

**SOCIAL SECURITY ADMINISTRATION**

Supplemental Security Income

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## SOCIAL SECURITY ADMINISTRATION

## 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, \$26,911,000,000, 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.*

*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 2009, \$14,800,000,000, to remain available until expended.*

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

## Supplemental Security Income Program

Language Analysis

Language Provision	Explanation
<p><i>"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."</i></p>	<p>Ensures that States do not carry unobligated balances of Federal funds into the subsequent fiscal year (FY). Applies primarily to the beneficiary services activity.</p>
<p><i>"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."</i></p>	<p>Provides an indefinite appropriation to finance any shortfall in the definite appropriation for program costs during the last months of the FY.</p>
<p><i>"For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year 2009, \$14,800,000,000, to remain available until expended."</i></p>	<p>Appropriates funds for benefit payments in the first quarter of the subsequent FY. Ensures that beneficiaries will continue to receive benefits during the first quarter of FY 2009 in the event of a temporary funding hiatus.</p>

## Supplemental Security Income Program

Amounts Available for Obligation<sup>1</sup>

<b>Appropriation</b>	<b>FY 2006 Actual</b>	<b>FY 2007 Current Estimate</b>	<b>FY 2008 Estimate</b>
Annual (definite)	\$40,299,174,000	\$40,107,000,000	\$43,721,000,000
Regular appropriation	(\$29,369,174,000)	(\$28,997,000,000)	(\$26,911,000,000)
First quarter advance appropriation	<u>(\$10,930,000,000)</u>	<u>(\$11,110,000,000)</u>	<u>(\$16,810,000,000)</u>
Subtotal, appropriation	\$40,299,174,000	\$40,107,000,000	\$43,721,000,000
Unobligated balance, start-of-year <sup>2</sup>	+\$1,230,614,455	+\$1,233,251,161	+\$1,480,143,249
Recovery of prior-year obligations	+\$286,518,008	---	---
Cash Recoveries <sup>3</sup>	+\$11,888,856	---	---
Transfer from LAE <sup>4</sup>	---	+\$1,989,088	---
Unobligated balance, end-of-year	<u>-\$1,233,251,161</u>	<u>-\$1,480,143,249</u>	<u>-\$390,564,519</u>
Total, obligations	\$40,594,944,158	\$39,862,097,000	\$44,810,578,730

<sup>1</sup> Excludes the following amounts collected for reimbursable State supplementation payments administered by SSA: FY 2006 (\$4,144,053,908); FY 2007 (\$4,430,000,000); FY 2008 (\$4,572,000,000). Also excludes the associated user fees in excess of \$5.00 per supplementary payment charged States for administering the program that are made available in the Limitation on Administrative Expenses account, as follows: FY 2006 (up to \$119,000,000); FY 2007 (up to \$119,000,000); FY 2008 (up to \$135,000,000).

<sup>2</sup> The FY 2006 unobligated balance, start of year, includes an adjustment from unobligated balances reported last year. The transfer of \$1,989,088 for Qualified Medicare Beneficiaries (QMB) work from the Limitation on Administrative Expenses (LAE) account to SSI was originally planned for FY 2005 and is now scheduled for FY 2007.

<sup>3</sup> Cash recoveries reflect recoveries of previously obligated and outlaid funds.

<sup>4</sup> The transfer of \$1,989,088 from the LAE account to SSI for QMB work was originally planned for FY 2005 and is now scheduled for FY 2007.

## Supplemental Security Income Program

Summary of Changes

<b>FY 2007 Current Rate (Obligations)</b>	\$40,107,000,000 (\$39,862,097,000)
<b>FY 2008 Request <sup>1</sup> (Obligations)</b>	\$43,721,000,000 (\$44,810,578,730)
<b>Net Change (Obligations)</b>	<u>+\$3,614,000,000</u> (+\$4,948,481,730)

	<u>FY 2007 Base Budget Authority</u>	<u>Change from Base Budget Authority</u>
<u>Increases</u>		
<u>Built-in:</u>		
A. Federal benefit payments	\$37,204,000,000	+\$5,074,000,000
1. Annualized effect of automatic cost-of-living increase of 3.3 percent in January 2007 and effect of 1.4 percent increase in January 2008		(+\$975,000,000)
2. Net annualized effect of more awards than terminations in FY 2007 and FY 2008		(+\$1,254,000,000)
3. Increase due to adjustment for October 1, 2006 payment made in FY 2006 resulting in only 11 checks being paid in FY 2007		(+\$2,845,000,000)
B. Increase in new authority for the PTF activity to reimburse the Social Security trust funds for the estimated SSI share of SSA's administrative costs funded through the Limitation on Administrative Expenses	\$2,876,000,000	+\$107,000,000
C. Increase in new authority for beneficiary services due to use of carryover to meet beneficiary services obligations in FY 2007.	\$0	<u>+\$36,000,000</u>
Total Increases		\$5,217,000,000

<sup>1</sup> In addition to the FY 2008 appropriation request, SSA plans to use \$1,089,578,730 in carryover of prior year unobligated balances to meet FY 2008 obligations.

## Summary of Changes

	<u>FY 2007 Base Budget Authority</u>	<u>Change from Base Budget Authority</u>
<u>Decreases</u>		
<u>Built-in:</u>		
A. Federal benefit payments	\$37,204,000,000	-\$1,603,000,000
1. Net reduction in Federal benefit payments due to Social Security cost-of-living increases that are counted as income for concurrent recipients (affects about 35 percent of the SSI rolls)		(-\$240,000,000)
2. Decrease due to use of carryover to meet benefit payment obligations in FY 2008		(-\$1,001,234,983)
3. Decrease due to revised estimate of FY 2007 Federal benefit payments		(-\$361,765,017)
Total Decreases		<u>-\$1,603,000,000</u>
Net Change		+\$3,614,000,000

## Supplemental Security Income Program

Budget Authority by Activity <sup>1</sup>  
(Dollars in thousands)

	<b>FY 2006 Actual</b>	<b>FY 2007 Current Estimate</b>	<b>FY 2008 <sup>2</sup> Estimate</b>
Federal benefit payments (Obligations) (Number of check payments)	\$37,487,174 (\$37,510,765) (12)	\$37,204,000 (\$36,842,000) (11)	\$40,675,000 (\$41,676,235) (12)
Beneficiary services (Obligations)	52,000 (41,992)	0 (90,000)	36,000 (106,434)
Payment to the trust funds, research and demonstration projects, and outreach:			
A. Payment to the trust funds (Obligations) <sup>3</sup>	2,733,000 (3,000,868)	2,876,000 (2,876,000)	2,983,000 (2,983,000)
B. Research and demonstration projects and outreach (Obligations)	27,000 <u>(41,319)</u>	27,000 <u>(54,097)</u>	27,000 <u>(44,910)</u>
Total, budget authority (Obligations)	\$40,299,174 (\$40,594,944)	\$40,107,000 (\$39,862,097)	\$43,721,000 (\$44,810,579)

<sup>1</sup> Excludes the following amounts collected for reimbursable State supplementation payments administered by SSA: FY 2006 (\$4,144,053,908); FY 2007 (\$4,430,000,000); FY 2008 (\$4,572,000,000). Also excludes the associated user fees in excess of \$5.00 per supplementary payment charged States for administering the program that are made available in the Limitation on Administrative Expenses account, as follows: FY 2006 (up to \$119,000,000); FY 2007 (up to \$119,000,000); FY 2008 (up to \$135,000,000).

<sup>2</sup> In addition to the FY 2008 request, SSA plans to use carryover of prior year unobligated balances to meet FY 2008 obligations as follows: Federal Benefit Payments (\$1,001,234,983); Beneficiary Services (\$70,433,556); and Research and Demonstrations Projects (\$17,910,191).

<sup>3</sup> The FY 2007 estimate reflects the current rate. The FY 2007 President's budget was \$3,004,000.

## Supplemental Security Income Program

Budget Authority by Object

	<b>FY 2007 Current Estimate</b>	<b>FY 2008 Estimate</b>	<b>Increase or Decrease</b>
Other services (Obligations)	\$2,876,000,000 (\$2,966,000,000)	\$3,019,000,000 (\$3,089,433,556)	+\$143,000,000 (+\$123,433,556)
Federal benefits and research (Obligations)	\$37,231,000,000 <u>(\$36,896,097,000)</u>	\$40,702,000,000 <u>(\$41,721,145,174)</u>	+\$3,471,000,000 <u>(+\$4,825,048,174)</u>
Total, budget authority (Obligations)	\$40,107,000,000 (\$39,862,097,000)	\$43,721,000,000 (\$44,810,578,730)	+\$3,614,000,000 (+\$4,948,481,730)

## Supplemental Security Income Program

Authorizing Legislation

	<b>FY 2007 Amount Authorized</b>	<b>FY 2007 Current Estimate</b>	<b>FY 2008 Amount Authorized</b>	<b>FY 2008 Estimate</b>
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	Indefinite	\$40,107,000,000	Indefinite	\$43,721,000,000
First quarter advance appropriation for subsequent year	---	(\$16,810,000,000)	---	(\$14,800,000,000)

Supplemental Security Income Program  
Appropriation History Table

<b>Fiscal Year</b>	<b>Budget Estimate to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriation</b>
1999 Indefinite	\$30,352,000,000 \$243,000,000	\$30,352,000,000	\$30,445,000,000	\$30,409,000,000
2000 Indefinite	\$31,313,000,000 \$367,000,000	\$31,224,000,000	\$31,303,085,000	\$31,253,085,000
2001	\$33,153,000,000	\$32,926,000,000	\$33,153,000,000	\$33,143,000,000
2002	\$31,940,412,000	\$31,940,412,000	\$31,947,412,000	\$31,947,412,000
2003 <sup>1</sup> Indefinite	\$34,824,618,000 \$578,881,680	\$34,696,392,000	\$34,704,392,000	\$34,704,392,000
2004	\$37,362,000,000	\$37,301,300,000	\$37,370,000,000	\$37,317,800,000
2005	\$41,198,929,000	\$41,168,829,000	\$37,917,949,000	\$41,176,829,000
2006	\$40,463,174,000	\$40,463,174,000	\$40,276,574,000	\$40,299,174,000
2007 <sup>2</sup>	\$40,235,000,000			
2008	\$43,721,000,000			
2009 <sup>3</sup>	\$14,800,000,000			

<sup>1</sup> The budget estimate to Congress reflects the Administration's proposal to charge the full cost of accruing retirement benefits and annuitant health benefits to agency accounts (+\$128,226,000). The House allowance reflects Committee action never acted upon by the full House.

<sup>2</sup> The FY 2007 estimate to Congress reflected \$254,000,000 in estimated savings from provisions in the Deficit Reduction Act of 2005.

<sup>3</sup> Advance appropriation for the first quarter of FY 2009.

## Supplemental Security Income Program

Justification

	<b>FY 2007 Current Estimate</b>	<b>FY 2008 Estimate</b>	<b>Increase or Decrease</b>
Budget authority (Obligations)	\$40,107,000,000 (\$39,862,097,000)	\$43,721,000,000 (\$44,810,578,730)	+\$3,614,000,000 (+\$4,948,481,730)
First quarter advance appropriation for subsequent year	(\$16,810,000,000)	(\$14,800,000,000)	(-\$2,010,000,000)

**GENERAL STATEMENT**

Title XVI of the Social Security Act establishes a Supplemental Security Income (SSI) program of monthly cash benefits payable to the needy aged, blind, and disabled as a federally-guaranteed minimum income. The program is federally-administered and financed from general funds. States are encouraged to supplement the Federal benefit and may elect to have their supplementation payments administered by the Federal government. 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, State supplementation is optional.

The President's budget request for FY 2008 is \$43,721,000,000, including \$16,810,000,000 appropriated in advance. The request also includes an advance appropriation of \$14,800,000,000 for the first quarter of FY 2009.

Highlights of the FY 2008 Budget Request

- ◆ In FY 2006, the average number of Federal recipients increased to nearly 6.9 million. The budget projects the average number of recipients will increase to more than 7.0 million in FY 2007 and more than 7.2 million in FY 2008.
- ◆ The maximum Federal monthly benefit amount is estimated to increase in FY 2008 to \$632 for an individual and \$947 for a couple, compared to the FY 2007 standard of \$623 for an individual and \$934 for a couple. SSI benefits are adjusted for changes in the cost-of-living in the same manner as Social Security benefits. A cost-of-living adjustment (COLA) of 3.3 percent was reflected in payments beginning in January 2007, and the appropriation request includes a COLA of 1.4 percent effective in January 2008.

The amount actually paid to a recipient can vary from the benefit standard based on other income received (e.g., earnings and Social Security benefits) and the living arrangements 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).

Net average monthly payments per recipient, including adjustments for cash collections and returned checks, are estimated as follows:

	FY 2007	FY 2008
<b>Aged</b>	\$324.00	\$332.00
<b>Blind and Disabled</b>	\$486.00	\$498.00
<b>All SSI Recipients</b>	\$460.00	\$473.00

- ◆ The FY 2008 President's budget request for an advance appropriation of \$14,800,000 for the first quarter of FY 2009 is to ensure that SSI recipients continue to receive timely payments at the start of FY 2009 in the event of a temporary funding hiatus. The request includes funds to cover four months of benefit payments because the payment for January 1, 2009, a holiday, will be made in December 2008. The amount requested is approximately 34 percent of Federal benefit payments estimated for FY 2009.

The Social Security Administration's (SSA) continuing activities to improve payment accuracy and management of the SSI program are reported below.

#### Payment Accuracy

Consistent with the President's initiative to reduce improper payments, SSA developed the SSI Corrective Action Plan in June 2002 to further improve management of the SSI program. The Plan includes initiatives to help prevent overpayment error caused by unreported wages and assets and to simplify administration of the SSI program. The Government Accountability Office removed the SSI program from its high-risk list in January 2003.

As of FY 2005, SSA is participating in the Eliminating Improper Payments program initiative of the President's Management Agenda (PMA). SSA considers it a matter of great importance to continue to improve administration of the SSI program. SSA has also 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.

#### Pre-Effectuation Reviews

The Deficit Reduction Act of 2005 included a provision requiring SSA to review at least 50 percent of favorable SSI adult blind and disabled determinations made by State agencies. SSA started conducting these pre-effectuation reviews in April 2006. The reviews are done to ensure the accuracy of blind and disable determinations, and are completed before the individuals are awarded benefits. This supports the PMA initiative to reduce improper payments and will improve the accuracy and integrity of the SSI program. Since the Social Security Disability Insurance (DI) program already required pre-effectuation reviews, this makes these two disability programs more consistent.

#### Continuing Disability Reviews (CDRs) and Redeterminations

A key activity in ensuring the integrity of the SSI and Social Security disability programs is the completion of periodic CDRs, which enable SSA to determine whether recipients continue to be eligible for benefits based on their medical conditions. Redeterminations are

another important tool available to SSA for improving the accuracy of SSI payments. Periodically, SSA reviews recipients' income, resources, and living arrangements to verify their continuing eligibility; and, as a result, hundreds of millions of dollars in payment changes are made.

The President's budget proposes additional funding for FY 2008 to enable SSA to process greater numbers of CDRs and redeterminations. This funding would allow SSA to conduct approximately 80,000 additional SSI CDRs and an additional 500,000 redeterminations. This will result in over a billion dollars in savings to the SSI program over the next 10 years.

### Combating Fraud

SSA continues to engage in an aggressive program to deter, detect, investigate, and prosecute fraud. During FY 2006, SSA's Office of the Inspector General (OIG) received over 36,000 SSI-related allegations via telephone, correspondence, fax, or email. 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, the Fugitive Felon Program enables SSA to suspend SSI payments to fugitives and parole violators, and allows the Agency to provide vital information on their status to law enforcement agencies. Individuals are identified by using an automated data matching process which compares warrant information at the State and Federal levels with the SSI rolls.

### SSI Simplification

SSA remains committed to restructuring and simplifying the SSI program. SSA is exploring ways to do this in a fair and equitable manner while remaining budget neutral.

### Debt Collection

SSA currently makes use of the following debt collection tools that are authorized by law: benefit offset; cross-program recovery; repayment installment agreements; credit bureau reporting; administrative wage garnishment; and the Treasury offset program. These tools enabled the Agency to collect \$965.5 million in SSI overpayments, including Federally-administered State supplementation overpayments, during FY 2006. Also in FY 2006, SSA recovered an additional \$95.5 million through a process which collects SSI overpayments through an automated offset against SSI underpayments. The Foster Care Independence Act of 1999 extended to the SSI program all of the debt collection authorities previously available for collection of overpayments under the Social Security retirement and disability programs, including administrative offset (e.g., vendor payments, Federal retirement payments), charging of interest, use of private collection agencies, credit bureau reporting, administrative wage garnishment, and Federal salary offset. SSA implemented administrative offset and credit bureau reporting in February 2002 which have contributed to the collection of over \$273.3 million from their inception in 2002 through FY 2006.

In FY 2005, SSA implemented administrative wage garnishment and during FY 2006, SSA implemented a new debt collection tool: Federal salary offset (FSO). FSO is a collection tool that is used to collect delinquent overpayments owed by Federal employees, including employees who work for SSA. In addition, SSA continued its development of new debt

collection tools that will help improve the Agency's collection of SSI overpayments. Those tools include an expanded capability to conduct cross program recovery of SSI debts.

### Computer Matching Programs

SSA routinely matches SSI recipient data with 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:

- ◆ Prison inmate records to find recipients made ineligible by incarceration;
- ◆ Quarterly matches for wage and unemployment compensation information;
- ◆ Monthly nursing home admission and discharge information;
- ◆ Internal Revenue Service records of non-wage income to detect unreported assets (primarily bank accounts);
- ◆ Department of Defense (DOD) records to detect and verify DOD pension information;
- ◆ Veterans Administration match to offset SSI;
- ◆ Office of Personnel Management match to offset SSI;
- ◆ U.S. Department of Homeland Security (DHS) match for deportation information on aliens outside U.S. for more than 30 continuous days to terminate SSI benefits;
- ◆ DHS match for records of aliens who voluntarily leave the U.S.;
- ◆ Bureau of Public Debt's Savings Bond records; and
- ◆ Railroad Retirement Board match to offset SSI.

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

The FY 2008 President's budget also includes the following under proposed law:

#### Extend SSI Eligibility to Refugees

The FY 2008 President's budget includes a legislative proposal to extend SSI eligibility to 8 years for refugees, asylees, and other non-citizens in refugee-like immigration statuses. Currently, such individuals who have not become citizens can only receive SSI for 7 years after entry. This policy would continue through FY 2010.

#### Program Assessment Rating Tool

The SSI program earned a rating of "moderately effective" when it was evaluated in 2004 with the Program Assessment Rating Tool (PART). The Office of Management and Budget (OMB) found that the program is strong overall but recommended continued improvements in SSA's efforts to shorten the time it takes to provide payments to eligible people, make payments in the correct amount, and to provide assistance to enable recipients to return to work. SSA and OMB plan to use PART to reevaluate the SSI program in 2007 for the FY 2009 President's budget.

The Agency's Disability Service Improvement (DSI) process will pay benefits quickly to people who are disabled and make the right decision as early in the process as possible for all claimants. DSI will enhance the Agency's ability to make accurate, consistent, fair and timely decisions. DSI became effective on August 1, 2006 and is being phased in on a region-by-region basis beginning with the Boston Region.



SSA seeks to reduce improper payments in the SSI program by testing various methods of providing the public with quick and easy ways to report earnings changes. The Telephone Wage Reporting Pilot is designed to allow SSI recipients and other persons whose income may affect benefits and eligibility to report wages via the telephone. The phone system allows the SSI recipient to report wages either orally using voice-recognition software or by using the phone keypad. It also produces a receipt to recipients with the reported wage amount. Timely reporting of wage changes will help SSA issue more accurate payments to recipients.

Through the Ticket to Work program, SSA provides disability beneficiaries with a "ticket" that can be used to receive vocational rehabilitation and employment support services to go back to work without losing health benefits. The program provides beneficiaries with disabilities expanded options for accessing employment services, vocational rehabilitation services, and other support services to help them work and reach their employment goals. In September 2005, SSA published a Notice of Proposed Rule Making to strengthen the Ticket to Work program. The changes would improve the overall effectiveness of the program assisting people with disabilities who want to become more economically self-sufficient through employment.

## FEDERAL BENEFIT PAYMENTS

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

	<b>FY 2006 Actual</b>	<b>FY 2007 Current Estimate</b>	<b>Increase or Decrease</b>
Budget authority <sup>1</sup> (Obligations)	\$37,487,174,000 (\$37,510,765,017)	\$37,204,000,000 (\$36,842,000,000)	-\$283,174,000 (-\$668,765,017)
First quarter advance appropriation for subsequent year	(\$11,110,000,000)	(\$16,810,000,000)	(+\$5,700,000,000)

	<b>FY 2007 Current Estimate</b>	<b>FY 2008 Estimate</b>	<b>Increase Or Decrease</b>
Budget authority <sup>2</sup> (Obligations)	\$37,204,000,000 (\$36,842,000,000)	\$40,675,000,000 (\$41,676,234,983)	+\$3,471,000,000 (+\$4,834,234,983)
First quarter advance appropriation for subsequent year	(\$16,810,000,000)	(\$14,800,000,000)	(-\$2,010,000,000)

### 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. The budget estimate for FY 2008 includes \$41,676,234,983 in obligations for payments to the estimated 7,221,000 recipients of monthly Federal payments. The average number of recipients on the rolls during each of the past four fiscal years (FY 2003 through FY 2006) and the projections for FY 2007 are shown in the following table.

<sup>1</sup> SSA used carryover of prior year unobligated balances to meet FY 2006 Federal benefit payment obligations.

<sup>2</sup> SSA plans to use carryover of prior year unobligated balances to meet FY 2008 Federal benefit payment obligations.

Average Number of SSI Recipients  
(in thousands)

	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007 Estimate</b>
Aged	1,150	1,133	1,118	1,116	1,113
Blind and disabled	<u>5,403</u>	<u>5,533</u>	<u>5,657</u>	<u>5,762</u>	<u>5,932</u>
Total, Federal	6,553	6,666	6,775	6,878	7,045
<i>Year-to-Year Change</i>	+1.5%	+1.7%	+1.6%	+1.5%	+2.4%
Federally-administered State supplementation	<u>283</u>	<u>288</u>	<u>290</u>	<u>291</u>	<u>300</u>
Total, average number of SSI recipients	6,836	6,954	7,065	7,169	7,345

Funding levels (obligations) for Federal benefit payments the last 5 years have been as follows:

<b>Fiscal Year</b>	<b>Obligations</b>	<b>Number of Check Payments <sup>1</sup></b>
2002	\$31,409,951,000	12
2003	\$32,488,105,000	12
2004	\$33,803,282,000	12
2005	\$38,271,653,000	13
2006	\$37,510,765,017	12
2007 (Estimate)	\$36,842,000,000	11

### Rationale for the Budget Request

The Social Security Administration's (SSA) FY 2008 budget estimate for SSI Federal benefit payments is \$41,676,234,983. SSA is requesting \$40,675,000,000 in new budget authority for this activity in FY 2008 and expects to use carryover of \$1,001,234,983 to meet the remaining Federal benefit payment obligations. Estimates of current benefits are driven by two factors:

- ◆ the number of recipients eligible for monthly payments; and
- ◆ the amount of the monthly payments.

<sup>1</sup> SSI monthly Federal benefit payments are normally made on the first day of the month. However, when the first falls on a weekend or Federal holiday, the payment is made the prior business day. When October 1 falls on a weekend, that payment is made at the end of September and attributed to the prior fiscal year, sometimes resulting in 11 or 13 check payments in a given fiscal year.

A discussion of these factors and several elements which affect them follows.

A. Number of Recipients

The table below reflects the estimated average number of recipients of Federal SSI payments (excluding recipients of Federally-administered State supplementation only payments) under current law.

In thousands	FY 2007 Current Estimate	FY 2008 Estimate	Change	
			Number	Percent
Aged	1,113	1,112	-1	-.1%
Blind and disabled	<u>5,932</u>	<u>6,110</u>	<u>+178</u>	<u>+3.0%</u>
Total *	7,045	7,221	+176	+2.5%

\* Totals may not add due to rounding.

B. Maximum Monthly Federal Payments

Under the automatic cost-of-living adjustment (COLA) provision, a 3.3 percent increase was paid effective for January 2007 and a 1.4 percent increase is projected for January 2008. The maximum monthly Federal payments estimated for FY 2007 and FY 2008 under present law are:

	FY 2007		FY 2008	
	First 3 months	Last 9 months (3.3% increase)	First 3 months	Last 9 months (1.4% increase)
Single individual	\$603.00	\$623.00	\$623.00	\$632.00
Couple	\$904.00	\$934.00	\$934.00	\$947.00

C. Estimated Average Monthly Payments

Because SSI recipients generally have some other monthly income such as Social Security benefits or earnings, most receive a reduced Federal SSI payment. The table below shows the estimated average monthly Federal payments to SSI recipients for FY 2007 and FY 2008 under current law, including adjustments for cash collections and returned checks.

	FY 2007	FY 2008
Aged	\$324.00	\$332.00
Blind and Disabled	\$486.00	\$498.00
All SSI Recipients	\$460.00	\$473.00

#### D. The Major Factors Which Affect Average Monthly Payment Amounts

##### ◆ Automatic Benefit Increases

The SSI automatic COLA granted on January 1 of each year raise average SSI payments. The effect of COLAs on the maximum monthly payment is shown in paragraph B on the previous page. Those SSI recipients receiving Social Security benefits also receive a Social Security COLA, thereby increasing their other monthly income and reducing their SSI payments. This factor partially offsets the increase in average SSI payments.

##### ◆ Mix of SSI Recipients Who Concurrently Receive Social Security Benefits

Average monthly payments are significantly lower than the maximum amount payable under the law primarily because about 35 percent of all SSI recipients (including those who receive only a State supplement) also receive Social Security benefits. Approximately 57 percent of the SSI aged group and 31 percent of the SSI blind and disabled populations receive concurrent payments.

##### ◆ Mix of Aged and of Blind and Disabled Recipients

Current estimates indicate that the proportion of blind and disabled recipients in the total recipient population will continue to increase in FY 2007 and FY 2008. This change in the population mix is illustrated in the following table (excludes recipients of federally-administered State supplementation only payments).

Average Number of Recipients in Current Pay  
(In thousands)

	<b>Total</b>	<b>Aged</b>	<b>Blind and Disabled</b>	<b>B&amp;D as % of Total</b>
FY 1993 Actual	5,348	1,311	4,037	75.5%
FY 2003 Actual	6,553	1,150	5,403	82.5%
FY 2004 Actual	6,666	1,133	5,533	83.0%
FY 2005 Actual	6,775	1,118	5,657	83.5%
FY 2006 Actual	6,878	1,116	5,762	83.8%
FY 2007 Estimate	7,045	1,113	5,932	84.2%
FY 2008 Estimate	7,221	1,112	6,110	84.6%

The blind and disabled population receives a larger average monthly payment than the aged population because blind and disabled recipients generally have less income from other sources to offset SSI benefits. As the proportion of blind and disabled recipients to the total recipient population increases, the overall average monthly benefit increases.

## BENEFICIARY SERVICES

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

	<b>FY 2006 Actual</b>	<b>FY 2007 Current Estimate</b>	<b>Increase or Decrease</b>
Budget authority (Obligations)	\$52,000,000 (\$41,991,531)	\$0 (\$90,000,000)	-\$52,000,000 (+\$48,008,469)

	<b>FY 2007 Current Estimate</b>	<b>FY 2008 Estimate</b>	<b>Increase or Decrease</b>
Budget authority (Obligations)	\$0 (\$90,000,000)	\$36,000,000 (\$106,433,556)	+\$36,000,000 (+\$16,433,556)

### Purpose and Method of Operation

A majority of the funds to be obligated for this activity in FY 2008 will be used to reimburse Vocational Rehabilitation (VR) agencies for reasonable and necessary costs of services which resulted in disabled SSI recipients being successfully rehabilitated (section 1615(d) of the Social Security Act). The objective of vocational rehabilitation for SSI recipients is to help disabled individuals achieve and sustain productive, self-supporting work activity. SSA provides funds to reimburse VR agencies for costs incurred in successfully rehabilitating SSI recipients. A successful rehabilitation is defined by law as one in which VR services result in performance of substantial gainful activity for a continuous period of nine months out of twelve.

A portion of the FY 2008 obligations will be used to cover estimated payments authorized under the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170). This law provides SSI disabled recipients with a Ticket to offer to an employment network (EN) (including a State VR agency choosing to be paid as an EN) in exchange for vocational rehabilitation and employment services, and other support services. The final regulation for implementing the Ticket to Work Program was published on December 28, 2001 and was effective January 28, 2002. The roll out of the Ticket program was completed in September 2004.

Unlike the reimbursement payment system, ticket payments are not based on the costs of specific services provided by the EN. The EN is paid based on either an outcome-milestone payment method or an outcome payment method. Under the outcome-milestone payment method, the EN is paid for each milestone the recipient successfully achieves. SSA does not have to stop monthly benefit payments before a milestone payment can be made. In order for SSA to make an outcome payment, however, the individual must not be receiving monthly benefit payments due to work or earnings. Outcome payment amounts are based on the prior year's national average disability benefit payable under Title XVI. Outcome payments are payable for a maximum of 60 months (consecutive or otherwise).

### Rationale for the Budget Request

SSA is requesting \$36,000,000 in new budget authority for this activity for FY 2008 because the carryover of \$160,433,556 will be used to cover all estimated obligations in FY 2007 and a portion of the estimated obligations in FY 2008. The estimate for FY 2008 for VR services to disabled SSI recipients assumes approximately 6,400 payment awards for successful rehabilitation and 4,000 ticket-related cessations. The average cost per award under the reimbursement program was estimated in the FY 2007 President's budget to be \$8,900 in FY 2007. The current estimate reflects a revised cost per case of \$8,400 in FY 2007 which is expected to increase to \$8,700 in FY 2008. The average cost per award reflects current trends in rehabilitation costs and advances in expensive medical technology.

SSA continues its ongoing efforts to improve management and oversight of the current VR program, to ensure program effectiveness, and to ensure that the money spent is a good investment. This includes an ongoing quality review of State claims for reimbursement and continuing internal audits of the Agency's payment process.

**PAYMENT TO THE TRUST FUNDS, RESEARCH AND DEMONSTRATION PROJECTS,  
AND OUTREACH**

**Authorizing Legislation:** Sections 201(g)(1), 1110, 1115, 1144, and 1633 of the Social Security Act.

	<b>FY 2006 Actual</b>	<b>FY 2007 Current Estimate</b>	<b>Increase or Decrease</b>
<u>Payment to the Trust Funds</u>			
Budget authority <sup>1</sup> (Obligations)	\$2,733,000,000 (\$3,000,868,269)	\$2,876,000,000 (\$2,876,000,000)	+\$143,000,000 (-\$124,868,269)
<u>Research and Demonstration Projects, and Outreach</u>			
Budget authority (Obligations)	\$27,000,000 <u>(\$41,319,341)</u>	\$27,000,000 <u>(\$54,097,000)</u>	\$0 <u>(+\$12,777,659)</u>
<u>Total</u>			
Budget authority (Obligations)	\$2,760,000,000 (\$3,042,187,610)	\$2,903,000,000 (\$2,930,097,000)	+\$143,000,000 (-\$112,090,610)

	<b>FY 2007 Current Estimate</b>	<b>FY 2008 Estimate</b>	<b>Increase or Decrease</b>
<u>Payment to the Trust Funds</u>			
Budget authority <sup>1</sup> (Obligations)	\$2,876,000,000 (\$2,876,000,000)	\$2,983,000,000 (\$2,983,000,000)	+\$107,000,000 (+\$107,000,000)
<u>Research and Demonstration Projects, and Outreach</u>			
Budget authority (Obligations)	\$27,000,000 <u>(\$54,097,000)</u>	\$27,000,000 <u>(\$44,910,191)</u>	\$0 <u>(-\$9,186,809)</u>
<u>Total</u>			
Budget authority (Obligations)	\$2,903,000,000 (\$2,930,097,000)	\$3,010,000,000 (\$3,027,910,191)	+\$107,000,000 (+\$97,813,191)

<sup>1</sup> The FY 2007 estimate reflects the current rate. The FY 2007 President's budget was \$3,004,000.

## Purpose and Method of Operation

### Payment to the Trust Funds

Section 201(g)(1) of the Social Security Act provides that administrative expenses for the Supplemental Security Income (SSI) program, including Federal administration of State supplementation payments, may be financed from the Social Security trust funds with reimbursement, including any interest lost, to the trust funds from general revenues. 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, with reimbursement to the trust funds based on a Government Accountability Office (GAO) approved method of cost analysis of the respective expenses of the SSI and Social Security insurance programs, and a final settlement by the end of the subsequent FY required by law.

This activity funds the reimbursement to the trust funds from the general fund.

### Research and Demonstration Projects (Section 1110/1115) and Outreach (Section 1144)

SSA conducts research and outreach under sections 1110, 1144, and 234 of the Social Security Act. However, projects funded under section 234 are not a part of this appropriations request.

Section 1110 of the Social Security Act provides authority for conducting broad-based cross programmatic projects for Social Security and SSI programs, including waiver authority for the SSI program, and projects dealing with specific SSI issues. Under the authority of section 1110, SSA funds a range of projects: disability policy research; projects to develop effective rehabilitation and return-to-work strategies; retirement policy research; evaluation of newly enacted or proposed legislative changes; and research projects to maintain and improve basic data about our programs and beneficiaries.

Section 1115 provides the Secretary of Health and Human Services with the funding and authority to waive compliance with Medicaid requirements for the purpose of allowing States to participate in SSA's research and disability demonstration projects.

Section 1144 amended the Social Security Act to include a Medicare cost-sharing program and subsequently Medicare prescription drug outreach as well. Under this mandate, SSA is required to use its database to conduct expanded mailings to reach out to those individuals who are potentially eligible for State-administered Medicaid programs or Medicare prescription drug subsidies under Medicare Part D. SSA identifies these potential beneficiaries, informs them about these programs, and notifies State Medicaid agencies. The Centers for Medicare and Medicaid Services (CMS) within the Department of Health and Human Services oversees both the Medicare and Medicaid programs.

## Rationale for the Budget Request

### Payment to the Trust Funds

Current law authorizes payment of SSI administrative expenses from the Social Security trust funds, with reimbursement from general funds through this appropriation. Amounts appropriated are available to reimburse the trust funds for current-year SSI administrative expenses, as well as for prior-year administrative expenses that exceed the amount appropriated through this account for reimbursement in the prior year. The FY 2008 request for this reimbursement is for \$2,983,000,000 to cover estimated SSI administrative expenses advanced from the trust funds in FY 2008. In the event that actual SSI administrative expenses exceed the amount available for reimbursement through this account in any fiscal year, the trust funds are made whole upon enactment of the SSI appropriation in the subsequent fiscal year.

These amounts exclude funding made available in the Limitation on Administrative Expenses (LAE) account from State user fees for SSA expenses related to administration of State SSI supplementation payments. The LAE account assumes funding of up to \$135,000,000 from this source in FY 2008.

### Research and Demonstration Projects and Outreach

SSA's research budget is designed to provide significant support to key Administration priorities such as the *New Freedom Initiative*, by providing opportunities for disability beneficiaries to achieve economic independence through work, and working to assure the solvency of the trust funds by providing analytical and data resources for use in preparing and reviewing reform proposals. As the debate moves forward on how best to strengthen and reform Social Security, SSA must work to ensure that policymakers and the public have the information needed to assess the implications of the proposals under consideration. Additionally, SSA's disability research and demonstration projects, designed to promote self-sufficiency and assist individuals in their effort to return to work, will be instrumental in strengthening SSA's disability programs and initiatives.

SSA's FY 2008 extramural research budget is less than 1 percent of the administrative budget and only a fraction of program expenditures. The discussion and tables that follow describe SSA's planned research and outreach efforts under sections 1110, 1144, and 234 and how those efforts satisfy the Office of Management and Budget's research and development investment criteria. Funding for research by major category is summarized in the following table.

### Major Research Areas and Outreach

(Dollars in millions)	Obligations		
	FY 2006	FY 2007	FY 2008
<b>Return-to-Work/New Freedom Initiative</b>	\$12.7	\$13.7	\$14.1
<b>Infrastructure</b>	\$9.7	\$15.5	\$13.7
<b>Solvency</b>	\$12.1	\$17.3	\$12.6
<b>Outreach</b>	<u>\$6.7</u>	<u>\$7.6</u>	<u>\$4.6</u>
<b>Total Obligations</b>	\$41.3	\$54.1	\$44.9 *
<b>New Budget Authority</b>	\$27.0	\$27.0	\$27.0

\* Numbers may not add due to rounding.

### RETURN-TO-WORK/NEW FREEDOM INITIATIVE

SSA's FY 2007 and FY 2008 budgets reflect significant resource commitments for extramural research in the area of returning our beneficiaries to work. These commitments support the President's *New Freedom Initiative* and will provide SSA with the ability to invest in comprehensive, cost-effective policy designs that promote economic self-sufficiency and assist individuals in their efforts to return to work.

The budget request for FY 2008 reflects a careful assessment and prioritization of SSA's activities in disability research. The budget contains a structured package of demonstration projects designed to facilitate the employment of individuals at different stages of disability. The package includes an early intervention demonstration to reach individuals before they start receiving Social Security Disability Insurance (DI) benefits, a youth employment strategy to assist young individuals with disabilities in their transition into the workforce, and a demonstration targeted at the particular needs of individuals with mental illness. One of these projects – Youth Transition Demonstration – will have joint funding with section 234, as appropriate, based on the participation of Title II and Title XVI beneficiaries.

### Organization for Economic Cooperation and Development (OECD) – Youth Transition Study

SSA is jointly funding a youth study, led by OECD, with the Department of Education. This study will identify the interrelationships and develop the understanding needed to successfully: (1) assist in preventing children with disabilities who are not currently on SSA rolls from eventually becoming beneficiaries once they reach adulthood; and (2) provide supports and assistance to transition youth with disabilities to tertiary education and substantial gainful work so they can become self-sufficient.

### **Youth Transition Demonstration (YTD)**

The YTD began in 2003 with seven cooperative agreements in six States – one each in California, Colorado, Iowa, Maryland, and Mississippi, and two in New York.

The projects focus on youth between the ages of 14 and 25 who receive (or could receive) disability benefits. In addition, five pilot sites have been funded for a year beginning in fall 2006 – three will be chosen for full implementation roll out in fall 2007. The overarching goal of the YTD is to find ways to enable young people with disabilities to maximize their potential for self-sufficiency. The projects also are testing whether modified SSI rules will encourage YTD participants to work and save for their future. Throughout implementation of YTD, project staff receives technical assistance and training. The YTD project has joint funding with section 234, as appropriate, based on the participation of Title II and Title XVI beneficiaries.

In order to encourage youth to work and/or increase their work activities or earnings, SSA has modified certain program rules to promote work and asset accumulation. As of September 2006, 266 of 846 YTD participants (31 percent) are employed full- or part-time. Most are students, so the nature of the work varies widely and some of it is short-term (8 percent summer employment). As a rough comparison, approximately 11 percent of all SSI recipients aged 18-21 were working at the end of December 2005.

The national evaluator, Mathematica Policy Research (MPR), is conducting a process, cost-benefit, and impact evaluation. Youth participating in the impact evaluation will be followed for at least four years after they are recruited into the study. A variety of data sources, including SSA payment and employment data, surveys of youth, and interviews with project staff will be used to determine the difference the project made in the lives of project participants. For example, the analysis will determine whether the intervention led to increased earnings or increased enrollment in postsecondary education for youth.

The evaluation uses a random assignment design. Eligible youth are randomly chosen to either receive YTD services or to be in a control group that will remain eligible for non-YTD services in the community. Considering the requirements for random assignment, three of the current projects (Colorado and the two in New York) were selected for the impact evaluation based on the ability to implement random assignment.

### **Interim Medical Benefits**

The Interim Medical Benefits project will provide medical benefits to individuals with no medical insurance (no “treating source” evidence) whose medical condition would likely improve with treatment. This intervention will facilitate the development of the necessary documentation for disability adjudication while providing the applicant with needed services.

## **INFRASTRUCTURE**

SSA must continue to build and maintain the capability to provide data and data analysis that support internal policy decisions as well as decision making by the Administration and Congress. Our infrastructure investments are targeted to expand our ability to respond to information requests and to improve the quality and reliability of the data used in our analytical activities. Key projects are as follows:

### **Evaluation of Ticket to Work**

The Ticket legislation requires the Commissioner of Social Security to provide for independent evaluations to assess the effectiveness of the Ticket to Work program. The legislation also requires the Commissioner to submit a report to Congress with recommendations for a method or methods to adjust payment rates to ensure adequate incentives for the provision of services by employment networks.

In May 2003, SSA awarded two 5-year contracts to Mathematica Policy Research to conduct an independent evaluation of the Ticket program. The first contract focuses on data development, qualitative data collection, and implementation of the comprehensive evaluation analyses. The second contract implements a 4-year survey of beneficiaries. The first evaluation report was submitted to Congress in 2004. A draft report for 2005 was received by SSA in September 2006.

### **Institute of Medicine (IOM) / Medical Listings**

SSA awarded a contract in FY 2004 to the IOM asking advice on how SSA could improve the Listings of Impairments and Agency access to medical expertise. The Listings of Impairments are used in the DDS's during sequential evaluation of disability claims. The DDS examiner can allow a case if the claimant's disability is determined to meet or equal impairments on the listing. The listings describe, for each of the major body systems, impairments which are considered severe enough to prevent a person from doing any gainful activity. Most of the listed impairments are permanent or expected to result in death. An expert committee issued an interim report on December 21, 2005. Its initial recommendations advised SSA to standardize qualification criteria and training for medical experts and consultative examiners. The final report will address remaining tasks about the Listings of Impairments. IOM will also host a meeting to inform the public and the medical community of its final recommendations.

SSA intends to award a follow-on contract in FY 2007 to seek advice from another committee of experts on a number of issues related to implementation of the Office of Medical/Vocational Expertise, a key component of the Commissioner's new approach to SSA's disability decision process. In addition, IOM will make recommendations relative to improving medical opinion evidence, the use of treating source opinion evidence, and qualifications for consultative examination providers.

### **Pediatric Medical Unit (PMU)**

This contract will support the development of PMUs which will provide a range of medical expertise resulting in improved determinations for children filing for SSI disability benefits.

### **Predictive Modeling**

As part of the SSA's new approach and the final rule for adjudicating initial disability claims dated March 31, 2006, SSA is undertaking several activities to streamline the disability determination process for those whose impairment(s) clearly meet our rigorous standards and to provide return to work assistance to applicants and beneficiaries at all levels of the process. In support of that goal, SSA developed a Predictive Modeling (PM) tool which will help SSA identify people applying for disability benefits as potential candidates for a Quick Disability Determination (QDD) or potential participants for one of the demonstration projects involving work interventions. A contract was awarded to IBM in September 2004 to develop a PM tool for

the QDD process. The contractor has conducted the analysis for the screening tool, developed a logical model, data/text mining alternatives and systems design alternatives and has developed the detailed functional requirements and system implementation. In July 2006, the QDD tool was incrementally tested in the Boston Region.

Also in July 2006, a work order was issued to adapt the QDD PM for an early intervention demonstration test as a part of the national benefit offset demonstration project. The goal of this test is to demonstrate that working with an early intervention model (i.e., addressing applicants) can reduce entry into the Title II disability program and result in improved employment, earnings, and other outcomes for individuals with disabilities.

### **Other Disability Research**

Other disability research includes Partnering for Childhood Early Identification and Intervention and Developing a Medical Listing for Communication Skills.

## **SOLVENCY**

Achieving sustainable solvency for Social Security is one of SSA's four strategic goals. The Administration is committed to making Social Security financially sustainable so it can continue to serve SSA's beneficiaries now and in the future.

SSA's research program provides analyses and data that support the Agency's efforts to ensure solvency and make Social Security more responsive to the needs of the 21<sup>st</sup> century workforce.

SSA uses both internal and external resources to meet this challenge. The extramural research budget enables the Agency to:

- ◆ Conduct broad-based retirement policy research through the Retirement Research Consortium;
- ◆ Develop and use simulation models to assess the likely impact of reform proposals;
- ◆ Improve the quality and reliability of the data used in policy analysis and modeling efforts; and
- ◆ Evaluate the effects of policy options or enacted legislation.

### **Retirement Research Consortium**

The Retirement Research Consortium (RRC) is one of SSA's key tools for maintaining a strong capability for research on Social Security solvency. With the award of new 5-year cooperative agreements in FY 2003, SSA expanded the RRC to include three centers. These centers—based at the University of Michigan, Boston College, and the National Bureau of Economic Research—provide the Agency with access to the best analysts on the full range of issues related to Social Security. Recent work produced by the RRC includes analyses on retirement behavior, the well-being of the retiree population, savings trends, the impact of aging societies, Social Security reform, individual accounts and investment behavior, and lessons from abroad.

### **Retirement Income Modeling**

Econometric and simulation models can provide policy makers with detailed information on the

effects of changes in Social Security on individuals and the economy, with projections for years into the future. SSA's MINT model (Modeling Income in the Near Term) has become one of the most important tools for evaluating the effects of Social Security reform proposals on the distribution of retirement income. MINT's projections of the aged population have recently been extended well into the 21<sup>st</sup> century to enable simulation of additional Social Security policy changes. SSA analysts have used MINT to examine how baby boom retirees will compare to previous retirees economically and demographically and how they will fare under reform proposals compared to current law. The budget also supports models that provide more sophisticated long-term projections and consider the effects of changes in Social Security on the economy.

### **Policy Evaluation and Data**

The research budget includes funds for evaluating solvency proposals and other Agency initiatives, producing additional policy-relevant data, and improving the quality of statistics on the aged and persons with disabilities. Good data form the foundation upon which model development efforts and analytical capability are built. SSA's administrative data are useful in addressing many policy issues, but they often provide an incomplete picture of the effects of current and proposed policies. Consequently, SSA must seek cost-effective methods for obtaining the necessary data from other sources. As part of this effort, the Agency will continue support for Census Bureau Surveys and the National Institute on Aging's Health and Retirement Study (HRS). SSA funds allow the Census Bureau to improve the quality of survey data that are of particular importance for Social Security. Support of HRS allows the linkage of program and survey data, improves data quality, and facilitates the use of data by researchers.

### **OUTREACH**

SSA is responsible for several outreach efforts, including outreach to low-income beneficiaries who may be eligible for additional assistance with medical expenses, and to the homeless and other under-served populations.

### **Medicare Outreach – Section 1144**

(Dollars in millions)	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>New Budget Authority</b>	\$3.0	\$3.0	\$3.0
<b>Obligations</b>	\$2.3	\$3.0	\$3.7

Medicare Buy-in Outreach, required by section 1144 of the Social Security Act, requires SSA to conduct outreach to SSA beneficiaries who may potentially qualify for Medicare cost-sharing assistance. Outreach for Medicare Part A (hospital insurance) and Medicare Part B (medical insurance) are targeted to income-tested new Medicare eligibles, beneficiaries who have experienced a drop in income, and 20 percent of those who have been previously notified.

Section 1144 was amended by the Medicare Prescription Drug legislation to include those potentially eligible for transitional assistance Medicare prescription drug cards, and subsidized prescription drug benefits under Medicare Part D. In 2004, a special SSA mailing was sent to potential transitional assistance beneficiaries, and a comprehensive application mailing was

sent to the potential subsidized Part D population in FY 2005. Starting in 2006, SSA provided outreach letters to the potential cost-sharing universe with incomes below 135 percent of poverty level about help with “traditional” Medicare that included information about subsidized Part D when appropriate. Outreach letters to beneficiaries with incomes at 135 percent to less than 150 percent of poverty received subsidized Part D information, without reference to cost-sharing assistance with traditional Medicare.

In addition, SSA is required to share lists of individuals potentially eligible for cost-sharing with State Medicaid agencies. The major objective of these projects is to increase enrollment of eligible low-income individuals into programs which assist Medicare beneficiaries with their out-of-pocket medical expenses, including prescription drugs.

### **Homeless Outreach**

(Dollars in millions)	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>New Budget Authority *</b>	--	---	---
<b>Obligations</b>	\$4.4	\$4.6	\$0.8

In FYs 2003 through 2005, SSA’s appropriations included earmarked funds totaling \$24 million to conduct outreach to homeless and other under-served populations in support of the President’s initiative to end chronic homelessness within 10 years. In 2004, SSA awarded funds to 41 service providers nationwide who currently provide outreach services to the homeless population. Of the 41 service providers, 34 will continue through FY 2008, and 7 will continue into early FY 2009. The service providers began enrolling project participants in September 2004. As of April 2006, Homeless Outreach Project & Evaluation (HOPE) grantees assisted 7,532 homeless individuals with their applications for SSI. Of those, 1,882 have been awarded benefits based on disability.

The HOPE initiative is focused on assisting eligible, homeless individuals in applying for SSI and DI benefits. The HOPE projects will help SSA to demonstrate the effectiveness of using skilled medical and social service providers to identify and engage homeless individuals with disabilities as well as assist them with the application process.

In September 2004, SSA awarded an evaluation contract to Westat Inc. The evaluation report is scheduled to be received in October 2007.

## **RELATED FUNDING SOURCES**

### **SECTION 234 DEMONSTRATION PROJECTS**

The Commissioner of Social Security has authority to conduct research and demonstration projects under section 234 of the Social Security Act. The Commissioner uses trust fund monies to conduct various demonstration projects, including alternative methods of treating work activity of individuals entitled to DI benefits. Funds for these demonstration projects, authorized under the 1999 Ticket to Work Act and funded from the trust funds, are not part of this appropriation request. Section 234 funds are directly apportioned by OMB and are estimated at \$53.5 million for FY 2007 and \$59.9 million for FY 2008. FY 2007 and FY 2008 projects or activities may be funded partially under section 1110 and partially under section 234 to the extent that they involve both the SSI and DI programs or waivers. While the authorization

under section 234 terminated on December 18, 2005, SSA has the authority to continue to conduct projects that were initiated prior to the expiration date. No new projects may be pursued under section 234 at this time.