OVERVIEW OF OUR FISCAL YEAR 2016 GOALS AND RESULTS

HOW WE MANAGE PERFORMANCE

Our Performance Framework: The *Government Performance and Results Modernization Act of 2010* (GPRMA) describes how agency strategic plans and goals should align with presidential terms and broader Federal efforts.

Setting goals and measuring our performance is vital to our success. We define our performance framework in the *Fiscal Year (FY) 2014-2018 Agency Strategic Plan (www.socialsecurity.gov/asp)*. Our *Agency Strategic Plan* (ASP) defines our Strategic Goals and details underlying objectives, strategies, and relevant risks and mitigation plans.

Our Strategic Goals are:

> Strategic Goal 1: Deliver Innovative, Quality Services;
>
> Strategic Goal 2: Strengthen the Integrity of Our Programs;
>
> Strategic Goal 3: Serve the Public through a Stronger, More Responsive Disability Program;
>
> Strategic Goal 4: Build a Model Workforce to Deliver Quality Service; and
>
> Strategic Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services.

Our Planned Performance: In February 2016, we published our *Annual Performance Plan for FY 2017, Revised Performance Plan for FY 2016, and Annual Performance Report for FY 2015 (www.socialsecurity.gov/agency/performance)* as a part of the *President's FY 2017 Budget Request (www.socialsecurity.gov/budget/)*. Collectively, we refer to this combined document as our *Annual Performance Report* (APR). The APR outlines our tactical plans for achieving the goals and objectives in our ASP and finalizes our performance commitments for FY 2016.

Each September, a draft of the APR accompanies our budget submission to the Office of Management and Budget (OMB). The draft APR provides our priorities and key initiatives for the next two fiscal years, the performance measures we will use to evaluate our success, and our progress to date on current fiscal year commitments. The budgeted workloads published in our APR correspond to the key workload measures contained in the *FY 2016 Operating Plan (www.socialsecurity.gov/budget/)*.

Our Actual Performance and Program Results: We accumulate much of our performance data based on an operating month, rather than a true calendar month. An operating month cuts off on the last Friday of the calendar month. Each fiscal year contains 52 weeks. Every 5 or 6 years, the fiscal year contains 53 weeks because the year is not equally divisible by 7 days. FY 2016 is a 53-week fiscal year. Throughout this report, we list our 53-week performance. A comparison chart of our 52-week versus 53-week performance results is included in the appendix of our APR.

We update the APR after the close of the fiscal year to provide performance results for the previous fiscal year. We will issue the final APR, containing our actual FY 2016 results, in February 2017. The final APR will be available on our Budget Estimates and Related Information website (www.socialsecurity.gov/budget/).

This *Agency Financial Report* summarizes our key initiatives, overall performance results, and financial activities in carrying out our mission in FY 2016. The following table shows our operating expenses by Strategic Goal.

FY 2016 OPERATING EXPENSES BY STRATEGIC GOAL
(DOLLARS IN MILLIONS)

Deliver Innovative, Quality Services	$ 3,120
Strengthen the Integrity of Our Programs	$ 2,456
Serve the Public through a Stronger, More Responsive Disability Program	$ 6,426
Build a Model Workforce to Deliver Quality Service	$ 469
Ensure Reliable, Secure, and Efficient Information Technology Services	$ 1,107

Our Priorities: In support of the GPRMA, we established four Agency Priority Goals (APG). We routinely review our progress and take actions to improve our outcomes, stimulate innovation, and deliver favorable results.

Our four APGs for FY 2016 and FY 2017 are:

APG 1: Improve customer service and convenience by increasing online transactions by 25 million each year;

APG 2: Increase customer satisfaction with our services;

APG 3: Improve the integrity of our programs by increasing our Supplemental Security Income (SSI) payment accuracy rate to 95 percent; and

APG 4: Improve customer service by reducing the wait time for a hearing decision.

Our APGs are aggressive 24-month goals and reflect the performance improvement priorities of our executive leadership, as well as those of the Administration. You can find additional information on our APG performance by visiting Performance.gov (www.performance.gov/agency/social-security-administration?view=public).

Established by GPRMA, Cross-Agency Priority (CAP) goals accelerate progress on presidential priority areas. Multiple agencies actively collaborate to achieve results in these areas.

OMB established CAP goals based on input from Federal agencies and congressional committees. These goals reflect the President's second-term priorities.

There are three mission-oriented and six management-focused CAP goals. Each CAP goal has two senior leaders – one within the Executive Office of the President and one within a key delivery agency. The Social Security Administration and OMB co-lead the Customer Service CAP goal.

Additional information about CAP goals and our participation in them is available on Performance.gov (www.performance.gov/clear_goals).
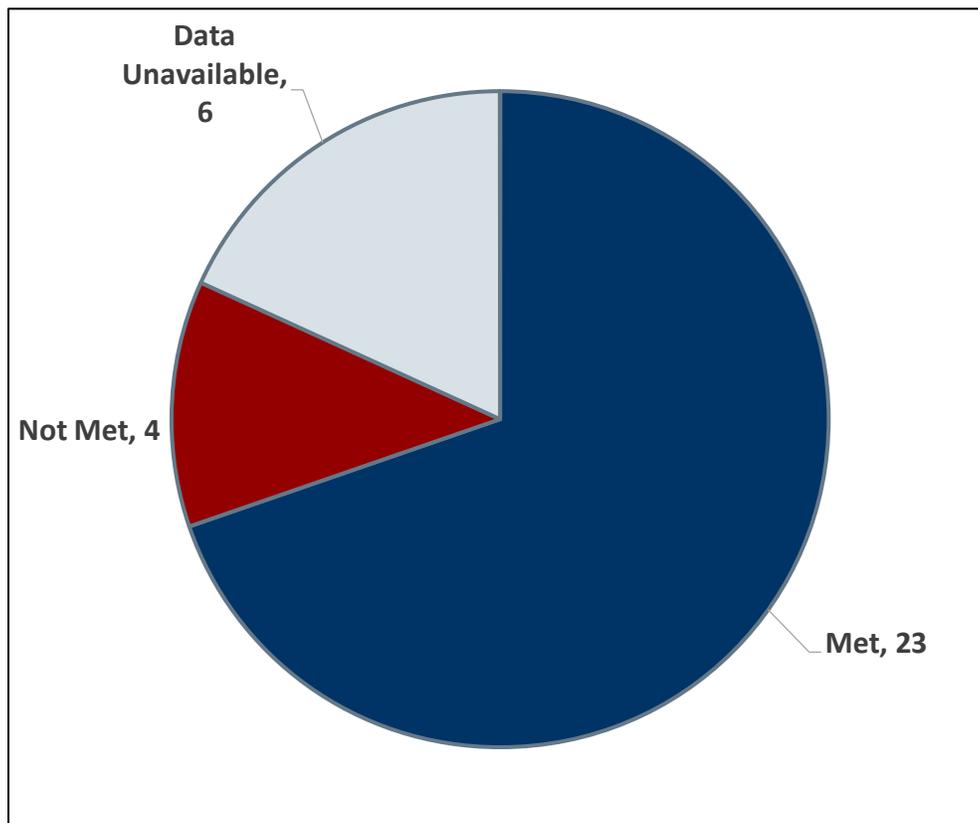
SUMMARY OF FISCAL YEAR 2016 PERFORMANCE

This summary highlights the approaches we used to achieve the performance measures and targets set in support of our goals during FY 2016. It also outlines some of the challenges we faced meeting these goals and analyzes our performance. We base our planned performance measures and targets on our full budget request. If necessary, we adjust our resources to ensure we can complete our budgeted workloads and agency goals within our budget.

Final data for 3 of the 10 performance measures and targets we highlighted in the *Management's Discussion and Analysis* was not available at the time we published this report. We will include those overall results in our FY 2017 *Agency Financial Report*. We met our targets for six of the seven performance measures with available data.

Additionally, we met our targets for 23 of the 33 total performance measures that we use to track agency progress towards meeting our Strategic Goals and objectives. Final data for 6 of the 33 performance measures and targets was not available at the time we published this report. Data on those performance measures will be published in our *Annual Performance Plan for FY 2018, Revised Performance Plan for FY 2017, and Annual Performance Report for FY 2016* in February 2017.

SUMMARY OF OUR FY 2016 PERFORMANCE MEASURE RESULTS

STRATEGIC GOAL 1:
DELIVER INNOVATIVE, QUALITY SERVICES
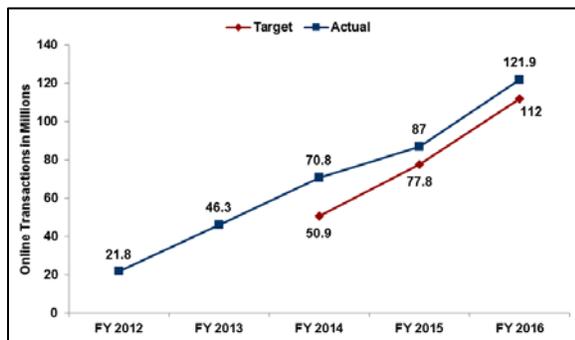
Strategic Objectives

- Develop and Increase the Use of Self-Service Options

- Enhance the Customer Experience by Completing Customers' Business at the First Point of Contact

- Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach

- Evaluate Our Physical Footprint to Incorporate Improved Service Options

Create an account:
www.socialsecurity.gov/myaccount

We selected the following performance measures to help demonstrate our progress in delivering innovative, quality services:

IMPROVE CUSTOMER SERVICE AND CONVENIENCE BY INCREASING ONLINE TRANSACTIONS BY 25 MILLION EACH YEAR (APG)

Analysis: We processed over 121.9 million online transactions in FY 2016. In the past few decades, advances in technology have revolutionized the business world, changing the pace of our business processes and increasing our ability to offer innovative service options. We improved access to our services in FY 2016 by increasing the number of citizens who complete their business with us online by more than 40 percent over FY 2015.

INCREASE CUSTOMER SATISFACTION WITH OUR SERVICES (APG)

Fiscal Year	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2016 Target	Target Achieved
Performance	82 satisfaction rating with online services	82 satisfaction rating with online services	82 satisfaction rating with online services	83 satisfaction rating with online services	85 satisfaction rating with online services	84.5 satisfaction rating with online services	Met
	81% satisfaction rating for office and telephone services	80% satisfaction rating for office and telephone services	Data is not available for office and telephone services	79% satisfaction rating for office and telephone services	80% satisfaction rating for office and telephone services	80% satisfaction rating for office and telephone services	Met

Analysis: One of our highest priorities is delivering world-class customer service to all of our customers, whether online, in the office, or on the phone. In FY 2016, 7 of the 8 SSA online applications exceeded the ForeSee E-Government Satisfaction Index with scores of 80 or higher. A score of 80 or higher is considered the threshold for excellence. We also met our target satisfaction rating for office and telephone services despite increasing staff shortages.

Our efforts to deliver innovative, quality services include:

Expanding Online Access through Social Security Express: Our new service options expand online service access, including services to customers who may not own a personal computer. Our Social Security Express initiative provides access to our online services in our field offices and in external locations. Using these services helps minimize wait times for visitors who must complete their business with us in person.

We have three major Social Security Express projects underway:

- **Self-help personal computers** are available in 797 offices nationwide. Self-help personal computers allow our customers to access our online services using computers in our offices. Using the computers enables customers to perform some transactions without waiting to see a representative.

- **Social Security Express Desktop Icons** provide a direct link from a public computer or website to most of our online services. These icons are available at external partner sites, such as libraries and senior centers. Users can access the same services that are available through the self-help personal computers in our field offices. If customers have questions or require assistance accessing online services through the icon links, they can call our National 800 Number or visit a field office for help completing their tasks.

  In FY 2015, we designed a process allowing partner sites to download the desktop icon directly to a personal computer or website and launched the site nationally on May 15, 2015. The installation process is now more efficient, and we have added 134 new partners. In FY 2016, we logged almost 86,000 visits.

  In April 2016, we added the Internet Social Security Number Replacement Card to our list of available Desktop Icon services.

- **Customer service stations** are stand-alone units, containing a computer with a touch screen monitor and video access, enabling the user to have real-time contact with a representative.

Leveraging *my* Social Security: To date, we have over 45,000 web pages, 20 online services, information in 18 languages, and a presence on several social media sites. We average nearly 12 million visits to our website each month. We are responding as quickly as possible to increased customer demand for online services, while ensuring *my* Social Security (www.socialsecurity.gov/myaccount) remains secure and easy to use.

Current features enable Social Security Disability and SSI beneficiaries to access their benefit verification letters, payment histories, and earnings records instantly. Beneficiaries can also change their addresses and direct deposit information online. Since it launched in 2012, *my* Social Security has registered more than 26.9 million users and consistently ranks as one of the top 10 in customer satisfaction for all Federal websites.

Work is now underway on a new feature called SMART Claim that will allow our customers to file a claim for retirement, disability, Medicare, and SSI benefits using a single application within *my* Social Security. We hope to have our first release by the first quarter of FY 2018.

Additional features added to *my* Social Security and SMART claim in FY 2016 include:

- New secure customer engagement tools, including enhancements to click-to-call back, dynamic help assistance, a secure message center, and alerts and notifications;

- Online continuing disability review notification and response options for beneficiaries; and

- A claims appeal path.

Implementing Online Social Security Number Card Application: Replacing Social Security number cards is one of our most requested services. In FY 2016 alone, we issued 11 million replacement cards in field offices and Social Security card centers across the country. We also launched a new feature to select States, enabling certain *my* Social Security users to apply online for a replacement Social Security number card. Participating States include Michigan, Washington, Wisconsin, Nebraska, Iowa, Kentucky, New Mexico, and the District of Columbia.

The application provides users with a secure, trusted, and legally sufficient, real-time method to request replacement Social Security number cards online and allows our employees more time to process other workloads.

Providing Real-Time Assistance to Online Users: Delivering world-class customer service to all of our customers, including our online users, is one of our highest priorities. We use *my* Social Security to provide online information and help tools. In FY 2016, we released two new communication features behind *my* Social Security. The first is our secure Message Center, enabling *my* Social Security users to receive alerts, messages, and agency announcements. We also released click-to-chat, which allows *my* Social Security users to communicate directly with us to answer their questions.

STRATEGIC GOAL 2:
STRENGTHEN THE INTEGRITY OF OUR PROGRAMS

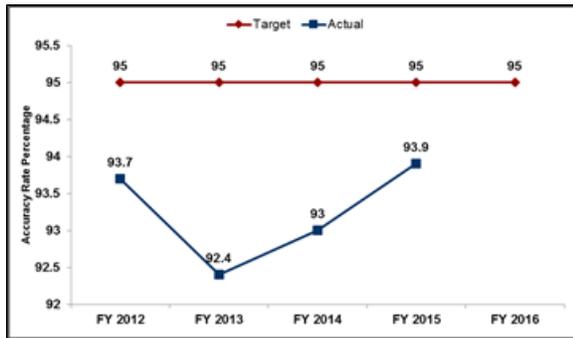| Strategic Objectives	Report Wages from Your Mobile Device
• Transform the Way We Record Earnings to Enhance Data Accuracy	
• Protect the Public's Data and Provide Secure Online Services	
• Increase Payment Accuracy	Available now in Google Play: play.google.com/store and Apple app: www.apple.com/itunes/charts/free-apps/

We selected the following performance measures to indicate our progress in strengthening the integrity of our programs:

ENHANCE OUR SECURITY FEATURES AND BUSINESS PROCESSES TO PREVENT AND DETECT FRAUD

Fiscal Year	2014 Actual	2015 Actual	2016 Actual	2016 Target	Target Achieved
Performance	Using Public Facing Integrity Review data, we were able to create and implement the routing transit number blocking process.	The fraud referral process was transferred to the newly established Office of Anti-Fraud Programs. We use Public Facing Integrity Review data to create and implement the routing transit number blocking process.	Identified and investigated 4,264 claims presenting characteristics indicative of fraud	Identify and investigate at least 500 claims presenting characteristics indicative of fraud	Met

Analysis: We are committed to safeguarding the public's personal information and their investment in Social Security. We continually strengthen our record protection systems to combat emerging identity threats, as well as other forms of fraud. In FY 2015, we established an Office of Anti-Fraud Programs to provide centralized oversight and accountability of initiatives to prevent, detect, and deter fraud. In FY 2016, we exceeded our target by identifying 4,264 claims presenting characteristics indicative of fraud.

IMPROVE THE INTEGRITY OF THE SSI PROGRAM BY ENSURING THAT 95 PERCENT OF OUR PAYMENTS ARE FREE OF OVERPAYMENT (APG)

Analysis: We attribute most of our improper payments to non-reporting, a lack of access to third-party data, and the complexity of our programs. Our overpayment accuracy for FY 2015 was 93.9 percent. Although it was not a statistically significant increase over FY 2014, it is the highest overpayment accuracy since FY 2003. FY 2016 data is not available until April 2017.

Some of the initiatives we are undertaking to strengthen the integrity of our programs include:

Expanding the Access to Financial Institutions: Excess resources in financial accounts are a leading cause of SSI payment errors. The Access to Financial Institutions (AFI) system uses an electronic process to verify bank account balances with financial institutions to help determine SSI eligibility and payment amount. In addition to verifying alleged accounts, the process may detect undisclosed bank account balances by using a geographic search to generate requests to other financial institutions. Along with preventing overpayments, the AFI process will help eliminate ineligible applicants at the beginning of the application process.

The *Bipartisan Budget Act of 2015* expanded the use of AFI for waivers. SSI applicants can request that we waive overpayment because they are without fault and unable to repay the amounts overpaid. Generally, applicants must provide us with their authorization to obtain their financial institution records before we waive our right to overpayment recovery. However, the Act allows us to deny the waiver if the applicants refuse to grant authorization. We implemented AFI for waivers nationally on March 14, 2016.

Implementing Data Exchange and Verification Online: We have a mission-critical need to share data with partner agencies and organizations to ensure that we have the correct information to administer our various programs. We currently maintain approximately 3,000 electronic information exchange agreements with Federal, State, local, and foreign government agencies, as well as court systems, the medical community, and employers. We use the two-way data exchanges to help make essential eligibility and entitlement decisions.

To enhance these exchanges, we implemented the Data Exchange and Verification Online application. The new system is more efficient and enables us to respond more quickly to data requests and new legislative mandates. We also implemented the Data Exchange and Verification Online web service, which provides Social Security number verifications online.

We are working to develop the following data exchanges:

- An exchange with the Department of Homeland Security to identify people who become ineligible for SSI payments by leaving the United States for a month or longer;

- An exchange with the Department of State to share real-time passport verification data; and

- An exchange with the Department of Labor to identify *Federal Employees' Compensation Act* beneficiaries who are also receiving disability benefits.

We also recently completed developing a new exchange with the Office of Child Support Enforcement.

In FY 2016, we re-engineered our data exchange and verification processes. We also developed modernized business rules and policy to govern the data exchanges with partner agencies.

Deploy Management System for Personally Identifiable Information and Federal Tax Information:
We developed the Enterprise Test Data Management System to manage and purge personally identifiable information and Federal tax information in our test and training systems. Our test and training systems are well controlled and have a low risk of exposing sensitive public data. When fully implemented, the Enterprise Test Data Management System will provide sanitized test data (data modified to conceal a person's identity) to our test environments (development, validation, integration, and training). This will further minimize our risk of unnecessarily exposing public data.

We released the basic system infrastructure in FY 2014. In FY 2016, we maintained and worked on developing many improvements, including:

- Procuring a third-party tool that will help sanitize name and address information;

- Developing requirements for enhancing a third-party tool to help sanitize name and address information;

- Designing, developing, and implementing enhancements to the existing system to improve performance and usability; and

- Beginning analysis and design for future requirements and enhancements.

Using Predictive Modeling in Continuing Disability Review Enforcement Operation: The Work Continuing Disability Review Smart Process (Work Smart) identifies Social Security disability beneficiaries whose earnings put them at risk for receiving overpayments. A continuing disability review is a routine review we perform to make sure that the beneficiaries receiving Social Security and SSI benefits are still disabled and entitled to those benefits. The Work Smart process provides us with quarterly work alerts based on beneficiaries' quarterly earnings up to one year earlier than our previous review process. By receiving work alerts earlier, we will be able to reduce work-related overpayments.

We also developed and piloted a predictive model to identify cases that have a high likelihood of receiving overpayments. We prioritize these cases for work-related reviews. These reviews determine if beneficiaries' work status or earnings make them ineligible for disability benefits. Eighty percent of the cases we identify using the predictive model are likely to result in benefit termination. By prioritizing the work-related reviews, we identify and avoid potential overpayments more quickly.

In FY 2016, we opened approximately 217,000 cases using the predictive model and completed about 123,000 work-related reviews. Subsequently, about 63,000 cases resulted in cessation of benefits because beneficiaries' work status or earnings made them ineligible to receive disability benefits.

STRATEGIC GOAL 3:
SERVE THE PUBLIC THROUGH A STRONGER, MORE RESPONSIVE DISABILITY PROGRAM
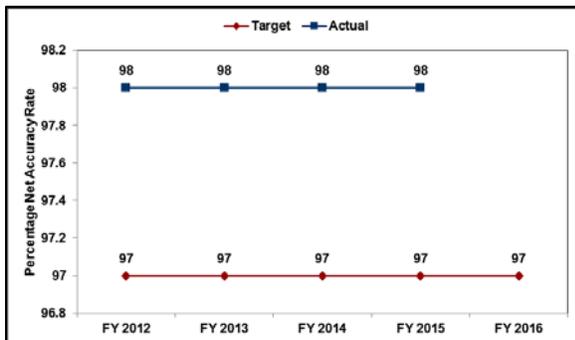
Strategic Objectives

- Improve the Quality, Consistency, and Timeliness of Our Disability Decisions

- Maximize Efficiencies throughout the Disability Program

- Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work

Faces and Facts of Disability

SOCIAL SECURITY ADMINISTRATION USA

Disability facts:
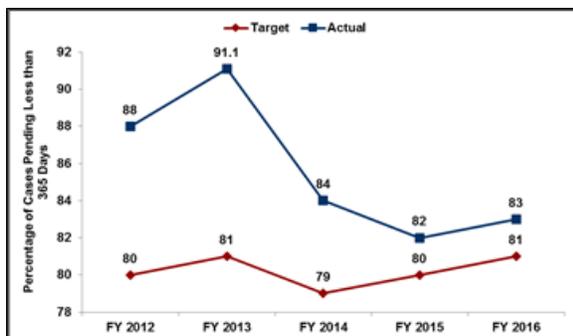www.socialsecurity.gov/disabilityfacts/index.html

We selected the following performance measures to demonstrate our efforts to serve the public through a stronger, more responsive disability program:

ENSURE THE QUALITY OF OUR DECISIONS BY ACHIEVING THE DISABILITY DETERMINATION SERVICES NET ACCURACY RATE FOR INITIAL DISABILITY DECISIONS

Analysis: While our customers expect us to make timely decisions, they also expect us to make accurate decisions. We have consistently met our target for this measure since FY 2010. In FY 2015, we ensured the quality of our decisions by achieving the disability determination services (DDS) net accuracy rate of 98 percent for initial disability decisions, exceeding our target of 97 percent. FY 2016 data is not available until January 2017.

INCREASE OUR ABILITY TO PROVIDE TIMELY DECISIONS BY REDUCING THE PERCENTAGE OF PENDING APPEALS COUNCIL REQUESTS FOR REVIEW 365 DAYS OLD OR OLDER

Analysis: From FY 2007 through FY 2016, we experienced a tremendous increase in requests at the hearing level. As we decide more cases at the hearing level, the Appeals Council receives more requests for review of hearing decisions. In FY 2016, we once again exceeded our target of reducing aged cases at the Appeals Council.

IMPROVE CUSTOMER SERVICE BY REDUCING THE WAIT TIME FOR A HEARING DECISION (APG)

Fiscal Year	2016 Actual	2016 Target	Target Achieved
Performance	98%	Decide 99% of the cases that begin the fiscal year 430 days old or older	Met*

Analysis: *Our budget assumptions for the universe of hearings pending and administrative law judge (ALJ) hiring did not materialize and substantially impacted our ability to achieve the FY 2016 target. In light of our substantial progress in reducing the aged case pending, we consider this target met for FY 2016. We will continue to focus on this critical workload.

Our efforts to deliver quality disability decisions and services include:

Conducting Inline Quality Reviews: Performing inline quality reviews of hearing level claims promotes consistency and continuous improvement in case processing by ensuring that:

- Case files are properly prepared and scheduled;

- Records are adequately developed; and

- Draft decisions are legally sufficient.

Inline quality reviews identify errors and correct those errors before an ALJ issues a decision. This improves the quality of the decisions and reduces the number of errors that can later result in an ALJ having to reconsider a decision. Since FY 2011, our inline quality review initiative has provided data to help us improve our processes. In FY 2016, we conducted 12,727 reviews (2.43 percent of all hearing decisions).

Reducing the Pending at the Appeals Council: As we decide more cases at the hearing level, the Appeals Council receives more requests for review of hearing decisions.

In FY 2016, we focused on decreasing the percentage of pending Appeals Council requests for review over 365 days old. We were able to decrease the number of pending requests for review from 149,147 in FY 2015 to 127,134 in FY 2016.

Hire Sufficient Administrative Law Judges to Ensure Public Access to Agency Services:
From FY 2008 to FY 2010, the Office of Disability Adjudication and Review made significant progress in reducing the number of claimants waiting for an ALJ hearing. However, our inability to hire ALJs in sufficient numbers due to the Office of Personnel Management delays coupled with budget constraints caused a public service crisis. Now more than 1.1 million claimants are waiting for a hearing, more than any other time in history.

We ended FY 2015 with nearly 1,530 ALJs on duty, about 85 more than we had at the beginning of the year. To combat the expected increase in hearing wait time, we hired 264 ALJs in FY 2016. We lost 109 ALJ's during the same span.

Developing the Disability Case Processing System: We are investing in a modernized Disability Case Processing System to replace the 54 independent legacy systems in use throughout the DDS offices. By consolidating the existing systems into a single system, we will reduce the technical complexities associated with sharing workloads between DDS offices.

The system will also directly incorporate the case analysis functionality currently housed in the Electronic Claims Analysis Tool. The system will provide a single application for case receipt, development, analysis, documentation, and closure activities. The first release will allow us to intake and process new initial and reconsideration cases from start to finish. In December 2016, the first release of the system is deploying to two States.

In FY 2016, we added the functionality for receipt, processing, and closing an initial adult disability claim with medical evidence in the electronic file to support a fully favorable medical decision.

Using Health Information Technology to Expedite Disability Decisions: Obtaining medical records electronically from health care organizations increases efficiencies in our disability determination process and dramatically improves service to the public by:

- Reducing the time to obtain medical records;

- Decreasing the time to complete a disability claim;

- Helping offset increasing workloads and staffing constraints; and

- Enabling computerized decision support.

We request more than 10 million medical records from healthcare organizations for approximately 2.6 million initial disability claims annually. Our primary goal is to increase the volume of medical evidence received via health information technology (IT) by expanding existing partnerships and adding new partners.

In FY 2016, we expanded our health IT partner organizations from 48 in FY 2015 to 54, which increased the number of providers to 6,949. We also increased the number of States, plus the District of Columbia, Guam, and Puerto Rico, with participating health IT providers from 33 to 49. We increased the percentage of initial disability claims with health IT medical evidence to 9.61 percent.

We also partnered with the Department of Defense to exchange health information via health IT. As of February 2016, we fully implemented our health IT capability with the Department of Defense, and it is operational nationwide.

STRATEGIC GOAL 4:
BUILD A MODEL WORKFORCE TO DELIVER QUALITY SERVICE

Strategic Objectives

- Attract and Acquire a Talented and Diverse Workforce That Reflects the Public We Serve

- Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public

- Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement

- Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs

Best places to work:
www.bestplacestowork.org/BPTW/index.php

The following performance measure demonstrates our efforts to build a model workforce to deliver quality service:

BECOME ONE OF THE TOP 5 BEST PLACES TO WORK AMONG LARGE AGENCIES IN THE FEDERAL GOVERNMENT

Fiscal Year	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2016 Target	Target Achieved
Performance	Top 10 Rank	Top 10 Rank	Top 10 Rank	Top 10 Rank	Data available December 2016	Top 5 Rank	

Analysis: One of our strategic objectives is to foster an inclusive culture that promotes employee well-being, innovation, and engagement. Our employees are our most valuable asset. Each year since 2007, our employees have ranked us in the top 10 Best Places to Work in the Federal Government. In FY 2015, our employees ranked us as number six among large agencies. For FY 2016, we increased our target to become one of the top five best places to work among large agencies. Data for FY 2016 will not be available until December 2016.

Some of the initiatives we are undertaking to remain an employer of choice for top talent include:

Highlighting the Pathways Programs (for Students and Recent Graduates to Federal Careers):
Our Pathways programs offer opportunities through three specific programs:

- **The Internship program** provides students in high schools, colleges, trade schools, and other qualifying educational institutions with paid opportunities to explore Federal careers while completing their education;

- **The Recent Graduates program** provides developmental experiences to individuals who, within the previous two years, graduated from qualifying educational institutions; and

- **The Presidential Management Fellows program** provides entry-level positions and leadership development for advanced degree candidates and recent advanced degree graduates.

Hiring through these programs enables us to offer participants clear career paths, along with meaningful training and development opportunities. These programs enhance our ability to attract and hire a talented and diverse workforce that reflects the public we serve.

In FY 2016, we hired approximately 15.7 percent of our new employees through the Pathways programs. We will continue participating in the Pathways program to attract new employees as our budget allows.

Focusing on Career Development Programs: Our future depends on developing employees' leadership and management skills throughout their careers. One way we identify and develop potential leaders is through our National Career Development Programs:

- **The Leadership Development Program** prepares employees for General Schedule (GS)-11 through GS-13 leadership positions; and

- **The Advanced Leadership Development Program** prepares employees for GS-14 and GS-15 leadership positions.

These programs target employees with proven leadership potential. We strengthen their leadership skills through developmental assignments and formal training.

To help our experienced managers prepare for senior-level positions, we offer the Senior Executive Service Candidate Development Program. This program is a key element of our succession management strategy for filling future executive-level leadership vacancies.

In FY 2016, participants in the Advanced Leadership Development Program continued their developmental assignments, attended leadership and congressional training, completed individualized training, and completed the other program requirements (e.g., leadership readings, executive interviews, executive shadows). As of September 30, 2016, we promoted 8 of the 34 participants.

Supporting Employees through Mentoring: Our mentoring program is a partnership through which one person (mentor) shares knowledge, experience, and wisdom to foster the personal and professional development of another (mentee). We use mentoring to promote a knowledge-sharing culture that supports our succession-planning efforts, enables skill and competency development, and increases employee engagement.

To support our employees and prepare them for future job requirements, we successfully piloted a mentoring program consisting of both traditional mentoring (one-on-one mentoring relationships) and flash mentoring (one-time event) in FY 2015. According to survey data, participants' (mentees and mentors) satisfaction rate was 93 percent. Based on the successful results of the pilot, the permanent mentoring program began in September 2016 and is now open to all employees.

Highlighting Diversity and Inclusion: Our *Diversity and Inclusion Strategic Plan* highlights proven best practices for attracting, hiring, and retaining a diverse workforce. The plan also fosters a work environment that draws on our collective talents, respects individual differences, and leverages diversity.

To sustain our diversity commitment, we instituted a Diversity and Inclusion Council with representation from all levels of the agency, including senior leadership, labor, management associations, and Advisory Councils. Our Advisory Councils include the:

- American Indian and Alaska Native Advisory Council;

- Black Affairs Advisory Council;

- Hispanic Affairs Advisory Council;

- National Lesbian, Gay, Bisexual, and Transgender Advisory Council;

- National Women's Advisory Council;

- Pacific Asian American Advisory Council; and

- Veterans and Military Affairs Advisory Council.

Our Advisory Councils work with the Diversity and Inclusion Council to create an inclusive employee environment. The Advisory Councils also provide ideas to improve services and promote our programs in their respective communities.

Each year, we hold up to 12 commemorative programs or exhibits recognizing groups that are under-represented in the Federal Government. In FY 2016, 98 percent of our employees also completed diversity and inclusion training.

STRATEGIC GOAL 5:
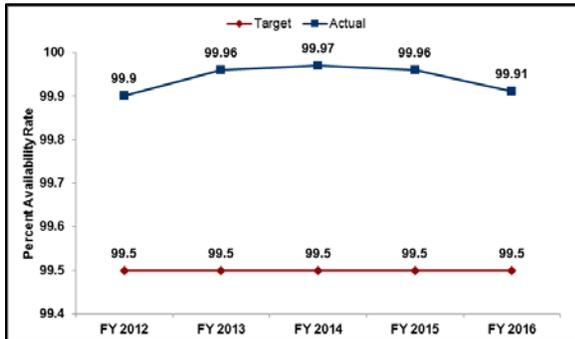# ENSURE RELIABLE, SECURE, AND EFFICIENT INFORMATION TECHNOLOGY SERVICES

Strategic Objectives

- Maintain System Performance and the Continuity of Information Technology Services

- Enhance and Execute Plans to Modernize Our Systems

- Incorporate Innovative Advances in Service Delivery

- Continuously Strengthen Our Cyber Security Program

We selected the following performance measures to demonstrate our efforts to ensure reliable, secure, and efficient IT services:

PROVIDE UNINTERRUPTED ACCESS TO OUR SYSTEMS DURING SCHEDULED TIMES OF OPERATION

Analysis: Maintaining uninterrupted access to our systems during scheduled times of operation is essential to meeting our obligation to the public. If our systems experience problems, our productivity and service immediately decline. Since FY 2012, we have exceeded the target for this measure.

PROVIDE SECURE AND EFFECTIVE SERVICES TO THE PUBLIC BY IMPROVING CYBER SECURITY PERFORMANCE

Fiscal Year	2014 Actual	2015 Actual	2016 Actual	2016 Target	Target Achieved
Performance	Homeland Security 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% | 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% | Achieve an average of 97% for the following Cyber Security 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. | Met |

Analysis: Continuously strengthening our cyber security is critical to sustaining public trust in our services. We maintain a comprehensive, agency-wide information security program to protect the information entrusted to us. Since FY 2013, we have met the Department of Homeland Security cyber security standards and requirements.

Some of our ongoing efforts to maintain secure and reliable IT services include:

Maintaining Systems Performance While Transitioning to the National Support Center: The National Support Center has been in continuous operation as a data center since all current production data transitioned there in FY 2015. The National Support Center maintains demographic, wage, and benefit information that enables us to make prompt and accurate benefits payments.

We track our systems availability rate daily and adjust resources as required to meet the changing needs of the agency and the public. To maintain systems availability, our service level agreement (a standardized service contract) covers:

- The reactive and proactive process we use to achieve the service level goal;

- How we will manage the service process; and

- How we will measure the service goal and process.

In FY 2016, we exceeded our systems availability target of providing uninterrupted access to our systems during scheduled times of operation 99.5 percent of the time by achieving a 99.91 percent availability rate. This availability ensures that the data center is available for the agency and our partners to conduct business and for beneficiaries to use online services.

Implementing an Information Security Program: We maintain a comprehensive, agency-wide information security program to protect information and communications 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 also strengthening the security of our systems by implementing consistent management controls at all of our data facilities.

We achieved the following security outcomes in FY 2016:

- 100 percent secure configuration management: defined by the percentage of the hardware assets with an automated capability to identify deviations from the approved configuration baselines;

- 95 percent unprivileged network users: defined by the percentage of all users who have limited privileges on our network and who are required to use Personal Identity Verification cards or other approved identity verification to access our network; and

- 100 percent privileged network users: defined by the percentage of all users who have elevated privileges on our network and who are required to use Personal Identity Verification cards to access our network.

LOOKING FORWARD – FACING OUR CHALLENGES

Generations of Americans have relied on our programs and dedicated employees to help face the challenges of life's journey. While we celebrate our partnership with and service to the American public, the threat of a funding shortfall now threatens our shared legacy. Without reliable and sustained funding, it will be difficult to meet our performance goals and provide the world-class, compassionate customer service that our customers deserve.

We developed Vision 2025 (www.socialsecurity.gov/vision2025/), our long-range strategic plan, to guide us in our mission to deliver Social Security services that meet the changing needs of the public. Our vision inspired us to transform the way we do business and we now offer services in-person, by telephone, and online. We will continue to use our vision to shape the future of Social Security service delivery and as the framework with which we will approach our current challenges.

We addressed the following major management challenges in FY 2016:

- Improve Customer Service;

- Invest in IT Infrastructure to Support Current and Future Workloads;

- Reduce Improper Payments and Increase Overpayment Recoveries;

- Improve the Responsiveness and Oversight of the Hearings Process;

- Strengthen Planning, Transparency, and Accountability;

- Improve the Timeliness and Quality of the Disability Process;

- Strengthen the Integrity and Protection of the Social Security Number;

- Secure Information Systems and Protect Sensitive Data;

- Prevent Waste, Fraud, and Abuse;

- Have Enough Employees with the Right Skills in the Right Place at the Right Time;

- Innovate the Future of Service Delivery; and

- Keep Pace in the Disability Program with Medicine, Technology, and the World of Work.

Our major management challenges continue to require our immediate attention. IT modernization, in particular, must provide a sturdy foundation upon which we will continue to develop and provide exceptional services. Having adequate and sustained resources and funding for updating our aging IT infrastructure is crucial to our vision's success. We will also continue to transform the way we do business and strive to protect every taxpayer dollar with our program integrity work and vigorous anti-fraud efforts, while reducing our costs.

Over the past eight decades, we have been there to help our customers during some of the most vulnerable moments in their lives. Our employees dedicate themselves to providing service with compassion, honor, and integrity. We will continue to secure today and tomorrow by providing our customers with financial benefits and information that provide a safety net throughout life's journey.