611(c) of the Act.

In FY 2020, we plan to spend \$635 million to conduct 2,150,000 SSI RZs.

The Number of Cases of Fraud Identified for Which Benefits Terminated Due to Medical CDRs, Work-Related CDRs, and Redeterminations, and the Amount of Resulting Savings for Each Such Type of Review or Redetermination

We do not track the number of instances of identified fraud where we terminated benefits because of medical CDRs, work CDRs, or RZs. Neither our fraud referral form nor our case management systems capture these specific events. We are currently developing a replacement for our fraud referral process and will include this data element on our list of future enhancements.

The Number of Work-Related CDRs in Which a Beneficiary Improperly Reported Earnings Derived from Services for More Than Three Consecutive Months and the Amount of Resulting Savings

Since DI beneficiaries are not required to report earnings monthly, we define “improperly reports earnings” to mean a DI beneficiary who reports inaccurate information or does not report a change in work activity. We identify non-reporters through our IRS earnings match, commonly referred to as CDREO. The number of cases alerted through CDREO in FY 2019 was 238,372.¹³

Other Report of Interest

Below is an additional agency report of interest.

- Annual Performance Report Fiscal Years 2017-2019 (<https://www.ssa.gov/agency/performance/>)

¹³ Historically, about 40 percent of these alerted cases result in completed work CDRs.