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A MESSAGE FROM THE ACTING COMMISSIONER

The Social Security Administration's programs touch nearly every member of the public at critical junctures in their lives: when they reach retirement age, when they become disabled, or when they lose a loved one. Our goal is to provide timely, quality Social Security services using 21st century technology and business processes.

The fiscal year (FY) 2019 President's Budget focuses on implementing organizational reforms that make us more efficient and effective; investing in modern technology and business processes that will help us serve the public better at a lower cost; and addressing our key backlogs. In addition, we will continue safeguarding taxpayer dollars by investing in efforts to reduce improper payments and combat fraud.

Deliver Services Effectively

Currently, people can complete their business with us online, in person at one of our field offices, or with our representatives on our National 800 Number. This Budget supports reliable services to the public and the expansion of alternative service delivery methods.

The Budget provides funding for the nationwide reinstatement of the reconsideration step of the administrative review process for disability claims over three years. In 10 States, we currently allow the claimant to skip the reconsideration step and appeal directly to an administrative law judge (ALJ). Having a uniform administrative review process will reduce the number of claims waiting for an ALJ decision.

The Budget seeks to improve the customer experience by eliminating the hearings backlog by the end of FY 2022. With special funding from Congress, we are making progress in reversing the number of pending hearing requests. The Budget keeps us on track with our Compassionate And REsponsive Service (CARES) plan to eliminate the backlog by improving capacity and efficiencies in our hearings operation.

We are also facing high levels of pending actions in our processing centers, which directly affects our ability to provide timely and accurate benefits. We are focusing on prioritizing the most critical work and automating actions to achieve higher productivity. In FY 2017, we reduced our pending actions by nearly 20 percent. We plan to continue this trend by replacing critical vacancies and improving automation and our business processes.

Improve the Way We Do Business

We are developing innovative, evidence-based, data-driven policies to help us better administer our programs. We are performing analyses of agency data. Our vision is to deliver actionable analytics that drive strategic objectives and improve organizational performance.

We are continuing to test innovative strategies for helping individuals with disabilities return to work. We are working on an early intervention demonstration with the Department of Labor designed to assist injured and ill workers to remain in the labor force by providing coordinated health and employment services.

We will continue to build a more efficient, effective organization by modernizing our information technology (IT) and improving our business processes. Specifically, we are beginning to implement our comprehensive project to modernize our IT infrastructure. A modernized IT infrastructure will reduce long-term operational costs and the time it takes to develop new systems; increase the use of efficient, affordable, and secure IT solutions; and enhance data-driven decision-making.

Ensure Stewardship

Making the right payment to the right person at the right time is our priority. We will continue to increase our efforts to reduce improper payments and combat fraud, waste, and abuse. We plan to open additional cooperative disability investigations units, maintain our corps of fraud prosecutors, and increase our use of data analytics to prevent and detect fraud.

Our employees remain our most important asset. A knowledgeable, dedicated, and high-performing workforce is required to carry out our complex programs. They are also our frontline defense against improper payments. This Budget improves workforce performance and increases accountability for managers and staff.

We are committed to improving our organizational effectiveness. We plan to streamline our services by reforming our organizational structure, reducing our real property footprint, and eliminating unnecessary steps in our programs. We are also forming strategic partnerships with other government and private entities for better public service.

For over 80 years, the Social Security Administration has been a steward of the public's money by providing rigorous oversight over the programs we administer. Millions depend on these programs, and this Budget ensures we will continue delivering effective services for many years to come.

Respectfully,

Nancy A. Berryhill

Baltimore, Maryland
February 12, 2018

OUR PROGRAMS

For over 80 years, the Social Security Administration (SSA) has provided financial security to millions of Americans. Our services affect nearly every person in our Nation. We administer three key programs under the Social Security Act.

- **Old-Age and Survivors Insurance:** Created in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their family members. In fiscal year (FY) 2019, we will pay about $892 billion in OASI benefits to an average of approximately 54 million beneficiaries a month, including 88 percent of the population aged 65 and over.

- **Disability Insurance:** Established in 1956, the Disability Insurance (DI) program provides benefits for workers who become disabled and their families. In FY 2019, we will pay about $149 billion in DI benefits to an average of more than 10 million disabled beneficiaries and their family members a month.

- **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 will pay nearly $59 billion in Federal benefits and State supplementary payments to an average of more than 8 million recipients a month.

In addition, we support other national programs, such as Medicare, Employees 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.

Our ongoing workloads include the following:

- **Claims:** We take claims for benefits, evaluate evidence, and determine benefit eligibility and payment amounts. In FY 2019, we will handle over 6 million retirement, survivors, and Medicare claims; 2.4 million Social Security and SSI initial disability claims; and nearly 198,000 SSI aged claims.

- **Appeals:** We have three levels of administrative appeals for claimants who disagree with our decisions. These appeals are non-adversarial, and claimants may submit new evidence for review.

    1) Reconsideration of a claim,

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

    3) Review of ALJ decisions by the Appeals Council.

  If a claimant disagrees with the Appeals Council's decision, or if the Appeals Council decides not to review the case, a claimant may file a civil action in a U.S. district court. In FY 2019, we will complete approximately 594,000 reconsiderations, 761,000 hearings, 136,000 Appeals Council reviews, and 18,000 U.S. district court cases.

- **Program Integrity:** Our duty to safeguard the integrity of our programs includes conducting non-medical SSI redeterminations and full medical continuing disability reviews (CDR). These reviews save significant program dollars by ensuring that only those individuals eligible for benefits continue to receive them. In FY 2019, we will conduct 2.822 million SSI redeterminations and 703,000 full medical CDRs.

- **Social Security Numbers:** We complete applications for and assign Social Security Numbers (SSN) to nearly all Americans and certain noncitizens. In FY 2019, we will complete requests for approximately 17 million new and replacement Social Security cards.

- **Earnings Records:** We receive updates from employers and the self-employed on the earnings of the working population. We post the reported earnings to workers' records and resolve any discrepancies. In FY 2019, we will post 282 million earnings items to workers' records.

- **Social Security Statements:** We provide information on earnings and estimates of future benefits workers and their families may receive based on those earnings. All individuals may access their Social Security Statement at any time through their personal online *my* Social Security account. We also currently 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:** In FY 2019, we will complete more than 100 million post-entitlement actions for beneficiaries and recipients, such as issuing emergency payments, recomputing payment amounts, and changing addresses.

- **Medicare:** We accept applications and determine eligibility for Medicare Hospital Insurance, Supplementary Medical Insurance, and the low-income subsidy for Medicare prescription drug coverage. In FY 2019, we will handle about 800,000 Medicare subsidy applications and continue with completing other Medicare-related work activities. In FY 2019, we will continue to support the Centers for Medicare and Medicaid Services to address the SSN removal from Medicare cards.

- **Data Exchanges:** With over 3,000 exchange agreements, we provide and verify data for many purposes such as employment and eligibility for Federal and State programs.

FY 2019 FUNDING TABLE

In all tables presented in this Congressional Justification, for the FY 2018 column, it does not include $174 million that is in the Appendix of the FY 2019 President's Budget.

	FY 2017 Actual	FY 2018 Estimate[1]	FY 2019 Request[2]
Budget Authority, One-Year (in millions)			
Limitation on Administrative Expenses (LAE)	$12,482	$12,236	$12,393
(Bipartisan Budget Act Program Integrity Level, Base and Cap, included in LAE)[3]	*($1,819)*	*($1,735)*	*($1,683)*
Office of the Inspector General (OIG)[4]	$106	$105	$106
Subtotal, One-Year Budget Authority	**$12,588**	**$12,341**	**$12,499**
Budget Authority, Multi/No-Year (in millions)			
Research and Demonstrations[5]	$58	$101	$101
Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)[6]	$22	$27	$0
Subtotal, Multi/No-Year Budget Authority	**$80**	**$128**	**$101**
Total Budget Authority[7]	**$12,668**	**$12,469**	**$12,600**
Workyears			
Social Security Administration (SSA)			
Full-Time Equivalents	60,877	61,014	60,036
Overtime	2,360	1,350	700
Lump Sum	198	298	298
Total SSA Workyears	**63,435**	**62,662**	**61,034**
Disability Determination Services (DDS)	14,522	13,721	13,680
Total SSA/DDS Workyears	**77,957**	**76,383**	**74,714**
MACRA	8	348	63
Total SSA/DDS/MACRA Workyears	**77,965**	**76,731**	**74,777**
OIG	514	520	567
Total SSA/DDS/MACRA/OIG Workyears	**78,479**	**77,251**	**75,344**

[1] SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full-year continuing resolution, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791 percent, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, and it is included in our FY 2018 total obligations. Please note that this level differs from the Appendix, which assumes the FY 2017 Omnibus level.

[2] The FY 2019 Budget includes $60 million for reinstating reconsiderations; $132 million for IT modernization; $71.5 million for our unified communications platform; and $30 million for OPM reinvestigations.

[3] FY 2017 program integrity funding was made available for 18 months (through March 31, 2018) under the Consolidated Appropriations Act, 2017 (Division H of Public Law 115-31). The FY 2019 Budget assumes appropriations language for FYs 2018 and 2019 will provide for similar 18-month authority to obligate program integrity funds. Beginning in FY 2019, the FY 2019 Budget proposes appropriations language allowing SSA to transfer up to $10 million from program integrity cap adjustment funds to OIG to for expenses associated with OIG employees serving as cooperative disability investigations (CDI) unit team leaders. CDI unit operations are an approved use of the cap adjustment.

[4] The FY 2018 column applies the 0.6791 percent across-the-board reduction from the initial Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended) to OIG's FY 2017 funding level of $105.5 million, yielding a CR level of approximately $104.8 million, which rounds to $105 million. In the FY 2019 column, $105.5 million ($106 million rounded) in OIG budget authority does not reflect the planned transfer of $10 million from LAE program integrity funding to support CDI unit team leaders.

[5] The FY 2018 amount for research and demonstration reflects the FY 2018 President's Budget. Please note that this level differs from the Appendix, which assumes the FY 2017 Omnibus level.

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

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

FY 2019 Performance Table

Workload and Outcome Measures	FY 2017 Actual	FY 2018 Estimate[8]	FY 2019 Request[9]
Retirement and Survivor Claims			
Retirement and Survivor Claims Completed (thousands)	5,620	5,801	6,022
Disability Claims			
Initial Disability Claims Receipts (thousands)	2,443	2,476	2,621
Initial Disability Claims Completed (thousands)	2,485	2,310	2,420
Initial Disability Claims Pending (thousands)	523	688	889
Average Processing Time for Initial Disability Claims (days)	111	111	114
Disability Reconsiderations			
Disability Reconsiderations Receipts (thousands)	583	542	642
Disability Reconsiderations Completed (thousands)	596	518	594
Disability Reconsiderations Pending (thousands)	105	129	177
Average Processing Time for Disability Reconsiderations (days)	101	102	106
Hearings			
Hearings Receipts (thousands)	620	582	578
Hearings Completed (thousands)	686	738	761
Hearings Pending (thousands)	1,056	900	717
Annual Average Processing Time for Hearings Decisions (days)[10]	605	605	535
National 800 Number			
National 800 Number Calls Handled (millions)	36	34	36
Average Speed of Answer (ASA) (seconds)	802	1,200	960
Agent Busy Rate (percent)	10%	15%	12%
Program Integrity			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	2,257	1,990	1,803
Full Medical CDRs (included above, thousands)	874	890	703
SSI Non-Medical Redeterminations Completed (thousands)	2,590	2,900	2,822
Selected Other Agency Workload Measures			
Social Security Numbers (SSN) Completed (millions)	17	17	17
Annual Earnings Items Completed (millions)	279	281	282
Social Security Statements Issued (millions)[11]	14	14	15
Selected Production Workload Measures			
Disability Determination Services Production per Workyear	306	306	306
Hearings Production per Workyear	94	98	104
Other Work/Service in Support of the Public-Annual Growth of Backlog (workyears)	N/A	(2,500)	(3,300)

[8] A full-year appropriation for FY 2018 was not enacted at the time of the FY 2019 President's Budget was prepared. All FY 2018 performance data assume the enactment of a full-year continuing resolution. *See supra* footnote 1.

[9] This budget assumes a multi-year rollout of the reinstatement of the reconsideration level of appeal in the 10 prototype States beginning on 10/1/2018.

[10] Average processing time for hearings is an annual figure. End of year (September) processing time for hearings is estimated to be 595 days and 498 days, for FYs 2018 and 2019, respectively.

[11] The Social Security Statements Issued performance measure includes paper statements only; does not include electronic statements issued. In FY 2017, *my* Social Security users accessed their Social Security Statements 46.2 million times.

FY 2017 ACCOMPLISHMENTS

In FY 2017, we focused on our core mission activities and made several critical service improvements. Most notably, we were able to start reducing the disability hearings backlog, putting us on the path to eliminate the backlog by the end of FY 2022. We also were able to begin reducing processing center (PC) backlogs by filling some critical vacancies and providing targeted overtime. At the same time, we safeguarded taxpayer dollars by completing high levels of program integrity reviews and expanding our anti-fraud efforts. In addition, we built a more efficient, effective organization by expanding online and video services, increasing our use of data analytics, and increasing the collection of electronic medical records. These efforts will help us provide more convenient, timely, accurate, and cost-effective services.

In FY 2017, we accomplished the following activities:

- Paid approximately $990 billion to a monthly average of over 69 million Social Security beneficiaries and SSI recipients;
- Served about 42 million visitors in over 1,200 field offices nationwide;
- Handled over 36 million calls on our National 800 Number;
- Completed over 5.6 million new applications for retirement, survivors, and Medicare benefits; almost 2.5 million Social Security and SSI initial disability claims; and almost 187,000 SSI aged claims;
- Issued over 680,000 hearing dispositions;
- Handled approximately 18,000 cases in U.S. district courts;
- Issued almost 17 million new and replacement Social Security cards;
- Posted over 279 million earnings reports to workers' records;
- Completed about 874,000 full medical CDRs; and
- Performed nearly 2.6 million non-medical redeterminations of SSI eligibility.

FY 2019 President's Budget

Our FY 2019 President's Budget of $12.393 billion allows us to focus on our mission-critical work and our agency priorities, address key backlogs, ensures stewardship of our programs, and helps us become a stronger, more efficient and effective organization. At this level of funding, we expect to:

- Begin to reinstate the reconsiderations appeal level in the 10 prototype States, allowing us to move closer to a more unified, equitable, and cost-effective disability process;
- Further reduce the disability hearings backlog through a combination of hiring and more efficient, streamlined, and automated business practices;
- Continue to reduce the PC backlogs through targeted resources and increased automation;
- Improve customer service by expanding online service options, replacing some critical staffing losses to support frontline operations, improving business processes, and implementing common-sense organizational reforms;
- Replace our current telephone systems with a single, unified communications platform;
- Maintain currency with medical CDRs, the first full year we will not have a backlog since FY 2002;
- Conduct high levels of SSI redeterminations, ensuring that we are paying the right people the right amount;
- Expand our anti-fraud efforts, making better use of analytical models to identify and prevent fraud;
- Continue to modernize our information technology (IT) infrastructure to improve public service, reduce costs, and enhance data-driven decision-making;
- Implement a plan to reassess and upgrade reinvestigations for employees and contractors; and
- Conduct demonstrations that test creative ways to reform the disability programs and promote greater labor force participation of people with disabilities.

Deliver Services Effectively

We are committed to providing effective and efficient service to all individuals who visit our offices, call our National 800 Number, or access our online services. This Budget proposes further investments in our online services and automation as well as adding staff to reduce our hearings and PC backlogs. These proposals will improve the customer experience at their first point of contact with the agency and increase the timeliness of their claims and post-entitlement actions.

Improve Service Delivery

Field Offices

Each day, approximately 170,000 people visit and 250,000 call one of our more than 1,200 field offices nationwide. Our field offices provide assistance for a broad range of services. Some of the more frequent tasks performed by our customer service representatives include processing claims and appeals, issuing replacement Social Security cards, enrolling people in Medicare, and addressing other needs of our field office visitors. Our field office staff also play a critical role in stewardship responsibilities by redetermining eligibility for SSI benefits and initiating CDRs, in addition to identifying suspected fraud. This Budget supports frontline staff and IT investments to address the millions of visitors and callers at our field offices.

National 800 Number

The National 800 Number handles over 3 million calls each month through a combination of automated self-service options and our customer service representatives. Callers can conduct various business transactions 24 hours a day through our automated services, including requesting benefit verification letters, ordering replacement Medicare cards, and obtaining claim status updates.

We finished FY 2017 with an average speed of answer and agent busy rate of 802 seconds (13.3 minutes) and 10 percent, respectively. In FY 2018 and 2019, we expect the average speed of answer to reach 20 minutes (1,200 seconds) and 16 minutes (960 seconds). We expect the agent busy rate to be 15 percent and 12 percent, respectively.

Disability Determination Services

We accept applications for disability benefits in-person at local field offices, over the phone, online at *www.socialsecurity.gov*, and by mail. Customer service representatives in our field offices collect evidence of disability and determine whether a claimant meets our non-medical qualifications. Afterwards, State disability examiners in the disability determination services (DDS) gather medical and vocational evidence to determine whether a claimant meets our definition of disability at the initial and reconsideration (the first level of appeal) steps.

The DDSs also determine continuing eligibility by conducting CDRs. In FY 2017, the DDSs processed approximately 874,000 CDRs, and we expect to process 890,000 CDRs in FY 2018 to help the agency completely eliminate the CDR backlog by the end of FY 2018. In FY 2019, we expect to remain up to date by completing 703,000 CDRs.

Currently, we allow the claimant to skip the reconsideration step and appeal directly to an ALJ in 10 States, a remnant from a pilot begun in 1999. We will implement the nationwide reinstatement of the reconsideration step in all DDSs, which we plan to accomplish over three years. While it will mean an increase in our DDS workloads, it will ultimately benefit the public. As a result, we will have a more unified, equitable disability program across the country. It will also yield program savings and reduce the number of claims waiting for an ALJ decision. Reinstatement of the reconsideration step will help us achieve our goal of eliminating the hearings backlog by the end of FY 2022.

We also plan to expand the use of our web-based electronic claims analysis tool (eCAT) to guide adjudicators through the sequential evaluation process for determining disability. eCAT aids in documenting, analyzing, and adjudicating the disability claim in accordance with SSA regulations. Moving forward, we also plan to develop and integrate all future enhancements and functionality of eCAT into our modernized disability case processing system. These enhancements will speed the review of disability cases and increase their quality.

Hearing Offices

After an adverse decision by a disability examiner or field office staff, a claimant may request a hearing before an ALJ. We rely on our corps of ALJs and support staff to issue a decision for each claimant. While our judges decide whether a claimant qualifies for benefits, our support staff prepare cases, contact claimants and their representatives, and write decisions for the judges. At the end of FY 2017, over 1 million people were waiting for a hearing, and the average wait time for a hearing decision was 605 days.

To decrease the hearings backlog and enhance productivity, we implemented numerous initiatives in our CARES plan. In addition, we updated our CARES plan to reflect the $90 million in special funding that Congress provided in FY 2017 to address the backlog. Through our updated plan, we increased adjudicative capacity, which combined with fewer disability receipts, allowed us to reduce the pending.

The Budget provides for additional decisional capacity and IT investments in our hearing offices, such as a modernized case processing system, upgrades and expansion of our video hearings network, and a quality assurance tool to improve policy compliance of drafted decision. With these investments in IT and staffing, along with reinstating the reconsideration step in our DDSs, we expect to end FY 2019 with 717,000 hearings pending and an annual average wait time of 535 days.

Processing Centers

Our PCs handle actions that arise after we determine benefit eligibility, and support our field and hearing offices by handling appeals decisions, collecting debt, correcting records, performing program integrity work, and processing other complex benefit claims. Our PCs directly support our ability to provide timely and accurate benefits.

In FY 2017, we reduced the PC backlog by 1.4 million, which is a 27 percent improvement from our all-time high of more than 5 million in January 2016. We focused on tactical workload strategies by screening cases that could be completed quickly, controlling the volume and age of our workloads. We also targeted hiring and overtime in the PCs, and we planned for future automation, workflow enhancements, and quality initiatives to improve PC performance. These efforts will continue in FYs 2018 and 2019.

The Budget supports the hiring of critical PC vacancies and our plans for improved automation within the PCs, which will help us address the backlog. Automating work processes, such as incorporating the

Pay.gov web portal (a shared service for processing electronic payments) in our remittance process and eliminating processing limitations in our systems, will allow the PCs to address the more time-consuming actions.

Expand Service Delivery Options

We rely on an expanded suite of automated and online options for the public to conduct business with us. In FY 2017, the public conducted over 155 million transactions via our website. We expect the number of successfully completed transactions in FYs 2018 and 2019 to increase by 35 million each year over the prior year. We will continue to enhance our online services, such as *my* Social Security, and promote them as a safe and convenient option for the public.

Increase Service Options

Video Service Delivery: We use video service delivery (VSD) to balance our workloads and reduce wait times in our busier field offices. VSD allows individuals living in remote areas to experience virtual, face-to-face interaction with a customer service representative through live-streaming video. We currently have video units in 670 sites around the country. In FY 2017, we completed over 100,000 VSD transactions. We are also working with external video partners (Departments of Veterans Affairs, Health and Human Services, and Tribal Governments) to increase VSD participation. The Budget supports the expansion of VSD for field offices and DDS interviews.

We recently tested more cost-efficient technology called Flexible Video (FV). Instead of the traditional video units, FV uses more flexible and less expensive video equipment such as a laptop, webcam, and video chat software. Overall, the pilot yielded positive feedback from the public. We achieved a 90 percent or above satisfaction rating for convenience, sound quality, and video quality from customer satisfaction surveys. We intend to implement this technology in more locations.

Self-Help Personal Computers: Self-help personal computers (SHPC) are computers setup in field offices to manage walk-in traffic, minimize high visitor wait times, and manage workflow. These computers allow customers to complete their transactions online instead of waiting for service or having to schedule a future appointment. Although SHPCs are a self-service tool, our employees may assist visitors with questions or comments. SHPCs also educate the public on the various online services we offer.

In FY 2017, visitors completed 451,000 transactions on the SHPCs, including 288,000 initial claims. As of November 2017, there were 1,929 SHPCs in 834 field offices. The Budget supports the expansion of SHPCs, accommodating 500,000 and 550,000 transactions in FYs 2018 and 2019, respectively.

Expand Access to *my* Social Security and Online Services

Enhance *my* Social Security: With about 6 million people creating a new *my* Social Security account each year, we expect to have nearly 38 million registered users by the end of FY 2018. *my* Social Security is a convenient, safe online option for anyone interested in his or her Social Security records or who needs to conduct business with the agency. The Budget supports the expansion of capabilities, so users may apply for retirement, disability, Medicare, and SSI benefits using one point of entry. We also continue to enhance the security of *my* Social Security accounts to protect personally identifiable information.

Third Party Access: In FY 2018 and 2019, we will continue expanding online access for third parties who assist our customers, such as representative payees and appointed representatives. For example, the Registration, Appointment, and Services for Representative (RASR) application will allow appointed representatives to modify registration information at any time, such as mailing address, banking information, and affiliated law firms. Additionally, RASR will allow claimants to consent or revoke the appointment of their representative and permit representatives to withdraw from an appointment.

Replacement Social Security Number Cards: Each year, we process about 10 million SSN replacement cards in our field offices. Adults with a *my* Social Security account, who meet certain criteria, may apply for the card through the Internet Social Security Number Replacement Card (iSSNRC) online application. Since we launched iSSNRC in November 2015, we have increased the number of States where people may request a replacement Social Security card.

In FY 2017, we successfully issued approximately 500,000 replacement cards through the iSSNRC application, and we expect to issue nearly 900,000 replacement cards in FY 2018. We currently offer iSSNRC in 24 States and the District of Columbia; our goal is to offer iSSNRC nationwide by the end of FY 2018.

Non-Medical Appeals: The recent implementation of iAppeals Non-Medical provided the ability for claimants to submit a non-disability appeal online. It allows claimants to attach and submit documents electronically to support their appeals. The iAppeals Non-Medical application makes it faster and easier for us to intake, assign, process, and track non-disability appeals. Our next steps will allow online appeal submissions of requests for review at the Appeals Council, integrate iAppeals Medical and iAppeals Non-Medical into a single application, and place iAppeals behind the *my* Social Security portal for enhanced accuracy and increased information sharing with claimants. Claimants used iAppeals Non-Medical nearly 37,000 times since its inception in December 2016.

iSSI Claims: We recently expanded the iClaim process to include questions that will allow us to establish certain SSI claims online through a new Internet SSI (iSSI) application. This new process reduces our need to re-contact claimants for a separate SSI application. Currently, only individuals who wish to file a concurrent Social Security disability and SSI disability application may use this service. We also added an online option for individuals with limited English proficiency to request an appointment at a local field office in their language of choice. iSSI has been used over 71,000 times since its inception in April 2017. We will continue to study the results of the new iSSI application to determine next steps for expansion.

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 that reinforce efficient and effective service. The Budget continues our plan to streamline our policies and procedures using data at the forefront. 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. This modernization effort is foundational to our overall ability to improve service to the public.

Streamline Policies and Processes

Over the last 80 years, our programs have expanded and our policies have evolved, creating a level of complexity that can be difficult to fully understand. To improve our accuracy and efficiency, create opportunities to implement technology, and ensure the public understands their options, responsibilities, and rights, we must streamline our policies, processes, and procedures. We are using data analytics to identify opportunities to improve our business processes. In addition, we are proposing legislative changes to simplify the SSI program. Our proposal would replace in-kind support and maintenance with a flat-rate benefit reduction for adults living with other adults, as well as reduce the burden on beneficiaries and representative payees by eliminating the holding out and dedicated accounts policies (see more in Appendix B).

Develop Innovative, Evidence-Based, Data-Driven Policies

We are committed to using data to find efficiencies in the administration of our programs. In FY 2017, we consolidated our data analysis, quality, review, and anti-fraud efforts under one organization, the Office of Analytics, Review, and Oversight (OARO). OARO drives the use of data analysis and data-informed decision-making for policy enhancements, business process improvements, and anti-fraud initiatives. In addition, this realignment allows us to maximize our resources and better organize our efforts to develop future analyses and oversight programs. OARO works with our Enterprise Data Warehouse to access large volumes of raw data and provides the tools to analyze it. The Budget supports analytics training and the expanded use of data analytics in our operational work processes. Furthermore, the Budget expands upon our capabilities to visualize, model, and standardize data across our business processes.

Expand Access to Electronic Medical Evidence

We depend on healthcare providers to gather the medical records we need to determine whether a claimant is disabled. On average, the agency processes over 15 million pieces of medical evidence per year. We are improving our process by expanding the use of electronic medical evidence in our disability determinations process. Electronic medical evidence provides faster access and reduces the time providers spend to comply with our requests. It will also allow disability adjudicators to easily navigate the record and quickly identify pertinent information from medical records. The Budget increases our ability to gather and analyze electronic evidence in FYs 2018 and 2019, and adopt advanced technologies, such as machine learning and natural language processing, to enhance and assist in the disability determination process.

Increase the Number of People with Disabilities who Return to Work

Many beneficiaries who are disabled want to work, and with adequate support, some beneficiaries attain self-sufficiency. The Ticket to Work program and the Vocational Rehabilitation (VR) cost reimbursement program help beneficiaries transition to employment and progress towards reduced reliance on disability-related benefits.

The Budget continues to support our outreach to beneficiaries. Ongoing mailings, marketing efforts, monthly webinars, and an interactive presence on social media have led to thousands of beneficiaries connecting with Employment Networks (EN) and State vocational rehabilitation agencies to get the services they need to return to work. In FY 2017, we implemented systems enhancements to our Internet Ticket Operation Support System (iTOPSS) to expedite business processes for our EN service providers. We also automated and modernized the VR payment operation into iTOPSS. This expansion eliminates paper claims and streamlines the VR payment process.

Accelerate Information Technology Modernization

We maintain the benefit, earnings, and vital records of nearly every member of the public on systems designed over 30 years ago. Technological change is accelerating at a relentless pace, and it offers us remarkable opportunities to change, transform, and greatly improve the way we serve the public. Yet, these newer technologies can also be disruptive to legacy systems, business processes, and ultimately to the way we work. Because of the extensive records we maintain, our systems play a much bigger role than just administering the Social Security programs. We have data agreements to support health care, tax collection, child support enforcement, and more. However, even as demands on our systems grow, we still use increasingly dated technology. To position the agency for the future as a viable and efficient organization, it is imperative that we make major investments in modernizing our IT infrastructure.

The Budget supports the modernization of our legacy systems, the automation of more workloads, and the protection of the public's personal data. Recent breaches at other Federal and State agencies underscore the importance of securing networks and sensitive data. While our cybersecurity program compares well against other Federal agencies, it is costly due to our current legacy systems. In addition, the Budget supports our plan to consolidate our three telephone systems into a unified communications platform. This platform allows the agency to integrate an enterprise communication service that allows seamless movement between service channels with long-term savings.

Build a Modern Information Technology Infrastructure

Our IT Modernization Plan describes a thoughtful and deliberate, multi-year agency initiative to modernize Social Security's major systems using modern architectures, agile software engineering methods, cloud provisioning, and shared services. We are embarking on an initiative to transform the way we design and build systems, and ultimately the way we work and serve the public. Our IT modernization vision is to establish a fully integrated IT and Business team that delivers modern business platforms that improve our ability to respond more rapidly to changing needs at manageable costs. We will provide an enhanced customer experience for millions of beneficiaries across an expanded mix of service options in a cost effective and secure manner. The Budget invests about $132 million in FY 2019 to support our IT modernization effort.

Modernize Disability Case Processing

In an ongoing effort to issue timely disability decisions, we are continuing work to modernize our disability case processing system (DCPS). When complete, DCPS will replace 52 independently operated, aging systems. To date, we deployed DCPS to 10 DDSs (Delaware, Maine, Ohio, Virginia, Iowa, Rhode Island, South Dakota, Washington, Nebraska, and the District of Columbia) and are preparing for deployment to additional sites. In FYs 2018 and 2019, we will continue development.

Reduce Cybersecurity Risks

Our cybersecurity program continues to improve the agency's detection, protection, and intelligence capabilities against evolving threats and cyberattacks. We use knowledge of the threat landscape, advanced technologies, and skilled cyber professionals to secure our networks from threats, both foreign and domestic. Cyberattacks are ever changing, and we must remain vigilant to prevent any intrusion on our networks.

The Budget supports key cybersecurity initiatives, such as Data at Rest Encryption, implementing a privileged access management program, and continued maturation of our information security. We will deploy an advanced Security Operations Center with capabilities to identify and mitigate vulnerabilities on our hardware and software assets. In addition, the Budget funds our continued participation in the Department of Homeland Security's Continuous Diagnostic and Mitigation program. Together, these investments will help us combat the next generation of cyber threats and attacks.

ENSURE STEWARDSHIP

Our stewardship lies in our ability to manage the public's money wisely. Central to that effort is using modern technology, employing a capable workforce, and investing in effective program integrity programs. The Budget continues to demonstrate our commitment to sound management practices. We propose several enhancements of our systems that will decrease overpayments, meet current business practices in collecting remittances, and identify suspicious patterns of fraud. We are realigning our organization to better achieve our mission and seeking ways to maximize the skills and efficiency of our workforce.

Improve Program Integrity

The Budget continues our effort to achieve high payment accuracy while using all available tools to recover overpayments. The Budget proposes updates to our wage and death reporting and modernizing our program overpayment remittance system. These systems upgrades will strengthen our internal controls and ensure we administer our programs accurately and efficiently.

Promote the Use of myWage Reporting

Wages are a leading cause of improper payments in the SSI program. Currently, we use payroll data provider information from The Work Number to verify wage amounts that an individual alleges; however, this verification is a manual process. We are in the process of implementing an architecture that supports public-facing eService applications for computers, mobile devices, and smartphones, called myWageReport (myWR). This application will be an alternative to the existing downloadable application and voice telephone wage reporting systems.

In late FY 2017, we began providing this service to disability program beneficiaries. In FY 2018, we will release myWR for SSI that will allow recipients, their representative payees, or deemors (e.g., an ineligible spouse or parent living with the recipient) to have a convenient option to report earnings electronically.

Improve the Death Reporting System Process

We are updating our death reporting system to ensure we are collecting accurate data from Federal, State, and local agencies as well as from other countries with whom we have totalization agreements. We rely on our death reporting system, so we can stop Social Security and SSI benefits as soon as possible. The early detection of an individual's death is a key means of preventing improper payments.

In FY 2017, we implemented coding modifications that provided more accurate death alert data to the Centers for Medicare and Medicaid Services (CMS), and we allowed field offices to resolve CMS death alerts more efficiently. We will continue our efforts to modernize our death reporting system, including ongoing resolution of data mismatches to increase the accuracy of death information in our master database.

Modernize the Program Overpayment Remittance System

We receive remittances for repayment of program debt through the mail and in our field offices. We are modernizing our remittance process to provide our debtors with various electronic options to submit their payments.

In December 2017, we completed the nationwide rollout of the Social Security Electronic Remittance System, which allows individuals to repay their program debts using checks, money orders, or credit cards while in our field offices. Doing so will eliminate the mailing of remittances to our processing operation in Philadelphia and result in more timely crediting of payments to debtor's accounts.

In FYs 2018 and 2019, we will continue efforts for the implementation of Pay.gov, an online payment application, with three different storefronts: Department of the Treasury's Pay.gov web portal; *my* Social Security website; and *www.socialsecurity.gov.* We are also exploring opportunities for electronic remittances for court-ordered restitution and administrative wage garnishment.

Continue Cost-Effective Program Integrity Work

We perform periodic and full medical CDRs to ensure individuals still qualify to receive benefits under the Title II and Title XVI programs. For those receiving SSI, we also perform redeterminations to confirm whether recipients meet the program's income and resource limits. In FY 2019, the Budget funds the completion of 703,000 full medical CDRs and 2.8 million redeterminations. We expect to fully eliminate the CDR backlog by the end of FY 2018 and remain up to date in our CDR workload in FY 2019.

Full funding of CDRs and redeterminations will save billions of taxpayer dollars. We estimate that CDRs conducted in FY 2019 will yield net Federal program savings over the next 10 years of roughly $9 on average per $1 budgeted for dedicated program integrity funding, including OASI, DI, SSI, Medicare, and Medicaid effects. We estimate that non-medical redeterminations conducted in FY 2019 will yield a return on investment of about $4 on average of net Federal program savings over 10 years per $1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects.

Beginning in FY 2019, we will expand how the agency charges medical CDRs to the dedicated program integrity fund to encompass all workloads related to the medical CDR process, as reflected in the annual report to Congress on CDRs.

Enhance Fraud Prevention and Detection Activities

We take seriously our responsibility to prevent and detect fraud. We centrally manage our anti-fraud efforts and are developing consistent anti-fraud policies; refining employee training; and solidifying relationships with Federal, State, and private partners to identify individuals who wrongfully obtain Social Security and SSI payments. Our cooperative disability investigations (CDI) units and Special Assistant U.S. Attorneys have been successful in detecting and prosecuting fraud. The Budget proposes the enhancement of our fraud prevention and detection activities in FY 2019 to meet the anti-fraud objectives of the Bipartisan Budget Act of 2015 (BBA) and supports the expansion of fraud analytics in our business processes.

Expand Our Cooperative Disability Investigations Coverage

CDI units are jointly operated by SSA, the Office of the Inspector General (OIG), State DDS, and State and local law enforcement. Generally, CDI units investigate suspected fraud before the agency awards benefits and during the CDR and redetermination processes when fraud may be involved.

With the addition of the New Jersey CDI unit in FY 2017, the CDI program has 40 units covering 34 States, the District of Columbia, and the Commonwealth of Puerto Rico. We are pursuing expansion for Honolulu, Hawaii; Indianapolis, Indiana; and Albuquerque, New Mexico in FY 2018. We are also planning to add 3 units in FY 2019 and having coverage for all 50 States and U.S. territories by October 1, 2022. Beginning in FY 2019, the Budget proposes to transfer up to $10 million from program integrity cap adjustment funds to the SSA OIG to fund CDI unit team leaders. This anti-fraud activity is an authorized use of the cap adjustment.

Expand Fraud Prosecutions

Special Assistant U.S. Attorneys prosecute cases of alleged Social Security fraud that would not otherwise be prosecuted in Federal courts. We have attorneys in 25 States and the Commonwealth of Puerto Rico. In FY 2017, our fraud prosecutors secured over 186 convictions and $145 million in restitution. We plan to maintain a corps of 35 Special Assistant U.S. Attorneys in FYs 2018 and 2019, so they can continue their valuable work deterring Social Security fraud.

Detect and Mitigate Fraud

Our Office of Anti-Fraud Programs (OAFP) centrally manages our anti-fraud efforts. These efforts build upon our dedicated program integrity activities and are funded by our base administrative funds. We are developing consistent anti-fraud policies; refining employee training; and solidifying relationships with other Federal, State, and private partners to identify individuals who wrongfully obtain Social Security and SSI benefits.

We are expanding the use of data analytics to detect fraud using our data and commercial off-the-shelf software. Our Anti-Fraud Enterprise Solution (AFES) is a multi-year, multi-phase project that will replace and expand our current anti-fraud systems. AFES will integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions for further review. With these models, we identify suspicious and evolving patterns of activities in our workloads and prevent fraudulent actions from advancing.

As part of our strategic objective to enhance our fraud prevention activities in FY 2018, we plan to make AFES operational and fully implement our eServices analytics. In FY 2019, we plan to fully implement AFES disability analytics. Once completed, AFES will consist of a data analytics engine, a case management system, and a workflow tool to assist with our anti-fraud operational responsibilities.

Explore Integrating Social Media in Disability Determinations

We will study and design successful strategies of our private sector counterparts to determine if a disability adjudicator should access and use social media networks to evaluate disability allegations. Currently, agency adjudicators may use social media information to evaluate a beneficiary's symptoms only when there is an OIG CDI unit's Report of Investigation that contains social media data corroborating the investigative findings. Our study will determine whether the further expansion of social media networks in disability determinations will increase program integrity and expedite the identification of fraud.

Improve Workforce Performance and Increase Accountability

Our employees remain our most important asset. We are accountable for ensuring they have the training and technology they need to take timely, quality actions. Feedback, including clear and measurable expectations, is an important tool in order for our employees to know how they are performing.

Likewise, our managers need to understand how to maximize employee performance so that we can serve the public, and we must support them in that effort. We will establish expert teams who provide information and assistance to managers in real time. We will also require additional management training and work with our managers to help them engage with employees. To improve workforce performance and increase accountability, we will focus on three major areas as part of our comprehensive human capital management: workforce management, succession management, and performance management.

Workforce Management: *Improve the Management of Staff Resources*
We will increase managers' awareness and use of management flexibilities to support effective hiring practices, streamline position management and organizational structures, and foster the ongoing engagement and inclusion of our diverse workforce.

Succession Management: *Enhance Leadership Effectiveness*
We will improve the skills and competencies of our current and future leaders, align our developmental programs to meet leadership succession demands, and develop our employees to maintain the needed skillsets to deliver service to the public.

Performance Management: *Maximize Employee Performance*
We will enhance managers' ability to provide employees with ongoing feedback, recognize high performance and address poor performance, and leverage timely and sufficient support to handle performance and conduct issues.

In addition, we will be complying with 5 C.F.R. Part 1400, which requires agencies to reassess risk designations for all positions and contractors. Through FY 2023, we will work with the Office of Personnel Management to conduct background reinvestigations of all affected positions.

Improve Organizational Effectiveness and Reduce Costs

Our administrative costs continue to be less than 1.3 percent of the combined Social Security and SSI benefits we pay. We are taking steps to reduce our real property footprint and to realign our organization to meet the current demands for our services. We are also leading efforts to improve strategic partnerships with other government and private entities and to expand data sharing opportunities with Federal and State agencies for better public service and operational savings.

Reduce Our Real Property Footprint

We will continue reducing our real property footprint, as we renovate existing buildings and renew lease agreements. In FY 2016, we received $150 million in no-year funding to renovate the Arthur J. Altmeyer Building at our headquarters campus. The Altmeyer Building is over 55 years old and requires major upgrades to address health and safety issues, meet current accessibility standards, improve space utilization, and provide a comfortable, energy-efficient working environment that meets 21st century standards.

The General Services Administration (GSA) approved the conceptual design for the modernized Altmeyer Building on January 29, 2018. GSA plans to award the construction contract by March 2018. We are finalizing a plan with GSA to demolish the interior of the Altmeyer Building and begin construction. By adhering to the space utilization rate of 150 square feet per person, we will be able to house an increased number of occupants when we complete the Altmeyer Building renovation, currently scheduled for calendar year 2021.

Improve Strategic Partnerships with Other Government and Private Entities

We provide SSN verification, birth, death, prisoner, and benefit payment information, as permitted under law, to Federal, State, and private partners to ensure program payment accuracy. The public depends on our agency and our data exchange partners to simplify processes and safeguard information against fraud. The Budget also supports our coordination and the development of research data exchange agreements with government and university partners.

CONCLUSION

Our programs support millions of individuals across the nation and abroad. At Social Security, providing quality service for our customers is at the heart of all we do. The public expects competent, timely service for the benefits they earned. They also expect that we provide modern, convenient, and secure options to conduct business with us. The FY 2019 President's Budget allows us to deliver quality services to the public.

Specifically, the Budget allows us to make major progress with the disability hearings and PC backlogs, making a difference in countless lives. In addition, the Budget supports our efforts to modernize our systems and augment our alternative service delivery options to improve the customer experience. Finally, we will be able to protect taxpayer dollars through our numerous and cost-effective stewardship efforts.

APPENDIX A – OUR EXTRAMURAL RESEARCH BUDGET

In fiscal year (FY) 2019, we are requesting $101 million in new budget authority as part of our Supplemental Security Income (SSI) appropriation to support extramural research and early intervention demonstration projects. These projects will continue to test changes to improve program administration and to reduce dependency on our disability programs. The broad-based SSI, Old-Age and Survivors Insurance, and Disability Insurance (DI) projects funded in this Budget include those projects in the areas of disability policy research, youth transition and intervention, employment support programs, retirement policy research, and evaluations of proposed or newly enacted legislation.

The Budget continues to support ongoing rigorous evaluations, such as our assessment of the interagency Promoting Readiness of Minors in SSI (PROMISE) effort. The Departments of Education, Labor, and Health and Human Services, and the Social Security Administration (SSA) created the PROMISE initiative to foster improved outcomes for children who receive SSI through improvements in health status, physical and emotional development, completion of education and training, and eventually, employment opportunities. In FY 2018, we will receive an implementation analysis for each PROMISE site describing service delivery, a draft interim report on services and impacts across sites, and the final evaluation impact report will be due in FY 2022. We will also develop a survey on participants' experiences five years after program random assignment, to be fielded in FY 2019.

The Budget also includes continued funding for our Occupational Information System project, which will allow us to make consistent, better-informed disability decisions. 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. The occupational resources we currently use to adjudicate claims have not been updated in more than 20 years. To support the development of new occupational data, we entered into an interagency agreement with the Department of Labor's Bureau of Labor Statistics (BLS). In 2017, BLS published the data from the first and second year of data collection. In FY 2018, BLS will complete the third year of data collection and begin collecting the first year of the five-year refresh cycle, in an effort to ensure that data remains current.

After extensive testing, we are assembling a new set of questions that better define the functioning cognitive concepts, definitions, and thresholds needed for disability adjudication. BLS will begin testing the wide-scale collection of these new questions in FY 2018.

In FY 2019, we will continue to support a BBA mandated demonstration called the Promoting Opportunity Demonstration (POD). POD will test a benefit offset in the DI program to determine its effects on outcomes such as earnings, employment, and benefit payments. Benefits will be reduced by $1 for every $2 earned above the greater of the Trial Work Period level of earnings or the amount of a participant's itemized impairment-related work expenses. The demonstration will include 5,000 beneficiaries in each of 3 study groups over a 5-year timespan. Recruitment for POD will begin in the second quarter of FY 2018, and in FY 2019, we will continue to provide benefits counseling and process benefit offsets. We will also conduct surveys of participants and analyze data on recruitment and enrollment. This project is funded under Section 234 of the Social Security Act by the DI Trust Fund and is not part of our FY 2019 appropriations request.

Test New Approaches and Reform Disability Programs

We are requesting authorization to evaluate creative and effective ways to promote greater labor force participation of people with disabilities. Expanding our demonstration authority will allow SSA, in collaboration with other agencies, to test new program rules and require mandatory participation by program applicants and beneficiaries. Potential applicants and beneficiaries have a wide range of conditions and experiences; mandatory participation is required in order to accurately assess how program changes might affect different groups of people. An expert panel will identify specific changes to program rules that would increase labor force participation and reduce program participation, reaching a 5 percent reduction in DI and SSI projected outlays by 2028, informed by successful demonstration results and other evidence.

With expanded demonstration authority, we would test “time-limited benefits” for beneficiaries for a period when they would be most likely to return to work. This proposal challenges presumptions that an individual’s disability is likely permanent by evaluating alternative program designs that help individuals with shorter-term disabilities return to work.

The funding vehicle for this demonstration will depend on the design and target population and will require an expansion of Section 234 and Section 1110 authorities, or the creation of a new authority specific to the project. Both current authorities provide for voluntary beneficiary participation in demonstrations, limiting the results of these studies to reflecting the outcomes of the subset of the population who volunteered. Policy decisions made without an understanding of the full distributional impact could have harmful and costly repercussions. In contrast, mandatory participation universally engages the eligible population and provides policy-relevant motivations for individuals to pursue other options besides disability benefits; this is necessary to accurately assess how program changes might affect different groups of people with a wide range of conditions and experiences.

Also, current Section 234 authority will sunset after December 31, 2022, and may not allow enough time to recruit and follow participants through the proposed policy change (e.g., time-limited benefits). If the current authority to initiate new demonstrations under Section 234 were extended through at least 2028, aligning with the current projected DI trust fund depletion date, SSA could pursue a variety of other promising demonstration ideas.

In FY 2018, we also plan to develop additional demonstration projects focused on the impact of financial incentives on beneficiaries’ decisions to work. We plan to convene an expert panel to provide input on designing a demonstration to test the effects of removing all work incentives and earnings tests for a sample of DI beneficiaries. That panel will provide recommendations for the optimal length of time for a study. In addition, we will develop and test an intervention for helping people exiting SSI/DI gain and sustain employment, rather than return to disability benefits (under Section 1110 and Section 234 authorities). We will use the recommendations from the expert panel to begin demonstrations in FY 2019.

Early Intervention Demonstrations

Early interventions have the potential to achieve long-term improvements in the employment prospects and the quality of life of persons with a disability. Substantial numbers of low-income persons with impairments or serious health conditions have limited work histories and are not working at sufficient levels to achieve economic security and self-sufficiency. In FY 2019, we will work with the

Administration for Children and Families in HHS (through an Interagency Agreement (IAA)), Jointly-Financed Cooperative Agreement, or other mechanism (including contracts) to develop a demonstration that focuses on potential SSI applicants using employment and training strategies in State and local social services and workforce development agencies and organizations. Development of new early intervention models would build upon recent lessons and findings from innovative local programs and relevant demonstrations and research, including early assessment of disability or work-limiting health conditions; efficient program referrals; improved case management; supported employment; and executive-functioning, goal setting, and coaching interventions.

Other ongoing early intervention work includes our continued support of the Supported Employment Demonstration (SED). SED offers evidence-based packages of vocational, medical, and mental health services to recently denied disability applicants to evaluate if these interventions can improve employment outcomes and reduce the demand for disability benefits. In FY 2018, we began recruitment for SED, and in FY 2019, we will continue to administer these intervention services at each of the 30 community health sites across the country that are participating in SED. All of the SED community health sites offer some blend of drug abuse and addiction treatment services that includes opioid treatment services. Also, a number of these sites are nationally recognized for being at the forefront of opioid addiction treatment. Service delivery will continue into FY 2021. The final evaluation impact report is due in FY 2022.

We will also continue to partner with the Department of Labor (DOL) on the Retaining Employment and Talent after Injury/Illness Network (RETAIN) demonstration. RETAIN is an early intervention demonstration designed to help workers stay at work or return to work after experiencing a work-threatening injury, illness, or disability. RETAIN is modeled on several promising early intervention programs run by the Washington State workers' compensation system, including the Centers of Occupational Health and Education, the Early Return to Work program, and the Stay at Work program. Subject to availability of funding, we will execute an IAA in FY 2018 to transfer funds to DOL to award a series of competitive State grants for the project implementation. We also plan to award a competitive contract to conduct an evaluation of these grants. In FY 2019, the evaluation contractor will work with the State grantees to finalize their project designs, prepare for implementation, and ensure evaluability of the resulting projects. At the end of the initial planning stage of the grants, the projects will be assessed, and three grants will continue to the full implementation stage. Those grants will continue through FY 2022, and the final evaluation impact report will be due in FY 2023.

National Institutes of Health Data Analytics

Under an IAA, the National Institutes of Health (NIH) Clinical Research Center provides in-depth analysis of our existing data and continues to enhance the Work Disability-Functional Assessment Battery (WD-FAB). 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 2017, NIH developed a design report to examine the feasibility of conducting a demonstration project in employment networks and/or State vocational rehabilitation agencies. Based on their research, NIH determined that the WD-FAB would likely have a limited impact on individuals' ability to obtain and retain employment. NIH also initiated an item replenishment study to enhance the rigor of the existing WD-FAB instrument. NIH delivered a written report for the WD-FAB Predictive Validity Study, which examines the relationship between claimants' WD-FAB domain scores and disability adjudication outcomes.

In FY 2018 and FY 2019, we will conduct additional research on the usefulness of the WD-FAB to our continuing disability review process and initiate work to strengthen the robustness of the tool.

Appendix B – Summaries of Legislative Proposals

1. **Offset Unemployment Insurance (UI)-Disability Insurance (DI) Overlapping Payments.** Under current law, concurrent receipt of DI benefits and UI is allowable. This situation means that beneficiaries can receive the full disabled worker benefit, while also receiving UI, both of which are intended as income replacement. The Budget proposes to offset DI benefits to account for concurrent receipt of UI. This 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 SSA to Use Commercial Databases to Verify Real Property.** This proposal would reduce improper payments and lessen recipients' reporting burden by authorizing our agency to conduct data matches with private commercial databases that maintain data on ownership of real property (i.e., land and buildings), which can be a countable resource for Supplemental Security Income (SSI) purposes. The proposal would authorize our agency to use that information to determine an individual's eligibility for benefits automatically, after proper notification. We would also be authorized to require recipients to consent to allow our agency to access these databases as a condition of benefit receipt. All current due process and appeal rights would be preserved.

3. **Government-wide Use of Customs and Border Protection Entry/Exit Data**. 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). Generally, U.S. citizens can receive Old-Age, Survivors, and Disability Insurance (OASDI) benefits regardless of place of residence. Non-citizens may be subject to additional residency requirements. However, an SSI beneficiary who is outside the United States for a full calendar month is not eligible for benefits that month. We would use this data match to prevent improper payments. These data have the potential to be useful across the Government to prevent improper payments.

4. **Authorize SSA to Use All Collection Tools to Recover Funds.** 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, our recovery options are limited. Additionally, this proposal would provide us the authority to recover court-ordered judgments payable to the Commissioner. These proposed changes would expand our agency's authority to recover funds and end disparate treatment of similar types of improper payments, using all of our overpayment collection tools, such as credit bureau reporting and administrative wage garnishment.

5. **Hold Fraud Facilitators Liable for Overpayments.** The proposal would allow our agency to recover the overpayment of a beneficiary from a third party if said third party was responsible for making fraudulent statements or providing false evidence that allowed the beneficiary to receive payments that should not have been paid. Specifically, in any case in which a third party facilitates fraud against any program administered by the Commissioner of Social Security, by providing false evidence or by creating such false evidence which is submitted to

the Commissioner, the third party or parties would be jointly and severally liable for the erroneous benefit made because of the fraud. The third party facilitator could not seek waiver of the overpayment, and such overpayment would be in addition to any other penalties that may be imposed on such third party. The third party would be required to repay the Commissioner the amount of any erroneous payment together with the interest. Such interest would be calculated in the same manner as interest would be calculated for persons who have underpaid Federal taxes (in accordance with Section 6621(a) (2) of the Internal Revenue Code).

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

7. **Exclude SSA Debts from Discharge in Bankruptcy.** Debts due to an overpayment of Social Security and SSI benefits are generally dischargeable in bankruptcy. The Budget includes a proposal to exclude such debts from discharge in bankruptcy. This proposal would help ensure program integrity by increasing the amount of overpayments our agency recovers. Current administrative protections regarding waiver of overpayments, including waivers related to undue hardship, would remain.

8. **Test New Approaches to Increase Labor Force Participation.** The Budget proposes to evaluate creative and effective ways to promote greater labor force participation of people with disabilities by expanding demonstration authority that allows our agency, in collaboration with other agencies, to test new program rules and requires mandatory participation by program applicants and beneficiaries. An expert panel will identify specific changes to program rules that would increase labor force participation and reduce program participation, informed by successful demonstration results and other evidence.

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

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

11. **Eliminate Workers' Compensation (WC) and Temporary Disability Reverse Offset.** In most States, if an individual concurrently receives WC or Public Disability Benefits (PDB) and DI, we may offset his or her DI benefits. Currently, some States instead have "reverse offset," whereby the WC or PDB is reduced due to the receipt of DI benefits. This proposal would eliminate reverse offsets in these States, allowing our agency to consistently offset DI benefits because of WC or PDB receipt (when needed) regardless of the State in which the WC is being paid, and require all States to provide our agency with State WC and PDB information.

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

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

14. **Improve SSI Youth Transition to Work.** The SSI transition-age (ages 14 to 25) youth population, despite their disabilities, should have equal opportunities, as they become adults to work and achieve self-sufficiency. Unfortunately, a majority of each new generation of SSI youth move directly onto the adult SSI program at age 18 and those who do not remain on SSI (approximately 40 percent) have lives marked by low labor force participation in adulthood and persistent poverty. In particular, the Budget proposes three areas of reform to improve the life outcomes and connect SSI youth to work.

    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. The Budget proposes to (a) institute age 6 and 12 initial disability reviews and (b) increase the frequency and effectiveness of continuing disability reviews (CDR) by expanding the CDR diary system for all disability beneficiaries from three to four categories, allowing SSA to conduct CDRs more frequently for those medical impairments that are expected or likely to improve.

    Second, the Budget would improve SSI youth work incentives by eliminating administrative barriers and increasing the value of work by proposing to disregard all earned income and eliminate income reporting requirements through age 20, provide a higher disregard of earnings with a gradual phase-down for SSI recipients between ages 21 and 25, and eliminate school enrollment reporting requirements.

    Finally, the Budget would improve access to vocational rehabilitation services for SSI transition age youth by allowing SSA to make referrals to these services.

15. **SSI Simplification Reforms.** Currently, SSI recipients can receive lower benefits if they are earning, or otherwise receiving, income. This includes non-cash income, such as assistance by a roommate or family member in paying the recipient's share of the household expenses such as food and shelter. This type of income is called in-kind support and maintenance (ISM) and is difficult to accurately value because it can fluctuate each month as household expenses and composition and the type of assistance provided may change. This proposal will replace ISM with a flat-rate benefit reduction for adults living with other adults.

    This proposal will make two additional changes to simplify the program and reduce the burden on beneficiaries and representative payees. It will eliminate the holding out policy, which requires our agency to ask invasive questions to determine whether two unrelated adults who live together, and are not married, are holding themselves out to their community as being married. It will also eliminate the dedicated account policy, which requires representative payees to open separate accounts in order to receive SSI underpayments and limits how funds in the accounts can be used. These requirements confuse representative payees, who are often parents, and restrict their ability to decide which expenditures are in the best interests of their disabled children.

16. **Eliminate Representative Payee Accounting for Spouses and Parents.** We are currently required to obtain an annual accounting report for approximately 5.8 million beneficiaries each year per the *Jordan* class action suit, and Section 205(j) of the Social Security Act. As a result, our agency is obligated to send, track, and analyze annual accounting reports, which requires a high level of administrative effort. While we are still bound by the *Jordan* decision, this proposal would eliminate the statutory requirement for annual payee accounting for spouses and parents, which the Department of Justice has indicated is a prerequisite to allowing our agency to request relief from the court decision for these types of payees.

17. **Improve Collection of Pension Information from States and Localities.** Current law requires our agency to reduce OASDI benefits when someone also receives a pension based on work that was not covered by Social Security. We currently have a matching agreement with the Office of Personnel Management to obtain information on Federal government retirees who receive a pension from work not covered by Social Security. However, we generally lack a way to receive similar information from State and local governments. As a result, many of these pensions go unreported, leading to improper payments. The Budget proposes legislation that 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 our agency could enforce the offsets for the Windfall Elimination Provision and Government Pension Offset. This proposal would require our agency and State and local government pension payers to enter into automated data exchange agreements to facilitate reporting of information about pensions based on non-covered work.

18. **Additional Debt Collection Authority for Civil Monetary Penalties (CMP) and Assessments.** This proposal would establish statutory authority for the agency 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 our agency with ensuring the integrity of our programs and increase the amount of monies that we recover.

19. **Representative Fee and Approval Process Change.** This proposal relieves our agency 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. This proposal would streamline and decrease our operations and hearings workloads, allowing employees to focus on adjudicating more cases and completing other high priority workloads, thereby better serving the public.

20. **ALJ Reforms.** The ALJ system is in need of additional flexibility. Currently, ALJs are hired for an indefinite period and without a probationary period. They also enjoy very substantial protections from disciplinary actions. Once hired, ALJs are very difficult to remove. However, there have been recent cases where an ALJ was hired, and it became clear that the individual would be unsuccessful at the job. Additionally, some agencies experience workload surges where an influx of ALJ talent is needed for a specific period of time, but not thereafter. This proposal would increase flexibility in ALJ hiring and discipline, by among other things, introducing probationary periods for newly hired ALJs and permitting the hiring of ALJs for limited terms to address variations in agency workflow. The proposed change would also allow the faster removal of ALJs who commit misconduct and ensure the proper appointment of ALJs.

APPENDIX C – OFFICE OF THE INSPECTOR GENERAL

The fiscal year (FY) 2019 request for the Office of the Inspector General (OIG) is $105.5 million, level with our FY 2017 and FY 2018 President's Budgets. In addition to the $105.5 million, we are proposing SSA to transfer up to $10 million of its program integrity cap adjustment funds in the LAE account to the OIG for expenses associated with OIG cooperative disability investigations (CDI) unit team leaders. This important anti-fraud activity is an authorized use of the cap adjustment.

OIG is responsible for meeting the statutory mission of promoting economy, efficiency, and effectiveness in the administration of our agency's programs and operations; and preventing and detecting fraud, waste, abuse, and mismanagement in such programs and operations. To accomplish this mission, OIG conducts and supervises a comprehensive program of audits, evaluations, and investigations. OIG also searches for and reports on systemic weaknesses in the agency's programs and operations, and makes recommendations for needed improvements and corrective actions. OIG strives for continual improvement in the agency's programs, operations, and management by proactively seeking new ways to prevent and detect fraud, waste, and abuse. OIG commits to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention, and fostering diversity and innovation. The requested funding will enable OIG to fund its investigative and audit initiatives, including expansion of the CDI program, and allow OIG to meet its employee training needs.

SOCIAL SECURITY ADMINISTRATION

FY 2019 PRESIDENT'S BUDGET

Key Tables

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

FY 2019	FTE[1]	Amount
Payments to Social Security Trust Funds		$ 11,000,000
Supplemental Security Income (SSI) Program		
FY 2019 Request		$ 41,208,000,000[2]
FY 2020 First Quarter Advance		$ 19,700,000,000
Limitation on Administrative Expenses (LAE)	60,036	$ 12,393,000,000[3]
Office of the Inspector General	563	$ 105,500,000

[1] These figures include workyears for direct and reimbursable work. LAE figure excludes workyears associated with the State Children's Health Insurance Program (SCHIP), Medicare Access and CHIP Reauthorization Act (MACRA), and Medicare Savings Plan (MSP).
[2] Excludes $19,500,000,000, previously requested in the FY 2018 President's Budget as a first quarter advance for FY 2019.
[3] Includes $134,000,000 for SSI State Supplementary user fees and up to $1,000,000 for non-attorney user fees.

Table i.2 – Administrative Budget Authority and Other Planned Obligations[1] (in millions)

	FY 2017 Actual	FY 2018 Estimate[2]	FY 2019 Estimate	Change FY 18/FY 19
Budget Authority				
Base Limitation on Administrative Expenses (LAE)	$10,539	$10,378	$10,575	$197
Program Integrity Base Level	$273	$273	$273	$0
Program Integrity Cap Adjustment	$1,546	$1,462	$1,410	-$52
User Fees [3]	$124	$123	$135	$12
Subtotal, LAE Appropriation	**$12,482**	**$12,236**	**$12,393**	**$157**
Percent change from FY 2018				1.28%
Research	$58	$101	$101	$0
Office of the Inspector General (OIG)[4]	$106	$105	$106	$1
Subtotal, Budget Authority	**$12,645**	**$12,442**	**$12,600**	**$158**
Percent change from FY 2018				1.27%
Other Planned Obligations				
No-year Information Technology	-$32	$174	$50	-$124
MIPPA – Low-Income Subsidy (LIS)[5]	$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)	$2	$35	$7	-$29
Recovery Act [6]				
Workload Processing	$0	$0	$0	$0
Economic Recovery Payments Admin	$0	$0	$0	$0
National Computer Center Replacement	$12	$1	$0	-$1
Subtotal, Other Planned Obligations	**-$18**	**$224**	**$71**	**-$153**

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

[2] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 research and demonstration figure reflects the FY 2018 President's Budget levels.

[3] Includes SSI state supplementary user fees and Social Security Protection Act user fees.

[4] The Budget proposes appropriations language to transfer up to $10 million from SSA cap adjustment funds to OIG to support team leaders in Cooperative Disability Investigation units, in addition to OIG's base $105.5 million base request. This anti-fraud activity is an approved use of the cap adjustment.

[5] The Medicare Improvements for Patients and Providers Act 2008 (MIPPA) provided funding through the general fund for SSA 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.

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

	FY 2017 Actual	FY 2018 Estimate[2]	FY 2019 Estimate	Change FY 18/FY 19
TOTAL BUDGET AUTHORITY AND PLANNED OBLIGATIONS	**$12,627**	**$12,666**	**$12,670**	**$5**

Table i.3 – SSA Full Time Equivalents and Workyears

	FY 2017 Actual	FY 2018 Estimate[1]	FY 2019 Estimate	Change FY 18/FY 19
SSA Full Time Equivalents[2]	60,877	61,014	60,036	-978
SSA Overtime/Lump Sum Leave	2,558	1,648	998	-650
Subtotal, SSA Workyears	**63,435**	**62,662**	**61,034**	**-1,628**
Disability Determination Services (DDS) Workyears	14,522	13,721	13,680	-41
Subtotal, SSA and DDS Workyears	**77,957**	**76,383**	**74,714**	**-1,669**
MACRA Workyears	8	348	63	-285
Subtotal, SSA, DDS and MACRA Workyears	**77,965**	**76,731**	**74,777**	**-1,954**
OIG Full Time Equivalents	512	517	563	46
OIG Overtime/Lump Sum Leave	2	3	4	1
Subtotal, OIG Workyears	**514**	**520**	**567**	**47**
TOTAL SSA/DDS/OIG WORKYEARS	**78,479**	**77,251**	**75,344**	**-1,907**

[1] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount.

[2] Excludes workyears associated with MSP and SCHIP.

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

	FY 2017 Actual	FY 2018 Estimate[2]	FY 2019 Estimate[2]	Change FY 18/FY 19
Trust Fund Programs				
Old-Age and Survivors Insurance (OASI)	$799,049	$844,257	$900,159	$55,902
Disability Insurance (DI)	$145,855	$148,087	$152,230	$4,143
Subtotal, Trust Fund Programs	**$944,904**	**$992,344**	**$1,052,389**	**$60,045**
Proposed OASDI Legislation:				
Reduce 12 Month Retroactive SSDI Benefits to 6 Months	$0	$0	-$362	-$362
Authorize SSA to Use All Collection Tools to Recover Funds	$0	$0	-$1	-$1
Reinstating the Reconsideration in 10 Prototype States	$0	$0	$75	$75
Increase the Overpayment Collection Threshold for OASDI	$0	$0	-$11	-$11
Exclude SSA Debts from Discharge in Bankruptcy	$0	$0	-$7	-$7
Subtotal, Proposed OASDI Legislation	**$0**	**$0**	**-$306**	**-$306**
Medicare Access and Chip Reauthorization[3] Act of 2015 (MACRA)	**$2**	**$35**	**$7**	**-$29**
General Fund Programs				
Supplemental Security Income (SSI)[4]	$58,710	$55,929	$61,320	$5,391
Special Benefits for Certain World War II Veterans	$2	$3	$2	-$1
Recovery Act: National Support Center	$6	$15	$0	-$15
Subtotal, General Fund Programs	**$58,717**	**$55,947**	**$61,322**	**$5,374**
Proposed General Fund Legislation:				

[1] Totals may not equal sums of component parts due to rounding.
[2] These figures do not reflect the President's Budget appendix amounts.
[3] MACRA outlays will not match outlays in the President's Budget Appendix.
[4] Federal benefit numbers reflect the most recent estimates from SSA's Office of the Chief Actuary.

Allow SSA to Use Commercial Databases to Verify Real Property	$0	$0	-$26	-$26
Create a Family Maximum for Multi-Recipient SSI Families	$0	$0	-$588	-$588
Reinstating the Reconsideration in 10 Prototype States	$0	$0	$16	$16
SSI Youth Reforms	$0	$0	-$5	-$5
Special Immigrant Visa Extension	$0	$0	$4	$4
Strengthen Child Support Enforcement	$0	$0	-$6	-$6
Improve Collection of Pension Information	$0	$0	$18	$18
Subtotal, Proposed General Fund	$0	$0	-$587	-$587
TOTAL SSA Outlays, Current Law	$1,003,624	$1,048,327	$1,113,717	$65,391
Percent change from FY 2017				6.24 %
TOTAL SSA Outlays, Proposed Law	$0	$0	-$893	-$893
TOTAL SSA Outlays, Current & Proposed Law	$1,003,624	$1,048,327	$1,112,824	$64,498

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

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate	Change FY 18/FY 19
Outlays				
OASI Benefits	$791,092	$836,051	$891,999	$55,948
DI Benefits	$142,806	$144,781	$149,036	$4,255
Other[1,2]	$11,007	$11,512	$11,354	-$158
TOTAL OUTLAYS, Current Law	$944,904	$992,344	$1,052,389	$60,045
Income				
OASI	$822,532	$819,753	$893,082	$73,329
DI	$169,559	$170,467	$149,866	-$20,601
TOTAL INCOME, Current Law	$992,091	$990,220	$1,042,948	$52,728

Table i.6 – Current Law- OASDI Beneficiaries and Average Benefit Payments[3] (in thousands)

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate	Change FY 18/FY 19
Average Number of Beneficiaries				
OASI	50,597	52,104	53,708	1,604
DI	10,563	10,463	10,421	-42
TOTAL BENEFICIARIES	**61,161**	**62,567**	**64,129**	**1,562**
Average Monthly Benefit				
Retired Worker	$1,363	$1,399	$1,447	$48
Disabled Worker	$1,171	$1,193	$1,226	$33
Projected COLA Payable in January	0.3%	2.0%	2.4%	0.4%

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

2 A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount.

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

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

	FY 2017 Actual	FY 2018 Estimate[2]	FY 2019 Estimate	Change FY 18/FY 19
Federal Benefits[3]	$54,571	$50,809	$56,171	$5,362
Other [4]	$4,144	$5,354	$5,169	-$185
Subtotal, Federal Outlays	$58,716	$56,163	$61,340	$5,177
State Supplementary Benefits	$2,644	$2,525	$2,785	$260
State Supplementary Reimbursements	-$2,649	-$2,759	-$2,805	-$46
Subtotal, Net State Supplementary Payments[5]	-$5	-$234	-$20	$214
TOTAL OUTLAYS, Current Law	$58,710	$55,929	$61,320	$5,391

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

[2] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

[3] There were 12 payments in FY 2017. There are 11 payments in FY 2018 and 12 payments in FY 2019.

[4] "Other" includes beneficiary services, research and administrative expenses.

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

Table i.8 – SSI Recipients and Benefit Payments[1] (Recipients in thousands)

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate	Change FY 18/FY 19
Average Number of SSI Recipients				
Federal Recipients				
Aged	1,114	1,121	1,126	5
Blind or Disabled	6,986	6,922	6,893	-29
SUBTOTAL, FEDERAL RECIPIENTS	**8,100**	**8,042**	**8,019**	**-23**
State Supplement Recipients (with no Federal SSI payment)	162	162	165	3
TOTAL SSI RECIPIENTS, Current Law	**8,262**	**8,205**	**8,183**	**-22**
SSI Federal Recipients Concurrently Receiving				
OASDI Benefits (included above)	2,599	2,585	2,580	-5
Average Monthly Benefit				
Aged	$396	$405	$418	$13
Blind and Disabled	$581	$587	$603	$16
AVERAGE, All SSI Recipients	**$555**	**$562**	**$577**	**$15**
Projected COLA Payable in January	0.3%	2.0%	2.4%	0.4%

[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 2017 Actual	FY 2018 Estimate	FY 2019 Estimate	Change FY 18/FY 19
Federal Benefits	$ 2	$ 2	$ 1	-$ 1
Administration	$ 0[1]	$ 1	$ 1	$ 0
TOTAL OUTLAYS	**$ 2**	**$ 3**	**$ 2**	**-$ 1**
Average Number of Beneficiaries (in thousands)	1	0[2]	0[2]	0
Average Monthly Benefit	$ 337	$ 388	$ 397	$ 9

[1] Less than $500,000.
[2] Estimated average number of recipients less than 500.

Table i.10 – Administrative Outlays as a Percent of Trust Fund Income and Benefit Payments - FY 2019

	Percent of Income	Percent of Benefit Payments
OASI	0.3%	0.3%
DI	1.8%	1.8%
OASDI (combined)	0.5%	0.5%
SSI (Federal and State)	N/A	8.6%
TOTAL SSA [1]		1.2%

[1] Includes Hospital Insurance (HI) and Supplemental Medical Insurance (SMI) administrative outlays. SSA's calculation of discretionary administrative expenses excludes Treasury Administrative expenses, which are mandatory outlays.

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

	CY 2017	CY 2018	CY 2019	Change CY 18/CY 19
Employer/Employee Rates (each)				
OASDI (Social Security)	6.20%	6.20%	6.20%	0.0%
Hospital Insurance (HI) (Medicare)	1.45%	1.45%	1.45%	0.0%
EMPLOYEE TOTAL	7.65%	7.65%	7.65%	0.0%
Self-Employment Rates				
OASDI (Social Security)	12.40%	12.40%	12.40%	0.0%
HI (Medicare)	2.90%	2.90%	2.90%	0.0%
TOTAL	15.30%	15.30%	15.30%	0.0%
Cost of Living Adjustments (COLAs)				
January	0.3%	2.0%	2.4%	0.4%
Contribution and Benefit Base				
OASDI	$127,200	$128,400	$132,300	$3,900
HI	(no cap)	(no cap)	(no cap)	
Annual Retirement Test				
Year Individual Reaches Full Retirement Age	$44,880	$45,360	$46,680[1]	$1,320
Under Full Retirement Age	$16,920	$17,040	$17,520[1]	$480
Wages Required for a Quarter of Coverage	$1,300	$1,320	$1,360[1]	$40

[1] Estimate.

Table i.12 – Selected Performance Measures

FY 2019 Performance Table	FY 2017 Actuals	FY 2018 Estimate[1]	FY 2019 Request[2]
Retirement and Survivors Claims			
Retirement and Survivors Claims Completed (thousands)	5,620	5,801	6,022
Disability Claims			
Initial Disability Claims Receipts (thousands)	2,443	2,476	2,621
Initial Disability Claims Completed (thousands)	2,485	2,310	2,420
Initial Disability Claims Pending (thousands)	523	688	889
Average Processing Time for Initial Disability Claims (days)	111	111	114
Disability Reconsiderations			
Disability Reconsiderations Receipts (thousands)	583	542	642
Disability Reconsiderations Completed (thousands)	596	518	594
Disability Reconsiderations Pending (thousands)	105	129	177
Average Processing Time for Disability Reconsiderations (days)	101	102	106
Hearings			
Hearings Receipts (thousands)	620	582	578
Hearings Completed (thousands)	686	738	761
Hearings Pending (thousands)	1,056	900	717
Annual Average Processing Time for Hearings Decisions (days)[3]	605	605	535
National 800 Number			
National 800 Number Calls Handled (millions)	36	34	36
Average Speed of Answer (ASA) (seconds)	802	1,200	960
Agent Busy Rate (percent)	10%	15%	12%
Program Integrity			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	2,257	1,990	1,803
Full Medical CDRs (included above, thousands)	874	890	703
SSI Non-Medical Redeterminations Completed (thousands)	2,590	2,900	2,822
Selected Other Agency Workload Measures			
Social Security Numbers (SSN) Completed (millions)	17	17	17
Annual Earnings Items Completed (millions)	279	281	282
Social Security Statements Issued (millions)[4]	14	14	15
Selected Production Workload Measures			
Disability Determination Services Production per Workyear	306	306	306
Hearings Production per Workyear	94	98	104
Other Work/Service in Support of the Public -Annual Growth of Backlog (workyears)	N/A	(2,500)	(3,300)

[1] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures assume funding at the annualized funding level provided in FY 2018 under Public Law 115-56 – Continuing Appropriations Act, 2018.

[2] This budget assumes a multi-year rollout of the reinstatement of the reconsideration level of appeal in the ten prototype states beginning on 10/01/2018, which will increase reconsideration receipts and processed and reduce hearings receipts in FY 2019.

[3] Average processing time for hearings is an annual figure. End of year (September) processing time for hearings is estimated to be 595 days and 498 days, for FYs 2018 and 2019, respectively.

[4] The Social Security Statements Issued performance measure includes paper statements only; does not include electronic statements issued. In FY 2017, *my* Social Security users accessed their Social Security Statements 46.2 million times.

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CONTENTS

TABLES

APPROPRIATION LANGUAGE

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as provided under sections 201(m) and 1131(b)(2) of the Social Security Act, $11,000,000. [1]

Note- A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

[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 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 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[1]. Listed below is the estimated annual appropriation and resulting obligations for FY 2019.

Table 1.1—Annual Appropriation and Obligations
(In thousands)

	FY 2017 Actual	FY 2018 Estimate[2]	FY 2019 Estimate	*FY18 to FY19 Change*
Appropriation	$ 11,400	$ 11,400	**$ 11,000**	***-$ 400***
Obligations[3]	$ 2,910	$ 11,450	**$ 11,050**	***-$ 400***

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, (4) transfers to offset the financial effects of the Food, Conservation, and Energy Act of 2008, and (5) 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

[1] This account used to include the quinquennial adjustment for military service wage credits that was authorized to be appropriated every five years. Section 842 of the Bipartisan Budget Act, 2015 (Public Law 114–74) amends section 217(g)(2) of the Social Security Act ending trust fund/general fund Quinquennial Military Service Credit adjustments effective retroactively to 2010, the date of the last such adjustment.

[2] A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

[3] The obligations include CIRHBA activity, funded from unobligated balances carried forward from prior years. These funds, provided in FY 1996 and FY 1997, remain available until expended to reimburse the trust funds.

Continuation Act of 2011. The permanent appropriation provides that the trust funds are credited for each of these revenue items.

Taxation of Social Security Benefits

The Social Security Amendments of 1983 provide for taxation of up to one-half of Social Security benefits in excess of certain income thresholds. The Omnibus Reconciliation Act of 1993, P.L. 103-66, amended this provision so that up to 85 percent of benefits could be subject to taxation. The additional amounts collected from this 1993 provision are paid to the Hospital Insurance (HI) Trust Fund; no additional income is due to the Social Security trust funds as a result of 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 (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 $35,554 million in FY 2018 and $36,779 million in FY 2019 from U.S. citizens; the taxes imposed on aliens are withheld from benefit payments and will generate estimated income of $222 million in FY 2018 and $236 million in FY 2019. 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 FY 2018 and FY 2019, this $11 million reimbursement is included in SSA's Limitation on Administrative Expenses (LAE) appropriation.

Transfers to Offset Two Coverage Provisions

Section 15361 of P.L. 110-246, the Food, Conservation, and Energy Act of 2008, provided for annual transfers from the general fund of the Treasury to the OASDI trust funds in FYs 2009 through 2017 to roughly offset the financial effects of the law's two coverage provisions. Section 15301 of P.L. 110-246 excludes Conservation Reserve Program payments from SECA coverage for OASDI beneficiaries, and section 15352 increases the limit for the optional method for computing earnings from self-employment. The final transfers totaled $7 million in FY 2017.

Reimbursement for Payroll Tax Holiday

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

BUDGETARY RESOURCES

The FY 2019 annual appropriation request for PTF is $11,000,000. SSA expects to make $37,037,050 in payments to the trust funds in FY 2019, including amounts appropriated under permanent indefinite authority.

Table 1.2—Amounts Available for Obligation (In thousands)

	FY 2017 Actual	FY 2018 Estimate[1]	FY 2019 Estimate
Annual Appropriation	**$ 11,400**	**$ 11,400**	**$ 11,000**
Permanent Appropriation	**$ 37,384,306**	**$ 35,789,000**	**$ 37,026,000**
Total Appropriation	$ 37,395,706	$ 35,800,400	$ 37,037,000
Unobligated Balance, Start-of-Year	$ 12,826	$ 12,826	$ 12,776
Subtotal Budgetary Resources	**$ 37,408,532**	**$ 35,813,226**	**$ 37,049,776**
Obligations	**($ 37,387,217)**	**($ 35,800,450)**	**($ 37,037,050)**
Unobligated Balance, End-of-Year	$ 12,826	$ 12,776	$ 12,726
Unobligated Balance, Lapsing	$ 8,490	$ 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 FY 1996 and FY 1997 and made available until expended. The lapsed unobligated balance represents the amount of the annual appropriation not obligated in the current year.

[1] A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

ANALYSIS OF CHANGES

The FY 2019 annual appropriation request is $400,000 lower that the FY 2018 level. The obligations reported below include CIRHBA activity, funded from unobligated balances carried forward from prior years. These funds, provided in FY 1996 and FY 1997, remain available until expended.

Table 1.3—Summary of Changes (In thousands)

	FY 2018 Estimate[1]	FY 2019 Estimate	*FY18 to FY19 Change*
Appropriation	**$ 11,400**	**$ 11,000**	***-$ 400***
Obligations	**$ 11,450**	**$ 11,050**	***-$ 400***

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. CIRHBA obligations are funded from prior year unobligated balances.

Table 1.4—New Budget Authority & Obligations, Annual Authority (In thousands)[1]

	FY 2017 Actual	FY 2018 Estimate[2]	FY 2019 Estimate
Appropriation			
Pension Reform	$ 6,400	$ 6,400	$ 6,000
Unnegotiated Checks	$ 5,000	$ 5,000	$ 5,000
Coal Industry Retiree Health Benefits	$ 0	$ 0	$ 0
Total Annual Appropriation	**$ 11,400**	**$ 11,400**	**$ 11,000**
Obligations			
Pension Reform	$ 882	$ 6,400	$ 6,000
Unnegotiated Checks	$ 2,029	$ 5,000	$ 5,000
Coal Industry Retiree Health Benefits	$ 0	$ 50	$ 50
Total Obligations	**$ 2,910**	**$ 11,450**	**$ 11,050**

1 Totals may not add due to rounding.

2 A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

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

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

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Appropriation			
Reimb. for Union Administrative Expenses	$ 10,423	$ 11,000	$ 11,000
Food, Conservation, and Energy Act, 2008[1]	$ 7,000	$ 0	$ 0
Employee Payroll Tax Holiday[2]	$ 0	$ 2,000	$ 0
Taxation of Benefits, U.S.	$ 37,156,854	$ 35,554,000	$ 36,779,000
Taxation of Benefits, Nonresident Alien	$ 210,000	$ 222,000	$ 236,000
FICA Tax Credits	$ 0	$ 0	$ 0
SECA Tax Credits	$ 29	$ 0	$ 0
Total Permanent Appropriation	**$ 37,384,306**	**$ 35,789,000**	**$ 37,026,000**
Obligations			
Reimb. for Union Administrative Expenses	$ 10,423	$ 11,000	$ 11,000
Food, Conservation, and Energy Act, 2008	$ 7,000	$ 0	$ 0
Employee Payroll Tax Holiday	$ 0	$ 2,000	$ 0
Taxation of Benefits, U.S.	$ 37,156,854	$ 35,554,000	$ 36,779,000
Taxation of Benefits, Nonresident Alien	$ 210,000	$ 222,000	$ 236,000
FICA Tax Credits	$ 0	$ 0	$ 0
SECA Tax Credits	$ 29	$ 0	$ 0
Total Obligations	**$ 37,384,306**	**$ 35,789,000**	**$ 37,026,000**

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

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

OBLIGATIONS BY OBJECT CLASS

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

Table 1.6—Obligations by Object
(In thousands)

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Other Services	$ 20,363	$ 22,450	$ 22,050
Financial Transfers	$ 37,366,854	$ 35,776,000	$ 37,015,000
Financial Transfers: Employee Payroll Tax Holiday	$ 0	$ 2,000	$ 0
Total Obligations	**$ 37,387,217**	**$ 35,800,450**	**$ 37,037,050**

BACKGROUND

AUTHORIZING LEGISLATION

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

Table 1.7—Authorizing Legislation (In thousands)

	Amount Authorized	FY 2017 Actual	FY 2018 Estimate[1]	FY 2019 Estimate
Pension Reform: S.S. Act, Section 1131(b)(2)	Indefinite	$ 6,400	$ 6,400	$ 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[2]	Indefinite	$ 0	$ 0	$ 0
Subtotal Annual PTF Appropriation		**$ 11,400**	**$ 11,400**	**$ 11,000**
Reimbursement for Union Administrative Expenses: FY 2002 Social Security Appropriations Act	Permanent Indefinite	$ 10,423	$ 11,000	$ 11,000
Food, Conservation, and Energy Act, 2008: P.L. 110-246, Section 15361	Permanent	$ 7,000	$ 0	$ 0
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	$ 0	$ 2,000	$ 0
Taxation of Benefits, U.S.: Social Security Amendments of 1983, Section 121	Permanent Indefinite	$ 37,156,854	$ 35,554,000	$ 36,779,000
Taxation of Benefits, Nonresident Aliens: Social Security Amendments of 1983, Section 121	Permanent Indefinite	$ 210,000	$ 222,000	$ 236,000
FICA/SECA Tax Credits: Social Security Amendments of 1983, Section 124(b)	Permanent Indefinite	$ 29	$ 0	$ 0

[1] A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

[2] Additional funds are not requested 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.

	Amount Authorized	FY 2017 Actual	FY 2018 Estimate[1]	FY 2019 Estimate
Subtotal Permanent PTF Appropriation		**$ 37,384,306**	**$ 35,789,000**	**$ 37,026,000**
Total Appropriation		**$ 37,395,706**	**$ 35,800,400**	**$ 37,037,000**

APPROPRIATION HISTORY

The table below displays the annual appropriation requested by SSA, amounts approved by the House and Senate, and the amount ultimately appropriated by Congress. This does not include amounts appropriated under permanent authority. The quinquennial adjustment for Military Service Wage Credits is included in the FY 2008 and FY 2011 enacted appropriations. The FY 2008 appropriation also included funds to administer economic recovery payments to beneficiaries.

Table 1.8—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2008[1]	$ 28,140,000	$ 28,140,000[2]	$ 28,140,000[3]	$ 28,140,000[4]
Economic Stimulus Act[5]				$ 31,000,000
2009	$ 20,406,000	- - -[6]	$ 20,406,000[7]	$ 20,406,000[8]
2010	$ 20,404,000	$ 20,404,000[9]	$ 20,404,000[10]	$ 20,404,000[11]
2011[12]	$ 21,404,000	- - -[13]	$ 21,404,000[14]	$ 21,404,000[15]
2012	$ 20,404,000	- - -[16]	$ 20,404,000[17]	$ 20,404,000[18]
2013	$ 20,402,000	- - -[19]	$ 20,404,000[20]	$ 20,404,000[21]
2014	$ 16,400,000	- - -[22]	$ 16,400,000[23]	$ 16,400,000[24]
2015	$ 16,400,000	$ 16,400,000[25]	---[26]	$ 16,400,000[27]
2016	$ 20,400,000	$ 20,400,000[28]	$ 20,400,000[29]	$ 11,400,000[30]
2017	$ 11,400,000	$ 11,400,000[31]	$ 11,400,000[32]	$ 11,400,000[33]
2018	$ 11,400,000	$ 11,400,000[34]	$ 11,400,000[35]	
2019	**$ 11,000,000**			

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

[2] H.R. 3043.

[3] S. 1710.

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

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

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

[7] S. 3230.

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

[9] H.R. 3293.

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

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

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

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

[14] S. 3686.

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

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

[17] S. 1599.

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

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

[20] S. 3295.

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

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

[23] S. 1284.

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

[25] H.R. 83.

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

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

[28] H.R. 3020.

[29] S. 1695.

[30] Consolidated Appropriations Act, 2016 (P.L. 114-113).

[31] H.R. 5926.

[32] S. 3040.

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

[34] H.R. 3358.

[35] S. 1771.

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 2017 Actual	FY 2018 Estimate[1]	FY 2019 Estimate	*FY18 to FY19 Change*
Budget Authority	$ 6,400,000	$ 6,400,000	**$ 6,000,000**	*-$ 400,000*

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

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

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

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[1] A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

Table 1.10—Pension Reform: Obligations

Fiscal Year	Obligations
FY 2010	$ 2,022,000
FY 2011[1]	$ 3,802,000
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 Estimate[2]	$ 6,400,000
FY 2019 Estimate	**$ 6,000,000**

RATIONALE FOR BUDGET REQUEST

The FY 2019 budget requests $6,000,000 to reimburse the OASI Trust Fund for the cost of carrying out SSA's responsibilities under the Pension Reform Act. The FY 2019 request is $400,000 lower than the FY 2018 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 2008	5,554,314
FY 2009	6,073,898
FY 2010	6,334,329
FY 2011[3]	68,159
FY 2012	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**

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

[2] A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

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

UNNEGOTIATED CHECKS

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

PURPOSE AND METHOD OF OPERATION

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

Table 1.12—Unnegotiated Checks: Budget Authority

	FY 2017 Actual	FY 2018 Estimate[1]	FY 2019 Estimate	*FY18 to FY19 Change*
Budget	$ 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 2011	$ 7,471,475
FY 2012	$ 5,910,374
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 Estimate[1]	$ 5,000,000
FY 2019 Estimate	**$ 5,000,000**

[1] A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

The actual interest reflects the ongoing shift of beneficiaries away from the paper check method of benefit payment to direct deposit. On December 21, 2010, the Department of Treasury published a final rule amending 31 Code of Federal Regulations Part 208 to require recipients of Federal 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 an electronic payment. As a result, the final rule has decreased the volume of unnegotiated benefit checks, and we expect this trend to continue. Benefits paid via direct deposit bypass the mechanism in which there is the possibility of an uncashed check. However, the effect of the growth in direct deposit participation on unnegotiated check interest is somewhat offset by increases in the number of beneficiaries and in the average monthly benefit payments. The following table summarizes the recent trend in the percentage of OASDI beneficiaries enrolled in the direct deposit payment program.

Table 1.14—Direct Deposit Participation Rate

	Direct Deposit Participation Rate
FY 2008	85%
FY 2009	86%
FY 2010	87%
FY 2011	89%
FY 2012	94%
FY 2013	98%
FY 2014	99%
FY 2015	99%
FY 2016	99%
FY 2017	**99%**

RATIONALE FOR BUDGET REQUEST

The FY 2019 request is for $5,000,000 to reimburse the OASDI Trust Funds for the value of interest on unnegotiated checks. The FY 2019 request is equal to the FY 2018 level.[1]

Table 1.15—Unnegotiated Checks: Budget Authority by Trust Fund

	FY 2019 Estimate
OASI Trust Fund	$ 3,000,000
DI Trust Fund	$ 2,000,000
Total	**$ 5,000,000**

[1] A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

COAL INDUSTRY RETIREE HEALTH BENEFITS

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

PURPOSE AND METHOD OF OPERATION

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

Table 1.16—Coal Industry Retiree Health Benefits: Obligations

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate	*FY18 to FY19 Change*
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 coal mine operators pay health benefit premiums for the new combined plan. The law directed the Commissioner of Social Security to:

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

PROGRESS TO DATE

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

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

This account provides general fund reimbursement to the trust funds to the extent that the LAE account advances funds for SSA to carry out this work. Additional funds are not requested for FY 2019 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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TABLES

APPROPRIATION LANGUAGE

Supplemental Security Income Program

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, $41,208,000,000 to remain available until expended: Provided, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury: Provided further, That not more than $101,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2021.

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 2020, $19,700,000,000, to remain available until expended.

Note - A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

LANGUAGE ANALYSIS

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

In addition, the language provides SSA with indefinite authority beginning June 15 in the event Federal benefit payment obligations in FY 2018 are higher than expected and SSA does not have sufficient unobligated balances to cover the difference. Consistent with previous years, the appropriation also includes an advance appropriation for Federal benefit payments in the first quarter of FY 2020 to ensure the timely payment of benefits in case of a delay in the FY 2020 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*, $41,208,000,000*, to remain available until expended:"	Appropriates funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects under the SSI program. SSA may carryover unobligated balances for use in future fiscal years.
"*Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury."	Ensures that states do not carry unobligated balances of Federal funds into the subsequent fiscal year. Applies primarily to the beneficiary services activity.
Provided further, That not more than $101,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2021.	Specifies that not more than $101 million of the SSI appropriation is available for research and demonstration projects. SSA may carryover unobligated balances through September 30, 2021.
"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 *2020, $19,700,000,000*, 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 2020 in the event of a temporary funding hiatus.

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 2017 Actual	FY 2018 Estimate[2]	FY 2019 Estimate	*Change*
Appropriation	$ 58,118,163	$ 53,554,000	$ 60,708,000	*+ $ 7,154,000*
Obligations	$ 59,899,760	$ 56,235,285	$ 61,238,730	*+ $ 5,003,445*
First Quarter Advance Appropriation for Subsequent Fiscal Year	$ 15,000,000	$ 19,500,000	$ 19,700,000	*+ $ 200,000*

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

[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] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

[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.

includes “earned income” such as wages and net earnings from self-employment; and “unearned income” such as Social Security benefits, unemployment compensation, deemed income from a spouse or parent, and the value of in-kind support and maintenance such as food and shelter. Different exclusion rules apply for different types of income.

Benefit Payments

SSA estimates it will pay $56.2 billion in Federal benefits to 8 million SSI recipients in FY 2019. Including state supplementary payments, SSA expects to pay a total of $59 billion and administer payments to nearly 8.2 million recipients.

Federal benefit payments represent approximately 92 percent of Federal SSI spending. Administrative expenses represent about 8 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, discussed in more detail in the Beneficiary Services section.

State Supplementation

Supplementation is mandatory for certain recipients who were on state rolls just prior to the creation of the Federal program on January 1, 1974. Otherwise, states are encouraged to supplement the Federal benefit and may elect to have their state supplementation program administered by SSA. States that choose to have SSA administer their program reimburse SSA in advance and SSA makes the payment on behalf of the state. Participating states also reimburse SSA for the cost of administering their program, based on a user fee schedule established by the Social Security Act. The user fee is $11.87 per SSI check payment in FY 2018 and is expected to increase to $12.17 in FY 2019. The Department of the Treasury receives the first $5.00 of each fee and SSA retains the amount over $5.00. Additional information regarding state supplementation can be found within the LAE section.

Coordination with Other Programs

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

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

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

FY 2019 PRESIDENT'S BUDGET REQUEST

The SSI appropriation includes funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects. In total, the President's Budget request for FY 2019 is $60,708,000,000. However, this includes $19,500,000,000 requested for the first quarter of FY 2019 in the FY 2018 appropriation. The appropriation language provides SSA with its remaining appropriation for FY 2019, $41,208,000,000—the total amount requested for FY 2019 less the advance expected.

Similarly, in addition to the amount above, the request includes an advance appropriation of $19,700,000,000 for Federal benefit payments in the first quarter of FY 2020. 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 [1,2,3]
(in thousands)

	FY 2017 Actual	FY 2018 Estimate[4]	FY 2019 Estimate	*Change*
Advance for Federal Benefits[5]	$ 14,500,000	$ 15,000,000	$ 19,500,000	
Regular for Federal Benefits	$ 38,441,736	$ 33,236,000	$ 36,216,000	
Subtotal Federal Benefits	**$ 52,941,736**	**$ 48,236,000**	**$ 55,716,000**	**+ $ 7,480,000**
Base Administrative Expenses	$ 3,706,485	$ 3,681,000	$ 3,457,000	- $ 224,000
Program Integrity (Base)	$ 222,000	$ 209,000	$ 245,000	+ $ 36,000
Program Integrity (Cap)	$ 1,100,942	$ 1,168,000	$ 1,063,000	- $ 105,000
Subtotal Administrative Expenses	**$ 5,029,427**	**$ 5,058,000**	**$ 4,765,000**	**- $293,000**
Beneficiary Services	$ 89,000	$ 159,000	$ 126,000	- $ 33,000
Research and Demonstration	$ 58,000	$ 101,000	$ 101,000	$ 0
Subtotal Advanced Appropriation	**$ 14,500,000**	**$ 15,000,000**	**$ 19,500,000**	
Subtotal Regular Appropriation	**$ 43,618,163**	**$ 38,554,000**	**$ 41,208,000**	
Total Appropriation	$ 58,118,163	$ 53,554,000	$ 60,708,000	+ *$ 7,154,000*
Advance for Subsequent Year	**$ 15,000,000**	**$ 19,500,000**	**$ 19,700,000**	**+ $ 200,000**

[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] There are 12 payments in FY 2017 and FY 2019 and 11 payments in FY 2018.
[4] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.
[5] Amount provided or requested in the previous year's appropriation bill.

KEY INITIATIVES

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

Payment Accuracy

For more than 80 years, SSA has been committed to paying the right benefit to the right person at the right time. The challenge of meeting this goal is especially apparent in the administration of the SSI program because eligibility and payment amounts are so closely tied to the fluctuating circumstances of individual recipients. In FY 2016, 92.4 percent of SSI benefit payments were free of overpayment errors and 98.8 percent were free of underpayment errors. The vast majority of incorrect payments are the result of unreported changes to recipients' incomes, resources, or living arrangements.

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

Continuing Disability Reviews and Non-Disability Redeterminations

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

The FY 2019 President's Budget request includes $1,308 million specifically for conducting SSI CDRs and redeterminations, which would allow SSA to conduct about 446,000 SSI CDRs[1] and 2,822,000 redeterminations. For details on the estimated program savings resulting from the program integrity proposal, please refer to the Budget Process chapter in the Analytical Perspectives volume of the Budget.

Access to Financial Institutions

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

[1] The total estimated CDR volume is 703,000. We expect to complete about 257,000 Social Security Disability Insurance (DI)/Concurrent CDRs in addition to SSI CDRs.

for essentially all SSI non-medical redeterminations and full applications where there is an allegation of financial resources above the current AFI resource tolerance level.

Along with preventing overpayments, AFI can help us to eliminate ineligible applicants at the beginning of the application process, reducing the workload in the State Disability Determination Services (DDS). Additionally, as part of the Bipartisan Budget Act of 2015, AFI will help us to make informed decisions on overpayment waiver requests. The change in the law grants us the ability to verify financial information for all overpaid individuals who request waivers to determine whether they have the ability to repay their overpayment. We must obtain authorization from the overpaid individual to request the financial records. If an individual refuses to provide or revokes any authorization to obtain financial records, we may determine that they do not meet one of the requirements for granting a waiver. In FY 2019, we will evaluate AFI's effect on making waiver determinations and develop additional systems enhancements to improve the current process for initiating and applying AFI.

Pre-Effectuation Reviews

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

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

Combating Fraud

SSA continues to engage in an aggressive program to deter, detect, investigate, and prosecute fraud. During FY 2017, SSA's Office of the Inspector General (OIG) received almost 92,700 fraud-related allegations via telephone, correspondence, fax, or email. Of those allegations, almost 20,400 were related to SSI fraud. As allegations are received, they are carefully reviewed to determine the most appropriate course of action, such as referral to OIG's Office of Investigations Field Divisions, other components of OIG, outside law enforcement agencies, or other program or policy components in SSA. In addition to matching the law enforcement data received pursuant to the matching program, Federal law authorizes OIG and SSA to release information back to law enforcement regarding beneficiaries and recipients who have unsatisfied felony arrest warrants or who are violating a condition of probation or parole imposed under Federal or State law. Individuals are identified by using an automated data matching process which compares warrant information at the State and Federal levels with the SSI rolls.

Debt Collection

SSA currently makes use of the following debt collection tools that are authorized by law: benefit withholding; cross-program recovery; repayment by installment agreements; Credit Bureau Reporting; Administrative Wage Garnishment; and the Treasury Offset Program (TOP), which includes Tax Refund Offset (TRO), Administrative Offset (e.g., Federal travel and expense reimbursements), and Federal Salary Offset. Using these debt collection tools, SSA collected $1.3 billion in SSI overpayments, including Federally-administered state supplement overpayments, in FY 2017. Also in FY 2017, SSA eliminated an additional $146.6 million through Netting, a process that adjusts SSI overpayments through an automated offset against SSI underpayments.

SSA began collecting SSI overpayments by TRO in 1998 under the authority of The Deficit Reduction Act of 1984. The Foster Care Independence Act of 1999 extended to the SSI program all of the additional debt collection authorities previously available for collection of overpayments under the Social Security retirement and disability programs. In FY 2002, SSA expanded the use of TOP by implementing Administrative Offset. SSA further expanded the use of TOP in FY 2006 when the agency implemented Federal Salary Offset, a collection tool used to collect delinquent overpayments owed by Federal employees, including employees who work for SSA. We again expanded our usage of TOP in FY 2013 to collect delinquent debts via TOP through Treasury's State Reciprocal Program (SRP). The SRP allows states to enter into reciprocal agreements with Treasury to collect unpaid State debt by offset of Federal non-tax payments. In return, the agreements allow the Federal Government to collect delinquent non-tax debt by offset of State payments. In FY 2017, TOP enabled the agency to collect $70.8 million in delinquent SSI overpayments.

In FY 2002, SSA implemented Credit Bureau Reporting and Cross Program Recovery. In FY 2017 Credit Bureau Reporting contributed to the voluntary repayment of almost $24.7 million and the Agency recovered $157.9 million via Cross Program Recovery.

In FY 2005, SSA implemented Administrative Wage Garnishment, which has collected $3.6 million in SSI debt in FY 2017. In the future, as resources permit, SSA plans to implement the remaining authorized collection tools, which include interest charging, administrative cost recovery, and the use of private collection agencies.

Computer Matching Programs

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

SSA's computer matching operations include matches with:

- Prison inmate records to find recipients made ineligible by incarceration;
- Law enforcement agencies data on fugitive felons;
- Quarterly data on wage and unemployment compensation information;
- Monthly nursing home admission and discharge information;
- Internal Revenue Service records of non-wage income reported via 1099s to detect resources and/or income;
- Bureau of the Public Debt's Savings Bond records to detect unreported assets;

- Department of Defense (DOD) records to detect and verify DOD pension information;
- Veterans Administration (VA) benefit data to be used in SSI benefit calculations;
- VA death information for DI and SSI payments;
- Office of Personnel Management pension data to be used in certain SSI benefit calculations;
- Railroad Retirement Board data to be used in certain SSI benefit calculations;
- Department of Homeland Security (DHS) data for deportation information on aliens outside the U.S. for more than 30 continuous days to terminate SSI benefits;
- DHS records of aliens who voluntarily leave the U.S; and
- AFI system to electronically request and receive financial account information.

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

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 2019 is $60,708,000,000, including $19,500,000,000 requested in the FY 2018 appropriation.

Table 2.4—Amounts Available for Obligation1,2,3
(in thousands)

	FY 2017 Actual	FY 2018 Estimate[4]	FY 2019 Estimate
Regular Appropriation	$ 43,618,163	$ 38,554,000	$ 41,208,000
Advanced Appropriation	$ 14,500,000	$ 15,000,000	$ 19,500,000
Total Annual Appropriation	**$ 58,118,163**	**$ 53,554,000**	**$ 60,708,000**
Federal Unobligated Balance	$ 5,792,378	$ 4,596,431	$ 1,915,145
Recovery of Prior-Year Obligations	$ 585,655	$ 0	$ 0
Subtotal Federal Resources	**$ 64,496,197**	**$ 58,150,431**	**$ 62,623,145**
State Supp. Reimbursements	$ 2,648,799	$ 2,759,000	$ 2,805,000
State Supp. Unobligated Balance[5]	$ 0	$ 4,932	$ 238,932
Total Budgetary Resources	**$ 67,144,996**	**$ 60,914,362**	**$ 65,667,077**
Federal Obligations	**$ 59,899,760**	**$ 56,235,285**	**$ 61,238,730**
State Supp. Obligations	$ 2,643,868	$ 2,525,000	$ 2,785,000
Total Obligations	**$ 62,543,627**	**$ 58,760,285**	**$ 64,023,730**
Federal Unobligated Balance (unexpired)	$ 4,596,431	$ 1,915,145	$ 1,384,415
State Supp. Unobligated Balance[5]	$ 4,932	$ 238,932	$ 258,932
Total Unobligated Balance	$ 4,601,362	$ 2,154,077	$ 1,643,346

1 Does not include state supplementary user fees; user fees are included in the LAE appropriation.
2 Totals may not add due to rounding.
3 There were 12 payments in FY 2017. There are 11 payments in FY 2018 and 12 payments in FY 2019.
4 A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.
5 The amount received for the October 1 payment, reimbursed at the end of September in the prior fiscal year, is available for use in the subsequent fiscal year.

The SSI annual appropriation was $58.1 billion in FY 2017. The estimated FY 2018 appropriation is $53.6 billion. SSA has the authority to carry over unobligated balances for use in future fiscal years for Federal benefit payments, administrative expenses, and beneficiary services because the amounts appropriated are made available until expended. SSA carried over approximately $4.6 billion in Federal unobligated balances into FY 2018. SSA expects to carry over approximately $1.9 billion into FY 2019, and use about $531 million in carryover funds.

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

ANALYSIS OF CHANGES

The FY 2019 request represents an increase of approximately $7.2 billion from the FY 2018 level. The majority of this increase results from FY 2019 having 12 benefit payments, while FY 2018 has only 11 payments.

SSA plans to use unobligated balances to partially fund Federal benefits, beneficiary services, research and demonstration projects, and administrative expenses in FY 2018 and FY 2019. SSA plans to use approximately $2,681 million in unobligated balances and recoveries in FY 2018 and approximately $531 million in FY 2019.

Federal Benefit Payments

The increase in the FY 2019 request for Federal benefit payments is a result of one more benefit payment. There is also a slight increase in estimated payments due to the estimated FY 2019 cost of living adjustment (COLA). The increase in Federal benefit payments is partially offset by 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 2019 request for administrative expenses is $293 million less than the FY 2018 level. SSA expects to use $71 million in carryover funds in FY 2018 and $16 million in carryover funds in FY 2019 to cover estimated obligations.

Beneficiary Services

SSA is requesting $126 million in new authority for FY 2019. Our estimate reflects a steady level of vocational rehabilitation reimbursement awards and Ticket payments to Employment Networks under the Ticket to Work program. SSA expects to use $14 million in carryover funds in FY 2018 and $53 million in carryover funds in FY 2019 to cover our estimated obligations.

Research and Demonstrations

The FY 2019 request for research and early intervention demonstration projects is equal to the FY 2018 level.[1] SSA expects to use $23.3 million in carryover funds in FY 2018 and $6.9 million in carryover funds in FY 2019, in addition to our requested appropriation, to cover our estimated obligations.

Table 2.5—Summary of Changes[2,3]

	FY 2018 Estimate[4]	FY 2019 Estimate	*Change*
Appropriation	**$ 53,554,000,000**	**$ 60,708,000,000**	**+ *$ 7,154,000,000***
Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation	+ $ 2,681,285,400	+ $ 530,730,373	*- $ 2,150,555,027*
Estimated Federal Obligations	**$ 56,235,285,400**	**$ 61,238,730,373**	**+ *$ 5,003,444,973***

[1] The FY 2018 President's Budget Research and Demonstration request was $101 million.
[2] Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the LAE appropriation.
[3] Totals may not add due to rounding.
[4] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

Table 2.6—Explanation of SSI Budget Changes from FY 2018 to FY 2019
(in thousands)

	FY 2018 Obligations	*Change from FY 2018*
Federal Benefit Payments	$ 48,236,000	
• COLA—2.4% beginning January 2019		+$ 1,659,000
• Net increase due to annualized closings and awards		+$ 45,000
• Net increase due to adjustment back to 12 payments in FY 2019, up from 11 in FY 2018		+$ 4,055,000
• Effect of OASDI COLA for concurrent SSI/OASDI recipients		-$ 397,000
Federal Benefit Payments – Carryover	$ 2,573,000	
Administrative Expenses	$ 5,058,000	
• Decrease in base funding		-$ 293,000
Administrative Expenses – Carryover	$ 71,000	
• Decrease in amount of carryover funding planned for obligation in FY 2019		-$ 55,000
Beneficiary Services	$ 159,000	
• Decrease in Base Funding		-$ 33,000
Beneficiary Services – Carryover	$ 14,000	
• Increase in amount of carryover funding planned for obligation in FY 2019		+$ 38,807
Research and Demonstration	$ 101,000	
Research and Demonstration -- Carryover	$ 23,285	
• Decrease in amount of carryover funding planned for obligation in FY 2019		-$ 16,362
Total Obligations Requested, Net Change	**$ 56,235,285**	**+$ 5,003,445**

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 projects.

Table 2.7—New Budget Authority and Obligations by Activity [1,2,3]
(in thousands)

	FY 2017 Actual	FY 2018 Estimate[4]	FY 2019 Estimate[5]
Federal Benefit Payments			
Appropriation	$ 52,941,736	$ 48,236,000	$ 55,716,000
Obligations	$ 54,729,472	$ 50,809,000	$ 56,171,000
Monthly Check Payments	12	11	12
Base Administrative Expenses			
Appropriation	$ 3,706,485	$ 3,681,000	$ 3,457,000
Obligations	$ 3,706,485	$ 3,752,000	$ 3,473,000
Program Integrity (Base)			
Appropriation	$ 222,000	$ 209,000	$ 245,000
Obligations	$ 222,000	$ 209,000	$ 245,000
Program Integrity (Cap)			
Appropriation	$ 1,100,942	$ 1,168,000	$ 1,063,000
Obligations	$ 1,100,942	$ 1,168,000	$ 1,063,000
Beneficiary Services			
Appropriation	$ 89,000	$ 159,000	$ 126,000
Obligations	$ 77,212	$ 173,000	$ 178,807
Research and Demonstration			
Appropriation	$ 58,000	$ 101,000	$ 101,000
Obligations	$ 63,649	$ 124,285	$ 107,923
Total Appropriation	**$ 58,118,163**	**$ 53,554,000**	**$ 60,708,000**
Total Federal Obligations	**$ 59,899,760**	**$ 56,235,285**	**$ 61,238,730**

[1] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses and Program Integrity assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses do not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

[2] Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the LAE appropriation.

[3] Totals may not add due to rounding.

[4] SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2018 obligations as follows: Federal benefits, $2,573 million; beneficiary services, $14 million; research and demonstration, $23 million; and administrative expenses, $71 million.

[5] In addition to the FY 2019 President's Budget request, SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2019 obligations as follows: Federal benefits, $455 million; beneficiary services, $53 million; research and demonstration projects, $7 million; and administrative expenses, $16 million.

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 2017 Actual	FY 2018 Estimate[3]	FY 2019 Estimate
Other Services[4]			
Appropriation	$ 5,118,427	$ 5,217,000	**$ 4,891,000**
Obligations	$ 5,106,639	$ 5,302,000	**$ 4,959,807**
Federal Benefits and Research			
Appropriation	$ 52,999,736	$ 48,337,000	**$ 55,817,000**
Obligations	$ 54,793,121	$ 50,933,285	**$ 56,278,923**
Total Appropriation	**$ 58,118,163**	**$ 53,554,000**	**$ 60,708,000**
Total Obligations	**$ 59,899,760**	**$ 56,235,285**	**$ 61,238,730**

[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] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 –Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

[4] 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 2017 Actual	FY 2018 Estimate[1]	FY 2019 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[2]	$ 58,118,163,000	$ 53,554,000,000	**$ 60,708,000,000**	*Indefinite*
First Quarter Advance Appropriation for Subsequent Fiscal Year	$ 15,000,000,000	$ 19,500,000,000	**$ 19,700,000,000**	---

[1] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 –Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA's Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President's Budget levels.

[2] 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 2009 to FY 2019. Indefinite budget authority is requested when actual Federal benefit payments exceed the amounts available for Federal benefit payments in a given fiscal year.

Table 2.10—Appropriation History[1]

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	$ 14,800,000,000	$ 14,800,000,000	$ 14,800,000,000	$ 14,800,000,000
Current Year	$ 30,414,000,000	- - -[2]	$ 30,429,875,000[3]	$ 30,471,537,000[4]
2009 Total	$ 45,214,000,000	- - -	$ 45,229,875,000	$ 45,271,537,000
2009 Indefinite				*$ 1,602,935,179*
Q1 Advance	$ 15,400,000,000	- - -	$ 15,400,000,000	$ 15,400,000,000
Current Year	$ 34,742,000,000	$ 34,742,000,000[5]	$ 34,742,000,000[6]	$ 34,742,000,000[7]
2010 Total	$ 50,142,000,000	- - -	$ 50,142,000,000	$ 50,142,000,000
2010 Indefinite				*$ 458,465,781*
Q1 Advance	$ 16,000,000,000	$ 16,000,000,000	$ 16,000,000,000	$ 16,000,000,000
Current Year	$ 40,513,000,000	- - -[8]	$ 40,513,000,000[9]	$ 39,983,273,000[10]
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	- -[12]	$ 37,922,543,000[13]	$ 37,582,991,000[14]
2012 Total	$ 51,483,000,000	- - -	$ 51,322,543,000	$ 50,982,991,000
2012 Indefinite				*$ 560,000,000*
Q1 Advance	$ 18,200,000,000	- - -	$ 18,200,000,000	$ 18,200,000,000
Current Year	$ 40,043,000,000	- -[17]	$ 40,043,000,000[18]	
2013 Total	$ 58,243,000,000		$ 58,243,000,000	$ 50,982,991,000
2013 Rescission				$ 32,779,347,000
2013 Sequester[21]				
Q1 Advance	$ 19,300,000,000		$ 19,300,000,000	$ 19,300,000,000
Current Year	$ 40,737,000,000		$ 40,568,741,000[23]	$ 41,249,064,000[24]
2014 Total	$ 60,037,000,000		$ 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[26]
2015 Total	$ 60,627,000,000			$ 60,932,978,000[27]
Q1 Advance	$ 19,200,000,000			$ 19,200,000,000
Current Year	$ 46,422,000,000	$ 46,232,978,000[28]	$ 46,110,777,000[29]	$ 46,305,733,000[30]
2016 Total	**$ 65,622,000,000**	**$ 65,432,978,000**	**$ 65,310,777,000**	**$ 65,505,733,000[31]**

Table Continues on the Next Page

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	**$ 14,500,000,000**			$ 14,500,000,000
Current Year	$ 43,824,868,000	$ 43,162,469,000[32]	$ 43,618,163,000[33]	$ 43,618,163,000[34]
2017 Total	**$ 58,324,868,000**	**$ 57,662,469,000**	**$ 58,118,163,000**	**$ 58,118,163,000**[35]
Q1 Advance	**$ 15,000,000,000**			$ 15,000,000,000
Current Year	$ 38,557,000,000	$ 38,591,635,000[36]	$ 38,450,927,000[37]	
2018 Total	**$53,557,000,000**	**$ 53,591,635,000**	**$ 53,450,927,000**	[38]
Q1 Advance	**$19,500,000,000**			
Current Year	$41,208,000,000			
2019 Total	**$60,708,000,000**			
Q1 Advance	**$19,700,000,000**			
Current Year				
2020 Total				

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

[3] S. 3230.

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

[5] H.R. 3293.

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

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

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

[9] S. 3686.

[10] 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.

[11] 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.

[12] 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.

[13] S. 1599.

[14] 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.

[15] 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.

[16] 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.

[17] 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.

[18] S. 3295.

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

[20] 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.

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

[22] 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.

[23] S. 1284.

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

[25] 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.

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

[27] 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.

[28] H.R. 3020.

[29] S. 1695

[30] Consolidated Appropriations Act, 2016 (P.L. 114-113).

[31] 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.

[32] H.R. 5926.

[33] S. 3040.

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

[35] 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.

[36] H.R. 3358.

[37] S. 1771.

[38] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President’s Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 –Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President’s Budget appendix amount. The FY 2018 Federal benefits numbers reflect the most recent estimates from SSA’s Office of the Chief Actuary. FY 2018 funding for beneficiary services and research and demonstration reflect the FY 2018 President’s Budget levels.

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 2019, SSA estimates benefit payments will total approximately $56.2 billion for over 8 million Federal SSI recipients.

Table 2.11—Federal Benefit Payments: New Budget Authority and Obligations[1]
(in thousands)

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate	*FY 18 to FY 19 Change*
Appropriation	**$ 52,941,736**	**$ 48,236,000**	**$ 55,716,000**	***+ $ 7,480,000***
Obligations Funded from Prior-Year Unobligated Balance and Recoveries	$ 1,787,736	$ 2,573,000	$ 455,000	*-$ 2,118,000*
Obligations	**$ 54,729,472**	**$ 50,809,000**	**$ 56,171,000**	***+ $ 5,362,000***
Advance for subsequent fiscal year	$ 15,000,000	$ 19,500,000	$ 19,700,000	*+ $ 200,000*

RATIONALE FOR BUDGET REQUEST

SSA is requesting $55.7 billion in new budget authority for Federal benefit payments in FY 2019.

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

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

SSI RECIPIENT POPULATION

The number of Federal SSI recipients has decreased from 8.2 million in FY 2014 to 8.1 million in FY 2017 and is expected to decrease to 8.0 million in FY 2019. The estimated decrease in Federal recipients in FY 2019 represents a 0.3 percent decrease over the FY 2018 level. SSA estimates the number of SSI recipients by analyzing a number of factors including applications, award and termination rates, and funding for program integrity initiatives.

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

	FY 2014	FY 2015	FY 2016	FY 2017
Aged	1,094	1,100	1,108	1,114
Blind or Disabled	7,076	7,073	7,048	6,986
Total Federal	**8,171**	**8,173**	**8,157**	**8,100**
Year-to-Year Change	***1.0%***	***0.0%***	***- 0.2%***	***- 0.7%***
State Supplement Only	217	171	166	162
Total Federally Administered	**8,388**	**8,344**	**8,323**	**8,262**

In addition to Federal SSI recipients, SSA currently administers state supplementary payments for 20 states and the District of Columbia. SSA administers payments for approximately 1.5 million state supplement recipients, of which approximately 162,000 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 2018 Estimate	FY 2019 Estimate	*FY 18 FY 19 Change*
Aged	1,121	1,126	*+ 0.4%*
Blind or Disabled	6,922	6,893	*- 0.4%*
Total Federal	**8,042**	**8,019**	***- 0.3%***
State Supplement only	162	165	*+ 1.9%*
Total Federally Administered	**8,205**	**8,183**	***- 0.3%***

SSI Disabled vs. Aged Recipient Population

The number of Federal blind or disabled SSI recipients as a percentage of all Federal SSI recipients increased from 81 percent in FY 2000 to 86.6 percent in FY 2014 and has slightly declined since then. Because the average monthly benefit payment for blind or disabled

[1] Totals may not add due to rounding.

recipients is higher than that of aged recipients, this shift in the population make-up has increased overall Federal SSI benefit payments.

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
2000	6,328	1,203	5,125	**81.0%**
2010	7,522	1,105	6,417	**85.3%**
2011	7,756	1,105	6,652	**85.8%**
2012	7,940	1,094	6,846	**86.2%**
2013	8,089	1,089	7,000	**86.5%**
2014	8,171	1,094	7,076	**86.6%**
2015	8,173	1,100	7,073	**86.5%**
2016	8,157	1,108	7,048	**86.4%**
2017	8,100	1,114	6,986	**86.2%**
2018 Estimate	**8,042**	**1,121**	**6,922**	**86.1%**
2019 Estimate	**8,019**	**1,126**	**6,893**	**86.0%**

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 33 percent of all SSI recipients (including those only receiving a state supplement) also receive Social Security benefits. Approximately 56 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 2.0 percent cost of living increase in 2018. An increase of 2.4 percent is projected for January 2019. The FBR increased from $735 for an individual and $1,103 for a couple for calendar year (CY) 2017 to $750 for an individual and $1,125 for a couple in CY 2018. SSA estimates the FBR will increase to $768 for an individual and $1,152 for a couple in CY 2019. The COLA will be effective in January 2019, raising the maximum benefit rate to higher levels than the first 3 months of the fiscal year.

Table 2.15—Maximum Benefit Rates

	FY 2018		FY 2019	
	First 3 Months	**Last 9 Months**	**First 3 Months**	**Last 9 Months**
Individual	**$ 735**	**$ 750**	**$ 750**	**$ 768**
Couple	**$ 1,103**	**$ 1,125**	**$ 1,125**	**$ 1,152**

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 $555 in FY 2017 to $562 in FY 2018 and $577 in FY 2019. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

Table 2.16—Average Monthly Benefit Payments

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Aged	$ 396	$ 405	**$ 418**
Blind or Disabled	$ 581	$ 587	**$ 603**
All SSI Recipients	$ 555	$ 562	**$ 577**

Cost of Living Adjustments

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

Program Integrity Funding

Annual benefit payment estimates are dependent on SSA performing a certain level of SSI CDRs and redeterminations. Specifically, the FY 2019 estimate assumes SSA will conduct almost 446,000 SSI CDRs and 2,822,000 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 2010	12	$ 47,322,385,581
FY 2011	13	$ 52,274,301,053
FY 2012	11	$ 47,003,477,518
FY 2013	12	$ 52,782,740,412
FY 2014	12	$ 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**	**$ 50,809,000,000**
FY 2019	**12**	**$ 56,171,000,000**

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

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

	FY 2017 Actual	FY 2018 Estimate[1]	FY 2019 Estimate	*FY 18 to FY 19 Change*
Total Appropriation	**$ 5,029,427**	**$ 5,058,000**	**$ 4,765,000**	***- $ 293,000***
Obligations Funded from Prior-Year Unobligated Balance	*+ $ 0*	*+ $ 71,000*	*+ $ 16,000*	***- $ 55,000***
Obligations	**$ 5,029,427**	**$ 5,129,000**	**$ 4,781,000**	***- $ 348,000***

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

[1] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for Administrative Expenses assume funding at the annualized funding level provided in FY 2018 under P.L. 115-56 – Continuing Appropriations Act, 2018, but Base Administrative Expenses does not reflect the President's Budget appendix amount.

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.

RATIONALE FOR BUDGET REQUEST

The FY 2019 request for SSI administrative expenses is $4,765,000,000. This appropriation is used to reimburse the trust funds for the SSI program's share of administrative expenses. This amount includes additional funding of $1,308 million specifically for FY 2019 SSI program integrity activities.

These amounts exclude funding made available in the LAE account from state user fees for SSA expenses for administering SSI state supplementary payments. The LAE account assumes funding of up to $134,000,000 in FY 2019.

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 it is 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 2017 Actual	FY 2018 Estimate[1]	FY 2019 Estimate	*FY 18 to FY 19 Change*
Appropriation	**$ 89,000**	**$ 159,000**	**$ 126,000**	***- $ 33,000***
Prior-Year Unobligated Balances and Recoveries	$ 55,019	$ 66,807	$ 52,807	*- $ 14,000*
Total Budgetary Resources	**$ 144,019**	**$ 225,807**	**$ 178,807**	***- $ 47,000***
Obligations	**$ 77,212**	**$ 173,000**	**$ 178,807**	***+ $ 5,807***

Under the VR program, SSA repays State VR agencies for the reasonable and necessary costs of services that successfully help disabled beneficiaries and recipients return to work. VR agencies are successful when a disabled recipient performs substantial gainful activity (SGA) for a continuous period of nine out of twelve months.[2] VR agencies can serve as ENs in the TTW program or under SSA's VR reimbursement program.

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

[1] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures assume funding at the FY 2018 President's Budget level.

[2] In 2018, we consider non-blind and blind disabled recipients to be performing SGA if they earn more than $1,180 and $1,970 per month, respectively.

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

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

RATIONALE FOR BUDGET REQUEST

SSA is requesting $126 million in new budget authority for beneficiary services in FY 2019. The FY 2019 request is a 3 percent increase in obligations, resulting from a 3 percent increase in both VR awards and Ticket payments, above FY 2018 levels. The increase in obligations, awards, and payments is due to multiple factors. The primary driver of these increases is automation that creates operational efficiencies. Other factors include the number of individuals that seek services or use a Ticket and the availability of jobs.

In recent years, SSA has undergone major process and systems enhancements to improve efficiencies for beneficiary services. These enhancements ensure that ENs and VRs are timely reimbursed for services, resulting in more ENs and VRs assisting Social Security beneficiaries and recipients in their efforts to return to work. In July 2015, SSA automated the EN business processes and implemented ePay, a payment process that helps ENs receive payments in a more timely fashion. With ePay, SSA can initiate Ticket payments to ENs when all payment criteria are met, including an indication of the earnings threshold for payment. Previously, ENs found it difficult to receive Ticket payments from SSA because ENs heavily relied on SSI recipients to self-report earnings information. As a result of this automation, more ENs are receiving payments for services provided. In March 2017, SSA implemented the Internet Ticket Operations Provider Support System (iTOPSS) that improves automation for the VR program. iTOPSS allows VRs to submit claims for reimbursement payments and manage case information through an online portal while SSA can verify and authorize VR awards through a series of systems checks. This automation resulted in more payment requests from VRs.
Considering all the factors above and assuming that more beneficiaries will return to work, we estimate that FY 2019 will result in more outcome and milestone payments, as well as VR reimbursements.

SSA continues its efforts to improve management and oversight of the VR and Ticket programs to ensure effectiveness and to make certain the money spent is a good investment. 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 those who need services to be successful. With the help of ENs and VRs, individuals may attain higher levels of sustained employment success.

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments[1]

	FY 2017 Actual	FY 2018 Estimate[2]	FY 2019 Estimate
Vocational Rehabilitation			
SSI Only Reimbursement Awards	3,406	7,400	7,600
SSI/DI Concurrent Reimbursement Awards	2,446	5,300	5,500
Total Reimbursement Awards	**5,852**	**12,700**	**13,100**
VR Obligations (in thousands)	**$ 60,860**	**$ 151,000**	**$ 155,807**
Ticket to Work			
SSI Only Milestone Payments	6,165	8,500	8,800
SSI Only Outcome Payments	12,684	17,500	18,000
SSI/DI Concurrent Milestone Payments	8,514	11,700	12,000
SSI/DI Concurrent Outcome Payments	6,463	8,900	9,200
Total Ticket Payments	**33,826**	**46,600**	**48,000**
Ticket Obligations (in thousands)	**$ 16,351**	**$ 22,000**	**$ 23,000**
Total VR Awards & Ticket Payments	**39,678**	**59,300**	**61,100**
Total Obligations (in thousands)	**$ 77,212**	**$ 173,000**	**$ 178,807**

ADDITIONAL INFORMATION ON VR COST REIMBURSEMENT AND TTW 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 TTW payment methods described below. Regardless of the payment method the State VR agency chooses, the beneficiary must have agreed to use the Ticket with the State VR agency for the agency to be eligible for either type payment.

Outcome-Milestone Payment Method:

- There are two phases of outcome-milestone payments. Phase I allows four payments and Phase II allows 18 payments.
- SSA begins 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.
[2] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures assume funding at the FY 2018 President's Budget level.

- SSA stops paying milestone payments and begins 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).
- SSA will 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 beneficiary under the cost reimbursement payment option, who 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 1 Ticket payments, since the State VR agency would have provided initial services.

RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH

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

PURPOSE AND METHOD OF OPERATION

SSA conducts extramural research, demonstrations, and outreach under sections 1110, 1115, 1144, and 234 of the Social Security Act. Projects funded under section 234 are essential to SSA's demonstration portfolio, but as they are part of the mandatory budget, we are not including them in our appropriations request.

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

	FY 2017 Actual	FY 2018 Estimate[1]	FY 2019 Estimate	*FY 18 to FY 19 Change*
Appropriation	**$ 58,000**	**$ 101,000**	**$ 101,000**	*+$ 0*
Obligations Funded from Prior-Year Unobligated Balance and Recoveries [2]	$ 35,865	$ 30,210	$ 6,924	*- $ 23,285*
Total Budgetary Resources	**$ 93,865**	**$ 131,210**	**$ 107,924**	***- $ 23,285***
Total Obligations	**$ 63,649**	**$ 124,285**	**$ 107,923**	***- $ 16,362***
Total Unobligated Balance[2] above	$ 30,216	$ 6,924	$ 1	*- $ 6,923*

Section 1110 of the Social Security Act provides authocrity for conducting broad-based, cross-programmatic projects for the Old-Age, Survivor's, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs. This includes both 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 of 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 for the purpose of allowing States to

[1] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures for research and demonstration reflect the FY 2018 President's Budget levels.

[2] There was $6 thousand from the FY 2017 unobligated balance that expired at the end of FY 2017, which resulted in the $6 thousand decrease in unobligated balance carry forward into FY 2018.

participate in SSA's research and disability demonstration projects. There are currently no research projects funded under this section.

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

Section 234 gives the Commissioner of Social Security the authority to conduct research and demonstration projects testing alternative Disability Insurance (DI) benefit rules. SSA uses trust fund monies to conduct various demonstration projects, including alternative program rules for treating work activity of individuals entitled to DI benefits. Section 234 covers both applicants and current beneficiaries to the program. SSA currently has authority to commence new projects under section 234 due to the Bipartisan Budget Act of 2015, but 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.

RATIONALE FOR BUDGET REQUEST

We are requesting $101 million in new budget authority in FY 2019 for research and early intervention demonstration projects designed to explore potential improvements to our programs. A priority of this Administration is to increase the labor force participation of people with disabilities with evidence-based policy solutions. This challenge cannot be solved by SSA in isolation but rather requires the collaboration of multiple agencies across a variety of sectors. The first of many projects on this topic proposed by the Administration is a partnership between the Department of Labor (DOL) and SSA to conduct an early intervention demonstration designed to assist individuals with musculoskeletal and other disorders to remain in the workforce.

Additionally, this funding level will allow continued support for key Congressional and SSA priorities such as the development of the Occupational Information System (OIS), our evaluation of the Promoting Readiness of Minors in SSI (PROMISE) grants, and the National Academies of Sciences, Engineering, and Medicine independent consensus committee reports used to strengthen the disability programs for adults and children. The request also provides funding for our interagency agreement (IAA) with the National Institutes of Health (NIH) to help develop data driven methods and techniques to provide support to disability adjudicators and help inform SSA disability process innovation and policymaking.

In FY 2019, we plan to continue our efforts to ensure that policymakers and the public have access to objective, scientific, and methodologically-sound data and analysis as the dialogue on how to strengthen Social Security continues. In support of this effort, we intend to consolidate the current Retirement Research Consortium (RRC) and Disability Research Consortium (DRC) into a single program with a scope equivalent to the two currently existing programs. This single program will address issues related to SSI and Retirement, Survivors, and Disability Insurance (RSDI). By funding the combined Retirement and Disability Research Consortium (RDRC), we will continue to maintain our capability to produce policy-relevant research on retirement, address a shortage of disability policy research, and foster collaborative research with other Federal agencies. We are also proposing a new demonstration that would test time-limited benefits for certain DI and SSI beneficiaries and to continue to fund early intervention demonstration projects to test strategies designed to help individuals with physical or mental impairments remain in the workforce.

The table and discussion that follow provide more details on the research and outreach efforts we plan to fund in FY 2019.

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

	Obligations[3]		
	FY 2017 Actual	**FY 2018 Estimate**	**FY 2019 Estimate**
Serve the Public through a Stronger and more Responsive Disability Program	**$ 45,079**	**$ 96,626**	**$ 83,825**
Advisory Services to Assist. SSA with Disability Issues	$ 1,526	$ 5,286	$ 4,278
Disability Analysis File (DAF)	$ 804	$ 823	$ 843
Analyzing Relationships between Disability, Rehabilitation, and Work (ARDRAW)	$ 300	$ 300	$ 300
National Beneficiary Survey (NBS)	$ 805	$ 1,036	$ 4,232
New and Emerging Research – Disability	$ 41	$ 4,510	$ 38
NIH IAA for Data Analytics/FAB Development	$ 2,493	$ 2,400	$ 5,000
Occupational Information Systems (OIS)	$ 24,148	$ 28,810	$ 30,977
Occupational Information System Vocational	$ 2,163	$ 1,856	$ 1,465
Promoting Readiness of Minors in SSI (PROMISE)	$ 4,080	$ 1,605	$ 2,692
Supported Employment Demonstration (SED)	$ 8,719	$ 0	$ 9,000
Retaining Employment and Talent After Injury/Illness Network (RETAIN)	$ 0	$ 50,000	$ 0
Early Intervention Demonstration	$ 0	$ 0	$ 25,000
Deliver Innovative Quality Services	**$ 4,836**	**$ 8,721**	**$ 8,776**
Understanding Americans Study (UAS) Enhancements	$ 2,000	$ 3,000	$ 3,002
Data Development in an Enterprise Business Platform	$ 1,200	$ 2,000	$ 2,000
New and Emerging Research – Retirement	$ 325	$ 327	$ 330
Research and Innovation Lab	$ 0	$ 2,000	$ 2,050
Medicare Outreach	$ 1,311	$ 1,394	$ 1,394
Strengthen the Integrity of Our Programs	**$ 13,733**	**$ 18,938**	**$ 15,322**
Census Surveys	$ 0	$ 3,000	$ 1,000
Data Development	$ 635	$ 538	$ 217
Health & Retirement Study (HRS)	$ 2,655	$ 2,655	$ 2,655
Health & Retirement Study Supplement	$ 1,500	$ 1,500	$ 1,500
Retirement Income Modeling	$ 752	$ 250	$ 950
Retirement and Disability Research Consortium (RDRC)	$ 7,917	$ 10,695	$ 8,700
Social Security Programs Throughout the World	$ 275	$ 300	$ 300

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

	Obligations[3]		
	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Total Research Obligations	**$ 63,649**	**$ 124,285**	**$ 107,923**
New Budget Authority	**$ 58,000**	**$ 101,000**	**$ 101,000**

New 1110 Demonstration Projects:

Promoting Employment through Early Interventions Demonstration

In FY 2019 we propose an early intervention demonstration to promote employment and economic security by improving the intersections between Supplemental Security Income (SSI) and other means-tested public assistance programs such as Temporary Assistance to Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP). Substantial numbers of low-income persons with impairments or serious health conditions have limited work histories and are not working at sufficient levels to achieve economic security or self-sufficiency. Absent effective interventions to help them achieve success in employment, many of these persons will rely on means-tested public assistance programs and, if their conditions worsen, may seek disability benefits.

Despite the overlap in target populations of SSI and other means-tested public assistance programs, these programs often have differing definitions of disability and include different work requirements, incentives and supports. Further, administrative structures often are poorly coordinated and could be improved by emerging research in behavioral economics and related fields. Better aligning and coordinating these programs and developing interventions for low-income persons not working due to a disability or serious health condition have potential to improve administrative efficiency and targeting and delivery of assistance, to increase levels of engagement with services and employment and economic security outcomes, and to reduce future SSI applications and caseloads.

A new demonstration of employment-focused services that intervene early in an individual's transition into the workforce would build upon recent lessons and findings from innovative local programs. This approach is supported by findings of relevant demonstrations and research, including research on: early assessment of disability or work-limiting health conditions; efficient program referrals; improved case management; supported employment; and executive-functioning, goal setting and coaching interventions.

In FY 2018, we will work with the Administration for Children and Families (ACF) in HHS, through an Interagency Agreement (IAA), Jointly Financed Cooperative Agreement (JFCA), or other mechanism or contract, to develop a demonstration that focuses on potential SSI applicants using employment and training strategies in state and local social services and workforce development agencies and organizations. One promising option is to incorporate sites that develop and test disability-focused employment interventions into an ACF demonstration currently underway, such as the Evidence Building in TANF: Advancing Innovations to Promote Employment and Economic Security for Low-Income Individuals project.

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

RETAIN is a joint demonstration with DOL that will test early interventions to help workers stay at work or return to work after experiencing a work-threatening injury, illness, or disability. The ultimate policy goal is to reduce long-term disability – including the need for Federal disability programs – and increase labor force participation among those individuals. Partnering with DOL's Office of Disability Employment Policy, which is broadly tasked with providing services and supports to workers with disabilities, will allow for identifying and serving such workers before they apply for SSA's disability benefits.

RETAIN will likely target workers with any type of medical condition beginning to impact their work capacity; however, we expect that workers with musculoskeletal conditions will make up a sizeable portion of the population served, as these conditions are the most frequent occupational injury or illness causing days away from work.[1]

RETAIN is modeled on several early intervention programs run by the Washington State workers' compensation system, including the Centers of Occupational Health and Education (COHE), the Early Return to Work program, and the Stay at Work program. These programs provide early intervention and return-to-work services for individuals with work-related health conditions. Preliminary results from COHE suggest a significant (26 percent) reduction in long-term transitions to DI.[2] This demonstration will draw from and test key features of these Washington programs, in other States and/or for a population beyond workers' compensation (i.e., for non-occupational injuries and illnesses), and with an increased emphasis on employment-related supports.

Developing and conducting a rigorous evaluation of the interventions is a key component of RETAIN. In this joint demonstration, DOL will award grants to States to operate RETAIN projects, and SSA will provide an independent, comprehensive national evaluation of all of the State projects.

In FY 2017, the focus was on project planning, including gathering information about the Washington State programs, exploring potential project designs, and gathering public input. Subject to availability of funding, SSA will execute an IAA in FY 2018 transferring funds to DOL for the implementation grants, and SSA will award a competitive contract for the national evaluation. DOL will award competitive state grants for the project implementation.

In FY 2019, the evaluation contractor will work with the state grantees to finalize their project

[1] Bureau of Labor Statistics (BLS) data indicate that musculoskeletal disorders account for 31% of nonfatal occupational injury and illness cases requiring days away from work. In Washington State, at least 54% of allowed workers' compensation claims are musculoskeletal. [BLS (2016), "Nonfatal Occupational Injuries And Illnesses Requiring Days Away From Work, 2015," http://www.bls.gov/news.release/pdf/osh2.pdf; and Washington State Department of Labor and Industries (2016), "Allowed State Fund Claims Only: Claim Counts And Costs By OIICS Injury Nature," http://www.lni.wa.gov/ClaimsIns/Insurance/DataStatistics/WorkersCompData/default.asp.]

[2] Franklin et al. (2014), "Workers' Compensation: Poor Quality Health Care and the Growing Disability Problem in the United States," *Am. J. Ind. Med.*, 58(3), http://onlinelibrary.wiley.com/doi/10.1002/ajim.22399/full.

designs, prepare for implementation, and ensure evaluability of the resulting projects. At the end of the initial planning stage of the grants, the projects will be assessed, and three grants will continue to the full implementation stage. Those grants will continue through FY 2022, and the final evaluation impact report will be due in FY 2023.

Time Limited Benefits Demonstration

The receipt of disability benefits results in a permanent exit from the labor force for most individuals. While SSA periodically conducts disability reviews to assess medical improvement, only about 1.6 percent of continuing disability reviews (CDRs) results in a disabled worker leaving the disability rolls due to medical improvement after appeals. The experiences of other countries suggest that SSA's low attrition rates for medical improvement could be a function of program design. This proposal challenges presumptions that an individual's disability is likely permanent by evaluating alternative program designs to help individuals with temporary work-disabilities return to work.

Several researchers and policymakers have introduced variations of time-limited benefits for SSA's disability programs. A demonstration testing time-limited benefits acknowledges that disability benefits are an essential part of the safety net for workers with long-term and permanent disabilities that prevent work, but assesses the expectation that beneficiaries will remain too disabled to return to work. Building off previous reform ideas, this proposal tests whether time-limited benefits will increase labor force participation among disability beneficiaries.

Under current policy, once an individual is awarded benefits, he or she is assigned a medical diary that determines when SSA will medically review their eligibility for benefits. During this review, SSA uses the Medical Improvement Review Standard (MIRS) that, with some exceptions, will only allow an individual to be removed from DI if they have medically improved from the last time they received a medical determination.

This proposal would test whether providing time-limited benefits—either by requiring a new application or conducting a CDR without the MIRS requirement—to claimants increases labor force participation and if so, to what extent it reduces participation in disability benefits after the initial period. This demonstration would also address whether messaging that benefits are temporary and eliminating the MIRS standard would increase return to work and reduce DI participation.

We propose an evaluation contract to include an analysis of both SSA program data and surveys of labor force activity and other information not available in SSA program data. This demonstration would require statutory changes to sections 234 and/or 1110 to mandate participation to better simulate the policy environment being tested and to extend the section 234 authority to provide sufficient time to complete the evaluation. If this demonstration is funded through section 234 and section/or 1110, it would change both Title II and Title XVI policies; it is not included in our overall $101 million funding request.

We would implement this demonstration over a minimum of six years: one year to finalize design issues, train examiners in the new policy, and conduct other activities; a minimum of four years for study assignment and a follow-up period; and a final year for evaluation activities. An additional year would be needed to compete any contracts necessary for evaluation. SSA would evaluate impacts on outcomes such as employment, earnings, and receipt and duration of DI and SSI benefit receipt.

OTHER RESEARCH AUTHORITY REQUEST

In addition to the section 1110 authority, the FY 2019 Budget proposes to evaluate creative and effective ways to promote greater labor force participation of people with disabilities by expanding our section 234 demonstration authority to allow SSA, in collaboration with other agencies, to test new program rules and activities that require mandatory participation by program applicants and beneficiaries for longer periods of time than currently authorized. An expert panel will identify specific changes to program rules that would increase labor force participation and reduce program participation, reaching a 5 percent reduction in DI and SSI projected outlays by 2028, informed by successful demonstration results and other evidence. SSA will partner with HHS and the Department of Education (ED) and and DOL. The funding for these demonstrations will depend on the design and target population. Those projects focused on changes to SSA program rules such as time-limited benefits or disability eligibility will require an expansion of both section 234 and section 1110 authorities and an extension of the section 234 authority to provide sufficient time to complete the evaluation.

Projects focused on people with disabilities before the individuals apply for SSA's disability programs require additional section 1110 funding. We are requesting $25 million in FY 2019 for the Promoting Employment through Early Interventions Demonstration described in the previous section.

Potential future projects for funding include:

- Identifing strategies to help prescription opioid users who have left the labor force (but are not receiving SSI/DI) or are at risk of doing so to help them secure or maintain employment;
- Enhancing the disability determination screening process that replaces the reconsideration appeal step after an initial denial with a detailed case review and report by a qualified attorney;
- Requiring applicants to engage in job seeking activities before their application is considered;
- Pushing existing State vocational rehabilitation offices to intervene earlier with individuals on a track to end up on DI; and
- Mandating that lower back pain and arthritis sufferers engage in rehabilitation traditionally used in occupational health treatment services before receiving benefits.

Mandatory Participation of Program Applicants and Beneficiaries

People with disabilities should be independent and self-sufficient whenever possible, and these demonstrations require universal engagement (that is, mandatory participation) of the eligible population to provide policy-relevant motivations for individuals to pursue other options besides disability benefits. Furthermore, the exploration of alternative program designs will help ensure that we can sustain these vital programs for generations by targeting them carefully and directing resources to where they are needed most.

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, the results reflect the outcomes of the subset of the population who volunteered. As a result, the impacts 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, mandatory participation in the proposed demonstrations will allow us to identify improved program designs that will provide a basis for permanent reforms to the programs.

Extension of 234 Authority

We will also continue to support a legislative change to our section 234 demonstration authority to allow us to continue any demonstrations initiated for their optimal amount of time, up to ten years. We are not requesting to amend the date by which we must initiate projects but request the authority to implement and evaluate to be extended through 2028.

When the BBA was enacted, the actuaries forecast that the SSDI Trust Fund (TF) reserves would be depleted around 2022 and Congress would again need to legislate on the program. A significant decline in new applications and awards has now extended the TF reserves to 2028, introducing uncertainty of the timing of future SSDI legislation.

Also, the current period of section 234 authority prevents SSA from pursuing promising demonstration ideas. SSA has drafted other projects that could be pursued with existing authority but would be challenging to implement and evaluate before December 31, 2022. For example, the Ultimate Work Incentive demonstration, which eliminates all earning limitations and work incentives in order to tests the boundaries of earnings capacity and effectiveness of work incentives, would require a minimal timeline of 8 years for planning, implementation, and evaluation.

EXISTING MAJOR RESEARCH AND OUTREACH PROJECTS

Our research and demonstration projects help us to significantly increase the efficiency and accuracy of our mission-critical work. Below is a detailed summary, by category, of the major research and demonstration projects we plan to conduct in FY 2019:

Increase Labor Force Participation Through Successful Demonstration Projects

Social Security has a history of conducting demonstrations to test strategies to increase the self-sufficiency of individuals with disabilities and to increase their labor force participation. Key projects in support of this effort include:

Promoting Readiness of Minors in SSI (PROMISE)

PROMISE is a joint pilot demonstration program with ED, HHS, and DOL 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. It is also intended to improve family or household outcomes through improved services and supports, such as education and job training for parents.

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

Developing and conducting a rigorous evaluation to guide implementation and gather evidence is a key component of PROMISE. In FY 2012, we convened a technical advisory panel to help prioritize the evaluation needs of this project. In FY 2013, we awarded a contract to Mathematica Policy Research to evaluate PROMISE pilot interventions. In FY 2014 and FY 2015, our evaluation contractor provided technical assistance to the State grantees, began randomly assigning youth into treatment and control groups, conducted site visits and focus groups, and began delivering early assessments of the demonstration's recruitment and enrollment process.

In FY 2016, our contractor delivered the last of the early assessment reports and began collecting data for the first national evaluation survey. The contractor also conducted additional site visits and focus groups. In FY 2017, our contractor continued conducting surveys and conducted the final site visits. In FY 2018, our contractor will finish conducting the 18-month survey and will begin developing the five-year survey. We will also receive the process analysis reports and a comprehensive interim services and impact report focusing on short-run impacts in FY 2018.

In FY 2019, our contractor will begin conducting the five-year survey on longer-term outcomes that will be included in the final report.

Supported Employment Demonstration (SED)

SSA has conducted various demonstrations for DI beneficiaries that show interventions after complete disability onset can yield positive outcomes, such as moderately increased earnings.[1] These demonstrations, however, have not identified interventions that would return beneficiaries to substantial and sustained employment. SED will evaluate whether offering evidence-based packages of vocational, medical, and mental health services to recently denied disability applicants can reduce the demand for disability benefits.

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[1] For a detailed discussion of SSA's demonstrations, their findings, and related publications, see SSA's *September 2016 Annual Report on Section 234 Demonstration Projects* at http://www.ssa.gov/disabilityresearch/demos.htm.

Services carried out in SED are coordinated through supported employment teams that operate within community mental health agencies and other medical providers. These teams use the individual placement and support (IPS) model to deliver evidence-based services to help participants remain in or return to the labor market rather than seek disability benefits. Participants also receive health-related treatments including behavioral health and related services, systematic medication management, and coordination between mental and physical health therapies.

All of the SED Demonstration community health sites offer some blend of drug abuse and addiction treatment services that includes opioid treatment services. Also a number of these sites are nationally recognized for being at the forefront of opioid addiction treatment. In FY 2016, we awarded a contract to implement and evaluate SED for impacts on outcomes such as employment, earnings, health, DI and SSI applications, and benefit receipt. The demonstration included a one-year start-up phase (FY 2017) and a five-year implementation phase. In FY 2017, the contractor refined the study design and conducted demonstration start-up activities including finalizing site selections and obtaining Office of Management and Budget (OMB) clearance for surveys and other data collection instruments including the Work Disability Functional Assessment Battery (WD-FAB), administered as a supplement to other project surveys.

In FY 2018, we began recruitment and participant enrollment as well as full administration of our intervention services. These intervention services will continue into FY 2020 and include cost reimbursement for certain health care expenses paid by uninsured participants enrolling in the SED until the next Affordable Care Act (ACA) open enrollment period. Service delivery will continue into FY 2021. The final evaluation impact report is due in FY 2022. We are requesting additional funds due to higher than anticipated rates of uninsured participants in the target population. These additional funds are necessary to support the successful implementation of this demonstration.

Serve the Public through a Stronger, more Responsive Disability Program

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

Advisory Services to Assist SSA with Disability Issues/National Academies

As part of our efforts to continuously improve the administration and effectiveness of our disability programs, in FY 2013 we entered into a new five-year contract with the National Academies to conduct research on behalf of SSA. The National Academies established a standing committee of medical experts to assist us with ongoing and emerging disability issues at steps three, four, and five of the sequential evaluation process. The standing committee meets three to four times per year and assists SSA with the review of disability-related research and clinical practices. Involving independent medical experts in our process helps to further maintain the objectivity of our policies and procedures. Additionally, the current contract also provides for Federal Advisory Committee Act (FACA)-compliant consensus committees of medical and other experts.

In FY 2013, we awarded a task order for a consensus study committee to describe past and current trends in the prevalence and persistence of mental disorders for the general U.S. population under age 18, and provide a comparison between those trends and trends in the SSI childhood disability population. In October 2015, we received the committee's final report, which concluded that the number of children that receive SSI benefits for mental disorders has remained relatively stable. The committee found that, after taking child poverty into account, the increase in the percentage of poor children receiving SSI benefits for mental disorders (from 1.88 percent in 2004 to 2.09 percent in 2013) is consistent with and proportionate to trends in the prevalence of mental disorders among children in the general population.

In FY 2014, we awarded a task order for a consensus study committee to perform a critical review of selected psychological testing, including symptom validity testing, that could contribute to our disability determinations. In June 2015, we received the committee's final report, which verified where appropriate, that there is value in standardized psychological testing, including both non-cognitive measures and cognitive tests. The committee also concluded that validity tests alone do not provide information about whether or not an individual is disabled. These findings support our current practice of considering the results of standardized psychological tests when they are part of the record, but not ordering validity tests alone.

In FY 2014, we also awarded a task order for a consensus study committee to describe past and current trends in the prevalence and persistence of speech and language disorders for the general U.S. population under age 18, and provide a comparison between those trends and trends in the SSI childhood disability population. In April 2016, we received the committee's final report, which found that trends in child SSI recipients are generally consistent with trends in the prevalence of the disorders in the general population. Further, the trend in child poverty—with more families meeting the SSI income requirements—is a factor affecting trends observed in the SSI program for children with speech and/or language disorders. The report further concludes that severe speech and/or language disorders in children are conditions that interfere with communication and learning and represent serious lifelong threats to social, emotional, educational, and employment outcomes. Thus, the report helps to explain that it is reasonable to expect that children with severe speech or language disorders continue to remain on our rolls. These disorders persist despite effective treatment. The report also offered support for the manner in which determinations are made, noting: "the Social Security Administration employs the results of professionally administered assessments, and also takes into account other clinical evidence that would be consistent with severe speech and language disorders."

In FY 2014, we awarded a task order for a consensus study committee to provide recommendations to improve the accuracy and efficiency of our policy and procedures for adult capability determinations. In May 2016, we received the committee's final report, which recognized the importance of the representative payee program to the well-being of beneficiaries in need. The committee found that SSA provides the most in-depth information on beneficiary behaviors and abilities that potentially bring capability into question during the disability determination process as compared to other programs studied. SSA's requirement for lay evidence of beneficiaries' financial performance in making capability determinations is consistent with the committee's conclusion that evidence of real-world financial performance is the most reliable basis for making such determinations. The committee found no "gold standard" for determining financial capability among the similar benefit programs reviewed.

Likewise, the committee concluded that sufficient data on reliability and validity of various instruments to assess financial capability are not yet available. The committee recommended that SSA should:

- Provide detailed guidance to professional and lay informants regarding the information it would find most helpful for making capability determinations;
- Create a data-driven process to support the development of approaches, including screening criteria, for identifying people at high risk for financial incapability;
- Ensure intra-agency communication regarding capability determinations within its different programs and among other relevant Federal agencies;
- Develop systematic mechanisms for recognizing and responding to changes in beneficiaries' capability over time;
- Implement a demonstration project to evaluate the efficacy of a supervised direct payment option for qualified beneficiaries; and
- Develop and implement an ongoing measurement and evaluation process to quantify and track the accuracy of capability determinations. This will also help SSA inform and improve its policies and procedures for identifying beneficiaries who are incapable of managing or directing the management of their benefits.

Each recommendation requires an independent evaluation to determine if the recommendation can be funded within the agency's constrained resources.

In FY 2015, to help SSA modernize disability criteria and in response to the Government Accountability Office (GAO) recommendation, we awarded a task order for a consensus study committee to provide an overview of assistive devices that relate to physical and mental disorders and functioning for adults. In July 2017, we received the committee's final report. The report provides comprehensive information on the availability of, and access to, assistive technology. It conveys that people with disabilities confront enormous complexity and variability in health care insurance coverage and funding for the acquisition and use of assistive technology. The findings regarding this variability in access support our current process to consider assistive technology only when the claimant clearly used it in a work setting.

In FY 2016, we awarded a task order for a consensus study committee to identify and describe programs and services aimed at improving health, and functioning outcomes for school-aged children with disabilities. We will focus on the most commonly-occurring disabilities in children who receive SSI or may qualify for SSI. This will help SSA to better understand what programs and services can improve the health and functioning of certain disabled child SSI recipients. We expect to receive the final report in July 2018.

In FY 2016, we also awarded a task order for a consensus study committee to provide a general description of the health care delivery system and identify health care utilizations that represent a good indicator of impairment severity for the purposes of the disability program. We expect to receive the final report in April 2018.

In FY 2017, we awarded a task order for a consensus study committee to provide an overview of the functional abilities an adult needs to meet the physical and mental demands of work, along with information about functional assessment tools and instruments that deliver information about an adult's functional limitations. The objectives are to:

- Identify and describe key essential functional abilities relevant to work activity;
- Discuss the relationship between the identified functional abilities and the occupational data gathered by the Bureau of Labor Statistics (BLS) in its new Occupational Information System; and
- Provide findings and conclusions regarding the collection of functional information.

We expect to receive the final report in July 2019.

In FY 2018, we plan to enter into a new five-year contract for an independent standing committee of medical and other experts. The standing committee will provide us with the most current medical information by conducting surveillance research to identify advancements in new technologies, diagnostics, biomarkers, and methods for detecting medical conditions. The multidisciplinary information that results from this research is critical in identifying opportunities for us to update disability policy in an effective and targeted way. By having independent medical experts provide us this information, we maintain our objectivity. Under this new contract, we plan to award a task order for a consensus study committee to determine the appropriateness of a medical improvement standard for childhood CDRs, which is important because of the basic changes children experience due to natural childhood development. We will then evaluate the effectiveness of conducting disability redeterminations (not CDRs) at ages other than 18 using the childhood disability rules.

In FY 2019, we plan to award a task order in the form of a consensus study committee to identify additional disorders where it is appropriate to have a specified timeframe. This will assist SSA to target continuing disability review resources more efficiently and ensure the consistency of our reviews with current medical and treatment trends. "Specified timeframe" means that we would find the identified disorders disabling for only a set amount of time (for example, one year or three years) and then would need to reevaluate disability because we would expect those disorders to medically improve in that amount of time.

Additionally, in FY 2019, we plan to award a task order to create a consensus study committee that will obtain employment, occupational, and demographic trends on what constitutes regular and continuing work in the modern workplace. This will enable SSA to properly consider individuals' abilities to do sustained work-related physical and mental activities in work settings.

Finally, in FY 2019, we are considering a task order for the National Academies to plan and conduct a public workshop comprised of stakeholders from a host of backgrounds to discuss effective treatment of pain and similar symptoms in target populations who may have left the labor force. This will assist SSA to understand how individuals' medical and other evidence properly supports the severity and trajectory of impairments that involve pain symptoms.

Disability Analysis File (DAF)

The DAF is a composite of the ten most relevant SSA administrative files that are used to answer questions about disability and work. The DAF pulls these files together into a single, meaningful file that researchers can easily understand and use. The DAF also provides complete, researcher-friendly documentation of the data for these files. For many SSA research and evaluation projects, the DAF eliminates the first 6 to 12 months of initial data investigation, acquisition, and processing by creating an annual structured database that is ready for analysis. This lets research proceed more efficiently and allows us to provide quick answers to complex ad hoc questions.

The DAF proved to be an essential tool in FY 2017 for providing disability data and analysis in response to inquiries from the Office of the Inspector General, Congress and other Federal agencies, including OMB. Using the DAF allowed us to quickly answer oversight questions and make data-driven policy recommendations and changes. The DAF also supported many research projects in 2016, especially those under the DRC and RRC.

In FY 2017, we expanded the DAF to include all childhood SSI cases; the prior versions of the DAF only contained information for SSI youth ages 10 through 17. In FY 2018, we will continue to build the DAF and use this tool for quick turnaround inquiries and analysis as well as longer term research projects. We will also continue to improve the DAF to make it more useful to researchers. Currently, the DAF includes information on SSA beneficiaries only; denied applicants are not included in the file. In FY 2017, we developed administrative data to add to the DAF for all SSI and DI applicants from 2007 forward, including for those whose applications were denied. We will complete this development work in FY 2018 and will add an applicant sub-file for current and subsequent versions of the DAF. The second development is a public-use version of the DAF for researchers outside SSA. This is a scaled-down version of the full DAF that will include the DAF variables that have the broadest researcher interest. The file contains a random 10 percent sample of the full DAF, including approximately three million observations. We completed development work on the public-use version of the DAF in FY 2017. In FY 2018 we will attain approval by SSA's Office of Retirement and Disability Policy Disclosure Review Board, certifying that the file does not disclose any personally identifiable data, and will post the public-use data and documentation on https://www.data.gov.

We intend to pull and post public use versions of the full DAF each year going forward based on new independent random samples each year. Each new DAF public use file will replace the prior version to keep the information in the file current. We expect to make the first versions of the new applicant file and public use DAF available to researchers in FY 2018.

We will continue to support research using the DAF and reproduce these files in FY 2019. In FY 2019, we will also modify the DAF to include changes and additions suggested by users. In particular, we plan to expand the application portion of the file to include information on the appeals process, and to explore expanding the range of data included in the public use version of the DAF

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

This grant program provides one-year stipends to graduate and post-doctoral students to conduct research related to work, disability, rehabilitation, and employment support issues. Potential research topics include: working conditions of people with disabilities, work accommodations and needs, non-competitive employment, vocational and other types of services, and additional, non-SSA assistance provided to SSA beneficiaries to promote return to work. ARDRAW is renewable on a yearly basis for five option years.

In September 2016, SSA awarded the grant to manage the ARDRAW to Policy Research Inc. (PRI). PRI will recruit student researchers on a yearly basis from accredited programs with an academic emphasis in topics of interest to disability programs, including, but not limited to, public health, social work, economics, occupational medicine, vocational and rehabilitation counseling, public policy and administration, sociology, psychology, education, medicine, and law. Applications for each cohort of student researchers will be due March 1 of a given year and awardees will be announced in June of that year, with projects due the following June.

In FY (June) 2017, PRI conducted outreach and awarded stipends to a cohort of 11 students. The second year of the grant was awarded to PRI in September 2017. PRI will award the second cohort of student stipends in May 2018. Student projects will focus on issues related to work and employment of people with disabilities. For more information, please see the ARDRAW website: http://ardraw.policyresearchinc.org

National Beneficiary Survey (NBS)

The NBS collects data from a national sample not available from any other source of DI and SSI beneficiaries and a sample of beneficiaries who have experienced success in returning to work. We have used the NBS to provide information on our programs and beneficiaries to answer questions for SSA, other Federal agencies, GAO, and Congress. The NBS is available as a public use file on Data.gov and on the SSA website.

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

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

SSA administered the first five rounds of the NBS in 2004, 2005, 2006, 2010, and 2015. We completed administration of the most recent round in 2017 and plan to administer the next round in 2019. The 2017 NBS included, for the first time, a large-scale focus on beneficiaries who have experienced employment success, and the 2019 NBS will add a longitudinal sample of successful workers who were part of the 2017 NBS.

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

New and Emerging Research – Disability

This section 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. Often, these projects address necessary but unforeseen requests for studies from Congress, OMB, the Administrative Conference of the United States, and others, which are typically quick turnaround projects regarding policy priorities.

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

Under an agreement with their Epidemiology and Biostatistics Section, Rehabilitation Medicine Department of the Clinical Research Center, NIH provides in-depth analysis of our existing data and contracts with Boston University (BU) in developing a WD-FAB. The WD-FAB may provide uniform information about individuals' self-reported functional ability that we can use to inform our data collection and determination processes.

In FY 2017, NIH and BU continued their work on WD-FAB item replenishment study to enhance the rigor of the existing instrument. In addition, NIH expanded their data analytic effort to improve the precision of the Compassionate Allowances (CAL) software. The CAL initiative identifies diseases and other medical conditions that invariably qualify for allowance under our Listing of Impairments. The initiative allows us to target the most obviously disabled individuals for allowances based on objective medical information that we can obtain quickly. NIH also provided SSA's Office of Hearings Operations (OHO) with methods and workload assistance tools to assist OHO in their existing and ongoing efforts to optimize case processing at the hearings level. Additionally, NIH delivered a stand-alone progress report on methodologies to identify functional terminology and pertinent summary outcomes as well as associated relationships with medical evidence, specifically detailing their progress in extracting Mobility information from relevant documents using Natural Language Processing.

In FY 2018, NIH will complete work on the WD-FAB predictive validity and item replenishment studies, resulting in delivery of an updated and replenished version of the instrument. In addition, NIH will also continue their data analytic efforts to improve the precision of the CAL software by reviewing additional CAL conditions. NIH will also continue their efforts to develop methods to assist SSA in identifying functional terminology and relevant summary outcomes, as well as associated relationships with medical evidence. This will assist agency adjudicators in more efficiently reviewing and processing disability claims.

In FY 2019, NIH will assist SSA with exploring options to evaluate potential applications of the WD-FAB in our disability process. In addition, NIH will continue to explore data-driven methods to inform our data collection and determination processes by continuing data analytic efforts to improve the precision of the CAL software. NIH will also continue to support internal SSA efforts to develop methods to identify, extract, and analyze unstructured functional terminology in medical records to provide decision support to SSA and our affiliated state Disability Determination Service (DDS) adjudicators.

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

We are developing a new OIS that will replace the Dictionary of Occupational Titles (DOT) as the primary source of occupational information in our disability adjudication process. DOL developed the DOT, but has not updated the Dictionary since 1991 and is not planning to do so. In 2012, SSA asked BLS to conduct feasibility tests to determine whether they could collect the type of occupational information we need, using their National Compensation Survey platform. BLS calls this data collection effort the Occupational Requirements Survey (ORS). In September 2015, after three years of successful testing, and improvements to the survey and methods, BLS began production data collection. The first production collection cycle will take three years, and collect data accounting for 90 percent of workers in the economy. Our current plan is to replace the DOT with the OIS in 2020 with the introduction of a Vocational Information Tool (VIT) for adjudicators. Based on a shelf-life study commissioned by BLS, we believe that occupational data will remain current for five to ten years. Our plan is to put the OIS on a five-year update cycle beginning in September 2018. Therefore, the first update after the initial three-year collection cycle will be completed in FY 2024.

The OIS will be a compendium of occupational-related data from multiple sources[1], which will be housed, accessed, and operationalized through the VIT, a web-based information technology platform. The VIT will filter and sort the data for SSA staff to adjudicate disability claims. We also plan to expand beyond DOT information by including descriptions of the basic mental and cognitive requirements of work, once BLS has completed testing these elements.

From FY 2013 through FY 2015, we signed yearly IAAs with BLS to conduct data collection feasibility testing. In FY 2013, BLS tested collecting the physical and skill requirements of occupations and workers' environmental exposure. After each of the three test phases, BLS consulted with SSA, evaluated data collection issues, and refined the data collection protocols and processes.

[1] The OIS will combine BLS data with task information from DOL's Occupational Information Network (O*NET), military occupations from the Military Occupational Classification (MOC), and data from BLS' Occupational Employment Statistics.

In FY 2016, BLS completed the first round of production data collection, and continued analysis of the pre-production test data to improve collection methods and ensure data quality. In May 2016, BLS began the second year of production data collection. On December 1, 2016, BLS released estimates from the first year of production data collection which included information from approximately 6,500 employers.

In FY 2017, BLS completed the second year and began the third year of production data collection. They continued activities to improve survey methods and conducted ongoing validity studies. After extensive testing of the mental and cognitive data elements, SSA decided to assemble a new set of questions that better define the cognitive concepts, definitions, and thresholds that we need for adjudication. These questions will enable BLS to collect information we can use to adjudicate disability claims with a mental/cognitive component. After initial in-house testing, BLS began testing the wide-scale collection of these new questions in September 2017, as part of the third year of production data collection. If the test is successful, the new questions will debut in the first five-year refresh cycle of data collection beginning in September 2018.

In FY 2018, BLS will complete the third year of data collection and begin the first OIS refresh cycle, which will run for five years. BLS released the second year of production data to us in November 2017. BLS will also complete a second job observation test to ensure data validity.

In FY 2019, BLS will complete the first year of the OIS refresh cycle and begin the second year. BLS has proposed a sampling approach that will target rarer occupations in the first two years of the refresh, which they estimate will result in more publishable occupations at the end of the five year period. In December 2018, they will publish the data from the third year of data collection from the initial three-year collection cycle and complete sample design research.

More information regarding this project is available at our OIS website: https://www.ssa.gov/disabilityresearch/occupational_info_systems.html.

Deliver Innovative Quality Service

Understanding America Study (UAS) Enhancements

The UAS is an innovative, nationally representative longitudinal internet panel. Through a jointly financed cooperative agreement with the National Institute on Aging (NIA), our support will maintain the sample size we funded in prior fiscal years. It will also allow for additional data improvements that support policy-relevant research and evidence-based decision-making. Planned data enhancements include:

- Increasing the sample size so that we can conduct more robust retirement security research on the American public to inform SSA's targeted outreach efforts to specific populations, including young workers and those nearing retirement; and
- Maintaining a Quick Turnaround Project fund for directly testing and answering emerging research questions from internal and external policy makers.

The UAS enhancements allow SSA to make more informed decisions about initiating new policies, procedures, and educational products designed to enhance retirement security. The UAS data also serves the public because the sample we support is available for researchers inside and outside of SSA to use in addressing research questions. For example, the grantee has worked with the agency and the White House Social and Behavioral Sciences Team on a study to test if it is possible to improve the UAS respondents' understanding of the Social Security retirement earnings test. In addition, the Financial Literacy and Education Commission (FLEC) and non-profits have used data from the UAS about consumer debt, the public's knowledge of Social Security programs, and from whom the public seeks financial advice at research symposiums. Researchers at SSA and University of Southern California (USC) have used data from the first wave of the UAS to publish the paper "Wealthy or Wise: How Knowledge Influences Retirement Savings Behavior."

Data Development in an Enterprise Business Intelligence Platform (formerly the Enterprise Business Intelligence Platform)

The Enterprise Business Intelligence Platform (EBI), together with SSA's 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 SSA's Office of Research, Evaluation and Statistics (ORES), primarily the publication of statistics from administrative records.

Some of our legacy processes used to produce statistics still require significant manual intervention. Reports and data files are generated monthly, quarterly, yearly and on an ad-hoc basis. Modernized applications automate the processes to create statistical data, tables and reports for research purposes using EBI Tools, and send the output to a SharePoint site for easy access, limiting manual intervention. Modernization processes have improved report and data production efficiency and accuracy.

In FY 2016, research support for EBI led to the completion of the following automated statistical publication projects:

- Generation and validation of data files and statistical reports for Windfall Elimination Provision (WEP)/Government Pension Offset (GPO).
- Representative Payee publication reports and statistical tables requested by SSA components.
- Support for ad-hoc statistical analysis project requests. This work includes partnership with ORES staff and ARC contractors using EBI tools to support the development of processes for the production of statistics or data extracts. ARC contractors provide Statistical Analysis System (SAS) and EBI tools expertise to ORES staff who create the statistics and reports.

In FY 2017, research support for EBI led to the completion of the following projects:

- Modernization and automation of the code and business processes for SSI monthly and quarterly reports. This includes development and validation of over 30 statistical data files and 110 statistical reports which include multiple statistical tables in each report.
- Automation and validation of processes for our earnings publications reports and data files. Examples of earnings publications include the Earnings and Employment Data for Workers Covered Under Social Security and Medicare, by State and County; and the SSI Annual Statistical Report.
- Support for ad-hoc statistical analysis project requests. Work included the partnership with ORES staff and ARC contractors using EBI tools to support the production of statistics and data extracts. For example, ORES developed data and provided research support for a project assessing the value of a data match with DHS' Arrival and Departure Information System (ADIS) for measuring payment accuracy. ARC contractors provided SAS and EBI tools expertise to ORES staff, who developed and analyzed the ADIS research datasets.

FY 2018 plans include:

- Modernization and automation of the code and business processes for SSI annual statistical reports and publications. This includes development and validation of over 40 statistical data files produced every year and over 290 annual statistical publication reports, with multiple statistical tables in each report.
- Development of a proof of concept for use of 100-percent geography files in the earnings publication process to systematically assign geography codes. This process will improve our county earnings estimates by improving the accuracy and disclosure (reduced cell suppression) of these statistics.
- Provide support for ad-hoc statistical analysis requests. Work includes partnership with ORES staff and ARC contractors. Contractors provide EBI tools expertise to ORES staff for the production of statistics and/or data extracts.

In FY 2019, ORES will continue to build tools to enhance our research and statistical reports. The Continuous Work History Sample (CWHS) is one of various examples of the reports that are generated from screened data using business requirements. The CWHS is a critical research data repository that is used in estimating tax transfers to the Social Security trust funds. Statistics derived from this database are included in the Trustees Report, solvency research, published reports about Social Security programs, and for responding to White House and Congressional inquiries. Modernization efforts will focus on enhancing and standardizing obsolete data collecting methodologies with the use of modern statistical analytical tools like SAS. The effort will include the modernization of the earnings statistical processes for geographic assignments to earnings, county/state tables to improve accuracy, and the number of workers at the taxable maximum to address rounding errors.

New and Emerging Research- Retirement

In FY 2019, we plan to continue our partnership with the NIA supporting the "Roybal Center for Decision Making to Improve Health and Financial Independence in Old Age" at the University of Southern California. Congress created the Roybal Centers Program in 1992 to help translate basic social and behavioral research into practical applications for improving the health and well-being of older Americans. We intend to use the Roybal Center project to address emerging research topics of value to the agency and external stakeholders, such as the White House and Congress. We first contributed funding to this project in FY 2015. The pilot projects the grantee has completed so far include research on financial decisions, annuities, and other topics that could inform our outreach and messaging to improve retirement security. For example, one of the pilot projects has been developed into the paper, "Unraveling the aging skein: Disentangling the effects of sensory and cognitive predictors on decision making."

We may also continue to address retirement topics using other research vehicles, such as Intergovernmental Personnel Act (IPA) scholars. Through the IPA program, we fund recognized scholars to work on defined and targeted projects to help create unique and valuable retirement research relevant to SSA's mission. Past accomplishments from the IPA program include research on the impact of the Social Security Statement for both younger and older workers, the earnings implications of divorce for women, and the effects of employment gaps and layoffs on earnings and Social Security benefits. In FY 2018, we are funding an IPA scholar to continue working with agency staff on a project examining mortality adjustments and longevity in Social Security reforms.

Research and Innovation Lab/Umbrella Task Order

In FY 2017, we conducted market research to determine if a multiple award task order contract to conduct targeted research projects to further ensure policy decisions are evidence-based was feasible. Our research determined there are a number of the General Services Administration (GSA) vendors that would be able to fulfill this need.

In FY 2018 we plan to pursue this contract to ensure that the expertise is available to support the diverse needs of our expansive disability program, including such areas as medical and vocational policy, and the synthesis of claimant demographics and social insurance trends. We plan to have the Umbrella Task Order contract in place by the end of the second quarter of FY 2018 for use by ORDP components. Once in place, the contract will allow ORDP to quickly address multiple research topics simultaneously. Potential topics include consideration of how the vocational factors of age, education, and past work experience apply to the disability program today in light of technological and demographic changes in the workplace; the analysis of BLS' Occupational Requirements Survey data; and the effects of multiple impairments. The Umbrella Task Order Contract will have a duration of five years from date of award.

Medicare Outreach – Section 1144

Section 1144 of the Social Security Act requires that we conduct outreach to Medicare beneficiaries who may qualify for Medicare cost-sharing assistance under the Medicare Savings

Programs (MSP) or for the Medicare Part D low-income subsidy. In order to meet this requirement, we have targeted our outreach efforts to include income-tested new Medicare beneficiaries, beneficiaries that have experienced a drop in income, and 20 percent of those who were previously notified of their potential eligibility and still meet the appropriate test.

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

In FY 2017, we mailed approximately 2.3 million outreach letters to those who potentially qualified for MSP or Medicare prescription drug coverage low-income subsidy and in FY 2018 we anticipate approximately the same number of mailings.

Strengthen the Integrity of Our Programs

One of the primary aims of our research program is to preserve the public's trust in SSA's programs by simplifying and streamlining how we do our work. To meet the challenges of our growing workload, SSA's research program provides analyses and data that support our efforts to make Social Security more responsive to the needs of the 21st century workforce. The following project summaries highlight the external efforts we plan to fund in FY 2018 that will help to simplify and streamline our policies, procedures, and business processes, as well as maximize our use of automation:

Census Surveys

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

Beginning in FY 2010, a major focus of our funding has been to contribute to the Census Bureau's re-engineering of SIPP, with a new survey that entered the field in February 2014. We rely upon SIPP data matched to our records to study the effects of OASDI, SSI, and related programs and to determine how program changes affect individuals, the economy, and trust fund solvency. Some of the important data elements required for our modeling and analysis efforts are not contained in the Census Bureau's re-engineered SIPP. In recent years, we have provided funding and worked with the Census Bureau to design a supplementary data collection to the re-engineered SIPP to meet our research and evaluation needs. Our FY 2015 funding completed our support of the supplemental data collection effort and data processing for the 2014 SIPP, and we received data in 2017.

A new panel of the redesigned SIPP will begin in 2018. SSA plans to add a small set of variables to the annual SIPP interviews beginning with Wave 2, which will go to the field in February 2019. The additional variables relate to pensions, disability, and marital history. They will allow us to update our models and will improve our ability to respond to requests from the White House, Congress, and others to evaluate the impact of proposed changes to Social Security programs.

Data Development

One of the main objectives of our extramural research program is to provide information for decision-makers on the Social Security and SSI programs. A key ingredient to providing such information is having appropriate data to answer questions on a range of issues. As part of this effort, we develop and maintain a series of detailed statistical databases drawn from SSA's major administrative data systems; prepare a broad range of statistical tables; produce statistical compilations and publications; and develop information for research, evaluation, and models using survey data collected by SSA, other Federal agencies, or Federally-sponsored institutions.

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

Projects that we are currently funding include:

- Committee on National Statistics of the National Research Council—along with contributions from other Federal statistical agencies, provides support to the committee to improve statistical methods and information on which public policy decisions are based. Recent Committee topics include survey options for estimating the undocumented immigrant flow at the Southwest border; redesigning the Consumer Expenditure Surveys; improving healthcare cost projections for the Medicare population; formulating a research agenda for the future of social science data collection; the future of Federal household surveys collecting pay information from employers by gender, race and national origin; and measuring financial vulnerability by analyzing spending on medical care spending.
- Programs in Survey Methodology —a project jointly sponsored by the Interagency Council on Statistical Policy to develop up-to-date research techniques and training programs to train the next generation of researchers on state of the art practices in the statistical and methodological aspects of surveys.
- Research on Survey Methodology Program—a collaboration with the Interagency Council on Statistical Policy to further the development of new and innovative approaches to surveys that will have broad implications for the field in general and specifically for the Federal statistical system. Research topics include survey measurement issues, data collection procedures, technological issues related to survey design, and methods for the analysis of survey data.

- Key Indicators of Well-Being of Older Americans—provides support to the Federal Interagency Forum on Aging-Related Statistics for an interagency collaboration to produce a chart book with 37 key indicators about older Americans in five broad areas: population; economics; health status; health risks and behaviors; and healthcare; and related publications and workshops to identify and fill gaps and improve the quality of data on older Americans.

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)

The University of Michigan's HRS surveys more than 22,000 Americans over the age of 50 every two years and provides an ongoing source of longitudinal data for research on retirement and aging. The study paints an emerging portrait of an aging nation's transition from work to retirement and provides data on health and economic well-being after retirement. HRS data help us assess a wide range of issues, including pre-retirement saving, health insurance and pension coverage, retirement patterns, and projected benefits of disabled and retired workers. Through jointly financed cooperative agreements with 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.

This project has five major components in FY 2019:

- Basic survey support that is targeted toward protecting against losses in sample size, improving data quality, assuring confidentiality of the data, and developing restricted access to administrative data on benefits and earnings.
- Production of user-friendly public-use HRS longitudinal data files with consistent imputations of missing data and simplified merging of observations across interview waves.
- Collection of longitudinal information from HRS respondents aged 50 and over on consumption and time use in order to understand how they change through retirement and whether people have adequate retirement income to meet their needs.
- Improvements to the consent rate among respondents to match HRS survey information to SSA administrative records on benefits and earnings. This goal is largely achieved through increasing the proportion of HRS interviews in each wave that are conducted in person rather than by telephone. This effort will continue in the future and will include the sample of the new cohort of respondents (referred to as the late Baby Boomers) that was added to the HRS survey and first interviewed in year 2016.
- Updates of sample weights that account for attrition across waves of the HRS, longitudinal imputations of wealth and asset measures, and an integrated file to facilitate matching of HRS data to SSA administrative records.

HRS Supplement

The HRS is an important source of longitudinal data on retirement and aging, but sample sizes of minority and low-income populations are small, limiting research on these groups. Through a jointly financed cooperative agreement with NIA, this project will maintain the increased sample size in the HRS for minority and low-income populations that we started supporting in FY 2009. For example, in FY 2014, there were 2,710 respondents in the HRS minority oversample. The minority expansion will continue to have HRS data matched to agency administrative records.

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

Since its inception in 1992, SSA has provided annual funding to support and improve data collection and linkage of HRS data to SSA administrative data. Among the items we fund are a user-friendly longitudinal HRS data file, which is heavily used by SSA analysts, academics and contractors; in-person interviews to improve consent rates to match to SSA records; and the collection of longitudinal data on consumption patterns of a subset of HRS respondents. This unique longitudinal dataset makes it possible to study the dynamics of retirement and the aging of the population and how this is changing in successive cohorts. Almost 4,000 studies using HRS data are registered on the HRS website http://hrsonline.isr.umich.edu/index.php?p=bibinfo1. SSA uses the HRS for both policy analysis and model development. HRS data have been used to estimate labor force participation, retirement transitions, financial wealth, and housing equity relationships in SSA's Modeling Income in the Near Term (MINT) model. The data are also extensively used for RRC and DRC-funded research and as the basis for reports by the Congressional Budget Office (CBO) and GAO.

Retirement and Disability Research Consortium (RDRC)

The RRC and DRC are key tools for maintaining a strong capability to produce a large body of policy-relevant research on retirement, disability and Social Security issues and policy. The RRC is in its final year of the current cooperative agreements with three competitively selected research centers based at the University of Michigan, Boston College, and the National Bureau of Economic Research. The DRC is in its final year of the current cooperative agreements with the Mathematica Policy Research center and the National Bureau of Economic Research center.

Both programs 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 policy, disseminate results, provide training and education awards, and facilitate the use of our administrative data by outside researchers. 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 RRC and DRC are widely reported in professional journals and conferences and in leading newspapers, radio, and television programs.

With a new competitive solicitation in FY 2018 we intend to consolidate the current RRC and DRC into a single program with a scope equivalent to the two currently existing programs. This single program will address issues related to OASDI and SSI. This combination of the RRC and DRC research programs will benefit the agency by increasing administrative efficiency and coordination. It may also provide greater flexibility for research centers; we will consider applications from research centers that provide both retirement and disability research as well as from smaller, specialized research centers (e.g., a center focused on issues relevant to the SSI program).

Recent RRC studies have looked at the role of occupations and their characteristics on the work choices of older workers. These studies are looking at how job demands influence retirement plans and whether changes to working conditions, either through job change or workplace accommodations, could lead older workers to delay leaving the workforce. International studies provide an additional opportunity to learn from comparing working conditions in the United States with working conditions in other countries and evaluating the effects of retirement and pension reforms relevant to the U.S. system.

Additional studies through the RRC explore the arrangements individuals with dementia or cognitive decline have to manage their finances, whether through informal family care, by power of attorney, with a representative payee, or with other help, and whether that help is effective. The researchers have found that over 85 percent of individuals with dementia receive informal help with simple banking matters like paying bills, as well as complex matters like managing retirement accounts. Those with dementia who receive help are indistinguishable from those without dementia in terms of any difficulties they experience paying for utilities, rent, medicine, and food. This research is important to establish the size and the characteristics of the population of future retirees who will require representative payees to manage their Social Security benefits. Recent RRC papers are available at the following link: http://www.ssa.gov/policy/rrc/.

A recent DRC paper with continuing work examines the prevalence and effect of representation on the initial disability determination process. Initial findings reflect a 40 percent rise in initial claim level representation between 2010 and 2014. About 19 percent of claims had representation by the end of the period, but the pattern of representation varies significantly across different parts of the country. Claimants' representatives are more likely to be involved in cases with older and English speaking claimants who have impairments in less easy-to-document diagnosis groups, notably psychiatric disorders and back pain. While they found that cases involving representatives are generally more likely to be allowed, cases involving representatives that were denied were more likely to be denied on the basis of insufficient evidence or failure to submit to a medical examination.

The RDRC centers will continue research activities providing a comprehensive research program addressing issues in Social Security, retirement, and disability policy. We anticipate that focal topics for the initial year of the RDRC will include: factors in labor force participation, drivers of disability rates, state and local pension coverage and vulnerabilities for employees not covered by Social Security, and measuring sources of income in survey and administrative data. In addition, the RDRC will continue to train future experts on retirement and disability issues and policy through summer research training fellowships, dissertation support, pre- and post-doctoral fellowships, and early investigator grants.

Retirement Income Modeling

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

SSA continually assesses the functionality of MINT. MINT is updated frequently to enhance components of the model, add new components, use more recent data, and incorporate the latest assumptions from the Trustees Reports through individual one to two-year contracts. A recently completed contract enhanced MINT to include more recent survey and SSA administrative data and incorporated behavioral responses, modeled family-level consumption, and improved processing efficiency and turnaround time.

We successfully awarded a contract to upgrade MINT by improving retirement account and wealth projections and incorporate more recent administrative data through 2016 that will be implemented during 2018. In FY 2019 we plan to conduct an independent assessment of MINT by contracting a third party to conduct an investigation of the current state of the model not only in terms of processes, functionality and usage, but also validity of each module, data set, and projection. We will seek advice on how to construct MINT in a fashion that improves upon efficiency of use, modeling methodologies, and model output. This analysis will include three key components:

a. Developing a conceptual workflow of the current process (and all its components) – built after a thorough review of how the model functions
b. Compiling a list of requirements and desired functionality of an "ideal" version of MINT – built after extensive interviews with key stakeholders
c. Detailing recommendations and a roadmap for achieving the vision – built on the knowledge gained from the first two activities, as well as the assessment of the SIPP and other data sources

The MINT assessment will be awarded and implemented over FYs 2018-2019.

Social Security Programs Throughout the World

Social Security Programs Throughout the World (SSPTW) is a recurring publication that provides detailed and comparable information on social security programs in over 175 countries. Published by SSA since 1937, SSPTW is the only information source that provides current, reliable, and specific information on social security programs in such a large number of countries Researchers at SSA and other organizations rely on this information to identify, monitor, and assess important developments in social security occurring around the world. This research includes tracking how the social security programs in various countries are responding to common demographic and economic challenges, such as population aging and changing labor markets. SSPTW is also used extensively in policy research that describes and evaluates different approaches to providing social security. It serves as a vital information source for ongoing policy research at SSA looking at work-to-retirement transitions, old-age pension adequacy, disability determination, and means testing. All of these research activities are crucial in informing discussions at SSA and elsewhere about the challenges facing the U.S. social security system and the policy changes needed to address them.

In addition to facilitating policy-relevant research, SSPTW supports many other important activities inside and outside of SSA. The Office of International Programs (OIP) at SSA uses SSPTW extensively in its preparation of totalization agreements with other countries that protect American workers and businesses from double taxation and encourage foreign direct investment in the United States. At the end of FY 2017, the US had totalization agreements in place or under review with 31 other countries. OIP and other SSA components also use SSSPTW to execute Section 202(t) of the Social Security Act (the Alien Nonpayment Provision) and prepare for international meetings addressing social security issues. Besides SSA, other key users of SSPTW include Congress (e.g. the Senate Special Committee on Aging and the Senate Committee on Health, Education, Labor, and Pensions), other Government agencies (e.g., GAO, DOL, and HHS), international organizations (e.g., the International Labor Organization (ILO), International Monetary Fund, United Nations, and World Bank), and various outside researchers and commercial interests.

To produce SSPTW, SSA currently works with the International Social Security Association (ISSA), an international organization comprising social security agencies and organizations from 158 countries. Through this cooperative effort, SSA produced two updated regional volumes of SSPTW in FY 2017 (Asia and the Pacific 2016 and Africa 2017) and began work on a third (The Americas 2017). In FY 2018, SSA expects to continue funding this work and publish two additional volumes of SSPTW (The Americas 2017 and Europe 2018).

RELATED FUNDING SOURCES

The Commissioner of Social Security has the authority to conduct research and demonstration projects under section 234 of the Social Security Act. SSA uses 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 Bipartisan Budget Act (BBA) of 2015, P.L. 114-74, are funded from the trust funds, and are not part of the annual research appropriation request. OMB directly apportions section 234 funds. The BBA provides authorization to initiate such projects until December 31, 2021 and to carry out such projects through December 31, 2022[1]. As mentioned in the section "Other Research Authority Request," some new demonstration projects would require revised section 234 authority.

In addition to the two projects mentioned below, SSA plans to develop additional demonstration projects focused on the impact of financial incentives on a beneficiary's determination to work. We plan to convene an expert panel in FY 2018 to provide input on designing a demonstration to test the effects of removing all work incentives and earnings tests for a sample of DI participants. That panel will provide recommendations for the optimal length of time for a study. In an additional effort, we will also move forward in a similar process to develop and test an intervention for helping people exiting SSI/DI to gain employment and remain off the rolls (under 1110 and 234 authorities).

Benefit Offset National Demonstration (BOND)

The Ticket to Work and Work Incentives Improvement Act of 1999 directed SSA to conduct a research demonstration to test the effect of offering a \$1-for-\$2 benefit offset to DI beneficiaries. BOND tests a benefit offset that gradually reduces benefits by \$1 for every \$2 earned above an annualized Substantial Gainful Activity (SGA) amount after the Trial Work Period (TWP) in combination with varying levels of benefits counseling. The goal of the project is to enable more beneficiaries to return to work and maximize their employment, earnings, and economic independence. Project participants maintain Medicare eligibility while their benefits are offset. BOND allows us to evaluate program costs and savings and trust fund implications if we were to implement such a program on a national scale.

In December of 2009 SSA awarded the contract to implement and evaluate BOND to Abt Associates. BOND is in the 8th year of operation. The BOND research project will end December 2018. Offset operations will continue until 2022 in order to serve BOND beneficiaries for a full five years. We received a draft of the final evaluation report in November 2017 and will release the final version in 2018.

Promoting Opportunities Demonstration (POD)

The BBA directed SSA to conduct a new demonstration testing a benefit offset in the DI program. POD will test a \$1-for-\$2 benefit offset for each month DI workers earn above the greater of the TWP level of earnings (\$850 in 2018) or their itemized impairment-related work expenses (up to the SGA, which is \$1,180 for 2018). TWP and Extended Period of Eligibility rules will not apply to participants in the treatment groups. The demonstration will include 5,000 beneficiaries in each of the three study groups: a control group; a treatment group who will be placed into suspense if benefits are reduced to \$0; and a treatment group whose DI eligibility will terminate if benefits are reduced to \$0 for 12 consecutive months.

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[1] For a detailed discussion of SSA's demonstrations, their findings, and related publications, see SSA's *September 2016 Annual Report on Section 234 Demonstration Projects* at http://www.ssa.gov/disabilityresearch/demos.htm.

In December 2016, SSA awarded the POD evaluation contract to Mathematica Policy Research. The POD implementation contract was awarded to Abt Associates in January 2017. With the State vocational rehabilitation and work incentive planning and assistance agencies in eight States, SSA will conduct the demonstration through 2021. We plan to begin recruiting participants and implementing the project in early FY 2018. Recruitment of participants will continue into FY 2019 or until we reach the targeted enrollment goal of 15,000 beneficiaries.

Table 2.23—Research Projects Obligations as of FY 2017
(in thousands)

	Years	Total
Serve the Public thru a Stronger, More Responsive Disability Program		**$ 275,430**
Advisory Services to Asst. SSA with Disability Issues (old Listings of Impairments)	2008-2017	$ 17,057
Disability Analysis File (DAF) (old Ticket Research File)	2008-2017	$ 13,286
Disability Determination Small Grants DDP	2011-2015	$ 1,350
Analyzing Relationships between Disability, Rehabilitation and Work: A Small Grant Program (ARDRAW)	2016-2017	$ 600
Disability Research Consortium	2012-2017	$ 27,237
National Beneficiary Survey (old Ticket to Work Program)	2008-2017	$ 13,326
New and Emerging Research Disability (old Other Disability Research and Other Research)	2008-2017	$ 6,709
SSA-NIH Research on Data Analytics and the Functional Assessment Battery (FAB) (old Compassionate Allowance)	2008-2017	$ 19,175
Occupational Information Systems	2012-2017	$ 88,555
Occupation Information System Vocational Info Tool	2017	$ 2,163
Promoting Readiness of Minors on SSI (PROMISE)	2012-2017	$ 13,335
Supported Employment Demonstration (old EIMHD)	2016-2017	$ 72,637
Deliver Innovative, Quality Services		**$ 33,673**
Understanding American Survey (old ALP)	2009-2017	$ 9,697
Support for Minority Serving Institutions (old Collaboration with Other FLEC Members and Develop Data Resources for Financial Literacy Research)	2011-2016	$ 7,262
Enterprise Business Platform	2015-2017	$ 3,449
New and Emerging Research - Retirement (Roybal) (old Programmatic Development)	2010-2017	$ 1,357
Medicare Outreach (1144)	2008-2017	$ 11,908
Strengthen the Integrity of our Programs		**$ 124,734**
Census Surveys	2008-2015	$ 8,000
Data Development (old Policy Evaluation and Data Development and Other Data Development)	2008-2017	$ 4,783
Health and Retirement Study (HRS)	2008-2017	$ 28,195
Health and Retirement Study Supplement	2010-2017	$ 12,000
Retirement Income Modeling	2008-2017	$ 6,694
Retirement Research Consortium	2008-2017	$ 63,962
Social Security Programs Throughout the World	2014-2017	$ 1,100
Total Section 1110 and 1144 Obligations		**$ 433,837**
Section 234 (BOND)	2008-2017	$ 122,378
Section 234 (POD)	2016-2017	$ 40,470
Total Section 234		**$ 162,848**

ADMINISTRATION OF SOCIAL SECURITY'S RESEARCH ACTIVITIES

To implement these demonstrations and other section 1110 extramural research projects, we will 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.

SSA's primary research components are housed within the Office of Retirement and Disability Policy (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 Retirement Policy; 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 SSA's research appropriation.

Office of Retirement Policy (ORP) - ORP provides policymakers in SSA, the White House, Congress, and the policy community with research on retirement security and information on the latest techniques to help the public make informed choices about planning for retirement, such as when to claim benefits. In addition to publishing research internally, ORP also funds four extramural research initiatives: the UAS, the New and Emerging Research—Retirement, and the HRS Supplement.

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; conducts research, analysis, evaluations, and statistical modeling that support the agency goals to strengthen our disability programs and improve program integrity; and collects new occupational information to support the agency's disability programs.

Office of Disability Policy (ODP) - ODP oversees and supports the planning, development, evaluation, and issuance of substantive regulations, policies, and procedures for the SSA administered disability 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; keep medical, childhood, disability, and CDR policies up to date; and make informed decisions.

ODP is currently engaged in a multi-year contract with the NAS. This contract allows SSA to obtain impartial advice on medical developments and clinical issues from experts in a variety of medical and clinical disciplines. The NAS medical experts provide SSA with a neutral ground for debate and analysis of emerging issues. NAS also provides publically available reports, which include findings and conclusions related to improving the SSA disability programs.

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

- Research and Evaluation – ORES produces findings on the Social Security retirement, disability, and SSI programs from research and microsimulation projects supported through intramural and extramural programs. Examples include research projects supported by grants to independent third-party analysts through the Retirement and Disability Research Consortiums; microsimulation model development and implementation (i.e. MINT8); and working papers by SSA staff covering SSA program areas primarily using administrative record data.

- Data Infrastructure – ORES, a principal statistical unit of the U.S. Federal Government, engages in activities intended to develop program and survey data to support the agency's 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, 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 information resources 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 SSA programs.

RESEARCH INVESTMENT CRITERIA

The agency supports research to better understand the socio-economic status 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) that we meet the funding requirements of the sections of the Act that authorize our extramural research and demonstration activities; and 2) that our extramural research activities meet high standards for relevance, quality, and performance.

<u>*Relevance*</u>

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 SSA's review is assuring that each project responds to issues facing the OASDI and/or SSI programs, with priority towards contemporaneous challenges facing the agency. Our review process includes obtaining the advice and recommendations of researchers with technical expertise, program managers, and agency executives. We also receive input on our research program from the Social Security Advisory Board**.** The extramural research budget undergoes careful scrutiny both within SSA and by external monitoring authorities.

Internal reviews also help to ensure that funded activities reflect SSA's 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 current SSA 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 disability 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 the DOL, ED, and HHS in this area to test interventions that will improve the postsecondary education and employment outcomes of children who receive SSI. We also propose working with DOL to test early intervention and return-to-work services for individuals with work-related impairments likely to receive DI or SSI.

<u>*Quality*</u>

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 nearly all of 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 make use of technical evaluation panels to review projects while they are in progress and 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 SSA-sponsored research projects are methodologically sound and consistent with professional standards. The research projects that we sponsor through the RRC and DRC are often discussed in a 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 Officers Technical 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 RRC also disseminates output at annual meetings, online, and through a variety of publications, workshops, and conferences. Finally, agency funded research projects based on SIPP, HRS, and the MINT model are widely cited in both peer-reviewed publications and the mainstream press.

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[1] Social Security's 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 Dushi, Iams and Trenkamp (2017), "The Importance of Social Security Benefits to the Income of the Aged Population", 77(2) https://mwww.ba.ssa.gov/policy/docs/ssb/v77n2/v77n2p1.html and Dushi, Iams, and Tamborini (2017) "Contributory Retirement Saving Plans: Differences Across Earnings Groups and Implications for Retirement Security", 77(2) https://mwww.ba.ssa.gov/policy/docs/ssb/v77n2/v77n2p13.html. Our extramural partners often publish supported research in scholarly journals. Recent examples include, but are not limited to: Chetty R, Stepner M, Abraham S, Lin S, Scuderi B, Turner N, Bergeron A, Cutler D. (2016), "The Association Between Income and Life Expectancy in the United States, 2001-2014", JAMA 315(16):1750-1766; Baicker K, Finkelstein A, Song J, and Taubman S, (2014), "The Impact of Medicaid on Labor Market Activity and Program Participation: Evidence from the Oregon Health Insurance Experiment", American Economic Review: Papers and Proceedings, 104(5): 322-328; Gustman A, Steinmeier T, and Tabatabai N, (2017), "Means Testing Social Security: Income versus Wealth", National Tax Journal 70 (1), 111–132; Deshpande M. (2016), "The Effect of Disability Payments on Household Earnings and Income: Evidence from the SSI Children's Program", Review of Economics and Statistics, 98(4): 638-654; Banerjee, Sudipto & Blau, David (2016). "Employment Trends by Age in the United States: Why Are Older Workers Different." Journal of Human Resources. Vol. 51(1): 163-199; Levy H, Buchmueller T, and Nikpay S. (2016), "Health Reform and Retirement", Journals of Gerontology Series B. 115: 1-10; De Nardi, M, French E and Jones J B. (2016), "Medicaid Insurance in Old Age", The American Economic Review, 106 (11:) 3480-3520; Gettens J and Henry A D. (2015), "Employment-Related Health Insurance and Service Delivery Needs of Persons with Disabilities," Journal of Disability Policy Studies 26(3): 164-172; Rutledge M (2016), "How Do Financial Resources Affect the Timing of Retirement After a Job Separation?", Industrial and Labor Relations Review 69(5): 1249-1279.

PILOT PROGRAMS

SSA regularly conducts pilot programs prior to implementing large-scale policy changes. In its Committee Report 115-244, the House Committee on Appropriations directed SSA to include information about its pilot programs in the FY 2019 Congressional Justification. More specifically, for any new pilot launched in the prior fiscal year, or proposed in the current or budget year, the Committee directed SSA to provide a description of the pilot and what measures SSA will use to determine effectiveness. In addition, the Committee expects that, prior to undertaking any new pilots, SSA will ensure that it has developed a research design which includes adequate metrics to determine the pilot's effectiveness.

In support of these directives, we have provided a brief description of our FYs 2018 and 2019 proposed pilots as well as our recently launched pilots from FY 2017. We also have included information on metrics we are using to evaluate whether we should move forward with implementing the piloted changes more broadly. All of our pilots are designed to include enough participants to enable us to measure statistically significant and policy-relevant impacts, both of which are necessary to analyze performance and outcomes. When conducting a pilot, we evaluate:

- Participation—documenting the recruitment, enrollment, and participation in the pilot;
- Fidelity—using quantitative and qualitative analyses to determine if the pilot was conducted as intended; and
- Effectiveness—measured by impact analyses to assess the effectiveness of interventions by comparing outcomes for participants, as well as cost-benefit analysis, looking at intervention costs and benefits.

<u>Supported Employment Demonstration (SED)</u>: By offering an evidence-based package of integrated employment and mental health services, this pilot aims to improve employment outcomes of recently denied disability applicants with alleged psychiatric impairments. Enrollees are randomly assigned to one of three groups, each consisting of 1,000 participants: a Full-Service treatment condition, a Basic-Service treatment condition, or a Usual Services control group. Data collected for evaluation includes computer-aided baseline (in person) and quarterly telephone interviews with enrollees; program data from multiple SSA program files; site-level program data; site visits with independent assessments; qualitative interviews with site administrators and service providers; and focus groups with treatment study enrollees. The goal of this pilot is to foster employment, improve mental health and quality of life, and reduce the demand for disability benefits.

<u>SSI Elderly Mailing Pilot</u>: Several research studies indicate that a large number of low-income seniors do not receive SSI even though they are potentially eligible for payments. This pilot looks to identify what specific language, if any, has the greatest effect on SSI participation among potentially eligible low-benefit OASDI beneficiaries. In September 2017, we sent one of four differently worded notices to randomly selected groups of low-benefit OASDI beneficiaries meeting the inclusion criteria. We will use program records on the rates of SSI applications and awards to measure the effect of the notices on SSI applications as compared to a control group, who did not receive a notice.

Promoting Opportunity Demonstration (POD): The Bipartisan Budget Act of 2015 directs SSA to conduct a five-year (2017 to 2021) demonstration to test a benefit offset for DI beneficiaries, including a simplification of work incentives. Participants report work activity and we apply the benefit offset on a monthly basis. Approximately 15,000 beneficiaries will be enrolled into POD and randomly assigned into three groups – a control group and two treatment groups – with each group having about 5,000 beneficiaries. We will test the effect of the policy changes on the employment-related behaviors of beneficiaries using multiple SSA program files and surveys.

Retaining Employment & Talent After Injury/Illness Network (RETAIN) – Evaluation: RETAIN is a joint demonstration with the DOL that will test early interventions to help workers stay at work or return to work after experiencing a work-threatening injury, illness, or disability. RETAIN is loosely modeled on several promising early intervention programs run by the Washington State workers' compensation system, which provides early intervention and return-to-work services for individuals with work-related health conditions. This pilot will expand on these early intervention programs by placing increased emphasis on employment-related supports to reduce long-term disability – including the need for Federal disability programs – and increase labor force participation. DOL will award cooperative agreements to states to operate RETAIN projects, and SSA will provide an independent, comprehensive national evaluation of all of the State projects.

Promoting Employment through Early Interventions Demonstration: In FY 2019, we will work with the Administration for Children and Families (ACF) in HHS (through an Interagency Agreement (IAA), Jointly-Financed Cooperative Agreement (JFCA), or other mechanism (including contracts) to develop a demonstration that focuses on potential Supplemental Security Income (SSI) applicants using employment and training strategies in state and local social services and workforce development agencies and organizations. Development of new early intervention models would build upon recent lessons and findings from innovative local programs and relevant demonstrations and research including early assessment of disability or work-limiting health conditions; efficient program referrals; improved case management; supported employment; and executive-functioning, goal setting and coaching interventions.

Ultimate Work Incentive Demonstration: This pilot demonstration tests the widespread assumption that beneficiaries respond to financial incentives by removing all earnings rules and other work impediments from the DI program. We will randomly assign beneficiaries into at least two groups—a control group and treatment group (additional treatment groups will be needed if additional policies will be tested). The treatment group will not be required to report any earnings to SSA and any earnings will not affect their eligibility for DI. If implemented, we will test the extent to which the DI program's treatment of earnings restrain or promote beneficiary employment using multiple SSA program files.

Exits from Disability Demonstration: In FY 2018, we will develop the criteria for a new demonstration, to begin in FY 2019, testing new and enhanced supports for individuals exiting DI or SSI due to a CDR. By providing support to beneficiaries or former beneficiaries who are able to work, SSA can reduce the number of individuals who later return to DI and SSI and increase the cost effectiveness of CDRs. We will test the effect of the policy changes on the employment-related behaviors of beneficiaries using multiple SSA program files and surveys.

Time-Limited Benefits Demonstration: In FY 2018, we will develop the criteria for a new demonstration, to begin in FY 2019, testing time-limited benefits in the DI and SSI programs. This demonstration would test whether providing time-limited benefits—either by requiring a new application or conducting a CDR without the Medical Improvement Review Standard requirement—to claimants increases labor force participation and if so, to what extent it reduces participation in disability benefits after the initial period. This will improve the accuracy of actuarial estimates about such changes and increase our understanding of administrative impacts. We will measure employment using program data on earnings and disability program participation.

CONTENTS

TABLES

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 $12,258,000,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111–148, from any one or all of the trust funds referred to in such section: Provided, That not less than $2,300,000 shall be for the Social Security Advisory Board, of which not more than $5,000 may be expended for official reception and representation expenses: Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year 2019 not needed for fiscal year 2019 shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: Provided further, That the Commissioner of Social Security shall notify the Committees on Appropriations of the House of Representatives and the Senate prior to making unobligated balances available under the authority in the previous proviso: Provided further, That reimbursement to the trust funds under this heading for expenditures for official time for employees of the Social Security Administration pursuant to 5 U.S.C. 7131, and for facilities or support services for labor organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of such title shall be made by the Secretary of the Treasury, with interest, from amounts in the general fund not otherwise appropriated, as soon as possible after such expenditures are made.

Of the total amount made available in the first paragraph under this heading, not more than $1,683,000,000, to remain available through March 31, 2020, 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 $1,410,000,000 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 may be transferred to the "Office of the 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 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, $134,000,000 to be derived from administration fees in excess of $5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93–66, which shall remain available until expended. To the *extent that the amounts collected pursuant to such sections in fiscal year 2019 exceed $134,000,000, the amounts shall be available in fiscal year 2020 only to the extent provided in advance in appropriations Acts.*

In addition, up to $1,000,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended.

Note. —A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

LANGUAGE ANALYSIS

The Limitation on Administrative Expenses (LAE) appropriation language provides the Social Security Administration (SSA) with the funds needed to administer the Old Age and Survivors Insurance (OASI), Disability Insurance (DI), and Supplemental Security Income (SSI) programs, and to support the Centers for Medicare and Medicaid Services in administering their programs. The LAE account is funded by the OASI, DI, and Medicare trust funds for their share of administrative expenses, by the General Fund of the Treasury for the SSI program's share of administrative expenses, and through applicable user fees. The language provides the limitation on the amounts that may be expended, in total from these separate sources, for the administrative expenses of the agency.

SSA is requesting a total of $1,683,000,000 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 (SAUSA). The FY 2019 program integrity request, which proposes funding to remain available through March 31, 2020, 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 $1,410,000,000 in additional new budget authority for the full authorized level cap adjustment level for 2019. Beginning in FY 2019, SSA may transfer up to $10 million from its program integrity cap adjustment funds to SSA's Inspector General (OIG) to fund CDI unit team leaders. This is an authorized use of the cap adjustment.

In addition to the appropriated amounts, SSA is requesting to spend up to $134,000,000 in SSI State Supplement user fees and up to $1,000,000 in non-attorney representative fees.

Table 3.1—Appropriation Language Analysis

Language Provision	Explanation
"*…and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111–148,…*"	The language allows SSA to use LAE resources for some Affordable Care Act activities.
"Provided further, That unobligated balances of funds provided under this paragraph at the end of fiscal year 2019 not needed for fiscal year 2019 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	The language allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.

Language Provision	Explanation
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…"	
"Of the total amount made available in the first paragraph under this heading, not more than $1,683,000,000, to remain available through March 31, 2020, 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 $1,410,000,000 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 may be transferred to the "Office of the Inspector General", Social Security Administration, for the cost of jointly operated co-operative disability investigation units: Provided further, That such transfer authority provided in this paragraph 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 these funds, similar to the reports	The language appropriates $1,683,000,000 of dedicated program integrity funding to remain available through March 31, 2020, for SSA's full medical CDRs, redeterminations, work related CDRs, CDI units, and fraud prosecutions by Special Assistant United States Attorneys. That amount comprises a base of $273,000,000 and the authorized 2019 level of $1,410,000,000 for the purposes of an adjustment to the discretionary spending limit as provided in section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Bipartisan Budget Act of 2015 (BBA). Beginning in FY 2019, SSA may transfer up to $10 million from its program integrity cap adjustment funds to SSA's Inspector General (OIG) to fund CDI unit team leaders. This is an authorized use of the cap adjustment.

Language Provision	Explanation
that were required by section 103(d)(2) of Public Law 104–121 for fiscal years 1996 through 2002.	
"In addition, $134,000,000 to be derived from administration fees in excess of $5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93–66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year 2019 exceed $134,000,000, the amounts shall be available in fiscal year 2020 only to the extent provided in advance in appropriations Acts."	The language makes available up to $134,000,000 collected from states for administration of their supplementary payments to the SSI program. This assumes the fee will increase from $11.87 per check in FY 2018 to $12.17 in FY 2019 according to increases established by statute. SSA receives the amount collected above $5.00 from each fee.
"In addition, up to $1,000,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended."	The language provides for the use of up to $1,000,000 derived from fees charged to non-attorneys who apply for certification to represent claimants.

SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS

The table below includes the significant items in the FY 2018 House Report, H. Rept. 115-244 and Senate Report, S. Rept. 115-150.

Table 3.2— Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill, 2018: House Report (H. Report 115-244) and Senate Report (S. Report 115-150)—Significant Items

Research and Demonstration Projects	Actions Taken or To Be Taken
The Committee requests, as part of the fiscal year 2019 Congressional Justification, for each research or demonstration project the total cost obligated to date.	Please see Table 2.21 within the SSI section of this CJ for this information.
Improper Payments	**Actions Taken or To Be Taken**
The Committee is supportive of efforts to reduce improper payments and improve program integrity in the SSA's disability and Supplemental Security Income benefits programs. As part of the Bipartisan Budget Act of 2015, Congress empowered SSA to enter into an information exchange with a payroll data provider to prevent improper payments of such benefits. These programs have proven to be beneficial in reducing improper payments for other Federal and State benefits programs, and the Committee urges SSA to prioritize the utilization of these opportunities. Within the funds provided to SSA for continuing disability reviews under titles II and XVI of the Social Security Act and conducting redeterminations of eligibility, the Committee encourages SSA to utilize all of the tools available to it from commercial and non-commercial entities that collect and maintain data regarding employment and wages, to ensure that disability and SSI benefits are properly paid and to reduce fraud and abuse. The Committee requests an update in the fiscal year 2019 CJ on the progress that SSA has made in utilizing additional tools to identify improper payments, as well as progress it has made in those efforts.	Please see the Improper Payments exhibit within the LAE section of this CJ for this information.

Disability Insurance	Actions Taken or To Be Taken
The Committee recognizes that the purpose of the Ticket to Work and Self-Sufficiency Program [Ticket Program] is to provide the assistance disabled beneficiaries need to return to work. The Committee is aware that the SSA OIG found that employment impacts may have been similar for beneficiaries, whether they had participated in the Ticket Program or other employment assistance programs. The Committee directs SSA to submit a report no later than 90 days after the enactment of this act determining if the Ticket Program is having the desired measurable results and if it is or is not cost effective to continue the Ticket Program.	SSA is working to satisfy this requirement.
Pilot Program Metrics	**Actions Taken or To Be Taken**
Pilot programs are valuable opportunities to evaluate the effects of programmatic changes, but require a well thought out design that includes appropriate measures to evaluate the pilot's effectiveness. For instance, the Social Security Advisory Board found, despite beginning the Single Decision Maker pilot in 1999, the Social Security Administration (SSA) is unable to determine if it was effective due to a lack of quality data. The Committee is concerned with the SSA's consistent struggle to capture useful metrics to evaluate the performance of its pilot programs and expects that, prior to undertaking any new pilots, the SSA will ensure that it has developed a research design that includes adequate metrics to determine the pilot's effectiveness. For any new pilot launched in the prior fiscal year, or proposed in the current or budget year, the Committee directs the SSA to include in the fiscal year 2019 Congressional Justification a description of the pilot and what measures SSA will use to determine its effectiveness.	Please see the Pilot Programs exhibit within the SSI section of this CJ for this information.
Report on Medical Listings	**Actions Taken or To Be Taken**
SSA employs medical listings to make disability determinations, many of which have	SSA is working to satisfy this requirement.

not been updated. The Committee continues direction for SSA to provide a report within 60 days of enactment to the House of Representatives Committee on Appropriations Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies and the Committee on Ways and Means Subcommittee on Social Security regarding the number of years since the last update and when the agency expects to conduct all of the updates for all medical listings.	
Report on LAE Expenditures	**Actions Taken or To Be Taken**
The Committee continues to request the report referenced under this heading in House Report 114-699 as part of the fiscal year 2019 Congressional Justification.	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 3.39 through 3.41. For personnel costs by region, please see Tables 3.43 through 3.45. For Information technology costs broken out by hardware/software technology and upgrade/maintenance costs, please see Table 3.34. For Physical infrastructure costs by region and office function, please see Tables 3.17 through 3.22. For Overall costs for personnel, time and dollars for OASI, DI, SSI, and other SSA missions, please see Table 3.11. For Program Integrity work broken out by OASI, DI and SSI as well as types of spending, please see Table 3.13. For Disability Determination Services State costs and federal staff costs, please see Table 3.16.
Information Technology	**Actions Taken or To Be Taken**
The Committee continues to request the plan referenced under this heading in House Report 114–699.	Please see the Information Technology exhibit within the LAE section of this CJ for more information. For a copy of SSA's IT Modernization Plan, please see https://www.ssa.gov/agency/materials/IT-Mod-Plan.pdf.
Reducing Social Security Number Use	**Actions Taken or To Be Taken**
Social Security numbers (SSNs) are valuable targets for identity theft because of their regular use by both the Federal government	SSA is working to satisfy this requirement.

and the private sector as a unique identifier. Despite this, the Social Security Administration (SSA) still mails full SSNs on approximately 233 million notices or forms of correspondence each year. While the SSA has committed to removing SSNs from its mailings whenever possible, it has not provided a timeframe to do so. The Committee appreciates the SSA's stated commitment to reducing the use of SSNs on mailed documents and requires additional information to monitor progress. The Committee directs the SSA to provide a report within 60 days of enactment of this Act to the House of Representatives Committee on Appropriations Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies and to the Committee on Ways and Means Subcommittee on Social Security, that includes the title and identification number of each document used by the SSA containing a full SSN, the most recent date this document was updated, and either a justification for why the use of a full SSN is necessary for inclusion on that document or the projected date on which the full SSN will be removed from the document.	
Continuing Disability Reviews and Redeterminations	**Actions Taken or To Be Taken**
The Committee recommends $1,735,000,000 for program integrity activities. In the wake of multiple large-scale disability fraud cases, the Committee believes that successful program integrity activities are vital to maintaining the public's support for benefit payments to recipients deserving of assistance.	SSA will complete program integrity work in FY 2018 and FY 2019 in line with this guidance. Please see Table 3.12 within the LAE section of this CJ for accompanying data on the total costs associated with Continuing Disability Reviews and redeterminations for FY 2017 - FY 2019.
Reducing the Hearing Backlog	**Actions Taken or To Be Taken**
The Committee is aware of the discord between SSA and the ALJ community regarding the implementation of part of SSA's Compassionate and Responsive Service [CARES] plan to reduce the significant hearing backlog at the agency. Specifically, there is concern regarding the	Consistent with the Committee's encouragement to find innovative ways to address the hearings backlog, SSA is exploring options.

Administration's hiring of Administrative Appeals Judges for non-disability and remanded cases. The Committee recognizes the need for further discussion regarding this matter and encourages SSA to engage with the ALJ community and appropriate stakeholders to find innovative solutions to address hearing wait times, keeping in mind the goal of reducing the backlog to serve the over 1,100,000 individuals and their families awaiting a hearing decision.	
Social Security Advisory Board	**Actions Taken or To Be Taken**
The Committee recommends that not less than $2,300,000 of the LAE funding be available for the Social Security Advisory Board, which is the same as the fiscal year 2017 enacted level and the fiscal year 2018 budget request. The Committee requests the Social Security Advisory Board include additional information regarding the work of the Social Security Advisory Board in developing recommendations to improve SSA's quality of service to the public in the fiscal year 2019 Congressional Justification. The Committee does not include bill language providing the Social Security Advisory Board reception and representation authority.	Please see the SSAB exhibit of the LAE section of this CJ for this information.
Work Incentives Planning and Assistance [WIPA] and Protection and Advocacy for Beneficiaries of Social Security [PABSS]	**Actions Taken or To Be Taken**
The Committee recommendation includes $23,000,000 for WIPA and $7,000,000 for PABSS, the same as the comparable fiscal year 2017 levels, respectively. These programs provide valuable services to help Social Security disability beneficiaries return to work.	SSA issued PABSS awards notices in October 2017 and November 2017. We plan to issue WIPA award notices in June 2018.
Medical Vocational Guidelines	**Actions Taken or To Be Taken**
The Committee is dedicated to ensuring that the disabled have access to needed benefits, and strongly encourages SSA to work with us to achieve that goal. The Committee continues to be concerned that SSA uses outdated rules to determine whether or not a claimant meets	SSA is working to satisfy this reporting requirement.

SSA's definition of disability. The Committee is encouraged by SSA's indication that they are beginning the regulatory process, having already received input from the National Disability Forum, the National Institute of Medicine, as well as various aging and employment experts. These initial steps are well received, as Congress continues to work with the Administration to modernize the outdated vocational guidelines into a structure that reflects the 21st century labor market. However, SSA officials have indicated to GAO that the complete update of the occupational grid is not expected to be completed until 2024, and at a cost of $178,000,000. As this is the first significant overhaul of the grid in nearly 40 years, the Committee requests SSA to submit, no later than 60 days after the enactment of this act, a report on its ongoing efforts to update the grid, including the latest status of the Occupational Information System joint project with the Department of Labor. In addition, the report shall include a study assessing the feasibility of maintaining a continuous update of the medical vocational guidelines every 10 years. In conjunction with the agency's release of findings, the Committee directs SSA, in coordination with the U.S. Bureau of Labor Statistics, to brief the Committee on the status and progress of the ongoing update to the Medical Vocational Guidelines no later than 90 days after the enactment of this act.	
Taxpayer Accountability	**Actions Taken or To Be Taken**
In recent years, GAO has published reports showing as many as 249 areas of potential duplication and overlap. Since 2011, GAO has identified 724 actions to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve costs savings; or enhance revenue. While GAO has noted that the Nation has achieved $136,000,000,000 in savings based on these reports, many more efficiencies may be realized. The Committee directs each agency funded in this bill to report to the	Please see the Improper Payments exhibit in the LAE section of this CJ for this information.

Committee, within 1 year of enactment of this act, on all efforts made to address the duplication identified by the annual GAO reports along with identifying substantive challenges and legal barriers to implementing GAO's recommendations, as well as suggested legislative recommendations that could help the agency to further reduce duplication. Given the current fiscal environment, it is imperative for Government agencies to increase efficie`ncies to maximize the effectiveness of agency programs.	
Taxpayer Transparency	**Actions Taken or To Be Taken**
US taxpayers have a right to know how the Federal Government is spending their hard-earned taxpayer dollars -- especially when that money is being spent on advertising Federal programs. The Committee recommendation continues a provision to promote Government transparency and accountability by requiring Federal agencies funded in this act to include disclaimers when advertising materials are paid for with Federal funds. The Committee expects each agency to include in their fiscal year 2019 CJ information detailing how much funding was spent on advertising in fiscal year 2018.	Please see Table 3.16 within the LAE section of this CJ for the total amount obligated for advertising in FY 2018.
Congressional Budget Justifications	**Actions Taken or To Be Taken**
Congressional justifications are the primary tool used for the Committee to evaluate budget requests and resource requirements. The Committee expects the fiscal year 2019 congressional justifications to include sufficient detail to justify all programs, projects, and activities contained in each department, agency, board, corporation, or commission's budget request. The justifications shall include a sufficient level of detailed data, exhibits, and explanatory statements to support the appropriations requests, including tables that outline each agency's programs, projects, and activities for fiscal years 2018 and 2019. Specifically, every bill and report number included in either the	SSA is working to satisfy this reporting requirement.

House of Representatives or Senate Appropriations bill or re-port or the final appropriations bill or explanatory statement of the fiscal year should be reflected within these justifications. The Committee directs the chief financial officer of each department, agency, board, corporation, or commission funded in this act's jurisdiction to ensure that adequate justification is given to support each increase, decrease, and staffing change proposed in the fiscal year 2019 budget. When requesting additional resources, reduced funding, or eliminations of programs, changes should be outlined with an adequate justification. Should the final fiscal year 2018 appropriations bill be enacted within a timeframe that does not allow it to be reflected within the congressional justifications for fiscal year 2019, the Committee directs each department, agency, board, corporation, or commission funded in this act to submit within 30 days of enactment updated information to the Committee on funding comparisons to fiscal year 2018.	

GENERAL STATEMENT

LIMITATION ON ADMINISTRATIVE EXPENSES OVERVIEW

The LAE account funds the operating expenses of SSA and its programs: the OASI and DI programs, the SSI program, certain health insurance and Medicare prescription drug functions, and the Special Benefits for Certain World War II Veterans program. With these funds, SSA provides service to millions of Americans in our field offices, via telephone, or through the Internet at www.socialsecurity.gov. The LAE account provides the funds SSA needs to perform its core responsibilities, including completing claims and applications for benefits, conducting hearings to review disputed decisions, ensuring benefits continue to be distributed properly, and maintaining the integrity of the trust funds.

FY 2019 PRESIDENT'S BUDGET

SSA's Programs

The FY 2019 President's Budget of $12.393 billion focuses on implementing organizational reforms that make us more efficient and effective; investing in modern technology and business processes that will help us serve the public better at a lower cost; and addressing our key backlogs. In addition, we will continue safeguarding taxpayer dollars by investing in efforts to reduce improper payments and combat fraud.

SSA currently employs approximately 62,000 employees through a national network of over 1,200 offices, combined with about 15,000 State employees in the Disability Determination Services (DDS). In FY 2019, we expect to complete over 6 million applications for retirement, survivors, and Medicare claims. We will pay about $892 billion in OASI benefits to an average of approximately 54 million beneficiaries a month, including 88 percent of the population aged 65 and over.

In FY 2019, we will complete 2.4 million Social Security and SSI initial disability claims. This Budget further reduces the hearings backlog, and will enable us to complete approximately 761,000 hearings with an annual average processing time of 535 days in FY 2019. Please see the Workload Data Disability Appeals exhibit in the back of this section for more details on the disability appeal workload. In FY 2019, SSA will pay about $149 billion in DI benefits to an average of more than 10 million disabled beneficiaries and their family members a month.

The SSI program is a Federal assistance program administered by SSA that guarantees a minimum level of income for aged, blind, or people with disabilities. It is a safety net for individuals with little or no Social Security or other income and limited resources. In FY 2019, we estimate that we will pay nearly $59 billion in Federal benefits and State supplementary payments to an average of more than 8 million recipients a month.

SSA assists the Centers for Medicare and Medicaid Services (CMS) in administering the Medicare Hospital Insurance (HI), Supplementary Medical Insurance (SMI), and the Prescription Drug programs. In FY 2009, Congress appropriated funding through the Medicare Improvements Patients and Providers Act (MIPPA) to SSA for activities related to the implementation of changes to the Low-Income Subsidy (LIS) Prescription Drug program. This funding is available until expended, and we estimate we will spend approximately $6 million for LIS work in FY 2019.

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

Program Integrity

SSA receives special dedicated funding primarily for two types of program integrity work: CDRs, which are periodic reevaluations to determine if beneficiaries continue to meet SSA's standards of disability or have returned to work and no longer qualify for benefits, and SSI redeterminations, which are periodic reviews of non-medical factors of eligibility, such as income and resources.

The Balanced Budget and Emergency Deficit Control Act of 1985, as amended (BBEDCA), authorizes increases to the Federal Government's annual spending caps through FY 2021 for program integrity purposes. If Congress appropriates funds for our program integrity work, the discretionary spending limit may increase by a corresponding amount up to a specified level. The Bipartisan Budget Act of 2015 (BBA) increased the cap adjustments proposed in the BCA by a net $484 million between FY 2017 – FY 2021 and it expanded the uses of the cap adjustment funds to include cooperative disability investigation units (CDI) and fraud prosecutions by Special Assistant United States Attorneys (SAUSA). It also clearly defines the use of funds for work-related CDRs.

CDI units are jointly operated by SSA, the Office of the Inspector General (OIG), State DDS, and State and local law enforcement. Generally, CDI units investigate suspected fraud before the agency awards benefits and during the CDR and redetermination processes when fraud may be involved.

With the addition of the New Jersey CDI unit in FY 2017, the CDI program has 40 units covering 34 States, the District of Columbia, and the Commonwealth of Puerto Rico. We are pursuing expansion for Honolulu, Hawaii; Indianapolis, Indiana; and Albuquerque, New Mexico in FY 2018. We are also planning to add 3 units in FY 2019 and having coverage for all 50 States and U.S. territories by October 1, 2022. Beginning in FY 2019, the Budget proposes to transfer up to $10 million from program integrity cap adjustment funds to the SSA OIG to fund CDI unit team leaders. This anti-fraud activity is an authorized use of the cap adjustment.

SAUSAs prosecute cases of alleged Social Security fraud that would not otherwise be prosecuted in Federal courts. We have attorneys in 25 States and the Commonwealth of Puerto Rico. In FY 2017, our fraud prosecutors secured over 186 convictions and $145 million in restitution. We plan to maintain a corps of 35 Special Assistant U.S. Attorneys in FYs 2018 and 2019, so they can continue their valuable work deterring Social Security fraud.

. In FY 2019, the Budget funds the completion of 703,000 full medical CDRs and 2.8 million redeterminations. We expect to fully eliminate the CDR backlog by the end of FY 2018 and remain up to date in our CDR workload in FY 2019.

Full funding of CDRs and redeterminations will save billions of taxpayer dollars. We estimate that CDRs conducted in FY 2019 will yield net Federal program savings over the next 10 years of roughly $9 on average per $1 budgeted for dedicated program integrity funding, including OASI, DI, SSI, Medicare, and Medicaid effects. We estimate that non-medical redeterminations conducted in FY 2019 will yield a return on investment of about $4 on average of net Federal program savings over 10 years per $1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects.

Beginning in FY 2019, we will expand how the agency charges medical CDRs to the dedicated program integrity fund to encompass all workloads related to the medical CDR process, as reflected in the annual report to Congress on CDRs.

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

Anti-Fraud

Our Office of Anti-Fraud Programs (OAFP) centrally manages our anti-fraud efforts. These efforts build upon our dedicated program integrity activities and are funded by our base administrative funds. We are developing consistent anti-fraud policies; refining employee training; and solidifying relationships with other Federal, State, and private partners to identify individuals who wrongfully obtain Social Security and SSI benefits.

We are expanding the use of data analytics to detect fraud using our data and commercial off-the-shelf software. Our Anti-Fraud Enterprise Solution (AFES) is a multi-year, multi-phase project that will replace and expand our current anti-fraud systems. AFES will integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions for further review. With these models, we identify suspicious and evolving patterns of activities in our workloads and prevent fraudulent actions from advancing.

As part of our strategic objective to enhance our fraud prevention activities in FY 2018, we plan to make AFES operational and fully implement our eServices analytics. In FY 2019, we plan to fully implement AFES disability analytics. Once completed, AFES will consist of a data analytics engine, a case management system, and a workflow tool to assist with our anti-fraud operational responsibilities.

Information Technology (IT) Modernization

The Budget supports the modernization of our legacy systems, the automation of more workloads, and the protection of the public's personal data. Our IT Modernization Plan describes a thoughtful and deliberate, multi-year agency initiative to modernize Social Security's major systems using modern architectures, agile software engineering methods, cloud provisioning, and shared services. We are embarking on an initiative to transform the way we design and build systems, and ultimately the way we work and serve the public. Our IT modernization vision is to establish a fully integrated IT and Business team that delivers modern business platforms that improve our ability to respond more rapidly to changing needs at manageable costs. We will provide an enhanced customer experience for millions of beneficiaries across an expanded mix of service options in a cost effective and secure manner. The Budget invests about $132 million in FY 2019 to support our IT modernization effort.

In addition, the Budget supports our plan to consolidate our three telephone systems into a unified communications platform. This platform allows the agency to integrate an enterprise communication service that allows seamless movement between service channels with long-term savings.

Disability Case Processing System

In an ongoing effort to issue timely disability decisions, we are continuing work to modernize our disability case processing system (DCPS). When complete, DCPS will replace 52 independently operated, aging systems. To date, we deployed DCPS to 10 DDSs (Delaware, Maine, Ohio, Virginia, Iowa, Rhode Island, South Dakota, Washington, Nebraska, and the District of Columbia) and are preparing for deployment to additional sites. In FYs 2018 and 2019, we will continue development.

Reducing our Real Property Footprint

We will continue reducing our real property footprint, as we renovate existing buildings and renew lease agreements. In FY 2016, we received $150 million in no-year funding to renovate the Arthur J. Altmeyer Building at our headquarters campus. The Altmeyer Building is over 55 years old and requires major upgrades to address health and safety issues, meet current accessibility standards, improve space utilization, and provide a comfortable, energy-efficient working environment that meets 21st century standards.

The General Services Administration (GSA) approved the conceptual design for the modernized Altmeyer Building on January 29, 2018. GSA plans to award the construction contract by March 2018. We are finalizing a plan with GSA to demolish the interior of the Altmeyer Building and begin construction. By adhering to the space utilization rate of 150 square feet per person, we will be able to house an increased number of occupants when we complete the Altmeyer Building renovation, currently scheduled for calendar year 2021.

FUNDING REQUEST

Our FY 2019 LAE budget request of $12.393 billion allows us to focus on our mission-critical work and our agency priorities, address key backlogs, ensures stewardship of our programs, and helps us become a stronger, more efficient and effective organization. The table below provides dollars and workyears funded by this budget:

Table 3.3—Budgetary Request

In all tables presented in this CJ, the FY 2018 column does not include $174 million that is in the President's Budget appendix.

	FY 2017 Actual[1]	FY 2018 Estimate[2]	FY 2019 Estimate[3]
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE)[4]	$12,482	$12,236	$12,393
Office of the Inspector General (OIG)[5]	$106	$105	$106
Subtotal, One-Year Budget Authority	**$12,588**	**$12,341**	**$12,499**
Research and Demonstrations[6]	$58	$101	$101
Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)[7]	$22	$27	$0
Subtotal, Multi/No-Year Budget Authority	**$80**	**$128**	**$101**
Total, Budget Authority[8]	**$12,668**	**$12,469**	**$12,600**
Workyears			
Full-Time Equivalents	60,877	61,014	60,036
Overtime	2,360	1,350	700
Lump Sum	198	298	298
Total SSA Workyears	**63,435**	**62,662**	**61,034**
Total Disability Determination Services (DDS) Workyears	**14,522**	**13,721**	**13,680**
Total SSA/DDS Workyears	**77,957**	**76,383**	**74,714**
MACRA	8	348	63
Total SSA/DDS/MACRA Workyears	**77,965**	**76,731**	**74,777**
OIG Workyears	514	520	567
Total SSA/DDS/MACRA/OIG Workyears	**78,479**	**77,251**	**75,344**

[1] The FY 2017 Consolidated Appropriations Act includes $90M in available funding through Sept. 30, 2018, for activities to address the hearing backlog within the Office of Hearings Operations (formerly the Office of Disability Adjudication and Review).

[2] SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full-year continuing resolution, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, and it is included

in our FY 2018 total obligations. Please note that this level differs from the Appendix, which assumes the FY 2017 Omnibus level.

[3] The FY 2019 Budget includes $60 million for reinstating reconsiderations; $132 million for IT modernization; $71.5 million for our unified communications project; and $30 million for OPM reinvestigations.

[4] FY 2017 program integrity funding was made available for 18 months (through March 31, 2018) under the Consolidated Appropriations Act, 2017 (Division H of Public Law 115-31). The FY 2019 Budget assumes appropriations language for FYs 2018 and 2019 will provide for similar 18-month authority to obligate program integrity funds. Beginning in FY 2019, the FY 2019 Budget proposes appropriations language allowing SSA to transfer up to $10 million from program integrity cap adjustment funds to OIG to for expenses associated with OIG employees serving as cooperative disability investigations (CDI) unit team leaders. CDI unit operations are an approved use of the cap adjustment.

[5] The FY 2018 column applies the 0.6791% across-the-board reduction from the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended) to OIG's FY 2017 funding level of $105.5 million, yielding a CR level of approximately $104.8 million, which rounds to $105 million. In the FY 2019 column, $105.5 million ($106 million rounded) in OIG budget authority does not reflect the planned transfer of $10 million from LAE program integrity funding to support CDI unit team leaders.

[6] The FY 2018 amount for research and demonstration reflects the FY 2018 President's Budget. Please note that this level differs from the Appendix, which assumes the FY 2017 Omnibus level.

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

[8] Totals may not add due to rounding.

SSI STATE SUPPLEMENTATION

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

Table 3.4—State Supplement Payments

(in millions)

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Federally Administered State Supplement Payments	$ 2,644	$ 2,525	**$ 2,785**
Offsetting Collections	$ 2,649	$ 2,759	**$ 2,805**

Participating states pay SSA user fees to administer their programs, based on a schedule established by the Social Security Act. The user fee was $11.68 per SSI check payment in FY 2017 and is $11.87 in FY 2018. We estimate that the user fee will increase to $12.17 per payment in FY 2019. The Department of Treasury receives the first $5.00 of each fee and SSA retains the amount over $5.00. This user fee is discretionary budget authority that supplements our LAE account.

Table 3.5—SSI User Fee Collections

(in millions)

	FY 2017 Actual[1]	FY 2018 Estimate[1]	FY 2019 Estimate	*Change*
Number of Monthly Payments	12	11	**12**	
SSA User Fee Collections	$ 122	$ 118[2]	**$ 134**	+*$ 16*
Treasury User Fee Collections	$ 91	$ 85	**$ 93**	+*$ 8*
Total User Fee Collections	$ 213	$ 203	**$ 227**	+*$ 24*

[1] There were 12 payments in FY 2017. The October 2017 payment (FY 2018) was paid in September 2017 (FY 2017). This results in 11 payments in FY 2018.

[2] Although SSA is authorized to collect up to $123 million in FY 2018 under the annualized continuing resolution, we estimate that we will collect only $118 million in SSI user fees. We will reconcile any shortfall from our LAE account.

IMPACT OF STATES DROPPING OUT OF STATE SUPPLEMENTATION PROGRAM

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

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

State	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Arkansas	*	*	*
California	$ 103,037	$ 99,435	$ 112,975
Delaware	$ 48	$ 46	$ 52
DC	$ 102	$ 98	$ 111
Georgia	*	*	$ 1
Hawaii	$ 238	$ 230	$ 261
Iowa	$ 132	$ 127	$ 145
Kansas	*	*	*
Louisiana	*	*	*
Maryland	*	*	$ 1
Michigan	$ 980	$ 946	$ 1,075
Mississippi	$ 1	$ 1	$ 1
Montana	$ 74	$ 71	$ 81
Nevada	$ 1,141	$ 1,101	$ 1,251
New Jersey	$ 14,645	$ 14,133	$ 16,057
Ohio	*	*	*
Pennsylvania	$ 516	$ 498	$ 566
Rhode Island	$ 37	$ 36	$ 41
South Dakota	*	*	*
Tennessee	$ 1	$ 1	$ 1
Vermont	$ 1,260	$ 1,215	$ 1,381
Total	**$ 122,213**	**$ 117,938**	**$ 134,000**

*Less than $500

ALL PURPOSE TABLE (APT)

Table 3.7—All Purpose Table (APT)

(in thousands)

	FY 2017	FY 2018	FY 2019	
	Consolidated Appropriations Act P.L. 115-31 [1,2]	Estimate [3,4]	President's Budget [5,6]	FY 2019 +/- FY 2018
Payments to Social Security Trust Funds				
Pension Reform	6,400	6,400	6,000	(400)
Unnegotiated Checks	5,000	5,000	5,000	-
Special Benefits for Certain Uninsured Persons	-	-	-	-
Military Service Wage Credits	-	-	-	-
Total PTF	**$ 11,400**	**$ 11,400**	**$ 11,000**	**$ (400)**
Supplemental Security Income				
Federal Benefits Payments	52,941,736	53,441,736	55,716,000	2,274,264
Beneficiary Services [7]	89,000	159,000	126,000	37,000
Research & Demonstration [7]	58,000	101,000	101,000	43,346
Administration	5,029,427	5,058,700	4,765,000	(293,700)
Subtotal SSI Program Level	58,118,163	58,760,436	60,708,000	2,060,910
Advance from PY	(14,500,000)	(15,000,000)	(15,000,000)	-
Subtotal Current Year SSI	**$ 43,618,163**	**$ 43,760,436**	**$ 45,708,000**	**$ 2,060,910**
New Advance SSI	**$ 15,000,000**	**$ 15,000,000**	**$ 19,700,000**	**$ 4,700,000**
Limitation on Administrative Expenses				
Regular LAE				
OASDI Trust Funds	5,145,407	5,021,076	4,895,700	(125,376)
HI/SMI Trust Funds	1,684,753	1,673,312	2,220,000	546,688
Social Security Advisory Board	2,300	2,284	2,300	16
SSI	3,706,485	3,681,314	3,457,000	(224,314)
Subtotal Regular LAE	**$ 10,538,945**	**$ 10,377,986**	**$ 10,575,000**	**$ 197,014**
Program Integrity Funding				
OASDI Trust Funds	496,058	357,614	375,000	17,386
SSI	1,322,942	1,377,386	1,308,000	(69,386)
Subtotal Program Integrity Funding	**$ 1,819,000**	**$ 1,735,000**	**$ 1,683,000**	**$ (52,000)**
Base Program Integrity	*273,000*	*273,000*	*273,000*	-
Cap Adjustment	*1,546,000*	*1,462,000*	*1,410,000*	*(52,000)*
User Fees				
SSI User Fee [8]	123,000	122,165	134,000	11,835
SSPA User Fee	1,000	993	1,000	7
Subtotal User Fees	**$ 124,000**	**$ 123,158**	**$ 135,000**	**$ 11,842**
Total LAE	**$ 12,481,945**	**$ 12,236,144**	**$ 12,393,000**	**$ 156,856**
Non-PI LAE	10,662,945	10,501,144	10,710,000	208,856
Office of the Inspector General				
Federal Funds	$ 29,787	$ 29,585	$ 30,000	$ 415
Trust Funds	$ 75,713	$ 75,199	$ 75,500	$ 301
Total, OIG	**$ 105,500**	**$ 104,784**	**$ 105,500**	**$ 716**
Total, Social Security Administration, New BA	$ 66,187,581	$ 66,054,063	$ 73,152,500	$ 7,211,783
Federal Funds	$ 58,783,350	$ 58,924,578	$ 65,584,000	$ 6,772,768
Current Year	$ 43,783,350	$ 43,924,578	$ 45,884,000	$ 2,072,768
New Advance	$ 15,000,000	$ 15,000,000	$ 19,700,000	$ 4,700,000
Trust Funds	$ 7,404,231	$ 7,129,485	$ 7,568,500	$ 439,015

[1] The FY 2017 Consolidated Appropriations Act includes $90M in available funding through Sept. 30, 2018 for activities to address the hearing backlog within the Office of Hearings Operations (formerly the Office of Disability Adjudication and Review). It is included in regular LAE.

[2] Includes $1.819B in Program Integrity funding to remain available through March 31, 2018.

[3] SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full-year CR, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, and it is included in our FY 2018 total obligations. SSA's overall LAE funding level in the President's Budget appendix (approximately $12.406 billion) uses different assumptions.

[4] Includes $1.735B in Program Integrity funding to remain available through March 31, 2019.

[5] Includes $1.683B in Program Integrity funding to remain available through March 31, 2020. Beginning in FY 2019, SSA may transfer up to $10 million from Program Integrity funds to SSA's Inspector General (OIG) to fund CDI unit team leaders.

[6] The FY 2019 Office of the Inspector General (OIG) federal fund and trust fund splits do not match what is provided in the President's Budget appendix.

[7] The FY 2018 amount for research and demonstration reflects the FY 2018 President's Budget. Please note that this level differs from the Appendix, which assumes the FY 2017 Omnibus level.

[8] Although SSA is authorized to collect up to $123 million in FY 2018 under the annualized continuing resolution, we estimate that we will collect only $118 million in SSI user fees. We will reconcile any shortfall from our LAE account.

PERFORMANCE TARGETS

The President's FY 2019 request will allow SSA to achieve the following key performance targets:

Table 3.8—Key Performance Targets

FY 2019 Performance Table	FY 2017 Actuals	FY 2018 Estimate[1]	FY 2019 Request[2]
Retirement and Survivors Claims			
Retirement and Survivors Claims Completed (thousands)	5,620	5,801	6,022
Disability Claims			
Initial Disability Claims Receipts (thousands)	2,443	2,476	2,621
Initial Disability Claims Completed (thousands)	2,485	2,310	2,420
Initial Disability Claims Pending (thousands)	523	688	889
Average Processing Time for Initial Disability Claims (days)	111	111	114
Disability Reconsiderations			
Disability Reconsiderations Receipts (thousands)	583	542	642
Disability Reconsiderations Completed (thousands)	596	518	594
Disability Reconsiderations Pending (thousands)	105	129	177
Average Processing Time for Disability Reconsiderations (days)	101	102	106
Hearings			
Hearings Receipts (thousands)	620	582	578
Hearings Completed (thousands)	686	738	761
Hearings Pending (thousands)	1,056	900	717
Annual Average Processing Time for Hearings Decisions (days)[3]	605	605	535
National 800 Number			
National 800 Number Calls Handled (millions)	36	34	36
Average Speed of Answer (ASA) (seconds)	802	1,200	960
Agent Busy Rate (percent)	10%	15%	12%
Program Integrity			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	2,257	1,990	1,803
Full Medical CDRs (included above, thousands)	874	890	703
SSI Non-Medical Redeterminations Completed (thousands)	2,590	2,900	2,822
Selected Other Agency Workload Measures			
Social Security Numbers (SSN) Completed (millions)	17	17	17
Annual Earnings Items Completed (millions)	279	281	282
Social Security Statements Issued (millions)[4]	14	14	15
Selected Production Workload Measures			
Disability Determination Services Production per Workyear	306	306	306
Hearings Production per Workyear	94	98	104
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(2,500)	(3,300)

[1] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 performance data assume the enactment of a full-year continuing resolution provided in the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended)..

[2] This budget assumes a multi-year rollout of the reinstatement of the reconsideration level of appeal in the ten prototype states beginning on 10/01/2018, which will increase reconsideration receipts and processed and reduce hearings receipts in FY 2019.

[3] Average processing time for hearings is an annual figure. End of year (September) processing time for hearings is estimated to be 595 days and 498 days, for FYs 2018 and 2019, respectively.

[4] The Social Security Statements Issued performance measure includes paper statements only; does not include electronic statements issued. In FY 2017, *my* Social Security users accessed their Social Security Statements 46.2 million times.

SSA's budget is fully integrated with its Annual Performance Plan (APP), which is included as the third 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.

RECENT ACCOMPLISHMENTS

In FY 2017, we focused on our core mission activities and made several critical service improvements. Most notably, we were able to start reducing the disability hearings backlog, putting us on the path to eliminate the backlog by the end of FY 2022. We also were able to begin reducing processing center (PC) backlogs by filling some critical vacancies and providing targeted overtime. At the same time, we safeguarded taxpayer dollars by completing high levels of program integrity reviews and expanding our anti-fraud efforts. In addition, we built a more efficient, effective organization by expanding online and video services, increasing our use of data analytics, and increasing the collection of electronic medical records. These efforts will help us provide more convenient, timely, accurate, and cost-effective services.

In FY 2017, we accomplished the following activities:

- Paid approximately $990 billion to a monthly average of over 69 million Social Security beneficiaries and SSI recipients each month;
- Served about 42 million visitors in over 1,200 field offices nationwide;
- Handled over 36 million calls on our National 800 Number;
- Completed over 5.6 million new applications for retirement, survivors, and Medicare benefits; almost 2.5 million Social Security and SSI initial disability claims; and almost 187,000 SSI aged claims;
- Issued over 680,000 hearing dispositions;
- Handled approximately 18,000 cases in U.S. district courts;
- Issued almost 17 million new and replacement Social Security cards;
- Posted over 279 million earnings reports to workers' records;
- Completed about 874,000 full medical CDRs; and
- Performed nearly 2.6 million non-medical redeterminations of SSI eligibility.

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 APG helps us achieve our overarching strategic goals and objectives set forth in our FY 2018-2022 Agency Strategic Plan.

- **Improve customer service in the hearings process by prioritizing those who have waited the longest for a hearing decision**

  - In FY 2018, we will complete 97 percent of cases that begin the year 430 days old or older.
  - In FY 2019, we will complete 95 percent of cases that begin the year 350 days old or older.
- **Improve the integrity of the SSI program by focusing our efforts on reducing overpayments**
  - In FY 2018, achieve an SSI overpayment accuracy rate of 94 percent.
  - In FY 2019, achieve an SSI overpayment accuracy rate of 94 percent.

We have specific measures and milestones to monitor our progress and have taken SSA's Enterprise Risk Management actions into account. Additionally, through our quarterly internal review process, our executives have candid discussions regarding progress, any challenges we must overcome, and strategies that will support goal achievement.

NATIONAL SUPPORT CENTER

In FY 2009, Congress provided $500 million for the construction and partial equipping of a new National Support Center (NSC) as part of the American Recovery and Reinvestment Act (Recovery Act). While once a state-of-the-art data center designed for mainframe use, the NCC is over 30 years old and the facility infrastructure systems have exceeded their useful life. Our systems maintain demographic, wage, and benefit information on almost every American. The data previously housed at the NCC and now at the new NSC are critical national economic and information resources and essential to providing service to the millions of individuals who count on us each day. The Recovery Act funding allowed us to take timely action to build and open the NSC facility before the NCC ended its functional life.

Projected Milestone Schedule

On December 28, 2012, we received a Presidential waiver allowing us to retain and continue to obligate funds appropriated for expenses for the replacement of our NCC. As of September 30, 2017, we obligated $499.5 million, and we expect to spend the remaining ARRA funds by the end of FY 2018. The General Services Administration and the Social Security Administration provided the following schedule of key milestones.

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

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

Actual and Planned Obligations for the New NSC

The following table provides actual and planned obligations for the NSC as of September 30, 2017.

Table 3.9—Actual and Planned Obligations for the New NSC

(Dollars in thousands)

Year	Obligations
FY 2009 Actuals	$1,330.4
FY 2010 Actuals	$1,850.8
FY 2011 Actuals	$387,699.5
FY 2012 Actuals	($30,856.2)[1]
FY 2013 Actuals	$39,191.1
FY 2014 Actuals	$59,797.7[2]
FY 2015 Actuals	($12,451)[3]
FY 2016 Actuals	$41,497.0[4]
FY 2017 Actuals	$11,413.9[5]
FY 2018 Planned	$526.9

In FY 2018, we plan to use the remaining ARRA NSC funding to continue the build-out of the On-Premise/Private Cloud Infrastructure.

[1] In FY 2012, there were $27.5 million in obligations and a recovery from previous construction obligations of $58.4 million, resulting in a net recovery of $30.9 million.

[2] In FY 2014, there were $69.8 million in obligations and a recovery from previous construction obligations of $10 million, resulting in a net obligation of $59.8 million.

[3] In FY 2015, there were $42.7 million in obligations and a recovery from previous construction obligations of $55.1 million, resulting in a net recovery of $12.5 million. Numbers do not add due to rounding.

[4] In FY 2016, actual obligations were $50.0M. These were offset by $8.5M recovered due to revised estimates and de-obligations from FY 2011-FY 2015, resulting in $41.5M in net obligations.

[5] In FY 2017, actual obligations were $11.6M. These were offset by $158K recovered due to revised estimates and de-obligations resulting in $11.4M in net obligations.

ANOMALY FUNDING TO REDUCE THE HEARINGS BACKLOG IN OHO

The Consolidated Appropriations Act, 2017 provided $90 million to address the hearings backlog in the Office of Hearings Operations (formerly known as the Office of Disability Adjudication and Review). This funding is available through FY 2018. We have undertaken a plan to address the backlog, called CARES (Compassionate and Responsive Service), and provide updates on this plan quarterly – for more information, please see https://www.ssa.gov/appeals/documents/2017_Updated_CARES_Anomaly_Plan.pdf.

MAJOR BUILDING RENOVATIONS AND REPAIR COSTS

A number of our facilities need renovation or repair to improve infrastructure reliability and comply with current building codes, including health and safety standards, to ensure a safe work environment.

We are also actively pursuing opportunities to reduce our real estate footprint by reconfiguring and consolidating space for optimal space utilization. As part of this effort, we are in the process of re-evaluating the long-term need for additional leased space surrounding our headquarters in Woodlawn, with a goal of maximizing the use of existing federally-owned and leased space to address our current and future housing needs.

This exhibit describes our on-going major building renovations, repairs, and other associated costs in support of these goals. The table below displays our FY 2017 expenditures.

Building	**FY 2017**
Altmeyer (Woodlawn, MD)	$2
National Computer Center, Third Floor (Woodlawn, MD)	N/A
Dallas Regional Office (Dallas, TX)	$3
Mid-Atlantic Social Security Center (Philadelphia, PA)	$4.4
International Trade Commission (Washington, D.C.)	$1.3
Harold Washington (Chicago, Illinois)	$12.4
Frank Hagel Federal Building (Richmond, California)	N/A

Altmeyer Building

The Arthur J. Altmeyer Federal office building is over 55 years old and requires major upgrades to address health and safety issues, meet current accessibility standards, improve space utilization, and provide a comfortable, energy efficient working environment that meets 21st century standards. The Altmeyer Modernization Project involves full interior and exterior renovation of the existing building, including infrastructure, electrical systems, and space. By adhering to the space utilization rate of 150 square feet per person and employing space-sharing policies, we will be able to house an increased number of occupants when we complete the Altmeyer Building renovation, currently scheduled for calendar year 2021.

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

- Taking the building down to the support structure (concrete columns and floor slabs);
- Full abatement of hazards (asbestos, lead paint, etc.);
- Building systems modernizations (i.e. electrical systems, heating, air conditioning, and ventilation (HVAC) systems, etc.); and
- Space reconfiguration to achieve an office space utilization rate (UR) of 150 square feet per person for post-renovation occupancy.

In order to expedite procurement and ensure a more integrated approach to design and construction, the General Services Administration (GSA) is pursuing a construction manager by contractor (CMc) approach to this project. This decision allowed us to obligate most of the appropriated funds in FY 2016. In February 2017, GSA awarded the architectural and engineering (A&E) contract for design services associated with the Altmeyer Modernization Project. On July 17, 2017, GSA began the CMc procurement process with a solicitation of interest, and anticipates awarding the CMc contract in March 2018. The CMc construction firm will work with the A&E contractor throughout the design process, providing input about constructability, construction methods, design efficiencies, cost controls, etc.

Timeline and Cost

Timeline	Milestones	TBD (in millions)
FY 2016	Funding appropriated; GSA begins procurement actions for A&E contractor; begins planning for CMc solicitation	$123
FY 2017	GSA awards construction manager as agent (CMa) contract and contract for A&E design services. GSA begins CMc procurement. Executives and staff begin vacating the Altmeyer Building for existing spaces around campus	$2

Timeline	Milestones	TBD (in millions)
FY 2018	GSA awards CMc. A&E completes design. Executives and staff finish vacating the building and occupy swing space. Demolition work begins	$26.5[1]
FY 2019-FY2020	Construction begins/continues. SSA begins purchases for furniture, security systems, tenant improvement and other special requirements in the modernized Altmeyer	N/A
FY 2021	Occupy renovated building	N/A

National Computer Center (NCC) – Third Floor Renovation

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

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

GSA's A&E contractor, Whitman, Requardt and Associates LLP, completed the design in August 2016. GSA began the construction procurement process shortly thereafter, and awarded the contract in February 2017 to Whiting and Turner. We expect to complete the project and occupy the renovated space in FY 2018.

Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2016	Obligated funding for construction ($21.4) and for furniture design and acquisition ($3.5)	$24.9
FY 2017	Construction underway	N/A
FY 2018	Construction and furniture installation completed; occupy renovated space	N/A

[1] This project is on schedule with a completion date of FY 2021. The FY 2018 obligations represent an estimate at the point in time the budget was prepared; some funding may be reserved for the end of the project for furniture, security, and other associated move-in costs.

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 current building has multi-tenants, with SSA occupying all or part of eight floors, and is fully leased by GSA. The lease is set to expire in November 2019. The Dallas RO currently occupies 174,082 USF.

In February 2017, GSA awarded a replacement lease, which will support the agency's efforts to reduce our footprint with a reduction in square footage down to 117,617 USF, an almost 60,000 USF reduction compared to the current space.

Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2016	Design and Construction (Tenant Improvements)	$15
FY 2017	Furniture	$3

Mid-Atlantic Social Security Center (MATSSC)

The seven-story MATSSC in Philadelphia, Pennsylvania is over 40 years old and needs funding to address critical deficiencies identified in the 2015 Building Engineering Report (BER). These needs include an elevator modernization to address frequent failures and occasional entrapment; HVAC infrastructure upgrades; accessibility enhancements; plaza replacement; and other modifications to address fire and life safety issues.

Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2017	Elevator Modernization	$4.4
FY 2018	Study, Design, Repairs	N/A
FY 2019	Study, Design, Repairs	N/A

International Trade Commission (ITC)

We occupy 49,412 USF at the ITC building, which serves as our headquarters in Washington, D.C. The ITC lease expires in February 2019. In February 2017, GSA awarded a new lease at 250 E Street, SW in Washington D.C. for approximately 32,000 USF. The new lease will reduce our real estate portfolio by 17,000 USF, which is almost a 35 percent reduction from the current lease.

Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2016	Design and Construction (Tenant Improvements)	$4.1
FY 2017	Furniture	$1.3
FY 2018	N/A	N/A

Harold Washington Social Security Center (HWSSC)

The HWSSC is a 10-story building in Chicago, Illinois that currently houses multiple SSA components, including, but not limited to, a field office, the program service center, Chicago Teleservice Center, and the regional office, in approximately 515,000 USF.

Timeline and Costs

Timeline	Milestones	Cost (in millions)
FY 2017	Design and Construction	$12.4
FY 2018	N/A	N/A

Frank Hagel Federal Building (FHFB)

The six-story FHFB located in Richmond, CA, was completed and occupied in 1975. Over time, modifications to the interior space to accommodate staffing and work process changes adversely affected fire egress, HVAC operations, and electrical and lighting distribution, resulting in health, safety, and code compliance issues and potentially employee exposure to an unsafe work environment. GSA identified these deficiencies as high risk in a BER completed in FY 2014.

Working with GSA, we initiated a space utilization analysis and feasibility study in FY 2014 to identify and analyze efficient and cost effective options for housing our staff located in offices in the surrounding area. Study findings documented renovations needed and opportunities for consolidating our components within the building and from outlying locations to achieve operational efficiencies, and reduce our real estate footprint and lease costs. GSA finalized the feasibility study in FY 2017.

SSA RELATED LEGISLATION ENACTED MAY 24, 2017 – FEBRUARY 11, 2018

FY 2017

The Social Security Number Fraud Prevention Act of 2017 (P.L. 115-59, enacted September 15, 2017)

- The law restricts the inclusion of Social Security Numbers (SSNs) on documents sent by mail by the Federal Government.
- The act requires the head of each of the 24 agencies with Chief Financial Officers (CFOs), including SSA, to issue regulations, not later than 5 years after enactment, specifying the circumstances under which inclusion of the SSN is necessary on a mailed document.

MEDICARE ACCESS AND CHIP REAUTHORIZATION ACT (MACRA)

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

Congress appropriated the Social Security Administration (SSA) $98 million to fund the implementation costs to comply with the provisions of MACRA. Beginning fiscal year (FY) 2015, we receive the funding incrementally through FY 2018. The funding is available in the following amounts:

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

We do not anticipate intensive systems changes to support CMS in the SSN Removal Initiative and implementation of MACRA. However, we expect a significant impact on our workload processing components due to inquiries from the public and requests for replacement cards. SSA had limited spending in FY 2015-2017 for planning, inquiries, and system updates. CMS outreach activities and phased Medicare card issuance will begin in 2018. We plan to spend about $35.1 million in FY 2018 and $6.5 million in FY 2019 fielding inquiries and processing requests for replacement cards. SSA does not plan to spend approximately $33.6 million of the MACRA funds available through FY 2018. At the end of FY 2019, SSA will have $20.5 million available to continue to process future fall out work.

MACRA Spending		
FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
$2,300,000	*$35,100,000*	*$6,500,000*

BUDGETARY RESOURCES

The LAE account represents SSA's administrative budget for carrying out its responsibilities under the Social Security Act. This includes administering the OASI, DI, SSI, and Special Benefits for Certain WWII Veterans programs and supporting the Centers for Medicare and Medicaid Services in administering the HI, SMI, and Medicare Part D programs. The President's Budget for the LAE account in FY 2019 is $12.393 billion.

AMOUNTS AVAILABLE FOR OBLIGATION

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

	FY 2017 Actual	FY 2018[3] Estimate	FY 2019 Estimate
LAE			
LAE Appropriation	$12,503,945	$12,236,144	$12,393,000
Unobligated Balance, start-of-year	$294,231	$448,202	$453,351
Recoveries and Transfers	$51,291	$46,297	$46,297
Unrealized Non-Attorney User Fees	-$834	$0	$0
Unrealized SSI User Fees	-$787	$0	$0
Subtotal LAE Resources	**$12,847,846**	**$12,730,643**	**$12,892,648**
Unobligated Balance, lapsing	-$68,672	$0	$0
Unobligated Balance, end-of-year (LAE Carryover)	-$552,753	-$453,813	-$436,648
Total Obligations, LAE	**$12,226,421**	**$12,276,831**	**$12,456,000**
American Recovery and Reinvestment Act Resources (ARRA)[4]			
National Support Center Unobligated Balances, start-of-year	$11,941	$527	$0
National Support Center Estimated Recovery	$158	$0	$0
National Support Center Unobligated Balances, end-of-year	-$527	$0	$0
Obligations, ARRA	**$11,572**	**$527**	**$0**
Medicare Savings Plan (MSP)			

Table Continues on the Next Page

[1] Totals may not add due to rounding.
[2] Totals do not include reimbursables.
[3] SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full-year CR, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, and it is included in our FY 2018 total obligations. SSA's overall LAE funding level in the President's Budget appendix (approximately $12.406 billion) uses different assumptions.
[4] SSA received a Presidential waiver from rescission allowing for the use of ARRA NSC funds until expended.

	FY 2017 Actual	FY 2018[3] Estimate	FY 2019 Estimate
Unobligated Balances, start-of-year	$14,896	$14,896	$7,448
Unobligated Balances, end-of-year	-$14,896	-$7,448	$0
Obligations, MSP	**$0**	**$7,448**	**$7,448**
Medicare Improvements for Patients and Providers Act (MIPPA) – Low Income Subsidy (LIS)			
Unobligated Balances, start-of-year	**$11,657**	**$11,618**	**$5,809**
Unobligated Balances, end-of-year	-$11,618	-$5,809	$0
Obligations, MIPPA – LIS	**$39**	**$5,809**	**$5,809**
State Children's Health Insurance Program (SCHIP)			
Unobligated Balances, start-of-year	**$2,031**	**$2,015**	**$1,008**
Unobligated Balances, end-of-year	-$2,015	-$1,008	$0
Obligations, SCHIP	**$16**	**$1,008**	**$1,008**
Medicare Access and CHIP Reauthorization Act (MACRA) [1]			
Unobligated Balances, start-of-year	**$48,908**	**$68,636**	**$27,000**
Expenditure Transfers from Trust Funds	$22,000	$27,000	$0
Unobligated Balances, end-of-year	-$68,636	-$60,583	-$20,462
Obligations, MACRA	**$2,272**	**$35,053**	**$6,538**

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

BUDGET AUTHORITY AND OUTLAYS

The LAE account is funded by the Social Security Trust Funds, the General Fund, the Medicare Trust Funds, and applicable user fees. Section 201(g) of the Social Security Act provides that SSA determine the share of administrative expenses that should have been borne by the appropriate trust funds for the administration of their respective programs and the General Fund for administration of the SSI program. SSA calculates the administrative costs attributable to each program using its Government Accountability Office approved cost analysis system. In FY 2009, SSA received additional funds from the General Fund of the Treasury, provided by the Recovery Act and the MIPPA. SSA also received $98 million funded incrementally from FY 2015 to FY 2018 for implementation costs associated with the MACRA provisions.

Table 3.11—Budget Authority and Outlays
(dollars in thousands)[1]

	FY 2017 Actual[2]	FY 2018 Estimate[3,4]	FY 2019 Estimate[5]
OASI and DI Trust Funds[6]	$5,641,465[7]	$5,378,690[8]	$5,270,700[9]
HI and SMI Trust Funds	$1,684,753	$1,673,312	$2,220,000
SSA Advisory Board	$2,300	$2,284	$2,300
SSI Administrative Expenses	$5,029,427	$5,058,700	$4,765,000
SSI State Supplement User Fees	$123,000	$122,165	$134,000
Non-Attorney Representative User Fees	$1,000	$993	$1,000
MIPPA – LIS	N/A	N/A	N/A
MACRA	$22,000	$27,000	N/A
Recovery Act	N/A	N/A	N/A
Total Budget Authority	**$12,503,945**	**$12,263,144**	**$12,393,000**
OASI and DI Trust Funds[10]	$5,338,800[11]	$5,696,200[12]	$5,471,600[13]
HI and SMI Trust Funds	$2,001,900	$1,775,700	$2,308,200
SSI Administrative Expenses	$4,736,000	$5,116,600	$4,912,100
SSI State Supplement User Fees	$122,213	$118,000[14]	$134,000
Non-Attorney Representative User Fees	$1,000	$993	$1,000
MIPPA – LIS	$39	$5,809	$5,809
MACRA	$1,412	$35,053	$6,538
Recovery Act – New NSC	$5,586	$15,482	$0
Total Administrative Outlays	**$12,206,950**	**$12,763,837**	**$12,839,247**

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[1] Totals may not add due to rounding.

[2] In FY 2017, our administrative costs were about 1.2 percent of the benefit payments we made.

[3] In FY 2018, our administrative costs are about 1.2 percent of the benefit payments we plan to pay.

[4] SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full-year CR, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, and it is included in our FY 2018 total obligations. SSA's overall LAE funding level in the President's Budget appendix (approximately $12.406 billion) uses different assumptions.

[5] In FY 2019, our administrative costs are about 1.2 percent of the benefit payments we plan to pay.

[6] Includes funding for administration of the Special Benefits for Certain World War II Veterans, which is funded through general revenues.

[7] The total includes $2,897,165 in DI and $2,744,300 in OASI costs.

[8] The total includes $2,644,544 in DI and $2,734,146 in OASI costs.

[9] The total includes $2,605,000 in DI and $2,665,700 in OASI costs.

[10] Includes funding for administration of the Special Benefits for Certain World War II Veterans, which is funded through general revenues.

[11] The total includes $2,661,400 in DI and $2,677,400 in OASI costs.

[12] The total includes $2,764,600 in DI and $2,931,600 in OASI costs.

[13] The total includes $2,696,600 in DI and $2,775,000 in OASI costs.

[14] Although SSA is authorized to collect up to $123 million in FY 2018 under the annualized continuing resolution, we estimate that we will collect only $118 million in SSI user fees. We will reconcile any shortfall from our LAE account.

PROGRAM INTEGRITY

The following table provides a consolidated account of the total funding required for CDRs and redeterminations for FY 2017 through FY 2019. More information is available in the Budget Process chapter of the Analytical Perspectives.

Table 3.12—Program Integrity
(dollars in millions)

	FY 2017 Actual[1]	FY 2018 Estimate[2]	FY 2019 Estimate
Full Medical CDRs Completed	874,411	890,000	703,000
SSI Non-Medical Redeterminations Completed	2,589,638	2,900,000	2,822,000
Funding			
Unobligated Balance, start-of-year[3]	$0	$195	$403
Dedicated Program Integrity Funding[4]	$1,819	$1,735	$1,683
Subtotal PI Resources	**$1,819**	**$1,930**	**$2,086**
Unobligated Balance, end-of-year[4]	-$195	-$403	-$390
Total Obligations, PI	**$1,624**	**$1,527**	**$1,696**[5]

[1] FY 2017 actual completed figures represent the total volume processed of Full Medical CDRs and SSI Redeterminations in FY 2017. FY 2017 actual funding and costs represent the combined costs of CDRs, SSI Redeterminations, Cooperative Disability Investigations (CDI) Units, and the Special Assistant United States Attorneys in FY 2017, including $1.624 billion in the base and cap adjustment and $195 million unobligated funds carried over into FY 2018.

[2] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. Please note that the funding level displayed here represents the amount authorized in the Bipartisan Budget Act of 2015 (P.L. 114-74) for FY 2018 and is lower than the $1.819 billion provided by the annualized funding level provided by the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended).

[3] The Consolidated Appropriations Act, 2017 (P.L. 115-31) extended the availability of the FY 2017 Program Integrity funding through March 31, 2018. FY 2018 and FY 2019 assume that SSA will continue to receive the extended availability in the Program Integrity funding language.

[4] Dedicated Program Integrity Funding represents the authorized level that was provided in the Bipartisan Budget Act of 2015 (P.L. 114-74).

[5] Beginning in FY 2019, SSA will expand how the agency charges medical CDRs to the dedicated Program Integrity fund to encompass the full suite of workloads related to the medical CDR process, as reflected in the annual CDR report to Congress. In addition, SSA will reimburse SSA's Inspector General (OIG) up to $10 million for the OIG team leaders of all the CDI units from cap adjustment funds. This important anti-fraud activity is an approved use of the cap adjustment.

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

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

	FY 2017 Total PI Obligations[1]	FY 2018 Total PI Obligations[2]	FY 2019 Total PI Obligations[3]
OASI	$165,156	$0	$0
DI	$263,695	$315,000	$378,000
SSI	$1,037,547	$1,212,000	$1,318,000
HI	$67,365	$0	$0
SMI	$76,640	$0	$0
Medicare Part D	$14,065	$0	$0
Total PI Obligations[4]	**$1,624,468**	**$1,527,000**	**$1,696,000**

KEY ASSUMPTIONS

The agency budget has been formulated to address our growing public service demands as well as an array of priorities for our programs. We continue to do everything we can to reduce our operating costs and work toward administering our programs efficiently.

The budget address the following key areas:

- Disability appeals (hearings) and Processing Center backlogs;
- Implementing our Information Technology Modernization plan;
- Providing the resources necessary to address cybersecurity needs and threats
- Administering our complex disability process, see Social Security Disability;
- Demand for services resulting from increases in our beneficiary populations, largely due to the aging population, see Social Security Beneficiary Statistics;
- Combatting waste, fraud and abuse across our programs;
- Reducing improper payments and completing cost-effective program integrity work, see Social Security Improper Payments;
- Improving organizational effectiveness, reducing costs, identifying efficiencies and streamlining business processes;

[1] Represents the full cost of completing Continuing Disability Reviews and SSI Redeterminations as authorized by the Bipartisan Budget Act of 2015 (P.L. 114-74). Continuing Disability Review (CDR) costs include the cost of processing Medical and Work CDRs and excludes the cost of Medical CDR appeals, which are different than the costs reported in the CDR Report to Congress. Also includes the SSA costs of Cooperative Disability Investigations units and the Special Assistant United States Attorneys. For a description of anti-fraud activities, please see the Budget Overview.
[2] In budget formulation, workload costs are projected for DI and SSI spending but not for OASI, HI, SMI, or Medicare Part D. These costs will be reported with the actuals.
[3] Beginning in FY 2019, SSA will expand how the agency charges medical CDRs to the dedicated Program Integrity fund to encompass the full suite of workloads related to the medical CDR process, as reflected in the annual CDR report to Congress. In addition, SSA will reimburse SSA's Inspector General (OIG) up to $10 million for the OIG team leaders of all the CDI units from cap adjustment funds. This important anti-fraud activity is an approved use of the cap adjustment.
[4] Numbers may not add due to rounding.

- Expanding our service delivery channels; and
- Improving workforce performance and increasing accountability.

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

ANALYSIS OF CHANGES

The FY 2019 request for the LAE account represents a $151 million increase over the FY 2018 level. The following tables provide a summary of the changes from the FY 2018 level to the FY 2019 President's Budget.

Table 3.14—Summary of Changes from FY 2018 to FY 2019
(dollars in thousands)[1,2]

	FY 2018 Estimate[1]	FY 2019 Estimate	FY18 to FY19 Change
Total LAE	**$12,730,643**	**$12,892,648**	**$162,005**
Appropriation	$12,236,144	$12,393,000	**$156,856**
Amounts Available From Prior Year Unobligated Balances	$494,499[3]	$499,648[3]	**$5,149**
Obligations, LAE	**$12,276,831**	**$12,456,000**	**$179,169**
Unobligated Balance, end-of-year	$453,812	$436,648	**- $17,164**
MIPPA - LIS Obligations	**$5,809**	**$5,809**	**$0**
MIPPA – MSP	**$7,448**	**$7,448**	**$0**
SCHIP Obligations	**$1,008**	**$1,008**	**$0**
MACRA[4]	**$35,053**	**$6,538**	**- $28,515**
Obligations, Total	**$12,326,148**	**$12,476,802**	**$150,654**

[1] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures assume funding at the annualized funding level provided in the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56). SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full year CR, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, and it is included in our FY 2018 total obligations.
[2] Totals do not include reimbursables and may not add due to rounding.
[3] Amounts available from prior year unobligated balances include dedicated program integrity funding of $195M in FY 2018 and $403M in FY 2019 to be expended in line with the 18-month authority provided by P.L. 115-31 – Consolidated Appropriations Act, 2017. The Budget assumes appropriations language for 2018 and 2019 will provide for similar 18-month authority to obligate dedicated program integrity funds.
[4] Congress appropriated SSA $98 million to fund the implementation costs to comply with the provisions of the Medicare Access and CHIP Reauthorization Act of 2015. SSA will receive the funding incrementally. The available funding amount for each fiscal year is as follows: FY 2015 - $27 million (available through FY 2018); FY 2016 - $22 million (available through FY 2018); FY 2017 - $22 million (available through FY 2018); and FY 2018 - $27 million (available until expended).

Table 3.15—Explanation of LAE Budget Changes from FY 2018 to FY 2019
(dollars in thousands)[1,2]

	FY 2018		Change from FY 2018	
	Federal WYs	**Obligations (thousands)**	**Federal WYs**	**Obligations (thousands)**
BUILT-IN INCREASES – 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 program or policy changes. Most agency operational costs are captured in this category as payroll costs.				
A. **Payroll Expenses**	61,998	$6,797,299		$242,229
Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System				$190,141
Three-month effect of Federal pay increase effective January 2018 - 1.9%				$28,178
Increase due to additional paid day				$23,910
B. **Non-Payroll Costs** - Mandatory growth in non-payroll costs, including higher costs of rent, lease renewals, security, and guard services		$1,957,917		$21,240
C. **State Disability Determination Services** - Mandatory growth in state DDS costs, including pay raises and the cost of medical evidence		$2,197,000		$48,295
Subtotal, Built-In Increases				**+ $311,763**

[1] SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full year CR, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, included in our FY 2018 total obligations.

[2] Totals may not add due to rounding.

	FY 2018		Change from FY 2018	
	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)
PROGRAM CHANGES – Program changes are year-over-year cost increases or decreases not captured in the section above. These are often products of changes in agency priorities, policy decisions, or dedicated funding.				
PROGRAM INCREASES				
A. **Disability Determination Services**				
Costs for Reinstating Reconsideration		$15,000		$45,000[1]
B. **Non-Payroll Costs**		$124,163		$17,680
C. **Information Technology (IT)**		$842,600		$149,400
Base IT				$77,900
Unified Communications Platform				$71,500
D. **IT Modernization**		$90,000		$40,000[2]
IT Modernization - Staff Costs	336	$50,000	-	$0
IT Modernization - ITS Costs		$40,000		$40,000
E. **OIG Program Integrity Activities**				$10,000
Subtotal, Program Increases			-	**+$262,080**
Total Increases			-	**+$573,844**
PROGRAM DECREASES				
A. **Payroll Decreases**				- $185,945
Net Decrease in SSA WYs			- 1,300	- $147,528
Dedicated Funding to Address the Hearings Backlog[3]	328	$38,418	- 328	- $38,418
B. **Disability Determination Services**				

[1] Total planned FY 2019 obligations for Reinstating Reconsideration in FY 2019 is $60 million.

[2] The total FY 2018 cost associated with IT Modernization is $122 million, which includes $70 million in ITS costs ($30 million using FY 2017 funds and $40 million using FY 2018 funds). The total FY 2019 cost associated with IT Modernization is $132 million, which includes $80 million in ITS. The net change in ITS spending from FY 2018 to FY 2019 is $40 million.

[3] Public Law 115-31 - Consolidated Appropriations Act, 2017 included $90 million in dedicated funding to address the hearings backlog. FY 2017 actual obligations were $38.3 million and planned FY 2018 obligations are $51.7 million.

	FY 2018		Change from FY 2018	
	Federal WYs	Obligations (thousands)	Federal WYs	Obligations (thousands)
Net Decrease in State Disability Determination Services				- $44,295
C. **Non-Payroll Dedicated Funding to Address the Hearings Backlog**[1]		$13,236		- $13,236
F. **Other Obligations Funded from Other Prior-Year Unobligated Balances**[2]		$174,664		- $124,664
Total Decreases			**- 1,628**	**- $368,141**

OTHER OBLIGATIONS – Other Obligations represent changes in year-over-year costs for non-LAE buckets of funding. For example, Altmeyer funding is assumed to be fully expended in FY 2018, while MACRA spending is projected to decrease from FY 2018 to 2019.

A. **Medicare Improvement for Patient and Providers Act (MIPPA) - Low Income Subsidy (LIS)**		$5,809		$0
B. **Medicare Improvement for Patient and Providers Act (MIPPA) - Medicare Savings Program (MSP)**		$7,448		$0
C. **State Children's Health Insurance Program (SCHIP)**		$1,008		$0
D. **Altmeyer**		$26,533		- $26,533
E. **Medicare Access & CHIP Reauthorization Act (MACRA)**[3]	348	$35,053	- 285	- $28,515
Total Other Obligations			**- 285**	**- $55,048**
Total Obligations, Net Change	**63,010**	**$12,326,147**	**- 1,913**	**+$150,654**
			Total	**$12,476,802**

1 Public Law 115-31 - Consolidated Appropriations Act, 2017 included $90 million in dedicated funding to address the hearings backlog. FY 2017 actual obligations were $38.3 million and planned FY 2018 obligations are $51.7 million.

2 Planned obligations for Information Technology also include obligations funded from prior-year unobligated balances in the amounts of ~$175 million in FY 2018 and $50 million in FY 2019.

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

BUDGETARY RESOURCES BY OBJECT

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

	FY 2018	FY 2019[6]	Change
Personnel Compensation			
Permanent positions	$4,939,544	$4,965,564	$26,020
Positions other than permanent	$74,872	$76,062	$1,190
Other personnel compensation	$159,396	$74,097	- $85,299
Special personal service payments	$193	$198	$ 5
Subtotal, personnel compensation	$5,174,005	$5,115,921	- $58,084
Personnel Benefits	$1,761,029	$1,846,881	$85,852
Travel and transportation of persons	$12,392	$12,374	- $18
Transportation of things	$4,024	$4,018	- $6
Rent, communications, and utilities			
Rental payments to GSA	$712,709	$717,891	$5,183
Rental payments to others	$0	$575	$575
Communications, utilities, misc.	$499,612	$518,733	$19,121
Printing and reproduction	$23,676	$23,592	- $84
Other services (DDS, guards, etc.)	$3,790,527	$3,878,922	$88,394
Supplies and materials	$24,286	$24,252	- $34
Equipment	$187,121	$197,270	$10,149
Land and structures	$90,846	$90,519	- $327
Grants, subsidies and contributions	$18,188	$18,161	- $26
Insurance claims and indemnities	$27,733	$27,693	- $40
Interest and dividends	$0	$0	$0
Total Obligations	**$12,326,147.306**	**$12,476,801.732**	$150,654
Resources not being obligated in the current year (carrying over or lapsing)	$524,495	$457,111	- $67,385
Total Budgetary Resources	**$12,850,643**	**$12,933,912**	$83,270
Payments to State DDS (funded from other services and Communications, utilities, and misc.)	$2,212,000	$2,261,000	$49,000

[1] Totals do not include reimbursables and may not add due to rounding.
[2] The obligations include the base LAE appropriation, LIS, SCHIP, NSC, MACRA, the Altmeyer Renovation, and dedicated funding to address the hearings backlog. Total budgetary resources in the table reflect FY 2018 and FY 2019 projections of spending by object class. Resources are not managed at the object class level and SSA has the flexibility within the LAE account to modify projected spending during the budget execution process.
[3] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures assume funding at the annualized funding level provided in the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended).
[4] SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full-year CR, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, and it is included in our FY 2018 total obligations. SSA's overall LAE funding level in the President's Budget appendix (approximately $12.406 billion) uses different assumptions.
[5] As required by the FY 2017 Omnibus General Provision 524, the Office of Communications estimates $4 million of FY 2018 funds to be obligated for advertising.
[6] Includes $10 million in Program Integrity funds that SSA may transfer to SSA's Inspector General (OIG) to fund CDI unit team leaders. CDI unit operations are an approved use of the cap adjustment.

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

Table 3.17— FY 2017 Physical Infrastructure Costs by Component
(dollars in thousands)[1]

Components	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities[2]	Operations & Maintenance of Equipment	Total Physical Infrastructure
	LAE One Year				
Office of Operations	$511,980	$29,165	$170,983	$21	$712,148
Office of Systems	$0	$1	$0	$0	$1
Office of Disability Adjudication and Review	$110,993	$4,041	$40,406	$18	$155,458
Office of Human Resources	$0	$4	$208	$1	$213
Office of Retirement and Disability Policy	$0	$12	$14	$0	$26
Office of Communications	$0	$0	$7	$0	$7
Office of the Chief Strategic Officer[3]	$0	$1	$0	$0	$1
Office of Budget, Finance, Quality and Management	$4,662	$172	$544	$0	$5,378
Office of Budget, Finance, Quality and Management – Agency Level	$75,512	$143,534	$88,744	$293	$308,082
Office of the General Counsel	$2,135	$23	$256	$2	$2,416
Disability Determination Services	$0	$32,675	$183	$0	$32,858
Information Technology Systems	$0	$184,125	$0	$766,409	$950,534
Social Security Advisory Board	$278	$2	$7	$7	$293
Subtotal LAE One Year	$705,559	$393,755	$301,352	$766,751	$2,167,417
	LAE No Year				
Delegated Buildings	$0	$21,443	$22,863	$0	$44,306
Information Technology Systems	$0	$80,240	$0	$0	$80,240
National Security Center	$0	$61	$0	$2,994	$3,056
Subtotal LAE No Year	$0	$101,745	$22,863	$2,994	$127,602
	LAE Multi Year				
MACRA	$0	$0	$0	$1,009	$1,009
ODAR Anomaly	$0	$0	$220	$8,248	$8,468
Subtotal LAE Multi Year	$0	$0	$220	$9,257	$9,477
Grand Total	$705,559	$495,499	$324,435	$779,002	$2,304,495

[1] Totals may not add due to rounding.
[2] Includes guard services.
[3] OCSO was realigned with BFQM in May 2017.

Table 3.18 – FY 2018 Estimated Physical Infrastructure Costs by Component
(dollars in thousands)[1,2]

Components	LAE One Year				
	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	Total
Office of Operations	$517,168	$34,497	$147,630	$16	$699,311
Office of Systems[3]	$0	$1	$0	$0	$1
Office of Hearings Operations	$112,118	$4,780	$34,887	$14	$151,799
Office of Human Resources	$0	$5	$180	$1	$185
Office of Retirement and Disability Policy	$0	$14	$12	$0	$26
Office of Communications	$0	$0	$6	$0	$6
Office of Budget, Finance, and Management	$4,709	$203	$470	$0	$5,382
DCBFM - Agency Level	$76,277	$169,775	$76,623	$228	$322,904
Office of the General Counsel	$2,157	$27	$221	$2	$2,406
Disability Determination Services	$0	$38,649	$158	$0	$38,807
Information Technology Systems	$0	$217,787	$0	$597,285	$815,072
Social Security Advisory Board	$281	$2	$6	$5	$295
Subtotal LAE One Year	**$712,709**	**$465,742**	**$260,193**	**$597,552**	**$2,036,195**
			LAE No Year		
Delegated Buildings	$0	$0	$0	$0	$0
Information Technology Systems[3]	$0	$33,870	$0	$107,399	$141,269
Subtotal LAE No Year	**$0**	**$33,870**	**$0**	**$107,399**	**$141,269**
			LAE Multi Year		
Hearings Backlog Anomaly	$0	$0	$0	$9,104	$9,104
Subtotal LAE Multi Year	**$0**	**$0**	**$0**	**$9,104**	**$9,104**
Grand Total	**$712,709**	**$499,612**	**$260,193**	**$714,055**	**$2,186,568**

[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.

Table 3.19 – FY 2019 Estimated Physical Infrastructure Costs by Component
(dollars in thousands)[1,2]

Components	Rental Payments to GSA	Communications, Utilities & Misc. Charges	Operations & Maintenance of Facilities	Operations & Maintenance of Equipment	Total
	LAE One Year				
Office of Operations	$520,929	$37,701	$153,826	$20	$712,475
Office of Systems[3]	$0	$1	$0	$0	$1
Office of Hearings Operations	$112,933	$5,224	$36,351	$17	$154,525
Office of Human Resources	$0	$5	$187	$1	$193
Office of Retirement and Disability Policy	$0	$16	$13	$0	$28
Office of Communications	$0	$0	$6	$0	$6
Office of Budget, Finance, and Management	$4,743	$222	$489	$0	$5,455
DCBFM - Agency Level	$76,832	$185,542	$79,839	$272	$342,485
Office of the General Counsel	$2,172	$30	$230	$2	$2,434
Disability Determination Services	$0	$42,238	$165	$0	$42,402
Information Technology Systems	$0	$238,012	$0	$712,556	$950,568
Social Security Advisory Board	$283	$3	$6	$7	$298
Subtotal LAE One Year	**$717,891**	**$508,994**	**$271,112**	**$712,874**	**$2,210,871**
	LAE No Year				
Delegated Buildings	$0	$0	$0	$0	$0
Information Technology Systems[3]	$0	$9,739	$0	$30,715	$40,454
Subtotal LAE No Year	**$0**	**$9,739**	**$0**	**$30,715**	**$40,454**
	LAE Multi Year				
Hearings Backlog Anomaly	$0	$0	$0	$0	$0
Subtotal LAE Multi Year	**$0**	**$0**	**$0**	**$0**	**$0**
Grand Total	**$717,891**	**$518,733**	**$271,112**	**$743,589**	**$2,251,326**

[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.

Table 3.20 — FY 2017 Physical Infrastructure Costs by Region
(dollars in thousands)[1]

Regions	LAE One Year, Multi Year, and No Year				
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities[2]	Operations & Maintenance of Equipment	Total Physical Infrastructure
Boston	$26,366	$2,095	$11,062	$4	$39,528
New York	$81,431	$6,265	$34,722	$15	$122,432
Philadelphia	$54,310	$5,058	$36,131	$16	$95,515
Atlanta	$118,755	$12,339	$37,366	$13	$168,474
Chicago	$93,575	$9,976	$37,639	$14	$141,204
Dallas	$66,444	$5,401	$9,440	$11	$81,295
Kansas City	$29,917	$3,203	$5,815	$4	$38,939
Denver	$14,262	$1,376	$7,719	$1	$23,359
San Francisco	$100,637	$7,971	$39,576	$15	$148,199
Seattle	$24,929	$1,597	$6,287	$3	$32,817
Headquarters[3]	$94,933	$440,218	$98,677	$778,906	$1,412,734
Total	**$705,559**	**$495,499**	**$324,435**	**$779,002**	**$2,304,495**

Table 3.21 — FY 2018 Estimated Physical Infrastructure Costs by Region
(dollars in thousands)[1]

Regions	LAE One Year, Multi Year, and No Year				
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities[2]	Operations & Maintenance of Equipment	Total Physical Infrastructure
Boston	$26,633	$2,112	$8,872	$4	$37,621
New York	$82,256	$6,317	$27,847	$14	$116,434
Philadelphia	$54,860	$5,100	$28,977	$15	$88,952
Atlanta	$119,958	$12,441	$29,967	$12	$162,379
Chicago	$94,523	$10,059	$30,186	$13	$134,781
Dallas	$67,117	$5,446	$7,571	$10	$80,144
Kansas City	$30,220	$3,230	$4,664	$4	$38,117
Denver	$14,407	$1,387	$6,191	$1	$21,985

[1] Totals may not add due to rounding.
[2] Includes guard services.
[3] Includes DDS, SSAB, ITS, NSC, and Delegated Buildings.

Regions	LAE One Year, Multi Year, and No Year				
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities[2]	Operations & Maintenance of Equipment	Total Physical Infrastructure
San Francisco	$101,657	$8,037	$31,739	$14	$141,447
Seattle	$25,182	$1,610	$5,042	$3	$31,837
Headquarters[3]	$95,895	$443,872	$79,138	$713,967	$1,332,872
Total	**$712,709**	**$499,612**	**$260,193**	**$714,055**	**$2,186,568**

Table 3.22 — FY 2019 Estimated Physical Infrastructure Costs by Region (dollars in thousands)[1]

Regions	LAE One Year, Multi Year, and No Year				
	Rental Payment to GSA	Communications Utilities & Misc. Charges	Operations & Maintenance of Facilities[2]	Operations & Maintenance of Equipment	Total Physical Infrastructure
Boston	$26,827	$2,193	$9,244	$4	$38,268
New York	$82,854	$6,559	$29,015	$14	$118,443
Philadelphia	$55,259	$5,295	$30,193	$15	$90,762
Atlanta	$120,831	$12,918	$31,225	$12	$164,985
Chicago	$95,211	$10,444	$31,453	$13	$137,121
Dallas	$67,605	$5,654	$7,888	$10	$81,159
Kansas City	$30,440	$3,353	$4,859	$4	$38,656
Denver	$14,511	$1,441	$6,450	$1	$22,403
San Francisco	$102,396	$8,345	$33,071	$14	$143,827
Seattle	$25,365	$1,672	$5,254	$3	$32,293
Headquarters[3]	$96,592	$460,860	$82,459	$743,497	$1,383,408
Total	**$717,891**	**$518,733**	**$271,112**	**$743,589**	**$2,251,326**

[1] Totals may not add due to rounding.
[2] Includes guard services.
[3] Includes DDS, SSAB, ITS, NSC, and Delegated Buildings.

BACKGROUND

AUTHORIZING LEGISLATION

The LAE account is authorized by section 201(g) of the Social Security Act. The authorization language makes available for expenditure, out of any or all of the Trust Funds, such amounts as Congress deems appropriate for administering Title II, Title VIII, Title XVI, and Title XVIII of the Social Security Act for which SSA is responsible and Title XVIII of the Act for which the Secretary of the Department of Health and Human Services is responsible.

Table 3.23—Authorizing Legislation
(dollars in thousands)

	2017 Amount Authorized	2017 Actual[1]	2018 Amount Authorized	2018 Estimate[2]	2019 Amount Authorized	2019 Estimate[3]
Title II, Section 201(g)(1) of the Social Security Act	Indefinite	$12,481,945	Indefinite	$12,236,144	Indefinite	$12,393,000

[1] The FY 2017 appropriation included $90 million in available funding through September 30, 2018 for activities to address the hearing backlog within the Office of Hearings Operations (formerly the Office of Disability Adjudication and Review), $1,819 million in dedicated funding for program integrity to remain available until March 31, 2018, $123 million for SSI State Supplement user fees, and up to $1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[2] The FY 2018 column does not include $174 million that is in the President's Budget appendix. SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full-year CR, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, and it is included in our FY 2018 total obligations. SSA's overall LAE funding level in the President's Budget appendix (approximately $12.406 billion) uses different assumptions. The FY 2018 estimate detailed here includes $1,735 million in dedicated funding for program integrity to remain available until March 31, 2019, $122.2 million for SSI State Supplement user fees, and up to $993,209 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Although SSA is authorized to collect up to $123 million in FY 2018 under the annualized continuing resolution, we estimate that we will collect only $118 million in SSI user fees. We will reconcile any shortfall from our LAE account.

[3] The FY 2019 request includes $1,683 million in dedicated funding for program integrity to remain available until March 31, 2020, $134 million for SSI State Supplement user fees, and up to $1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Beginning in FY 2019, SSA may transfer up to $10 million from Program Integrity cap adjustment funds to SSA's Inspector General (OIG) to fund CDI unit team leaders. CDI unit operations are an approved use of the cap adjustment.

APPROPRIATION HISTORY

The table below includes the amount requested by the President, passed by the House and Senate Committees on Appropriations, and ultimately appropriated for the LAE account, including any rescissions and supplemental appropriations, for the last 10 years. The annual appropriation includes amounts authorized from SSI State Supplement user fees and, beginning in FY 2009, non-attorney representative user fees.

Table 3.24—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2009	$10,327,000,000 [1]	- - - [2]	$10,377,000,000 [3]	**$10,453,500,000** [4]
MIPPA – Low Income Subsidy[5]				$24,800,000
Recovery Act[6]				$1,090,000,000
2010	$11,451,000,000 [7]	$11,446,500,000 [8]	$11,446,500,000 [9]	$11,446,500,000 [10]
Rescission[11]				-$47,000,000
2011	$12,378,863,280 [12]	- - - [13]	$12,377,000,000[14]	$11,446,500,000 [15]
Rescission[16]				-$22,893,000
Final				**$11,423,607,000**
2012	$12,522,000,000 [17]	- - - [18]	$11,632,448,000[19]	$11,474,978,000 [20]
Rescission[21]				$21,688,000
Final				**$11,453,290,000** [22]
2013	$11,760,000,000 [23]	- - - [24]	$11,736,044,000[25]	$11,453,290,000 [26]
Rescission				-$21,394,476 [27]
Sequestration				-$386,329,494 [28]
Final				**$11,045,566,321** [29]
2014	$12,296,846,000	- - - [30]	$11,697,040,000 [31]	**$11,697,040,000** [32]
LAE	$11,069,846,000 [33]			
PIAE	$1,227,000,000 [34]			
2015	$12,024,000,000 [35]	- - - [36]	- - - [37]	**$11,805,945,000** [38]
2016	$12,513,000,000 [39]	$11,817,945,000 [46]	$11,620,945,000 [47]	**$12,161,945,000** [48]
2017	$13,067,000,000 [49]	$11,898,945,000 [50]	$12,481,945,000 [51]	**$12,481,945,000** [52]
2018	$12,457,000,000 [53]	$12,392,945,000 [54]	$11,992,945,000 [55]	- - - [56]
2019	$12,393,000,000 [57]			

[1] Total includes $504,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $264,000,000 in base funding and $240,000,000 in additional funds. Includes up to $145,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

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

[3] S. 3230.

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

[5] From the General Fund of the Treasury, the Medicare Improvements for Patients and Providers Act (MIPPA) (P.L. 110-275) provides $24,800,000 for activities related to the implementation of changes to the Low-Income Subsidy program. The MIPPA total does not include $24,100,000 for Medicare Savings Program outreach and transmittal of data to states. Also not included is the Children's Health Insurance Program Reauthorization Act (P.L. 111-3), which appropriated to SSA $5,000,000 to provide states the option to verify citizenship or nationality for the purposes of determining Medicaid or Children's Health Insurance Program eligibility.

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

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

[8] H.R. 3293.

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

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

[11] $47,000,000 of Recovery Act Economic Recovery Payment administration funds rescinded by section 318 of P.L. 111-226.

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

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

[14] S. 3686.

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

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

[17] Total includes $938,000,000 in funding designated for SSI redeterminations and continuing disability reviews –

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

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

[19] S. 1599.

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

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

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

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

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

[25] S. 3295.

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

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

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

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

[30] 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.

[31] S. 3533.

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

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

[34] 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.

[35] Total includes $1,396,000,000 in dedicated funding designated for SSI redeterminations and continuing disability

reviews – $273,000,000 in base funding and $1,123,000,000 in funds outside the discretionary caps as authorized by the BCA, as well as $131,000,000 from LAE to assist in program integrity work. Includes up to $124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

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

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

[38] Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). Total includes $1,396,000,000 for continuing disability reviews and SSI redeterminations. Includes up to $124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[39] Total includes $1,439,000,000 in dedicated funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $1,166,000,000 in funds outside the discretionary caps as authorized by the BCA. Includes up to $136,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[46] H.R. 3020.

[47] S.1695.

[48] Consolidated Appropriations Act, 2016 (P.L. 114-113). Total includes $1,426,000,000 for continuing disability reviews and SSI redeterminations. Includes up to $124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

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

[50] H.R. 5926.

[51] S. 3040.

[52] 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 hearing 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 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).

[53] The FY 2018 request includes $1,735,000,000 in dedicated funding for program integrity - $273,000,000 in base funding and $1,462,000,000 in funds outside the discretionary caps as authorized by the BBA. Includes up to $118,000,000 for SSI State Supplement user fees, and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[54] H.R.3358

[55] S. 1771

[56] The FY 2018 column does not include $174 million that is in the President's Budget appendix. SSA's overall LAE funding level in FY 2018 of $12,236,144,131 assumes the enactment of a full-year CR, including the FY 2018 authorized level of $1,735,000,000 in program integrity funding, an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, and it is included in our FY 2018 total obligations. SSA's overall LAE funding level in the President's Budget appendix (approximately $12.406 billion) uses different assumptions. The FY 2018 estimate assumed in this document includes $1,735,000,000 in dedicated funding for

program integrity- $273,000,000 in base funding and $1,462,000,000 in funds outside the discretionary caps as authorized by the BBA to remain available until March 31, 2019. Includes $122,164,707 for SSI State Supplement user fees, and up to $993,209 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Although SSA is authorized to collect up to $123,000,000 in FY 2018 under the annualized continuing resolution, we estimate that we will collect only $118,000,000 in SSI user fees. We will reconcile any shortfall from our LAE account.

[57] The FY 2019 request includes $1,683,000,000 in dedicated funding for program integrity - $273,000,000 in base funding and $1,410,000,000 in funds outside the discretionary caps as authorized by the BBA to remain available until March 31, 2020. Beginning in FY 2019, SSA may transfer up to $10 million from Program Integrity cap adjustment funds to SSA's Inspector General (OIG) to fund CDI unit team leaders. CDI unit operations are an approved use of the cap adjustment. 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).

ADDITIONAL BUDGET DETAIL

SIZE AND SCOPE OF SSA'S PROGRAMS

SSA's administrative budget is driven by the programs we administer—both in terms of the amount of work performed and the number of people needed to process it—and by our continuing efforts to improve service, stewardship, and efficiency.

Between the three major programs SSA administers—OASI, DI, and SSI—Federal benefit payment outlays totaled $988.5 billion in FY 2017; under current law, Federal benefit payment outlays are expected to increase to over $1 trillion in FY 2018 and nearly $1.1 trillion in FY 2019. At less than 1.3 percent of total benefit payment outlays, SSA's administrative expenses[1] continue to be a small fraction of overall program spending, demonstrating our cost-conscious approach to managing its resources.

Table 3.25—Federal Benefit Outlays
(dollars in billions)[2,3]

	FY 2017 Actuals	FY 2018 Estimate	FY 2019 Estimate
Old-Age and Survivors Insurance	$791.1	$836.1	$892.0
Disability Insurance	$142.8	$144.8	$149.0
Supplemental Security Income	$54.6	$50.8	$56.2
Total Outlays	**$988.5**	**$1,031.6**	**$1,097.2**

Paralleling the growth in benefit payment outlays, the number of Federal beneficiaries of the three major programs SSA administers is expected to increase from 66.7 million in FY 2017 to 68 million in FY 2018 and 69.6 million in FY 2019.

Table 3.26—Beneficiaries
(average in payment status, in millions)[4,5,6]

	FY 2017	FY 2018	FY 2019
Old-Age and Survivors Insurance	50.6	52.1	53.7
Disability Insurance	10.6	10.5	10.4
Supplemental Security Income	8.1	8.0	8.0
Concurrent Recipients[7]	-2.6	-2.6	-2.6
Total Beneficiaries	**66.7**	**68.0**	**69.6**

[1] SSA's calculation of discretionary administrative expenses excludes Treasury administrative expenses, which are mandatory outlays.
[2] Totals may not add due to rounding.
[3] Totals do not include payments to recipients of Special Benefits for World War II Veterans.
[4] Totals do not include recipients of Special Benefits for World War II Veterans.
[5] Does not include recipients receiving a Federally Administered State supplementary payment only.
[6] Totals may not add due to rounding.
[7] Recipients receiving both DI and SSI benefits.

FULL TIME EQUIVALENTS AND WORKYEARS

The following table summarizes the LAE Federal and State workyears requested for FY 2019.

Table 3.27—SSA Supported Federal and State Workyears[1,2,3,4]

	FY 2017 Actual	FY 2018[5] Estimate	FY 2019 Estimate
Federal Full-Time Equivalents (FTEs)	60,877	61,014	60,036
Federal Overtime/Lump Sum Leave	2,558	1,648	998
Total SSA Workyears (excludes OIG)	**63,435**	**62,662**	**61,034**
Total State DDS Workyears	14,522	13,721	13,680
Total SSA/DDS Workyears (excludes OIG)	**77,957**	**76,383**	**74,714**

SOCIAL SECURITY ADVISORY BOARD

This Budget includes $2.3 million for the Social Security Advisory Board in FY 2019. The *Social Security Independence and Program Improvements Act of 1994* mandated the creation of a bipartisan, seven-member advisory board to advise the President, the Congress, and the Commissioner of Social Security and to make recommendations on policies and regulations relating to SSA's major programs: OASDI and SSI.

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

[1] SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full-year CR, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, included in our FY 2018 total obligations.

[2] Excludes 8 workyears in FY 2017, 348 workyears in FY 2018 and 63 workyears in FY 2019 funded by the Medicare Access and CHIP Reauthorization Act of 2015.

[3] Excludes workyears associated with the Children's Health Insurance Program (CHIP) Reauthorization Act of 2009 and the Medicare Savings Plan.

[4] Includes 268 workyears in FY 2017 and 328 workyears in FY 2018 Dedicated Funding to Address the Hearings Backlog available through September 30, 2018 as provided by PL 115-31 – Consolidated Appropriations Act, 2017.

[5] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures assume funding at the annualized funding level provided in the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended).

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

The Board is required by law to meet at least four times per year and currently holds 2-day meetings every other month supplemented with field visits and monthly 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 2017 Actual	FY 2018 Estimate[1]	FY 2019 Request
Salaries	$1,241,300	$1,474,858	$1,485,424
Benefits	$349,900	$347,055	$349,576
Subtotal, Compensation	**$1,591,200**	**$1,821,913**	**$1,835,000**
Travel	$66,442	$74,490	$100,000
Rent, Communications, Utilities	$283,269	$188,710	$150,000
Printing & Reproduction	$2,839	$2,980	$4,000
Consultants & Contracts	$121,599	$171,458	$190,000
Equipment	$10,709	$9,932	$6,000
Supplies	$23,531	$14,898	$15,000
Total, All Objects	**$2,099,589**	**$2,284,381**	**$2,300,000**
Staffing Levels			
Full-time, Permanent Staff	9	8	8
Part-time, and other Special Government Employees Temporary Staff	1	1	1
Board Members	6	7	7

Note: Totals may not add due to rounding.

[1] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures assume funding at the annualized funding level provided in the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The CR estimate for Advisory Board reflects an across the board cut of .6791% of the FY 2017 enacted levels.

INFORMATION TECHNOLOGY SYSTEMS (ITS) FUND TABLES

Table 3.28 — LAE Expired Balances & No-Year IT Account
(in thousands)

LAE Expired Accounts	Amounts
LAE unobligated balance from FY 2013-2016	$176,800
LAE unobligated balance available from FY 2017	$46,500
Total LAE unobligated balance from FY 2013-2017	$223,300[1]
Amounts projected for prior year adjustments	-$171,500[2]
Total LAE unobligated balance available for transfer from FY 2013-2017	**$51,800**
No-Year ITS Account	
Carryover from funds transferred in FY 2016 for FY 2017	$51,852
Carryover from FY 2016 (Unobligated Balances)	$1,003
Total carryover from FY 2016 to FY 2017	$52,855
Funds transferred in FY 2017 for FY 2017	$139,626
Total FY 2017 no-year ITS funding available	$192,481
FY 2017 Obligations	-$80,241
Recoveries in FY 2017	$0
Total carryover into FY 2018	**$112,240**
Funds available for transfer in FY 2018 for FY 2018	$51,800
Total FY 2018 no-year ITS funding available	**$164,040**

INFORMATION TECHNOLOGY

The fiscal year (FY) 2019 Information Technology Systems (ITS) budget provides resources for the acquisition and maintenance of automated data processing (ADP) and telecommunications hardware and software, as well as ADP support services and related contractual services. The

[1] Reflects adjustments to the unobligated balances for these years. Balances as of 9/30/2017.
[2] It is essential that these funds remain in the expired LAE accounts (FY 2013-2017) to cover potential upward adjustments. Otherwise, SSA could face an anti-deficiency violation.

budget provides for the technology to support the ongoing computer and telecommunications operations, as well as support for agency initiatives. The Chief Information Officer (CIO) reviews all information technology (IT) spending to ensure it includes only those projects and activities that are most critical for the agency's operations and/or have the highest payback. Two critical components of this year's budget submission are continuing and improving our aggressive cybersecurity program and beginning execution of our comprehensive multi-year IT Modernization initiative.

The table below reflects the total ITS Budget Authority.

Table 3.29 – ITS Budget Authority

(Dollars in Millions)	FY 2018	FY 2019	Change
ITS New Budget Authority	$882.60	$1,072.00	$189.40
Prior Year Transfer/Carryover	$173.89	$50.00	$(123.89)
IT Reimbursables	$6.00	$5.00	$(1.00)
Subtotal	***$1,062.49***	***$1,127.00***	***$64.51***
Recovery Act (NSC)	$0.43	$0.00	$(0.43)
ODAR Anomaly[1]	$9.10	$0.00	$(9.10)
Payroll	$546.38	$544.33	$(2.05)
Total	**$1,618.40**	**$1,671.33**	**$52.93**

The IT Budget Summary table, which immediately follows, is composed of five sections that reflect the agency's IT portfolios by funding type: IT Modernization, Agency Programmatic IT Applications, Agency Administrative Applications, Infrastructure, and Cybersecurity. Accompanying the table is a high-level IT operations narrative and a list of major areas supported by the budget. Separate sections detailing IT Modernization and Cybersecurity follow the summary section.

Table 3.30 – ITS Budget Summary Table

IT Budget by Portfolio (in Millions)	FY 2018[2]	FY 2019	Change
ITS	34.2	80.0	45.8
IT Payroll	49.5	52.0	2.5
ODAR Anomaly	5.7	-	(5.7)
IT Modernization, Subtotal	***$ 89.4***	***$ 132.0***	***$ 42.6***
ITS	890.8[3]	880.6	(10.2)
IT Payroll	312.9	317.4	4.6
Infrastructure, Subtotal	***$ 1,203.6***	***$ 1,198.0***	***$ (5.5)***
ITS	29.9	29.1	(0.8)

[1] The Office of Disability Adjudication and Review (ODAR) is now the Office of Hearings Operations (OHO).
[2] $46.4 million funded in FY 2017 for IT Modernization.
[3] $3.4 million of FY 2018 ODAR Anomaly funding included in Infrastructure portfolio.

IT Budget by Portfolio (in Millions)	FY 2018[2]	FY 2019	Change
IT Payroll	27.4	23.8	(3.6)
Administrative Applications, Subtotal	***$ 57.3***	***$ 52.9***	***$ (4.4)***
ITS	42.1	61.6	19.5
IT Payroll	122.6	115.1	(7.6)
Programmatic Applications, Subtotal	***$ 164.7***	***$ 176.7***	***$ 12.0***
ITS	69.3	75.7	6.3
IT Payroll	34.0	36.0	2.0
Cybersecurity, Subtotal	***$ 103.3***	***$ 111.6***	***$ 8.3***
Total IT Budget	**$ 1,618.4**	**$ 1,671.3**	**$ 52.9**

Note: Totals may not add due to rounding.

We use the capabilities of IT to meet our growing workload demands and the changing expectations of our customers. With a highly skilled workforce and maximum use of technology properly aligned to achieve optimum value, we continue to build an agency for the future while upholding the privacy and security of the information we possess. This budget proposes projects addressing the following major areas:

- Improving and expanding service delivery options that meet the changing needs of the public, today and tomorrow. To fulfill our commitment, we must continually improve how we serve the public in our field and hearings offices and on our National 800 Number. We will also further enhance our online services and promote them as a safe and convenient service option.
- Improving the way we do business through mission-focused policies, processes, and systems. Through modern technology and data analytics, we will advance our means to provide effective services to the public.
- Ensuring efficient administration of our programs and resources. Over the next five years, we will focus our stewardship efforts in three major areas: improving program integrity; enhancing our fraud prevention activities; and improving workforce performance and increasing accountability.

IT plays a critical role in our day-to-day business processes. The agency's computers maintain demographic, wage, and benefit information on almost every American. The data in the agency's computer systems is a critical national, economic, and information resource, and it is essential to providing services to the millions of people who count on us each day.
Our field offices cannot continue to accommodate growing workloads unless the agency further automates its business processes wherever possible and offers more online services. As individuals accept and use the Internet to conduct more complex and sensitive transactions, secure online service options are essential to providing a quality experience. We continue to invest in IT to provide improved customer-focused technology that allows the public to access a stable, easy-to-use, convenient, and secure suite of services 24 hours a day, 7 days a week.

The table below is the FY 2019 IT budget request by funding type within portfolios and investment categories. We will discuss these areas in detail in the section that follows.

Table 3.31 – FY 2019 ITS Budget Request by Funding Type

IT Budget (in Millions)	FY 2018		FY 2019	
	ITS	Payroll	ITS	Payroll
Business Domains (Applications)	17.2	44.3	53.0	45.5
Technical Domains	18.0	3.5	27.0	5.0
IT Mod – Chief Program Office (CPO)	4.7	1.7	0.0	1.5
IT Modernization[1]	***$ 39.9***	***$ 49.5***	***$ 80.0***	***$ 52.0***
Application Standard Investment	23.2	44.2	39.5	40.0
Data Center Standard Investment	429.1	42.3	367.8	43.8
End User Standard Investment	90.9	87.1	80.2	90.1
IT Management Standard Investment	12.7	111.3	15.3	114.5
Network Standard Investment	334.8	28.0	306.3	29.0
Next Generation Telephony	-	-	71.5	-
Infrastructure	***$ 890.8***	***$ 312.9***	***$ 880.6***	***$ 317.4***
Business Intelligence/Data Analytics	4.0	7.2	3.7	7.4
E-Government Initiatives	2.3	-	2.8	-
Financial Systems	17.5	7.3	17.7	7.5
Human Resources Investments	3.9	6.6	4.0	6.8
Legal/Public Disclosure Processing	0.2	3.1	0.4	0.3
Reimbursable Services	2.0	3.2	0.6	1.8
Agency Administrative Applications	***$ 29.9***	***$ 27.4***	***$ 29.2***	***$ 23.8***
Anti-Fraud Investments	10.2	4.9	9.8	5.1
Data Exchange	-	3.1	-	3.1
Disability Claim Processing	14.8	35.1	25.9	30.9
Earnings	1.2	5.3	2.3	5.5
Electronic Services	10.0	18.5	12.7	17.5
Enumeration	0.5	2.5	0.9	2.6
Medical Evidence Processing	0.7	4.7	1.0	1.7
Notice Improvement	0.4	4.4	0.7	4.5
Payment Accuracy	0.6	12.6	1.2	12.9
Title II Processing	2.8	22	5.4	21.5
Title XVI Processing	0.9	9.5	1.7	9.8
Agency Programmatic Applications	***$ 42.1***	***$ 122.6***	***$ 61.6***	***$ 115.1***
Cybersecurity	***$ 69.3***	***$ 34.0***	***$ 75.6***	***$ 36.0***
Total IT Budget	***$ 1,072.0***	***$ 546.4***	***$ 1,127.0***	***$ 544.3***

Note: Totals may not add due to rounding.

[1] $46.4 million funded in FY 2017 for IT Modernization.

TECHNOLOGY INVESTMENTS

In the sections below, we provide descriptive information of the agency's IT investments by the portfolio and investment areas in the chart above.

IT Modernization

Our IT Modernization initiative reflects our strong commitment to provide a high degree of service to the public while also emphasizing the use of efficient, affordable, and secure IT solutions. The agency will better serve the public with a modern technology foundation that eliminates legacy systems, reduces reliance on old mainframe architectures, employs agile development, and makes us more nimble. Our IT plays a critical role in support of the agency's mission, ensuring access to information when and how the public needs it, and upholding the protection of personal information. We view modernization as a vital means to fulfill our commitment to the citizens who rely on our services.

We will create a modern technology platform where we build streamlined workflow systems that take advantage of innovations by our business partners. We will use modular construction and agile development methods, so our systems can share common elements, making development of our software faster and more responsive. We will implement automation and tools enabling us to test software early, so the quality produced will be higher when released to the end users. Automation and new computing environments, like the cloud, will enable us to release new software much faster than now when we release new legacy code on the mainframe. Our new architecture will be modular and based on compact services--chunks of functionality that can be deployed efficiently and reused across many systems.

Modernized systems will enable a person to work through a single entry point for all our programs. We plan to implement artificial intelligence systems to help us streamline our workloads. Further, we will develop the capability to use advanced analytics to better utilize electronic medical evidence we receive. We will continue to improve and expand online interactions. We will bring more of our services behind our secure portal, so if a person wants to do business with us, they will come in through the same site with all options available to them. Because our data will be aligned based on who the person is and the ways in which they interact with us, our systems will better determine if we have all the information we need to complete the interaction. If not, we will automatically ask for it, which avoids the inconvenience of being contacted again, speeds whatever response is required, and saves everyone time. We want our Internet options to become the option of choice for most people.

More detailed information is listed in the IT Modernization section of this document.

SSA Infrastructure

This portfolio provides the overall foundation from which the entire agency's IT is designed, developed, and operated. With extensive workloads and new service delivery channels, our reliance on IT and electronic data continues to increase. Rising expectations of the public and our employees, as well as new agency workloads, continue to put increased demands on our IT. The initiatives within our infrastructure assure the sustained operation of current IT and provide an environment to support the growth of the agency's new systems and technical infrastructure.

Infrastructure Investments - Consistent with the Office of Management and Budget's (OMB) IT Budget Capital Planning Guidance, and ahead of the proposed timeline, we reorganized the Infrastructure portfolio into four new standard investments to align with the Technology Business Management (TBM) Framework for the FY 2019 submission.

- The Data Center and Cloud standard investment provides the IT Infrastructure for our data center facilities. It maintains our physical and virtual servers, offline storage resources, and supports the transfer of information between the agency and internal/external customers.
- The End User standard investment provides IT resources such as workstations, mobile devices, end user software, and helpdesk support, which we require to meet our workload demands.
- The IT Management standard Investment category captures all costs associated with IT Management and Strategic Planning (including CIO and other senior leadership FTE costs), Enterprise Architecture, Capital Planning, Project Management Offices, IT Budget/Finance, and IT Vendor Management, 508 Compliance, general IT policy and reporting, and IT Governance.
- The Network standard investment provides data, voice, services, equipment, access arrangements, cable and wiring to manage network and telecommunications activities. A major initiative kicking off in FY 2019 is the Next Generation Telephony Project (NGTP), which is the establishment of a unified communications (UC) platform replacing the three major agency telephone systems with a single enterprise system that handles multiple tenants. The UC establishes multiple channels for communications between the public and our agency and internal communication.
- The Application standard investment includes resources involved with analysis, design, development, code, test and release packaging support services for development projects and operations, support, fix and minor enhancements for existing applications. It also includes distributed database services, distributed platform, application and system integration resources enabling cross application development. This includes both distributed and mainframe platforms.

Agency Administrative Applications

The Agency Administrative Applications portfolio includes initiatives for administrative services and support systems. This portfolio includes functional areas such as financial management, human resources, acquisitions, accounting, training, and communications.

Business Intelligence and Data Analytics Investments

- The Business Intelligence and Data Analytics investment is composed of IT projects that assist in the development of Business Intelligence tools, collection for management information, and the retirement of legacy systems, which will assist the agency to make better data-driven decisions in outline years.

E-Government Initiatives

- Financial Management Line of Business (LoB) - This initiative reduces non-compliant systems by leveraging common standards and shared service solutions in Federal financial operations. Servicing Agency: Department of the Treasury (DT)
- Disaster Assistance Improvement Plan - The purpose of this initiative is to provide a unified point of access to disaster management-related information, mitigation, response, and recovery information. Servicing Agency: Department of Homeland Security (DHS)
- Grants.gov - This initiative provides a single, online portal and central storehouse of information on grant programs for all Federal grant applicants. Servicing Agency: Department of Health and Human Services (HHS)
- Integrated Acquisition Environment - This initiative creates a secure environment to facilitate agency acquisition of goods and services. Servicing Agency: General Services Administration (GSA)
- Human Resources Line of Business (LoB) - The purpose of this initiative is to provide common core functionality to support the strategic management of human capital government-wide. Servicing Agency: Office of Personnel Management (OPM)
- Federal Health Architecture Line of Business (LoB) - This initiative supports the integration of our health information systems into the emerging Nationwide Health Information Network. Servicing Agency: Department of Health and Human Services (HHS)

Legal/Public Disclosure Processing Investments

- Electronic Discovery (e-Discovery) refers to the identification, preservation, retention, review, and production of electronically stored information (ESI) in the agency's custody and control, which may ultimately be used in litigation, investigations, or third-party inquiries.
- LAWS Critical Needs

Human Resources Investments

- Human Resources Support Systems - this Investment Area is composed of IT projects that focus on improving the overall effectiveness of Human Resources systems. Its objective is to leverage technology to build a model workforce and the ability to provide quality service to the public.
- Human Resources (HR) Portal - provides supervisors, employees, and administrators with a usable, quality product to centralize and support human resources functions. Continuing the development effort will allow the agency to improve our HR Portal services by completing full e7B functionality, redesigning the HR Portal home page, and expanding personnel analytics, processing, and reporting.

Financial Systems

- Our Financial Management Systems 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.
- Remittance Modernization for Programmatic Debt Collection will streamline and optimize the remittance process for programmatic debt collection.

Reimbursable Services

- Reimbursable Services - Initiative supports different types of reimbursable services that includes data exchanges with other entities. Public reimbursable services are services provided to other Federal agencies under a reimbursable agreement (an example of services includes providing "latest employer" for purposes of detecting tax evasion and illegal aliens). Private reimbursable services are services provided under agreement to State/local agencies.

Agency Programmatic Applications

This IT portfolio includes investments for systems used by employees to serve the public, initiatives enabling the public to conduct online transactions with our agency, and the applications and transactions we make with other government agencies.

Anti-Fraud Investments

- Anti-Fraud Support Systems - The mission of this initiative is to preserve and strengthen the public's trust in the Social Security programs by developing and implementing robust and flexible fraud and abuse detection and prevention programs.
- The Anti-Fraud Enterprise Solution major IT investment will implement a dynamic and flexible enterprise-wide anti-fraud solution that employs advanced data analytics to identify patterns indicative of fraud, improve functionality for data-driven fraud triggers, conduct real-time risk analysis, and integrate technology into the Office of Anti-Fraud Programs' (OAFP) anti-fraud business processes. This solution will also provide true business intelligence to our leaders to aid in data-driven anti-fraud decision-making and real-time monitoring of fraud trends.

Data Exchange

- Data Exchange - Supports managed file transfer software on z/OS, windows, and Unix platforms in order to assist with the delivery of data to internal/external trading partners. This initiative includes, but is not limited to, the use of automated software, management information-gathering tools, and diagnostic procedures for troubleshooting.

Disability Claim Processing

- In an ongoing effort to issue timely disability decisions, we are continuing work to modernize our disability case processing system (DCPS). When complete, DCPS will replace 52 independently operated, aging systems. To date, we deployed DCPS to 10 DDSs (Delaware, Maine, Ohio, Virginia, Iowa, Rhode Island, South Dakota, Washington, Nebraska, and the District of Columbia) and are preparing for deployment to additional sites. In FYs 2018 and 2019, we will continue development.

- Disability Claim Processing Applications - consists of multiple ongoing projects to maintain existing disability support applications and make modifications as needed.
- BBA Section 823 - Promoting Opportunity Demonstration - Section 823 of the Bipartisan Budget Act of 2015 (BBA) mandates for us to conduct a demonstration to test a $1 for $2 benefit offset for Social Security Disability Insurance beneficiaries. The POD investment will allow us to conduct these tests as well as establish an IT system to facilitate the implementation of the benefit offset.
- Unprocessed Medical Cessations – Enhancements - Establish automation solutions to prevent improper payments due to unprocessed medical cessations following Continuing Disability Reviews.
- Disability Quality Review (DQR) - To design, develop, and replace the legacy client-server system, Disability Case Adjudication and Review System (DICARS) with a web-based modernized Quality Assurance system. DQR is used to provide Disability Examiners in Disability Quality Branches the ability to perform pre-effectuation reviews on disability decisions made by the DDSs.
- OAO iAppeals: Non-Medical - Development of the systems functionality, allowing the creation of requests for of cases and appeals electronically. iAppeals will also greatly reduce the usage of paper as well as postage by eliminating this need as appeals will now be handled electronically.
- Rep Payee - Ongoing activities for Representative Payee systems. Reduces backlogs of pending misuse cases by preventing and correcting improper actions within the electronic Representative Payee System.

Earnings Investments

- Earnings Support Systems - Consists of projects to conduct ongoing maintenance and cyclical activities for existing Earnings applications.

Electronic Services Investments

- The Customer Engagement Tools (CET) major IT investment focuses on the creation of interactive tools for our customers, the members of the public, to conduct business with us. The purpose of this investment is to offer mission-essential benefits, including developing and increasing the use of self-service options and enhancing the online experience for the public by completing business at the first point of contact. Overall, this initiative will expand online communication methods and provide interactive services. The expansion of these services will provide enhanced customer experiences and assist users in managing their personal information and benefits.
- *my* Social Security Services is central to the envisioned Social Security Experience in 2025. We identify *my* Social Security as the online gateway for our customers. *my* Social Security customers will use this gateway throughout their lives as their

circumstances and needs change. The idea for *my* Social Security is to create a personalized, interactive, customizable, and secure one-stop shop for all Social Security electronic services, while providing a superior customer experience. This investment's goal is to design and develop the products necessary to enable *my* Social Security to meet the business needs. The current design is appropriate for individuals accessing their own personal information, but does not include the processes needed to authorize users for the variety of other services. Many of these services are currently available through the agency's legacy registration/authentication application (i.e., IRES - Integrated Registration Services).

- Electronic Services - This initiative focuses on expanding online access for the public through various delivery channels and continuing to develop and enhance the agency's E-Government and eServices architecture over the next several years.

Enumeration

- Enumerations Support Systems - Provides routine maintenance, enhancements as required, and investigation and correction of anomalies for all current and legacy Enumeration support applications.

Medical Evidence Processing Investments

- Health Information Technology (HIT) - HIT volume is the key factor that drives benefits to the disability process. Increasing volume has resulted from our outreach efforts with potential new partners and our collaboration with the Department of Defense, Department of Veterans Affairs, and eHealth Exchange. Moving forward, we are well positioned to accelerate our goal in FY 2018 and beyond through our many strategic approaches and work efforts. We anticipate that HIT will continue to provide positive benefits to our agency.
- Electronic Records Express for Experts – The Office of Hearings Operations (OHO) contracts with medical and vocational experts to perform services such as providing testimony and responding to interrogatories. These services require that experts review case documentation stored in the electronic folder (eFolder). When an expert is contracted to perform services, the appropriate exhibits in the claimant's eFolder are burned to an encrypted CD and provided to the expert. Each year, OHO burns over 1 million CDs for experts. With this investment, OHO will mandate eFolder usage for all individual experts and expert companies, and eliminate the burning and mailing of encrypted CDs for these contractors.

Notice Improvement Investments

- Notice Improvement - Provides accurate, clear, up to date notices. Improved readability and clarity resulting in fewer field office and telephone inquiries. New communication architecture supporting multiple delivery channels and user defined communication preferences. Over time, an ever increasing share of SSA's current mail delivery channel for notices will be through the secure *my* Social Security accounts on line.

Payment Accuracy Investments

- Overpayment Redesign - Initiative to redesign the Title II and Title XVI systems that process overpayments and underpayments and corresponding accounting systems to unbundle debts, prioritize debts, apply benefit withholding or remittances to a specific overpayment, and centralize overpayment data
- Payment Accuracy Support Systems - Detect, prevent, and correct payments resulting from errors by the agency or the beneficiary. Increases the accuracy of our internal payment processes and assists in recovering overpayments that result from incorrect payments.

Title II Processing Investments

- Title II Processing Applications - Initiative will maintain systems processing efficiency, including accuracy and timeliness of Title II payments and Medicare transactions.
- Paperless Enhancements - The project will provide additional enhancements to the existing Paperless Front End Client Server Application. The additional enhancements included will improve processing center workload tracking and monitoring efficiency and increase usability.

Title XVI Processing

- Title XVI Processing Applications - Initiative will maintain the programmatic systems for processing initial claims and post-entitlement actions.

Cybersecurity

Our cybersecurity program continues to improve the agency's detection, protection, and intelligence capabilities against evolving threats and cyber-attacks. This program incorporates security capabilities into a comprehensive, multi-layered defensive approach ensuring the privacy of the public and proper issuance of nearly a trillion dollars in benefits. The Cybersecurity section of this document describes these activities in more detail.

Cybersecurity Investments - Consistent with OMB's IT Budget Capital Planning Guidance, we report Cybersecurity costs in a standard investment to align with the TBM Framework.

- The IT Security & Compliance standard investment captures costs for setting Cybersecurity policy, establishing process and means, measuring compliance, and responding to security breaches. Additionally, the investment captures costs associated with IT compliance such as establishing controls and measuring compliance to relevant legal and compliance requirements. The Investment also includes costs associated with privacy, but it does not include mission (non-IT) security and compliance.

INFORMATION TECHNOLOGY MODERNIZATION

In FY 2018, we will begin to undertake a comprehensive initiative to modernize our IT systems.

Table 3.32 – IT Modernization Activities[1]

IT Budget (in Millions)	FY 2018		FY 2019	
IT Modernization	**ITS**	**Payroll**	**ITS**	**Payroll**
Business Domains (Applications)	17.2	44.3	53.0	45.5
Technical Domains	18.0	3.5	27.0	5.0
IT Mod – Chief Program Office (CPO)	4.7	1.7	0.0	1.5
IT Modernization	***$ 39.9***	***$ 49.5***	***$ 80.0***	***$ 52.0***

Our IT Modernization initiative reflects our strong commitment to provide a high degree of service to the public while also emphasizing use of efficient, affordable and secure IT solutions. The agency will better serve the public with a modern technology foundation that eliminates legacy systems, reduces reliance on old mainframe architectures, employs agile development, and makes us more nimble. Our IT plays a critical role in support of the agency's mission, ensuring access to information when and how the public needs it, and upholding the protection of personal information. We view modernization as a vital means to fulfill our commitment to the citizens who rely on our services.

We will create a modern technology platform where we build streamlined workflow systems that take advantage of innovations by our business partners. We will use modular construction and agile development methods, so our systems can share common elements, making development of our software faster and more responsive. We will implement automation and tools enabling us to test software earlier in the development process, so the quality produced will be higher when released to the end users. Automation and new computing environments, like the cloud, will enable us to release new software much faster than now when we release new legacy code on the mainframe. Our new architecture will be based on compact services – "chunks of functionality" that can be deployed efficiently and reused across many systems, ensuring consistency in how we handle common functions and computation and expediting changes to the common code.

Modernized systems will enable a person to submit a single application for all our programs. We plan to implement artificial intelligence systems to help us streamline our work, starting with our disability determination workloads. Further, we will develop the capability to use advanced analytics to better utilize electronic medical evidence we receive. We will continue to improve and expand online interactions. We will bring more of our services behind our secure portal; so, if a person wants to do business with us, they will come in through the same site with all options available to them. Because our data will be aligned based on who the person is and the ways in which they interact with us, our systems will better determine if we have all the information we need to complete the interaction. If not, we will automatically ask for it, which avoids the inconvenience of being contacted again, speeds whatever response is required, and saves

[1] $46.4 million funded in FY 2017 for IT Modernization.

everyone time. We will take a service-design approach, understanding all of our service channels and how the public prefers to interact with us. We want our Internet options to become the option of choice for most people, and the others will be able to receive the service they require through the most appropriate channel.

This comprehensive initiative consists of three major efforts: modernizing and structuring our code, modernizing our data and data management, and modernizing our infrastructure.

The IT Modernization initiative offers tangible benefits to the agency and its customers. Upgrading our systems will provide a superior customer experience, better focus our IT workforce to future needs, better secure our systems and data, and reduce IT and other operating costs by adopting more modern technologies such as agile development, artificial intelligence, predictive analytics, mobile device tools, and cloud services.

Our IT Modernization program benefits include:

1. **Improving Service to the Public** through increasing online self-service, real-time processing and moving towards a more service-centric organization, technical structure, and overall better customer experience.
2. **Increasing Value of IT for Business** by increasing IT and data reliability, security and enabling faster disability claim decisions
3. **Improving IT Workforce Engagement** by enabling a quicker path to fielding new capabilities, modernizing the development environment to improve productivity, and building a culture to attract and retain top technology talent
4. **Improving Business Workforce Engagement** by enabling better customer service with enhanced customer-centric tools and the ability to move routine work through the systems quickly, enabling more focus on the most challenging service requests
5. **Reducing IT and other Operating Costs** through expanding shared services and the cloud, increasing benefits available through disciplined approaches and reuse of components, and encouraging innovation to improve operational efficiency
6. **Reducing Risk to Continuity of Operations** by increasing awareness of cyber threats and capacity to defend against these threats, and replacing time-worn systems with maintainable technology

The activity planned for FY 2018, described below, assumes funding in both FY 2017 and FY 2018.

Modernizing and Structuring Our Code

Our current applications inventory is written in multiple languages including Assembler and COBOL. These languages are dated and are becoming more unsupportable each day as experienced programmers continue to retire. Today's coders use more modern computer languages. An equally troubling aspect of our existing code is that the older code is largely unstructured and overly complex–analogous to a tangled bowl of spaghetti noodles. Over the last 30 years, we have modified or added to our code base continually, often in an ad hoc way, driven by requirements as they arose, rather than an organized way. Although this method allowed us to address changes with the speed that was required, we have not been able to consolidate and replace applications in an organized way. Modernizing our code is by far the most difficult and costly element of the three major modernization efforts; it constitutes about 75 percent of the total multi-year request.

In FY 2018, we will focus on modernizing our Title II (retirement), Communications and Disability applications via agile development techniques into more modern and structured code. We will also modernize aspects of Earnings, Enumerations, and Title XVI (Supplemental Security Income) applications in preparation for more comprehensive modernization scheduled for FY 2019.

Data and Database Modernization

We are among the single largest data repositories in the world. However, we are unable to efficiently access and analyze data due to our dated enterprise data model and databases. Updating our databases will enable faster, automated, and integrated access. Equally important is reorganizing (structuring) the enterprise data model for optimum access and use. Currently, pieces of data for a single person exist in multiple databases. The modernization initiative allows us to build a new database to integrate data from a variety of sources to streamline our database infrastructure, and converts current, solid business logic into comprehensive subject areas. In this way, we can build data around individual beneficiaries, so we can understand how we can provide better service across the board, not just by individual benefit programs. One of the major advantages to structured data and modern database technologies is the ability to perform advanced analytics. Advanced analytics enable more evidenced based decision-making, efficiencies in development efforts, and a greatly expanded means of detecting fraud and improper payments. This element is about 10 percent of the total multi-year IT Modernization budget.

Data modernization will continue in FY 2018 including optimizing our data architecture, which consolidates multiple unstructured data sources into a person-centric design; and continued migration to the enterprise data warehouse, which is a consolidated system used for reporting and data analysis, and serves as the basis for successful business intelligence.

Infrastructure Optimization

New technologies and our new, modern National Support Center data center have opened up possibilities for greater data center optimization, virtualization, and adoption of cloud-based technologies. Our ultimate objective is to create an on-premises cloud environment with enough capacity and capability to become a "premier data center service provider." Coordinating and harnessing these technologies and data center capabilities represents about 15 percent of our total multi-year IT Modernization request.

In FY 2018, we will continue development in our modern development environment public cloud and begin to develop the on-premises cloud.

CYBERSECURITY

In the table below, we provide a summary of the Cybersecurity budget by function area. Details regarding each of these functions follow in the narrative sections below.

Table 3.33 – Cybersecurity Budget Summary

Cybersecurity Function (Dollars in Millions)	FY 2018		FY 2019	
	Cybersecurity Portfolio	Other IT Portfolios	Cybersecurity Portfolio	Other IT Portfolios
Detect	8.8	5.9	5.1	9.0
Identify	30.8	8.0	25.9	10.5
Protect	56.3	25.9	73.6	25.8
Recover	3.3	2.2	3.3	2.5
Respond	4.1	1.6	3.7	-
Total	**$ 103.3**	**$ 43.6**	**$ 111.6**	**$ 47.8**

Introduction

Today, our Cybersecurity and Privacy Programs perform a vital role in protecting, enabling, assuring, and securing our IT assets, network, and data. It is a vital component of protecting the personally identifiable information (PII) of every United States citizen and non-citizen we serve, and for achieving our mission of delivering Social Security services to the public.

Our Cybersecurity Program identifies and achieves a balance between protection and productivity by taking a risk-based approach that focuses on continuous improvement, and we have a proven record of successfully meeting or exceeding Federal cybersecurity performance measures. Nevertheless, the continued modernization of our Cybersecurity and Privacy Programs is vital to addressing ongoing cyber threats and continuing to enable our mission and operations.

Many of the tenets of IT modernization are also the tenets of cybersecurity modernization. By taking greater advantage of automation, analytics, and agile development processes, we will address the risks inherent in legacy applications, avoiding the vulnerabilities associated with outdated, proprietary technologies.

We will incorporate security and privacy into the design of our IT environments and systems by providing a modern security architecture and delivering enterprise security services in areas such as encryption, authentication, and authorization of web and micro services, and secure code design. Finally, we will take advantage of shared services provided by Federal agencies such as GSA's Login.gov service to provide secure access to our electronic services.

Aligning Agency Goals to our Cybersecurity Program Capabilities

By modernizing our Cybersecurity program capabilities, we will support our agency goal to "Improve the Way We Do Business" and our strategy to "strengthen our cybersecurity program and modernize our cybersecurity infrastructure." Our efforts include:

- Managing cybersecurity and privacy risk across the enterprise, business lines, and IT assets
- Building security and privacy into applications from the design stage
- Providing threat-aware and risk-based cybersecurity operations
- Preserving the confidentiality, integrity, and availability of our IT assets
- Protecting the PII of U.S. citizens and non-citizens from unauthorized disclosure or modification
- Developing a professional cybersecurity and privacy workforce
- Increasing awareness of cybersecurity and privacy concepts in our workforce

Addressing Security Risk

We take our agency risk rating seriously. We established an Enterprise Risk Management (ERM) Profile for prioritizing risks that affect our mission and operations. Our ERM Profile tracks security as one of our highest enterprise risks. To support our ERM Profile, we created a detailed Cyber Risk Register to record and prioritize cybersecurity risks. The Register provides a comprehensive view of risks identified through security reviews, external audits, third party testing, and government-wide performance measures. We evaluate these risks based on their potential impact to our business functions, the likelihood and presence of compensating controls to determine the overall risk exposure. We develop risk mitigation strategies by evaluating alternatives and considering a range of factors. We consider the added security benefits and balance those benefits with the operational and budgetary costs. We also identify the human capital resources needed, the availability of resources, and impact on competing cybersecurity priorities. We further assess the technical impact on our network and IT assets, the effect on our related business processes, and any additional user burden.

Aligning to the NIST Cybersecurity Framework

On May 11, 2017, the Administration released a Presidential Executive Order on Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure. The Executive Order requires agency heads to describe planned actions for aligning their cybersecurity activities with the National Institute of Standards and Technology (NIST) Cybersecurity Framework. The Framework provides a standard for managing and reducing cybersecurity risks by planning and organizing capabilities around five function areas: Identify, Protect, Detect, Respond, and Recover. We have been using the framework in past years, and for each of the NIST Cybersecurity Framework function areas, we have provided highlights.

Identify

- **Expand Continuous Diagnostic and Mitigation (CDM) Program Capabilities -** CDM is a collaborative program with DHS that automates critical aspects of Federal agency cybersecurity programs to provide a continuous monitoring function and ongoing authorization function. We are deploying advanced technology solutions through our participation in DHS' Continuous Monitoring as a Service (CMaaS) program. CDM will provide us with continuous monitoring observation, assessment, analysis, and diagnosis, of our security posture, hygiene, and operational readiness.

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

  We plan to fully implement CDM. Phase 1 provides agencies with automated capabilities to improve their management of IT assets and detect and mitigate vulnerabilities. Phase 2 will support the Identity Credential and Access Management (ICAM) program. Additionally, we will improve our software asset management (SWAM) capabilities by implementing new technical solutions with our implementation of CDM.

- **Ongoing Authorization -** We will transition to an ongoing security authorization model providing us with continuous risk management. In contrast to traditional three-year security authorization, this model provides Authorizing Officials and Risk Executives a near real-time view of a system's security posture along with integration of cybersecurity risk into the enterprise risk management program. Additionally, we plan to continue to work to implement strong security risk management for all agency software.

Protect

- **Strengthen ICAM Capabilities -** Technology expansion and modernization has changed the way our personnel and citizens access our information and systems. The ICAM program addresses the mission-critical need to ensure appropriate access to resources across multiple operating environments and devices. Continued improvement to this program will automate previously paper-based processes, integrate and centralize onboarding, off-boarding and reporting.

  We continue to implement strong identity verification processes and smart-card-based identity credentials for all of our employees and contractors and also plan to continue to increase cooperation with other Federal agencies. We plan to provide stronger protections for privileged accounts and prevent compromise by continuing to deploy a privileged access management solution to our systems. We also plan to continue to streamline through automation the authorization of security applications.

- **Adopt a Flexible Approach for Protecting Expanding Boundaries -** Similar to ICAM challenges, modern technology has changed the definition of an agency's boundary and how information can be protected while being accessed from devices outside the traditional boundary. Because of this challenge, the Zero-Trust model was designed as a flexible approach to protecting information no matter where users are accessing it.

  We can prevent unauthorized network access by limiting network access based on access need. With network segmentation in place, only authorized systems and users would have physical access to the network and network access would be limited to just those key resources, critical systems, and networks they are authorized to access. By limiting network access, we prevent attacks to our network, systems, and users across our enterprise. In FY 2018, we plan to deploy network segmentation technologies across our network.

- **Protecting our important data with data encryption -** We are implementing capabilities to prevent the risk of a significant breach of our data including PII. While we successfully encrypted most of our end point devices, our cloud servers and storage, and our mainframe storage, we are in the process of encrypting our remaining servers, storage, and end point devices.

Detect

- **Modernize Integrity Review Processes -** In addition to deploying strong security and privacy controls designed to protect against external cyber threats, we have implemented integrity review processes designed to examine user behavior for potential fraudulent activity. Modernization of this program will automate multiple new business processes using data analytics and workflow modeling and streamline and reduce the management burden needed to investigate potentially fraudulent activity. The new process will utilize innovative technologies such as big data and predictive analytic tools to proactively detect and stop potentially fraudulent employee programmatic transactions before they occur.
- **Data Loss Prevention -** As part of our strategy to prevent against a significant breach, we have made a significant investment in Data Loss Prevention (DLP) to further protect against a significant data breach. We were an early adopter of DLP in the Federal government because of the potential impact that would result from a significant loss of PII. We plan to deploy a replacement of our existing enterprise-wide DLP solution in FY 2018. We plan to integrate host-based DLP tools to detect the potential loss of sensitive data prior to transmittal.
- **Malware Defense -** We plan to implement new capabilities to strengthen our defenses against malware and improve our ability to detect anomalies. We plan to deploy a new technical solution to better detect, isolate, and remove malware stemming from zero-day attacks and advanced persistent threats. This solution will augment our existing anti-virus and anti-malware detection capabilities. We also plan to implement additional capabilities to monitor activity on our network in order to detect anomalous user or software-based patterns.

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

We will continue our efforts to implement, upgrade, and test anti-phishing & malware defenses, technologies, and processes. We will also continue training that reduces the risk of malware introduced through email and malicious or compromised web sites.

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

  We will develop and maintain a big data security analytics capability using big data tools (such as Hadoop) and analytics approaches (such as statistical hypothesis testing) to improve information security and achieve risk reduction goals, security monitoring goals or other security requirements

Respond

- **Implement a Cyber Defense Operations Center (CDOC) -** The CDOC seeks to modernize our Security Operations Center (SOC) to combat the next generation of threats and attacks. We will build and maintain an intelligence-driven SOC, grounded in next generation technologies that will ensure the use of multisource threat intelligence, both strategically and tactically; the use of advanced security analytics to operationalize security intelligence; the use of automation whenever feasible; and adoption of adaptive security architecture.

  Evolving threats continue to grow in number, complexity, and sophistication of attack requiring the SOC to implement a strategy that automates as many of the day-to-day operational tasks as possible. Through workflow automation, the SOC will implement a rapid, streamlined workflow process for identifying, detecting, and responding to security incidents to combat against evolving threats. For implementing workflow automation, the SOC plans to deploy new Security Operations, Analytics, and Reporting solutions.

Recover:

- **Business Impact Assessment Maturation –** We plan to update our existing business impact assessment to align more closely into our incident breach and disaster planning processes.

INFORMATION TECHNOLOGY COSTS BY TYPE

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

Table 3.34 – Information Technology Costs[1]

	FY 2017[2] Actual	FY 2018[3] Estimate	FY 2019[4] Estimate
Maintenance & Lease	$304,267,909	$327,079,052	$339,848,705
Contractor Support	$494,124,810	$281,103,608	$398,595,721
Inter-Agency Agreement	$11,352,298	$7,304,755	$7,159,930
Software	$27,034,186	$57,573,089	$51,602,213
Hardware	$165,250,626	$172,254,111	$93,210,962
Telecommunications	$270,203,167	$210,304,064	$219,634,644
IT Service / Subscription	N/A	$16,401,321	$16,947,825
Total	**$1,272,232,996**	**$1,072,020,000**	**$1,127,000,000**

SSA E-GOV CONTRIBUTIONS

SSA supports 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 3.35 – SSA E-Gov Contributions
(in thousands)

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Disaster Assistance Improvement Plan	$56	$56	$56
E-Federal Health Architecture LoB	$100	$100	$100
E-Rulemaking	$34	$30	$30
Federal PKI Bridge	$158	$168	$486
Financial Management LoB	$67	$67	$67
Geospatial LoB	$25	$25	$25
Benefits.gov	$377	$324	$411
Grants.gov	$25	$30	$26
Human Resources Management LoB	$130	$137	$137
Integrated Award Environment (IAE)	$857	$874	$944

[1] Does not include personnel costs.
[2] FY 2017 includes $5.9M in Reimbursable funds, $11.5M ARRA funds and $10.9M Hearings Backlog 2 Year Anomaly funds.
[3] FY 2018 includes $6.0M in Reimbursable funds, $.43M in ARRA funds and $9.1M in Hearings Backlog 2 Year Anomaly funds.
[4] FY 2019 includes $5M in Reimbursable funds, only.

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Budget Formulation and Execution LoB[1]	$55	$55	$55
Total	**$1,884**	**$1,866**	**$2,337**

SSA remains an active participant to the following E-Government initiatives:

Disaster Assistance Improvement Plan provides a unified point of access to disaster management-related information, mitigation, response, and recovery information.

E-Federal Health Architecture Line of Business (LoB) supports integration of the agency's health information systems into the emerging Nationwide Health Information Network (NHIN).

E-Rulemaking improves collaboration across government on regulatory matters and provides a central web-based environment for the public to review and comment on SSA regulatory actions while reducing administration costs.

Federal PKI Bridge provides the agency with a common infrastructure to administer digital certificates and public-private key pairs, including the ability to issue, maintain, and revoke public key certificates. In addition, implementation of FPKI allows SSA to meet the mandatory requirement of OMB Memorandum M-11-11.

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

Geospatial LoB maximizes geospatial investments by leveraging resources and reducing redundancies. Offering a single point of access to map related data will allow SSA to improve mission delivery and increase service to citizens.

Benefits.gov helps to promote awareness of SSA's benefit programs to the public, assisting SSA in its strategic goals of delivering services effectively and improving the way we do business.

Grants.gov provides a single, online portal and central storehouse of information on grant programs for all Federal grant applicants.

Human Resources Management LoB provides common core functionality to support the strategic management of Human Capital government-wide.

Integrated Award Environment creates a secure environment to facilitate the acquisition of goods and services.

Budget Formulation and Execution LoB supports the Federal Government's effort to improve agency budgeting through collaboration and information sharing. The Department of Education will implement a variety of solutions related to technology, human capital and governance by identifying tools for agency use to enhance budget functions and making them generally available to the Federal budget community.

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

This includes sharing best practices and developing training and educational resources for all budget activities, and providing year-round coordination through a Program Management Office.

Table 3.36 – Other SSA Expenses/Service Fees Related to E-Gov Projects
(in thousands)

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Recruitment One-Stop	$415.0	$432.1	$447.3
E-Payroll	$18,680.0	$18,954.2	$19,522.8
E-Travel	$557.8	$750.0	$750.0
Total	**$19,652.8**	**$20,136.3**	**$20,720.1**

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

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

E-Payroll standardizes and consolidates government wide Federal civilian payroll services and processes. It incorporates Enhanced Human Resource Integration, which is the initiative to develop policies and tools used to streamline and automate the electronic exchange of standardized human resource data needed for the creation of an official employee record across the Executive Branch.

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

IMPROPER PAYMENTS

To Address Senate Reports 114-274 and 115-50

We are committed to reducing improper payments. In its Committee Report 115-150, the Senate Committee on Appropriations stated that it is supportive of our agency's efforts to reduce improper payments and improve program integrity in the disability and Supplemental Security Income (SSI) programs. As part of the Bipartisan Budget Act of 2015 (BBA), Congress empowered our agency to enter into an information exchange with a payroll data provider to prevent improper payments of such benefits. These programs have proven to be beneficial in reducing improper payments for other Federal and State benefits programs, and the Committee urged our agency to prioritize the utilization of these opportunities.

In addition, within dedicated program integrity funding, the Committee encouraged us to utilize all of the tools available to the agency from commercial and non-commercial entities that collect and maintain data regarding employment and wages, to ensure that disability and SSI benefits are properly paid and to reduce fraud and abuse. The Committee requested an update in the fiscal year (FY) 2019 Congressional Justification on the progress that we have made in utilizing additional tools to identify improper payments, as well as progress it has made in those efforts. The Committee also requested reporting on efforts made to address duplication identified by annual Government Accountability Office reports (Senate Report 114-274). In support of these requests, we have provided updates on some of our key improper payment efforts.

While our payment accuracy rates are very high, even a small error rate adds up to substantial improper payments due to the amount of benefits we pay. For instance, in FY 2016, we issued almost $1 trillion in benefit payments while our combined overpayments and underpayments totaled less than $8 billion. Our internal quality reviews, which are validated by a third-party auditor, indicate that approximately 99.8 percent of our FY 2016 Old-Age, Survivor, and Disability Insurance (OASDI) benefit payments were free of overpayment, and nearly 99.9 percent were free of underpayment in FY 2016, the last year for which we have data. For the same year, 92.4 percent of all SSI benefits we paid were free of overpayment, and over 98.8 percent were free of underpayment. One of our Agency Priority Goals (APG) is to improve the integrity of the SSI program by focusing our efforts on reducing overpayments. In FYs 2018 and 2019, our target is to achieve an SSI overpayment accuracy rate of 94 percent.

We are focused on improving the quality and integrity of our programs to protect taxpayer dollars and combatting the leading causes of improper payments. We are also looking at efforts across the Federal sector to best address improper payments. In January 2016, we established a Federal Improper Payment Community of Practice (IP CoP). Our goal was to gather government-wide expertise, share best practices and find common solutions to our shared challenges, build a network of Federal partners, and harmonize policy and processes with the Administration's priorities. The group, which meets throughout the year, now includes 13 Federal benefit-paying agencies.

Reducing Improper Payments

In addition to our key program integrity workloads, we have an aggressive strategy, through various initiatives, to reduce improper payments. We are enhancing our wage reporting and remittance systems as well as modernizing our death reporting system. These systems upgrades will strengthen our internal controls and ensure we administer our programs accurately and efficiently.

Updating Our Death Reporting System: We are updating our death reporting system to ensure we are collecting accurate data from Federal, State, and local agencies as well as from other countries with whom we have totalization agreements. We rely on our death reporting system, so we can stop Social Security and SSI benefits as soon as possible. The early detection of an individual's death is a key means of preventing improper payments.

Our greatest improvements have come from using the Electronic Death Registration (EDR). EDR is a State-sponsored initiative to automate the State paperbound death registration process. The automated process includes an online, real-time verification of the Social Security Number

(SSN). EDR transactions are virtually error-free, and with EDR, we can automatically stop benefits upon death without employee intervention. Currently, 46 States, the City of New York, and the District of Columbia participate in EDR. We continue to work to bring on the remaining States. Universal implementation of EDR significantly reduces death-reporting errors and ensures that our death records are accurate.

In FY 2017, we implemented modifications that provided more accurate death alert data to the Centers for Medicare and Medicaid Services (CMS), and allowed field offices to resolve CMS death alerts more efficiently. We also reduced field office workloads by eliminating some SSI alerts. We will continue our efforts to modernize our death reporting system, including ongoing resolution of data mismatches to increase the accuracy of death information in our master database.

Another effort we are undertaking is the Death Process Redesign, which is a multi-year project that will improve and streamline our death report processing, and seamlessly communicate with the multiple systems that use death information. At the end of the project, the Numident, SSA's main identity record, will be our official source of death data. We will use the death information from the Numident to terminate records in our payment systems more timely, thereby reducing improper payments. These changes will improve the consistency, accuracy, and timeliness of data in our records.

In FY 2017, we centralized Title XVI programmatic death input processes through the Death Information Processing System (DIPS). Users can now perform all Title XVI death processes via DIPS. In FYs 2018 and 2019, we plan to make DIPS the only input location for death data for Title II death inputs; modernize DIPS to better integrate with our other systems; enhance the matching of death information in our systems, and make enhancements that will improve the public Death Master File.

We also have undertaken the Continuing the Death Data Improvement Project to try to increase the accuracy of our payment records, including historical death data clean-ups from our internal systems and States. We are currently in the process of analyzing these historical records to determine the most comprehensive and efficient way to add these records to our Numident.

<u>Making Better Use of Data Exchanges</u>: We currently have 25 computer matching agreements (CMA) with various Federal partners. We obtain benefit payment data, wage data, unemployment data, fugitive felon identification, savings securities, workers compensation, residency information, and nursing facility admission data to help us determine eligibility and offset benefits for our programs. Our objective is to continue current CMAs that yield a positive cost benefit analysis, expand effective CMAs to meet additional program needs, research current programs, work with internal stakeholders to identify data exchange needs, and pursue new data exchanges with potential partners.

<u>Modernizing the Debt Management Process</u>: We receive remittances for repayment of program debt through the mail and in our field offices. We are modernizing our remittance process to provide our debtors with various electronic options to submit their payments. In December 2017, we completed the nationwide rollout of the Social Security Electronic Remittance Systems (SERS), which allows individuals to repay their program debts using checks, money orders, or

credit cards while in our field offices. Doing so will eliminate the mailing of remittances to our processing operation in Philadelphia and result in more timely crediting of payments to debtors' accounts.

While SERS enables the electronic receipt of payment, we still have more than 20 legacy systems that record, track, and manage our programmatic debts. These systems either contain automated functionality or allow technicians to process record updates, establish debts, post corrections, arrange repayment agreements, pursue due process, and terminate collection actions. Various system design limitations affect our ability to fully record and track programmatic debt.

To address these issues, we are developing the Debt Management Product, a multi-year, multi-release IT investment. The Debt Management Product will help us streamline our overpayment process into one system that will enable us to more efficiently post, track, collect, and report our overpayment activity. In addition, the new comprehensive overpayment system will allow us to address limitations previously identified in independent audits and other sources. For example, the Debt Management Product will result in improved and efficient tracking and collection of civil monetary penalties, eliminate the issue around repayment agreements beyond the year 2049, unbundle debts for increased collection opportunities, track remittances from start to finish, and provide better management information and data that will improve our financial reporting.

In FYs 2018 and 2019, we will also continue efforts for the implementation of Pay.gov, an online payment application, with three different store fronts: Department of the Treasury's Pay.gov web portal; *my* Social Security website; and www.socialsecurity.gov. We also initiated preliminary discussions with the U.S. Courts and large third-party payroll providers, exploring opportunities for electronic remittances for court-ordered restitution and administrative wage garnishment.

For more information about our efforts, please see our Annual Report to Congress on Fraud and Improper Payments in the Bipartisan Budget Act of 2015 Section 845(a) Report tab.

EMPLOYMENT

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

Table 3.37 —Detail of Full-Time Equivalent Employment[1,2,3]

	FY 2017 Actual	FY 2018[4] Estimate	FY 2019 Estimate
Limitation on Administrative Expenses Accounts	60,664	60,714	59,736
Reimbursable Work	213	300	300
	60,877	**61,014**	**60,036**

The following table lists the Average Grade and Salary for SSA employees for FY 2017. It includes averages for Executive Service (ES) and General Schedule (GS) employees.

Table 3.38 — Average Grade and Salary

	FY 2017 Actual
Average ES Salary	**$176,100**
Average GS/WG Grade	**11**
Average GS/WG Salary	**$74,200**

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

Table 3.39 — FY 2017 Personnel Costs by Grade

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS – 0	-	$67,400	$22,600	$90,000
GS – 1	1	$12,700	$3,100	$15,800
GS – 2	1	$62,600	$30,000	$92,600
GS – 3	14	$754,300	$223,400	$977,700

[1] SSA's overall LAE funding level in FY 2018 (approximately $12.236 billion) assumes the enactment of a full-year CR, including the FY 2018 authorized level of program integrity funding ($1.735 billion), an across-the-board cut of .6791%, and no new budget authority to address the hearings backlog. We are spending the remaining FY 2017 dedicated hearings funding to address the hearings backlog in FY 2018, and it is included in our FY 2018 total obligations. SSA's overall LAE funding level in the President's Budget appendix (approximately $12.406 billion) uses different assumptions.

[2] Excludes workyears associated with the Children's Health Insurance Program (CHIP) Reauthorization Act of 2009 and the Medicare Savings Plan.

[3] Includes 115 FTEs in FY 2017 and 328 FTEs in FY 2018 Dedicated Funding to Address the Hearings Backlog available through September 30, 2018 as provided by PL 115-31 – Consolidated Appropriations Act, 2017.

[4] A full-year appropriation for FY 2018 was not enacted at the time the FY 2019 President's Budget was prepared. All FY 2018 figures assume funding at the annualized funding level provided in the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended).

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS – 4	167	$6,721,500	$2,308,700	$9,030,200
GS – 5	1,600	$55,808,800	$18,916,700	$74,725,500
GS – 6	1,620	$78,944,700	$27,661,700	$106,606,400
GS – 7	3,015	$160,397,500	$55,439,100	$215,836,600
GS – 8	8,865	$469,418,500	$169,007,400	$638,425,900
GS – 9	6,009	$375,522,100	$125,493,300	$501,015,400
GS – 10	415	$30,152,100	$9,175,000	$39,327,100
GS – 11	16,319	$1,190,552,300	$407,052,100	$1,597,604,400
GS – 12	12,952	$1,150,776,500	$368,371,500	$1,519,148,000
GS – 13	7,128	$788,569,700	$248,114,600	$1,036,684,300
GS – 14	2,870	$371,708,300	$112,391,800	$484,100,100
GS – 15	729	$112,993,700	$31,973,300	$144,967,000
Subtotal GS Grades[1]	**61,705**	**$4,792,462,700**	**$1,576,184,300**	**$6,368,647,000**
Administrative Law Judge (ALJ)	1,621	$266,196,000	$77,700,500	$343,896,500
Senior Executive Services (SES)	154	$30,032,900	$7,225,600	$37,258,500
Grand Total[2,3]	**63,480**	**$5,088,691,600**	**$1,661,110,400**	**$6,749,802,000**

Table 3.40 — FY 2018 Estimated Personnel Costs by Grade[4]

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS – 0	-	$69,000	$24,000	$93,000
GS – 1	-	$13,000	$3,000	$16,000
GS – 2	1	$64,000	$32,000	$96,000
GS – 3	14	$773,000	$239,000	$1,013,000
GS – 4	164	$6,891,000	$2,474,000	$9,365,000
GS – 5	1,579	$57,216,000	$20,269,000	$77,485,000
GS – 6	1,598	$80,936,000	$29,638,000	$110,574,000
GS – 7	2,974	$164,443,000	$59,401,000	$223,844,000
GS – 8	8,744	$481,259,000	$181,085,000	$662,344,000
GS – 9	5,927	$384,994,000	$134,461,000	$519,456,000
GS – 10	410	$30,913,000	$9,831,000	$40,743,000
GS – 11	16,097	$1,220,583,000	$436,141,000	$1,656,724,000

[1] Includes $11,925,900 for Reemployed Annuitant (RA) Personnel Costs.
[2] Only includes General Schedule Grades (including RAs), ALJs, and SES personnel costs.
[3] Data includes OIG.
[4] Workyear and administrative cost estimates are based on FY 2017 ratios. Numbers may not add due to rounding.

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS – 12	12,776	$1,179,803,000	$394,696,000	$1,574,500,000
GS – 13	7,032	$808,460,000	$265,846,000	$1,074,306,000
GS – 14	2,831	$381,084,000	$120,424,000	$501,508,000
GS – 15	720	$115,844,000	$34,258,000	$150,102,000
Subtotal GS Grades	**60,867**	**$4,913,347,000**	**$1,688,822,000**	**$6,602,169,000**
Administrative Law Judge (ALJ)	1,599	$272,910,000	$83,253,000	$356,164,000
Senior Executive Services (SES)	152	$30,790,000	$7,742,000	$38,532,000
Grand Total[1,2]	**62,618**	**$5,217,048,000**	**$1,779,817,000**	**$6,996,865,000**

Table 3.41 — FY 2019 Estimated Personnel Costs by Grade[3]

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
GS – 0	-	$68,000	$25,000	$94,000
GS – 1	-	$13,000	$3,000	$16,000
GS – 2	1	$64,000	$34,000	$97,000
GS – 3	14	$766,000	$251,000	$1,017,000
GS – 4	160	$6,824,000	$2,597,000	$9,421,000
GS – 5	1,539	$56,657,000	$21,283,000	$77,939,000
GS – 6	1,558	$80,144,000	$31,121,000	$111,265,000
GS – 7	2,899	$162,835,000	$62,373,000	$225,207,000
GS – 8	8,524	$476,551,000	$190,144,000	$666,696,000
GS – 9	5,778	$381,228,000	$141,188,000	$522,416,000
GS – 10	399	$30,610,000	$10,323,000	$40,933,000
GS – 11	15,692	$1,208,642,000	$457,960,000	$1,666,603,000
GS – 12	12,455	$1,168,262,000	$414,442,000	$1,582,704,000
GS – 13	6,855	$800,552,000	$279,145,000	$1,079,697,000
GS – 14	2,760	$377,356,000	$126,448,000	$503,804,000
GS – 15	701	$114,711,000	$35,972,000	$150,683,000
Subtotal GS Grades	**59,336**	**$4,865,283,000**	**$1,773,310,000**	**$6,638,594,000**
Administrative Law Judge (ALJ)	1,559	$270,241,000	$87,418,000	$357,659,000

[1] Only includes FY 2018 estimates from the FY 2019 PB for General Schedule Grades (including RAs), ALJs, and SES personnel.
[2] Data includes OIG.
[3] Workyear and administrative cost estimates are based on FY 2017 ratios. Numbers may not add due to rounding.

General Schedule (GS) Grade	FTEs and OT Workyears	Salaries	Benefits	Total
Senior Executive Services (SES)	148	$30,489,000	$8,129,000	$38,618,000
Grand Total[1,2]	**61,044**	**$5,166,013,000**	**$1,868,858,000**	**$7,034,871,000**

Table 3.42 — Historical Staff-On-Duty by Major SSA Component[3]

	FY 2016 Actual	FY 2017 Actual
Field Offices	28,938	28,060
Teleservice Centers	4,567	4,373
Processing Service Centers	10,070	9,881
Regional Offices	1,448	1,372
Operations Subtotal	**45,023**	**43,686**
Office of Disability Adjudication and Review	10,688	10,551
Systems	3,263	3,162
Headquarters[4]	5,013	4,754
SSA Total	**63,987**	**62,153**

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

Table 3.43 — FY 2017 Personnel Costs by Region5,[6]

Regions	FTEs and OT Workyears	Salaries	Benefits	Total
Boston	1,951	$163,322,900	$53,580,000	$216,902,900
New York	5,244	$413,841,600	$128,300,300	$542,141,900
Philadelphia	6,743	$486,285,200	$159,087,300	$645,372,500
Atlanta	11,506	$630,147,200	$218,741,700	$848,888,900
Chicago	7,694	$594,292,100	$195,778,100	$790,070,200
Dallas	5,981	$354,023,600	$124,639,800	$478,663,400
Kansas City	3,197	$205,602,900	$69,645,400	$275,248,300
Denver	1,222	$96,981,200	$32,731,500	$129,712,700

1 Only includes FY 2019 estimates from the FY 2019 PB for General Schedule Grades (including RAs), ALJs, and SES personnel.
2 Data includes OIG.
3 Includes full time, part time, and temporary employees.
4 Headquarters includes counts for Operations Support Staff, Disability Case Processing System, GSA Delegations, and the Social Security Advisory Board.
5 Only includes General Schedule Grades (including RAs), ALJs, and SES personnel costs.
6 Regions consist of all of SSA, Advisory Board, Delegations, and OIG. They do not include DDS.

Regions	FTEs and OT Workyears	Salaries	Benefits	Total
San Francisco	7,642	$588,664,800	$191,620,300	$780,285,100
Seattle	2,053	$156,722,000	$52,653,800	$209,375,800
Headquarters	10,247	$1,398,808,100	$434,332,200	$1,833,140,300
Total	**63,480**	**$5,088,691,600**	**$1,661,110,400**	**$6,749,802,000**

Table 3.44 — FY 2018 Estimated Personnel Costs by Region[1]

Regions	FTEs and OT Workyears	Salaries	Benefits	Total
Boston	1,924	$167,442,500	$57,409,000	$224,851,500
New York	5,173	$424,280,300	$137,468,900	$561,749,300
Philadelphia	6,652	$498,551,200	$170,456,100	$669,007,300
Atlanta	11,350	$646,041,900	$234,373,500	$880,415,400
Chicago	7,589	$609,282,400	$209,768,900	$819,051,300
Dallas	5,900	$362,953,500	$133,546,800	$496,500,300
Kansas City	3,154	$210,789,000	$74,622,500	$285,411,500
Denver	1,206	$99,427,400	$35,070,500	$134,497,900
San Francisco	7,538	$603,513,200	$205,313,900	$808,827,100
Seattle	2,025	$160,675,100	$56,416,500	$217,091,600
Headquarters[2]	10,108	$1,434,091,400	$465,370,600	$1,899,462,000
Total[3]	**62,618**	**$5,217,047,900**	**$1,779,817,200**	**$6,996,865,200**

Table 3.45 — FY 2019 Estimated Personnel Costs by Region[1]

Regions	FTEs and OT Workyears	Salaries	Benefits	Total
Boston	1,876	$165,804,500	$60,281,000	$226,085,500
New York	5,042	$420,129,900	$144,346,200	$564,476,100
Philadelphia	6,484	$493,674,200	$178,983,600	$672,657,900
Atlanta	11,065	$639,722,100	$246,098,700	$885,820,800
Chicago	7,398	$603,322,200	$220,263,200	$823,585,400
Dallas	5,752	$359,402,900	$140,227,900	$499,630,800

[1] Workyear and administrative cost estimates are based on FY 2017 ratios. Numbers may not add due to rounding.
[2] Includes frontline workload staff located at the Wabash and Security West buildings in Baltimore.
[3] Only includes FY 2018 estimates from the FY 2019 PB for General Schedule Grades (including RAs), ALJs, and SES personnel.

Regions	FTEs and OT Workyears	Salaries	Benefits	Total
Kansas City	3,075	$208,727,000	$78,355,700	$287,082,700
Denver	1,175	$98,454,800	$36,825,000	$135,279,800
San Francisco	7,348	$597,609,500	$215,585,300	$813,194,800
Seattle	1,974	$159,103,300	$59,238,900	$218,342,200
Headquarters[1]	9,854	$1,420,062,700	$488,652,100	$1,908,714,800
Total[2]	**61,044**	**$5,166,013,200**	**$1,868,857,700**	**$7,034,870,900**

[1] Includes frontline workload staff located at the Wabash and Security West buildings in Baltimore.
[2] Only includes FY 2019 estimates from the FY 2019 PB for General Schedule Grades (including RAs), ALJs, and SES personnel.

PHYSICIANS' COMPARABILITY ALLOWANCE

Physicians' Comparability Allowance (PCA) permits agencies to provide allowances to certain eligible Federal physicians who enter into service agreements with their agencies to address recruitment and retention problems (5 U.S.C. 5948). The following worksheet provides details on usage of PCA within SSA from FY 2016-2018.

Table 3.46—Physicians' Comparability Allowance 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 and one MO separation in fiscal year 2017.

SSA continues to offer PCAs to our MOs in order to recruit and retain the highly specialized physicians that we need. MOs are critical to our mission as they possess specialized skills required to write, revise, update, and develop agency medical policy, including medical policy that is used for evaluating claims for disability benefits under the Social Security disability insurance program or payments under the Supplemental Security Income program.

The PCA helps to compensate for the decrease in salary that a physician accepts when becoming a civil servant. Our MOs accept a reduction in income under the General Schedule (GS) pay scale, which is capped at the GS 15/step 10.

Also, PCAs continue to be a point of importance among our MOs and are a key factor in our ability to retain our current MO and recruit new ones. If we do not retain the PCA, our MO may elect to find employment in other areas or agencies where PCAs are offered.

SSA must continue to offer PCAs in order to recruit new physician MOs and retain the ones we have as we compete for their services with other government agencies.

3-4) Please complete the table below with details of the PCA agreement for the following years:

	PY 2017 (Actual)	CY 2018 (Estimates)	BY* 2019 (Estimates)
3a) Number of Physicians Receiving PCAs	1(renewal)	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)	161,900	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 was able to retain its medical officer by continuing to offer PCA.

6) Provide any additional information that may be useful in planning PCA staffing levels and amounts in your agency.

MAXIMUM PHYSICIAN'S COMPARABILITY ALLOWANCES

Table 3.47 —Maximum Physician's Comparability Allowances – 1 – Year Contract

CATEGORY	PHYSICIANS WITH 24 MONTHS OR LESS OF SERVICE			PHYSICIANS WITH MORE THAN 24 MONTHS OF SERVICE		
	GS-13	GS-14	GS-15/SES	GS-13	GS-14	GS-15/SES
1. Occupational Health	*	*	*	*	*	*
2a. Disability Evaluation	*	*	*	*	*	*
2b. Administration	$8,000	$9,000	$10,000	$12,000	$18,000	$24,000

Table 3.48—Maximum Physician's Comparability Allowances – 2 –Year Contract

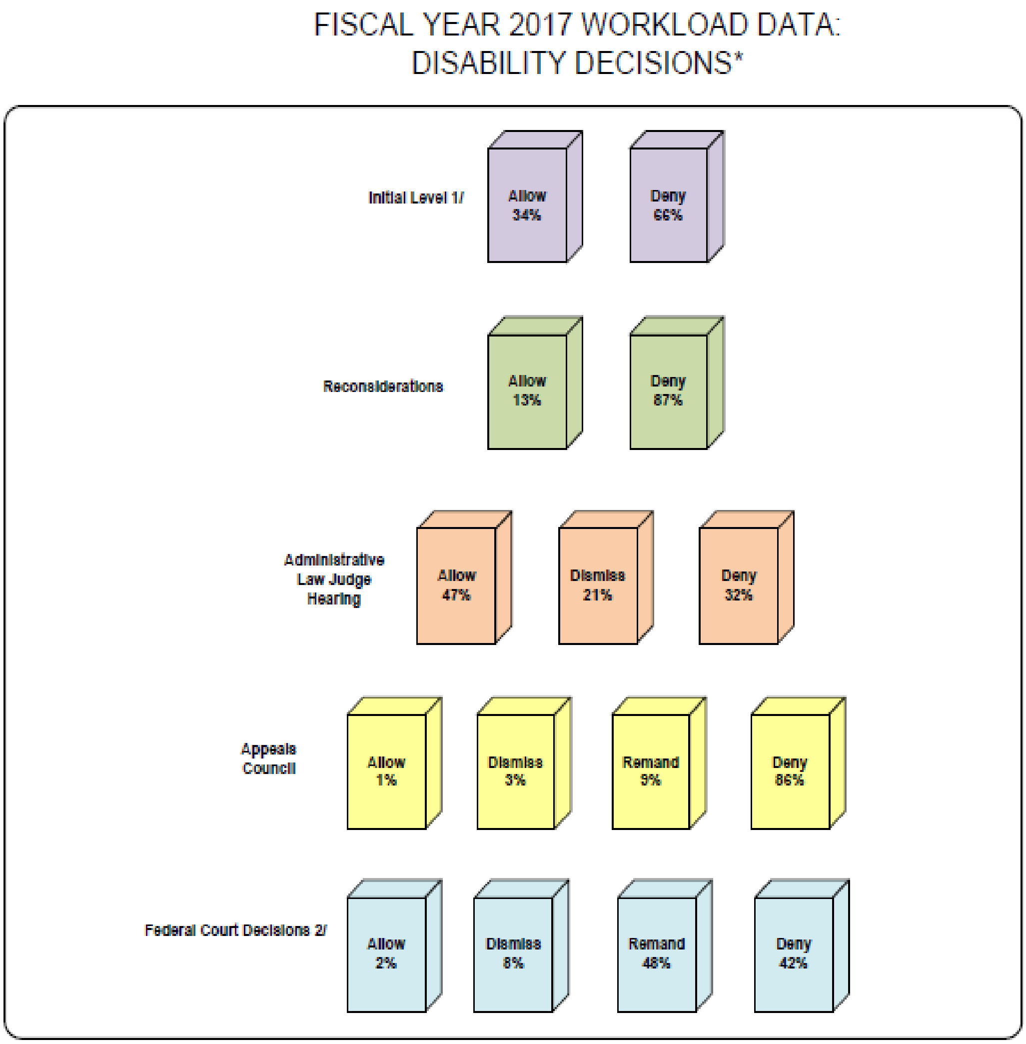
CATEGORY	PHYSICIANS WITH 24 MONTHS OR LESS OF SERVICE			PHYSICIANS WITH MORE THAN 24 MONTHS OF SERVICE		PHYSICIANS WITH MORE THAN 24 MONTHS BUT NOT MORE THAN 48 MONTHS OF SERVICE	PHYSICIANS WITH MORE THAN 48 MONTHS OF SERVICE
	GS-13	GS-14	GS-15/ SES	GS-13	GS-14	GS-15/SES	GS-15/SES
1. Occupational Health	*	*	*	*	*	*	*
2a. Disability Evaluation	*	*	*	*	*	*	*
2b. Administration	$12,000	$13,000	$14,000	$18,000	$24,000	$27,000	$30,000

* SSA currently is not experiencing any recruitment or retention problems for the categories of Occupational Health and Disability Evaluation; therefore, no related maximum allowances have been established for these categories. Maximum allowances have been set for the category of Administration because the Commissioner has determined that there is a significant problem recruiting and retaining physicians for a few positions in this category in the Office of Disability Policy.

FY 2017 DISABILITY WORKLOAD

The following table provides data on the FY 2017 disability claims and appeals workload.

Table 3.49—FY 2017 Workload Data Disability Appeals*



*Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2017, 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.

NOTE: Due to rounding, data may not always total 100%.

Prepared by: SSA, ODPMI (Office of Disability Program Management Information)
Date Prepared: January 30, 2018
Data Sources:
1) Initial and Reconsideration Data: SSA State Agency Operations Report
2) Administrative Law Judge and Appeals Council data: SSA Office of Disability Adjudication and Review (ODAR)
3) Federal Court data: SSA Office of General Counsel

SSA ORGANIZATIONAL CHART

The following table provides the current SSA organizational chart.

Table 3.50 – SSA Organizational Chart

Executive Secretary, Office of Executive Operations
Darlynda K. Bogle

Counselor to the Commissioner
Jay Ortis

Commissioner
Nancy A. Berryhill*

Deputy Commissioner
(Vacant)

Chief of Staff
Beatrice M. Disman*

Deputy Chief of Staff
Stephanie J. Hall*

Director, Equal Employment Opportunity
Claudia J. Postell*

Inspector General
Gale S. Stone*

Deputy Inspector General
Gale S. Stone

Chief of Staff
Steven L. Schaeffer

Asst Inspector General, Office of Investigations
Robby A. Childress*

Asst Inspector General, Office of Audit
Rona M. Lawson

Counsel, Office of the Counsel to the Inspector General
Joseph E. Gangloff

Asst Inspector General, Office of Communications and Resource Management
Kelly G. Bloyer

Chief Actuary
Stephen C. Goss

General Counsel
Asheesh Agarwal

Deputy General Counsel
Daniel F. Callahan

Deputy Commissioner, Human Resources
Marianna LaCanfora

Assistant DC
Bonnie L. Doyle

Deputy Commissioner, Legislation and Congressional Affairs
Royce B. Min*

Assistant DC
Royce B. Min

Deputy Commissioner, Chief Information Officer, Systems
Rajive K. Mathur

Deputy Chief Information Officer, Systems
Thomas J. Fellona*

Assistant DC/(IT Business Support)
Sylviane D. Haldiman

Assistant DC/(Software Engineering)
Diana E. Andrews

Assistant DC/(Systems Operations and Hardware Engineering)
Thomas G. Grzymski

Chief Technology Officer
John C. Morenz

Associate Commissioner, Information Security/Chief Information Security Officer
Robert D. Collins*

Deputy Commissioner, Operations
Mary L. Horne*

Assistant DC
Grace M. Kim*

Assistant DC
Erik N. D. Jones

Deputy Commissioner, Retirement and Disability Policy
Mark J. Warshawsky

Assistant DC
Stephen G. Evangelista*

Deputy Commissioner, Budget, Finance and Management
Michelle A. King

Assistant DC
John W. Simermeyer*

Deputy Commissioner, Analytics, Review, and Oversight
Patricia A. Jonas

Assistant DC
Amy G. Thompson*

Deputy Commissioner, Communications
James C. Borland*

Assistant DC
James C. Borland

Deputy Commissioner, Hearings Operations
Theresa L. Gruber

Assistant DC
Joseph M. Lytle*

For the full agency organization chart, please visit:
https://www.ssa.gov/org/ssachart.pdf

*Acting

February 2018

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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, [$27,000,000] *$30,000,000*, together with not to exceed [$78,500,000] *$75,500,000* to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the "Limitation on Administrative Expenses," Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: *Provided*, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any transfer.

Note—a full-year 2018 appropriation was not enacted at the time this budget was prepared; therefore, the budget assumes the OIG is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended).

Please also note that the Appendix reflects $27 million from the General Fund and $78.5 million from the trust funds. The correct split is $30 million from the General Fund and $75.5 million from the trust funds. The overall level of budget authority remains unchanged.

GENERAL STATEMENT

OVERVIEW

The FY 2019 President's Budget for the SSA Office of the Inspector General (OIG) is $105.5 million in total budget authority and 517 FTE. The OIG intends to obligate $115.5 million, and operate with 563 FTE, which includes a transfer of cap adjustment funds from SSA as described below.

The FY 2019 Budget provides funding for the OIG direct appropriations account approximately even with FY 2017, the FY 2018 Budget, and estimated FY 2018 levels.

In addition to the request for $105.5 million in the appropriations account, the Budget requests that SSA transfer up to $10 million of its program integrity cap adjustment funds in SSA's Limitation on Administration Expenses (LAE) account to the OIG for expenses incurred for OIG cooperative disability investigations (CDI) unit team leaders. This important anti-fraud activity 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 and Determination Services and an SSA employee who act as programmatic experts, and State or local law enforcement officers. Generally, CDI units investigate suspected fraud before the agency awards benefits and during the CDR and redetermination processes when fraud may be involved. Currently, the CDI program has 40 units covering 34 States, the District of Columbia, and the Commonwealth of Puerto Rico. In 2018, we are pursuing expansion for Honolulu, Hawaii; Indianapolis, Indiana; and Albuquerque, New Mexico. We are also planning to add 3 units in FY 2019 and having coverage for all 50 States and U.S. territories by October 1, 2022.

The OIG has consistency prioritized this important activity at the detriment of other investigative work. Access to these funds provides the OIG with the same access to the cap adjustment funds enjoyed by SSA in support of the same CDI units. Prior to FY 2019, OIG had to absorb personnel losses from existing staff in order to meet CDI unit expansion with no increase in resources. With the ability to obligate $115.5 million in 2019, OIG intends to operate at 563 FTE, an increase of 46 FTE and related support costs such as travel, training, information technology, and law enforcement equipment. OIG will continue to meet its homeland security responsibilities through audit and investigative activities that focus on strengthening the enumeration process and combating SSN misuse.

In FY 2019, our budget includes $620,000 for training, which satisfies our FY 2019 training requirements. In FY 2019, we will contribute about $317,000 to the Council of the Inspectors General on Integrity and Efficiency (CIGIE), as requested.

TABLE 4.1—JUSTIFICATION

	FY 2017 Actual	**FY 2018 Estimate**	**FY 2019 Budget**	***FY18 to FY19 Change***
FTE	510	517	517	0
Appropriation	$ 105,500,000	$ 104,783,550	$ 105,500,000	$716,450
Total Obligations	$ 104,951,103	$ 104,783,550	$ 105,500,000	$ 716,450
Unobligated balance lapsing	$ 548,897	$ 0	$ 0	$ 0
Reimbursable Obligation* (est. 46 FTE)			$10,000,000*	$ 10,000,000

*** FOR FY 2019, THE BUDGET PROPOSES FOR 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 OIG EMPLOYEES (46 FTES) WHO SERVE AS TEAM LEADERS IN THE JOINTLY OPERATED COOPERATIVE DISABILITY INVESTIGATIONS (CDI) UNITS.**

NOTE—A FULL-YEAR 2018 APPROPRIATION WAS NOT ENACTED AT THE TIME THIS BUDGET WAS PREPARED; THEREFORE, THE BUDGET ASSUMES THE OIG IS OPERATING UNDER THE CONTINUING APPROPRIATIONS ACT, 2018 (DIVISION D OF P.L. 115-56, AS AMENDED).

ONGOING INITIATIVES

Computer Forensic & Cyber-Related Investigations

Our *Digital Forensics Team* (DFT) provides forensic support to investigations involving at least one computer, network, electronic data storage, communication, mobile device or other form of digital media; as well as the collection, examination, analysis and reporting of the data acquired. The DFT provides needed forensic assistance to the field in support of ongoing investigations. In FY 2015, the DFT implemented the initial infrastructure of a "private cloud"-based forensics network that now allows the DFT to offer faster processing and examining times and provides an overall better digital forensics solution for the OIG. This infrastructure allows the DFT to maintain a secure central repository for forensic evidence and DFT case work. Moving forward, the DFT will need additional funds to maintain, secure and expand the forensic network to meet the growing demands of the ever evolving cyber-crime movement. Additional funds will also allow the DFT to increase its infrastructure and data storage capabilities. Data storage is vital to a computer forensics program so we can provide adequate support as components request it.

In addition to traditional forensic services, the DFT works hand-in-hand with SSA to protect SSA's network and Personally Identifiable Information (PII). With the issuance of Presidential directives, such as OMB Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information*, which provides guidance on the *Federal Information Security Modernization Act of 2014*, and updates the *Cybersecurity Strategy and Implementation Plan for Federal Civilian Government*, protecting government networks has become a critical priority. There has been an increase in cyber based attacks on networks, to include government-maintained electronic data; therefore, the potential for computer-based fraud against SSA systems and programs is growing exponentially. Techniques used to compromise computer systems are on the rise nationally, as computer crimes become more prevalent. To be effective, we must keep pace with technological advances. Without a budget increase, we must cut other areas in order to provide our computer forensic examiners with additional equipment, training, and software needed to combat increasingly complex computer crimes.

DFT personnel received basic network intrusion training in FY 2017; however, additional training is necessary to adequately address complex and evolving cyber-crimes. In FY 2019, DFT will receive additional skills training to continually enhance its abilities in the area of computer security and incident response. Training in cyber-crime prevention will allow DFT to respond quickly and appropriately to cyber-incidents before any PII is compromised.

Cooperative Disability Investigations

The Cooperative Disability Investigations (CDI) Program is a key SSA anti-fraud initiative that plays a vital role in combating fraud, similar fault, 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. CDI units investigate claimants, beneficiaries, as well as third parties who are potentially facilitating disability fraud.

CDI investigations help SSA:

- prevent claimants who do not meet eligibility requirements from receiving benefits;
- terminate the benefits of those who have concealed medical improvement or failed to disclose substantial gainful activity; and,
- revisit administrative determinations of claimants who may never have been eligible for benefits.

In FY 2017, the CDI program consisted of 40 units covering 34 states, the District of Columbia, and the Commonwealth of Puerto Rico. We will continue to expand this program in FY 2018 and FY 2019. The *Bipartisan Budget Act of 2015* (BBA) requires SSA to expand the CDI program to cover all States and Territories no later than October 1, 2022. This requirement will be subject to the availability of funding and participation of local law enforcement agencies.

As the CDI program has expanded to meet the BBA mandate, OIG has reallocated staff to support the CDI mission both in the field and at headquarters, which required us to shift resources away from other investigative priorities. With additional funding of up to $10M from a transfer from program integrity cap adjustment funds in SSA's LAE account to support the cost of CDI team leaders, OIG will no longer have to absorb these personnel costs at a detriment to its other work.

Allegation Management and Fugitive Enforcement

The Allegation Management and Fugitive Enforcement Division (AMFED) is responsible for receiving, analyzing, and referring allegations of fraud, waste, and abuse in Social Security programs and operations. AMFED is also responsible for managing the fugitive warrant verification and referral process for Social Security's fugitive enforcement operations.

In FY 2017, these processes contributed significantly to the mission of OIG and SSA. AMFED received 92,737 allegations. Through the development of referred allegations, SSA identified about $3.6 million in benefit overpayments. AMFED also matched 141,671 fugitive subjects from incoming Federal, State, and local warrant files and referred them to law enforcement for apprehension and warrant verification. AMFED referred 1,863 fugitive subjects for benefit suspension. Through these data-sharing efforts, law enforcement reports that 484 fugitives were apprehended.

Civil Monetary Penalty Program

We continue our emphasis on enforcing Section 1129 of the *Social Security Act*, which authorizes Civil Monetary Penalties (CMPs) against those who make false statements or misrepresentations in connection with obtaining or retaining payments under Titles II, VIII, or XVI of the *Social Security Act*. We can also penalize representative payees for wrongful conversion of payments and penalize individuals who knowingly withhold a material fact from SSA. If the Department of Justice or a local prosecutor does not pursue criminal or civil prosecution, in 2018, we are authorized to impose penalties of up to $8,249 for each false statement, misrepresentation, conversion, or omission. A person may also be subject to an assessment, in lieu of damages, of up to *twice* the amount of any resulting overpayment. For a CMP against an individual who violates their position of trust with an applicant for Social Security benefits the 2018 maximum CMP that may be imposed is $7,779. Section 813(b) of the

BBA of 2015 defines a person in a position of trust as someone who "receives a fee or other income for services performed in connection with any determination with respect to benefits under [Titles II, VIII and XVI of the Social Security Act] (including a claimant representative, translator, or current or former employee of the Social Security Administration), or who is a physician or other health care provider who submits, or causes the submission of, medical or other evidence in connection with any such determination…" We note that these penalties are subject to an annual inflation adjustment, effective each January 15.

Our CMP authority allows us to recover fraud losses from those responsible when prosecutors decline to pursue OIG investigations for criminal or civil prosecution. The Section 1129 program is an effective supplemental tool to prevent and deter fraud, and recover fraud losses, thereby strengthening public trust in the agency. Thus, we remain committed to aggressive enforcement.

We also have authority to enforce Section 1140 of the Social Security Act, the consumer protection prong of the agency's civil monetary penalty program. Section 1140 prohibits people or companies from misusing Social Security or Medicare symbols, emblems, or names to mislead consumers by giving the false impression that they are associated with, or endorsed by, SSA when they advertise, solicit services, or otherwise communicate with the public. These communications can take many forms, including mailed or televised advertisements, Internet sites, social media accounts, and mobile applications. Section 1140 also prohibits the reproduction and sale of Social Security publications and forms without authorization. The maximum penalty for 2018 is $10,260 for each violation and $51,302 for each violative broadcast, telecast, dissemination, viewing, or accessing of such a communication.

The focus of our 1140 program is early intervention to minimize harm to the public and SSA's reputation, while also allowing violating individuals and entities the opportunity to bring their operations into compliance with Section 1140. A cornerstone of our prevention and early detection strategy is outreach to our private sector partners, who help identify potential violators. We continually explore outreach opportunities to educate the public on how to recognize and avoid scams, and we welcome the opportunity to work with companies to develop innovative approaches to combat Section 1140 violations.

SSA'S SIGNIFICANT MANAGEMENT ISSUES

OIG annually identifies the most significant management issues facing SSA based on congressional mandates and its audit and investigative work. These issues are:

1. Strengthen Planning, Transparency, and Accountability
2. Improve Customer Service
3. Improve Administration of the Disability Programs
4. Modernize Information Technology Infrastructure
5. Secure Information Systems and Protect Sensitive Data
6. Reduce Improper Payments and Increase Overpayments Recoveries
7. Strengthen the Integrity and Protection of the Social Security Number

A summary of each management issue is discussed below:

Issue #1: Strengthen Planning, Transparency, and Accountability

Planning, transparency, and accountability are critical factors in effective management. Failure to plan properly to meet its mission and challenges will lessen the Agency's ability to provide its services efficiently and effectively now and in the future. While SSA has created annual performance and multiple-year strategic plans, we are concerned with the quality of its longer-term vision needed to ensure SSA has the programs, processes, staff, and infrastructure required to provide needed services for the next 10 to 20 years and beyond. In FY 2015, SSA published its *Vision 2025* report, which SSA stated is a critical first step in planning how it will serve the public in the future. However, we question whether SSA's *Vision 2025* provides a clear path to the organization SSA will need to be in the future to meet its mission. *Vision 2025* does not include specific, measurable goals or outline the strategy needed to implement SSA's proposed vision. To show transparency, the Agency has a mixture of outcome and output performance measures on which it publicly reports. However, many of the output measures relate to the completion of budgeted workloads and do not inform a reader whether the completion of the workloads equate to positive outcomes. Regarding accountability, the FY 2017 Independent Auditor's Report contained three significant deficiencies. The auditor identified four systems control deficiencies that, when aggregated, are considered to be a significant deficiency in the area of IT Systems Controls. The auditor also identified four deficiencies in internal control that, when aggregated, are considered to be a significant deficiency related to weaknesses in internal controls related to accounts receivable/overpayments. Further, the auditor identified a significant deficiency in controls over the reliability of information used in performing manual process-level controls over benefits due and payable and accounts receivable.

Issue #2: Improve Customer Service

SSA faces several challenges as it pursues its mission to deliver quality services, including an increase in workloads and a decrease in experienced employees as they are expected to retire. In FY 2017, SSA served over 42 million visitors in over 1,200 field offices nationwide, a 5-percent increase from over 40 million visitors in FY 2015. In 2017, SSA estimated the retirement of the baby boom generation would increase the number of beneficiaries through 2037, thereby increasing SSA's workload. Based on the estimates, SSA expected the number of beneficiaries to increase by 43 percent over the next 20 years. In addition, SSA stated that one of its greatest challenges is replacing the loss of its most experienced employees, especially in SSA's current leadership ranks. In its October 2017 issue of *Workforce at a Glance*, SSA reported about 31 percent of its employees were baby boomers or older and about 15 percent of its employees were eligible for retirement. As of the end of FY 2017, SSA expected about 1,952 of its 6,504 supervisors would be eligible for retirement in the next 5 years. Further, the demand for online services is expected to increase as the baby boom generation ages. SSA completed over 155 million transactions via SSA's online services in FY 2017, a 29-percent increase from FY 2016 and a 78-percent increase from FY 2015. Finally, our audits continue to identify problems with SSA's administration of the representative payee program, and our investigations identified various types of representative payee fraud. SSA acknowledges representative payees play a significant role in many beneficiaries' lives, as it explores ways to better identify, screen, and appoint representative payees.

Issue #3: Improve Administration of the Disability Programs

While pending initial disability claims have decreased, SSA still faces challenges with pending hearings and appeals. Continued focus is necessary to simplify work incentive regulations and create new opportunities for returning beneficiaries to work. SSA ended FY 2017 with approximately 523,000 initial disability claims pending. SSA has had a backlog of full medical continuing disability reviews (CDR) since FY 2002. With increased program integrity funding in recent years, the backlog was reduced from its high of 1,496,000 at the end of FY 2009 to about 64,000 cases at the end of FY 2017. SSA expects to eliminate the backlog by the end of FY 2018. Another part of the disability program, the hearings and appeals process, has experienced worsening timeliness and growing backlogs. The average processing time for a hearing increased 42 percent from 426 days at the end of FY 2010 to 605 days at the end of FY 2017. During the same period, the pending hearing backlog grew 50 percent, from 705,367 cases at the end of FY 2010, to 1.06 million cases at the end of FY 2017. As far as returning to work, our reviews have found that few Ticket-eligible beneficiaries used their Tickets to receive vocational or employment services. Also, an independent evaluation[1] failed to provide strong evidence of the Ticket Program's impact on employment and concluded that many successful Program participants might have been equally successful without SSA-financed services or with services provided by state vocational rehabilitation agencies under the payment system that predated the Ticket Program.

Issue #4: Modernize Information Technology Infrastructure

SSA must modernize its information technology (IT). SSA's aging IT infrastructure is increasingly difficult and expensive to maintain. The Agency continues to rely on outdated applications and technologies to process its core workloads, such as retirement and disability claims. To ensure SSA can keep pace with increasing workloads, the Agency must maintain its legacy systems while developing their modern replacements. One of the Agency's priorities is to improve customer service and convenience by increasing online transactions. To achieve that goal, SSA continues enhancing its *my Social Security* online portal. For example, SSA plans to redesign the portal and expand the services within *my Social Security* to additional user groups, including representative payees, appointed representatives, and business users. SSA also faces challenges in

[1] Mathematica Policy Research, Executive Summary of the Seventh Ticket to Work Evaluation Report, p. 1, July 2013.

executing and implementing major IT projects and delivering expected functions on-schedule and within budget. For example, to simplify system support and maintenance, improve the speed and quality of the disability process, and reduce the overall growth rate of infrastructure costs, SSA continues to develop the Disability Case Processing System (DCPS). Historically, the project faced schedule delays and increasing stakeholder concerns.

Issue #5: Secure Information Systems and Protect Sensitive Data

SSA must secure its information systems and protect its sensitive data. Breaches at several Federal agencies have underscored the importance of securing Federal systems and protecting sensitive information. The information SSA houses on nearly every U.S. citizen is invaluable to would-be hackers and potential identity thieves. Consequently, the Agency's information systems may be at particular risk of attack. Given the highly sensitive nature of the personal information in its systems, it is imperative that SSA have a robust information security program. SSA is also developing systems in the cloud, which creates security concerns with housing sensitive Agency information in public clouds. It is important as SSA expands its services and systems that it implement security during the development process.

Our prior audit and investigative work has revealed a number of concerns with the security of SSA's information systems. Since FY 2012, auditors have identified weaknesses that, when aggregated, created a significant deficiency in SSA's overall information systems security program. Additionally, other recent audits and evaluations have identified concerns with SSA's information security program. While expanding its inventory of electronic services, the Agency needs to ensure those services are secure. Prior investigative and audit work has identified incidents of fraud committed through SSA's electronic services. For example, despite controls to prevent unauthorized access to my Social Security, we continue to receive fraud allegations related to my Social Security accounts.

Issue #6: Reduce Improper Payments and Increase Overpayment Recoveries

SSA is responsible for issuing about $986 billion in benefit payments, annually, to about 69 million people. Given the large overall dollar amounts involved, even the slightest error in the overall process can result in millions of dollars in over- or underpayments. In its FY 2017 Agency Financial Report, SSA estimated it would make about $7.8 billion in over- or underpayments in FY 2017 and incurred an administrative cost of $0.07 for every overpayment dollar it collected during FY 2017. SSA strives to balance its service commitments to the public with its stewardship responsibilities. However, given the size and complexity of the programs the Agency administers, some payment errors will occur. Nonetheless, SSA has not met its payment accuracy goals. For example, in FYs 2012 through 2016, SSA's goal was 95-percent payment accuracy for Supplemental Security Income (SSI), but SSA fell short of this goal in each of these years. OIG noted in a May 2017 report that SSA was not compliant with the Improper Payments Elimination and Recovery Act of 2010 requirements for meeting its targeted payment accuracy rates. Once SSA determines an individual has been overpaid, it attempts to recover the overpayment. According to SSA, in FY 2017, it recovered $3.9

billion in overpayments at an administrative cost of $0.07 for every dollar collected and ended the FY with an uncollected overpayment balance of $21.8 billion.

Issue #7: Strengthen the Integrity and Protection of the Social Security Number

Protecting the Social Security number (SSN) and properly posting the wages reported under SSNs are critical to ensuring eligible individuals receive the full benefits they are due. While SSA has taken steps to improve its enumeration process, given the preponderance of SSN misuse and identity theft, we continue to believe protection of this critical number is a considerable challenge for SSA as well as its millions of stakeholders. Unfortunately, once SSA assigns an SSN, it has no authority to control how other entities collect, use, and protect it.

Our audit and investigative work has shown that the more SSNs are unnecessarily used, the higher the probability individuals could use them to commit crimes. Further, we remain concerned about SSN misuse by noncitizens who are not authorized to work in the United States. Properly posting earnings ensures eligible individuals receive the full retirement, survivors, and/or disability benefits due them. If employers report earnings information incorrectly or not at all, SSA cannot ensure all individuals entitled to benefits are receiving the correct payment amounts. SSA spends scarce resources correcting earnings data when employers report incorrect information.

MONETARY BENEFITS

In FY 2017, OIG issued 75 audit reports with recommendations, identifying over $3.3 billion in questioned costs and over $1.2 billion in Federal funds that could be put to better use. OIG also received over 153,000 allegations of fraud, effected almost 875 criminal convictions, and obtained a return of over $432 million in monetary accomplishments, comprised of nearly $139 million in SSA recoveries, restitutions, fines, settlements, and judgments, and over $293 million in projected SSA savings. Our FY 2019 funding will enable us to issue timely reports, provide training required by Government Auditing Standards, and cover mission-critical travel.

STRATEGIC PLANNING

FY 2017 was the second year under OIG's 5-year Strategic Plan (FY 2016-FY 2020). OIG operates within a framework set by three general goals: the *Impact* OIG's investigations, audits, and legal activities have on SSA's effectiveness and efficiency; the *Value* OIG brings to SSA, Congress, and the public; and the strategies OIG uses to cultivate the talents of its *People*. These general goals are further broken down into 15 separate performance measures. All of these measures are designed to support OIG's core mission to inspire public confidence by detecting and preventing fraud, waste, and abuse in SSA's programs and operations. For FY 2017, OIG successfully met or exceeded 14 out of 15 of its performance measures. The specific results for FY 2017 are as follows:

TABLE 4.2—2017 PERFORMANCE MEASURE RESULTS

Goal	Target	Result
Impact		
1. Maintain an annual acceptance rate of at least 88% for all audit recommendations.	88%	**100%**
2. Achieve a 5-year average implementation rate of 85% for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.	85%	**90%**
3. Ensure at least 80% of all cases opened during the FY directly relate to improper payments within SSA's Title II and Title XVI Programs.	80%	**96%**
4. Achieve a successful conclusion on at least 75% of all Title II and Title XVI cases closed during the FY.	75%	**85%**
Value		
5. Generate a positive return of $8 for every tax dollar invested in OIG activities.	$8 to 1	**$47 to 1**
6. Evaluate and respond to 90% of all allegations received within 60 days.	90%	**98%**
7. Complete investigative fieldwork on 75% of all cases within 180 days.	75%	**89%**
8. Respond to 95% of constituent-based congressional inquiries within 21 days.	95%	**100%**
9. Take action on 90% of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.	90%	**96%**
10. Achieve a positive external user assessment rating of 85% for product service quality.	85%	**96%**
11. Issue 85% of final audit reports within 1 year of the entrance conference with SSA.	85%	**93%**
12. Complete 85% of requests for legal advice and review within 30 days.	85%	**97%**
People		
13. Achieve an annual attrition rate of 5% or less.	≤5 %	**3%**
14. Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvements are needed. (Improvement is indicated when the score of questions relating to job satisfaction is ≤ 75%.)	75%	**70%**
15. Ensure that 90% of OIG staff receives 40 or more hours of appropriate developmental and skill enhancement training annually.	90%	**98%**

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 proposes to transfer up to $10 million in program integrity cap adjustment funds to the SSA OIG from SSA's LAE account to fund CDI unit team leaders. 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 2019 consists of $30,000,000 appropriated from the general fund, and $75,500,000 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 4.3—AMOUNTS AVAILABLE FOR OBLIGATION

(IN THOUSANDS)

	FY 2017 Actual	**FY 2018 Estimate**	**FY 2019** Budget**
General Funds Annual	$ 29,787	$ 29,585	$ 30,000
Trust Funds Annual Transfer	$ 75,713	$ 75,199	$ 75,500
Total Appropriation	**$ 105,500**	**$ 104,784**	**$ 105,500**
Reimbursable Obligation*			**$ 10,000**
Total Budgetary Resources	**$ 105,500**	**$ 104,784**	**$ 115,500**
Total Obligations	$ 104,951	$ 104,784	$ 115,500
Unobligated balance lapsing	$ 549	$ 0	$ 0

** For FY 2019, the Budget proposes to transfer up to $10 million in program integrity cap adjustment funds to the SSA OIG to fund CDI unit team leaders. This anti-fraud activity is an authorized use of the cap adjustment. .The funds will support the cost of OIG employees who serve as team leaders in the jointly operated Cooperative Disability Investigations (CDI) units.*

*** Table reflects the corrected split between the General Funds and the Trust Funds.*

Note—a full-year 2018 appropriation was not enacted at the time this budget was prepared; therefore, the budget assumes the OIG is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended).

ANALYSIS OF CHANGES

The FY 2019 request represents a $716,450 change, only to offset the projected full-year 0.6791% rescission in the FY 2018 estimated appropriation. Increases in base expenses for employee salaries and benefits, will be offset by reductions in other objects.

TABLE 4.4—SUMMARY OF CHANGES

	FY 2018 Estimate	**FY 2019** Budget**	***FY18 to FY19 Change***
General Fund Appropriation	$ 29,584,716	$ 30,000,000	$415,284
Trust Fund Appropriation	$ 75,198,834	$ 75,500,000	$301,166
Total Appropriation	**$ 104,783,550**	**$ 105,500,000**	**$716,450**
Reimbursable Obligation*	**$ 0**	**$10,000,000**	**$10,000,000**
Total Obligations	**$104,783,550**	**$ 115,500,000**	**$10,716,450**

** For FY 2019, the Budget proposes that up to $10 million may be transferred to the Office of the Inspector General from program integrity cap adjustment funds in SSA's LAE account for the cost of OIG employees who serve as team leaders in the jointly operated Cooperative Disability Investigations (CDI) units.*

*** Table reflects the corrected split between the General Funds and the Trust Funds.*

Note—a full-year 2018 appropriation was not enacted at the time this budget was prepared; therefore, the budget assumes the OIG is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended).

TABLE 4.5—EXPLANATION OF OIG BUDGET CHANGES

	FY 2018 Base		Change from Base	
	WYs (FTEs)	**Budgetary Resources**	**WYs (FTEs)**	**Budgetary Resources**
<u>BUILT-IN INCREASES</u>				
Base Payroll Expenses	**520 (517)**		***+47 (+46)***	
• *Change in base payroll expenses related to career ladder promotions and within-grade increases*	- - -	*$ 65,047,000*	- - -	*+ $ 6,834,000*
• *Change in base expenses for employee benefits including health benefits and new employees hired under the Federal Retirement Employees System*	- - -	*$ 26,811,000*	- - -	*+ $ 3,048,000*
• *All other payroll changes, including overtime and awards*	- - -		- - -	
Non-Payroll Costs - All other built-in non-payroll changes, travel management support and equipment	- - -	*$ 8,330,550*	- - -	*+ $716,450*
* **Rent**	- - -	*$ 4,595,000*	- - -	*+ $ 408,000*
Subtotal, Built-in increases	**520 (517)**	***$ 104,783,550***	***+47 (+46)***	***+$10,716,450***
<u>PROGRAM INCREASES</u>				
Increase for operations and maintenance of facilities and equipment	- - -	- - -	- - -	*$ 0*
Subtotal, Program Increases	- - -	- - -	- - -	*$ 0*
Total Increases	**520 (517)**	***$ 104,783,550***	***+47 (+46)***	***+$10,716,450***

Table Continues on the Next Page

	FY 2018 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	**520 (517)**	*$ 91,858,000*	***+0 (+0)***	- - -
Non-Payroll Costs	- - -	*$ 8,330,550*	- - -	- - -
Rent	- - -	*$ 4,595,000*	- - -	- - -
			- - -	- - -
Subtotal, Built-in decreases	- - -	*$ 104,783,550*	- - -	- - -
<u>PROGRAM DECREASES</u>	- - -	- - -	- - -	- - -
Decrease in costs for training, other support, services, and supplies	- - -		- - -	
Subtotal, Program Decreases	- - -	- - -	- - -	- - -
Total Decreases	- - -	***$ 104,783,550***	- - -	- - -
Net Change	**520 (517)**	***$ 104,783,550***	***+47 (+46)***	***$ 10,716,450***

BUDGET AUTHORITY BY ACTIVITY

The table below displays budget authority, split by type of funding, and obligations. This table also includes FTEs.

TABLE 4.6—BUDGET AUTHORITY BY ACTIVITY

(IN THOUSANDS)

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Budget**
General Funds	**$ 29,787**	**$ 29,585**	**$ 30,000**
OASDI Trust Fund Transfers	**$ 75,713**	**$ 75,199**	**$ 75,500**
Total Appropriation	**$ 105,500**	**$ 104,784**	**$ 105,500**
Total Budgetary Authority	**$ 105,500**	**$ 104,784**	**$ 105,500**
Reimbursable Obligation*			**$10,000**
Obligations	$ 104,951	$ 104,784	$ 115,500
Unobligated balance lapsing	$ 549	$ 0	$ 0
FTEs	510	517	563

** For FY 2019, the Budget proposes that up to $10 million may be transferred to the Office of the Inspector General from SSA's LAE account for the cost of OIG employees who serve as team leaders in the jointly operated Cooperative Disability Investigations (CDI) units.*
*** Table reflects the corrected split between the General Funds and the Trust Funds.*

Note—a full-year 2018 appropriation was not enacted at the time this budget was prepared; therefore, the budget assumes the OIG is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended).

BUDGET RESOURCES BY OBJECT

The table below displays the breakdown of budget resources by object class.

TABLE 4.7—BUDGET RESOURCES BY OBJECT

	FY 2017	**FY 2018**	**FY 2019**	***FY18 to FY19 Change***
Full-time permanent	$ 62,700,000	$ 63,323,000	$ 70,126,000	+ *$ 6,803,000*
Other than full-time permanent	$ 352,000	$ 377,000	$ 380,000	*$ 3,000*
Other compensation	$ 1,026,000	$ 1,347,000	$1,375,000	+ *$ 28,000*
Subtotal, Personnel Compensation	$ 64,078,000	$ 65,047,000	$ 71,881,000	+ *$ 6,834,000*
Civilian personnel benefits	$ 26,826,000	$ 26,811,000	$ 29,859,000	+ *$ 3,048,000*
Total, Compensation and Benefits	$ 90,904,000	$ 91,858,000	$ 101,740,000	+ *$ 9,882,000*
Travel	$ 2,400,000	$ 2,175,000	$ 3,142,000	+ *$ 967,000*
Transportation of things	$ 62,000	$ 35,000	$ 40,000	+ *$ 5,000*
Rental payments to GSA	$ 4,455,000	$ 4,517,000	$ 4,700,000	+ *$ 183,000*
Rental payments to others	$ 3,000	$ 50,000	$ 0	- *$50,000*
Communications, utilities, and others	$ 453,000	$ 28,000	$ 303,000	+ *$ 275,000*
Printing and reproduction	$ 5,000	$ 5,000	$ 4,000	-*$ 1,000*
Other services	$5,784,000	$5,216,000	$ 5,207,000	- *$9,000*
Supplies and materials	$ 279,000	$ 300,000	$ 218,000	- *$ 82,000*
Equipment	$ 910,000	$ 1,119,000	$ 666,000	- *$453,000*
Insurance Claims	$ 2	$ 0	$ 0	*$ 0*
Adjustments	-$ 306,000	-$ 519,000	-$ 520,000	-*$ 1,000*
Total Budgetary Resources	$ 104,951,000	$ 104,784,000	$ 115,500,000	+ *$ 10,716,000*

*Note – Totals may not add due to rounding.

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 4.8—AUTHORIZING LEGISLATION

	FY 2017 Enacted	FY 2018 Estimate	FY 2019 Authorized	FY 2019 Estimate
Office of the Inspector General (P.L. 115-56)	**$ 105,500,000**	**$ 104,783,550**	**Indefinite**	**$ 105,500,000**

Note—a full-year 2018 appropriation was not enacted at the time this budget was prepared; therefore, the budget assumes the OIG is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended), which included a 0.6791% rescission from FY 2017 funding levels.

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 2018.

TABLE 4.9—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]	**$ 87,679,600**[3]
General Funds	$ 26,000,000	$ 25,748,000	$ 26,000,000	**$ 25,542,000**
Trust Funds	$ 66,000,000	$ 65,359,000	$ 66,000,000	**$ 64,836,100**
2005 Total	$ 92,000,000	$ 91,107,000[4]	$ 92,000,000[5]	**$ 90,378,100**[6]
General Funds	$ 26,000,000	$ 26,000,000	$ 26,000,000	**$ 25,740,000**
Trust Funds	$ 67,000,000	$ 66,805,000	$ 67,000,000	**$ 65,736,000**
2006 Total	$ 93,000,000	$ 92,805,000[7]	$ 93,000,000[8]	**$ 91,476,000**[9]
General Funds	$ 27,000,000	$ 26,435,000	$ 25,740,000	**$ 25,902,000**
Trust Funds	$ 69,000,000	$ 67,976,000	$ 65,736,000	**$ 66,149,000**
2007 Total	$ 96,000,000	$ 94,411,000[10]	$ 91,476,000[11]	**$ 92,051,000**[12]
General Funds	$ 27,000,000	$ 27,000,000	$ 28,000,000	**$ 25,988,901**
Trust Funds	$ 68,047,000	$ 68,047,000	$ 68,047,000	**$ 65,926,000**
2008 Total	$ 95,047,000	$ 95,047,000[13]	$ 96,047,000[14]	**$ 91,914,901** [15]
General Funds	$ 28,000,000	- -	$ 28,000,000	**$ 28,000,000**
Trust Funds	$ 70,127,000	---	$ 70,127,000	**$ 70,127,000**
2009 Total	$ 98,127,000	---[16]	$ 98,127,000[17]	**$ 98,127,000**[18]
ARRA[19]	N/A	N/A	N/A	**$ 2,000,000**
General Funds	$ 29,000,000	$ 29,000,000	$ 29,000,000	**$ 29,000,000**
Trust Funds	$ 73,682,000	$ 73,682,000	$ 73,682,000	**$ 73,682,000**
2010 Total	$ 102,682,000	$ 102,682,000[20]	$ 102,682,000[21]	**$ 102,682,000**[22]
General Funds	$ 30,000,000	- - -	$ 30,000,000	**$ 28,942,000**
Trust Funds	$ 76,122,000	- - -	$ 76,122,000	**$ 73,535,000**
2011 Total	$ 106,122,000	- - -[23]	$106,122,000[24]	**$ 102,477,000**[25]
General Funds	$ 30,000,000	- - -	$ 28,942,000	**$ 28,887,000**
Trust Funds	$ 77,113,000	- - -	$ 73,535,000	**$ 73,396,000**
2012 Total	$ 107,113,000	- - -[26]	$ 102,477,000[27]	**$ 102,283,000**[28]
General Funds	$ 30,000,000	- - -	$ 28,887,000	**$ 27,376,000**
Trust Funds	$ 77,600,000	- - -	$ 73,396,000	**$ 72,557,000**
2013 Total	$ 107,600,000	- - -[29]	$ 102,283,000[30]	**$ 99,933,000**[31]
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	- - -	$104,670,000[32]	**$ 102,078,000**[33]

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]		**$103,350,000**[35]
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]	**$105,500,000**[38]
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]	**$105,500,000**[41]
General Funds	$30,000,000	$29,796,270	$29,796,270	
Trust Funds	$75,500,000	$74,987,280	$74,987,280	
2018 Total	$105,500,000	$104,783,550[42]	$104,783,550[43]	

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.

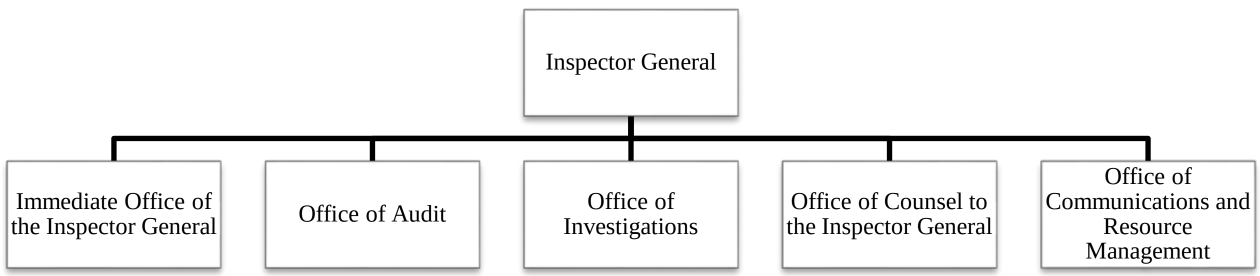
[41] Consolidated Appropriations Act, 2017 (P.L. 115-31).

[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.

OIG'S ORGANIZATIONAL STRUCTURE AND MISSION

GENERAL PURPOSE



As mandated by the *Inspector General Act of 1978*, as amended, OIG's mission is to protect the integrity of SSA's programs. By conducting independent and objective audits, evaluations, and investigations, OIG works to ensure public confidence in the integrity and security of SSA's programs and operations, and works to protect them against fraud, waste, and abuse. OIG provides timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

OIG is comprised of five components: The Immediate Office of the Inspector General (IO), Office of Audit (OA), Office of Investigations (OI), Office of Counsel to the Inspector General (OCIG), and the Office of Communications and Resource Management (OCRM).

Immediate Office of the Inspector General

IO provides the Inspector General (IG) and the Chief of Staff (CoS) with staff assistance on the full range of their responsibilities. IO also administers a comprehensive Quality Assurance and Professional Responsibility program, and conducts Quality Control reviews that ensure the adequacy of OIG compliance with its policies and procedures, internal controls, and professional standards. In addition, IO empowers the Organizational Health Committee (OHC). The purpose of the OHC is to be an agent of positive change by discussing, evaluating, and presenting to senior management employee issues and proposed solutions that affect the operations, administration, and efficiency of OIG. In doing this, the committee acts as a representative of all OIG employees.

Office of Audit

OA conducts and/or supervises comprehensive financial and performance audits of SSA's programs and operations and makes recommendations to ensure that program objectives and operational functions are achieved effectively and efficiently. Financial audits, required by the *Chief Financial Officers' Act of 1990*, assess whether SSA's financial statements fairly present the agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program and operational fraud, waste, and abuse, as well as inefficiency and ineffectiveness.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations, including wrongdoing by individuals such as applicants, grantees, or contractors perpetrating criminal activity against SSA programs and operations. OI is responsible for managing DFT and administering the CDI Program. OI also investigates allegations of employee misconduct in the performance of their official duties. This office serves as the OIG liaison to the Department of Justice on all matters relating to investigations of SSA programs and personnel. OI works with other investigative agencies and organizations on special projects and assignments.

Office of Counsel to the Inspector General

OCIG provides independent authoritative legal advice, guidance, and counsel to the IG and senior staff on a wide range of issues, including regulatory strategy, policy directives, and interpretation of new and emerging authorities and agency responsibilities. OCIG reviews materials to ensure sufficiency and compliance with regulatory and statutory requirements. OCIG advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. OCIG is also responsible for the CMP program, including imposition of penalties and assessments and the settlement and litigation of CMP cases, and the Chief Counsel serves as the Whistleblower Ombudsman.

Office of Communications and Resource Management

OCRM provides administrative and management support to OIG by providing information resource management; systems security and software development; and the coordination of budget, procurement, telecommunications, facilities, equipment, and human resources activities. OCRM also administers the Fugitive Felon Program and the OIG Fraud Hotline, manages OIG's public affairs programs, develops OIG's media and public information policies, and serves as the primary contact for those seeking information about OIG. In addition, OCRM is responsible for strategic planning, organizational performance management, reporting, and serves as the initial reviewer for complaints of Whistleblower retaliation.

RATIONALE FOR THE BUDGET REQUEST

The budget request for FY 2019 is $105,500,000 and 517 FTE, is level with the FY 2017 appropriations funding, and an increase of $716,450 to offset rescission from the estimated FY 2018 annual appropriations level. The FY 2019 budget request will provide funding for a 517 FTE staffing level, payroll increases (e.g., within-grade increases, scheduled promotions, health benefits, etc.), and other related support costs.

For FY 2019, up to $10 million may be transferred to the Office of the Inspector General from SSA's LAE account for expenses associated with OIG Cooperative Disability Investigations (CDI) unit team leaders. This transfer of funds will provide funding for an additional estimated 46 FTE and related support costs.

Note—a full-year 2018 appropriation was not enacted at the time this budget was prepared; therefore, the budget assumes the OIG is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended), which included a 0.6791% rescission from FY 2017 funding levels.

TABLE 4.10—DETAIL OF FULL-TIME EQUIVALENT EMPLOYMENT AND WORKYEARS

	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
FTEs	512	517	517
Est. addl FTE with $10M			46
Overtime/Lump Sum Leave	2	3	4
Total	**514**	**520**	**567**

TABLE 4.11—AVERAGE GRADE AND SALARY

	FY 2017 Actual
Average ES Salary	$ 180,096
Average GS Grade	13
Average GS Salary	$ 109,874

Annual Performance Report
Fiscal Years 2017 – 2019

Annual Performance Plan for Fiscal Year 2019

Revised Performance Plan for Fiscal Year 2018

Annual Performance Report for Fiscal Year 2017

Table of Contents

A Message from the Acting Commissioner

The Social Security Administration touches the lives of nearly every member of the public. For more than 80 years, we have delivered critical services at significant times like birth, marriage, retirement, disability, and death.

In fiscal year 2018, approximately 71 million individuals will depend on the benefits we provide. It is my honor to serve as Acting Commissioner of the agency responsible for this important work. From my first day in this role, I have made it clear that we must be mission-focused and mission-driven. The people we serve are our top priority and expect well-managed programs that provide timely and accurate payments. We are always looking for efficiencies and opportunities to improve our services to the public.

I am pleased to issue the *Annual Performance Plan for Fiscal Year 2019, Revised Performance Plan for Fiscal Year 2018,* and *Annual Performance Report for Fiscal Year 2017*, which reflects our priorities and goals for the past, current, and next fiscal year. We will focus on:

- Delivering Services Effectively;
- Improving the Way We Do Business; and
- Ensuring Stewardship.

We are committed to providing service that is efficient and compassionate, while protecting the integrity of our programs. Based on internal evaluations, I affirm that the performance data in this report is complete, reliable, and accurate.

Respectfully,

Nancy A. Berryhill

Baltimore, Maryland
February 12, 2018

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:

- **Old-Age and Survivors Insurance:** Created in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their family members. In fiscal year (FY) 2017, we paid approximately $793 billion in OASI benefits to an average of almost 51 million beneficiaries a month, including 88 percent of the population aged 65 and over.
- **Disability Insurance:** Established in 1956, the Disability Insurance (DI) program provides benefits for workers who become disabled and their families. In FY 2017, we paid approximately $141 billion in DI benefits to an average of approximately 10 million disabled beneficiaries and their family members a month.
- **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 2017, we paid approximately $51 billion in Federal benefits and State supplementary payments to over 8 million SSI recipients a month.

In addition, we support national programs administered by other Federal and State agencies, as required by law, such as Medicare, Employees 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, regulation, and our program policy. We have implemented enterprise risk management processes to improve the effectiveness of our organization. Our goals are informed by both the strategic opportunities ahead as well as our management of risks that threaten our core mission activities.

Our Organization

Approximately 62,000 Federal employees and 15,000 State employees serve the public from a network of offices across the country and around the world. Most of our employees serve the public directly or provide support to employees who do.

We administer our programs and services through a network of more than 1,200 field offices. Each day, approximately 170,000 people visit and 250,000 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 30 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.

Our processing centers (PC) handle complex Social Security retirement, survivors, and disability claims, as well as provide support to our National 800 Number. State agencies make disability determinations for initial claims, reconsiderations, and continuing disability reviews. 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:

1. Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearings decision.
2. Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments.

The APGs are 24-month goals reflecting the priorities of our executive leadership, as well as those of the Administration.

Strategic Goal 1: Deliver Services Effectively

We must be able to deliver our services effectively to the people who come to us for assistance, regardless of 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 our programs are not stagnant and 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, Office of Operations and Deputy Commissioner, Office of Hearings Operations

Over 1 million people are waiting an average of 605 days for an answer on their hearing request. Although we began reducing the hearings backlog in FY 2017, these wait times remain unacceptable. Therefore, one of our top priorities will be to reduce the hearings backlog and the time it takes to get a hearing decision.

Our PCs handle actions that arise after we determine benefit eligibility and support our field and hearing offices by handling appeals decisions, collecting debt, correcting records, performing program integrity work, and processing other complex benefit claims. In January 2016, the number of actions pending in the PCs hit an all-time high. We will improve service delivery by further prioritizing work and enlisting automation to reduce the PC backlog.

Even as we tackle the backlogs in our hearing offices and PCs, we will continue to enhance our online services. In FY 2018, the public will conduct over 190 million transactions through our online services. As we continue to expand service options and functionality, we expect more people to take advantage of the convenience of online services. To improve service delivery, we will continue to educate the public about our secure online service options.

Strategies

- Advance and update the Compassionate And REsponsive Service (CARES) plan to address the number of pending hearing 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

In FY 2017, due in part to reduced disability receipts and increased adjudicative capacity, we began reducing the number of hearings pending. To reduce the backlog and enhance productivity, we implemented numerous initiatives as part of our CARES plan. We updated our plan this year to take into consideration the $90 million in special funding that Congress provided to address the backlog.

In FYs 2018 and 2019, we will continue to expand our decisional capacity by hiring ALJs and support staff to keep us on track with our plan. Along with hiring, our CARES plan includes several initiatives to increase decisional capacity and achieve business process efficiencies, as well as plans for information technology (IT) investments. With these investments in IT, staffing, along with reinstating the reconsideration step in our disability determination service (DDS), we expect to end FY 2019 with 717,000 hearings pending and an annual average wait time of 535 days.

Reduce the Processing Center Backlog

In FY 2017, we reduced the PC backlog by 1.4 million, which is a 27 percent improvement from our all-time high of more than 5 million in January 2016. We focused on tactical workload strategies by screening cases that could be completed quickly, controlling the volume and age of our workloads. We also targeted hiring and overtime in the PCs, and we planned for future automation, workflow enhancements, and quality initiatives to improve PC performance. These efforts will continue into FYs 2018 and 2019.

Expand Video Service Delivery

We use video service delivery (VSD) to balance our workloads and reduce wait times in our busier field offices. VSD allows us to provide services to individuals at convenient sites, such as hospitals, libraries, community centers, American Indian tribal centers, homeless shelters, and other government agencies. It also allows individuals living in remote areas to experience virtual, face-to-face interaction with us through live-streaming video. We currently have video units in 670 sites around the country. In FY 2017, we completed over 100,000 VSD transactions.

We recently tested more cost-efficient technology called flexible video (FV). Instead of the traditional video units, FV uses more flexible and less expensive video equipment such as a laptop, webcam, and video chat software. Overall, the pilot yielded positive feedback from the public. We achieved a 90 percent or above satisfaction rating for convenience, sound quality, and video quality from customer satisfaction surveys. We intend to implement this technology in more locations.

We will also work with external partners to increase video service access and participation. In FYs 2018 and 2019, we will take steps to expand video services in our field, hearing, and State disability determination services (DDS) offices.

Provide Real-Time Assistance to Online Users

Improving the service experience is one of our highest priorities. We continue to look for opportunities to add new online features to improve service delivery.

In FY 2018, we will continue to enhance *my* Social Security by adding click-to-chat for a limited group of *my* Social Security users. This new feature will allow users to communicate with us without leaving the site. In FYs 2018 and 2019, we will make additional enhancements available within *my* Social Security.

Expand the Availability of the Online Social Security Replacement Card Application

Replacing Social Security cards is one of our most requested services. Each year, we process about 10 million Social Security 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.

Since we launched iSSNRC in November 2015, we have increased the number of States where people can request a replacement Social Security card. In FY 2017, we issued approximately 500,000 cards through the iSSNRC. We currently offer iSSNRC in 24 States and the District of Columbia; our goal is to offer iSSNRC nationwide by the end of FY 2018.

Performance Measures – Strategic Objective 1.1

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	**2018**	**2019**
Target	Complete 97% of cases that begin the fiscal year 430 days old (~374,000 cases)	Complete 95% of cases that begin the fiscal year 350 days old (~385,000 cases[1])
	Performance Results	
Fiscal Year	**2016**	**2017**
Performance	98%	96%
Target	Decide 99% of the cases that begin the fiscal year at 430 days old or older	Decide 97% of the cases that begin the fiscal year 430 days old or older
Target Met	Not Met	Not Met

Results: We did not meet our target in FY 2017. Some of the contributing factors for not meeting the FY 2017 target include a reluctance by claimants and their representatives to elect video hearings and several natural disasters that occurred during the fiscal year resulting in office closures.

1.1b NEW: Improve customer service by reducing the number of cases pending at the processing centers

Fiscal Year	**2018**	**2019**
Target	3.3 million	2.9 million

[1] The number of cases is an estimate and will be updated at the end of FY 2018.

Strategic Objective 1.2: Expand Service Delivery Options

Lead: Deputy Commissioner, Office of Operations

Our biennial survey of future customers shows an increasing preference for conducting business with us online or by telephone. We continue to expand our suite of automated and online service options. We are pleased that 7 of our 8 online applications earned scores of at least 80 out of 100 in the ForeSee E-Government Satisfaction Index. These high scores help us confirm that we are providing services people want to use. (Note: A score of 80 or higher is considered the threshold for excellence.)

Since it launched in 2012, *my* Social Security, a convenient and safe option for many people who want to handle certain business with us online, has registered more than 32 million users and consistently ranks as one of the top 10 in customer satisfaction for all Federal websites. We will continue to expand *my* Social Security capabilities by adding additional services for both individual and third party users and improving existing options.

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

Enhance Online Appeals

In FY 2017, we expanded online appeals, so users can electronically file an appeal on a non-medical claim. In FY 2018, we will provide a single online entry point that will route users to the appropriate medical or non-medical claim. We will consider other enhancements in FY 2019 to improve field office and hearing office efficiency.

Enhance *my* Social Security

Individuals who register for a *my* Social Security account can access their personal Social Security information and complete certain services with us online. In FY 2017, we enhanced *my* Social Security by adding the Get Help widget and Message Center. Users can check the status of their initial claims or appeals, and if they receive disability benefits, they can now report their wages online. In FY 2017, we also enhanced the security of *my* Social Security by requiring multifactor authentication for each registration.

We are also redesigning *my* Social Security to provide an improved user experience and additional online service options. We will add responsive design to allow broader access to *my* Social Security from various devices (e.g., smartphones, tablets, laptops, and computers). In

FYs 2018 and 2019, we will expand the services within *my* Social Security to additional user groups, including representative payees, appointed representatives, and business users. We also plan to add click-to-chat.

Throughout FY 2018 and into FY 2019, we will continue efforts to allow individuals to file claims for retirement, disability, Medicare, and SSI benefits using *my* Social Security. Users will be able to securely access their personal information already on file with us, reducing the need to provide the same information multiple times.

Performance Measures – Strategic Objective 1.2

1.2a NEW: Increase the number of successfully completed online transactions

Fiscal Year	**2018**	**2019**
Target	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 35 million over the prior year (~225 million)

Performance Results

Fiscal Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Performance	21.8 million	46.3 million	70.8 million	87.0 million	121.9 million[2]	156.0 million
Target			50.9 million	77.8 million	112.0 million	137.0 million
Target Met			Met	Met	Met	Met

[2] Most fiscal years are 52 weeks; however, FY 2016 included 53 weeks. This data reflects 53 weeks of performance.

1.2b NEW: Increase customer satisfaction with our online services

Fiscal Year	2018	2019
Target	85.0 satisfaction rating for online services	85.0 satisfaction rating for online services

Performance Results

Fiscal Year	2012	2013	2014	2015	2016	2017
Performance	Satisfaction rating of 82.0 for online services	Satisfaction rating of 82.0 for online services	Satisfaction rating of 83.0 for online services	Satisfaction rating of 84.0 for online services	Satisfaction rating of 84.9 for online services	Satisfaction rating of 85.5 for online services
Target					Satisfaction rating of 84.5 for online services	Satisfaction rating of 85.0 for online services
Target Met					Met	Met

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 wanted or the way they expected us to, we developed a plan to modernize our IT systems. This modernization effort is foundational to our overall ability to improve service to the public.

Strategic Objective 2.1: Streamline Policies and Processes

Lead: Deputy Commissioner, Office of Retirement and Disability Policy

Over the last 80 years, our programs have expanded and our policies have evolved creating a level of complexity that can be difficult to fully understand. To improve our accuracy and efficiency, create opportunities to implement technology, and ensure the public understands their options, responsibilities, and rights, we must streamline our policies, processes, and procedures. We are using data analytics to identify opportunities to improve our business processes. In addition, we are proposing legislative changes to simplify the Supplemental Security Income Program.

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. On average, we process over 15 million pieces of medical evidence per year. We are improving our process by expanding the use of electronic medical evidence, since it provides faster access to medical information and reduces the time providers spend to comply with our requests. By using electronic medical evidence and applying business rules, we can provide more timely disability determinations.

In FYs 2018 and 2019, we plan to increase our use of electronic medical evidence and adopt advanced technologies, such as machine learning and natural language processing, to enhance and assist in the disability determination process.

Increase the Number of People with Disabilities who Return to Work

Many beneficiaries who are disabled want to work, and with adequate support, some beneficiaries attain self-sufficiency. The Ticket to Work and the vocational rehabilitation (VR) cost reimbursement programs help beneficiaries transition to employment.

We continue to improve our outreach to beneficiaries. Ongoing mailings, marketing efforts, and monthly webinars and an interactive presence on social media have also led to thousands of beneficiaries connecting with employment networks (EN) and State VR agencies to get the services they need to return to work. In FY 2017, we implemented systems enhancements to our Internet Ticket Operation Support System (iTOPSS) to expedite business processes for EN service providers. We also automated and modernized the VR payment operation into iTOPSS. This expansion eliminates paper claims and streamlines the VR payment process.

Develop an Occupational Information System

Our Occupational Information System (OIS) project will enable us to make consistent, better-informed disability decisions. 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. The occupational resources we currently use to adjudicate claims have not been updated in more than 20 years.

To support the development of new occupational data, we entered into an interagency agreement with the Department of Labor's Bureau of Labor Statistics (BLS). In FY 2017, BLS released its first year of production data to us. After extensive testing of the mental and cognitive data elements, we assembled a new set of questions that better defined the cognitive concepts, definitions, and thresholds needed for adjudication. These questions will enable BLS to collect information we can use to adjudicate disability claims with a mental/cognitive component. We will update the vocational grids to address age, work experience, education, etc. By FY 2019, we expect the occupational database will represent about 80 percent of jobs in the national economy.

Update the Listing of Impairments

The Listing of Impairments, often referred to as "the listings," describes disabling impairments for each of the major body systems. For adults age 18 or over, the impairments in the listings are considered severe enough to prevent an individual from doing any gainful activity, regardless of his or her age, education, or work experience. For children under age 18 applying for SSI, the impairments in the listings are considered severe enough to cause marked and severe functional limitations. Disability adjudicators use the listings to determine if an individual's impairment is disabling before considering any other factors.

To date, we have comprehensively revised 93 percent of the listings. In FY 2017, we drafted a Notice of Proposed Rulemaking (NPRM) for the musculoskeletal system, the only remaining body system that requires a comprehensive update. We also drafted an NPRM to update three body systems, cardiovascular, digestive, and skin disorders, which we plan to publish in FY 2018. We plan to publish another NPRM in FY 2019 to update three more body systems. Beginning in FY 2018, we are on a 3-5 year update cycle to keep the listings current.

Enhance Process for Evaluating Compassionate Allowance Conditions

The Compassionate Allowance (CAL) initiative enables us to quickly identify and prioritize medical conditions that invariably qualify for disability under our rules. The CAL initiative allows us to make benefit decisions for individuals with the most serious disabilities within days. Since CAL began in 2008, we have identified more than 228 CAL conditions and have approved more than 500,000 claims through the CAL process.

We are committed to enhancing our policies and business processes as medical practice, technology, and the environment changes. We have a number of activities underway and planned for FY 2018. We are updating our website to include instructions for all stakeholders on how to suggest potential CAL conditions and how we will communicate with them about our progress in evaluating their suggestions. In addition, we will expand our outreach with social media, crowd-sourcing venues like IdeaScale and the National Disability Forum. These expanded efforts will allow us to receive input from stakeholders who may not otherwise have an opportunity to engage directly with us and discuss their perspectives. Finally, we will use our quality review process to ensure that CAL decisions remain highly accurate and develop any necessary policy revisions and training.

Modernize the Social Security Statement

The Social Security Statement (Statement) is a key method for us to communicate with individual workers about their credited earnings and projected benefits under the disability, survivors, and retirement segments of the Social Security program. Through public input and consultation with experts and researchers, we will strive to make the Statement a more effective tool for the public to use to plan during different times in their lives. We will update the Statement, so the individual information and projections will be more relevant to the plans and decisions that workers need to make at their stage of and situation in life.

Performance Measures – Strategic Objective 2.1

2.1a NEW: Improve the disability determination process by increasing the percentage of medical evidence received electronically

Fiscal Year	2018	2019
Target	45%	50%

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	2018	2019
Target	85,600 beneficiaries	91,600 beneficiaries

Performance Results

Fiscal Year	2015	2016	2017
Performance	58,341 beneficiaries	62,831 beneficiaries	80,054 beneficiaries
Target	50,000 beneficiaries	55,000 beneficiaries	67,800 beneficiaries
Target Met	Met	Met	Met

Results: We exceeded the FY 2017 target. We increased our outreach activities to beneficiaries about potential Ticket to Work program resources to assist with return to work efforts. We also provided assistance with direct marketing by our service providers as well as enhanced access to Ticket to Work program information through our Ticket Program Manager.

2.1c NEW: Update the Listing of Impairments

Fiscal Year	2018	2019
Target	Publish a Notice of Proposed Rulemaking to revise three body systems in the Listing of Impairments	Publish a Notice of Proposed Rulemaking to revise three body systems in the Listing of Impairments

Strategic Objective 2.2: Accelerate Information Technology Modernization

Lead: Deputy Commissioner, Office of Systems

We maintain the benefit, earnings items, and certain vital records of nearly every member of the public on systems designed over 30 years ago. Technological change is accelerating at a relentless pace and offers us remarkable opportunities to change, transform, and greatly improve the way we serve the public. Yet these newer tehnnologies also can be disruptive to legacy systems, business processes, and ultimately to the way we work. Our dated IT infrastructure has grown increasingly fragile, costlier to maintain, more challenging to secure, and it does not efficiently meet current demands for our services.

Our IT Modernization Plan will replace our core systems with new components and platforms, engineered for maximum usability, operability, and future adaptability. We have already begun laying the foundation for this effort by incorporating agile methodology in our engineering practices, redesigning the way we access our legacy data to efficiently match its intended uses, and establishing and running production workloads in the cloud.

Recent breaches at other Federal and State agencies underscore the importance of securing networks and sensitive data. While our cybersecurity program is comparable to that of other Federal agencies, it remains costly and difficult to integrate with our current legacy systems. We use knowledge of the threat landscape, advanced technologies, and skilled cyber professionals to secure our networks from threats, both foreign and domestic. Cyberattacks are ever changing, and we must remain vigilant to prevent any intrusion on our networks.

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

Modernize IT Infrastructure

Much of our core infrastructure needs to be replaced with current technologies that will allow us to engineer the next generation of services for the public. We developed the IT Modernization Plan in FY 2017 which describes a thoughtful and deliberate, multi-year agency initiative to modernize Social Security's major systems using modern architectures, agile software engineering methods, cloud provisioning, and shared services. We are embarking on an initiative to transform the way we design and build systems and ultimately the way we work and serve the public. Our IT modernization vision is to establish a fully integrated IT and Business team that delivers modern business platforms that improve our ability to respond more rapidly to changing needs at manageable costs. We will provide an enhanced customer experience for millions of beneficiaries across an expanded mix of service options in a cost-effective and secure manner.

There are several foundational infrastructure workstreams. Implementing cloud technology will give us further flexibility to allocate systems resources to meet changing demands. This technology improves systems availability and performance at a lower cost. In FY 2017, we will complete the implementation of an on-premises cloud proof-of-concept. In FY 2018, we will implement the on-premises cloud and complete the design for an agency hybrid cloud. This platform will allow applications to use public cloud computing services and the on-premise cloud simultaneously. In FY 2019, we will build and implement the hybrid cloud services.

Back-office modernization supports our commitment to automate technical aspects, virtualize the infrastructure, and empower users with enhanced functionality. By moving elements of our back office to the vendor-supported facilities in the cloud, we will use industry-standard applications and focus on agency-specific applications that require internal expertise. To benefit field office users, we are evaluating technologies and operational strategies for centralizing field office servers. Our goal is to leave the smallest possible server footprint allowing users to focus on public service rather than infrastructure maintenance.

Build Modern Applications: Data Consolidation

In FYs 2017 through 2019, we plan to incrementally consolidate our data. We will use state-of-the-art approaches to simplify, organize, and provide data products and services consistent with how our modernized systems will utilize data. These plans include refactoring our enumeration database to provide improved access to person-oriented data. We also plan to replace our existing legacy management information (MI) database systems with an integrated source of data to support MI, business intelligence, and predictive analytics. Finally, our modern development environment will facilitate modern principles and allow for the implementation of proven concepts and practices such as test-driven development, automation, continuous integration, and delivery.

Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure

We maintain a comprehensive, agency-wide information security program to protect our network, information, and communication assets. We review our policies and processes continually to ensure adequate safeguards are in place to prevent misuse and unauthorized access to our systems and data. We are strengthening the security of our systems by implementing consistent management controls at all our data facilities.

We will collaborate with the Office of Management and Budget (OMB) and Department of Homeland Security (DHS) on continuing to meet or exceed government-wide cybersecurity performance measures. We will continue to align our efforts with the Presidential Executive Order on *Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure* to ensure that we effectively manage risk and implement additional capabilities to protect the sensitive information we store on behalf of the public.

As part of the Cybersecurity Act of 2015, Federal agencies must encrypt data that is stored or passing through the agency's information systems. In FY 2017, we began the Data at Rest Encryption initiative to protect data in our most sensitive IT environments and completed Data at Rest Encryption for mainframe. In FYs 2018 and 2019, we plan to expand our data encryption efforts to all of our servers and data stores.

A strong cybersecurity infrastructure is also a critical factor in facilitating the transition to a modern and secure IT environment. As we modernize our IT environment, we must deliver a modernized cybersecurity infrastructure capable of delivering services securely and reliably. Our cybersecurity modernization priorities include:

- Strengthening our identity credential and access management
- Modernizing our integrity review processes
- Centralizing collection and analysis of cyber threats
- Encrypting our network and data
- Building security into our agile development processes

In FY 2018, we will deploy advanced capability based on published best practices that effectively deal with cybersecurity incidents. In FY 2019, we will implement new capabilities to better identify and mitigate vulnerabilities to our hardware and software assets.

Modernize Disability Case Processing

In an ongoing effort to issue timely disability decisions, we are continuing work to modernize our disability case processing system (DCPS). When complete, DCPS will replace 52 independently operated, aging systems. To date, we deployed DCPS to 10 DDS sites (Delaware, Maine, Ohio, Virginia, Iowa, Rhode Island, South Dakota, Washington, Nebraska, and District of Columbia) and are preparing for deployment to additional sites. In FYs 2018 and 2019, we will continue development.

Performance Measures – Strategic Objective 2.2

2.2a NEW: Modernize databases, replacing and retiring outdated technology and designs

Fiscal Year	2018	2019
Target	Replace two legacy databases with modern design databases	Replace two legacy databases with modern design databases

2.2b NEW: Modernize our customer communications infrastructure

Fiscal Year	2018	2019
Target	Implement a modernized notice infrastructure to enable multiple notice delivery options	Launch an additional delivery option (e.g., secure email or online) using the modernized notice infrastructure

2.2c NEW: Maintain an effective cybersecurity program

Fiscal Year	**2018**	**2019**
Target	Achieve an overall score of "managing risk" on the Federal Cybersecurity risk Management Assessment[3]	Achieve an overall score of "managing risk" on the Federal Cybersecurity Risk Management Assessment

2.2d: Provide uninterrupted access to our systems during scheduled times of operations

Fiscal Year	**2018**	**2019**
Target	99.90% availability	99.90% availability

Performance Results

Fiscal Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Performance	99.90% availability	99.96% availability	99.97% availability	99.96% availability	99.91% availability	99.96% availability
Target	99.50% availability	99.50% availability	99.50% availability	99.50% availability	99.50% availability	99.90% availability
Target Met	Met	Met	Met	Met	Met	Met

Results: We exceeded the FY 2017 target.

[3] Presidential Executive Order 13800, *Strengthening the Cybersecurity of Federal Networks and Critical Infrastucture*, 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 National Institute of Standards and Technology Cybersecurity Framework. Potential risk ratings range from (1) High Risk, (2) At Risk, or (3) Managing Risk.

Strategic Goal 3: Ensure Stewardship

We are committed to being good stewards of taxpayer dollars to ensure the public has confidence that we manage their tax dollars wisely. 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

Lead: Deputy Commissioner, Office of Retirement and Disability Policy

In FY 2017, we paid more than $82 billion in Federal benefits on average across our programs each month. As good stewards of the programs entrusted to us, we must ensure that we pay individuals the correct amount—neither overpaying nor underpaying them. Making the right payment to the right person at the right time has always been one of our priorities. We conduct ongoing stewardship reviews to confirm that individuals receive the benefits they are due and to monitor our performance.

In the coming years, we will remain focused on the integrity of our programs, including minimizing improper payments, particularly in the SSI progam where program complexities pose challenges. We are committed to continuing our efforts to achieve high payment accuracy while using all available tools to recover overpayments.

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 the Use of myWage Reporting

Wages are a leading cause of improper payments in the SSI program. Currently, we use payroll data provider information from The Work Number to verify wage amounts that an individual alleges, however, this verification is a manual process. We are in the process of implementing an architecture that supports public-facing eService applications for computers, mobile devices, and smartphones, called myWageReport (myWR). This application will be an alternative to the existing downloadable application and voice telephone wage reporting systems. In late FY 2017, we began providing this service to disability program beneficiaries. In FY 2018, we will release myWR for SSI that will allow recipients, their representative payees, or deemors (e.g., an ineligible spouse or parent living with the recipient) to have a convenient option to report earnings electronically. In FY 2019, we will pursue automation that will enhance our information exchange with payroll data providers and improve the way we communicate with our beneficiaries and recipients regarding their wage reporting responsibilities.

Improve the Death Reporting System Process

We are updating our death reporting system to ensure we are collecting accurate data from national, State, and local agencies as well as from other countries with whom we have totalization agreements. We rely on our death reporting system, so we can stop Social Security and SSI benefits as soon as possible after an individual's death. The early detection of an individual's death is a key means of preventing improper payments.

In FY 2017, we implemented coding modifications that provided more accurate death alert data to the Centers for Medicare and Medicaid Services (CMS) and allowed the field offices to resolve CMS death alerts more efficiently. In FY 2018, we will continue our efforts to modernize our death reporting system, including ongoing resolution of data mismatches to increase the accuracy of death information on our master database.

Modernize the Program Overpayment Remittance System

We receive remittances for repayment of program debt through the mail and in our field offices. We are modernizing our remittance process to provide our debtors with various electronic options to submit their payments.

In December 2017, we completed the nationwide rollout of the Social Security Electronic Remittance System, which allows individuals to repay their program debts using checks, money orders, or credit cards while in our field offices. Doing so will eliminate mailing the remittances to our processing operation in Philadelphia and result in more timely crediting of payments to debtors' accounts.

In FYs 2018 and 2019, we will continue efforts for the implementation of Pay.gov, an online payment application, with three different storefronts: Department of the Treasury's Pay.gov web portal; *my* Social Security website; and www.ssa.gov. We are also exploring opportunities for electronic remittances for court-ordered restitution and administrative wage garnishment.

Performance Measures – Strategic Objective 3.1

3.1a: Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments (APG)

Fiscal Year	**2018**	**2019**
Target	94.0% (O/P)[4]	94.0% (O/P)

Performance Results

Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	93.0% (O/P)	93.9% (O/P)	92.4% (O/P)	Data available Summer 2018
Target			95.0% (O/P)	94.0% (O/P)
Target Met			Not Met	

Results: We did not meet our FY 2016 target. The primary cause of O/P errors is the failure by SSI recipients and their representative payees to report payment-affecting changes, which has been a perennial problem since the inception of the SSI program. Our O/P accuracy was 92.4 percent, based on improper payments totaling a projected $4.3 billion (compared with $3.4 billion in FY 2015). This decrease is statistically significant from the FY 2015 O/P accuracy rate of 93.9 percent, the highest O/P accuracy rate since FY 2003.

[4] Overpayment (O/P) accuracy rate is the percentage of all dollars paid that are free of O/P errors.

3.1b: Maintain a high payment accuracy rate by reducing overpayments, in the Old-Age, Survivors, and Disability Insurance program

Fiscal Year	2018		2019	
Target	99.8% (O/P)		99.8% (O/P)	
Performance Results				
Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	99.5% (O/P)	99.6% (O/P)	99.8% (O/P)	Data available Summer 2018
Target		99.8% (O/P)	99.8% (O/P)	99.8% (O/P)
Target Met		Not Met	Met	

Results: We met our FY 2016 target. The FY 2016 O/P accuracy rate was 99.8 percent, based on improper payments totaling a projected $1.9 billion. The FY 2016 accuracy rate increase over FY 2015 is not statistically significant.

3.1c: Ensure the quality of our decisions by achieving the State disability determination services net accuracy rate[5] for initial disability decisions

Fiscal Year	2018		2019	
Target	97% net accuracy		97% net accuracy	
Performance Results				
Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	98% net accuracy	98% net accuracy	98% net accuracy	Data available January 2018
Target	97% net accuracy	97% net accuracy	97% net accuracy	97% net accuracy
Target Met	Met	Met	Met	

Results: We exceeded our FY 2016 target. FY 2017 data is not available until January 2018.

Strategic Objective 3.2: Enhance Fraud Prevention and Detection Activities

Lead: Deputy Commissioner, Office of Analytics, Review, and Oversight

We take seriously our responsibility to prevent and detect fraud. We centrally manage our anti-fraud efforts and are developing consistent anti-fraud policies; refining employee training; and solidifying relationships with other Federal, State, and private partners to identify individuals who wrongfully obtain Social Security and SSI payments.

We plan to expand the use of data analytics and predictive modeling to enhance fraud prevention and detection in our programs. We will integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions for further review. With these models, we will better identify suspicious and evolving patterns of activities in our workloads and prevent fraudulent actions from occurring.

Strategies

- Expand the use of data analytics and increase internal and external partnerships
- Develop and conduct regular fraud risk assessments of our programs

[5] Net accuracy is the percentage of correct initial State disability determinations and is based on the net error rate (i.e., the number of corrected deficient cases with changed disability decisions), plus the number of deficient cases not corrected within 90 days from the end of the period covered by the report, divided by the number of cases reviewed.

Key Initiatives

Expand Our Cooperative Disability Investigations Program

Our Cooperative Disability Investigations (CDI) units are jointly operated by SSA, the Office of the Inspector General, State DDS, and State and local law enforcement. Generally, CDI units investigate suspected fraud before the agency awards benefits and during the continuing disability reviews and redetermination process when fraud may be involved.

With the addition of the New Jersey CDI unit in FY 2017, the CDI program has 40 units, covering 34 States, the District of Columbia, and the Commonwealth of Puerto Rico. We are pursuing expansion to Honolulu, Hawaii; Indianapolis, Indiana; and Albuquerque, New Mexico in FY 2018. We are also planning to add 3 units in FY 2019 and having coverage for all 50 States and U.S. territories by October 1, 2022.

Implement Audit Trail System New Architecture

Our audit trail system (ATS) ensures we protect our records and funds by collecting and maintaining detailed information about both internal and external transactions. The system stores data from programmatic and select Internet applications, allowing us to review transactions for questionable activity. We are implementing Phase II of the ATS's new architecture. Phase II will strengthen fraud detection and prevention by improving internal controls to capture additional transactions that are most vulnerable to fraud.

In FY 2017, we started the process to retire the legacy ATS by performing security updates and analysis. These security updates included encrypting audit trail data in an effort to secure agency data from cyberattacks. In FY 2018, we will complete the authority to operate for the new architecture to make it the official System of Record for audit trail data. In addition, we will implement a disaster recovery environment to adhere to SSA policy and provide continuous system use. In FY 2019, we will complete the planning and analysis needed to evaluate our data service channels for the ATS and the data collection process to enhance our integrity review processes. Furthermore, we will retire additional processes of the legacy ATS.

Implement the Anti-Fraud Enterprise Solution

We are expanding the use of data analytics to detect fraud using our data and commercial off-the-shelf software. Our Anti-Fraud Enterprise Solution (AFES) is a multi-year, multi-phase project that will replace and expand our current anti-fraud systems. AFES will integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions for further review. With these models, we will identify suspicious and evolving patterns of activities in our workloads and prevent fraudulent actions from advancing.

In FY 2018, we plan to have AFES operational with our eServices analytics fully implemented. In FY 2019, AFES will consist of a data analytics engine, a case management system, and a workflow tool to assist with our anti-fraud operational responsibilities.

Performance Measures – Strategic Objective 3.2

3.2a NEW: Expand our CDI coverage

Fiscal Year	2018	2019
Target	Add three CDI units	Add three CDI units

3.2b NEW: Develop an Anti-Fraud Enterprise Solution

Fiscal Year	2018	2019
Target	Operationalize the Anti-Fraud Enterprise Solution and implement eServices analytics	Fully implement anti-fraud disability analytics

Strategic Objective 3.3: Improve Workforce Performance and Increase Accountability

Lead: Deputy Commissioner, Office of Human Resources

Our employees remain our most important asset. We are accountable for ensuring they have the training and technology they need to take timely, quality actions. Feedback, including clear and measurable expectations, is an important tool to ensure our employees know how they are performing.

Likewise, our managers need to understand how to maximize employee performance, so we can serve the public. We must support them in that effort by establishing expert teams who will be available to provide information and assistance in real time. We will also be requiring additional management training and working with our managers to help them engage and communicate with employees.

While many of our employees are attracted to Federal employment by the benefits and flexibilities we provide, they also specifically choose our agency because they believe in, or have personal experience with, our mission. Our employees have some of the most difficult but also the most rewarding jobs. We must ensure that they remain aware of the importance—to real people in our communities—of a job well done. We must ensure that they know how much we—and the public—value their effort. Therefore, we must be attentive to issues they bring to our attention from requests to simplify policies to demanding that we hold all employees accountable.

Our framework for comprehensive human capital management includes three major focus areas: workforce management, succession management, and performance management.

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

In FY 2017, we conducted performance plan audits in two regions to measure manager accountability for performance management policies and processes. Annually, we continue to provide performance guidance to all supervisors before the completion of appraisals and issuance of new plans. During FYs 2018 and 2019, we will enhance our Performance Assessment and Communication System by adding electronic signature and delivery of performance-related documents to enhance manager accountability. The electronic 7B (e7B) system will enable us to improve the efficiency and consistency of our performance appraisals and more easily track related data. We will also update standards for managers and supervisors' performance plans to hold them accountable for addressing employee conduct issues and poor performance.

Execute Talent Management and Succession Planning

Through talent management and succession planning, we will provide the structure and processes needed to ensure continuity of effective leadership at the highest organizational levels. In FY 2017, we addressed succession planning among the Senior Executive Service (SES) by refreshing our SES talent inventory and conducting talent management and succession planning reviews. In FY 2018, we will continue to update our talent inventory by identifying skill gaps and targeting appropriate training, mentoring, and development plans. Additionally, we will evaluate our developmental programs to ensure that our programs' processes and outcomes are strategically addressing the succession needs of the agency.

Implement Performance Improvement Training and Support for Managers

To provide supervisors with the tools to address employee performance, we developed a full suite of employee and labor relations training that addresses employee performance. In FY 2017, we trained practitioners and supervisors at headquarters and in the regions. We will continue to offer this training through FYs 2018 and 2019, and we will begin to measure its effectiveness through analysis of participant training evaluations and post-training assessments. We will also provide support and resources to managers to navigate sensitive issues to ensure they are handled appropriately. This will include quick access to advice and guidance from subject matter experts who have the knowledge to provide quality consultative services to managers.

Performance Measures – Strategic Objective 3.3

3.3a NEW: Strengthen manager accountability for effective performance management

Fiscal Year	2018	2019
Target	90% performance-related documents completed and tracked electronically through our e7B system	95% performance-related documents completed and tracked electronically through our e7B system

3.3b NEW: Ensure readiness of career senior executives for positions that align with agency succession needs

Fiscal Year	2018	2019
Target	Review readiness of at least 95% of career executives	Review readiness of at least 95% of career executives

3.3c NEW: Ensure timely guidance is provided to managers to address employee performance and conduct issues

Fiscal Year	2018	2019
Target	Provide initial guidance within 5 business days of the management inquiry	Provide initial guidance within 5 business days of the management inquiry

Strategic Objective 3.4: Improve Organizational Effectiveness and Reduce Costs

Lead: Deputy Commissioner, Office of Budget, Finance, and Management and Deputy Commissioner, Office of Retirement and Disability Policy

Our administrative expenses continue to be less than 1.3 percent of the combined Social Security and SSI benefits we pay. We are taking steps to reduce our real property footprint and to realign our organization to meet the current demands for our services. We are also leading efforts to improve strategic partnerships with other government and private entities and to expand data sharing opportunities with Federal and State agencies for better public service and operational savings.

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

In FY 2017, we aligned our space allocation standards with our service delivery model. We also continued to explore colocations as leases expired. In FYs 2018 and 2019, we will assess and reduce our physical footprint by aligning our portfolio strategy with our service delivery model. We will continue to explore colocation opportunities internally and externally and evaluate our space needs in light of our increasing use of remote service delivery.

Expand Strategic Partnerships with External Partners

We provide SSN verification, birth, death, prisoner, and benefit payment information, as permitted under law, to Federal, State, and private partners to ensure program payment accuracy. The public depends on our agency and our data exchange partners to simplify processes and safeguard information against fraud.

Performance Measures – Strategic Objective 3.4

3.4a NEW: Reduce our real property footprint

Fiscal Year	2018	2019
Target	Achieve a 55,000 usable square foot (USF) reduction	Achieve a 30,000 USF reduction
Performance Results		
Fiscal Year	**2016**	**2017**
Performance	Achieved a reduction of 174,755 USF	Data available March 2018
Target	Achieve a 190,000 USF reduction	Achieve a 15,000 USF reduction
Target Met	Not Met	

3.4b NEW: 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

Budgeted Workload Measure Results

The following table provides an overview of our budgeted workload performance measures[6]. While budgeted workload measures support our strategic goals and strategic objectives, their targets and outcomes are budget dependent. In an effort to establish performance measures and targets that are within our control, we have decoupled our budgeted workload measures, presenting them independently.

Retirement and survivor claims completed

Fiscal Year	2018	2019
Target	5,801,000	6,022,000

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	5,023,533	5,327,221	5,602,312	5,619,831
Target	5,131,000 (4,990,259 received)	5,247,000	5,586,000	5,782,000 (4,196,566 received)

Initial disability claims receipts

Fiscal Year	2018	2019
Target	2,476,000	2,621,000

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	2,805,067	2,756,319	2,637,755	2,442,592
Target	2,891,000	2,755,000	2,807,000	2,499,000

[6] All of the FY 2018 Budgeted Workload Measure targets assume funding at the enactment of a full-year continuing resolution. The FY 2019 targets assume multi-year rollout of the reinstatement of the reconsideration level of appeal in 10 prototype States beginning on October 1, 2018.

Initial disability claims completed

Fiscal Year	2018	2019
Target	2,310,000	2,420,000

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	2,861,895	2,759,432	2,688,977	2,485,100
Target	2,947,000	2,767,000	2,695,000 (2,637,755 received)	2,455,000

Initial disability claims pending

Fiscal Year	2018	2019
Target	688,000	889,000

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	632,656	621,315	567,644	522,869
Target	642,000	621,000	733,000	612,000

Average processing time for initial disability claims

Fiscal Year	2018	2019
Target	111 days	114 days

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	110 days	114 days	110 days	111 days
Target	109 days	109 days	113 days	113 days

Disability reconsiderations receipts

Fiscal Year	2018		2019	
Target	542,000		642,000	
Performance Results				
Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	761,772	704,341	647,910	582,935

Disability reconsiderations completed

Fiscal Year	2018		2019	
Target	518,000		594,000	
Performance Results				
Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	757,198	723,485	666,948	595,588
Target	778,000	739,000	702,000 (647,910 received)	581,000

Disability reconsiderations pending

Fiscal Year	2018		2019	
Target	129,000		177,000	
Performance Results				
Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	170,255	143,540	120,829	105,022
Target	174,000	143,000	136,000	130,000

Average processing time for disability reconsiderations

Fiscal Year	2018	2019
Target	102 days	106 days

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	108 days	113 days	103 days	101 days
Target				105 days

Hearings receipts

Fiscal Year	2018	2019
Target	582,000	578,000

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	810,715	746,300	712,853	620,164
Target	819,000	805,000	746,000	632,000

Hearings completed

Fiscal Year	2018	2019
Target	738,000	761,000

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	680,963	663,129	652,241	685,657
Target	735,000	727,000	703,000	683,000

Hearings pending

Fiscal Year	**2018**	**2019**
Target	900,000	717,000

Performance Results

Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	977,736	1,060,907	1,121,519	1,056,026
Target	932,000	1,056,000	1,087,000	1,071,000

Annual average processing time for hearings decision[7]

Fiscal Year	**2018**	**2019**
Target	605 days	535 days

Performance Results

Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	422 days	480 days	545 days	605 days
Target	415 days	470 days	540 days	605 days

[7] Average processing time for hearings is an annual figure. End of year (September) processing time for hearings is estimated to be 595 days and 498 days, for FYs 2018 and 2019, respectively.

National 800 Number calls handled

Fiscal Year	2018	2019
Target	34,000,000	36,000,000

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	37,112,118	36,900,641	37,231,564	36,053,988
Target	39,000,000	38,000,000	34,000,000	35,000,000

Average speed of answer

Fiscal Year	2018	2019
Target	1,200 seconds	960 seconds

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	1,323 seconds	617 seconds	817 seconds	802 seconds
Target	1,020 seconds	700 seconds	945 seconds	970 seconds

Agent busy rate

Fiscal Year	2018	2019
Target	15.0%	12.0%

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	13.5%	7.5%	8.9%	10.2%
Target	14.0%	8.0%	9.5%	12.0%

Periodic continuing disability reviews completed

Fiscal Year	2018	2019
Target	1,990,000	1,803,000

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	1,674,713	1,971,812	2,107,139	2,257,140
Target	1,410,000	1,890,000	1,950,000	1,970,000

Full medical continuing disability reviews

Fiscal Year	2018	2019
Target	890,000	703,000

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	525,875	799,013	853,754	874,411
Target	510,000	790,000	850,000	850,000

Supplemental Security Income non-medical redeterminations completed

Fiscal Year	2018	2019
Target	2,900,000	2,822,000

Performance Results

Fiscal Year	2014	2015	2016	2017
Performance	2,627,518	2,266,993	2,530,446	2,589,638
Target	2,622,000	2,255,000	2,522,000	2,562,000

Social Security numbers completed

Fiscal Year	2018		2019	
Target	17,000,000		17,000,000	
Performance Results				
Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	16,090,179	16,468,018	17,336,833	17,400,585
Target	16,000,000	16,000,000	16,000,000	16,000,000

Annual earnings items completed

Fiscal Year	2018		2019	
Target	281,000,000		282,000,000	
Performance Results				
Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	256,521,405	265,830,718	272,999,400	279,381,782
Target	253,000,000	257,000,000	264,000,000	273,000,000

Social Security Statements issued[8]

Fiscal Year	2018		2019	
Target	14,000,000		15,000,000	
Performance Results				
Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	4,024,906	50,092,070	47,507,890	13,724,897
Target	4,000,000	44,000,000	38,000,000	10,000,000

[8] The Social Security Statements Issued performance measure includes paper statements only; does not include electronic statements issued. In FY 2017, *my* Social Security users accessed their Social Security Statements 46.2 million times.

Disability determination services production per workyear

Fiscal Year	2018		2019	
Target	306		306	
Performance Results				
Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	311	307	306	306
Target	319	313	307	301

Hearings production per workyear

Fiscal Year	2018		2019	
Target	98		104	
Performance Results				
Fiscal Year	**2014**	**2015**	**2016**	**2017**
Performance	102	95	88	94
Target	106	104	94	96

FY 2017 Performance Measure Results

This section provides results for the FY 2017 performance measures that we are discontinuing as performance measures reported in our APR.

Improve customer service and convenience by increasing online transactions by 25 million each year

Fiscal Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Performance	21.8 million	46.3 million	70.8 million	87.0 million	121.9 million[9]	155.5 million
Target					112.0 million	137.0 million
Target Met					Met	Met

Results: We exceeded the FY 2017 target. We processed 155.5 million online transactions in FY 2017. Contributing factors to our performance results include adding and enhancing features. In FY 2017, we enhanced *my* Social Security by adding responsive design, so *my* Social Security customers can easily access the portal from mobile devices (e.g., tablets and cell phones). Users can also check the status of their initial claims or appeals, and if they receive disability benefits, they can now report their wages online. We also enhanced the security of *my* Social Security by requiring multifactor authentication for each registration. Our results in FY 2017 can also be attributed to customers becoming more comfortable conducting business with our agency online, exemplified by an increase in transaction volume for 10 of the agency's existing online services.

[9] Most fiscal years are 52 weeks; however, FY 2016 included 53 weeks. This data reflects 53 weeks of performance.

Increase customer satisfaction with our services

Fiscal Year	2012	2013	2014	2015	2016	2017
Performance	Satisfaction rating of 82.0 for online services 81% satisfaction rating for office and telephone services	Satisfaction rating of 82.0 for online services 80% satisfaction rating for office and telephone services	Satisfaction rating of 83.0 for online services Data is not available for office and telephone services	Satisfaction rating of 84.0 for online services 79% satisfaction rating for office and telephone services	Satisfaction rating of 84.9 for online services 80% satisfaction rating for office and telephone services	Satisfaction rating of 85.5 for online services 80% satisfaction rating for office and telephone services
Target					Satisfaction rating of 84.5 for online services 80% satisfaction rating for office and telephone services	Satisfaction rating of 85 for online services 80% satisfaction rating for office and telephone services
Target Met					Met	Met

Results: We exceeded the FY 2017 target. Demonstrating our commitment to customer service, we are pleased that 7 of our 8 online applications earned scores of at least 80 out of 100 in the ForeSee E-Government Satisfaction Index. (Note: A score of 80 or higher is considered the threshold for excellence.)

Minimize the average response time to deliver medical evidence to the U.S. Department of Veterans Affairs for wounded warriors and veterans

Fiscal Year	2012	2013	2014	2015	2016	2017
Performance	6 calendar days	7 calendar days	6 calendar days	4 business days	3 business days	3 business days
Target			5 calendar days	5 business days	5 business days	Deliver medical evidence to Veterans Affairs in an average of 5 business days
Target Met			Not Met	Met	Met	Met

Results: We exceeded the FY 2017 target. We delivered medical evidence to the U.S. Department of Veterans Affairs (VA) in an average of 3 business days. We used a secure electronic system to exchange data with authorized VA employees. The electronic process saved resources by eliminating the need to photocopy and mail medical evidence. This process also reduced the number of follow-up requests.

Assess field and hearing office lease expirations and increase colocation of our components to reduce our physical footprint

Fiscal Year	2016	2017
Performance	Colocated 5 permanent remote site hearing offices with field offices	Colocated 10 sites
Target	Colocate at least 4 permanent remote site hearing offices with field offices	Colocate or pilot a minimum of 7 sites
Target Met	Met	Met

Results: We exceeded the FY 2017 target. OMB requires agencies to dispose of surplus properties and make more efficient use of the Federal Government's property assets. We developed and enacted a plan to do so, colocating 5 sites in FY 2016 and 10 sites in FY 2017, thereby reducing our physical footprint and cost expenditures. We completed more than the minimum colocation target, because construction activities went well for some projects that were projected to finish in FY 2018.

Increase the percent of initial claims processed with health IT medical evidence

Fiscal Year	2014	2015	2016	2017
Performance	3.0% (84,779 initial claims)	6.1% (167,626 initial claims)	9.6% (257,743 initial claims)	14.0% (346,438 initial claims)
Target	2.5% (75,000 initial claims)	6.0% (164,820 initial claims)	8.0% (222,000 initial claims)	12.0% of processed initial disability claims with health IT medical evidence (294,600 initial claims)
Target Met	Met	Met	Met	Met

Results: We exceeded the FY 2017 target. By expanding our partnerships with health IT providers, we surpassed our target and improved our service to the public.

Increase secure access to the public's data

Fiscal Year	2017
Performance	Completed all mainframe encryption in our data centers in May 2017
Target	Encrypt all mainframe data stored in our data centers by September 2017
Target Met	Met

Results: We met the FY 2017 target. We maintain a comprehensive, agency-wide information security program to protect our network, information, and communication assets. We are strengthening the security of our systems by implementing consistent management controls at all of our data facilities. We review our policies and processes continually to ensure adequate safeguards are in place to prevent misuse and unauthorized access to our systems and data. As part of the *Cybersecurity Act of 2015*, Federal agencies must encrypt data that is stored or passing through the agency's information systems. In FY 2017, we began the Data at Rest Encryption initiative to protect data in our most sensitive IT environments and completed Data at Rest Encryption for mainframe.

Improve the timeliness of the earnings data used to calculate benefits

Fiscal Year	2014	2015	2016	2017
Performance	Released the Annual Wage Reporting system on February 8, 2014	Implemented the redesigned software to process Forms W-2 within the Annual Wage Reporting system	Implemented the redesigned functionality to process Forms W-2c (Corrections) within the Annual Wage Reporting system	Implemented the Annual Wage Reporting software in December 2016
Target	Complete construction of at least 50% of the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system	Implement the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system by September 30, 2015	Implement the redesigned functionality to process Forms W-2c (Corrections) within the Annual Wage Reporting system	Before January 1, 2017, implement Annual Wage Reporting software to provide earnings data to the Internal Revenue Service up to 60 days earlier in the tax season, and post data up to 60 days earlier
Target Met	Met	Met	Met	Met

Results: We met the FY 2017 target. Implementing the Annual Wage Reporting software will provide earnings data to the Internal Revenue Service up to 60 days earlier in the tax season and post data up to 60 days earlier.

Maintain a high accuracy rate of payments made through the Old-Age, Survivors, and Disability Insurance program to minimize improper payments

Fiscal Year	2012	2013	2014	2015	2016	2017
Performance	99.8% (O/P) 99.9% (U/P)[10]	99.8% (O/P) 99.9% (U/P)	99.5% (O/P) 99.9% (U/P)	99.6% (O/P) 99.9% (U/P)	99.8% (O/P) 99.9% (U/P)	Data available Summer 2018
Target	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)		99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)
Target Met	Not Met	Not Met		Not Met	Met	

Results: We exceeded the FY 2016 target. Overpayment accuracy was 99.8 percent, based on improper payments totaling a projected $1.9 billion. Underpayment accuracy was 99.9 percent, based on unpaid dollars at $670 million. For FY 2016, each tenth of a percentage point in payment accuracy represented about $911 million in program outlays for the Old-Age, Survivors, and Disability Insurance program.

Increase our ability to provide timely decisions by reducing the percentage of pending Appeals Council requests for review 365 days or older

Fiscal Year	2012	2013	2014	2015	2016	2017
Performance	88%	91%	84%	82%	83%	94%
Target	80% of cases pending less than 365 days	81% of cases pending less than 365 days	79% of cases pending less than 365 days	80% of cases pending less than 365 days	81% of cases pending less than 365 days	82% of cases pending less than 365 days
Target Met	Met	Met	Met	Met	Met	Met

Results: We exceeded the FY 2017 target. In FY 2017, we increased the percentage of cases pending less than 365 days to 94 percent, our highest percentage since we began tracking the data. We attribute this increase to a combination of decreased receipts, increased employee productivity, and the effective use of overtime to focus on our most aged cases.

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[10] Underpayment (U/P) accuracy rate is the projected dollar value of underpayment errors represented as a ratio of all dollars paid.

Continue to serve as a model agency for employment of individuals with targeted disabilities

Fiscal Year	2012	2013	2014	2015	2016	2017
Performance	2%	1.9%	2%	2%	2%	4%
Target	2%	2%	2%	2%	2%	2%
Target Met	Met	Not Met	Met	Met	Met	Met

Results: We exceeded the FY 2017 target. We recognize the rich talent pool that exists among individuals with disabilities and worked to create awareness of our employment opportunities. Additionally, the Office of Personnel Management (OPM) issued a reclassification of employees with disabilities. This reclassification affected over one percent of our employee population who are now classified as employees with targeted disabilities, and it resulted in an increase in our agency's on-board representation of this group.

Enhance workforce knowledge, skills, and abilities to achieve organizational goals by increasing employee satisfaction with training and development

Fiscal Year	2012	2013	2014	2015	2016	2017
Performance	59%	55%	57%	59%	57%	56%
Target				60% employee satisfaction rating	61% employee satisfaction rating	58% employee satisfaction rating
Target Met				Not Met	Not Met	Not Met

Results: We did not meet the FY 2017 target. This measure is an index comprised of seven questions from the Federal Employee Viewpoint Survey (FEVS). OPM conducts the FEVS every year for each Federal agency to gauge the thoughts of Federal employees. Our FY 2017 results are in line with our FY 2016 results. Our FY 2018–2019 Human Capital Operating Plan addresses our continuing efforts to develop and expand our talent at SSA.

Become one of the Top 5 Best Places to Work among large agencies in the Federal Government

Fiscal Year	2012	2013	2014	2015	2016	2017
Performance	Top 10 ranking	Top 10 ranking	Top 10 ranking	Top 10 ranking	Top 10 ranking	Top 12 ranking
Target			Top 10 ranking	Top 10 ranking	Top 5 ranking	Top 10 ranking
Target Met			Met	Met	Not Met	Not Met

Results: We did not meet our FY 2017 target. While our ranking dropped from 9th place in 2016 to 12th place in 2017, our Best Places to Work score remained nearly unchanged, decreasing by only one tenth of a percent. Our employees are our most valuable asset. We remain committed to promoting a positive and inclusive environment for all employees and will work to build our agency's reputation as an excellent place to work by continuing to support and invest in employee development, work-life balance, and leadership and communication efforts.

Expand use of data to support workforce planning, program evaluation, and decision-making

Fiscal Year	2014	2015	2016	2017
Performance	77%	83%	54%	45.2%
Target	75%	75%	78%	Achieve 78% of the human capital metrics
Target Met	Met	Met	Not Met	Not Met

Results: We did not meet the target for FY 2017. This performance measure is comprised of 15 distinct data sources in order to comprehensively evaluate agency-wide human capital related outcome metrics. While we achieved a substantial number of goals associated with this composite goal, results related to veteran two-year hiring, manager hiring satisfaction, and our SkillsConnect talent sharing initiative, negatively affected the overall performance for this measure. We will continue to focus on our human capital initatives through our Human Capital Operating Plan.

Implement the consolidated enterprise database and the Enterprise Data Warehouse (EDW) to improve service delivery and make faster data-driven decisions

Fiscal Year	2017
Performance	Added two new data sources to our EDW, however, we postponed the implementation of the initial version of our new consolidated enterprise database
Target	Implement the initial version of our new consolidated enterprise database and add at least two new data sources to our EDW before September 30, 2017
Target Met	Not Met

Results: We did not meet the FY 2017 target. We added more than two new data sources to our EDW before September 30, 2017, so we exceeded this portion of the target. The second part of the target, the consolidated enterprise database, we postponed in order to address performance issues. The new production date will be in February 2018.

Enhance our IT infrastructure by incorporating innovative advances in service delivery

Fiscal Year	2014	2015	2016	2017
Performance	Bandwidth-on-Demand capabilities are operational at over 75% of agency sites	Reduced our open systems infrastructure size to 1,000 servers	Released internet Social Security Number Replacement Card application in November 2015 and a new service to check the status of an application or appeal in March 2016	Completed the implementation of an on-premises private cloud proof of concept
Target	Implement Bandwidth-on-Demand, which will provide the ability to increase telecommunications capacity to quickly meet the changing service needs of our offices and clients	Reduce open systems infrastructure size from 1,500 servers to 1,000 servers by September 2015	Deploy new applications with a modern look and feel, accessible from the web, or over mobile devices	Complete the implementation of an on-premises private cloud proof of concept before September 30, 2017
Target Met	Met	Met	Met	Met

Results: We met the FY 2017 target. Implementing cloud technology will give us further flexibility to allocate systems resources to meet changing demands. This technology improves systems availability and performance at a lower cost.

Provide secure and effective services to the public by improving cybersecurity performance

Fiscal Year	2014	2015	2016	2017
Performance	DHS Presidential Directive 12 Compliance – result 87% Information Security Continuous Monitoring – result 98% Trusted Internet Connections Consolidation – result 100% Trusted Internet Connections 2.0 Capabilities – result 94%	Hardware Asset Management – result 100% Software Asset Management – result 100% Vulnerability and Weakness Management – result 100% Unprivileged Network Users – result 86% Privileged Network Users – result 99% Anti-Phishing Defense – result 100% Malware Defense – result 100% Blended Defense – result 100%	Achieved an average of 100% for the following Cybersecurity Cross-Agency Priority Goals: Hardware Asset Management – result 100% Software Asset Management – result 100% Vulnerability and Weakness Management – result 100% Anti-Phishing Defense – result 100% Malware Defense – result 100% Blended Defense – result 100%	Achieved an average of 100% for the following Cybersecurity Cross-Agency Priority Goals: Hardware Asset Management – result 100% Software Asset Management – result 100% Vulnerability and Weakness Management – result 100% Anti-Phishing Defense – result 100% Malware Defense – result 100% Blended Defense – result 100% Achieved an overall score of Level 3 on the President's Management Council Cybersecurity Scorecard (exceed government-wide targets in all 5 areas of the National Institute of Standards and Technology Cybersecurity framework).

Fiscal Year	2014	2015	2016	2017
Target	Meet the performance requirements of the DHS' Federal Network Compliance and Assurance program and the Cybersecurity Cross-Agency Priority Goals	Meet the performance requirements of the DHS' Federal Network Compliance and Assurance program and the Cybersecurity Cross-Agency Priority Goals	Achieve an average of 97% for the following Cybersecurity Cross-Agency Priority Goals: Hardware Asset Management, Software Asset Management, Vulnerability and Weakness Management, Anti-Phishing Defense, Malware Defense, and Blended Defense (anti-phishing and malware defense measures)	Continue to achieve an average of 100% for the following Cybersecurity Cross-Agency Priority Goals: Anti-Phishing Defense; Malware Defense; Blended Defense (anti-phishing and malware defense measures); Hardware Asset Management; Software Asset Management; and Vulnerability and Weakness Management. Achieve an overall score of Level 3 on the President's Management Council Cybersecurity Scorecard (exceed government-wide targets in all 5 areas of the National Institute of Standards and Technology Cybersecurity framework).
Target Met	Met	Met	Met	Met

Results: We met the FY 2017 target. Continuously strengthening our cybersecurity is critical to sustaining trust in our services. We maintain a comprehensive, agency-wide information security program to protect our network, information, and communication assets. Since FY 2013, we have met the DHS cybersecurity standards and requirements.

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.

Challenges Identified by OIG

In FY 2017, OIG identified seven top management issues for our agency. We list the acronyms for the officials responsible for addressing these management issues in Appendix C, Summary of Key Management Officials Responsibilities. To read the complete OIG report, please refer to [Fiscal Year 2017 Inspector General Statement on Social Security Administration's Major Management and Performance Challenges.]

1) Improve Administration of the Disability Programs

Components: DCO, DCHO, DCRDP, DCS, DCHR, DCARO, and DCBFM

Challenge: While the number of pending initial disability claims has decreased, the Agency still faces challenges with pending hearings and appeals. 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;
- Expand Video Service Delivery;
- Expand Access to Electronic Medical Evidence;
- Develop an Occupational Information System;
- Update the Listing of Impairments;
- Enhance Process for Evaluating Compassionate Allowance Conditions; and
- Modernize the Disability Case Processing System.

2) Reduce Improper Payments and Increase Overpayment Recoveries

Components: DCRDP, DCBFM, DCO, DCHO, DCS, OCACT, DCCOMM, GC, DCARO, and IG

Challenge: SSA is responsible for issuing about $986 billion in benefit payments, annually, to about 69 million people. Given the large overall dollar amounts involved in SSA’s payments, even the slightest error in the overall process can result in millions of dollars in over- or underpayments.

Actions we are undertaking to address this challenge include:

- Promote the Old Age, Survivor, and Disability Insurance and SSI Wage Reporting;
- Improve the Death Reporting System Process;
- Modernize the Program Overpayment Remittance System; and

- Expand Our Cooperative Disability Investigations Program.

3) Improve Customer Service

Components: DCO, DCHO, DCBFM, DCRDP, and DCS

Challenge: SSA faces challenges as it pursues its mission to deliver quality services to the public, including an increase in workloads as experienced employees are expected to retire.

Actions we are undertaking to address this challenge include:

- Reduce the Processing Center Backlog;
- Provide Real-Time Assistance to Online Users;
- Expand the Availability of the Online Social Security Replacement Card Application;
- Enhance *my* Social Security;
- Develop an Occupational Information System;
- Update the Listings of Impairments; and
- Modernize the Social Security Statement.

4) Modernize Information Technology Infrastructure

Component: DCS

Challenge: SSA must modernize its information technology to accomplish its mission despite budget and resource constraints.

Actions we are undertaking to address this challenge include:

- Modernize IT Infrastructure;
- Build Modern Applications: Data Consolidation;
- Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure; and
- Modernize the Disability Case Processing System.

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
- Implement Audit Trail System New Architecture.

6) Strengthen the Integrity and Protection of the Social Security Number

Component: DCO, DCRDP, and DCS

Challenge: Protecting the SSN and properly posting the wages reported under SSNs are critical to ensuring eligible individuals receive the full benefits they are due.

Actions we are undertaking to address this challenge include:

- Expand the Availability of the Online Social Security Replacement Card Application; and
- Improve the Death Reporting System Process.

7) Strengthen Planning, Transparency, and Accountability

Components: DCHR, DCS, DCARO, DCBFM, DCO, DCHO, DCRDP, OCACT, DCCOMM, DCLCA, and GC

Challenge: Planning, transparency, and accountability are critical factors in management. Failure to plan properly to meet its mission and challenges will lessen the Agency's ability to provide its services efficiently and effectively now and in the future. Similarly, mismanagement and waste, as well as a lack of transparency for citizens in Government operations, can erode trust in SSA's ability to tackle the challenges it faces.

Actions we are undertaking to address this challenge include:

- Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure;
- Implement Audit Trail System New Architecture;
- Implement the Anti-Fraud Enterprise Solution;
- Strengthen the Performance Management Process;
- Execute Talent Management and Succession Planning; and
- Reduce Our Real Property Footprint.

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;
- Implement Audit Trail System New Architecture; and

- Implement the Anti-Fraud Enterprise Solution.

Have Enough Employees with the Right Skills in the Right Place at the Right Time

Component: DCHR

Having employees with the right skills in the right place at the right time is critical to our mission. Employee turnover challenges our ability to develop and retain empowered, knowledgeable, compassionate, and engaged employees.

Actions we are undertaking to address this challenge include:

- Strengthen the Performance Management Process;
- Execute Talent Management and Succession Planning; and
- Implement Performance Improvement Training and Support for Managers.

Innovate the Future of Service Delivery

Components: DCO, DCHO, DCS, and DCRDP

We must innovate the future of service delivery to better serve the public. We are constantly improving and developing new service delivery options to provide enhanced service to the public.

Actions we are undertaking to address this challenge include:

- Expand Video Service Delivery;
- Expand the Availability of the Online Social Security Replacement Card Application;
- Enhance Online Appeals;
- Enhance *my* Social Security; and
- Expand Access to Electronic Medical Evidence.

Keep Pace in the Disability Program with Medicine, Technology, and the World of Work

Components: DCRDP, DCHO, DCO, and DCS

Medicine, technology, and the world of work are constantly evolving. We must keep pace creating a more agile, responsive organization committed to meeting the public's needs 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 Listings of Impairments; and
  Modernize the Disability Case Processing System.

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 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 (FXI) 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.

Disability Initial Claims Report Card (Biannual)

Measures customer satisfaction with the disability application process at the initial levels in alternate years. Our latest results are for FY 2014, when we conducted the initial level segment of the disability scorecard surveys. The great majority of awarded responders were satisfied with the ease of filing their disability application (89 percent excellent, very good, or good [E/VG/G]) and with the agency's overall service (91 percent E/VG/G). However, the 2 percentage point gap in the two ratings represented a statistically significant difference. Denied responders rated both the ease of filing the disability application (55 percent E/VG/G) and the agency's overall service (51 percent E/VG/G) far lower than their awarded counterparts, no doubt influenced by the unfavorable decision on the claim. However, unlike awarded responders, denied responders were more satisfied with the ease of filing than with overall service. The key summary ratings from awarded responders remained stable in FY 2014, as they have since FY 2008. However, both key summary ratings from denied responders were significantly lower in FY 2014 compared with FY 2012. Denied responders' rating of the ease of filing declined by 3 percentage points (FY 2012 – 58 percent E/VG/G), while their rating of overall service fell by a similar margin (FY 2012 – 55 percent E/VG/G).

Disability Hearings Process Report Card (Biannual)

Measures customer satisfaction with the disability application process at the hearing level in alternate years. Our latest results are for FY 2014, when we conducted the initial level segment of the disability scorecard surveys. The great majority of awarded responders were satisfied with the ease of filing their disability application (89 percent E/VG/G) and with the agency's overall service (91 percent E/VG/G). However, the 2 percentage point gap in the two ratings represented a statistically significant difference. Denied responders rated both the ease of filing the disability application (55 percent E/VG/G) and the agency's overall service (51 percent E/VG/G) far lower than their awarded counterparts, no doubt influenced by the unfavorable decision on the claim. However, unlike awarded responders, denied responders were more satisfied with the ease of filing than with overall service. The key summary ratings from awarded responders remained stable in FY 2014, as they have since FY 2008. However, both key summary ratings from denied responders were significantly lower in FY 2014 compared with FY 2012. Denied responders' rating of the ease of filing declined by 3 percentage points (FY 2012 – 58 percent E/VG/G), while their rating of overall service fell by a similar margin (FY 2012 – 55 percent E/VG/G).

Field Office Telephone Service Evaluation (Annually)

Evaluates our accuracy in handling the public's calls to field offices. During the FY 2015 evaluation, our field sites monitored 2,449 calls in 110 randomly selected field offices nationwide. More than half (52.3 percent) of calls involved issues that could have had an effect on payment or eligibility to benefits. Our findings report our accuracy rates for payment (96.4 percent), service (90.8 percent), access and disclosure (70.0 percent).

National 800 Number Telephone Service Evaluation (Annually)

Evaluates our accuracy in handling the public's calls to the National 800 Number. We based our findings for this FY 2015 report on monitoring 3,161 calls that our telephone agents in various components handled throughout FY 2015. We found that payment accuracy increased slightly from 97.8 percent in FY 2014 to 98.5 percent in FY 2015, and was the highest rate attained within the last 10 fiscal years. The FY 2015 service accuracy rate was 92.7 percent, significantly higher than the FY 2014 rate of 90.8 percent. Agents continued to provide highly courteous service on the National 800 Number, as we recorded no instances of discourteous service.

Overall Service Satisfaction Surveys (Annually)

Our Telephone Service Satisfaction Surveys evaluate callers' satisfaction with our National 800 Number and field office telephone services. Our Office Visitor Surveys evaluate visitors' satisfaction with our field offices (including Social Security Card Centers) and hearing offices. In FY 2016, the combined overall satisfaction rate for telephone and in-person service was 80 percent E/VG/G. Satisfaction with in-person service (90 percent E/VG/G) continued to exceed satisfaction with telephone service (75 percent E/VG/G) by a substantial margin.

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 2015, key survey findings included:

- Retirement planning -- Just over half of survey respondents remembered getting a Social Security Statement within the past year.
- Conducting Business with the Agency -- 90 percent of respondents said they would conduct business by telephone, 83 percent would visit an office, and 80 percent would use the internet.
- First Choice Service Preferences -- More respondents preferred agent phone service for correcting their earnings record (43 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 (46 percent) and getting or changing personal information on their Social Security record (both 45 percent). An office visit was the top choice (34 percent) only for completing an application for benefits.
- Important Features of Service -- At least 80 percent of respondents considered the features of telephone and in-person service associated with getting information quickly and easily as very important.

Retirement Application Survey (Biennial)

Measures customer satisfaction with the retirement application process and identifies service expectations and preferences among recent retirees. In FY 2016, we found an exceptionally high level of satisfaction with the retirement application process, with respondents rating their overall experience at 95 percent excellent, very good or good. The large majority of respondents filed their retirement application either, in-person (45 percent) or online (41 percent), with just 14 percent completing the application over the telephone. Most (71 percent) respondents indicated that they use the Internet, and about two-thirds (66 percent) of those Internet users said they had already created a *my* Social Security account.

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 7 reports. All reports are publically available at http://www.socialsecurity.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 benefit suspension or termination for work or an increase in the 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. We also fund continuing TTW evaluation research through our Disability Research Consortium.

Federal Information Security Management Act Report (Annually)

Reports to Congress whether our overall information technology security programs and practices comply with the *Federal Information Security Management Act of 2002.* In FY 2017, we made substantial improvements and progress in securing applications, managing vulnerabilities, updating policies, and enhancing the overall effectiveness of our cybersecurity capabilities.

Pre-Effectuation Review of Disability Determinations (Annually)

Assesses the accuracy of initial and reconsideration disability allowances made by disability determination services as required in the Social Security Act. In FY 2015, we reviewed 386,827 allowances and 5,468 continuances. We estimate these reviews will result in lifetime savings of about $433 million in benefits to the Old-Age and Survivors Insurance Trust Fund and Disability Insurance Trust Funds combined. We also estimate lifetime savings of $60 million in SSI payments, $228 million to the Medicare trust funds, and $2 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 did receive 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.

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 2016, the Old-Age, Survivors, and Disability Insurance (OASDI) program was providing benefit payments to about 61 million people: 44 million retired workers and dependents of retired workers; 6 million survivors of deceased workers; and 11 million disabled workers and dependents of disabled workers. During 2016, an estimated 171 million people had earnings covered by Social Security and paid payroll taxes on those earnings. Total expenditures in 2016 were $922 billion. Total income was $957 billion, which consisted of $869 billion in non-interest income and $88 billion in interest earnings

Annual Report to Congress on Medical Continuing Disability Reviews

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 2014, we conducted 1,674,713 periodic CDRs. Based on these reviews, we made initial determinations that benefits should be ceased in 139,204 cases. Our Office of the Chief Actuary estimates that, after all appeals, we will cease paying benefits to 92,727 individuals and their eligible dependents. We estimate the present value of future benefits saved to be $9 billion.

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 2017, 8.12 million individuals received monthly SSI payments averaging $526, a decrease of 30,000 recipients from the 8.15 million recipients with an average payment of $526 in January 2016. By 2041, the end of the 25-year projection period, we estimate that the SSI recipient population will reach 9.0 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 2015, the enumeration accuracy rate was 100 percent. The difference between the FY 2015 accuracy rate and the FY 2014 accuracy rate of 99.98 percent is not statistically significant.

Evaluation of the Continuing Disability Review Enforcement Operation Predictive Model (Annually)

Evaluates 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. In FY 2016, our tracking and evaluation indicated 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 a new 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 2017 Federal Employee Viewpoint Survey results indicate both strengths and areas for improvement. Employees' perceptions revealed our agency performed well on areas related to work-life programs, mission accomplishment, and employees regard for their jobs and the nature of their work. Areas of improvement include a results-oriented performance culture and fairness.

Human Capital Evaluations (Annually)

Monitors and evaluates the results of our human capital strategies, policies, and equal employment opportunity programs, as well as our adherence to merit system principles, including cyclical Human Resources Management and Delegated Examining Unit Assessments of components across the agency. We conducted two human capital evaluations in FY 2017. We evaluated the Kansas City Region in November 2016 and the Dallas Region in May 2017. We reviewed more than 50 outcomes set by the U.S. Office of Personnel Management covering the following human resources 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 both assessments was low and was for non-critical issues – no illegal appointments or serious violations.

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 FY 2016, we made overall progress and advances to address FY 2014 Equal Employment Opportunity Commission Program Evaluation Report recommendations. The Acting

Commissioner and agency executives supported and encouraged the following four cross-component collaborations:

- Anti-Harassment – Established a comprehensive anti-harassment program to complement the existing anti-harassment policy and prepared standard operating procedures (SOP) for processing such allegations.
- Alternative Dispute Resolution (ADR) – Established ADR guidelines to increase management and employee use of mediation for early resolution of equal employment opportunity (EEO) complaints.
- EEO SOPs – Established to create a process to ensure the consistent use of legally compliant and universally applied EEO processes and procedures. In FY 2016, we finalized SOPs for every area of the EEO complaints process, including adjoining processes with other stakeholders such as No Federal Employee Anti-Discrimination and Retaliation analysis and Final Agency Decision Finding Notification. We shared this information with our collaborators in other components and defined regions of the agency.
- Uniform EEO Training – Established to create standardized EEO training materials for agency-wide use. These materials provide consistent, legally compliant EEO training to all agency managers and employees.

Targeted Denial Review (Annually)

Assesses the accuracy of initial and reconsideration disability denials made by the disability determination services. In FY 2017, we analyzed 52,446 cases. The review found 1,926 decisional errors cited and 4,250 documentation errors cited, with 6,111 returned to their adjudicating component for correction, for a return rate of 11.7 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 2016, the overpayment (O/P) accuracy rate was 99.79 percent, based on improper payments totaling a projected $1.9 billion. Payment accuracy for underpayments (U/P) was 99.93 percent based on unpaid dollars projected at $670 million. In FY 2015, the O/P accuracy rate was 99.64 percent, and the U/P accuracy rate was 99.93 percent. For FYs 2015–2016, the changes in the overall O/P accuracy rate and the overall U/P accuracy rate 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 2016, the O/P accuracy rate was 92.4 percent based on overpaid dollars totaling a projected $4.3 billion. This rate represents a decrease of 1.5 percentage points from the FY 2015 O/P accuracy rate of 93.9 percent. This change is statistically significant. The U/P accuracy rate was 98.8 percent based on underpaid dollars totaling a projected $696 million. This increase from the FY 2015 U/P accuracy rate of 98.6 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 2015, the sample of 7,819 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 2015, defined as the percentage of cases free of either an O/P or a U/P, are 91.8 percent for O/P and 94.5 percent for U/P. In FY 2014, these rates were 89.5 percent and 92.1 percent, respectively. The increases in both the O/P and U/P case accuracy rates from FY 2014 to FY 2015 are 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. In FY 2013, based on approximately 3.2 million adjudications represented by the Retirement and Survivors Insurance (RSI) sample, there are about 4.4 dollar deficiencies for every 100 RSI cases. About 63.2 percent of the RSI deficiencies are U/Ps. In addition, approximately 1.2 million awards represented by the Disability Insurance (DI) sample result in about 11.4 dollar deficiencies for every 100 DI cases. About 52.3 percent of the DI deficiencies are 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. In FY 2010, we initiated a new data quality program designed to assess, measure, and monitor the quality of performance data. We evaluate the data in terms of four quality dimensions:

- Accuracy – 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 these quality evaluations based on established internal methodologies. As we introduce new performance measures, we perform a comprehensive data assessment using these 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 2017 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 KPMG, LLP to conduct the FY 2017 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 24th 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:
Summary of Key Management Officials' Responsibilities

Commissioner of Social Security (COSS) manages all agency programs and staff. Also serves as the Chief Operating Officer, responsible for improving agency management and performance.

Deputy Commissioner of Social Security (DCOSS) an appointed position, authorized to act on behalf of the COSS.

Chief Actuary (OCACT) plans and directs program actuarial estimates and analyses for our programs and for any proposed changes in programs and trust funds. The 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. The GC also serves 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.

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. The DCBFM also serves as the Chief Financial Officer, Acting Performance 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 appeal 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. The 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. The DCO also oversees DDS 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. The DCRDP serves as liaison with the Centers for Medicare and Medicaid Services. The DCRDP also serves as the accountable official for improper payments and leads our efforts to improve the clarity, tone, and readability of our notices.

Deputy Commissioner for Systems (DCS) directs the strategic management of our systems and databases, which includes the development, validation, and implementation of new systems. The DCS directs operational integration, strategic planning processes, and implementation of a systems configuration program. The DCS also serves as the **Chief Information Officer**.

Social Security Administration
Fiscal Year 2017
Bipartisan Budget Act of 2015 Section 845(a) Report

Bipartisan Budget Act Reporting Requirements

Section 845(a) of the Bipartisan Budget Act (BBA 845(a)) of 2015 requires 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 section 221(i) of the Social Security Act (Act) and pursuant to 1614(a)(3)(H);
    - RZs conducted pursuant to section 1611(c); 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 redetermination; 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.

Below we provide a brief overview of our programs and anti-fraud activities. Then, we provide the information required by BBA 845(a).

Currently, we do not have the data necessary to report on the following:

- Cases of fraud identified by redeterminations, medical and work-related CDRs, including the resulting savings of each; and

- Number of work-related CDRs in which a beneficiary improperly reported earnings for more than three consecutive months, including the resulting savings.

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 the vast majority 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 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 paid nearly $1 trillion during fiscal year 2017 to a monthly average of nearly 70 million beneficiaries.

Our Anti-Fraud Efforts

As good stewards of our resources and the OASDI and SSI programs, it is our duty to work aggressively to prevent and detect fraud and recover improper payments whether fraudulent or not.

In 2014, we enhanced our efforts to efficiently and effectively detect, deter, and mitigate fraud, waste, and abuse in our programs through the establishment of the Office of Anti-Fraud Programs (OAFP). OAFP provides centralized oversight and accountability for our anti-fraud program. OAFP leads our anti-fraud activities and works across organizational lines to ensure that employees throughout the agency have the tools to combat fraud. OAFP is an integral and critical component in our efforts to implement the agency's Anti-Fraud Strategic Plan. This plan supports a comprehensive approach to fraud prevention and aligns anti-fraud efforts with the United States Government Accountability Office (GAO) report, A Framework for Managing Fraud Risks in Federal Programs. The GAO report identifies leading practices for managing fraud risks and identifies control activities to prevent, detect, and respond to fraud in Federal programs. Our agency Anti-Fraud Strategic Plan describes how we will develop and implement a comprehensive unified anti-fraud program.

In FY 2017, OAFP:

- Completed initial installation and configuration of the Anti-Fraud Enterprise Solution (AFES) tool. AFES integrates data from multiple sources and uses industry-proven predictive analytics software to identify high-risk transactions that require further review;

- Applied predictive and rule-based models to our eServices business processes to determine common characteristics and patterns of potential cases of fraud based on lessons learned from past allegations and known cases of fraud. With these models, we identify suspicious and evolving patterns of activities in our workloads and prevent fraudulent actions from advancing; and
- Delivered national required anti-fraud training, which supplemented local and regional anti-fraud initiatives.

Bipartisan Budget Act Reporting Requirements

<u>Total Expenditures on our Fraud and Improper Payment Prevention Activities</u>

In FY 2017, our operating expenses for our strategic goal to "Strengthen the Integrity of Our Programs" were $2.354 billion. These expenditures included both key program integrity workloads and other stewardship activities, some of which are specific to our anti-fraud efforts. It is difficult to distinguish between specific efforts to reduce fraud and our overall efforts to reduce improper payments, as both are key parts of our program integrity workloads. The vast majority of 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 access to data on beneficiaries' changing circumstances.

As a result, we do not have the detail level data necessary to compute the expenditures specifically for only our anti-fraud-related activities. Each year we verify that we distribute the correct costs to the proper goals. In 2016, we began discussing how we may track our anti-fraud expenditures. During 2017, we modified our process to track the costs separately for CDI units. We started identifying SSA and State Disability Agency CDI payroll and other object costs through specific/separate claim account numbers. Using Cost Analysis System data, we determine how much of these costs we already distributed to the Program Integrity (PI) workloads. This allows us to remove the costs that hit the PI workloads from the CDI costs to avoid double counting. All PI workloads fall under our strategic goal to "Strengthen the Integrity of Our Programs."

<u>Total Expenditures on CDI Units, the Number of Cases of Fraud Prevented by CDI Units, and the Amount Spent on Such Cases</u>

The CDI program is a key anti-fraud initiative that plays a vital role in combating fraud, similar fault, and abuse within our disability programs. CDI units consist of personnel from our agency, OIG, disability determination services (DDS), and State and local law enforcement. CDI units investigate initial disability claims and post-entitlement events involving suspected fraud. CDI units investigate claimants and beneficiaries as well as third parties who we suspect of committing or facilitating disability fraud.

The mission of the CDI program is to investigate questionable statements and activities of claimants, medical providers, and other third parties to obtain material evidence that is sufficient to resolve questions of potential fraud in the agency's disability programs.

We continue to expand our CDI program as resources allow. We currently have 40 units, covering 34 States, Washington, DC, and the Commonwealth of Puerto Rico.

In FY 2017, SSA spent approximately $25.5 million on CDI units and OIG spent approximately $8.7 million[1] on CDI units, which includes personnel costs, training, travel, and equipment. In FY 2017, CDI investigations resulted in 4,191 claims ceased or denied and 90 judicial actions *(sentencing, pre-trial diversion, civil settlement, and civil monetary penalties)*, which contributed to OIG projecting more than $228 million in savings to SSA programs and scheduled recoveries in excess of $33.3 million.

We do not track CDI-related costs on a per investigation basis. We estimate the average cost per CDI investigation is $6,903, based on 4,954 CDI investigations closed during FY 2017.

For FY 2018, SSA plans to spend approximately $25.5 million on CDI units and OIG plans to spend approximately $9 million[2] on CDI units.

The Number of Felony Cases Prosecuted Under Section 208 and the Amount Spent by the Social Security Administration in Supporting the Prosecution of Such Cases; the Amount of Such Felony Cases Successfully Prosecuted and the Amount Spent by the Social Security Administration in Supporting the Prosecution of Such Cases[3]

Social Security employees refer allegations of potential fraud to OIG to investigate. OIG conducts criminal investigations and refers cases to U.S. Attorneys with the Department of Justice (DOJ) for prosecution. SSA must rely on the U.S. Attorneys to prosecute Social Security fraud, which is a Federal crime. The U.S. Attorneys have prosecutorial discretion whether to accept fraud cases for prosecution and what Federal statutes to charge.[4] As an initiative to increase Social Security fraud prosecutions, the Office of the General Counsel has provided DOJ

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[1] This figure includes OIG funds that are not derived from amounts described in section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985.

[2] This figure includes OIG funds that are not derived from amounts described in section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985. OIG plans to spend additional funds on CDI units in FY 2018 due to increased personnel costs. The 2019 Budget appropriations language provides for SSA to transfer up to $10 million to the SSA OIG to fund CDI unit team leaders. This anti-fraud activity is an authorized use of the cap adjustment.

[3] Upon further review of the reporting requirements in section 845(a) of the Bipartisan Budget Act of 2015 and section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, we have revised this section of our Report to focus on how SSA expended funds made available for the prosecution of fraud in the programs and operations of the SSA by Special Assistant United States Attorneys.

[4] Note, Social Security fraud criminal cases are prosecuted under many different fraud statutes. Because this report is limited to cases prosecuted under section 208, it does not represent the total number of Social Security cases involving fraud against our programs that resulted in a successful prosecution. To learn more about OIG's activities and investigations, please see: *Semiannual Report to Congress April 1, 2017 – September 30, 2017,* Fall Edition, p. 17-30, 52 (November 29, 2017), at https://oig.ssa.gov/semiannual-reports/fall-2017.

with attorneys who serve as Special Assistant United States Attorneys (SAUSA) and focus solely on prosecuting Social Security fraud. The goal of this initiative is to increase the number of prosecutions for crimes involving Social Security matters.

Since FY 2003, SSA SAUSAs have secured over $200 million in restitution and more than 1,300 convictions. Although we began FY 2017 with 24 SAUSAs, ongoing attrition has reduced this to 14[5] SAUSAs as of September 2017. Nonetheless, in FY 2017, our SAUSAs successfully prosecuted 186 criminal cases under section 208 of the Social Security Act [42 U.S.C. §408]. In 150 of those cases, courts ordered the payment of over $145.2 million in restitution to the government, over $79.6 million of which was to SSA's Trust Funds. The estimated FY 2017 costs of our SAUSAs to obtain these convictions was $2,774,870, which includes 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 that program rules and eligibility standards are fully enforced. One of our most important program integrity tools is the CDR process. CDRs are periodic reevaluations to determine whether beneficiaries still qualify to receive benefits. We conduct periodic CDRs to ensure that only those beneficiaries who continue to be disabled, based on our strict standard of disability, continue to 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. The primary purpose of a CDR is to determine if a beneficiary continues to be entitled to benefits because of his or her medical condition; a finding of MI does not mean that the beneficiary committed fraud. However, our ability to perform additional CDRs may allow us to detect potentially fraudulent or suspicious activities. We would like to note that there are no improper payments associated with the medical CDR process. Benefits for individuals who have medically improved are only improper if the agency fails to suspend payment after we fully complete the CDR appeals process, or the individual had failed to cooperate with the CDR.

For case reviews initiated through our centralized process when a medical review diary matures, we conduct periodic CDRs using one of two methods. We send some cases to the DDS for a full medical review; we complete others using the mailer process. We decide whether to initiate a full medical review or send a mailer after profiling all cases to identify the likelihood of medical improvement. We send cases with a higher likelihood of medical improvement to DDSs for full medical reviews. For those cases with a lower likelihood of medical improvement, we send mailers to obtain more information from the beneficiaries, which we evaluate to determine if there is any indication of MI. If we find an indication of MI, we send the case to a DDS for a full medical review. Otherwise, we set a new medical review diary and schedule the case for a

[5] In October and November 2017, we hired 18 additional fraud attorneys bringing our total to 32. To reach our authorized total of 35 fraud attorneys, we anticipate the remaining 3 to be in place by the end of the first quarter of FY 2018.

future CDR. Each year, we refresh the case priority selections based on the results of a predictive statistical scoring model.

We conduct some CDRs outside the centralized process based on events such as voluntary or third party reports of MI. We always send these CDRs to the DDSs for a full medical review. 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. SSA estimates that continuing disability reviews conducted in 2019 will yield net Federal program savings over the next ten years of roughly $9 on average per $1 budgeted for dedicated program integrity funding, including OASDI, SSI, Medicare and Medicaid effects.

Work-Related Continuing Disability Reviews

When a beneficiary is receiving disability benefits from the DI program, we review his or her case to determine if the beneficiary is performing substantial gainful activity (SGA), and if eligibility for benefits should continue. We commonly refer to this process as a “work CDR.”

We learn about work activity through two primary ways. We initiate some work CDRs when beneficiaries 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. We are planning to expand the options for a DI beneficiary to report work activity by creating an internet reporting process. Currently DI beneficiaries report work activity through the local field office or by calling the National 800 Number. On September 23, 2017, we created an internet reporting application called myWageReport (myWR), which allows DI beneficiaries and representative payees to report wages to us and provides a receipt of the report. Both self-reporters and representative payees can report wages that occurred within a two-year timeframe from the reporting date. Future functionality will allow us to accept SSI and concurrent wage reports via myWR.

We generate other work CDRs through WorkSmart, which is a process that selects enforcement CDRs. The Continuing Disability Review Enforcement Operation (CDREO), which is a part of WorkSmart, is an automated process that uses IRS earnings data. The Quarterly Earnings Project (QEP) is also a part of WorkSmart and uses quarterly earnings data from the National Directory of New Hires (NDNH).

When we learn of work activity, we analyze the work activity to determine if we must investigate. After we review the earnings, we may screen out many work reports and CDREO alerts because they do not meet the requirements for a work CDR. In addition, many CDREO alerts may identify payments that are not earnings from work activity (e.g., sick pay or long-term disability benefits); these payments also do not require a work CDR.

Please see the below table for actual CDR workload volumes for FY 2017

FY 2017 Actual Volumes	Title II	Title XVI	TOTAL
Full Medical CDRs	338,763	535,648	874,411
CDR Mailers	866,260	516,469	1,382,729
Work-Related CDRs	313,172	-	313,172

In FY 2017, we spent $697 million[6] on Periodic CDRs, which includes the cost of CDR Mailers. We spent an additional $232 million[7] on Work-Related CDRs.

Please see the below table for enacted CDR workload volumes for FY 2018:

FY 2018 Estimated Volumes	Title II	Title XVI	TOTAL
Full Medical CDRs[i]	337,000	553,000	890,000
CDR Mailers			1,100,000
Work-Related CDRs (YTD)[ii]	93,386		93,386

i/ Volumes above are based upon CDRs available to process. We have the authority to reallocate funds based upon Section 201(g) of the Social Security Act.

ii/ We do not develop official volume projections for Work-Related CDRs, therefore we have included our most recent FY 2018 YTD figures, which are through December.

In FY 2018, we anticipate spending a total of $801 million[8] on Full Medical CDRs, CDR Mailers, and Work-Related CDRs. Since Work-Related CDRs are not an agency-controlled workload, we do not develop official volume projections for that workload in a given FY. Historically, work CDR volumes are consistently 250,000 – 300,000 annually.

In formulating the budget, we fully incorporated the projected costs of work CDRs into the total projected costs for CDRs.

SSI Redeterminations

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[6] Includes $347 million in costs allocated to DI, retirement and survivors insurance (RSI), and hospital insurance/supplementary medical insurance/Part D (HI/SMI/Part D) and $350 million in costs allocated to SSI

[7] Includes about $107 million in costs allocated to DI, $67 million in costs allocated to RSI, and $58 million in costs allocated to HI/SMI

[8] Includes $303 million in costs allocated to DI, RSI, and HI/SMI/Part D and $498 million in costs allocated to SSI

Another important program integrity tool is SSI redeterminations (RZ), under section 1611(c) of the Act, which are periodic reviews 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. To select RZs, we use a predictive statistical model, which we implement each year to prioritize redeterminations to focus on reviews most likely to result in the correction of improper payments. 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 redeterminations conducted in 2019 will yield a return on investment of about $4 on average of net Federal program savings over ten years 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 2017, we spent $674 million to conduct 2,589,638 SSI RZs pursuant to section 1611(c).

In FY 2018, we plan to spend $696 million to conduct 2.9 million SSI RZs pursuant to section 1611(c).

<u>The Number of Cases of Fraud Identified for which Benefits were Terminated as a result of Medical CDRs, Work-Related CDRs, and Redeterminations, and the Amount of Resulting Savings for Each Such Type of Review or Redetermination</u>

The agency does not track the number of instances of fraud identified where we terminated benefits because of a medical CDR, work-related CDR, or redetermination. Neither our fraud referral form nor our case management systems capture these specific events. We plan to include this capability in our revised referral intake process.

<u>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</u>

Since DI beneficiaries are not required to report earnings monthly, we define "improperly reports earnings" to mean a DI beneficiary who reports inaccurately or not all when there is a change in work activity. We identify non-reporters through our IRS earnings match commonly referred to as the CDREO. The number of cases selected with CDREO in FY2017 was 292,137.[9]

[9] Historically, about 40% of these alerted cases end in completed work CDRs

Other Reports of Interest

We have provided below additional agency reports of interest.

- Fiscal Year 2017 Agency Financial Report (https://www.ssa.gov/finance/)

- Annual Performance Report 2016 - 2018 (https://www.ssa.gov/agency/performance/)

Social Security Administration

FISCAL YEARS 2018 - 2022

AGENCY STRATEGIC PLAN

Table of Contents

A Message From The Acting Commissioner

The Social Security Administration touches the lives of nearly every member of the public. For more than 80 years, we have delivered critical services at significant times like birth, marriage, retirement, disability, and death.

In fiscal year 2018, approximately 71 million individuals will depend on the benefits we provide. It is my honor to serve as Acting Commissioner of the agency responsible for this important work. From my first day in this role, I have made it clear that we must be mission-focused and mission-driven.

I am pleased to issue the Agency Strategic Plan for Fiscal Years 2018–2022, which will serve as a blueprint to achieve our mission. We will focus on:

- Delivering Services Effectively;
- Improving the Way We Do Business; and
- Ensuring Stewardship.

Our programs and services have evolved. We have also updated the ways in which we provide those services, taking advantage of technology while continuing to be the face of government in our communities. We take seriously our job to respond to the public's needs and to be trustworthy stewards of our resources and taxpayer dollars. This strategic plan explains how we will continue to deliver necessary services and maintain the public's trust.

Respectfully,

Nancy A. Berryhill

Baltimore, Maryland

February 12, 2018

Our Mission

Deliver quality Social Security services to the public.

Our Programs

We administer three programs under the Social Security Act: the Old-Age and Survivors Insurance (OASI) program, the Disability Insurance (DI) program, and the Supplemental Security Income (SSI) program. These programs provide vital support to some of the most vulnerable members of our society, including people with disabilities, surviving family members, retirees, and the blind and disabled with limited income and resources. In fiscal year (FY) 2018, we expect to pay more than $1 trillion to an average of 71[1] million individuals each month.

- **Old-Age and Survivors Insurance**: Created in 1935, the OASI program provides retirement and survivors benefits to qualified workers and their family members. In FY 2018, we will pay about $851 billion in OASI benefits to an average of 53 million beneficiaries a month, including 88 percent of the population aged 65 and over.
- **Disability Insurance**: Established in 1956, the DI program provides benefits for workers who become disabled and their families. In FY 2018, we will pay about $149 billion in DI benefits to an average of 11 million disabled beneficiaries and their family members a month.
- **Supplemental Security Income**: Established in 1972, the SSI program provides financial support to aged, blind, and disabled adults and children who have limited income and resources. In FY 2018, we will pay approximately $54 billion in Federal benefits and State supplementary payments to an average of 8 million recipients a month.

In addition, we support national programs administered by other Federal and State agencies, as required by law, such as Medicare, Employees 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, regulations, and our program policy. We have implemented enterprise risk management processes to improve the effectiveness of our organization. Our goals are informed by both the strategic opportunities ahead as well as our management of risks that threaten our core mission activities.

[1] The sum total of individuals that we expect to pay in all three programs is greater than 71 million, because some individuals receive benefits from more than one program concurrently. For example, some disability beneficiaries qualify for benefits in both the DI and SSI programs.

Our Organization

Approximately 62,000 Federal employees and 15,000 State employees serve the public from a network of offices across the country and around the world. Most of our employees serve the public directly or provide support to employees who do.

We administer our programs and services through a network of more than 1,200 field offices. Each day, approximately 170,000 people visit and 250,000 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 30 million calls each year. Callers can conduct a variety of business transactions by speaking directly with an agent or through our 24-hour automated services, which include requesting benefit verification letters, ordering replacement Medicare cards, and obtaining claim status updates.

Our processing centers (PC) handle complex Social Security retirement, survivors, and disability claims, as well as provide support to our National 800 Number. State agencies make disability determinations for initial claims, reconsiderations, and continuing disability reviews. Administrative law judges 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.

Strategic Goal 1: Deliver Services Effectively

We must be able to deliver our services effectively to the people who come to us for assistance, regardless of 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 our programs are not stagnant and that advancements in technology provide opportunity to do business differently, and often more efficiently and conveniently.

Strategic Objective 1.1 – Improve Service Delivery

Over 1 million people are waiting an average of 605 days for an answer on their hearing request. Although in FY 2017 we began reducing the hearings backlog, these wait times remain unacceptable. Therefore, one of our top priorities will be to reduce the hearings backlog and the time it takes get a hearing decision.

Our processing centers (PC) handle actions that arise after we determine benefit eligibility and support our field and hearing offices by handling appeals decisions, collecting debt, correcting records, performing program integrity work, and processing other complex benefit claims. In January 2016, the number of actions pending in the PCs hit an all-time high. We will improve service delivery by further prioritizing work and enlisting automation to reduce the PC backlog.

Even as we tackle the backlogs in our hearing offices and PCs, we will continue to enhance our online services. In FY 2018, the public will conduct over 190 million transactions through our online services. As we continue to expand service options and functionality, we expect more people to take advantage of the convenience of online services. To improve service delivery, we will continue to educate the public about our secure online service options.

Strategies

- Advance and update the Compassionate And REsponsive Service (CARES) plan to address the number of pending hearing decisions and lengthy wait times
- Implement a comprehensive approach to reduce the number of pending PC actions
- Increase the use of online services

Strategic Objective 1.2 – Expand Service Delivery Options

Our biennial survey of future customers shows an increasing preference for conducting business with us online or by telephone. We continue to expand our suite of automated and online service options. We are pleased that 7 of our 8 online applications earned scores of at least 80 out of 100 in the Foresee E-Government Satisfaction Index. These high scores help us confirm that we are providing services people want to use. (Note: A score of 80 or higher is considered the threshold for excellence.[2])

Since it launched in 2012, *my* Social Security, a convenient and safe option for many people who want to handle certain business with us online, has registered more than 32 million users and consistently ranks as one of the top 10 in customer satisfaction for all Federal websites. Over the next five years, we will continue to expand *my* Social Security's capabilities by adding additional services for both individual and third party users and improving existing options.

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

[2] ForeSee Experience Index: E-Government Q4 2016-Web

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 wanted or the way they expected us to, we developed a plan to modernize our information technology (IT) systems. This modernization effort is foundational to our overall ability to improve service to the public.

Strategic Objective 2.1 - Streamline Policies and Processes

Over the last 80 years, our programs have expanded and our policies have evolved creating a level of complexity that can be difficult to fully understand. To improve our accuracy and efficiency, create opportunities to implement technology, and ensure the public understands their options, responsibilities, and rights, we must streamline our policies, processes, and procedures. We are also using data analytics to identify opportunities to improve our business processes.

Strategies

- Expand our use of electronic medical evidence
- Strengthen employment support programs
- Explore policy and program areas where rules and agency practices need to be modernized
- Modernize the Social Security Statement to increase the public's understanding of our programs

Strategic Objective 2.2 – Accelerate Information Technology Modernization

We maintain the benefit, earnings items, and certain vital records of nearly every member of the public on systems designed over 30 years ago. Technological change is accelerating at a relentless pace and offers us remarkable opportunities to change, transform, and greatly improve the way we serve the public. Yet, these newer technologies can also be disruptive to legacy systems, business processes, and ultimately to the way we work. Our dated IT infrastructure has grown increasingly fragile, costlier to maintain, and more challenging to secure, and it does not efficiently meet current demands for our services.

Our IT Modernization Plan describes a thoughtful and deliberate multi-year agency initiative to modernize Social Security's major systems, using modern architectures, agile software engineering methods, cloud provisioning, and shared services. We are embarking on an initiative to transform the way we design and build systems and ultimately the way we work and how we serve the public. Our IT modernization vision is to establish a fully integrated IT and Business team that delivers modern business platforms that improve our ability to respond more rapidly to changing needs at a manageable cost. We will provide an enhanced customer experience for millions of beneficiaries across an expanded mix of service options in a cost-effective and secure manner.

Recent breaches at other Federal and State agencies underscore the importance of securing networks and sensitive data. While our cybersecurity program is comparable to that of other Federal agencies, it remains costly and difficult to integrate with our current legacy systems. We use knowledge of the threat landscape, advanced technologies, and skilled cyber professionals to secure our networks from threats, both foreign and domestic. Cyberattacks are ever changing, and we must remain vigilant to prevent any intrusion on our networks.

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

Strategic Goal 3: Ensure Stewardship

We are committed to being good stewards of taxpayer dollars to ensure the public has confidence that we manage their tax dollars wisely. 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

In FY 2017, we paid more than $82 billion in Federal benefits on average across our programs each month. As good stewards of the programs entrusted to us, we must ensure that we pay individuals the correct amount–neither overpaying nor underpaying them. Making the right payment to the right person at the right time has always been one of our priorities. We conduct ongoing stewardship reviews to confirm individuals receive the benefits they are due and to monitor our performance. In the coming years, we will remain focused on the integrity of our programs, including minimizing improper payments, particularly in the SSI program where program complexities pose challenges. We are also committed to continuing our efforts to achieve high payment accuracy while using all available tools to recover overpayments.

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

Strategic Objective 3.2 – Enhance Fraud Prevention and Detection Activities

We take seriously our responsibility to prevent and detect fraud. We centrally manage our anti-fraud efforts and are developing consistent anti-fraud policies; refining employee training; and solidifying relationships with other Federal, State, and private partners to identify individuals who wrongfully obtain Social Security and SSI payments.

We plan to expand the use of data analytics and predictive modeling to enhance fraud prevention and detection in our programs. We will integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions for further review. With these models, we will better identify suspicious and evolving patterns of activities in our workloads and prevent fraudulent actions from occurring.

Strategies

- Expand the use of data analytics and increase internal and external partnerships
- Develop and conduct regular fraud risk assessments of our programs

Strategic Objective 3.3 – Improve Workforce Performance and Increase Accountability

Our employees remain our most important asset. We are accountable for ensuring they have the training and technology they need to take timely, quality actions. Feedback, including clear and measurable expectations, is an important tool to ensure our employees know how they are performing.

Likewise, our managers need to understand how to maximize employee performance so that we can serve the public. We must support them in that effort by establishing expert teams who will be available to provide information and assistance in real time. We will also be requiring additional management training and working with our managers to help them engage and communicate with employees.

While many of our employees are attracted to Federal employment by the benefits and flexibilities we provide, they also specifically choose our agency because they believe in, or have personal experience with, our mission. Our employees have some of the most difficult but also the most rewarding jobs. We must ensure that they remain aware of the importance—to real people in our communities—of a job well done. We must ensure that they know how much we—and the public—value their effort. Therefore, we must be attentive to issues they bring to our attention from requests to simplify policies to demanding that we hold all employees accountable.

Our framework for comprehensive human capital management includes three major focus areas: workforce management, succession management, and performance management.

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

Strategic Objective 3.4 – Improve Organizational Effectiveness and Reduce Costs

Our administrative expenses continue to be less than 1.3 percent of the combined Social Security and SSI benefits we pay. We are taking steps to reduce our real estate footprint and to realign our organization to meet the current demands for our services. We are also leading efforts to improve strategic partnerships with other government and private entities and to expand data sharing opportunities with Federal and State agencies for better public service and operational savings.

Strategies

- Align our real estate footprint with current and future business needs
- Streamline our organization and how we manage our workloads
- Improve strategic partnerships with other government and private entities

Appendix 1: Key External Factors We Must Consider

Many macro factors may affect how our agency operates over the next five years.

Social

About 80 million members of the Baby Boom generation have entered their most disability-prone years and retirement years, which has increased our workloads. As we improve and expand our service delivery options, we will continue to consider the increased size and diversity of the population we serve.

Technology

Americans are becoming increasingly reliant upon technology. Nearly 9 of 10 American adults use the Internet, and nearly 4 of 5 use a smartphone, including nearly 3 of 4 Americans between the ages of 50 and 64.[3]

Additionally, sharp increases in the ability to share, store, and analyze data have transformed enterprise-level information technology, but requires substantially different tools and approaches than what we have used in the past. As the digital network of intelligent systems and devices grows more interconnected, enterprises and customers will see significant changes in how they interact.[4]

Workforce Trends

We project that more than 21,000 agency employees will retire by the end of fiscal year 2022. These retirements along with regular ongoing attrition will cause a loss of institutional knowledge and potentially impair succession management and knowledge transfer. We must take affirmative steps to mitigate these effects through effective planning, recruitment, and hiring.

As the Baby Boomers retire, the workforce will continue to include a higher concentration of Generation X and Millennials, requiring a shift toward employment strategies that enhance our ability to retain talent within those generations. To retain talent and remain an employer of choice, we must conduct sound human capital planning and embrace robust workforce initiatives, including a thorough skills-gap analysis. These efforts will help us address the differing generational expectations and capabilities of the future workforce.

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[3] Pew Research Center, "Record shares of Americans now own smartphones, have home broadband." January 12, 2017.
[4] Gartner. "Top 10 Strategic Technology Trends for 2017." March 21, 2017.

Appendix 2: How We Measure Our Progress

We have identified two Agency Priority Goals we plan to achieve in the next two years. These goals are aggressive and directly support our strategic goals. To ensure our success in these areas, we conduct quarterly internal progress reviews and take necessary action to improve our results and reduce costs.

1. Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearings decision.

2. Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments.

Other Measurement

The Commissioner and other agency executives review a monthly tracking report, which assesses agency progress in achieving the performance targets in our Annual Performance Plan. We develop monthly performance expectations at the beginning of the fiscal year and use them to assess monthly progress. The lead executive responsible for each measure provides a brief explanation for any performance that is behind expectation.

The Government Performance and Results Act, Modernization Act of 2010 (P.L. 111-352) requires agencies address Federal Cross-Agency Priority Goals in Agency Strategic Plans and Annual Performance Plans. Please refer to **Performance.gov** for information on Federal Cross-Agency Priority Goals and the agency’s contribution to those goals where applicable.

Appendix 3: How We Evaluate Our Programs

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 assists 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 one-time efforts. The following charts list some of our significant evaluations, a description of these evaluations, and the timeframe for completion.

STRATEGIC GOAL 1 – DELIVER EFFECTIVE SERVICES

Evaluation	Description	Completed
ForeSee Experience Index E-Government Report	The ForeSee Experience Index (FXI) E-Government report measures citizen satisfaction with government websites.	Quarterly
Disability Initial Claims Report Card	Measures customer satisfaction with the disability application process at the initial levels in alternate years.	Biannual
Disability Hearings Process Report Card	Measures customer satisfaction with the disability application process at the hearing level in alternate years.	Biannual
Field Office Telephone Service Evaluation	Evaluates our accuracy in handling the public's calls to field offices.	Annually
National 800 Number Telephone Service Evaluation	Evaluates our accuracy in handling the public's calls to the National 800 Number.	Annually
Overall Service Satisfaction Surveys	• Telephone Service Satisfaction Surveys evaluate callers' satisfaction with our National 800 Number and field office telephone services. • Office Visitor Surveys evaluate visitors' satisfaction with our field offices (including Social Security Card Centers) and hearing offices.	Annually
Prospective Client Survey	Surveys people between ages 50 and 64 to identify service expectations and preferences of the upcoming wave of retirees.	Biennial
Retirement Application Survey	Measures customer satisfaction with the retirement application process and identifies service expectations and preferences among recent retirees.	Biennial

STRATEGIC GOAL 2 – IMPROVE THE WAY WE DO BUSINESS		
Evaluation	**Description**	**Completed**
Evaluation of the Ticket to Work and other employment support programs	Examines employment patterns and outcomes of disabled beneficiaries, including those who use employment services such as the Ticket to Work, Partnership Plus, and Work Incentives Planning and Assistance programs.	Continuously
Federal Information Security Management Act Report	Reports to Congress whether our overall information technology security programs and practices comply with the *Federal Information Security Management Act of 2002.*	Annually
Pre-effectuation Review of Disability Determinations	Assesses the accuracy of initial and reconsideration disability allowances made by disability determination services (DDS) as required in the Social Security Act.	Annually
Safeguard Activity Report	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.	Annually
Safeguard Review	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.	Triennial

STRATEGIC GOAL 3 – ENSURE STEWARDSHIP		
Evaluation	**Description**	**Completed**
Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds	Reports annually to Congress on the financial and actuarial status of the two Social Security trust funds.	Annually
Annual Report to Congress on Medical Continuing Disability Reviews	A legislatively mandated report that provides summary information on continuing disability reviews (CDR) conducted for a completed fiscal year, including actuarial estimates of the lifetime savings in Old-Age, Survivors, and Disability Insurance; Supplemental Security Income (SSI); Medicare; and Medicaid benefits resulting from the reviews conducted during that fiscal year.	Annually
Annual Report of the Supplemental Security Income Program	Reports annually to the President and Congress on the status of the SSI program and provides 25-year projections of program participation and costs.	Annually
Enumeration Accuracy Report	Assesses the accuracy of original Social Security numbers assigned during the fiscal year.	Triennial

Evaluation of the Continuing Disability Review Enforcement Operation Predictive Model	Evaluates the results of predictive model used to score work issue CDR cases to ensure that cases most likely to result in overpayments are prioritized and worked first.	Annually
Federal Employee Viewpoint Survey	Assesses employee perspectives of organizational performance across several major human capital areas: recruitment, development, performance culture, leadership, job satisfaction, and personal work experiences.	Annually
Human Capital Evaluations	Monitors and evaluates the results of our human capital strategies, policies, and equal employment opportunity programs, as well as our adherence to merit system principles, including cyclical Human Resources Management and Delegated Examining Unit Assessments of components across the agency.	Annually
Management Directive 715 Report	Describes the status of our efforts to establish and maintain effective equal employment opportunity 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.	Annually
Targeted Denial Review	Assesses the accuracy of initial and reconsideration disability denials made by DDSs.	Annually
Retirement, Survivors, and Disability Insurance Stewardship Review	Measures the accuracy of payments to persons receiving Social Security retirement, survivors, or disability benefits.	Annually
Supplemental Security Income Stewardship Review	Measures the accuracy of payments to persons receiving SSI benefits by reviewing all non-medical factors of eligibility and payment.	Annually
Supplemental Security Income Transaction Accuracy Review	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.	Annually
Retirement, Survivors, and Disability Insurance Transaction Accuracy Review	Review of non-medical factors of eligibility to evaluate recently processed retirement, survivors, and disability insurance claims to ensure compliance with operational policy.	Triennial

Appendix 4: Communications and Outreach

In developing this strategic plan, we consulted with employees, advisory groups, Congress, and other stakeholders. We solicited feedback from the various groups on our high-level outline. As we implement this plan, we will continue outreach and engagement with appropriate external and internal audiences. Specifically, we will:

- Provide periodic reports on our progress to all interested parties;
- Educate and inform internal and external audiences about our activities to innovate and improve service;
- Collect ideas and feedback from internal and external partners about ways to improve our programs and services;
- Consult with our stakeholders on technological developments aimed at improving efficiencies and customer on-demand service access; and
- Hold advocate meetings, roundtable discussions, and listening sessions, and attend conferences to engage in two-way dialogue with our customers.

We also performed an environmental scan to identify current and emerging trends that directly or indirectly affect our mission, workloads, and business processes. Socioeconomic and demographic changes, as well as advancements in technology, have implications for the future of our programs, workforce, and service delivery.

We continue to use our online site, social media, and mobile presence as a platform for engaging the public. We share information and provide opportunities for collaboration and participation using Internet-based forums such as Facebook and Twitter, and Social Security’s blogs and website.

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