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A MESSAGE FROM THE COMMISSIONER

Social Security touches the life of nearly every American, often during times of personal change, uncertainty, and sometimes hardship. The scope of what we do as an agency is enormous, and it is both a humbling and rewarding experience to go to work every day knowing our efforts profoundly help millions of Americans. In fact, in fiscal year (FY) 2016, we will pay out nearly *one trillion dollars* in benefit payments, showing what a significant impact we have on the national economy.

Our talented and dedicated employees make me proud to serve as Acting Commissioner of the Social Security Administration. As we work to reduce backlogs and ensure efficient service, it is important that we continue to attract, train, and retain employees that can best serve the public. Last year, we replaced about half of the 11,000 Federal and State Disability Determination Services (DDS) employees we lost from FY 2011- FY 2013, and we are pleased that we can hire new employees to maintain our overall staffing levels with the funding we received in our FY 2015 appropriation.

FY 2014 was a year of transition as we built our capacity to complete more program integrity work and continue to improve service delivery. The new employees we added to our workforce positioned us to keep pace with high workloads and help us better serve the public in our field offices and on our National 800 Number. We also moved forward with important anti-fraud efforts and information technology (IT) initiatives. For example, our agency opened two new Cooperative Disability Investigations (CDI) units in FY 2014 in partnership with the Office of the Inspector General, and we expect to open five more in FY 2015. In addition, over 14.4 million users registered for *my* Social Security online accounts by the end of FY 2014, and over 50 percent of retirement and disability applicants filed online in FY 2014. In FY 2015, we are building upon these efforts by working on new and improved online services.

At the same time, we are committed to providing face-to-face service to all those who need or want it -- our employees and network of field offices have been the cornerstones of our service for almost 80 years. With the ongoing commitment of resources in FY 2015, we can now expand office hours at our local Social Security offices nationwide and restore some service hours to the public. Effective March 16, 2015, Social Security offices nationwide will be open for an additional hour every weekday except Wednesday. For example, a field office that is usually open to the public Monday, Tuesday, Thursday and Friday from 9 a.m. to 3:00 p.m. will remain open until 4:00 p.m. Field offices will remain closed to the public at noon every Wednesday so employees can continue to process workloads, reduce backlogs, and train newly hired staff.

While we have made great strides, we still have challenges ahead of us. It is unacceptable that over one million Americans are awaiting a disability appeals hearing decision, and we must

position ourselves to reduce hearings processing times. In FY 2016, we will begin to reduce the number of disability appeals hearings pending by completing a record number of hearings. Unfortunately, due to years of extremely high disability appeals receipts, budget constraints, and the challenge of hiring administrative law judges (ALJ) in a timely fashion, we will not be able to reduce processing times until FY 2017.

We must also continue to increase our efforts to reduce improper payments; combat fraud, waste, and abuse; and invest in efforts that will enable us to provide more modern, efficient service.

Our FY 2016 budget request level will help us build upon the progress we are making now. It will allow us to balance service and stewardship, complete record levels of work, and accomplish our mission by focusing on the areas detailed in our FY 2014-2018 Agency Strategic Plan:

Enhance our *service delivery* through innovation and collaboration: We will handle a record number of retirement claims; continue to improve our National 800 Number service; increase the number of disability appeals hearings we process; position ourselves to reduce the hearings backlog in future years; and employ video technology to provide video interpreter services and face-to-face services to remote, rural communities.

Strengthen the *integrity* of our programs: We will continue to move forward with our efforts to reduce improper payments and to combat fraud, waste, and abuse. In support of our 10-year plan to eliminate the Continuing Disability Review (CDR) backlog, we plan to increase CDRs to 908,000 in FY 2016; CDRs are projected to save billions of program dollars over the budget window and ensure that only people who continue to be disabled remain in our program.

Focus on *quality and efficiency* for our disability program: We remain focused on quality, and our budget request invests in quality improvements that will help us make the right decisions at the right time and continue to reduce improper payments.
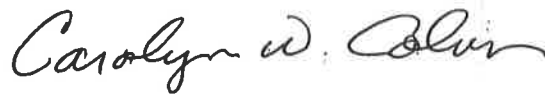
Invest in our *employees:* We will help our employees by investing in training opportunities that will give them the necessary knowledge and tools to do their work. We will continue to foster an inclusive culture that promotes employee well-being, innovation, and engagement.

Continue to maintain *safe and secure* technology services: We will continue to make Social Security information more easily accessible to a broader population and are committed to building secure online services for the public that are simple and easy to use. In addition, we will continue to maintain a robust IT operation capable of supporting not only the large demands of our programs as well as providing substantial support to the related Medicare, Medicaid, and other government programs.

Social Security is an economic lifeline for many of the approximately 65 million beneficiaries we serve each month – and we are often the first point of contact, and the face of the Government, for the public.

With the requested funding, we can continue to serve the public as effectively as possible, plan for the future, and wisely invest in technology and process improvements. We must continue to address our staffing needs, explore alternative service delivery methods, and emphasize program integrity activities.

To achieve our goals, it is essential we receive full funding of the FY 2016 President's Budget to maintain the faith and trust the public has placed in us.

Carolyn W. Colvin
Acting Commissioner

OUR PROGRAMS

Whether it is after the loss of a loved one, at the onset of disability, or during the transition from work to retirement, we touch the life of virtually every person in America. We administer three key programs that serve the public.

- Old-Age and Survivors Insurance: Created in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their family members. In FY 2016, we will pay about $785 billion in OASI benefits to approximately 50 million beneficiaries per month, including 88 percent of the population aged 65 and over.

- Disability Insurance: Established in 1956, the Disability Insurance (DI) program provides benefits for disabled workers and their families. In FY 2016, we will pay about $148 billion in DI benefits to approximately 11 million disabled workers and their family members per month.

- Supplemental Security Income: Established in 1972, the Supplemental Security Income (SSI) program provides financial support to aged, blind, and disabled adults and children who have limited income and resources. In FY 2016, we will pay about $64 billion in Federal benefits and State supplementary payments to approximately 8.4 million recipients per month.

We also increasingly contribute in important ways to furthering other national priorities, including activities related to: The Employees Retirement Income Security Act of 1974, the Coal Act, Supplemental Nutrition Assistance Program (formerly Food Stamps), Social Security Number (SSN) verifications for a wide-range of non-SSA program purposes, the Help America Vote Act, the State Children's Health Insurance Program, and Federal Benefits for Veterans.

Our ongoing workloads include the following:

- Claims: We take claims, evaluate evidence, and determine benefit eligibility and payment amounts. In FY 2016, we will handle over 5.4 million retirement, survivors, and Medicare claims; nearly 2.8 million Social Security and SSI initial disability claims; and nearly 237,000 SSI aged claims.

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

    1) Reconsideration, which entails a complete review of the claim by an employee who did not take part in the initial determination;

    2) Hearing before an ALJ; and

3) Request for review by the Appeals Council. If a claimant disagrees with the Appeals Council's decision or if the Appeals Council decides not to review the case, a claimant may file a lawsuit in a Federal district court.

   In FY 2016, we will complete approximately 719,000 reconsiderations, 829,000 hearings, and 168,000 Appeals Council reviews.

- Program Integrity: Our stewardship responsibility includes conducting non-medical SSI redeterminations and full medical CDRs. These reviews save significant program dollars by avoiding improper payments. In FY 2016, we will conduct 2.622 million SSI redeterminations and 908,000 full medical CDRs.

- Social Security Numbers: We complete applications for and assign SSNs to all Americans. In FY 2016, we will complete requests for approximately 16 million new and replacement Social Security cards.

- Earnings Records: We receive regular updates from employers on the earnings of the working population. We post the reported earnings to workers' records. We link these earnings records to the appropriate workers' SSN and resolve any discrepancies. In FY 2016, we will post 258 million earnings items to workers' records.

- Social Security Statements: We provide information on earnings as well as estimates of future benefits workers and their families may receive based on those earnings. We will process 44 million paper Social Security Statements in FY 2016 in accordance with our plan to mail a paper Statement to workers attaining ages 25, 30, 35, 40, 45, 50, 55, and 60 and older who are not receiving Social Security benefits and who are not registered for *my* Social Security. Individuals may access their Social Security Statement at any time through their personal online *my* Social Security account.

- Services After Individuals Become Eligible for Benefits: In FY 2016, we will complete more than 100 million post-entitlement actions for beneficiaries, including issuing emergency payments, recomputing payments, and completing address and status changes.

- Medicare Administration Assistance: For over four decades, we have assisted the Centers for Medicare and Medicaid Services in administering the Medicare Hospital Insurance and Supplementary Medical Insurance programs. In addition to determining Medicare eligibility, in FY 2016, we will handle about 1 million Medicare prescription drug subsidy applications.

- Data Exchanges: We provide and verify data for many purposes such as employment, voting, eligibility for state and Federal programs, including the Affordable Care Act and the Department of Veterans Affairs.

FY 2014 ACCOMPLISHMENTS

With our FY 2014 appropriation, we began recovery efforts after three years of deep budget cuts, including cuts that were the result of sequestration. By replacing half of our previous staffing losses, we had more people at the end of the year to answer our National 800 Number, help customers in our field offices, and make decisions on claims and hearings. These employees positioned us to improve service in FY 2015 as they complete training and gain on-the-job experience needed to best serve the public.

We made progress in several areas, most notably in our important program integrity work. In FY 2014, we increased CDRs by about 20 percent over our FY 2013 levels, while largely maintaining average initial disability claims processing time. Meanwhile, we sustained high levels of SSI redeterminations. We also opened a new national center to help with the disability appeals hearings backlog and opened more cooperative disability investigation units to combat fraud. Our websites continue to shine; we have five of the seven top-rated government websites, and two of our websites are rated higher than the top private-sector sites.

In FY 2014, we:

- Paid over $890 billion to over 66 million beneficiaries;

- Handled over 37 million calls on our National 800 Number;

- Served about 40 million visitors in our 1,200 field offices nationwide;

- Completed nearly 8 million claims for benefits and more than 680,000 hearing dispositions;

- Handled approximately 35 million changes to beneficiary records;

- Completed more than 16 million new and replacement Social Security card applications;

- Performed almost 2 billion automated Social Security number verifications;

- Posted over 257 million earnings reports to workers' records;

- Handled over 18,000 disability cases in Federal district courts;

- Completed 526,000 full medical CDRs and over 2.6 million SSI non-medical redeterminations; and

- Completed approximately 3 million overpayment actions.

We continue to pursue improvements in our organizational efficiency; in FY 2014, our administrative costs were less than 1.3 percent[1] of the benefit payments we pay.

In FY 2015, we will build on our accomplishments in FY 2014 by improving our service to the American public, modernizing our service delivery, and strengthening the integrity of our programs through increased CDRs and vigorous fraud prevention efforts.

FY 2016 BUDGET REQUEST

Our Limitation on Administrative Expenses (LAE) budget request of $12.513 billion will allow us to continue to build upon the progress we are making in FY 2015. We will continue to improve our service to the American public, modernize our service delivery, and strengthen the integrity of our programs through increased CDRs, redeterminations, and vigorous fraud prevention efforts.

Our budget will help us balance service, stewardship, quality, and efficiency by allowing us to:

- Complete a record 829,000 hearings, begin to reduce the volume of hearings pending, and position ourselves to start reducing hearings processing times in FY 2017;

- Improve our service to the public and handle a record number of retirement claims;

- Continue to handle high volumes of initial disability claims while completing 908,000 full medical CDRs in FY 2016;

- Strengthen our efforts to combat fraud, waste, and abuse;

- Pursue initiatives that will help us improve quality; and

- Make the right investments in technology and alternative service delivery methods, saving time for the public and our employees.

The following charts provide the FY 2016 President's Budget request for our administrative expenses, including funding amounts, associated workyears, and key performance goals. The first chart, the FY 2016 Funding Table, provides amounts for our key appropriations and the associated workyears. The second chart, the FY 2016 Performance Table, includes the actual performance for FY 2014 and anticipated targets for FYs 2015 and 2016 for our key performance measures.

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[1] SSA's calculation of discretionary administrative expenses excludes Treasury Administrative expenses, which are mandatory outlays.

FY 2016 PRESIDENT'S BUDGET REQUEST – FUNDING

The funding table below provides actual dollar figures and workyears expended for FY 2014, our estimated spending for FY 2015 based upon Public Law 113-235, and our FY 2016 budget request.

FY 2016 Funding Table	FY 2014 Actual	FY 2015 Enacted	FY 2016 Request
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE)	$11,697	$11,806	$12,513
Research and Demonstrations	$47	$83	$101
Office of the Inspector General (OIG)	$102	$103	$110
Total Budget Authority[1]	**$11,846**	**$11,992**	**$12,724**
Workyears			
Full-Time Equivalents	60,338	63,698	64,844
Overtime	2,871	2,054	2,305
Lump Sum	254	293	297
Total SSA Workyears	**63,463**	**66,045**	**67,446**
Disability Determination Services (DDS) Workyears	14,187	14,650	14,750
Total SSA/DDS Workyears	**77,650**	**80,695**	**82,196**
OIG Workyears	543	558	563
Total SSA/DDS/OIG Workyears	**78,193**	**81,253**	**82,759**

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

FY 2016 PRESIDENT'S BUDGET REQUEST – PERFORMANCE

The performance table below reports our actual performance for FY 2014, our estimate for what we can achieve in FY 2015 based upon P.L. 113-235, and what we can achieve with our FY 2016 budget request.

FY 2016 Performance Table	FY 2014 Actual	FY 2015 Enacted	FY 2016 Request
Selected Workload Measures			
Retirement and Survivors Claims Completed (thousands)	5,024	5,247	5,434
Initial Disability Claims Completed (thousands)	2,862	2,767	2,773
Disability Reconsiderations Completed (thousands)	757	739	719
Hearings Completed (thousands)	681	727	829
National 800 Number Calls Handled (millions)[1]	37	38	43
Average Speed of Answer (ASA) (seconds)[2]	1,323	700	545
Agent Busy Rate (percent)	14	8	2
Social Security Numbers (SSN) Completed (millions)	16	16	16
Annual Earnings Items Completed (millions)	257	257	258
Social Security Statements Issued (millions)[3]	4	44	44
Selected Outcome Measures			
Initial Disability Claims Receipts (thousands)	2,805	2,755	2,780
Hearings Receipts (thousands)	811	805	813
Initial Disability Claims Pending (thousands)	633	621	628
Disability Reconsiderations Pending (thousands)	170	143	144
Hearings Pending (thousands)	978	1,056	1,039
Average Processing Time for Initial Disability Claims (days)	110	109	107
Average Processing Time for Disability Reconsiderations (days)[4]	108	TBD	TBD
Annual Average Processing Time for Hearings Decisions (days)	422	470	490
Disability Determination Services Production per Workyear	311	313	317
Office of Disability Adjudication and Review Production per Workyear	102	104	106
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(100)	(200)
Selected Program Integrity Performance Measures			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,675	1,890	2,008
Full Medical CDRs (included above, thousands)	526	790	908
Supplemental Security Income (SSI) Non-Medical Redeterminations Completed (thousands)	2,628	2,255	2,622

[1] Beginning in FY 2014 under the new CARE 2020 network structure, performance is tracked using Calls Handled as opposed to Transactions Handled. The legacy network recorded transactions handled within the network, either by agents or automation. In some instances, multiple transactions were completed within one call, making it appear as though we served a larger volume of callers. Calls Handled tracks the individual caller and is more in line with our other National 800 Number service performance metrics which track how long a single caller is on hold or how often they receive a busy signal.

[2] As of October 1, 2014, Scheduled Voice Callbacks (SVC) are included in the calculation for ASA. People who choose to receive a callback do not have to wait on hold for an agent. The system contacts the caller when it is their turn to speak with an agent. The new ASA calculation excludes the virtual wait time for SVC callers but includes the time callers wait to be connected to an agent. In most cases, people receiving a callback wait a very small amount of time to be connected to an agent.

[3] The Social Security Statements Issued measure includes paper statements only; does not include electronic statements issued.

[4] We developed management information for Average Processing Time for Disability Reconsiderations in FY 2013. FY 2014 is the first full fiscal year for which data are available for this measure. We will develop a performance target in FY 2016, after we have had the ability to analyze at least two years of actual data.

OUR EXTRAMURAL RESEARCH BUDGET

In FY 2016, we are requesting $101 million in new budget authority as part of our SSI appropriation to support extramural research projects. These new and ongoing projects will continue to test changes to the disability programs to improve program administration and reduce dependency on our programs. The broad-based SSI, OASI, and DI projects funded in this budget include projects in the areas of disability policy research, employment support programs, retirement policy research, financial literacy and education, and evaluations of proposed or newly enacted legislation.

The FY 2016 budget request continues support for ongoing rigorous evaluations, such as SSA's evaluation of the interagency Promoting Readiness of Minors in SSI (PROMISE) effort. The PROMISE initiative was created to foster improved outcomes for children who receive SSI by facilitating positive changes in health status, physical and emotional development, completion of education and training, and eventually, employment opportunities. PROMISE is an interagency initiative with collaboration between SSA and the Departments of Education, Health and Human Services, and Labor.

The budget also includes continued funding for our Occupational Information System (OIS) project, which will allow us to make more consistent, better-informed disability decisions. We need information about work to make a disability determination, but the types of jobs in the workforce, as well as job requirements, change over time. To support the development of new occupational data, we entered into an Interagency Agreement with Department of Labor's Bureau of Labor Statistics (BLS) and we are working to compile a list of physical and mental cognitive data elements, which will be finalized this year. BLS is also conducting feasibility tests to determine our ability to accurately and reliably capture the occupational data relevant to our disability program needs. In FY 2016, we plan to continue developing this promising approach to prepare for rolling out the OIS.

Early Intervention Demonstrations

Building on the bipartisan support for early intervention in the Consolidated and Further Continuing Appropriations Act, 2015, the FY 2016 President's Budget provides $50 million in discretionary funding for early intervention demonstrations in FY 2016, as well as a legislative proposal for an additional $350 million in mandatory funding for FYs 2017-2020. With this funding, we will, in partnership with other Federal agencies, test innovative strategies to help people with disabilities remain in the workforce. Early intervention measures – such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and incentives and opportunities for states to better coordinate services – have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities. Rigorously evaluated

interventions will help produce a stronger evidence base for potential program innovations and savings.

We are currently designing an intervention to focus on the populations with mental impairments between the ages of 18-50 that may be at risk of ending up on disability benefits. Approximately 2.6 million individuals aged 18-50 with mental impairments (excluding intellectual disabilities) are currently receiving DI or SSI. By providing medical-vocational services prior to benefit receipt in a demonstration, we can test whether such services help individuals with these impairments remain active in the workforce, and perhaps avoid or delay a need for disability benefits. This is just one potentially promising approach and with the additional resources requested in the Budget, we would undertake additional projects to test other approaches, such as ways to help those with jobs keep them after becoming disabled.

PROVIDING TIMELY AND ACCURATE SERVICE

As the face of the Federal Government for many Americans, we want to provide better customer service in-person, on the phone, and online. The funding we received in FYs 2014 and 2015 are helping us accomplish our customer service goals. An increased funding level has also allowed us to restore field office hours nationwide. With the President's Budget, we will be able to continue to make progress in FY 2016 and show real results for the millions of Americans counting on us.

Field Offices

We are fully committed – now and in the future – to maintaining a field office structure that provides in-person service for those customers who need or prefer it. We understand that not everyone is comfortable or able to interact with us in an automated fashion, and we will continue to improve this channel of public service particularly for our most vulnerable citizens.

Many of our new employees hired in FY 2014 are currently finishing their training and will help the agency stabilize wait times that had steadily increased in prior years. In FYs 2015 and 2016, we will be able to maintain our momentum by replacing the frontline employees we lose. We also will be able to open Social Security offices nationwide for an additional hour every weekday except Wednesdays.

To free-up field office employees' time and better serve people who want in-person service, we have redirected most Internet retirement claims to 16 sites called Workload Support Units. These units processed approximately 80 percent of all Internet retirement claims in FY 2014. Additionally, we plan to route Internet disability claims to these units in the near future.

To help customers who live in remote locations and want in-person service, we are increasing our use of Video Service Delivery. Video service continues to provide a secure, reliable, and cost-effective method to serve people in remote locations, who might otherwise have to travel long distances to reach a field office. Furthermore, video service reduces employee travel and the costs associated with that travel. Video service is also an innovative way to help field offices nationwide balance workloads and reduce customer wait times. In FY 2014, we conducted approximately 155,000 video service transactions in our offices and in other locations such as libraries and Native American reservations.

Initial Disability Claims

Our State DDSs have done an incredible job keeping up with incoming disability claims. In fact, the number of disability claims awaiting a decision has decreased steadily since FY 2010, and average processing times remain stable. The DDSs make the labor-intensive medical decisions for both disability claims and CDRs. With more DDS employees in FY 2014, we were able to better balance service and stewardship by increasing the volume of CDRs we completed while maintaining claims work. In FYs 2015 and 2016, we will also be able to balance claims work while continuing to increase CDRs. In addition, we will continue to pursue initiatives that will help us provide fast and accurate service, such as health information technology.

National 800 Number

Our National 800 Number remains a critical part of our service delivery. We recently transitioned our existing National 800 Number to a more modern infrastructure, which will help us improve telephone service to the American public. In FY 2014, we received our one-billionth call as we handled over 37 million calls through our National 800 Number.

During the past three years, our National 800 Number service deteriorated because of fewer teleservice representatives available to answer calls. However, we are hiring again, and we plan to replace all teleservice center losses in FYs 2015 and 2016. As a result, we expect that wait times will decrease from over 22 minutes at the end of February 2014 to less than 10 minutes by the end of FY 2016. In addition, busy signals will decrease from 14 percent at the end of FY 2014 to 2 percent by the end of FY 2016.

Hearings

Several years of extremely high disability appeals receipts, budget constraints, and the inability to hire ALJs as we awaited an ALJ register (a list of high-scoring candidates) from the Office of Personnel Management (OPM), has challenged our ability to keep up with requests for hearings. As a result, the average wait and the number of claimants waiting for a hearing decision are increasing.

To address increasing wait times, the Budget proposes to increase the hiring of ALJs. Our workloads continue to increase as the baby boom generation enters its most disability-prone

years. The average wait time for a disability decision before an ALJ reached a record high of 18.5 months in August 2008. We were able to reduce the wait time down to a ten year low of 12 months in 2011 and 2012, but the wait time has begun to grow again and is anticipated to rise above 16 months in 2015. Currently there are over one million people waiting for a disability appeals hearing decision from an ALJ.

The Budget commits increased resources to hire more ALJs, but resources alone won't be enough. The process for hiring SSA Administrative Law Judges has not operated as efficiently as needed to fill vacancies even when funding is available. Therefore, the Administration is creating a workgroup led by the Administrative Conference of the United States (ACUS) and OPM along with SSA, the Department of Justice (DOJ), and the Office of Management and Budget (OMB) to review the process of hiring ALJs and recommend ways to eliminate roadblocks, which may include proposing administrative reforms or legislative changes.

By hiring more ALJs, we will be able to handle a record number of hearings in FY 2016 and begin to reduce the volume of pending hearings. Unfortunately, we will not be able to start reducing wait times until FY 2017. We will increase the number of hearings completed from 681,000 in FY 2014 to 727,000 in FY 2015, to a record number of 829,000 in FY 2016. With adequate, sustained funding, we plan to eliminate the backlog by FY 2020.

We understand the long wait for a hearing can cause financial hardship for some of our most vulnerable citizens. In some areas, claimants may wait much longer than average. To help address long wait times in certain areas, we recently opened a new National Case Assistance Center in Baltimore. Like its sister office in St. Louis, this office provides decision-writing and case-pulling assistance to hearing offices across the country. Our goal for the National Case Assistance Centers is to provide support to the most backlogged hearing offices by adjusting the level of support based on the need of the hearings offices. These centralized resources allow us to provide extra help where it is needed most and reduce the longest wait times.

Since FY 2005, we have vastly increased the use of videoconferencing technology to hold hearings. Video hearings allow us to move cases to offices that have the capacity to process them faster. They also provide greater scheduling flexibility and reduce the need for claimants and SSA staff to travel long distances to appear at hearings in person, which provides ALJs more time to hear and decide cases. In FY 2014, we held 28 percent of hearings via videoconference. We are expanding video hearing participation to allow more attorneys and non-attorney representatives to install and use their own video equipment to attend hearings from their own offices.

Quality

The nature of our job demands that we balance making timely and high-quality decisions. Ensuring quality means we pay the right person the right amount at the right time. Our goal is to

provide continuous quality improvements through our customer satisfaction surveys, disability quality reviews, payment accuracy reviews, in-line reviews, new systems and technology, and data-driven business process improvements.

We currently have a number of initiatives to increase the quality and consistency of our work:

- In our field offices, our Continuous Quality Area Director Review process uses a web-based tool to complete targeted case reviews of field office workloads. Employees receive direct feedback regarding compliance with policy, which emphasizes the critical importance of quality in onset determinations, and in overpayment development and prevention.

- For our National 800 Number, we are using a customer feedback tool to help identify best practices, determine situational or seasonal issues affecting customer satisfaction (e.g., new legislation, notices), and provide broad insight into customer (dis)satisfaction.

- In the DDSs, we are working to bring consistency to the many distinct systems that support our State DDSs through the national Disability Case Processing System. We are also expanding the electronic claims analysis tool known as eCAT. Currently, eCAT assists disability examiners in documenting both initial and reconsideration decisions in accordance with agency policy.

- In our hearings offices, we continue to expand the information available to employees in our analytical tool called "How MI Doing?" (HMID), which provides real-time management information on the quantity and quality of the employees' work relative to the rest of their office, their region, and the nation. The information is available to individual employees as well as to their managers. HMID also provides adjudicators and decision-writers information about Appeals Council remands and links to training modules related to the reason(s) for the remand. Continuous and timely feedback through this tool is contingent on sufficient resources for the Appeals Council. We also are expanding ALJ use of the Electronic Bench Book, which helps ensure policy-compliant and consistent decisions.

- The Division of Quality within the Appeals Council reviews a statistically valid random sample of hearing decisions before we pay benefits to help ensure quality in the hearings process and to provide data for improved training and feedback to disability decision-makers. In addition, at the end of FY 2014, the Appeals Council began selectively sampling cases for quality review based on the most error-prone policy areas.

MODERNIZING OUR SERVICE DELIVERY

With advances in information and communications technologies, it is imperative that we keep pace with customer expectations and apply technologies that will enable us to provide service and conduct business more efficiently and effectively. Our strategic plan provides a blueprint for enhancing service delivery, and the service modernization initiatives outlined below support, address, and align with our strategic goals.

Expanding Our Online Services

In FY 2014, we received over half of all Social Security retirement and disability applications online, and the percentage of people who choose to file online continues to grow. By providing increased access to online service options for customers who want them, we can free-up field office employees' time to work on tasks that are more complex and help customers who request direct service.

We are currently developing an Internet SSN Replacement Card application, enhancing our iAppeals application, moving our replacement 1099 and Medicare Card services to be accessible through *my* Social Security, and working to provide our SSI customers with online options. We also are developing the capability for *my* Social Security users to download data from their Social Security Statement to share with financial planners, which will assist in financial and retirement planning. In addition, we plan to expand the *my* Social Security portal to include online notice delivery and to ultimately offer the choice to opt out of paper notices.

We are proactively educating the public about our current online services, and we will promote these new services as they become available.

Enhancing Our Communication Tools

Now that many of our customers are choosing our online options, we need to be able to assist them online if they have a question or concern, rather than change their method of service. We plan to develop a unified communications center model to help us interact with online customers through alerts, secure e-mail, texts, and online notices. The improved access to immediate services should reduce the time to provide decisions, resulting in better and more efficient service.

We plan to develop Dynamic Frequently asked Questions, click-to-callback, click-to-video, and screen share capabilities within the *my* Social Security portal. Click-to-callback will be available within, and outside of, *my* Social Security. By enabling a customer to click a button from their computer and connect with our employees, we can provide more direct, convenient and efficient service to the public. We will develop all of these services based on an agile iterative software development methodology to minimize risk. This iterative approach will allow us to

incrementally develop these capabilities and allow us to measure the business outcomes along the way.

Testing SSA Express Customer Service Stations

Our customers have been asking for more opportunities for self-service. Customer service stations located in community locations such as libraries and senior centers could support one-stop online access to multiple government services, leverage partnerships with community groups and other government agencies, and improve service delivery for certain customer communities. We currently are engaged in a proof of concept with seven customer service stations. If we determine that the concept is feasible, we will propose moving to a pilot phase to determine scalability and evaluate factors such as return-on-investment, optimal procurement method(s), and customer satisfaction.

Fraud Prevention for *my* Social Security

Our actions to counter criminal attempts against our online services kept the fraud rate for the *my* Social Security customer portal below 1 percent in FY 2014. We will continue with our multi-layered fraud prevention strategy to proactively detect and deter fraudulent activity, as well as provide mitigation. While identifying more criminal fraud attempts will result in increased workloads to analyze and remediate fraud, we expect to reduce fraud and improper payments as a result. These efforts will save program dollars and ensure that Americans feel secure in using our online services.

Digital Services Team

The success rate of government digital services is improved when agencies have digital service experts on staff with modern design, software engineering, and product management skills. To ensure we can effectively build and deliver important digital services, the Budget includes funding for staffing costs to build a Digital Services Team that will focus on transforming our digital services with the greatest impact to citizens and businesses so they are easier to use and more cost-effective to build and maintain.

These digital service experts will bring private sector best practices in the disciplines of design, software engineering, and product management to bear on the agency's most important services. The positions will be term-limited, to encourage a continuous influx of up-to-date design and technology skills into the agency. The digital service experts will be recruited from among America's leading technology enterprises and startups, and will join with the agency's top technical and policy leaders to deliver meaningful and lasting improvements to the services the agency provides to citizens and businesses.

STRENGTHENING THE INTEGRITY OF OUR PROGRAMS

Each year, we issue hundreds of billions of dollars in benefit payments to about 65 million people. Given the scope of our programs, even a very small percentage of error can amount to millions of dollars of improper payments. Our key stewardship objectives are to minimize improper payments and increase overpayment recoveries in addition to aggressively pursuing initiatives to combat fraud.

Program Integrity Work

Our CDRs and SSI redeterminations ensure that beneficiaries continue to meet the eligibility requirements to receive payments from the trust funds. These reviews save billions of program dollars with only a comparatively small investment of administrative funds. Current estimates indicate that CDRs conducted in FY 2016 will yield a return on investment (ROI) of about $9 on average in net Federal program savings over ten years per $1 budgeted for dedicated program integrity funding, including Old-Age, Survivors, and Disability Insurance (OASDI), SSI, Medicare and Medicaid program effects. Similarly, SSA estimates indicate that non-medical redeterminations conducted in 2016 will yield a ROI of about $4 on average of net Federal program savings over ten years per $1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects. As in prior years, the ROI for CDRs is calculated based on the direct costs of processing CDRs. The Budget proposes funding only the direct costs of CDRs in 2016 and beyond.

In FY 2015, we will complete 790,000 CDRs and 2.255 million SSI redeterminations. With the President's Budget in FY 2016, we will complete 908,000 CDRs and 2.622 million SSI redeterminations.

Because the cap adjustment was fully funded for 2015, the base SSA program integrity funding ($273 million) and the SSA cap adjustment ($1,166 million) are proposed to be funded through discretionary appropriations in 2016. However, once that transition year has passed, to maximize the potential savings, the Budget proposes to repeal the discretionary cap adjustments enacted in the Balanced Budget and Emergency Deficit Control Act, as amended by the Budget Control Act (BCA), for SSA beginning in FY 2017 and instead provide a dedicated, dependable source of mandatory funding for SSA to conduct CDRs and SSI redeterminations. The proposal includes the creation of a new limitation account entitled Program Integrity Administrative Expenses, which will reflect mandatory funding for SSA's program integrity activities.

The dedicated dependable source of mandatory funding beginning in FY 2017 will achieve the savings envisioned by the BCA in place of the BCA discretionary cap adjustment. The requested funding should eliminate SSA's backlog of around 900,000 CDRs by the end of 2019 and prevent a new backlog from developing during the budget window.

Other Stewardship Activities

We continue to have an aggressive anti-fraud strategy. We are centralizing anti-fraud predictive analytics, supporting the Inspector General's efforts to investigate fraud, developing consistent anti-fraud policies and processes, formulating new anti-fraud initiatives, and aligning anti-fraud efforts with industry standards. Beginning in 2015, our new Office of Anti-Fraud Programs will provide centralized oversight of and accountability for the agency's many anti-fraud activities. Our National Anti-Fraud Committee will provide guidance to this office.

Our efforts include continuing to bolster our CDI program. CDI units are highly successful at detecting fraud *before* we make a disability decision. The CDI program links our Office of the Inspector General and local law enforcement with Federal and state workers who handle disability cases. In FY 2014, CDI efforts nationwide generated estimated savings of $337 million to our disability programs and over $252 million to other programs, such as Medicare and Medicaid; and we were able to open two new units. At the end of FY 2014, the program consisted of 27 units covering 23 states and the Commonwealth of Puerto Rico. We plan to open five new units in FY 2015 and five new units in FY 2016.

We also plan to improve our representative payee program. We issue benefit payments to nearly six million representative payees on behalf of beneficiaries who cannot manage their own benefits. It is our job to ensure appropriate representative payees are appointed for our beneficiaries and that the funds they receive are not misused. We are refining our monitoring program to identify and target potential areas of concern for in-depth review. One of the ways we monitor fiduciary performance of certain payees is through periodic onsite reviews, which protect beneficiaries from misuse of benefits and ensure these payees carry out their responsibilities in compliance with our policies. Our current efforts are focused on modernizing our monitoring program, including working with outside entities to make it more efficient and strategic. We are contracting with the Institute of Medicine to help us identify ways we can streamline our process for determining whether a beneficiary needs a payee. We also are partnering with other agencies with similar programs to determine the potential for collaboration on representative payee activities.

The President's Budget will also fund our ongoing efforts to:

- Support our new centralized fraud prevention units, which comprises disability examiners dedicated to reviewing and analyzing fraud cases;
- Support our Special Assistant United States Attorney (SAUSA) fraud prosecutors who prosecute fraud cases that would not otherwise be prosecuted in Federal court;
- Explore data analytics to detect and prevent disability fraud by determining common characteristics and patterns of fraud;
- Improve death data processing by working to centralize and capture all death information in one system to prevent erroneous payments;

- Reduce improper payments through Access to Financial Institutions, which is an electronic process that verifies bank account balances with financial institutions for purposes of determining SSI eligibility; and
- Engage in comprehensive training on fraud prevention and detection, including identifying common fraud scenarios, including "middleman fraud," such as what allegedly occurred in Puerto Rico and New York City.

CONCLUSION

Our employees deliver results that benefit America. We are pleased that with the additional funding we received in FY 2014, we made progress in a short amount of time. We were able to hire thousands of new front-line employees, create a new National Case Assistance Center to help address the backlog of disability appeals hearings, significantly increase our program integrity work, and move forward with a variety of anti-fraud initiatives that will protect our beneficiaries and the American taxpayer.

With full funding of the FY 2016 President's Budget, we will be able to complete a record number of hearings, begin to bring down the number of hearings pending, and position ourselves to reduce the hearings backlog in FY 2017. We also will improve our field office and National 800 Number service, handle a record number of retirement claims, and continue to process high volumes of disability claims while reducing the backlog of CDRs. Finally, we will be able to continue to make the right investments in efforts to combat fraud, waste, and abuse; help us improve quality; and modernize our service delivery.

Millions of Americans depend on us to handle their cases in a timely and accurate manner. It is important to note that each action we take affects a person's life, whether it is paying benefits or preventing overpayments. Sustained and adequate funding will help us meet our challenges and provide the service the American public expects and deserves.

APPENDIX A

FY 2016 Legislative Proposals - Summaries

Benefit Improvements

1. **Social Security Benefits for Same-Sex Married Couples.** The Social Security Administration (SSA) is required by the Social Security Act to confer marriage-related benefits based on the law of the state in which the couple is domiciled. This prevents SSA from paying benefits to same-sex couples who were legally married in one state but are domiciled in another state that does not recognize same-sex marriage. This proposal amends the Defense of Marriage Act by requiring SSA (and any other agency that administers a program in which marital status is a factor) to consider an individual as married if the marriage is valid in the state where that marriage occurred.

2. **Extend SSI Time Limits for Qualified Refugees.** Refugees and certain other humanitarian immigrants who are disabled or elderly are potentially eligible for Supplemental Security Income (SSI) benefits for up to seven years from the date they attained their immigration status, and without time limit if they become naturalized. Congress acknowledged that humanitarian immigrants may be unable to attain citizenship within the seven-year period of SSI eligibility, even if they apply for naturalization as soon as they are eligible. Accordingly, Congress temporarily extended the time-limited SSI eligibility period from 7 years to 9 years for fiscal years (FY) 2009-2011. However, effective October 2011, the SSI eligibility period for refugees and other humanitarian immigrants reverted to seven years. This proposal would underscore the nation's commitment to refugees, asylees, and other humanitarian immigrants—who come to America with very little and frequently have nowhere else to go—by again extending the time limit from 7 to 9 years during FYs 2016 and 2017.

Preventing Improper Payments

3. **Program Integrity.** Current law provides for additional budget authority in appropriations dedicated for SSA's use in completing continuing disability reviews (CDRs) and SSI redeterminations through FY 2021. However, annual appropriations bills have not provided the full amount of funding for these activities. CDRs and SSI redeterminations are highly effective at detecting improper payments and provide an excellent return on the taxpayers' investment—specifically, CDRs conducted in FY 2016 will yield net Federal program savings over the next 10 years of roughly $9 on average per $1 budgeted for dedicated program integrity funding, including Old-Age, Survivors, and Disability Insurance (OASDI), SSI, Medicare and Medicaid program effects. SSI redeterminations conducted in FY 2016 will yield a ROI of about $4 on average of net

Federal program savings over ten years per $1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects. This proposal would repeal the discretionary cap adjustments enacted in the Balanced Budget and Emergency Deficit Control Act, as amended by the Budget Control Act, for SSA beginning in FY 2017 and instead provide a dedicated and dependable source of mandatory funding for these program integrity activities.

4. **Allow SSA to Use Commercial Databases to Verify Wages in the SSI Program.** The SSI program is means-tested, and the correct benefit amount can vary monthly based on changes in a beneficiary's income, such as wages. SSI recipients are required to report changes in a timely manner, but some do not, which results in improper payments. This proposal would reduce improper payments and lessen the recipients' reporting burden by authorizing SSA to conduct data matches with private commercial databases and use that information to automatically increase or decrease benefits accordingly, after proper notification. New beneficiaries would be required to consent to allow SSA to access these databases as a condition of benefit receipt. All other current due process and appeal rights would be preserved.

5. **Expand Authority to Require Authorization to Verify Financial Information for Overpayment Waiver Requests.** SSA uses an automated process to verify the financial institution accounts of SSI recipients to improve payment accuracy. SSA has the authority to require applicants and beneficiaries to authorize the agency to get this information in connection with determining SSI eligibility. However, SSA cannot use this process for other determinations that involve consideration of financial institution account information. One such determination occurs when a beneficiary requests a waiver of recovery of an overpayment (whether an OASDI overpayment or an SSI one) or a change in the rate at which SSA withholds funds from a beneficiary's payment to collect a prior overpayment. Determining whether someone qualifies for a waiver or a different rate of recovery can involve determining whether the person has the financial means to repay. This proposal would require OASDI recipients seeking overpayment waivers to grant SSA authority to certify financial information and thereby improve the accuracy of waivers. Currently, there is no automated method for verifying financial assets for overpayment waiver claims.

6. **Hold Fraud Facilitators Liable for Overpayments.** In a few recent cases of fraud against SSA's disability programs, third parties, such as appointed representatives and doctors, facilitated fraudulent applications for benefits by submitting false statements or evidence purporting to show that the individuals were disabled, when in fact they were not disabled. Under current law, such facilitators may be subject to criminal prosecution and penalties, but they are not required to repay the benefits improperly paid to the person who was not eligible for them. This proposal would hold fraud facilitators liable

for overpayments by allowing SSA to recover the overpayment from a third party with interest if the third party was responsible for making fraudulent statements or providing false evidence that allowed the beneficiary to receive payments that should not have been paid. Furthermore, a facilitator would be ineligible for a waiver of recovery of such an overpayment.

7. **Government-Wide Use of Customs and Border Patrol Entry and Exit Data to Prevent Improper Payments.** U.S. Customs and Border Protection (CBP) maintains data on when individuals enter and exit the United States. This entry and exit information may be useful in preventing improper payments in Federal programs that require U.S. residency in order to receive benefits. This proposal would provide for the use of CBP Entry/Exit data to prevent improper payments.

8. **Use the Death Master File to Prevent Federal Improper Payments.** SSA receives about 2.5 million reports of death each year from many sources, such as family members, funeral homes, financial institutions, and the states. SSA is authorized to share all of the death information it maintains with Federal and state agencies that administer federally-funded benefits, state agencies administering state-funded programs, and Federal and state agencies using the information for statistical and research activities. Currently, Do Not Pay instead receives a smaller file, which excludes state death information. This proposal would increase the amount of death information available to Federal agencies for use in preventing improper payments by authorizing SSA to share all of the death information it maintains with Do Not Pay.

Improve Efficiency

9. **Improve Collection of Pension Information from States and Localities.** Current law requires SSA to reduce OASDI benefits when someone also receives a pension based on work that was not covered by Social Security. SSA currently has a matching agreement with the Office of Personnel Management (OPM) to obtain information on Federal government retirees who receive a pension from work not covered by Social Security. However, SSA generally lacks a way to receive similar information from state and local governments. As a result, many of these pensions go unreported, leading to improper payments. This proposal would require state and local government pension payers to report information on pensions paid for non-covered work to SSA through an automated data exchange.

10. **Establish Workers' Compensation Information Reporting.** Current law requires SSA to reduce an individual's Disability Insurance (DI) benefit if he or she receives workers' compensation (WC) or public disability benefits (PDB). SSA currently relies upon beneficiaries to report when they receive these benefits. This proposal would improve program integrity by requiring states, local governments, and private insurers that

administer WC and PDB to provide this information to SSA. Furthermore, this proposal would provide for the development and implementation of a system to collect such information from states, local governments, and insurers.

11. **Lower Electronic Wage Reporting Threshold to Five Employees.** SSA processes W-2 forms for Treasury. Currently, Treasury requires businesses that file 250 or more W-2s per calendar year to file electronically. This proposal would modify the Internal Revenue Code so that Treasury can require businesses that employ five or more employees to file electronically. This change would be phased-in over three years and would increase the efficiency and accuracy of this process, because electronic returns are completed more rapidly and are generally more accurate than scanned or keyed returns.

12. **Move from Annual to Quarterly Wage Reporting.** Employers report wages annually to SSA. However, from 1939 through 1977, SSA received wage reports on a quarterly basis. Increasing the frequency of wage reporting could enhance tax administration. More frequent reporting would also facilitate implementation of automated enrollment of employees in existing workplace pensions and be the foundation for the creation of a system of automatic workplace retirement accounts for workers who do not currently have access to a retirement plan. Furthermore, more frequent reporting may improve program integrity by providing timelier wage data for use by Federal, income-tested programs. This proposal would restructure the Federal wage reporting process by requiring employers to report wages on a quarterly[1] basis.

Program Improvements

13. **Conform Treatment of State and Local Government Earned Income Tax Credits and Child Tax Credits for SSI.** When determining someone's eligibility for, and benefit amounts under, the SSI program, SSA excludes Federal earned income tax credits (EITC) and child tax credits (CTC). However, the law requires SSA to count state EITCs and CTCs for SSI purposes. This proposal would simplify administration of the SSI program by excluding state EITCs and CTCs, in the manner in which similar, Federal tax payments are excluded.

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[1] This proposal would have no effect on the reporting of self-employment income.

14. **Allow SSA to Electronically Certify Certain Railroad Retirement Board Payments**.
    For certain retired railroad workers, SSA computes the amount of SSA benefits the
    person should receive and sends that information to the Railroad Retirement Board
    (RRB), who actually pays the benefit. For most types of railroad workers and their
    family, SSA uses an automated process to certify electronically the payment amount to
    the RRB. However, SSA is not authorized to electronically certify certain categories of
    railroad workers, and must use a cumbersome manual process instead. This proposal
    would improve the efficiency and accuracy of the certification process by authorizing
    SSA to electronically certify the benefits of divorced spouses, to the RRB.

15. **Offset DI Benefits for Concurrent Receipt of Unemployment Insurance Benefits.**
    This proposal would eliminate dual benefit payments covering the same period a
    beneficiary is receiving state or Federal unemployment compensation, reducing
    duplicative spending in government programs.

16. **Reconcile Office of Personnel Management and Social Security Retroactive
    Disability Payments.** OPM must reduce disability payments made to Federal
    Employee Retirement System (FERS) annuitants who receive DI benefits. In many
    cases, OPM pays the FERS disability benefit before SSA decides whether the person
    is eligible for DI benefits. This results in FERS overpayments. This proposal would
    reduce these improper payments by further automating the coordination between SSA
    and OPM.

17. **Eliminate Aggressive SSA Benefits Claiming Strategies.** Individuals under full
    retirement age (FRA) who file for benefits on their own record or on the record of their
    spouse are deemed to file for either their own benefit or the spouse's benefit, as well.
    However, deemed filing does not apply to individuals over FRA (currently age 66) –
    these individuals can choose to apply for benefits only as a spouse, thus allowing the
    person to earn delayed retirement credits (DRC) on their own record.

    The Social Security Act includes another provision that allows a worker to opt to file for
    benefits based on his or her own work, then voluntarily suspend them, allowing the
    individual to accrue DRCs. In either case, DRCs can increase benefits by 8 percent for
    each year up to age 70. Some individuals—primarily those with higher incomes—
    manipulate these provisions to maximize DRCs by claiming and suspending benefits, or
    by filing for a lower benefit as a spouse, while allowing the higher benefit to increase due
    to DRCs. This proposal would eliminate such opportunities, resulting in equitable
    treatment of all individuals, regardless of income.

18. **Address Reserve Depletion of the DI Trust Fund.** To address reserve depletion of the DI Trust Fund, the Budget proposes a five-year reallocation of payroll taxes from the Old-Age and Survivors Insurance (OASI) trust fund to the DI trust fund. This policy would be in effect from January 1, 2016 through December 31, 2020, and will increase the payroll tax allocated to DI by 0.9 percentage points (with a corresponding decrease in OASI). At various points over the course of Social Security's history, Congress has passed reallocation legislation as the need arose for reallocating revenue from DI to OASI, and vice versa. This proposed reallocation will have no effect on the overall health of the OASI and DI trust funds on a combined basis.

Technical Changes

19. **Terminate Step Child Benefits in the Same Month as His or Her Parent.** A parent and stepchild may receive benefits on the record of a worker, but if the marriage terminates by divorce, they are no longer eligible for benefits. When a stepchild's parent is divorced, spousal benefits terminate in the month before the month of the final divorce. However, benefits for the stepchild terminate one month later, in the month of the final divorce. This proposal would fix this discrepancy by ending benefits for the stepchild in the same month as the parent, in the month before the final divorce.

20. **Clarify Penalties and Prohibitions for Misleading Internet Advertising.** Current law prohibits the use of certain words and symbols that, misleadingly, give the impression that SSA is connected to or has approved the communication. Violation of this prohibition is subject to certain penalties. However, it is unclear whether this prohibition applies to communications distributed or disseminated solely over the Internet. This proposal would clarify that such communication is prohibited, thereby protecting the public from misleading and potentially harmful communication.

Administrative Improvements

21. **Reauthorize and Expand Demonstration Authority for DI and SSI.** There are many options under discussion around specific program change to amend SSA's disability programs. Moreover, in most cases, there is not enough evidence to determine whether a proposed program change would do more harm than good. Demonstration projects are the best vehicles for identifying promising program changes and measuring their effects on existing and potential disability beneficiaries. However, SSA's authority to initiate DI demonstration projects expired in December 2005, and the agency has not initiated any new DI projects since then. Early intervention measures, such as supportive employment services for individuals with mental impairments; targeted incentives for employers to help workers with disabilities remain on the job; and opportunities for states to better coordinate services—have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities and gather evidence on which to base

future program improvements. Our efforts for early intervention received bipartisan support of $35 million in the Consolidated and Further Continuing Appropriations Act, 2015. This proposal would provide SSA and partner agencies $50 million in discretionary funding for early intervention demonstrations in FY 2016, as well as $350 million for mandatory funding in FYs 2017-2020, to test innovative strategies to help people with disabilities remain in the workforce.

SOCIAL SECURITY ADMINISTRATION

FY 2016 PRESIDENT'S BUDGET
Key Tables

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

FY 2016	FTE	Amount
Payments to Social Security Trust Funds		$ 20,400,000
Supplemental Security Income Program		
FY 2016 Request		$ 46,422,000,000[1]
FY 2017 First Quarter Advance		$ 14,500,000,000
Limitation on Administrative Expenses	64,844	$ 12,513,000,000[2]
Office of the Inspector General	560	$ 109,795,000

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[1] Excludes $19,200,000,000, previously appropriated as a first quarter advance for FY 2016.
[2] Includes $136,000,000 for SSI State Supplementary user fees and up to $1,000,000 for non-attorney user fees.

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

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	Change FY 15/FY 16
Budget Authority				
Base Limitation on Administrative Expenses (LAE)	$ 10,328	$ 10,285	$ 10,937	$ 652
Program Integrity Base Level	$ 273	$ 273	$ 273	$ 0
Program Integrity Cap Adjustment	$ 924	$ 1,123	$ 1,166	$ 43
User Fees [2]	$ 172	$ 125	$ 137	$ 12
Subtotal, LAE Appropriation	**$ 11,697**	**$ 11,806**	**$ 12,513**	**$ 707**
Percent change from FY 2015				6.0%
Research	$ 47	$ 83	$ 101	$ 18
Office of the Inspector General (OIG)	$ 102	$ 103	$ 110	$ 6
Subtotal, Budget Authority	**$ 11,846**	**$ 11,992**	**$ 12,724**	**$ 732**
Percent change from FY 2015				6.1%
Other Planned Obligations				
No-year Information Technology	$ 268	$ 255	$ 200	-$ 55
MIPPA – Low-Income Subsidy (LIS)	$ 0	$ 6	$ 6	$ 0
Recovery Act [3]				
Workload Processing	$ 0	$ 0	$ 0	$ 0
Economic Recovery Payments – Admin	$ 0	$0	$ 0	$ 0
National Computer Center Replacement	$ 70	$ 55	$ 20	-$ 36
OIG Oversight	$ 0	$ 0	$ 0	$ 0
Subtotal, Other Planned Obligations	**$ 338**	**$ 316**	**$ 226**	**-$ 91**
TOTAL BUDGET AUTHORITY AND PLANNED OBLIGATIONS	**$ 12,183**	**$ 12,309**	**$ 12,949**	**$ 641**

[1] Totals may not equal sums of component parts due to rounding.
[2] Includes SSI user fees and Social Security Protection Act user fees.
[3] Funds provided in the American Recovery and Reinvestment Act of 2009 (Recovery Act) (P.L. 111-5).

Table i.3 – SSA Full Time Equivalents and Workyears

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	Change FY 15/FY 16
SSA Full Time Equivalents	60,338	63,698	64,844	1,146
SSA Overtime/Lump Sum Leave	3,125	2,347	2,602	255
Subtotal, SSA Workyears	**63,463**	**66,045**	**67,446**	**1,401**
Disability Determination Services (DDS) Workyears	14,187	14,650	14,750	100
Subtotal, SSA and DDS Workyears	**77,650**	**80,695**	**82,196**	**1,501**
OIG Full Time Equivalents	539	555	560	5
OIG Overtime/Lump Sum Leave	4	3	3	0
Subtotal, OIG Workyears	**543**	**558**	**563**	**5**
TOTAL SSA/DDS/OIG WORKYEARS	**78,193**	**81,253**	**82,759**	**1,506**

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

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	Change FY 15/FY 16
Trust Fund Programs				
Old-Age and Survivors Insurance (OASI)	$ 705,928	$ 747,919	$ 792,431[1]	$ 44,512
Disability Insurance (DI)	$ 144,640	$ 148,470	$ 151,925	$ 3,455
Subtotal, Trust Fund Programs	**$ 850,568**	**$ 896,389**	**$ 944,356**	**$ 47,967**
Proposed OASDI Legislation:				
Same Sex Marriage	$ 0	$ 1	$ 5	$ 4
Financial Account Verifications	$ 0	$ 0	-$ 5	-$ 5
Subtotal, Proposed OASDI Legislation	**$ 0**	**$ 1**	**$ 0**	**-$ 1**
General Fund Programs				
Supplemental Security Income (SSI)	$ 57,860	$ 60,151	$ 65,903	$ 5,752
Special Benefits for Certain World War II Veterans	$ 4	$ 5	$ 4	-$ 1
Recovery Act: National Support Center	$ 141	$ 67	$ 43	-$ 24
Subtotal, General Fund Programs	**$ 58,005**	**$ 60,223**	**$ 65,950**	**$ 5,727**
Proposed General Fund Legislation:				
SSI Refugee Extension	$ 0	$ 0	$ 42	$ 42
WEP/GPO Enforcement	$ 0	$ 0	$ 70	$ 70
W/C Enforcement	$ 0	$ 0	$ 10	$10
Federal Wage Reporting	$ 0	$ 0	$ 140	$ 140
FERS-DI	$ 0	$ 0	$ 6	$ 6
Subtotal, Proposed General Fund Legislation	**$ 0**	**$0**	**$ 268**	**$ 268**
TOTAL SSA Outlays, Current Law	**$908,573**	**$ 956,612**	**$ 1,010,306**	**$ 53,693**
Percent change from FY 2014				5.6%
TOTAL SSA Outlays, Proposed Law	**$0**	**$ 1**	**$ 268**	**$ 267**
TOTAL SSA Outlays, Current & Proposed Law	**$ 908,573**	**$ 956,613**	**$ 1,010,574**	**$ 53,961**

[1] The appendix shows OASI FY 2016 Estimate as $792,436M. The correct amount is $792,431M.

Table i.5 – Current Law- Old Age, Survivors and Disability Insurance Outlays and Income
(in millions)

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	Change FY 15/FY 16
Outlays				
OASI Benefits	$ 698,235	$ 740,496	$ 784,734	$ 44,238
DI Benefits	$ 141,291	$ 144,972	$ 148,244	$ 3,272
Other[1]	$11,042	$ 10,921	$ 11,378	$ 457
TOTAL OUTLAYS, Current Law	**$ 850,568**	**$ 896,389**	**$ 944,356**	**$ 47,967**
Income				
OASI	$ 763,339	$ 791,408	$ 820,144	$ 28,736
DI	$114,193	$ 117,322	$ 121,323	$ 4,001
TOTAL INCOME, Current Law	**$ 877,532**	**$ 908,730**	**$ 941,467**	**$ 32,737**

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

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

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	Change FY 15/FY 16
Average Number of Beneficiaries				
OASI	47,270	48,822	50,443	1,621
DI	10,969	11,020	11,068	48
TOTAL BENEFICIARIES	**58,239**	**59,842**	**61,511**	**1,669**
Average Monthly Benefit				
Retired Worker	$ 1,292	$ 1,327	$ 1,358	$ 31
Disabled Worker	$ 1,141	$ 1,161	$ 1,179	$ 18
Projected COLA Payable in January	1.5%	1.7%	1.3%	-0.4%

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

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	Change FY 15/FY 16
Federal Benefits[2]	$ 53,891	$ 55,374	$ 60,683	$ 5,309
Other[3]	$ 3,917	$ 4,781	$ 5,000	$ 219
Subtotal, Federal Outlays[4]	**$ 57,808**	**$ 60,155**	**$ 65,683**	**$ 5,528**
State Supplementary Benefits	$ 3,280	$ 2,705	$ 2,975	$ 270
State Supplementary Reimbursements	-$ 3,227	-$ 2,709	-$ 2,755	-$ 46
Subtotal, Net State Supplementary Payments[5]	**$ 53**	**-$ 4**	**$ 220**	**$ 224**
TOTAL OUTLAYS, Current Law	**$ 57,860**	**$ 60,151**	**$ 65,903**	**$ 5,752**

[1] Totals may not equal sums of component parts due to rounding.
[2] There are 12 payments per year in FY 2014 and FY 2015. There are 13 payments in FY 2016.
[3] "Other" includes beneficiary services, research, and administrative costs.
[4] Subtotal, Federal Outlays includes $3M for Special Immigrant Visa.
[5] States must reimburse SSA in advance for State Supplementary Payments. There will always be 12 state reimbursements in each fiscal year, but there can be 11, 12, or 13 benefit payments per fiscal year because a monthly payment is advanced into the end of the previous month anytime the due date falls on a weekend or holiday. Hence, the "Net State Supplementary Payment" numbers vary from year-to-year depending on the timing of the October benefit payments at the beginning and end of each fiscal year.

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

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	Change FY 15/FY 16
Average Number of SSI Recipients				
Federal Recipients				
Aged	1,094	1,098	1,104	6
Blind or Disabled	7,076	7,121	7,132	11
SUBTOTAL, FEDERAL RECIPIENTS	**8,171**	**8,220**	**8,236**	**16**
State Supplement Recipients (with no Federal SSI payment)	217	178	181	3
TOTAL SSI RECIPIENTS, Current Law	**8,388**	**8,398**	**8,417**	**19**
SSI Recipients Concurrently Receiving OASDI Benefits (included above)	2,605	2,620	2,626	6
Average Monthly Benefit				
Aged	$ 383	$ 391	$ 399	$ 8
Blind and Disabled	$ 568	$ 580	$ 590	$ 10
AVERAGE, All SSI Recipients	**$ 543**	**$ 554**	**$ 565**	**$ 11**
Projected COLA Payable in January	1.5%	1.7%	1.3%	-0.4%

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

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

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	Change FY 15/FY 16
Federal Benefits	$ 4	$ 4	$ 3	-$ 1
Administration	$ 0[1]	$ 1	$ 1	$ 0
TOTAL OUTLAYS	**$ 4**	**$ 5**	**$ 4**	**-$ 1**
Average Number of Beneficiaries (in thousands)	1	1	1	0
Average Monthly Benefit	$ 323	$ 404	$ 409	$ 5

[1] *Less than $500,000.*

Table i.10 – Administrative Outlays as a Percent of
Trust Fund Income and Benefit Payments - FY 2016

	Percent of Income	Percent of Benefit Payments
OASI	0.3%	0.4%
DI	2.5%	2.1%
OASDI (combined)	0.6%	0.6%
SSI (Federal and State)	N/A	7.8%
TOTAL SSA [1]		1.3%

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

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

	CY 2014	CY 2015	CY 2016	Change CY 15/CY 16
Employer/Employee Rates (each)				
OASDI (Social Security)	6.20%	6.20%	6.20%	0.0%
Hospital Insurance (HI) (Medicare)	1.45%	1.45%	1.45%	0.0%
EMPLOYEE TOTAL	**7.65%**	**7.65%**	**7.65%**	**0.0%**
Self-Employment Rates				
OASDI (Social Security)	12.40%	12.40%	12.40%	0.0%
HI (Medicare)	2.90%	2.90%	2.90%	0.0%
TOTAL	**15.30%**	**15.30%**	**15.30%**	**0.0%**
Cost of Living Adjustments (COLAs)				
January	1.5%	1.7%	1.3%[1]	-0.4%
Contribution and Benefit Base				
OASDI	$ 117,000	$ 118,500	$ 122,700[1]	$ 4,200
HI	(no cap)	(no cap)	(no cap)	
Annual Retirement Test				
Year Individual Reaches Full Retirement Age	$ 41,400	$ 41,880	$ 43,320[1]	$1,440
Under Full Retirement Age	$ 15,480	$ 15,720	$ 16,320[1]	$ 600
Wages Required for a Quarter of Coverage	$ 1,200	$ 1,220	$ 1,260[1]	$ 40

[1] Estimate.

Table i.12 – Selected Performance Measures

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Request
Selected Workload Measures			
Retirement and Survivors Claims Completed (thousands)	5,024	5,247	5,434
Initial Disability Claims Completed (thousands)	2,862	2,767	2,773
Disability Reconsiderations Completed (thousands)	757	739	719
Hearings Completed (thousands)	681	727	829
National 800 Number Calls Handled (millions)[1]	37	38	43
Average Speed of Answer (ASA) (seconds)[2]	1,323	700	545
Agent Busy Rate (ABR)	14%	8%	2%
Social Security Numbers Completed (millions)	16	16	16
Annual Earnings Items Completed (millions)	257	257	258
Social Security Statements Issued (millions)[3]	4	44	44
Selected Outcome Measures			
Initial Disability Claims Receipts (thousands)	2,805	2,755	2,780
Hearings Receipts (thousands)	811	805	813
Initial Disability Claims Pending (thousands)	633	621	628
Disability Reconsiderations Pending (thousands)	170	143	144
Hearings Pending (thousands)	978	1,056	1,039
Average Processing Time for Initial Disability Claims (days)	110	109	107
Average Processing Time for Disability Reconsiderations (days)[4]	108	TBD	TBD
Annual Average Processing Time for Hearings Decisions (days)	422	470	490
Disability Determination Services Production per Workyear	311	313	317
Office of Disability Adjudication and Review Production per Workyear	102	104	106
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(100)	(200)
Selected Program Integrity Performance Measures			
Periodic Continuing Disability Reviews (CDRs) Completed (thousands)	1,675	1,890	2,008
Full Medical CDRs (included above, thousands)	526	790	908
Supplemental Security Income Non-Disability Redeterminations Completed (thousands)	2,628	2,255	2,622

[1] Beginning in FY 2014 under the new CARE 2020 network structure, performance is tracked using Calls Handled as opposed to Transactions Handled. The legacy network recorded transactions handled within the network, either by agents or through an automated process. In some instances, multiple transactions were completed within one call, making it appear as though we served a larger volume of callers. Calls Handled tracks the individual caller and is more in line with our other National 800 Number service performance metrics which track how long a single caller is on hold or how often they receive a busy signal.

[2] As of October 1, 2014, Scheduled Voice Callbacks (SVC) are included in the calculation for Average Speed of Answer (ASA). People who choose to receive a callback do not have to wait on hold for an agent. The system contacts the caller when it is their turn to speak with an agent. The new ASA calculation excludes the virtual wait time for SVC callers but will include the time callers wait to be connected to an agent. In most cases, people receiving a callback wait a very small amount of time to be connected to an agent.

[3] The Social Security Statements Issued measure includes paper statements only; does not include electronic statements issued.

[4] We developed management information for Average Processing Time for Disability Reconsiderations in FY 2013. FY 2014 is the first full fiscal year for which data are available for this measure. We will develop a performance target in FY 2016, after we have had the ability to analyze at least two years of actual data.

CONTENTS

TABLES

APPROPRIATION LANGUAGE

Payments to Social Security Trust Funds

For payment to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as provided under sections 201(m), *217 (g)*, 228(g), and 1131(b)(2) of the Social Security Act, [$16,400,000] *$20,400,000. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2015.)*

GENERAL STATEMENT

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

ANNUAL APPROPRIATION

The annual PTF appropriation provides reimbursement to the Social Security trust funds for non-trust fund activities. These activities include pension reform, interest on unnegotiated checks, and a quinquennial adjustment for military service wage credits.[1] Listed below is the estimated annual appropriation and resulting obligations for FY 2016.

Table 1.1—Annual Appropriation and Obligations

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	FY15 to FY16 Change
Appropriation	$ 16,400,000	$ 16,400,000	**$ 20,400,000**	*$ 4,000,000*
Obligations	$ 3,708,978	$ 17,450,000	**$ 21,450,000**	*$ 4,000,000*

PERMANENT INDEFINITE AUTHORITY

Amounts not subject to the annual appropriation include: (1) receipts from federal income taxation of Social Security benefits, (2) Federal Insurance Contribution Act (FICA) and Self-Employment Contribution Act (SECA) tax credits, (3) reimbursement for federal employee union administrative expenses, (4) transfers to offset the financial effects of the Food, Conservation, and Energy Act of 2008, and (5) reimbursements for the loss in FICA tax revenue resulting from the payroll tax holiday provided by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 and extended by the Temporary Payroll Tax Cut Continuation Act of 2011. The permanent appropriation provides that the trust funds are credited for each of these revenue items.

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

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[1] The quinquennial adjustment for military service wage credits is authorized to be appropriated every 5 years, if it is determined necessary. Appropriations are needed to effectuate transfers from the general funds to the trust funds, but not from trust funds to general funds.

taxation. The additional amounts collected from this 1993 provision are paid to the Hospital Insurance Trust Fund; no additional income is due the Social Security trust funds as a result of the enactment of the 1993 law.

The taxes are collected as federal income taxes; subsequently, an equivalent payment to the Social Security trust funds is made from the general funds of the Treasury. Transfers of estimated aggregate tax liabilities arising from Social Security benefits of U.S. citizens are made quarterly and then adjusted as actual receipts are known. The estimated income from these taxes is $30,461 million in FY 2015 and $35,566 million in FY 2016 from U.S. citizens; the monthly transfer of taxes imposed on aliens are transferred monthly and will generate estimated income of $197 million in FY 2015 and $209 million in FY 2016. The estimates for taxation of benefits reflect normal growth related to benefit levels and the beneficiary population.

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

Reimbursement for Employee Union Expenses
In addition to taxation of benefits and tax credits, the PTF account includes reimbursement to the trust funds from general funds, including interest, for certain administrative expenses incurred in support of federal employee union activities. This $11 million reimbursement is included in SSA's Limitation on Administrative Expenses appropriation.

Transfers to Offset Two Coverage Provisions
Section 15361 of P.L. 110-246, the Food, Conservation, and Energy Act of 2008, provides for annual transfers from the general fund of the Treasury to the OASDI trust funds in FYs 2009 through 2017 to roughly offset the financial effects of the law's two coverage provisions. Section 15301 of P.L. 110-246 excludes Conservation Reserve Program payments from SECA coverage for OASDI beneficiaries, and Section 15352 increases the limit for the optional method for computing earnings from self-employment. The transfers will be $8 million in FY 2015 and $6 million in FY 2016.

Reimbursement for Payroll Tax Holiday
P.L. 111-312, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, reduced employees' payroll contributions from 6.2 percent to 4.2 percent for calendar year 2011. P.L. 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011, amended P.L. 111-312 to extend the reduced payroll contributions through February 29, 2012. On February 22, 2012, a new law, the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) extended the reduced rate through December 31, 2012. The general funds continue to reimburse the trust funds for this loss in tax revenue. The estimated reimbursement from the general fund for the payroll tax holiday is $333 million in FY 2015 and $154 million in FY 2016. We expect additional adjustments will occur for several years as a result of the payroll tax holiday.

BUDGETARY RESOURCES

The PTF annual appropriation request for FY 2016 is $20,400,000. SSA expects to make $35,967,450,000 in payments to the trust funds in FY 2016, including amounts appropriated under permanent indefinite authority.

Table 1.2—Amounts Available for Obligation

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Annual Appropriation	$ 16,400,000	$ 16,400,000	$ 20,400,000
Permanent Appropriation	$ 25,803,025,709	$ 31,010,000,000	$ 35,946,000,000
Total Appropriation	$ 25,819,425,709	$ 31,026,400,000	$ 35,966,400,000
Unobligated Balance, Start-of-Year	$ 12,860,736	$ 12,852,343	$ 11,802,343
Subtotal Budgetary Resources	$ 25,832,286,445	$ 31,039,252,343	$ 35,978,202,343
Obligations	($ 25,806,743,080)	($ 31,027,450,000)	($ 35,967,450,000)
Unobligated Balance, End-of-Year	$ 12,852,343	$ 11,802,343	$ 10,752,343
Unobligated Balance, Lapsing	$ 12,691,022	$ 0	$ 0

The unobligated balances represent funds appropriated for the Coal Industry Retiree Health Benefits Act (CIRHBA) in FY 1996 and FY 1997 and made available until expended. The lapsed unobligated balances represent the amount of the annual appropriation not obligated in the current year.

ANALYSIS OF CHANGES

The FY 2016 annual appropriation request is $4,000,000 higher than the FY 2015 enacted level. The obligations reported below include CIRHBA activity, funded from unobligated balances carried forward from prior years. These funds, provided in FY 1996 and FY 1997, remain available until expended.

Table 1.3—Summary of Changes

	FY 2015 Enacted	FY 2016 Estimate	*FY15 to FY16 Change*
Appropriation	$ 16,400,000	$ 20,400,000	*$ 4,000,000*
Obligations	$ 17,450,000	$ 21,450,000	*$ 4,000,000*

BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY

The table below displays the budget authority and obligations for each of the PTF activities funded by the annual appropriation. Coal Industry Retiree Health Benefit obligations are funded from prior year unobligated balances.

Table 1.4—New Budget Authority & Obligations, Current Authority
(In thousands)

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Appropriation			
Pension Reform	$ 6,400	$ 6,400	$ 6,400
Unnegotiated Checks	$ 10,000	$ 10,000	$ 5,000
Quinquennial Adj. for Military Wage Credits	$ 0	$ 0	$ 9,000
Coal Industry Retiree Health Benefits	$ 0	$ 0	$ 0
Total Annual Appropriation	**$ 16,400**	**$ 16,400**	**$ 20,400**
Obligations			
Pension Reform	$ 1,011	$ 7,400	$ 7,400
Unnegotiated Checks	$ 2,698	$ 10,000	$ 5,000
Quinquennial Adj. for Military Wage Credits	$ 0	$ 0	$ 9,000
Coal Industry Retiree Health Benefits	$ 8	$ 50	$ 50
Total Obligations	**$ 3,717**	**$ 17,450**	**$ 21,450**

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

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

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Appropriation			
Reimb. for Union Administrative Expenses	$ 9,767	$ 11,000	$ 11,000
Food, Conservation, and Energy Act, 2008[1]	$ 8,000	$ 8,000	$ 6,000
Employee Payroll Tax Holiday[2]	$ 121,607	$ 333,000	$ 154,000
Taxation of Benefits, U.S.	$ 25,476,616	$ 30,461,000	$ 35,566,000
Taxation of Benefits, Nonresident Alien	$ 187,000	$ 197,000	$ 209,000
FICA Tax Credits	$ 0	$ 0	$ 0
SECA Tax Credits	$ 36	$ 0	$ 0
Total Permanent Appropriation	**$ 25,803,026**	**$ 31,010,000**	**$ 35,946,000**
Obligations			
Reimb. for Union Administrative Expenses	$ 9,767	$ 11,000	$ 11,000
Food, Conservation, and Energy Act, 2008	$ 8,000	$ 8,000	$ 6,000
Employee Payroll Tax Holiday	$ 121,607	$ 333,000	$ 154,000
Taxation of Benefits, U.S.	$ 25,476,616	$ 30,461,000	$ 35,566,000
Taxation of Benefits, Nonresident Alien	$ 187,000	$ 197,000	$ 209,000
FICA Tax Credits	$ 0	$ 0	$ 0
SECA Tax Credits	$ 36	$ 0	$ 0
Total Obligations	**$ 25,803,026**	**$ 31,010,000**	**$ 35,946,000**

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[1] P.L. 110-246, the Food, Conservation, and Energy Act of 2008 (H.R. 6124) provided that SSA's trust funds would be reimbursed for lost income resulting from enacted changes to the reporting of self-employment income (SECA taxes). The bill established that SSA would be reimbursed from FY 2009 to FY 2017.

[2] P.L. 111-312, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (H.R. 4853), reduced employees' payroll contributions from 6.2 percent to 4.2 percent for calendar year 2011. P.L. 112-78, the Temporary Payroll Tax Cut Continuation Act of 2011 (H.R. 3765) amended P.L. 111-312 to extend the reduced payroll contributions through February 29, 2012. On February 22, 2012, a new law, the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) extended the reduced rate through December 31, 2012. The general funds reimburse the trust funds for the loss in tax revenue (Title VI, Sec 601).

OBLIGATIONS BY OBJECT CLASS

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

Table 1.6—Obligations by Object
(In thousands)

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Other Services	$ 21,520	$ 35,450	$ 37,450
Financial Transfers	$ 25,663,616	$ 30,659,000	$ 35,776,000
Financial Transfers: Employee Payroll Tax Holiday	$ 121,607	$ 333,000	$ 154,000
Total Obligations	**$ 25,806,743**	**$ 31,027,450**	**$ 35,967,450**

BACKGROUND

AUTHORIZING LEGISLATION

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

Table 1.7—Authorizing Legislation (in thousands)

	Amount Authorized	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Pension Reform: S.S. Act, Section 1131(b)(2)	Indefinite	$ 6,400	$ 6,400	$ 6,400
Unnegotiated Checks: S.S. Act, Section 201(m); Social Security Amendments of 1983, Section 152	Indefinite	$ 10,000	$ 10,000	$ 5,000
Coal Industry Retiree Health Benefits: Internal Revenue Code of 1986, Sections 9704 and 9706; Energy Policy Act of 1992, Section 19141	Indefinite	$ 0	$ 0	$ 0
Quinquennial Adjustment for Military Service Wage Credits: S.S. Act, Section 217(g)	Indefinite	$ 0	$ 0	$ 9,000
Subtotal Annual PTF Appropriation		**$ 16,400**	**$ 16,400**	**$ 20,400**
Reimbursement for Union Administrative Expenses: FY 2002 Social Security Appropriations Act	Permanent Indefinite	$ 9,767	$ 11,000	$ 11,000
Food, Conservation, and Energy Act, 2008: P.L. 110-246, Section 15361	Permanent	$ 8,000	$ 8,000	$ 6,000
Employee Payroll Tax Holiday: P.L. 111-312, Section 601, As Amended By Temporary Payroll Tax Cut Continuation Act: P.L. 112-78	Permanent Indefinite	$ 121,607	$ 333,000	$ 154,000
Taxation of Benefits, U.S.: Social Security Amendments of 1983, Section 121	Permanent Indefinite	$ 25,476,616	$ 30,461,000	$ 35,566,000
Taxation of Benefits, Nonresident Aliens: Social Security Amendments of 1983, Section 121	Permanent Indefinite	$ 187,000	$ 197,000	$ 209,000
FICA/SECA Tax Credits: Social Security Amendments of 1983, Section 124(b)	Permanent Indefinite	$ 36	$ 0	$ 0
Subtotal Permanent PTF Appropriation		**$ 25,803,026**	**$ 31,010,000**	**$ 35,946,000**
Total Appropriation		**$ 25,819,426**	**$ 31,026,400**	**$ 35,966,400**

APPROPRIATION HISTORY

The table below displays the annual appropriation requested by SSA, amounts approved by the House and Senate, and the amount ultimately appropriated by Congress. This does not include amounts appropriated under permanent indefinite authority. The FY 2006 appropriation included a supplemental appropriation for hurricane relief. The FY 2007 appropriation included a one-time reimbursement to the trust funds for an overpayment made from the trust funds to the IRS. The quinquennial adjustment for Military Service Wage Credits is included in the FY 2008 and FY 2011 enacted appropriations. The FY 2008 appropriation also included funds to administer economic recovery payments to beneficiaries.

Table 1.8—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2006	$ 20,470,000	$ 20,470,000[1]	$ 20,470,000[2]	$ 20,470,000[3]
Supplemental[4]				$ 38,000,000
2007[5]	$ 27,756,000	$ 27,756,000[6]	$ 27,756,000[7]	$ 20,416,000[8]
Trust Funds Restoration Act[9]				$ 1,297,614,000
2008[10]	$ 28,140,000	$ 28,140,000[11]	$ 28,140,000[12]	$ 28,140,000[13]
Economic Stimulus Act[14]				$ 31,000,000
2009	$ 20,406,000	- - -[15]	$ 20,406,000[16]	$ 20,406,000[17]
2010	$ 20,404,000	$ 20,404,000[18]	$ 20,404,000[19]	$ 20,404,000[20]
2011[21]	$ 21,404,000	- - -[22]	$ 21,404,000[23]	$ 21,404,000[24]
2012	$ 20,404,000	- - -[25]	$ 20,404,000[26]	$ 20,404,000[27]
2013	$ 20,402,000	- - -[28]	$ 20,404,000[29]	$ 20,404,000[30]
2014	$ 16,400,000	- - -[31]	$ 16,400,000[32]	$ 16,400,000[33]
2015	$ 16,400,000	$ 16,400,000[34]	---[35]	$ 16,400,000[36]
2016	**$ 20,400,000**			

[1] H.R. 3010.

[2] H.R. 3010, reported from Committee with an amendment.

[3] Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149).

[4] FY 2006 Supplemental Appropriation providing for hurricane relief.

[5] The FY 2007 request included $7,340,000 for the quinquennial adjustment to the Federal Disability Insurance Trust Fund for the costs of granting noncontributory credit for military service. This was not appropriated for FY 2007.

[6] H.R. 5647.

[7] S. 3708.

[8] Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

[9] Appropriation provided by the Social Security Trust Funds Restoration Act of 2006 (P.L. 109-465), to repay the Social Security trust funds for an overpayment to the Internal Revenue Service for Voluntary Income Tax Withholding.

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

[11] H.R. 3043.

[12] S. 1710.

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

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

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

[16] S. 3230.

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

[18] H.R. 3293.

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

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

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

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

[23] S. 3686.

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

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

[26] S. 1599.

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

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

[29] S. 3295.

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

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

[32] S. 1284.

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

[34] H.R. 83.

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

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

PENSION REFORM

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

PURPOSE AND METHOD OF OPERATION

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

Table 1.9—Pension Reform: Budget Authority

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	FY15 to FY16 Change
Budget Authority	$ 6,400,000	$ 6,400,000	**$ 6,400,000**	*$ 0*

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

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

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

Table 1.10—Pension Reform: Obligations

iscal Year	Obligations
FY 2007	$ 1,125,000
FY 2008	$ 1,200,000
FY 2009	$ 813,000
FY 2010	$ 2,022,000
FY 2011[1]	$ 3,802,000
FY 2012	$ 6,400,000
FY 2013	$ 2,521,092
FY 2014	$ 1,010,592
FY 2015 Estimate	$ 7,400,000
FY 2016 Estimate	**$ 7,400,000**

RATIONALE FOR BUDGET REQUEST

The FY 2016 budget requests $6,400,000 to reimburse the OASI Trust Fund for the cost of carrying out SSA's responsibilities under the Pension Reform Act. The FY 2016 request is the same as the FY 2015 enacted level. The table below summarizes the recent trend of pension coverage report receipts:

Table 1.11—Receipts from Pension Coverage Reports

Fiscal Year	Pension Coverage Report Receipts
FY 2003	1,570,000
FY 2004	5,621,371
FY 2005	5,363,409
FY 2006	6,003,014
FY 2007	5,397,935
FY 2008	5,554,314
FY 2009	6,073,898
FY 2010	6,334,329
FY 2011[2]	68,159
FY 2012	10,454,215
FY 2013	3,810,675
FY 2014	**8,074,160**

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

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

UNNEGOTIATED CHECKS

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

PURPOSE AND METHOD OF OPERATION

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

Table 1.12—Unnegotiated Checks: Budget Authority

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	FY15 to FY16 Change
Budget Authority	$ 10,000,000	$ 10,000,000	**$ 5,000,000**	-$ 5,000,000

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

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

Table 1.13—Unnegotiated Checks: Obligations

Fiscal Year	Obligations
FY 2008	$ 11,169,140
FY 2009	$ 8,756,319
FY 2010	$ 7,435,351
FY 2011	$ 7,471,475
FY 2012	$ 5,910,374
FY 2013	$ 3,082,985
FY 2014	$ 2,698,386
FY 2015 Estimate	$ 10,000,000
FY 2016 Estimate	**$ 5,000,000**

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

Table 1.14—Direct Deposit Participation Rate

	Direct Deposit Participation Rate
December 2005	83%
December 2006	84%
December 2007	85%
December 2008	86%
December 2009	87%
December 2010	88%
December 2011	91%
December 2012	95%
December 2013	98%
December 2014	**99%**

RATIONALE FOR BUDGET REQUEST

The FY 2016 request is for $5,000,000 to reimburse the OASDI Trust Funds for the value of interest on unnegotiated checks. The FY 2016 request is $5,000,000 lower than the FY 2015 enacted.

Table 1.15—Unnegotiated Checks: Budget Authority by Trust Fund

	FY 2016 Estimate
OASI Trust Fund	$ 3,000,000
DI Trust Fund	$ 2,000,000
Total	**$ 5,000,000**

COAL INDUSTRY RETIREE HEALTH BENEFITS

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

PURPOSE AND METHOD OF OPERATION

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

Table 1.16—Coal Industry Retiree Health Benefits: Obligations

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	FY15 to FY16 Change
New Budget Authority	$ 0	$ 0	**$ 0**	*$ 0*
Obligations	$ 8,393	$ 50,000	**$ 50,000**	*$ 0*

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

- Search the earnings records of the group of retired coal miners covered by the combined plan;

- Determine which retirees should be assigned to which mine operators;

- Notify the involved mine operators of the names and Social Security numbers of eligible beneficiaries who have been assigned to them;

- Process appeals from operators who believe that assignments have been made incorrectly; and

- Compute the premiums based on a formula established in the Act.

PROGRESS TO DATE

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

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

This account provides general fund reimbursement to the trust funds to the extent that the Limitation on Administrative Expenses account advances funds for SSA to carry out this work. Additional funds are not requested for FY 2016 because the balance of the $10,000,000 per year appropriated in FY 1996 and in FY 1997 remains available until expended to reimburse the trust funds.

MILITARY SERVICE WAGE CREDITS

Authorizing Legislation: Section 217(g) of the Social Security Act.

PURPOSE AND METHOD OF OPERATION

The purpose of this payment is to reimburse the OASDI trust funds, as necessary, for the costs of granting noncontributory wage credits for pre-1957 military service, as authorized by Section 217(g). Payments to the trust funds for this purpose are authorized to be made every five years.

Table 1.17—Military Service Wage Credits: Budget Authority

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	*FY15 to FY16 Change*
Budget Authority	$ 0	$ 0	**$ 9,000,000**	*$ 9,000,000*

Pre-1957 Military Service: The 1946 Social Security Amendments provided for payment of Social Security benefits to World War II veterans and their survivors based upon noncontributory wage credits of $160 for each month of the veteran's active military service. Subsequent amendments extended the period for which these credits were granted through December 1956. For that period, the Social Security Act did not require contributions to the trust funds based on the wages of individuals in the military service. To finance the additional costs incurred in paying benefits, which are based on periods of military service before 1957 for which no contributions were made, the Social Security Act provides for reimbursement to the OASI and the DI trust funds from the general fund of the Treasury.

The Social Security Amendments of 1983 modified section 217(g) to reimburse the trust funds in a lump sum for the present value of all future benefits arising from the gratuitous credits granted for military service before 1957. This provision directed the Secretary of the Treasury to transfer the pre-1957 wage credit lump sum to the trust funds within 30 days after enactment of the legislation. This lump sum settlement, which covered periods through September 30, 2015, is subject to adjustment every fifth year beginning in 1985. For periods beginning FY 2016, the Commissioner of Social Security will determine the adjustments on the basis of benefits and administrative costs actually paid under section 217(g) and relevant actuarial assumptions in the Social Security Trustees Report. Under the 1983 amendments, the only costs of pre-1957 military service credits to these appropriations will be any additional payments due as a result of these adjustment determinations.

Following the initial transfers from the general fund to the trust funds in 1983 and 1985, the quinquennial adjustments resulted in the transfer of funds from SSA's trust funds to the general fund of the Treasury each time until the 2000 determination was prepared. In that year, it was determined that the general fund owed a payment to the OASI trust fund instead. The FY 2002 appropriation for this transfer, including interest, was $414,000,000. Appropriations are not

needed whenever quinquennial transfers are determined to be due from the trust funds to the general fund.

We initially requested $1 million in FY 2011 for a transfer from the general funds to the Federal Disability Insurance Trust Fund, but later analysis by the Office of the Chief Actuary determined that transfers should instead be made from the OASDI trust funds to the general fund. On December 30, 2010, $113 million was transferred to the general fund from the OASI trust fund and $3 million was transferred from the DI trust fund.

We are requesting $9 million for FY 2016. We expect the next quinquennial adjustment to occur in December 2015.

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APPROPRIATION LANGUAGE

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, [$41,232,978,000] *$46,422,000,000*, to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury: *Provided further*, That not more than [$83,000,000] *$101,000,000* shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, [2016] *2018.*

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 [2016] *2017*, [$19,200,000,000] *$14,500,000,000*, to remain available until expended. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2015.)

LANGUAGE ANALYSIS

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

In addition, the language provides SSA with indefinite authority beginning June 15 in the event Federal benefit payment obligations in FY 2016 are higher than expected and SSA does not have sufficient unobligated balances to cover the difference. Consistent with previous years, the appropriation also includes an advance appropriation for Federal benefit payments in the first quarter of FY 2017 to ensure the timely payment of benefits in case of a delay in the FY 2017 appropriations bill.

Table 2.1—Appropriation Language Analysis

Language provision	Explanation
"For carrying out titles XI and XVI of the Social Security Act… including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, *$46,422,000,000*, to remain available until expended:"	Appropriates funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects under the SSI program. SSA may carryover unobligated balances for use in future fiscal years.
"*Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury."	Ensures that states do not carry unobligated balances of Federal funds into the subsequent fiscal year. Applies primarily to the beneficiary services activity.
Provided further, That not more than $101,000,000 shall be available for research and demonstrations under sections 1110, 1115, and 1144 of the Social Security Act and remain available through September 30, 2018.	Specifies that not more than $101 million of the SSI appropriation is available for research and demonstration projects. Of this $101 million, $50 million is available for regular research projects and the remaining $51 million is available for Early Intervention demonstration projects. SSA may carryover unobligated balances through September 30, 2018.
"For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary."	Provides an indefinite appropriation to finance any shortfall in the definite appropriation for benefit payments during the last months of the fiscal year.

Language provision	Explanation
"For making benefit payments under title XVI of the Social Security Act for the first quarter of fiscal year *2017, $14,500,000,000*, to remain available until expended."	Appropriates funds for benefit payments in the first quarter of the subsequent fiscal year. Ensures that recipients will continue to receive benefits during the first quarter of FY 2017 in the event of a temporary funding hiatus.

GENERAL STATEMENT

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

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

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

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	Change
Appropriation	$ 60,549,064	$ 60,932,978	**$ 65,622,000**	*+$ 4,689,022*
Obligations	$ 58,878,942	$ 60,175,582	**$ 65,727,498**	*+ $ 5,551,916*
First Quarter Advance Appropriation for Subsequent Fiscal Year	$ 19,700,000	$19,200,000	**$ 14,500,000**	*- $ 4,700,000*

PROGRAM OVERVIEW

Eligibility Standards

As a means-tested program, individuals must have income and resources below specified levels to be eligible for benefits. Rules allow some specific categories of income and resources to be either totally or partially excluded.

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

An individual's benefit payment is reduced dollar for dollar by the amount of their "countable income"—income less all applicable exclusions—in a given month. Income in the SSI program includes "earned income" such as wages and net earnings from self-employment; and "unearned income" such as Social Security benefits, unemployment compensation, deemed income from a spouse or parent, and the value of in-kind support and maintenance such as food and shelter. Different exclusion rules apply for different types of income.

Incentives for Work and Opportunities for Rehabilitation

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

State Supplementation

Supplementation is mandatory for certain recipients who were on state rolls just prior to the creation of the Federal program on January 1, 1974. Otherwise, states are encouraged to supplement the Federal benefit and may elect to have their state supplementation program administered by SSA. States that choose to have SSA administer their program reimburse SSA in advance and SSA makes the payment on behalf of the state. Participating states also reimburse SSA for the cost of administering their program, based on a user fee schedule established by the Social Security Act. The user fee is $11.55 per SSI check payment in FY 2015 and is expected to increase to $11.67 in FY 2016. The Department of Treasury receives the first $5.00 of each fee and SSA retains the amount over $5.00.

Coordination with Other Programs

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

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

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

Benefit Payments

SSA estimates it will pay $60.7 billion in Federal benefits to an estimated 8.2 million SSI recipients in FY 2016. Including state supplementary payments, SSA expects to pay a total of $63.7 billion and administer payments to a total of over 8.4 million recipients.
Federal benefit payments represent approximately 92 percent of Federal SSI spending. Administrative expenses represent approximately 7 percent of spending; beneficiary services and research and demonstration projects make up the remaining less than one percent.

FY 2016 PRESIDENT'S BUDGET REQUEST

The SSI appropriation includes funds for Federal benefit payments, administrative expenses, beneficiary services, and research and demonstration projects. In total, the President's Budget request for FY 2016 is $65,622,000,000. However, this includes $19,200,000,000 made available for the first quarter of FY 2016 in the FY 2015 appropriation. The appropriation language provides SSA with its remaining appropriation for FY 2016, $46,422,000,000—the total amount requested for FY 2016 less the advance already received.

Similarly, in addition to the amount above, the request includes an advance appropriation of $14,500,000,000 for Federal benefit payments in the first quarter of FY 2017. This advance is to ensure recipients continue to receive their benefits at the beginning of the subsequent fiscal year in case there is a delay in passing that year's appropriation.

Table 2.3—Appropriation Detail [1]
(in thousands)

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	Change
Advance for Federal Benefits[2]	$ 19,300,000	$ 19,700,000	$ 19,200,000	
Regular for Federal Benefits	$ 36,279,000	$ 36,501,000	$ 41,483,000	
Subtotal Federal Benefits	**$ 55,579,000**	**$ 56,201,000**	**$60,683,000**	**+ $ 4,482,000**
Administrative Expenses	$ 4,920,064	$ 4,578,978	$ 4,765,000	+$ 186,022
Beneficiary Services	$ 3,000	$ 70,000	$ 70,000	+ $ 0
Research and Demonstration	$ 47,000	$ 48,000	$ 51,000	+ $ 3,000
Early Intervention Demonstrations	$ 0	$ 35,000	$ 50,000	+ $15,000
Special Immigrant Visa- Afghani	$ 0	$ 0	$ 3,000	+$ 3,000
Subtotal Advanced Appropriation	**$ 19,300,000**	**$ 19,700,000**	**$ 19,200,000**	
Subtotal Regular Appropriation	**$ 41,249,064**	**$ 41,232,978**	**$ 46,422,000**	
Total Appropriation	$ 60,549,064	$ 60,932,978	$ 65,622,000	+ $ 4,689,022
Advance for Subsequent Year	**$ 19,700,000**	**$ 19,200,000**	**$ 14,500,000**	**- $ 4,700,000**

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

[2] Amount provided or requested in the previous year's appropriation bill.

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

Payment Accuracy

For more than 75 years, SSA has been committed to paying the right benefit to the right person at the right time. The challenge of meeting this goal is especially apparent in the administration of the SSI program because eligibility and payment amounts are so closely tied to the fluctuating circumstances of individual recipients. In FY 2013, 92.4 percent of SSI benefit payments were free of overpayment errors and 98.3 percent were free of underpayment errors. The vast majority of incorrect payments are the result of unreported changes to recipients' incomes, resources, or living arrangements.

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

Continuing Disability Reviews and Non-Disability Redeterminations

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

The FY 2016 President's Budget request includes $938 million specifically for conducting SSI CDRs and redeterminations, which would allow SSA to conduct approximately 428,000 SSI CDRs[1] and 2,622,000 redeterminations. The total funding is estimated to result in about $4.9 billion in net program savings over the next 10 years.

Access to Financial Institutions

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

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[1] The total estimated CDR volume is 908,000. We expect to complete approximately 480,000 Social Security Disability Insurance (DI)/Concurrent CDRs in addition to SSI CDRs.

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

Along with preventing overpayments, AFI can help us to eliminate ineligible applicants at the beginning of the application process, reducing the workload in the State Disability Determination Services. Full implementation is defined as using AFI on essentially every full SSI claim and non-medical redetermination and assumes using 10 geographic searches per person where possible and fully integrating the process with our systems. In 2013, we expanded the use of AFI and increased geographic searches from 5 to 10, moving closer to full implementation. While we expect the 2015 account verifications to be cost effective, we continue to evaluate aspects of AFI to see if further enhancements would be productive.

Pre-Effectuation Reviews

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

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

Combating Fraud

SSA continues to engage in an aggressive program to deter, detect, investigate, and prosecute fraud. During FY 2014, SSA's Office of the Inspector General (OIG) received almost 59,000 SSI fraud-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 to matching the law enforcement data received pursuant to the matching program, Federal law authorizes OIG and SSA to release information back to law enforcement regarding beneficiaries and recipients who have unsatisfied felony arrest warrants or who are violating a condition of probation or parole imposed under Federal or State law. Individuals are identified by using an automated data matching process which compares warrant information at the State and Federal levels with the SSI rolls.

SSI Simplification

The process of evaluating eligibility and payment levels for the SSI program and addressing the accuracy of payments that have already been made is inherently complex. SSA remains committed to simplifying the SSI program and is exploring ways to do this in a fair and equitable manner.

Debt Collection

SSA currently makes use of the following debt collection tools that are authorized by law: benefit withholding; cross-program recovery; repayment by installment agreements; Credit Bureau Reporting; Administrative Wage Garnishment; and the Treasury Offset Program (TOP)[1], which includes Tax Refund Offset (TRO), Administrative Offset (e.g., Federal travel and expense reimbursements), and Federal Salary Offset. Using these debt collection tools, SSA collected almost $1.2 billion in SSI overpayments, including Federally-administered state supplement overpayments, in FY 2014. Also in FY 2014, SSA eliminated an additional $122.6 million through Netting, a process that adjusts SSI overpayments through an automated offset against SSI underpayments.

SSA began collecting SSI overpayments by TRO in 1998 under the authority of The Deficit Reduction Act of 1984. The Foster Care Independence Act of 1999 extended to the SSI program all of the additional debt collection authorities previously available for collection of overpayments under the Social Security retirement and disability programs. In FY 2002, SSA expanded the use of TOP by implementing Administrative Offset. SSA further expanded the use of TOP in FY 2006 when the agency implemented Federal Salary Offset, a collection tool used to collect delinquent overpayments owed by Federal employees, including employees who work for SSA. We again expanded our use of TOP in FYs 2012 and 2013.   In FY 2012, we began referring debts delinquent for 10 years or longer to TOP and in FY 2013, we began collecting delinquent debts via TOP through Treasury's State Reciprocal Program (SRP). The SRP allows States to enter into reciprocal agreements with Treasury to collect unpaid State debt by offset of Federal non-tax payments. In return, the agreements allow the Federal Government to collect delinquent non-tax debt by offset of State payments. In FY 2014, TOP enabled the agency to collect $66.1 million in delinquent SSI overpayments.

In FY 2002, SSA implemented Credit Bureau Reporting and Cross Program Recovery. In FY 2014, Credit Bureau Reporting contributed to the voluntary repayment of $25.8 million and the Agency recovered $120.5 million via Cross Program Recovery.

In FY 2005, SSA implemented Administrative Wage Garnishment, which has collected $24.8 million in SSI debt through FY 2014. In the future, SSA plans to implement the remaining authorized collection tools, which include interest charging, administrative cost recovery, and the use of private collection agencies.

Computer Matching Programs

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

SSA's computer matching operations include matches with:

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[1] Effective April 14, 2014, our Acting Commissioner ordered a suspension of TOP referrals for debts 10 years or more delinquent to consider potential administrative and legislative changes that may be warranted.. In addition, as of January 19, 2015, we suspended further referrals of debt accrued when individuals were minors, regardless of the age of the debt, to review policy options.

- Prison inmate records to find recipients made ineligible by incarceration;

- Law enforcement agencies data on fugitive felons;

- Quarterly data on wage and unemployment compensation information;

- Monthly nursing home admission and discharge information;

- Internal Revenue Service records of non-wage income reported via 1099s to detect resources and/or income;

- Bureau of Public Debt's Savings Bond records to detect unreported assets;

- Department of Defense (DOD) records to detect and verify DOD pension information;

- Veterans Administration benefit data to be used in SSI benefit calculations;

- Office of Personnel Management pension data to be used in certain SSI benefit calculations;

- Railroad Retirement Board data to be used in certain SSI benefit calculations;

- Department of Homeland Security (DHS) data for deportation information on aliens outside the U.S. for more than 30 continuous days to terminate SSI benefits;

- DHS records of aliens who voluntarily leave the U.S; and

- AFI system to electronically request and receive financial account information.

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

Legislative Proposal – Refugees, Asylees, and Other Humanitarian Immigrants

Refugees and certain other humanitarian immigrants who are disabled or elderly are potentially eligible for SSI benefits for up to 7 years from the date they attained their immigration status, and without time limit if they become naturalized. The "SSI Extension for Elderly and Disabled Refugees Act" (Public Law 110-328) extended the 7-year SSI eligibility period for refugees, asylees, and certain other humanitarian immigrants to 9 years for FY 2009 through FY 2011. Effective October 2011, the SSI eligibility period for refugees and other humanitarian immigrants reverted to 7 years. This proposal would underscore the nation's commitment to refugees, asylees, and other humanitarian immigrants by again extending the time limit from 7 to 9 years during fiscal years 2016 and 2017.

Change in a Mandatory Program – Special Immigrant Visa Extension for Afghans

The FY 2016 President's budget includes $3 million for a discretionary change in a mandatory program (CHIMP) from the State Department's two-year Special Immigrant Visa extension for Afghans. Please see the State Department's 2016 Congressional Justification for additional detail on this proposal.

BUDGETARY RESOURCES

The SSI annual appropriation consists of a regular appropriation made available by the current year's appropriation bill and an advance made available by the prior year's appropriation. This advance is for Federal benefit payments in the first quarter of the subsequent fiscal year to ensure recipients continue to receive their benefits in case there is a delay in passing that year's appropriation bill. The President's Budget for FY 2016 is $65,622,000,000, including $19,200,000,000, provided in advance by the FY 2015 enacted appropriation.

Table 2.4—Amounts Available for Obligation[1]

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Regular Appropriation	$ 41,249,064,000	$ 41,232,978,000	$ 46,422,000,000
Advanced Appropriation	$ 19,300,000,000	$ 19,700,000,000	$ 19,200,000,000
Total Annual Appropriation	**$ 60,549,064,000**	**$ 60,932,978,000**	**$ 65,622,000,000**
Federal Unobligated Balance	$ 121,302,391	$ 1,793,163,430	$ 2,639,559,711
Recovery of Prior-Year Obligations	$ 1,334,486	$ 0	$ 0
Offsetting Collections	$ 404,247	$ 0	$ 0
Transfer from LAE[2]	$ 0	$ 89,000,000	$ 70,000,000
Subtotal Federal Resources	**$ 60,672,105,124**	**$ 62,815,141,430**	**$ 68,331,559,711**
State Supp. Reimbursements	$ 3,226,751,964	$ 2,709,000,000	$ 2,755,000,000
State Supp. Unobligated Balance	$ 271,863,212	$ 218,841,576	$ 222,841,576
Total Budgetary Resources	**$ 64,170,720,300**	**$ 65,742,983,006**	**$ 71,309,401,287**
Federal Obligations	**$ 58,878,941,694**	**$ 60,175,581,719**	**$ 65,727,498,000**
State Supp. Obligations	$ 3,279,773,600	$ 2,705,000,000	$ 2,975,000,000
Total Obligations	**$ 62,158,715,294**	**$ 62,880,581,719**	**$ 68,702,498,000**
Federal Unobligated Balance	$ 1,793,163,430	$ 2,639,559,711	$ 2,604,061,711
State Supp. Unobligated Balance[3]	$ 218,841,576	$ 222,841,576	$ 2,841,576
Total Unobligated Balance	$ 2,012,005,006	$ 2,862,401,287	$ 2,606,903,287

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

[2] This is SSI's prorated share of unobligated LAE money that has been converted into no-year IT funds. It is not part of the annual administrative appropriation.

[3] The amount received for the October 1 payment, reimbursed at the end of September in the prior fiscal year, is available for use in the subsequent fiscal year.

The SSI annual appropriation was $60.5 billion in FY 2014. The FY 2015 appropriation is $61 billion. SSA has the authority to carry over unobligated balances for use in future fiscal years for Federal benefit payments, administrative expenses, and beneficiary services because the amounts appropriated are made available until expended. Beginning in FY 2015, research and demonstration funds received three year appropriations, so these balances can be carried over for use through September 30, 2017. SSA carried over almost $1.8 billion in Federal unobligated balances into FY 2015. Based on the FY 2015 estimated funding level and obligations, SSA expects to carry over approximately $2.6 billion into FY 2016.

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

ANALYSIS OF CHANGES

The FY 2016 request represents an increase of approximately $5 billion from the FY 2015 level. The majority of this increase results from mandatory increases in Federal benefit payments, mainly resulting from an additional benefit payment in FY 2016.

SSA plans to use unobligated balances to partially fund administrative expenses, beneficiary services and research and demonstration projects in FY 2015. In FY 2016, SSA plans to use unobligated balances to partially fund beneficiary services, research and demonstration, and the Early Intervention projects. SSA plans to use approximately $12 million in unobligated balances and recoveries in FY 2015 and approximately $35 million in FY 2016.

Federal Benefit Payments

The increase in the FY 2016 request for Federal benefit payments is a result of one additional benefit payment and the annual cost-of living adjustments (COLA). The increase in Federal benefit payments is partially offset by the impact of Old-Age**,** Survivors**,** and Disability Insurance (OASDI) COLAs on concurrent SSI/OASDI recipients. Since OASDI benefits are counted as income in the SSI program, the annual OASDI COLA decreases the SSI benefit payment for concurrent recipients.

Administrative Expenses

The FY 2016 request for administrative expenses is $186 million more than the FY 2015 level. SSA expects to transfer $89 million from the no-year LAE Information Technology Systems budget in FY 2015 for information technology needs. We expect to transfer an additional $70 million in FY 2016. This transfer will not alter the overall spending levels in FY 2016, as reflected in the Limitation on Administrative Expenses section.

Beneficiary Services

SSA is requesting $70 million in new authority for FY 2016. Our estimate reflects an increase in payments to Employment Networks under the Ticket to Work program and the use of accumulated prior-year unobligated balances. In FY 2014, SSA used $3 million in budget

authority and $61.5 million in carryover for beneficiary services. SSA expects to use $4 million of carryover funds in FY 2015, and $16 million in FY 2016 to cover our estimated obligations.

Research and Demonstration

The request for new budget authority is $3 million higher than the FY 2015 level. SSA expects to use $7.6 million of prior year unobligated balances in FY 2015, and $3.5 million in FY 2016 to cover our estimated obligations.

In addition, our 2015 appropriation included $35 million in funding for the Early Intervention Demonstration projects. The FY 2016 request is $50 million for these projects.

Table 2.5—Summary of Changes[1]

	FY 2015 Enacted	FY 2016 Estimate	Change
Appropriation	**$ 60,932,978,000**	**$ 65,622,000,000**	**+ $ 4,689,022,000**
Reduction in Obligation to reflect most recent Actuary estimates	-$ 827,000,000	$ 0	+$ 827,000,000
Obligations Funded from Prior-Year Unobligated Balances and Recoveries net of estimated carryover from appropriation	$ 11,603,719	$ 35,498,000	*+ $ 23,894,281*
Early Intervention Unobligated Balance Carry Forward into 2016	-$ 31,000,000	$ 0	*+$ 31,000 000*
Transfer from LAE[2]	$ 89,000,000	$ 70,000,000	*- $ 19,000,000*
Estimated Federal Obligations	**$ 60,175,581,719**	**$ 65,727,498,000**	**+ $ 5,551,916,281**

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[1] Does not include state supplementary payments and reimbursements or the corresponding state supplement user fee collections; user fees are included in the LAE appropriation. Totals may not add due to rounding.
[2] This is SSI's prorated share of unobligated LAE money that has been converted into no-year ITS funds. It is not part of the annual administrative appropriation.

Table 2.6—Explanation of SSI Budget Changes from FY 2015 to FY 2016
(in thousands)

	FY 2015 Obligations	Change from FY 2015
		Increases
Federal Benefit Payments	$ 56,201,000	
• COLA—1.3% beginning January 2016		+$ 1,009,000
• Net Increase of 16,000 recipients in FY 2016		+ $ 368,000
• Net increase due to adjustment for October 1, 2017 payment paid in FY 2016		+$ 4,167,000
Administrative Expenses	$ 4,578,978	
• Additional base funding		+ $ 186,022
Beneficiary Services	$ 70,000	
• Increase in amount of carryover funding planned for obligation in FY 2016		+ $ 12,000
Research and Demonstrations	$ 48,000	
• Increase in base funding		+$ 3,000
Early Intervention	$ 35,000	
• Increase in base funding		+$ 15,000
• Increase in amount of carryover funding planned for obligation in FY 2016		+$ 31,000
• Increase in planned obligation in FY 2016		+$ 16,000
CHIMP – New funding		+ $ 3,000
Total Increases		**+$ 5,810,022**
		Decreases
Federal Benefit Payments – Reduction from Actuary estimate	-$ 827,000	
• Effect of OASDI COLA for concurrent SSI/OASDI recipients		-$ 235,000
Administrative Expenses – Transfer from LAE	$ 89,000	
• Decrease in amount transferred from LAE in 2016		-$ 19,000
Beneficiary Services – Carryover	$ 4,000	
Research & Demonstration – Net Carryover	$ 7,604	
• Decrease in amount of carryover funding planned for obligation in FY 2016		-$ 4,106
Early Intervention – unobligated balance into 2016	-$ 31,000	
Total Decreases		**- $ 258,106**
Total Obligations Requested, Net Change	**$ 60,175,582**	**+ $ 5,551,916**

NEW BUDGET AUTHORITY AND OBLIGATIONS BY ACTIVITY

The table below displays budget authority and obligations for the four main SSI activities—Federal benefit payments, administrative expenses, beneficiary services, research and early intervention demonstration projects, as well as the State Department's two-year special immigrant visa extension for Afghans.

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

	FY 2014 Actual	FY 2015 Enacted[2]	FY 2016 Estimate[3]
Federal Benefit Payments			
Appropriation	$ 55,579,000	$ 56,201,000	$ 60,683,000
Obligations	$ 53,849,499	$ 55,374,000	$ 60,683,000
Monthly Check Payments	12	12	13
Administrative Expenses[4]			
Appropriation	$ 4,920,064	$ 4,578,978	$ 4,765,000
Obligations	$ 4,920,891	$ 4,667,978	$ 4,835,000
Beneficiary Services			
Appropriation	$ 3,000	$ 70,000	$ 70,000
Obligations	$ 64,503	$ 74,000	$ 86,000
Research and Demonstration			
Appropriation	$ 47,000	$ 48,000	$ 51,000
Obligations	$ 44,048	$ 55,604	$ 54,498
Special Immigrant Visas			
Appropriation	$ 0	$ 0	$ 3,000
Obligations	$ 0	$ 0	$ 3,000
Early Intervention Demonstrations			
Appropriation	$ 0	$ 35,000	$ 50,000
Obligations	$ 0	$ 4,000	$ 66,000
Total Appropriation	$ 60,549,064	$ 60,932,978	$ 65,622,000
Total Federal Obligations	$ 58,878,942	$ 60,175,582	$ 65,727,498

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[1] Totals may not add due to rounding.

[2] SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2015 obligations as follows: beneficiary services, $4 million; and research and demonstration projects, $7.6 million.

[3] In addition to the FY 2016 President's Budget request, SSA expects to use carryover of prior year unobligated balances and recoveries for FY 2016 obligations as follows: beneficiary services, $16 million; research and demonstration projects, $3.5 million; and early intervention demonstrations, $31 million.

[4] This includes the SSI's prorated share of unobligated LAE money that has been converted into no-year IT funds. It is not part of the annual administrative appropriation.

NEW BUDGET AUTHORITY AND OBLIGATIONS BY OBJECT

In the table below, "Other Services" includes administrative expenses and beneficiary services, as well as the State Department's two-year special immigrant visa extension for Afghans.

Table 2.8—New Budget Authority and Obligations by Object [1]
(in thousands)

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Other Services[2]			
Appropriation	$ 4,923,064	$ 4,648,978	**$ 4,838,000**
Obligations	$ 4,985,394	$ 4,741,978	**$ 4,924,000**
Federal Benefits and Research			
Appropriation	$ 55,626,000	$ 56,284,000	**$ 60,784,000**
Obligations	$ 53,893,548	$ 55,433,604	**$ 60,803,498**
Total Appropriation	**$ 60,549,064**	**$ 60,932,978**	**$ 65,622,000**
Total Obligations	**$ 58,878,942**	**$ 60,175,582**	**$ 65,727,498**

[1] Totals may not add due to rounding.
[2] The administration portion of these services includes the SSI's prorated share of unobligated LAE money that has been converted into no-year IT funds. It is not part of the annual administrative appropriation.

BACKGROUND

AUTHORIZING LEGISLATION

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

Table 2.9—Authorizing Legislation

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	FY Amount Authorized
Title XVI of the Social Security Act, Section 401 of P.L. 92-603 and Section 212 of P.L. 93-66, as amended, and Section 405 of P.L. 92-216	$ 60,549,064,000	$ 60,932,978,000	**$ 65,622,000,000**	*Indefinite*
First Quarter Advance Appropriation for Subsequent Fiscal Year	$ 19,700,000,000	$ 19,200,000,000	**$ 14,500,000,000**	---

APPROPRIATION HISTORY

The table below displays the President's Budget request, amounts passed by the House and Senate, and the actual amount appropriated, for the period FY 2006 to FY 2017. Indefinite budget authority is requested when actual Federal benefit payments exceed the amounts available for Federal benefit payments in a given fiscal year.

Table 2.10—Appropriation History

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	$ 10,930,000,000	$ 10,930,000,000	$ 14,130,000,000	$ 10,930,000,000
Current Year	$ 29,533,174,000	$ 29,533,174,000[1]	$ 29,510,574,000[2]	$ 29,369,174,000[3]
2006 Total	$ 40,463,174,000	$ 40,463,174,000	$ 43,640,574,000	$ 40,299,174,000
Q1 Advance	$ 11,110,000,000	$ 11,110,000,000	$ 11,110,000,000	$ 11,110,000,000
Current Year	$ 29,125,000,000	$ 29,065,000,000[4]	$ 29,023,000,000[5]	$ 29,071,169,000[6]
2007 Total	$ 40,235,000,000	$ 40,175,000,000	$ 40,133,000,000	$ 40,181,169,000
Q1 Advance	$ 16,810,000,000	$ 16,810,000,000	$ 16,810,000,000	$ 16,810,000,000
Current Year	$ 26,911,000,000	$ 26,948,525,000[7]	$ 26,959,000,000[8]	$ 27,000,191,000[9]
2008 Total	$ 43,721,000,000	$ 43,758,525,000	$ 43,769,000,000	$ 43,810,191,000
Q1 Advance	$ 14,800,000,000	$ 14,800,000,000	$ 14,800,000,000	$ 14,800,000,000
Current Year	$ 30,414,000,000	- - -[10]	$ 30,429,875,000[11]	$ 30,471,537,000[12]
2009 Total	$ 45,214,000,000	- - -	$ 45,229,875,000	$ 45,271,537,000
2009 Indefinite				*$ 1,602,935,179*
Q1 Advance	$ 15,400,000,000	- - -	$ 15,400,000,000	$ 15,400,000,000
Current Year	$ 34,742,000,000	$ 34,742,000,000[13]	$ 34,742,000,000[14]	$ 34,742,000,000[15]
2010 Total	$ 50,142,000,000	- - -	$ 50,142,000,000	$ 50,142,000,000
2010 Indefinite				*$ 458,465,781*
Q1 Advance	$ 16,000,000,000	$ 16,000,000,000	$ 16,000,000,000	$ 16,000,000,000
Current Year	$ 40,513,000,000	- - -[16]	$ 40,513,000,000[17]	$ 39,983,273,000[18]
2011 Total	$ 56,513,000,000	- - -	$ 56,513,000,000	$ 55,983,273,000
Q1 Advance	$ 13,400,000,000	- - -	$ 13,400,000,000	$ 13,400,000,000
Current Year	$ 38,083,000,000[19]	- -[20]	$ 37,922,543,000[21]	$ 37,582,991,000[22]
2012 Total	$ 51,483,000,000[23]	- - -	$ 51,322,543,000	$ 50,982,991,000
2012 Indefinite				*$ 560,000,000*
Q1 Advance	$ 18,200,000,000	- - -	$ 18,200,000,000	$ 18,200,000,000
Current Year	$ 40,043,000,000[24]	- -[25]	$ 40,043,000,000[26]	$ 32,782,991,000[27]
2013 Total	$ 58,243,000,000[28]		$ 58,243,000,000	$ 50,982,991,000
2013 Rescission				$ 32,779,347,000
2013 Sequester[29]				

Table Continues on the Next Page

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
Q1 Advance	$ 19,300,000,000		$ 19,300,000,000	$ 19,300,000,000
Current Year	$ 40,737,000,000[30]		$ 40,568,741,000[31]	$ 41,249,064,000[32]
2014 Total	**$ 60,037,000,000[33]**		**$ 59,868,741,000**	**$ 60,549,064,000**
Q1 Advance	**$ 19,700,000,000**		**$ 19,700,000,000**	**$ 19,700,000,000**
Current Year	$ 40,927,000,000	No Data	No Data	$ 41,232,978,000[34]
2015 Total	**$ 60,627,000,000**			**$ 60,932,978,000[35]**
Q1 Advance	**$ 19,200,000,000**			
Current Year	$ 46,422,000,000			
2016 Total	**$ 65,622,000,000**			
Q1 Advance	**$ 14,500,000,000**			
Current Year				
2017 Total				

[1] H.R. 3010.

[2] H.R. 3010, reported from Committee with an amendment.

[3] Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149).

[4] H.R. 5647.

[5] S. 3708

[6] Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5). Of this amount, $2,937,000,000 was available for administrative expenses.

[7] H.R. 3043.

[8] Experiment

[8] S. 1710.

[9] Consolidated Appropriations Act, 2008 (P.L. 110-161). The amount does not include a rescission of $53,671,177 for SSI administrative expenses and $349,400 for research and demonstration projects in accordance with P.L. 110-161.

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

[11] S. 3230.

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

[13] H.R. 3293.

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

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

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

[17] S. 3686.

[18] The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). Of this amount, $3,493,273,000 was available for administrative expenses. The amount does not include a rescission of

$6,987,000 for SSI administrative expenses and $72,000 for research and demonstration projects in accordance with P.L. 112-10.

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

[20] The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included $38,062,428,000 for fiscal year 2012. Of this amount, not more than $17,428,000 was made available for research and demonstrations under sections 1110 and 1114 of the Social Security Act and remain available until the end of fiscal year 2013. Up to $10,000,000 of the research funds were to provide incentives payments and to conduct a rigorous evaluation of a demonstration project designed to improve the outcomes for SSI child recipients and their families. In addition, H.R. 3070 included $18,200,000,000 for benefit payments for the first quarter of fiscal year 2013.

[21] S. 1599.

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

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

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

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

[26] S. 3295.

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

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

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

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

[31] S. 1284.

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

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

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

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

FEDERAL BENEFIT PAYMENTS

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

PURPOSE AND METHOD OF OPERATION

The SSI program was established to pay needy aged, blind and disabled individuals a minimum level of income through Federally-administered monthly cash payments. In many cases, these payments supplement income from other sources, including Social Security benefits and state programs. In FY 2016, SSA estimates benefit payments will total approximately $60.7 billion for more than 8.2 million Federal SSI recipients.

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

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	*FY 15 to FY 16 Change*
Appropriation	**$ 55,579,000**	**$ 56,201,000**	**$ 60,683,000**	*+ $ 4,482,000*
Obligations	**$ 53,849,499**	**$ 55,374,000**	**$ 60,683,000**	*+ $ 5,309,000*
Advance for subsequent fiscal year	$ 19,700,000	$ 19,200,000	$ 14,500,000	*- $ 4,700,000*

RATIONALE FOR BUDGET REQUEST

SSA is requesting $60.7 billion in new budget authority for Federal benefit payments in FY 2016.

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

SSI RECIPIENT POPULATION

The number of Federal SSI recipients has increased from 7.8 million in FY 2011 to 8.2 million in FY 2014 and is expected to remain at 8.2 million through FY 2016. The estimated increase in Federal recipients in FY 2016 represents a 0.2 percent increase over the FY 2015 level. SSA estimates the number of SSI recipients by analyzing a number of factors including applications, award and termination rates, and funding for program integrity initiatives.

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

	FY 2011	FY 2012	FY 2013	FY 2014
Aged	1,105	1,094	1,089	1,094
Blind or Disabled	6,652	6,846	7,000	7,076
Total Federal	**7,756**	**7,940**	**8,089**	**8,171**
Year-to-Year Change	*3.1%*	*2.4%*	*1.9%*	*1.0%*
State Supplement Only	254	234	220	217
Total Federally Administered	**8,010**	**8,173**	**8,309**	**8,388**

In addition to Federal SSI recipients, SSA currently administers state supplementary payments for 22 states and the District of Columbia. SSA administers payments for approximately 1.6 million state supplement recipients, of which approximately 180,000 do not receive a Federal SSI benefit and only receive the state supplementary payment.

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

	FY 2015 Estimate	FY 2016 Estimate	*FY 14 FY 15 Change*
Aged	1,098	1,104	*+ 0.5%*
Blind or Disabled	7,121	7,132	*+ 0.2%*
Total Federal	**8,220**	**8,236**	*+ 0.2%*
State Supplement only	178	181	*+ 1.7%*
Total Federally Administered	**8,398**	**8,417**	*+ 0.2%*

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1 Totals may not add due to rounding.

SSI Disabled vs. Aged Recipient Population

The number of Federal blind or disabled SSI recipients as a percentage of all Federal SSI recipients has steadily increased from 81 percent in FY 2000 to 86.6 percent in FY 2016. Because the average monthly benefit payment for blind or disabled recipients is higher than that of aged recipients, this consistent shift in the population make-up increases overall Federal SSI benefit payments.

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

Fiscal Year	Total Federal	Aged	Blind or Disabled	Blind or Disabled as % of Total
2000	6,328	1,203	5,125	**81.0%**
2007	7,003	1,111	5,892	**84.1%**
2008	7,117	1,103	6,014	**84.5%**
2009	7,304	1,106	6,198	**84.9%**
2010	7,522	1,105	6,417	**85.3%**
2011	7,756	1,105	6,652	**85.8%**
2012	7,940	1,094	6,846	**86.2%**
2013	8,089	1,089	7,000	**86.5%**
2014	8,171	1,094	7,076	**86.6%**
2015 Estimate	**8,220**	**1,098**	**7,121**	**86.6%**
2016 Estimate	**8,236**	**1,104**	**7,132**	**86.6%**

Concurrent SSI/OASDI Recipients

SSI recipients also receiving Old-Age and Survivors Insurance (OASI) or DI benefits have their SSI benefit reduced, less applicable exclusions, by the amount of their OASDI benefit. Approximately 34 percent of all SSI recipients (including those only receiving a state supplement) also receive Social Security benefits. Approximately 56 percent of the SSI aged and 30 percent of the SSI blind and disabled populations receive concurrent payments.

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[1] Totals may not add due to rounding.

BENEFIT PAYMENTS

Maximum Monthly Federal Payments

The maximum monthly federal benefit rate (FBR) is increased each January when there are increases in the cost-of-living. Effective January 2015, there is a 1.7 percent cost-of living increase and a COLA of 1.3 percent is projected for January 2016. The FBR increased from $721 for an individual and $1,082 for a couple for calendar year (CY) 2014 to $733 for an individual and $1,100 for a couple for CY 2015. SSA estimates the FBR will increase to $743 for an individual and $1,114 for a couple in CY 2016. The COLA will be effective in January 2016, raising the maximum benefit rate to higher levels than the first 3 months of the fiscal year.

Table 2.15—Maximum Benefit Rates

	FY 2015		FY 2016	
	First 3 Months	Last 9 Months	First 3 Months	Last 9 Months
Individual	**$ 721**	**$ 733**	**$ 733**	**$ 743**
Couple	**$ 1,082**	**$ 1,100**	**$ 1,100**	**$ 1,114**

Average Monthly Benefit Payments

The amount actually paid to a recipient can vary from the FBR based on their income received (e.g., earnings and Social Security benefits) and the living arrangement of the recipient (e.g., residence in one's own home, the household of another person, or in a nursing home which meets Medicaid standards). The average monthly benefit is expected to increase from $543 in FY 2014 to $554 in FY 2015 and $565 in FY 2016. The increase in the average benefit payment is driven by COLAs and recipient population characteristics.

Table 2.16—Average Monthly Benefit Payments

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Aged	$ 383	$ 391	**$ 399**
Blind or Disabled	$ 568	$ 580	**$ 590**
All SSI Recipients	$ 543	$ 554	**$ 565**

Cost of Living Adjustments

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

Program Integrity Funding

Annual benefit payment estimates are dependent on SSA performing a certain level of SSI CDRs and redeterminations. Specifically, the FY 2016 estimate assumes SSA receives the proposed administrative funding to conduct 428,000 SSI CDRs and 2,622,000 non-medical redeterminations.

Timing of Monthly Benefit Payments

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

Table 2.17—Check Payments by Fiscal Year

	Number of Check Payments	Federal Benefit Obligations
FY 2007	11	$ 36,481,897,840
FY 2008	12	$ 41,309,722,313
FY 2009	12	$ 44,987,045,867
FY 2010	12	$ 47,322,385,581
FY 2011	13	$ 52,274,301,053
FY 2012	11	$ 47,003,477,518
FY 2013	12	$ 52,782,740,412
FY 2014	12	$ 53,849,499,196
FY 2015	**12**	**$ 55,374,000,000**
FY 2016	**13**	**$ 60,683,000,000**

ADMINISTRATIVE EXPENSES

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

PURPOSE AND METHOD OF OPERATION

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

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

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

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

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate[1]	FY 15 to FY 16 Change
Total Appropriation	$ 4,920,064	$ 4,578,978	$ 4,765,000	+ $ 186,022
Obligations Funded from Prior-Year Unobligated Balance	$ 827	$ 0	$ 0	$ 0
Transfer from LAE	$ 0	$ 89,000	$ 70,000	- $ 19,000
Obligations	$ 4,920,891	$ 4,667,978	$ 4,835,000	+ $ 167,022

RATIONALE FOR BUDGET REQUEST

The FY 2016 request for SSI administrative expenses is $4,765,000,000. This appropriation is used to reimburse the trust funds for the SSI program's share of administrative expenses. This amount includes additional funding of $938 million specifically for FY 2016 SSI program integrity activities in the SSI program in FY 2016.

These amounts exclude funding made available in the LAE account from state user fees for SSA expenses for administering SSI state supplementary payments. The LAE account assumes funding of up to $123,000,000 for SSI state supplementary user fees in FY 2015 and up to $136,000,000 in FY 2016.

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[1] Based on our latest estimates, obligations exceed budget authority in FY 2016 by $70 million. We plan to transfer the SSI's prorated share of unobligated LAE money that has been converted into no-year IT funds to account for the difference. This ITS fund is not part of the annual administrative appropriation.

BENEFICIARY SERVICES

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

PURPOSE AND METHOD OF OPERATION

Beneficiary services consist of the Vocational Rehabilitation (VR) and Ticket to Work programs. The objective of the programs is to help disabled individuals achieve and sustain productive, self-supporting work activity.

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

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	*FY 15 to FY 16 Change*
Appropriation	**$ 3,000**	**$ 70,000**	**$ 70,000**	*$ 0*
Obligations Funded from Prior-Year Unobligated Balances	$ 61,503	$ 4,000	$ 16,000	*+ $ 12,000*
Obligations	**$ 64,503**	**$ 74,000**	**$ 86,000**	*+ $ 12,000*
Vocational Rehabilitation	$ 57,573	$ 66,000	$ 76,000	*+ $ 10,000*
Ticket to Work	$ 6,930	$ 8,000	$ 10,000	*+ $ 2,000*

In the VR program, SSA repays state VR agencies for the reasonable and necessary costs of services that successfully rehabilitate disabled SSI recipients. VR agencies are successful when a disabled recipient performs substantial gainful activity for a continuous period of nine months out of twelve.

A portion of the FY 2016 obligations in the above table will cover estimated payments authorized by the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170). Under the Ticket program, SSA pays Employment Networks (ENs) for providing vocational rehabilitation, employment, and other support services to disabled SSI recipients. Recipients select an EN (including state VR agencies), which SSA pays in exchange for services that may reduce reliance on federal cash benefits.

Ticket payments, unlike VR reimbursement payments, are not based on the costs of specific services provided by the EN. SSA pays ENs on either an outcome-milestone payment method or an outcome-payment method. Under the outcome-milestone payment method, SSA pays the EN for each milestone the recipient successfully achieves. The recipient may continue to receive monthly benefit payments when SSA issues a milestone payment. In contrast, SSA will begin issuing outcome payments only after the individual's monthly benefit payments cease. SSA bases outcome-payment amounts 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 BUDGET REQUEST

SSA is requesting $70 million in new budget authority for beneficiary services. SSA will use prior-year unobligated balances to cover a portion of FY 2015 and 2016 obligations.

In the Ticket to Work program, the estimate for FY 2016 assumes a total of 5,300 Ticket beneficiaries with payments to an EN, an increase from 4,200 in FY 2015.

In the VR Reimbursement program, the estimate for FY 2016 assumes a total of 6,500 distinct beneficiaries with significant work and for which reimbursement are paid, an increase from 5,900 in FY 2015. For SSI-only recipients, the FY 2016 average cost per VR reimbursement payment is $17,600 for an estimated 3,300 payments. For recipients concurrently receiving SSI and DI, the FY 2016 average SSI cost per VR reimbursement payment is $5,300 for an estimated 3,200 payments. In FY 2015, the average cost per VR reimbursement to SSI-only recipients is $17,100 for an estimated 3,000 payments. For SSI and DI concurrent recipients, the FY 2015 average SSI cost per VR reimbursement is $4,800 for an estimated 2,900 payments.

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

Table 2.20—SSI VR Reimbursement and Ticket to Work Payments

SSI VR Reimbursement Payments	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 15 to FY 16 Change
Number of SSI-Only Awards	2,707	3,000	3,300	+ 300
SSI-Only Cost per Payment	$ 16,900	$ 17,100	$ 17,600	+ $ 500
Number of SSI/DI Concurrent Awards	2,649	2,900	3,200	+ 300
SSI/DI Concurrent Payment (SSI portion of costs only)	$ 4,500	$ 4,800	$ 5,300	+ $ 500
Total Number of SSI VR Reimbursement Awards	**5,356**	**5,900**	**6,500**	*+ 600*
Total SSI VR Reimbursement Payments (in thousands)[1]	**$ 57,600**	**$ 66,000**	**$ 76,000**	*+ $ 10,000*
Ticket Beneficiaries with Payments (SSI-Only & SSI/DI Concurrent Beneficiaries for whom we served and paid an EN)	**3,683**	**4,200**	**5,300**	*+ 1,100*
Total Ticket Payments (in thousands)[1]	**$ 7,012**	**$ 8,000**	**$ 10,000**	*+ $ 2,000*

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[1] Payments shown do not necessarily equal outlays due to reporting lags.

RESEARCH, DEMONSTRATION PROJECTS, AND OUTREACH

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

PURPOSE AND METHOD OF OPERATION

SSA conducts extramural research, demonstrations, and outreach under sections 1110, 1115, 1144, and 234 of the Social Security Act. Projects funded under section 234 are not a part of this appropriations request.

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

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate	*FY 15 FY 16 Change*
Research Appropriation	**$ 47,000**	**$ 48,000**	**$ 51,000**	*+ $ 3,000*
Early Intervention Appropriation	**$ 0**	**$ 35,000**	**$ 50,000**	*+ $ 15,000*
Obligations funded from prior-year balances	$ 0	$ 7,604	**$ 19,498**	*+ $ 11,894*
Unobligated Balance Carry Forward	-$ 2,952	-$ 31,000	**$ 0**	*+ $ 31,000*
Obligations	**$ 44,048**	**$ 59,604**	**$ 120,498**	*+ $ 60,894*

Section 1110 of the Social Security Act provides authority for conducting broad-based cross-programmatic projects for OASDI and SSI programs. This includes both waiver authorities for the SSI program, as well as projects dealing with specific SSI issues. Under the authority of section 1110, we fund a range of extramural projects: disability policy research, projects to develop effective rehabilitation and return-to-work strategies, financial literacy and education, retirement policy research, evaluations of proposed or newly enacted legislative changes, and projects to maintain and improve basic data about our programs and beneficiaries.

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

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

RESEARCH INVESTMENT CRITERIA

To help ensure that our research and demonstration projects reflect the agency's long-term priorities and support the objectives of our Agency Strategic Plan, we have established guidelines for developing, managing, and vetting projects for potential inclusion in our long-term research and demonstration agenda. We employ a variety of methods to ensure: 1) that we meet the funding requirements of the sections of the Act that authorize our extramural research and demonstration activities; and 2) that our extramural research activities meet high standards for relevance, quality, and performance.

This section of our justification highlights some of the steps we take to ensure that our research activities meet high standards:

Relevance

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

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

Our budget request reflects our support of the Administration's and Congress' ongoing goal to provide opportunities for disability beneficiaries to maximize their self-sufficiency through work. For example, we are working collaboratively with the Department of Labor (DOL), the Department of Education (ED), and HHS in this area to test interventions that will improve the postsecondary education and employment outcomes of children who receive SSI. Existing studies indicate a lack of effective retirement planning on the part of the public. Our budget also includes provisions to increase the American public's basic financial management skills. For example, we support projects funded under the Financial Literacy and Education Commission (FLEC).

Quality

We use a competitive, merit-based procurement process to ensure that our extramural research program produces high quality results. We award nearly all of our extramural research projects conducted by private-sector organizations through competitive contracts or cooperative agreements.

We also make use of technical evaluation panels to review projects while they are in progress and to provide feedback and suggestions to the agency and its contractors. These panels include internal experts in relevant disciplines, such as statistics, economics, and survey design. They

help ensure that SSA-sponsored research projects are methodologically sound and consistent with professional standards. In addition, the research projects that we sponsor through the Retirement Research Consortium (RRC) and Disability Research Consortium (DRC) are often discussed in a formal, external setting, via seminars or workshops.

Performance

We carry out our extramural research and evaluation projects primarily through contracts, jointly funded cooperative agreements, and grants that identify specific deliverables and timetables. The agency has sent a strong message to contractors that they must complete projects on time and within budget. Contracting Officer Technical Representatives (COTR), project officers, administrative staff, and senior executives monitor the progress of all research contracts and agreements.

Consistent with the Administration's encouragement to support evidence-based evaluations, we produce reports and data files for each research and evaluation project in an effort to determine whether existing or proposed programs are working as they should. Where appropriate, we make these reports publicly available or announce their availability in the *Social Security Bulletin* and on the Web. The RRC also disseminates output at annual conferences, on the Web, and through a variety of publications, workshops, and courses. Finally, agency funded research projects based on the Survey of Income and Program Participation (SIPP), the Health and Retirement Study (HRS), or the Model of Income in the Near Term (MINT) model are widely cited in both peer-reviewed publications and the mainstream press.

RATIONALE FOR BUDGET REQUEST

We are requesting $51 million in new budget authority in FY 2016 for research projects designed to explore potential improvements to our programs. This level will allow continued support for key Congressional and long-standing SSA priorities such as the development of the Occupational Information System (OIS), our rigorous evaluation of the Promoting Readiness of Minors in SSI (PROMISE) pilot, and the National Academy of Sciences/Institute of Medicine's independent evaluation of the disability program for adults and children. The request also provides funding for our Interagency Agreement (IAA) with the National Institutes of Health (NIH) to help quickly and efficiently identify individuals who should be awarded disability benefits.

In FY 2016, we plan to continue our efforts to ensure that policymakers and the public have access to objective, scientific and methodologically sound data and analysis as the dialogue on how to strengthen and reform Social Security continues. In support of this effort, we plan to continue funding the RRC, which will continue to maintain our capability to produce policy-relevant research on retirement, and the DRC, which will continue to address a shortage of disability policy research and foster collaborative research with other federal agencies that serve individuals with disabilities.

We are also requesting $50 million in new budget authority in FY 2016 for early intervention demonstrations, as described beginning on page 86.

The table and discussion that follow present the research and outreach efforts we plan to fund in FY 2016 in more detail.

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

	Obligations[3]		
	FY 2014 Actual	**FY 2015 Enacted**	**FY 2016 Estimate**
Serve the Public through a Stronger and more Responsive Disability Program	**$ 27,769**	**$ 37,281**	**$ 38,933**
Advisory Services to Assist. SSA with Disability Issues	$ 4,092	$ 3,900	$ 2,700
Disability Analysis File (DAF)	$ 755	$ 755	$ 1,000
Disability Determination Process Small Grants	$ 300	$ 300	$ 300
Disability Research Consortium (DRC)	$ 4,989	$ 5,500	$ 5,500
National Beneficiary Survey (NBS)	$ 0	$ 300	$ 3,324
New and Emerging Research - Disability	$ 287	$ 2,000	$ 700
NIH IAA for Data Analytics/FAB Development	$ 1,500	$ 2,041	$ 2,100
Occupational Information Systems (OIS)	$ 13,155	$ 18,648	$ 20,000
Promoting Readiness of Minors in SSI (PROMISE)	$ 2,691	$ 3,838	$ 3,309
Deliver Innovative Quality Services	**$ 3,650**	**$ 5,015**	**$ 5,015**
American Life Panel (ALP) Enhancements	$ 1,477	$ 1,490	$ 1,490
Collaboration with Other FLEC Members	$ 730	$ 480	$ 480
Enterprise Business Platform	$ 0	$ 1,000	$ 1,000
New and Emerging Research - Retirement	$ 11	$ 300	$ 300
Medicare Outreach	$ 1,432	$ 1,745	$ 1,745
Strengthen the Integrity of Our Programs	**$ 12,629**	**$ 13,307**	**$10,550**
Census Surveys	$ 1,125	$ 3,075	$ 300
Data Development	$ 299	$ 302	$ 320
Health & Retirement Study (HRS)	$ 2,655	$ 2,655	$ 2,655
Health & Retirement Study Supplement	$ 1,500	$ 1,500	$ 1,500
Retirement Income Modeling	$ 0	$ 0	$ 0
Retirement Research Consortium (RRC)	$ 6,775	$ 5,500	$ 5,500
Social Security Programs Throughout the World	$ 275	$ 275	$ 275
Subtotal Research Obligations	$ 44,048	$ 55,603	$ 54,498
Early Intervention Obligations	**$ 0**	**$ 4,000**	**$ 66,000**
Total Research Obligations	**$ 44,048**	**$ 59,604**	**$ 120,498**
New Budget Authority	**$ 16,980**	**$ 83,000**	**$ 101,000**

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

MAJOR RESEARCH AND OUTREACH PROJECTS

Although our extramural research budget represents a small piece of our overall funding, our research and demonstration projects help us to significantly increase the efficiency and accuracy of our mission-critical work. Below is a detailed summary, by category, of the major research and demonstration projects we plan to conduct in FY 2016:

Serve the Public through a Stronger, more Responsive Disability Program

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

Advisory Services to Assist SSA with Disability Issues/Institute of Medicine (IOM)

As part of our efforts to continuously improve the administration and effectiveness of our disability programs, in FY 2013 we entered into a new 5-year contract with the IOM. The IOM established a standing committee of medical experts to assist us with ongoing and emerging disability issues. The IOM Standing Committee surveys literature regarding clinical practices and published studies related to disability and collects and analyzes relevant data and information. The multidisciplinary information that results from this research is critical in identifying opportunities for us to update policy and procedures in an effective, targeted way. Having independent medical experts provide us this information helps maintain the objectivity of our policy and procedures.

In FY 2014, the IOM established four Federal Advisory Committee Act (FACA) compliant consensus study committees to: (1) describe past and current trends in the prevalence and persistence of mental disorders for the general U.S. population under age 18, and provide a comparison between those trends and trends in the SSI childhood disability population; (2) perform a critical review of selected psychological testing, including symptom validity testing (SVT), that could contribute to our disability determinations; (3) describe past and current trends in the prevalence and persistence of speech disorders and language disorders for the general U.S. population under age 18, and provide a comparison between those trends and trends in the SSI childhood disability population; and (4) provide recommendations to improve the accuracy and efficiency of our policy and procedures for capability determinations for adult beneficiaries.

The SSI disability program provides monthly payments to more than 1.2 million children with disabilities. To maintain program integrity, we must ensure that we allow disability payments only for those children who qualify. One of the knowledge gaps we recently identified is an inadequate understanding of emerging issues relating to the evaluation of disability in children. The goals of the first and third consensus study committees, therefore, are to fill this gap by gathering data and information that will improve our understanding of disability in children with mental disorders and speech and language disorders. This will help us ensure that the SSI disability program appropriately provides payments to children with these disabling conditions. The final reports of the first and third consensus study committees are due in August 2015 and April 2016, respectively.

When we evaluate a disability claim based on a physical or mental impairment, we require sufficient evidence to: (1) establish the presence of a medically determinable physical or mental impairment(s); (2) assess the degree of functional limitation the impairment(s) impose(s); and (3) project the probable duration of the impairment(s). We do not use test scores alone to determine whether an adult or a child is disabled. Our longstanding policy has been to consider all relevant evidence in a claimant's case record when making a disability determination. Our regulations say that a physical or mental impairment must be established by medical evidence consisting of signs, symptoms, and laboratory findings--which can include psychological test results--not only by the claimant's statement of symptoms. We also consider the extent to which the claimant's symptoms can reasonably be accepted as consistent with the objective medical evidence and other evidence. After we review all of the evidence relevant to the claim, including medical opinions, we make findings about what the evidence shows. The goal of the second consensus study committee is to provide guidance on the general relevance and applicability of psychological tests, including SVTs, in the context of other relevant evidence in claims involving physical and mental disorders. The committee will also provide guidance on how to use the results of psychological tests, including SVTs, in the context of disability determinations. The committee's final report is due in June 2015.

Regardless of an adult's legal competency, Sections 205(j) and 1631(a)(2) of the Social Security Act give us the authority to appoint a representative payee to receive DI benefits or SSI payments on behalf of an DI beneficiary or SSI recipient and to use those benefits for the beneficiary's needs. Generally, we appoint a representative payee if we determine that a beneficiary is not able to manage benefits in his or her interest. Every beneficiary has the right to manage his or her own benefits; however, some adult beneficiaries, due to a mental or physical condition, may be unable to do so. Under these circumstances, we may determine that the interests of the beneficiary would be better served if we appoint a representative payee. The goal of the fourth consensus study committee is to provide an overview of the capability determination processes in at least three similar benefit programs, compare our program to these other programs, and provide recommendations to improve the accuracy and efficiency of our policy and procedures for capability determinations. The committee's final report is due in May 2016.

In FY 2015, we plan to use IOM-established FACA compliant consensus study committees to: (1) determine how technology-driven assistive and adaptive products have improved functioning in the workplace for adults with disabilities, and provide recommendations for considering use of such products in the disability determination process for adults; and (2) provide recommendations for accurate and efficient methods to determine functioning for adults.

In FY 2016, we plan to use an IOM-established FACA compliant consensus study committee to: provide recommendations for methods to identify when impairments are no longer disabling for children, such as reviewing certain impairments more frequently or having certain child SSI recipients (based on disabling impairment) periodically report to SSA on their health status; and evaluate the merits of conducting preliminary "disability screenings" using the adult disability rules for children with certain impairments at a specific age (for example, age 15) to identify children who we believe may no longer receive SSI payments when they attain age 18 and

provide them notice of the possibility of SSI payment cessation and referral to vocational assistance.

Since 2004, we have updated approximately 70 percent of the listings and we plan to propose revisions in the Federal Register for all listings by the end of 2015. Listings-related Federal Register Notices for the period from January 2009 thru December 2014 include:

Final Rule
Malignant Neoplastic Diseases (10/06/2009)
Hearing Impairments (06/02/10)
Neurological (Technical correction for neurological listing cross-reference) (03/24/2011)
Endocrine Disorders (04/08/2011)
Congenital Disorders That Affect Multiple Body Systems (02/04/2013)
Special Senses – Vision (03/29/2013)
Change in Terminology "Mental Retardation" to "Intellectual Disability" (08/01/2013)
Genitourinary Disorders (10/10/2014)

Notice of Proposed Rulemaking
Endocrine Disorders (12/14/2009)
Mental Disorders (08/19/2010)
Visual Impairments (02/13/2012)
Change in Terminology" "Mental Retardation" to "Intellectual Disability" (01/28/2013)
Genitourinary Disorders (02/04/2013)
Respiratory Disorders (02/04/2013)
Growth Disorders and Weight Loss in Children (05/22/2013)
Hematological Disorders (11/19/2013)
Cancer (12/17/2013)
Neurological Disorders (02/25/2014)
Human Immunodeficiency Virus (HIV) Infection and Functional Limitations in Immune System Disorders (02/26/2014)

Advance Notice of Proposed Rulemaking
Impairments Affecting Multiple Body System (11/10/2009)
Skin Disorders (11/10/2009)
Speech-Language Disorders (02/06/2012)
Special Senses – Hearing and Labyrinthine-Vestibular (08/30/2013)

Other Listing-Related Accomplishments in 2014
Publication of Social Security Ruling, SSR-14-3p: Titles II and XVI: Evaluating Endocrine Disorders Other Than Diabetes Mellitus (06/02/2014)
Publication of Social Security Ruling, SSR-14-2p: Titles II and XVI: Evaluating Diabetes Mellitus (06/02/2014)
Publication of Social Security Ruling, SSR14-1p: Titles II and XVI: Evaluating Claims Involving Chronic Fatigue Syndrome (CFS) (04/03/2014)

Disability Analysis File (DAF)

The DAF has been previously funded under the former "other research" line item in prior submissions. The DAF is a composite of the ten most relevant SSA administrative files needed to answer questions about disability and work. The DAF pulls these files together into a meaningful whole that researchers can easily understand and use. The DAF also provides complete researcher-friendly documentation of the data for these files. As a result, having a standing DAF file eliminates the first 6-12 months of investigation and start-up assembly of the data for every new research project that uses it and is essential in providing quick responses to agency inquiries. In FY 2016, we will continue to build the DAF as we have done in years past.

Disability Determination Process Small Grants Program

This grant program provides one-year stipends to graduate and post-doctoral students to conduct disability research, including research that supports the identification of more claims for fast-tracking under the CAL/Quick Disability Determination process. Other potential research topics include: an examination of severity thresholds in medical conditions that meet CAL criteria; whether current medical listings provide consistent consideration regarding the use of assistive technology for disability determination purposes; the potential for predictive modeling and focusing on information collection instruments; and the relationship between homelessness and disability.

In September 2011, we awarded a five-year grant to Policy Research Inc. (PRI) to run the small grant program. PRI targeted graduate programs in public health, social work, occupational medicine, vocational and rehabilitation counseling, public policy and administration, sociology, psychology, education, economics, medicine, and law. Each of the teams PRI convenes to review the proposals will include at least one person with a disability.

PRI approved 8 proposals in the 2012 cohort of student stipend awards, 10 proposals in the 2013 cohort of stipend awards, and 11 proposals in the 2014 cohort of awards. The last cohort had 18 applications. We will re-compete the grant in FY 2016. Please see the following PRI website for a list of the awarded projects and accepted final reports:

http://ddp.policyresearchinc.org/completed-projects/

Disability Research Consortium (DRC)

The DRC grants support the production and dissemination of program and policy-relevant research to assist policymakers in improving services and benefits from the DI and SSI programs. A major component of the mission is to support research to better understand how Federal programs for people with disabilities intersect and interact with each other and with other programs that provide services and benefits to people with disabilities. This will help to improve service delivery, enhance coordination of services across programs, build on complementarities across programs, eliminate duplication and waste, and advance cooperation across Federal agencies that serve people with disabilities. Under the DRC, we will support the development of research data sources using administrative records and data matches for use in research projects. We awarded the third year DRC grants in September 2014.

In FY 2015, we enter year three of the cooperative agreements with the Mathematica Policy Research center and the National Bureau of Economic Research center. These centers contribute to disability and rehabilitation research, and they are widely recognized as having expertise in conducting empirical studies of disability programs and related issues.

The DRC centers will continue research activities across six broad priority research areas: demographics, economics, health, programmatic issues, work and education, and international comparisons. These topics will be guided by the agenda for the consortium's research projects for FY 2015. We will continue on-going interaction with the center directors and staff to ensure funding of projects that meet the DRC criteria and our agency's critical research needs.

National Beneficiary Survey (NBS)

The NBS collects data from a national sample of DI and SSI beneficiaries and a sample of Ticket to Work (TTW) participants that are not available from any other source. We have used the NBS to provide information on our programs and beneficiaries to answer questions for SSA, other federal agencies, the Government Accountability Office (GAO), and Congress. The NBS is available as a public use file on Data.gov and the SSA website.

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

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

We completed the first three rounds of the NBS in 2004, 2005, and 2006, and the fourth round in 2010. We completed 27,000 interviews across the four rounds of the NBS. The response rate for rounds one through three averaged 80 percent, and the response rate for round four was 72 percent. We plan to continue collecting information on a national sample of SSI and DI beneficiaries.

In FY 2012, we began to make changes in the NBS to collect more information on the factors associated with successful and unsuccessful work attempts and less information on the TTW program. In the redesigned NBS, we will conduct in-depth interviews of the most successful working SSI and DI beneficiaries. The questions will focus on the home, community, employer, and SSA policies that influence successful work attempts. We have developed the new questions and the design of the sample of the most successful working beneficiaries.

The first round of the redesigned NBS will begin in February 2015, including 4,000 interviews of the national sample of SSI and DI beneficiaries and 90 in-depth interviews of the most

successful working beneficiaries. We plan to conduct the second and third rounds in FY 2017 and FY 2019.

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

New and Emerging Research - Disability

Our New and Emerging Research –Disability line item replaces the former "Other Research" category and includes projects that provide broad program analysis and development in support of the DI and SSI programs. These projects typically include studies of program policy issues, the identification of trends in the disability programs, the formulation of agency policy regarding cross-cutting programs or issues related to disability and/or income assistance programs, and the development and implementation of policy and procedures on DI and SSI work incentives. Often, these projects address necessary but unforeseen requests for studies from Congress, OMB, the Administrative Conference of the United States, or our leadership, which are typically quick turnaround projects regarding policy priorities. In FY 2015, we intend to use this funding line to continue the DAF and other priority projects requested of SSA.

National Institutes of Health (NIH) IAA for Data Analytics and FAB Development

The CAL initiative identifies diseases and other medical conditions that invariably qualify for allowance under the Listing of Impairments. The initiative allows us to target the most obviously disabled individuals for allowances based on objective medical information that we can obtain quickly. We currently have 225 CAL conditions. Through the end of FY 2014, we approved claims filed by almost 300,000 people with severe disabilities through this fast-track disability process.

Under an agreement with their Office of Extramural Research that runs through FY 2016, NIH provides in-depth analysis of our existing data and assists in identifying CAL conditions. NIH also contracts with Boston University (BU) in developing a work disability functional assessment battery (FAB) that utilizes computer-adaptive testing (CAT). The FAB will provide accurate, uniform, and rapid information collection about individuals' potential to engage in substantial gainful activity.

In FY 2013, NIH continued an exhaustive analysis of potential CAL conditions using an expanded and updated database. Likewise, BU furthered development of four FAB functional domains with the development of learning and applying knowledge and daily activities domains. To date, our partnership has resulted in a productive cross-governmental relationship, significant cost-sharing, and scientifically and legally defensible research.

In FY 2015, BU will conduct a national calibration and predictive validity study of the entire FAB item pool. NIH will continue to explore the nature of data analysis needed to improve evaluation of the disability adjudication process in FY 2016.

Occupational Information System (OIS)

To determine whether disability applicants qualify for benefits, our adjudicators follow a sequential five–step evaluation process. At the first three steps, we determine eligibility primarily based on the severity of claimants' medical conditions. At steps four and five, we require information about work in the national economy in order to determine whether

claimants' impairment-related limitations would prevent them from working. The majority of our claims are decided at steps four and five. Currently, we base these medical-vocational decisions on the occupational information found in DOL's Dictionary of Occupational Titles (DOT) and its companion volume, the Selected Characteristics of Occupations. Although DOL did not design the DOT for our use, we adapted our disability program to it by incorporating many of its concepts and definitions into our regulations and policy. DOL, however, stopped updating the DOT in 1991 and replaced it with the Occupational Information Network (O*NET), a job placement tool which cannot facilitate disability adjudication without significant modifications.

In July 2012, we signed an Interagency Agreement with the Bureau of Labor Statistics (BLS) to test the feasibility of using the National Compensation Survey (NCS) platform to collect updated occupational information. BLS field economists were already collecting information for the NCS that was conceptually similar to what we need. Under the IAA, the BLS will collect information about the physical, skill, environmental, and mental and cognitive requirements of occupations. This information will largely support our current disability policy, and will provide us with data about work in the current economy to inform future policy.

Since FY 2012, we have also met periodically with DOL's Employment and Training Administration (ETA) to discuss whether elements of O*NET can be incorporated with the data collected by the BLS for use in our OIS. Initially, BLS will classify occupations using O*NET's framework.

We signed yearly IAAs with the BLS for FY 2013 through FY 2015 to continue testing. In FY 2013, the BLS performed three phases of testing designed to improve collecting the physical and skill requirements of occupations and workers' environmental exposure. After each test phase, the BLS consulted with SSA, evaluated data collection issues, and refined the data collection protocols and processes.

In FY 2014, the BLS resolved outstanding issues identified in FY 2013 and tested collecting new data elements, such as the mental and cognitive requirements of work. In FY 2015, the BLS issued a Request for Proposal for a contractor to evaluate BLS internal research on existing literature regarding the methods of collection of occupational requirements data and approaches for testing validity and reliability of such data. The contractor will complete the literature review and provide recommendations regarding further research efforts centered on measuring data validity and reliability.

In FY 2014, we began working with Northrop Grumman through our Information Technology Support Services Contract. We are developing the requirements for the front-end instrument that will allow adjudicators to access and filter the occupational data BLS is collecting and the O*NET data we decide to incorporate. We have concluded that a web-based tool will best meet the needs of our adjudicators and OIS stakeholders. The web-based platform will allow us to regularly update the information with minimal disruption to users and to make the information accessible to the general public.

In early FY 2015, BLS started the nationwide pre-production test to prepare for production data collection. Later in FY 2015, BLS will release limited pre-production test data analysis and begin outlining policy changes that will be necessary for implementing the new occupational data. During pre-production testing, we will continue working with the BLS to evaluate and refine the collection of the mental and cognitive requirements of work to ensure this information meets the needs of our adjudicators. Also in FY 2015, BLS will work to obtain approvals to implement production data collection, which should begin by early FY 2016. In FY 2015, we will continue working with Northrop Grumman to outline system requirements for the OIS IT platform, begin working with a contractor to develop the IT platform also under the ITSSC, and outline a plan to test the platform using pre-production data.

In FY 2016, pending the outcome of the pre-production test, BLS plans to complete the first round of production data collection, and release the first production estimates. We will continue meeting with DOL's ETA to discuss how O*NET data can benefit our OIS. Also, we will implement the plan to test the IT platform using the pre-production data and work with the Office of Disability Policy to consider policy changes that will allow us to use the new data more efficiently.

The current IAA with BLS ends at the end of FY 2015, and we plan to renew it annually, providing our collaboration continues to be successful.

We use Section 1110 funding for all OIS research and development contracts, while LAE funds the salaries and benefits of the SSA employees managing the project. For more information regarding the OIS project, please visit our OIS website at:

http://www.ssa.gov/disabilityresearch/occupational_info_systems.html.

Promoting Readiness of Minors in SSI (PROMISE)

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

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

Developing and conducting a rigorous evaluation to guide implementation, gather evidence, and validate incentive payments is a key component of PROMISE. In FY 2012, we convened a technical advisory panel to help prioritize the evaluation needs of this project. In FY 2013, we awarded a contract to evaluate PROMISE pilot interventions and in FY 2014, our evaluation contractor provided technical assistance to the state grantees and will begin randomly assigning

youth into treatment and control groups. In FY 2015, our contractor is continuing to implement random assignment and technical assistance, conduct site visits and focus groups, and deliver early assessments of the recruitment and enrollment process. In FY 2016, we will begin collecting data for the first national evaluation survey and conduct additional site visits and focus groups.

Deliver Quality Services

American Life Panel (ALP) Enhancements

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

- Increasing the sample size of American Indians and Alaska Natives so that we can conduct more robust retirement security research on this understudied group to inform SSA's targeted outreach efforts (http://www.ssa.gov/people/aian/); and
- Developing a Quick Turnaround Project fund for directly testing and answering emerging research questions from internal and external policy makers.

The ALP enhancements allow SSA to make more informed decisions about initiating new policies, procedures, and educational products designed to enhance retirement security. The ALP data also serves the public because the sample we support is available for researchers inside and outside of SSA to use in addressing research questions. For example, the FINRA Investor Education Foundation recently used the ALP to run the Financial Capability Study with a sample that included part of the vulnerable population group that SSA funded. With the exception of our staff time related to administering the funding agreement, the cost associated with our ALP enhancement is charged to our Section 1110 appropriation.

Collaboration with Other FLEC Members

In FY 2015, we are continuing our focus on collaborative initiatives designed to improve retirement security among vulnerable populations. One component of this effort is to support activities of federal agencies that are members of the FLEC. The FLEC, established by Congress in 2003, is a consortium of more than twenty federal departments, agencies, and entities working together toward the goal of improving the financial literacy and education of persons in the United States. Coordinating extramural research efforts on financial literacy and retirement security with other federal agencies allows SSA to minimize redundancy, identify best practices, share results, and leverage existing investments.

In FY 2016, we plan to continue supporting jointly funded cooperative agreements with ED, a key FLEC partner. Our extramural research partnership with ED builds on existing programs to foster retirement security-related research at Historically Black Colleges and Universities (HBCUs) and other minority-serving institutions. This partnership, launched in FY 2011, is consistent with the Executive Order 13532, which supports HBCUs (http://www.whitehouse.gov/the-press-office/promoting-excellence-innovation-and-

sustainability-historically-black-colleges-and-). ED issued the initial awards under the program at the end of FY 2013. The four grantee institutions are now using this funding to produce research on retirement security issues and to build capacity and human capital for future research.

Investing in this collaborative research initiative is a critical way for SSA to support the FLEC and to help improve financial capability, financial literacy, and retirement security among economically vulnerable groups. We anticipate that this program may also increase the return on our investment in data support for the ALP and HRS. More broadly, the financial literacy and education research we fund via this project line is specifically designed to prevent dependency in old age and to promote understanding and effectiveness of Social Security program features. With the exception of our staff time related to administering the programs, all costs for these activities are charged to our Section 1110 appropriation.

Enterprise Business Intelligence Platform

This project develops data on an Enterprise Business Intelligence Platform (EBI) for use by SSA components and appropriate entities external to SSA (e.g. Congressional Budget Office (CBO), Congressional Research Service, Open Government, etc.) for research and statistical purposes. In FY 2015, we will begin building a web portal, where authorized staff can access structured, cleansed, and validated datasets based on SSA administrative data. This will create streamlined code and access points to allow for: a) greater efficiency in the production of the agency's program statistics; b) on-demand access to large quantities of data, as well as customized reports by policy developers, policy makers, and researchers; and c) easier and timelier dissemination of data analysis findings to support data based decisions. The above actions leverage the capabilities of EBI technology to maintain and even increase SSA's ability to provide accurate, timely, and consistent information on our social insurance programs. Furthermore, the proposed automation will allow SSA to reallocate human resources to pursue the development and dissemination of new data, research, and analysis products.

New and Emerging Research- Retirement

In FY 2016, we plan to continue our partnership with the NIA supporting the "Roybal Center for Decision Making to Improve Health and Financial Independence in Old Age" at the University of Southern California. Congress created the Roybal Centers Program in 1992 to help translate basic social and behavioral research into practical applications for improving the health and well-being of older Americans. We intend to use the Roybal Center project to address emerging research topics of value to the Agency and external stakeholders, such as the White House and Congress. We first contributed funding to this project in FY 2015. The initial set of pilot projects the grantee has proposed to NIA includes research on financial decisions, annuities, and other topics that could inform our outreach and messaging to improve retirement security.

We may also continue to address retirement topics using other research vehicles, such as Intergovernmental Personnel Act (IPA) scholars. Through the IPA program, we fund recognized scholars to work on defined and targeted projects through the IPA program to help create unique and valuable retirement research relevant to SSA's mission. Past accomplishments from the IPA program include research on the impact of the Social Security Statement, the earnings implications of divorce for women, and the effects of employment gaps and layoffs on earnings and Social Security benefits.

Medicare Outreach – Section 1144

Section 1144 of the Social Security Act requires that we conduct outreach to Medicare beneficiaries who may qualify for Medicare cost-sharing assistance under the Medicare Savings Programs (MSP) and for the Medicare prescription drug coverage low-income subsidy. In order to meet this requirement, we have targeted our outreach efforts to include income-tested new Medicare beneficiaries, beneficiaries that have experienced a drop in income, and 20 percent of those whom we have previously notified of their potential eligibility.

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

We are also 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 that assist Medicare beneficiaries with their out-of-pocket medical expenses, including prescription drugs. In addition, we are required to make MSP applications available in a number of languages. Unless the beneficiary objects, we must share Medicare subsidized prescription drug benefit application information with the states so they can initiate applications for the cost-sharing MSP.

Strengthen the Integrity of Our Programs

One of the primary aims of our research program is to preserve the public's trust in SSA's programs by simplifying and streamlining how we do our work. To meet the challenges of our growing workload, SSA's research program provides analyses and data that support our efforts to make Social Security more responsive to the needs of the 21st century workforce. The following project summaries highlight the external efforts we plan to fund in FY 2016 that will help to simplify and streamline our policies, procedures, and business processes, as well as maximize our use of automation:

Census Surveys

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

Beginning in FY 2010, a major focus of our funding has been to contribute to the Census Bureau's re-engineering of SIPP, with a new survey that entered the field in February 2014. We rely upon SIPP data matched to our records to study the effects of OASDI, SSI, and related programs and to determine how changes to our programs affect individuals, the economy, and program solvency. Some of the important data elements required for our modeling and analysis efforts are not contained in the Census Bureau's re-engineered SIPP. In recent years, we have

provided funding and worked with Census to design a supplementary data collection to the re-engineered SIPP to meet our research and evaluation needs. Our FY 2016 funding plans will complete our support of the supplemental data collection effort and data processing.

Without this supplemental data collection, our ability to update and use the MINT model to respond to requests from the White House, Congress, and others to evaluate the impact of proposed changes to the Social Security programs will be severely impaired.

Data Development

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

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

Projects that we are currently funding include:

- Workers' Compensation Statistics—provides support to produce an income series on Workers' Compensation that we publish on an ongoing basis in the Annual Statistical Supplement.

- Committee on National Statistics of the National Research Council—along with contributions from other federal statistical agencies, provides support to the committee to improve statistical methods and information on which public policy decisions are based. Recent Committee topics include survey options for estimating the illegal alien flow at the Southwest border; redesigning the Consumer Expenditure Surveys; improving healthcare cost projections for the Medicare population; formulating a research agenda for the future of social science data collection; the future of federal household surveys collecting pay information from U.S. employers by gender, race and national origin; and measuring financial vulnerability by analyzing spending on medical care spending.

- Joint Program in Survey Methodology—a project jointly sponsored by the Census Bureau and the Interagency Council on Statistical Policy to develop up-to-date research techniques and training programs to train the next generation of researchers on state of the art practices in the statistical and methodological aspects of surveys.

- Research on Survey Methodology Program—a project jointly sponsored by the National Science Foundation and the Interagency Council on Statistical Policy to further the development of new and innovative approaches to surveys that will have broad implications for the field in general and specifically for the federal statistical system.

Research topics include survey measurement issues; data collection procedures; technological issues related to survey design; and methods for the analysis of survey data.

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

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

Health and Retirement Study (HRS)

The University of Michigan's HRS surveys more than 22,000 Americans over the age of 50 every 2 years and provides an ongoing source of longitudinal data for research on retirement and aging. The study paints an emerging portrait of an aging nation's transition from work to retirement and provides data on health and economic well-being after retirement. HRS data help us assess a wide range of issues, including pre-retirement saving, health insurance and pension coverage, retirement patterns, and projected benefits of disabled and retired workers. Through jointly financed cooperative agreements with the NIA, we have supported the HRS from its inception. HRS has become the premier source of data on the retirement-age population, especially when linked with our administrative records on benefits and earnings.

This project has five major components in FY 2016:

- Basic survey support that is targeted toward protecting against losses in sample size, improving data quality, assuring confidentiality of the data, and developing restricted access to administrative data on benefits and earnings,

- Production of user-friendly public-use HRS longitudinal data files with consistent imputations of missing data and simplified merging of observations across interview waves.

- Collection of longitudinal information from HRS respondents on consumption to understand how consumption changes through retirement and whether people have adequate retirement income to meet their consumption needs.

- Improvements to the consent rate among respondents to match HRS survey information wto SSA administrative records on benefits and earnings. This goal is largely achieved through increasing the proportion of HRS interviews in each wave that are conducted in person rather than by telephone. This effort will continue with the new cohort of respondents that will be added to the 2016 HRS.

- Updates of sample weights that account for attrition across waves of the HRS, longitudinal imputations of wealth and asset measures, and an integrated file to facilitate matching of HRS data to SSA administrative records.

HRS Supplement

The HRS is an important source of longitudinal data on retirement and aging, but sample sizes of minority and low-income populations are small, limiting research on these groups. Through a jointly financed cooperative agreement with the NIA, this project will maintain the increased sample size in the HRS for minority and low-income populations that we started supporting in FY 2009. The minority expansion will continue to have HRS data matched to agency administrative records. As subsequent waves of HRS data are collected, these activities entail initial development and on-going updates or maintenance.

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

Since its inception in 1992, SSA has provided annual funding to support and improve data collection and linkage of these data to SSA administrative data. Among the things we fund are a user-friendly longitudinal HRS data file, which is heavily used by SSA analysts, academics and contractors; in-person interviews to improve consent rates to match to SSA records; and the collection of longitudinal data on consumption patterns of a subset of HRS respondents. This unique longitudinal dataset makes it possible to study the dynamics of retirement and the aging of the population and how this is changing in successive cohorts. Over 2,000 studies using HRS data are registered on the HRS website. SSA uses the HRS for both policy analysis and model development. HRS data have been used to estimate labor force participation, retirement transitions, financial wealth, and housing equity relationships in SSA's MINT model. The data are also extensively used for RRC-funded research and as the basis for analysis presented in reports by the CBO, GAO, and the Council on Economic Advisors, among others.

Retirement Research Consortium (RRC)

The RRC is one of our key tools for maintaining a strong capability to produce a large body of policy-relevant research on retirement and Social Security. The RRC comprises three competitively selected research centers based at the University of Michigan, Boston College, and the National Bureau of Economic Research. They are broadly charged with planning, initiating, and maintaining a high quality, multidisciplinary research program that covers retirement and Social Security program issues. The centers perform valuable research and evaluation of retirement policy, disseminate results, provide training and education awards, and facilitate the use of our administrative data by outside researchers. These centers have greatly expanded the amount of policy research on Social Security-related issues and have responded to our specific analytical needs.

The research results of the RRC are widely reported in professional journals and conferences and in leading newspapers, radio, and television programs. The centers also disseminate results, train students and practitioners, and facilitate the use of our administrative data by outside researchers.

In FY 2016, we will enter year three of the current five-year cooperative agreements, which run through FY 2018.

One recent study funded through the RRC was an analysis of the Social Security Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) provision, and the effect these provisions have on Social Security benefits received by individuals and households. The study helps us understand the distributional effects of the current provisions and the extent to which they meet the purposes for which they were designed.

Another recent RRC study looked at the effects of the Saver's Credit on savings in tax-deferred accounts such as 401(k)s and IRAs. The study found that responsiveness to the Saver's Credit varied substantially across small geographic areas and concluded that there is an important role for information and peer effects in how individuals respond to savings incentives. This study has contributed greatly to the policy debate around retirement savings policy.

A third recent RRC study looked at responses to tax subsidies and employer-provided pension plans in Denmark. They were researching whether retirement savings policies increase total savings or cause individuals to shift their savings across different types of accounts. The findings have been used in the U.S. policy debate around retirement savings policy.

Finally, two studies were recently completed through the RRC that look at the long-term relationship between real interest rates and economic growth. This relationship is important with respect to the development of the economic assumptions underlying the long-range projections in the OASDI Trustees Report and should be useful to SSA's OCACT.
Recent RRC papers are available at the following link: http://www.ssa.gov/policy/rrc/ .

Retirement Income Modeling

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

SSA continually assesses the functionality of MINT. MINT is updated frequently to enhance components of the model, add new components, use more recent data, and incorporate the latest assumptions from the Trustees Reports through individual 1 to 2 year contracts. A recently completed contract enhanced MINT to include more recent survey and SSA administrative data and incorporated behavioral responses, model family-level consumption, and improved processing efficiency and turnaround time.

The MINT project provides quality and productivity improvements that we do not have the staffing resources or expertise to make. All costs for the development of MINT are charged to our Section 1110 appropriation. However, most MINT analyses are conducted in-house and the costs associated with in-house staff analyses using MINT are funded through our administrative budget.

Social Security Programs throughout the World

The Social Security Programs throughout the World (SSPTW) publication is the product of a cooperative effort between SSA and the International Social Security Association (ISSA). The ISSA is the principal international institution bringing together social security agencies and organizations around the world. The information contained in these volumes is crucial to our efforts and those of researchers in other countries to review different ways of approaching social security challenges that will enable us to adapt our social security systems to the evolving needs of individuals, households and families. These efforts are particularly important as each nation faces major demographic changes, especially the increasing number of aged persons, as well as economic and fiscal issues.

The Office of Research, Evaluation and Statistics has produced the SSPTW since 1937. It is the only source that provides reliable current country specific information on such a large number of foreign social security programs—currently more than 170 countries around the world. Internally, it is used extensively in the preparation of totalization agreements and for determining a country's eligibility under section 202(t) of the Social Security Act (Office of International Programs); to prepare for international meetings and for internal research activities (Social Security Bulletin articles, International Update and a monthly newsletter). Externally, it is used by Congress (such as the Senate Special Committee on Aging and the HELP Committee), across other Federal agencies (e.g., the GAO, DOL, and HHS) to prepare reports on a variety of social insurance topics, and by the State Department, which widely distributes copies to its embassies around the world. International Organizations, e.g., the World Bank, International Labor Organization (ILO), International Monetary Fund and the United Nations often include SSPTW data in their publications (e.g., the ILO relies on SSPTW for its series World Social Protection Report). In FY 2016, we plan to continue to fund this effort.

EARLY INTERVENTION DEMONSTRATIONS

The DI program provides crucial financial support for individuals who are no longer able to support themselves through work due to a disability. The DI program provided benefits to over 11 million Americans with expenditures of over $140 billion in 2014. Given the large number of individuals who ultimately rely on DI for income security and the overall costs of the program, it is critical for policymakers to have an evidence base to consider potential program innovations to improve the ability of individuals with disabilities to succeed in the workforce.

SSA has already tested various initiatives that support DI beneficiaries and a partial evidence base for policy innovation exists with respect to individuals already on the DI rolls. The Accelerated Benefits demonstration found that providing health benefits to uninsured DI beneficiaries in the 24-month Medicare waiting period sharply improved their self-reported health status, and providing employment services increased work and earnings. The Mental Health Treatment Study (MHTS) demonstration found that employment supports, along with medical support and coordinated care, were successful in improving health, lowering hospitalizations, and increasing employment for DI beneficiaries with schizophrenia and other affective disorders. Other initiatives, such as the Youth Transition Demonstration, have found that services can increase employment and earnings for younger beneficiaries. Most recently, SSA launched the Benefit Offset National Demonstration (BOND) in 2011, which informs policymakers as to whether financial incentives increase return to work efforts by DI recipients.[1]

SSA's demonstrations have shown interventions *after* the point of complete disability onset can yield positive outcomes for beneficiaries, but earlier interventions, before an individual acquires DI benefits, may be more effective. While many demonstrations for existing DI beneficiaries have shown positive results, such as relatively increased earnings, they have not identified interventions that would return beneficiaries to substantial and sustained employment. Early interventions are likely warranted, in light of research indicating that health problems begin to materialize in advance of complete disability onset, and data showing that earnings begin to decline well before DI benefits are awarded (see figure below). Services or programs provided earlier in the disability process would prove cost-effective if they arrested sharp declines in health (leading to lower medical expenses) or prevented the loss of earnings capacity that can result from job separations or long periods out of the labor force (leading to fewer DI claims or other public expenditures). Practitioners have acted on this view, in some cases, by developing and structuring effective programs to help employers deal with health events of employees before they cause a separation from the workplace and an often irreversible path toward long-term cash benefit receipt.[2]

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[1] For a detailed discussion of SSA's demonstrations, findings, and publications from its demonstrations, please see *Social Security Administration June 2013 Annual Report on Section 234 Demonstration Projects* at http://www.ssa.gov/disabilityresearch/demos.htm.

[2] For example, in 2013 a forum by the Social Security Advisory Board (SSAB) and a hearing by the Ways and Means Social Security Subcommittee in the House of Representatives highlighted research and programs focused on early intervention. Presentations at the SSAB forum on pre-disability-onset earnings and health problems can be found at http://www.ssab.gov/FORUM2013.aspx. Witness statements before the Social Security Subcommittee can be found at http://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=101015.

Employment Before and After Award, 2006 SSDI Awards

Percent Earning > $12,000 (2011 dollars) in Year

Years After Award Date

Note: Preliminary tablulations from SSA from the 2011 Disablity Analysis File
$12,000 equals the annualized Substantial Gainful Activity level for 2011
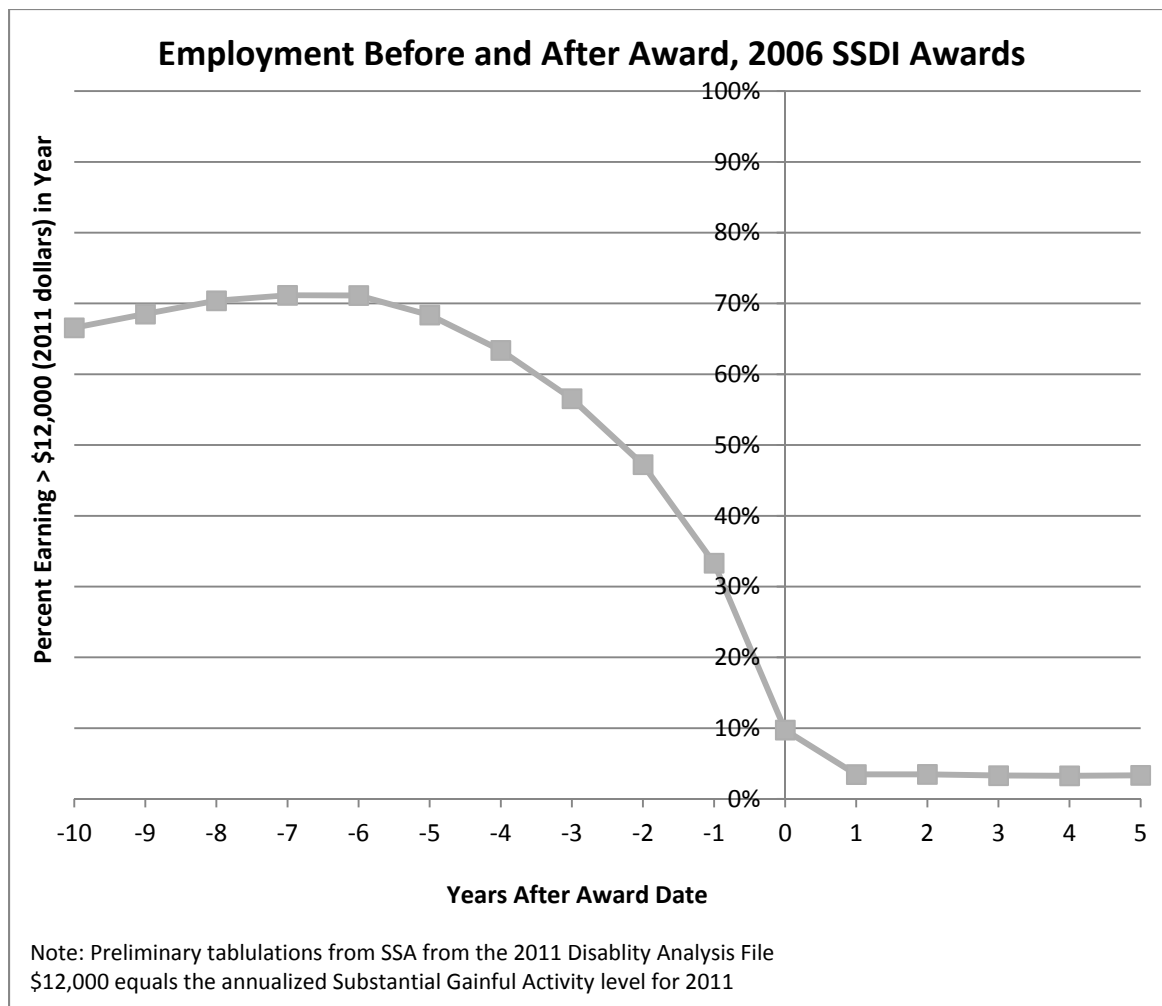
A number of experts have noted that a first step in any effort to reform or improve programs for people with disabilities is to build a stronger evidence base on early interventions.[1] Despite this growing interest in early interventions, there has been a paucity of random assignment demonstrations or other strong evaluations in this area. One exception is the Demonstration to Maintain Independence and Employment (DMIE), which found that health and employment supports for working adults with potentially disabling conditions lowered the likelihood of receiving payments from SSA's disability programs.[2] However, a broader, more extensive research base would improve policymakers' ability to design programs and policies that improve outcomes for individuals and reduce program costs.

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[1] See Autor and Duggan, "Supporting Work: A Proposal for Modernizing the U.S. Disability Insurance System", December 2010: http://www.brookings.edu/research/papers/2010/12/disability-insurance-autor; Burkhauser and Daly, "The Declining Work and Welfare of People with Disabilities", September 2011; Liebman and Smalligan, "An Evidence-Based Path to Disability Insurance Reform, February 2013: http://www.brookings.edu/research/papers/2013/02/disability-insurance-reform.

[2] See "Early interventions to prevent disability for workers with mental health conditions: Impacts from DMIE" at http://www.sciencedirect.com/science/article/pii/S1936657413001179.

In FY 2015, SSA received $35 million in section 1110 funds to begin the design and development of one early intervention demonstration to test innovative strategies to help people with disabilities remain in the workforce. In FY 2016, SSA requests an additional $50 million in section 1110 funds for this effort to fully fund the first demonstration, as well as an additional $350 million in mandatory funding in FY 2017 through FY 2020 to implement additional demonstration projects in conjunction with reauthorized demonstration authority for SSDI.

The following pages highlight three examples of potential demonstration projects SSA could explore and implement with the requested funding, working in coordination with other Federal agencies. While SSA offers these projects as examples, SSA will continue to solicit feedback from other Federal agencies, congressional staff, and interested members of the public. The example projects focus on populations that may be at risk of ending up on disability benefits, and each seeks to prevent or delay the receipt of DI or SSI benefits by providing services or incentives to maintain or strengthen attachment to the labor market. Each project would build upon existing evidence, use rigorous demonstration methods, and include an independent evaluation. The goal of these efforts is to enhance understanding of the potential of certain interventions and produce estimates of impacts (including increased labor market attachment and reductions in benefit receipt). These efforts will also produce detailed cost-benefit analyses assessing gains to individuals, as well as savings in public programs relative to the cost of the intervention services.

Example Demonstration 1: Early Intervention Services to Keep Prime Working-Age People with Disabilities in the Labor Market

In the description below we detail an early intervention for workers with mental illness under the age of 50 who are on a path toward receiving DI or SSI benefits. SSA is consulting with other agencies and outside experts to identify similar approaches for individuals with other types of disabilities or demographic groups.

A key challenge for early-interventions is to identify individuals at risk of becoming long-term DI and SSI recipients who would also have the potential to benefit from the intervention methods. The first demonstration would test focusing early-intervention methods on two groups: (1) individuals receiving services from a State Vocational Rehabilitation (VR) agency who are not DI or SSI disability beneficiaries; and (2) unemployed and underemployed[1] individuals who have recently applied for SSI or DI disability benefits and were denied.

Both of these groups include individuals who are on the margin between employment and receiving disability benefits. Prior research estimates that 40 percent of DI claimants denied at the appeals level end up on the disability rolls within 10 years.[2] With the appropriate health care and employment supports, some of those individuals may remain in the labor market. People who seek VR services may hold an interest in employment despite a documented impairment. We would investigate the potential for screening workers for both their likelihood of receiving SSA disability benefits and their likelihood of responding to employment supports.

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[1] We would define these individuals as those earning below substantial gainful activity level (SGA).

[2] See French and Song, "Effect of Disability Receipt on Labor Supply," July 1, 2011, Federal Reserve of Chicago.

The demonstration could provide participants with an intensive set of behavioral health and related services above and beyond what is available through the individual's existing health plan and long-term employment services, for example following the evidence-based Individual Placement and Support (IPS) model, to help them remain in or return to the labor market rather than seek SSA disability benefits.[1] IPS services are delivered by supported employment teams that operate within community mental health agencies and other medical providers, with a key differentiator from other interventions being the linkage between employment and medical services. We could follow an IPS service model similar to that successfully implemented for SSA's MHTS. The MHTS is one of several studies using the IPS model to show increases in employment rates for persons with severe mental impairments.[2] The health-related treatment could include behavioral health and related services, medication, and disease management services. The employment-related services would include job placement, and pre- and post-placement support services. We would require service providers to have strong employer contacts and the ability to place participants in sustainable jobs with reasonable wages. Support services would include: help with incidentals necessary to secure and maintain employment (work clothes or transportation) and with navigating other available supports, such as systematic medication management and nurse-care coordinator services; and low-intensity, long-term services that would focus on employment retention once a job is secured (e.g., providing an employment retention coach). This demonstration could complement the state/community based approaches described under Demonstration #3 that focus on different populations.

The demonstration would include a 1-year design refinement phase and a 5-year implementation phase. Over that period, it would evaluate impacts on outcomes such as employment, earnings, health, and DI and SSI applications and benefit receipt.

Example Demonstration 2: Improving Employer Incentives through FICA Tax Offsets to Support Retention of Workers who are Injured or Develop a Disability

The disability management literature suggests that when employers maintain a relationship with employees who are injured on the job and assist them in returning to work, the employers incur lower workers' compensation costs and the employees have better employment outcomes.[3] SSA is consulting with other agencies and outside experts to identify other approaches to work with employers and private disability insurers to test other interventions for workers with disabilities with an attachment to an employer.

One possible demonstration in this area could provide employers with an added incentive to retain workers with lost-time workers' compensation injuries and illnesses when possible. Employers who retain workers after a lost-time work-related injury or illness would receive a tax offset based on the length of time the employer retains the worker after he or she returns to work. The longer an individual remains out of work after disability onset, the lower his or her chances

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[1] The behavioral health and related services would be in addition to base services already available, such as including greater intensity and frequency of services and reimbursement for medication co-pays.

[2] See MHTS Final Report at http://socialsecurity.gov/disabilityresearch/documents/MHTS_Final_Report_508.pdf

[3] See Reville, McLaren and Seabury, "How Effective are Employer Return to Work Programs?", RAND, March 1, 2010; Johnson, Butler, Baldwin and Cote, "Disability Risk Management and Post Injury Employment of Workers with Back Pain", Risk Management and Insurance Review, Vol 15, no. 1, 2012

of returning to work, so the employer incentive would be larger for returning workers who were off the job for longer periods of time.

The demonstration would allow employers to receive a tax offset payment from SSA equal to the FICA and Medicare taxes paid to returning workers for a period of time that would depend on the number of weeks the worker is off the job. These tax offsets would be available according to the following incentive structure:

For any employee out of work for a lost-time workers' compensation illness or injury lasting more than:

- 4 weeks, employers receive a tax offset payment equal to all employer FICA and Medicare taxes paid for up to 6 months of employment once the employee returns to work

- 8 weeks, employers receive a tax offset payment equal to all employer FICA and Medicare taxes paid for up to 12 months of employment once the employee returns to work

- 12 weeks, employers receive a tax offset payment equal to all employer FICA and Medicare taxes paid for up to 24 months of employment once the employee returns to work

In each case, the months need not be consecutive, but employers must claim all tax offset payments within 36 months after the end of the demonstration. Each of these tax offsets reduces employer costs by nearly 8% and is larger for longer periods of post-disability employment. The incentive is higher for higher paying jobs because it is a percent of wages paid, but automatically drops to just the Medicare percentage at the FICA cap.

There are no services provided to individuals under this demonstration. SSA will be responsible for notifying selected firms of their inclusion in the study, publicizing the demonstration, and explaining the incentive structure.

This demonstration is framed as working through the workers' compensation system, but we are also exploring how we might adopt a similar strategy to broaden the base of employers and employees covered. Two options are to work through the Temporary Disability Insurance system that is currently available in five states, or possibly working with private disability insurance providers. These systems would provide a validated means of identifying individuals with disabilities, broadly defined, who were recently employed and are at risk of moving out of the labor force and onto SSA disability benefits. Similar to working with the workers' compensation population, we could devise incentives to employers or insurance providers for the hiring and retention of these workers.

Key outcomes for this demonstration are an increase in the share of affected individuals maintaining employment with their original employer, an increase in the share maintaining employment at all, and a reduction in the share applying for and receiving DI/SSI benefits.

Example Demonstration 3: State/Local Community-based Programs to Return Young Workers with Disabilities to the Labor Market

Under this demonstration, SSA could partner with existing state programs to provide separate, wrap-around employment services for workers on a path toward SSA disability benefits. This demonstration is similar in many respects to the first demonstration in terms of additional services provided. However, this demonstration would utilize a different approach for identifying individuals at risk of becoming long-term DI and SSI recipients are who also have the potential to benefit from an early-intervention. In addition, this demonstration would work in partnership with state programs, such as Health Homes, that provide care for individuals with multiple chronic conditions. They would create partnerships through which SSA would offer long-term employment services designed by states to help participants remain in the labor market. SSA is consulting with other agencies and outside experts to identify potential state and provider-based approaches, including vocational rehabilitation service providers.

Results from the DMIE evaluation show that early provision of health and employment services can reduce the likelihood of receiving disability benefits. We do not have data on the proportion of this group that will eventually receive SSA disability benefits. We do note, however, that these kinds of chronic conditions are susceptible to slow deterioration over time, eventually leading to work cessation, if not properly managed. Additionally, the presence of multiple health conditions may put these individuals at higher risk of seeking disability benefits and make them a good group to target.

SSA could offer additional funds for employment services and channel these resources through vocational rehabilitation providers. The states could design employment services with a focus on long-term employment outcomes, and subject to basic design parameters and spending limits set by SSA. Employment services could be restricted to individuals who are not currently receiving SSA disability benefits (SSI or DI). We would work with the states to randomize enrollees into a treatment group that is eligible for employment services and a control group that is ineligible.

The employment-related services provided to this particular population would be similar to the services described in Demonstration #1, above. Supports would include help with incidentals necessary to secure and maintain employment (work-clothes or transportation), and navigating available supports, such as systematic medication management and nurse-care coordinator services. A key requirement of the employment services is that they include a long-term maintenance component to maximize job retention and continued participation in the labor market. We would expect the sites to partner with service providers who have employer contacts and the ability to place participants in sustainable jobs with reasonable wages.

SSA would evaluate the impact of the intervention on employment, earnings, and health outcomes, as well as DI and SSI applications and benefit receipt.

RELATED FUNDING SOURCES

The Commissioner of Social Security has the authority to conduct research and demonstration projects under section 234 of the Social Security Act. 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 TTW Act and funded from the trust funds, are not part of the annual research appropriation request. OMB directly apportions section 234 funds. While section 234 authorization terminated on December 18, 2005, SSA has the authority to continue to conduct projects initiated prior to the expiration date. Absent reauthorization, our BOND will be the only project that requires continued section 234 funding in FY 2016. We currently estimate the cost of BOND for FY 2016 at $9 million.

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TABLES

SSA FY 2016 Budget Justification

APPROPRIATION LANGUAGE

For necessary expenses, including the hire of two passenger motor vehicles, and not to exceed $20,000 for official reception and representation expenses, not more than **[**$10,284,945,000**]** *$10,937,000,000* may be expended, as authorized by section 201(g)(1) of the Social Security Act, *and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111–148,* from any one or all of the trust funds referred to in such section: *Provided*, That not less than [$2,300,000] *$2,400,000* shall be for the Social Security Advisory Board: [*Provided further,* That $131,000,000 may be used for the costs associated with conducting continuing disability reviews under titles II and XVI of the Social Security Act and conducting redeterminations of eligibility under title XVI of the Social Security Act: *Provided further,* That the Commissioner may allocate additional funds under this paragraph above the level specified in the previous proviso for such activities but only to reconcile estimated and actual unit costs for conducting such activites and after notifying the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any such reallocation:] *Provided further*, That unobligated balances of funds provided under this paragraph at the end of fiscal year **[**2015**]** *2016* not needed for fiscal year **[**2015**]** *2016* shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: *Provided further*, That the Commissioner of Social Security shall notify the Committees on Appropriations of the House of Representatives and the Senate prior to making unobligated balances available under the

authority in the previous proviso: *Provided further*, That reimbursement to the trust funds under

this heading for expenditures for official time for employees of the Social Security

Administration pursuant to 5 U.S.C. 7131, and for facilities or support services for labor

organizations pursuant to policies, regulations, or procedures referred to in section 7135(b) of

such title shall be made by the Secretary of the Treasury, with interest, from amounts in the

general fund not otherwise appropriated, as soon as possible after such expenditures are made.

In addition, for the costs associated with continuing disability reviews under titles II and

XVI of the Social Security Act and for the cost associated with conducting redeterminations of

eligibility under title XVI of the Social Security Act, **[$1,396,000,000]** *$1,439,000,000* may be

expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of

the trust funds referred to therein: *Provided*, That, of such amount, $273,000,000 is provided to

meet the terms of section 251(b)(2)(B)(ii)(III) of the Balanced Budget and Emergency Deficit

Control Act of 1985, as amended, and **[$1,123,000,000]** *$1,166,000,000* is additional new budget

authority specified for purposes of section 251(b)(2)(B) of such Act: *Provided further*, That the

Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the

obligation and expenditure of these funds, similar to the reports that were required by section

103(d)(2) of Public Law 104–121 for fiscal years 1996 through 2002.

In addition, **[$124,000,000]** *$136,000,000* to be derived from administration fees in excess

of $5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security

Act or section 212(b)(3) of Public Law 93–66, which shall remain available until expended. To

the extent that the amounts collected pursuant to such sections in fiscal year **[2015]** *2016* exceed

[$124,000,000] *$136,000,000*, the amounts shall be available in fiscal year **[2016]** *2017* only to

the extent provided in advance in appropriations Acts.

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

(Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2015.)

LANGUAGE ANALYSIS

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

SSA is requesting a total of $1,439,000,000 in dedicated program integrity funding specifically for continuing disability reviews (CDR) and SSI non-medical redeterminations of eligibility (redeterminations). The FY 2016 program integrity request is comprised of $273,000,000 in base funding to meet the terms of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and $1,166,000,000 in additional new budget authority. This funding level is consistent with the Budget Control Act of 2011 (P.L. 112-25).

In addition to the appropriated amounts, SSA is requesting to spend up to $136,000,000 in SSI State Supplement user fees and up to $1,000,000 in non-attorney representative fees.

Table 3.1—Appropriation Language Analysis

Language Provision	Explanation
"…*and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111–148,…*"	The language allows SSA to use LAE resources for some Affordable Care Act activities.
"*Provided further*, That unobligated balances of funds provided under this paragraph at the end of fiscal year **[**2015**]** *2016* not needed for fiscal year **[**2015**]** *2016* shall remain available until expended to invest in the Social Security Administration information technology and telecommunications hardware and software infrastructure, including related equipment and non-payroll administrative expenses associated solely with this information technology and telecommunications infrastructure: *Provided further*, That the Commissioner of Social Security shall notify the Committees on Appropriations of the House of Representatives and the Senate prior to making unobligated balances available under the authority in the previous proviso…"	The language allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.

Language Provision	**Explanation**
"In addition, for the costs associated with continuing disability reviews under titles II and XVI of the Social Security Act and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, [$1,396,000,000] *$1,439,000,000* may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That, of such amount, $273,000,000 is provided to meet the terms of section 251(b)(2)(B)(ii)(III) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, and [$1,123,000,000] *$1,166,000,000* is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: *Provided further*, That the Commissioner shall provide to the Congress (at the conclusion of the fiscal year) a report on the obligation and expenditure of these funds, similar to the reports that were required by section 103(d)(2) of Public Law 104–121 for fiscal years 1996 through 2002."	The language appropriates $1,439,000,000 of dedicated program integrity funding for SSA's CDRs and redeterminations. That amount comprises a base of $273,000,000 and additional new budget authority of $1,166,000,000 for the purposes of an adjustment to the discretionary spending limit as provided in section 251(b)(2)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985.
"In addition, [$124,000,000] *$136,000,000* to be derived from administration fees in excess of $5.00 per supplementary payment collected pursuant to section 1616(d) of the Social Security Act or section 212(b)(3) of Public Law 93–66, which shall remain available until expended. To the extent that the amounts collected pursuant to such sections in fiscal year [2015] *2016* exceed [$124,000,000] *$136,000,000*, the amounts shall be available in fiscal year [2016] *2017* only to the extent provided in advance in appropriations Acts."	The language makes available up to $136,000,000 collected from states for administration of their supplementary payments to the SSI program. This assumes the fee will increase from $11.55 per check in FY 2015 to $11.67 in FY 2016 according to increases established by statute. SSA receives the amount collected above $5.00 from each fee.
"In addition, up to $1,000,000 to be derived from fees collected pursuant to section 303(c) of the Social Security Protection Act, which shall remain available until expended."	The language provides for the use of up to $1,000,000 derived from fees charged to non-attorneys who apply for certification to represent claimants.

SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEE REPORTS

The table below includes the significant items in the FY 2015 Joint Committee Report, 113-235.

Table 3.2— Consolidated and Continuing Appropriations Act, 2015: Joint Committee Report (H.R. 113-235)—Significant Items

Disability Early Intervention Initiative	Actions Taken or To Be Taken
Within the total for research and demonstration, the agreement includes $35,000,000 for a disability early intervention initiative. This demonstration project will test innovative and evidence-based approaches to improve outcomes for individuals with disabilities who are not yet receiving Social Security disability benefits, but who are likely to be eligible for benefits in the future, focusing on helping them remain in the workforce. The Social Security Administration (SSA) is directed to work in close consultation with the Departments of Labor, Education, HHS, and other agencies.	We will continue to work with Congress, the Office of Management and Budget, and the Departments of Labor, Education, and Health and Human Services on this initiative. The Disability Early Intervention Initiative is discussed in more detail in the SSI portion of this justification under the research section.
Continuing Disability Reviews and SSI Redeterminations of Eligibility	**Actions Taken or To Be Taken**
The agreement includes a total of $1,527,000,000 for SSA to conduct continuing disability reviews (CDRs) under the Disability Insurance and Supplemental Security Income (SSI) programs, and redeterminations of eligibility under the SSI program. This includes $1,396,000,000 specified to meet the terms of section 25l(b)(2)(B)(ii)(III) of the Balanced Budget and Emergency Deficit Control Act, and $131,000,000 in additional funding provided under SSA's Limitation on Administrative Expenses (LAE) account. This allocation is consistent with the funding decisions of the agency in recent years but reprioritizes proposed funding to improve basic services to the public. The Commissioner may allocate more or less than $131,000,000 from SSA's regular LAE account for CDRs and redeterminations but only for reconciling estimated and actual unit costs for conducting such activities, and after notifying the Committees on Appropriations of the House of Representatives and the Senate at least 15 days prior to any such reallocation. If less funding is allocated for such	SSA will complete program integrity work in FY 2015 in line with this limitation. We will complete 790,000 CDRs and 2.255 million redeterminations. As the year progresses, we will continue to analyze our cost assumptions for program integrity work in FY 2015 based on current experience and will report to Congress as appropriate. Please see Table 3.8 within this section of the CJ for accompanying data on the total costs associated with CDRs and redeterminations for FY 2014-2016.

activities, the funding will be available for regular activities within the LAE account. Finally, the Commissioner is directed to provide in its fiscal year 2016 budget justification a consolidated accounting of total funding spent, or estimated to be spent, on CDRs and redeterminations in the prior year, current year, and budget year.

Field Office Closings and Consolidations	Actions Taken or To Be Taken
The Commissioner is directed to provide an opportunity for community input and public comment prior to making a decision to permanently close, consolidate, or significantly reduce service hours or services available at any field office. Before deciding to permanently close or consolidate an office, SSA should make detailed information widely-available to the public about any proposed closure, including demographic information of the service area affected; distance to other office locations; access to and the availability of public transportation to other office locations; availability of services for people with disabilities, seniors, non-English speakers, and other vulnerable populations living in the impacted area; and any specific plans for SSA to mitigate any burdens on the public from closing the office. Allowing public input in these decisions will help SSA consider even more information about the impact of closing an office on individual communities and improve the overall transparency of these critical decisions. Further, the Commissioner is directed to provide a widely-available public notice no later than 180 days prior to permanently closing, consolidating, or significantly reducing services available at any field office. SSA is directed to brief the Committees on Appropriations of the House of Representatives and the Senate within 120 days of enactment on how they plan to implement these changes.	We will take the Committee's recommendations into consideration as we evaluate our field office closing procedures. We will work to incorporate public notice in our existing consolidation process. We will brief the Committees on our implementation plan in April.

Access and Availability of Benefit Verification Letters and SSN printouts	Action Taken or To Be Taken
The Commissioner is directed, consistent with SSA's current guidance, to continue to make Benefit Verification Letters available upon request at field offices. Reducing the availability of this document at field offices could adversely impact individuals who are required to provide proof of this information for a variety of purposes. SSA	We will maintain the current guidance regarding in-person requests and continue to encourage third parties to use online tools for benefit verifications.

should continue to encourage third parties to use
existing online tools to verify this same
information, and eliminate the need for individuals
to provide these documents altogether, but this
ultimately relies on third parties to do so. Similarly,
the Commissioner is directed to ensure the
maximum amount of flexibility in helping
individuals verify their SSN through a field office.
Individuals need to verify their SSN for a variety of
purposes, often for time-sensitive issues where
waiting for a replacement SSN card is not possible
or practical.

Annual Social Security Statements	**Actions Taken or To Be Taken**
The agreement includes sufficient resources for SSA to resume mailing Social Security Statements, and to otherwise increase the number of individuals viewing and receiving their statement annually, in accordance with its plan submitted to Congress in March 2014.	We will continue to provide paper Social Security Statements to workers once every five years at ages 25, 30, 35, 40, 45, 50, 55, and 60, in accordance with the plan submitted to Congress in March 2014.

Work Incentives Planning and Assistance (WIPA) and Protection and Advocacy for Beneficiaries of Social Security (PABSS)	**Actions Taken or To Be Taken**
The agreement includes $23,000,000 for WIPA and $7,000,000 for PABSS.	We issued PABSS awards notices in October 2014. We plan to issue WIPA award notices on August 1, 2015.

GENERAL STATEMENT

LIMITATION ON ADMINISTRATIVE EXPENSES OVERVIEW

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

SSA currently employs about 62,000 dedicated public service employees through a national network of 1,500 offices. Combined with over 14,000 state employees in the Disability Determination Services (DDS), they demonstrate their commitment to the American public daily by providing the best service possible. SSA's employees take pride in administering agency programs, realizing that the work they do affects the lives of many Americans.

FY 2016 PRESIDENT'S BUDGET

SSA's Programs

For FY 2016, SSA is requesting LAE budget resources of $12.513 billion. We will continue to handle high volumes of work and focus on providing quality services, while significantly increasing program integrity efforts. Our budget also ensures that we can invest in technology to be as efficient as possible and effectively serve the public.

As the Baby Boomers continue to retire, it is essential that we have the resources to complete their applications, as well as to handle the ongoing work once they begin receiving benefits. We expect to complete over 5.4 million applications for retirement benefits in FY 2016. We will administer about $785 billion in OASI benefit payments to approximately 50 million beneficiaries.

We continue to process high volumes of initial disability claims. Enactment of the FY 2016 President's Budget will enable us to continue to reduce backlogs in program integrity reviews and stabilize initial disability claims pendings. This budget will fund the staff at the 54 State Disability Determination Services (DDS) who will complete nearly 2.8 million initial disability claims in FY 2016. This budget, combined with our improvements to the hearings process, will enable us to complete 829,000 hearings, with an annual average processing time of 490 days in FY 2016. See Table 3.27 in the back of this section for more details on the disability appeal workload. In FY 2016, SSA will pay about $148 billion in disability insurance benefits to approximately 11 million beneficiaries.

The SSI program is a national Federal assistance program administered by SSA that guarantees a minimum level of income for aged, blind, or people with disabilities. It is a safety net for individuals with little or no Social Security or other income and limited resources. We estimate we will pay about $61 billion in Federal benefits to approximately 8.2 million SSI recipients in FY 2016. Including State supplementary payments, SSA expects to pay a total of about $64 billion and administer payments to over 8.4 million recipients.

SSA assists the Centers for Medicare and Medicaid Services (CMS) in administering the Medicare Hospital Insurance (HI), Supplementary Medical Insurance (SMI), and the Prescription Drug programs. The Affordable Care Act (ACA) (P.L. 111-148) also created additional responsibilities for SSA, such as administering the income related monthly adjustment amount (IRMAA) reduction in Part D Subsidy for high-income beneficiaries.

In FY 2009, Congress appropriated funding through the Medicare Improvements Patients and Providers Act (MIPPA) to SSA for activities related to the implementation of changes to the Low-Income Subsidy (LIS) Prescription Drug program. This funding is available until expended, and we estimate we will spend $6 million for LIS work in FY 2016.

SSA also collaborates with the Department of Homeland Security in administering the E-Verify program through verifying the employment eligibility of newly-hired employees by electronically checking employee names, Social Security numbers, dates of birth, U.S. citizenship status, and resolving SSA-related discrepancies with the employee when we are unable to electronically verify that information.

Program Integrity

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

The Budget Control Act of 2011 (BCA) allows increases to the Federal Government's annual spending caps through FY 2021 for program integrity purposes. If Congress appropriates funds for our program integrity work, the discretionary spending limit may increase by a corresponding amount up to a specified level. In FY 2016, the BCA allows a maximum cap adjustment of $1,166 million for program integrity funding above a $273 million base. With a $1,439 million total appropriation for program integrity, we would conduct 908,000 full medical CDRs and 2,622,000 SSI redeterminations in FY 2016. At these volumes, we would complete 118,000 more medical CDRs compared to FY 2015. In FY 2015, we originally planned to complete 888,000 CDRs and 2,622,000 redeterminations. However, because of limitations in appropriations language, we had to make reductions in the number we will complete, to 790,000 CDRs and 2.255 million redeterminations. See Table 3.8 for information on the consolidated accounting of the total funding required for CDRs and redeterminations for FY 2014 through FY 2016.

Our CDRs and SSI redeterminations ensure that beneficiaries continue to meet the eligibility requirements to receive payments from the trust funds. These reviews save billions of program

dollars with only a comparatively small investment of administrative funds. Our current estimates indicate that CDRs conducted in FY 2016 will yield a return on investment (ROI) of about $9 on average in net Federal program savings over ten years per $1 budgeted for dedicated program integrity funding, including Old-Age, Survivors, and Disability Insurance (OASDI), SSI, Medicare and Medicaid program effects. Similarly, our estimates indicate that non-medical redeterminations conducted in 2016 will yield a ROI of about $4 on average of net Federal program savings over ten years per $1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects. As in prior years, the ROI for CDRs is calculated based on the direct costs of processing CDRs. The Budget proposes funding only the direct costs of CDRs in 2016 and beyond.

Because the cap adjustment was fully funded for 2015, the base SSA program integrity funding ($273 million) and the SSA cap adjustment ($1,166 million) are proposed to be funded through discretionary appropriations in 2016. However, once that transition year has passed, to maximize the potential savings, the Budget proposes to repeal the discretionary cap adjustments enacted in the Balanced Budget and Emergency Deficit Control Act, as amended by the Budget Control Act (BCA), for SSA beginning in FY 2017 and instead provide a dedicated, dependable source of mandatory funding for SSA to conduct CDRs and SSI redeterminations. The proposal includes the creation of a new limitation account entitled Program Integrity Administrative Expenses, which will reflect mandatory funding for SSA's program integrity activities.

The dedicated dependable source of mandatory funding beginning in FY 2017 will achieve the savings envisioned by the BCA in place of the BCA discretionary cap adjustment. The requested funding should eliminate SSA's backlog of around 900,000 CDRs by the end of 2019 and prevent a new backlog from developing during the budget window.

Anti-Fraud

SSA engages in a variety of activities to prevent, detect, and prosecute fraudulent activity. We are establishing an Office of Anti-Fraud Program Management. Beginning in 2015, this office will provide centralized oversight of and accountability for the agency's anti-fraud activities. This new office will drive our agency's anti-fraud efforts by centralizing anti-fraud predictive analytics, monitoring and supporting the agency's anti-fraud initiatives, supporting the Inspector General's efforts to investigate fraud, developing consistent anti-fraud policies and processes, formulating new anti-fraud initiatives, and aligning agency anti-fraud efforts with industry standards. Our National Anti-Fraud Committee will provide guidance to this office.

Our efforts include continuing to bolster our Cooperative Disability Investigation (CDI) program. CDI units are highly successful at detecting fraud before we make a disability decision. The CDI program links our Office of the Inspector General and local law enforcement with Federal and State workers who handle disability cases. In FY 2014, CDI efforts nationwide resulted in $337 million in projected savings to our disability programs and over $252 million to other programs, such as Medicare and Medicaid; and we were able to open two new units. At the end of FY 2014, the program consisted of 27 units covering 23 states and the Commonwealth of Puerto Rico. We plan to open five new units in FY 2015 and five new units in FY 2016.

We continue to expand use of data analytics to detect and prevent disability fraud. Specifically, we will apply analytical tools that can determine common characteristics and patterns of fraud based on data from past allegations and known cases of fraud. With these tools, we expect to be able to identify suspicious patterns of activity in disability claims and prevent fraudulent applications from being processed. During FY 2014, we conducted a proof of concept with these tools to demonstrate the value of applying them to our disability process. In FY 2015, we will use the tools to continue to identify patterns of fraud and we will integrate and institutionalize the analytic tools into our anti-fraud business processes.

We have also maintained our focus and expertise on fraud identification and referral through comprehensive and ongoing training. All front-line employees receive extensive training on fraud prevention and detection during their initial training. This training includes identifying common fraud scenarios, including "middleman fraud," such as what allegedly occurred in Puerto Rico and New York City. We supplement initial training with continuing education consisting of detailed policy manual instruction, mandatory annual security reminders, and videos on demand.

Our regional and Headquarters offices provide ongoing support to our front-line employees in the fight against fraud. Our regional offices alert their employees about potential fraud trends and share recent success stories of fraud prosecution. They solicit feedback from front-line employees on policies and procedures that may be vulnerable to fraud, analyze the information, and work jointly with Headquarters components on necessary policy or procedural changes. Each Regional Commissioner also collaborates with his or her regional OIG counterpart to co-chair regional anti-fraud committees. These committees analyze trends and develop strategies to combat waste, fraud, and abuse.

Another anti-fraud activity includes Access to Financial Institutions (AFI), which is a program that identifies excess resources in financial accounts - a leading cause of SSI payment errors. AFI verifies bank account balances with financial institutions for purposes of determining SSI eligibility. In addition to verifying alleged accounts, AFI detects undisclosed accounts by using a geographic search to generate requests to other financial institutions. We currently use the AFI system in all 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands for essentially all SSI non-medical redeterminations and full applications where there is an allegation of financial resources above the current AFI resource tolerance level.

In FY 2014, we established three specialized fraud prevention units in the New York, Kansas City, and San Francisco Regions. These units are comprised of disability examiners dedicated to reviewing and analyzing fraud cases. We established the New York unit first in March 2014, and that unit used their learned expertise to train employees in the Kansas City and San Francisco units. The three units work together to analyze fraud cases that the agency identified through data analytics. The trends and risk factors identified by these units will help to develop further analytical tools to identify fraud.

SSA also supports our attorneys who prosecute fraud cases referred by OIG that would not otherwise be prosecuted in Federal court, or Special Assistant United States Attorney (SAUSA) Fraud Prosecutors. We started FY 2014 with 12 fraud attorneys, and by the end of the year, we

doubled our efforts and presently have 25 fraud attorneys. We added SAUSAs to 11 new locations in addition to backfilling losses in existing locations. The new hires have just started training, and we will start to see results in late FY 2015. From FYs 2003 through 2014, our attorneys secured over $74.1 million in restitution orders and 1,229 convictions or guilty pleas.

We are working to improve death data processing by working to centralize and capture all death information in one system, and make changes in all systems that receive and use this information, to prevent erroneous payments. In FY 2014, we created a new user interface for death reporting. The intelligent, web-based screens that automate the enforcement of our policy, provide enhanced security, and reduce erroneous death entries by displaying pertinent information to the user. In FYs 2015 and 2016, we plan to interface these new centralized death entry screens with additional applications and make further improvements to our automated processes.

We also plan to improve our representative payee program. We issue benefit payments to nearly six million representative payees on behalf of beneficiaries who cannot manage their own benefits. It is our job to ensure appropriate representative payees are appointed for our beneficiaries and that the funds they receive are not misused. We are refining our monitoring program to identify and target potential areas of concern for in-depth review. One of the ways we monitor fiduciary performance of certain payees is through periodic onsite reviews, which protect beneficiaries from misuse of benefits and ensure these payees carry out their responsibilities in compliance with our policies. Our current efforts are focused on modernizing our monitoring program, including working with outside entities to make it more efficient and strategic. We are contracting with the Institute of Medicine (IOM) to help us identify ways we may streamline our process for determining whether a beneficiary needs a payee. We also are partnering with other agencies with similar programs to determine the potential for collaboration on representative payee activities.

Information Technology (IT) Infrastructure

IT plays a critical role in our day-to-day operations. Most of our IT funding is used for ongoing operational costs such as our National 800 Number service and our online services, both of which help us keep pace with the recent increases in claims. In FY 2014, our IT infrastructure supported the payment of more than $896 billion in benefits to almost 64 million people and the maintenance of hundreds of millions of social security numbers and related earnings records for nearly every American.

Disability Case Processing System

SSA is undertaking an effort to enhance the technology infrastructure that supports disability case processing nationwide in order to improve our effectiveness and efficiency in rendering timely and accurate disability decisions. The Disability Case Processing System (DCPS) will replace 54 independently operated, outdated systems across the DDSs, the state agencies that make disability determinations for SSA.

When we awarded the contract for this project in December 2010, we anticipated implementing the new DCPS systems in all DDSs and federal case processing sites in FY 2015. However, the

development of this system has been more complex and challenging than initially anticipated. SSA decided to take an independent look at the program based on feedback received from our test sites and input from the DCPS Steering Committee members.

Recognizing the importance of the program, SSA proactively sought and commissioned an independent analysis of the DCPS program in March 2014 to perform an objective assessment. An independent management consultant reviewed our project management approach; evaluated contract management and oversight; and evaluated our requirements, implementation, and communication processes.

The management consultant concluded that DCPS represented a significant opportunity for SSA and State DDSs to improve case processing quality, enhance customer service, and reduce administrative costs. The consultant also noted a number of program strengths as well as several priority risks. The consultant's recommendations included significant changes in the program's organizational management structure, software development approach, and testing and rollout protocols and plans, as well as strengthening our vendor management and relationship model.

SSA has taken decisive and immediate steps to implement and set the recommendations from the report in motion, and to share information with relevant stakeholders regarding the management consultant analysis and recommendations. We have already taken proactive and definitive steps to strengthen the program. For instance, we have:

- o appointed a single, accountable, program executive with full authority needed to manage the program;

- o arranged to establish an integrated program team; and

- o planned to refresh requirements, strengthen vendor management, update our cost benefit analysis, and adopt a more agile approach to program development.

FUNDING REQUEST

Our FY 2016 LAE budget request of $12.513 billion will allow us to build on the progress we are making in FY 2015. It will allow us to balance service and stewardship, complete record levels of work, and enable us to accomplish our mission. The table below provides dollars and workyears funded by this budget:

Table 3.3—Budgetary Request

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE)	$11,697	$11,806	$12,513
Research and Demonstrations	$47	$83	$101
Office of the Inspector General (OIG)	$102	$103	$110
Total Budget Authority[1]	**$11,846**	**$11,992**	**$12,724**
Workyears			
Full-Time Equivalents	60,338	63,698	64,844
Overtime	2,871	2,054	2,305
Lump Sum	254	293	297
Total SSA Workyears	**63,463**	**66,045**	**67,446**
Total Disability Determination Services (DDS) Workyears	**14,187**	**14,650**	**14,750**
Total SSA/DDS Workyears	**77,650**	**80,695**	**82,196**
OIG Workyears	543	558	563
Total SSA/DDS/OIG Workyears	**78,193**	**81,253**	**82,759**

When states choose to take over administration of their own SSI state supplementation payments, SSA loses some user fee revenue. Over the last four years, three states have either fully or partially opted out of SSA's administration of their supplementation payments. Rhode Island partially opted out in January 2011, leaving us with the more difficult categories to administer. Massachusetts and Utah fully opted out in April 2012 and January 2014, respectively. Most recently, New York began administering its own state supplementation program beginning on October 1, 2014. The user fee estimates for FY 2015 and FY 2016 reflect this change. New York represented about 30 percent of the federally-administered SSI state supplementation benefits paid by SSA. The offsetting collections from other LAE funding sources are adjusted to accommodate the user fee revenue changes within our total LAE request.

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[1] Totals may not add due to rounding.

PERFORMANCE TARGETS

The President's FY 2016 request will allow SSA to achieve the following key performance targets:

Table 3.4—Key Performance Targets

FY 2016 Performance Table	FY 2014 Actual	FY 2015 Enacted	FY 2016 Request
Selected Workload Measures			
Retirement and Survivors Claims Completed (thousands)	5,024	5,247	5,434
Initial Disability Claims Completed (thousands)	2,862	2,767	2,773
Disability Reconsiderations Completed (thousands)	757	739	719
Hearings Completed (thousands)	681	727	829
National 800 Number Calls Handled (millions)[1]	37	38	43
Average Speed of Answer (ASA) (seconds)[2]	1,323	700	545
Agent Busy Rate (percent)	14	8	2
Social Security Numbers (SSN) Completed (millions)	16	16	16
Annual Earnings Items Completed (millions)	257	257	258
Social Security Statements Issued (millions)[3]	4	44	44
Selected Outcome Measures			
Initial Disability Claims Receipts (thousands)	2,805	2,755	2,780
Hearings Receipts (thousands)	811	805	813
Initial Disability Claims Pending (thousands)	633	621	628
Disability Reconsiderations Pending (thousands)	170	143	144
Hearings Pending (thousands)	978	1,056	1,039
Average Processing Time for Initial Disability Claims (days)	110	109	107
Average Processing Time for Disability Reconsiderations (days)[4]	108	TBD	TBD
Annual Average Processing Time for Hearings Decisions (days)	422	470	490
Disability Determination Services Production per Workyear	311	313	317
Office of Disability Adjudication and Review Production per Workyear	102	104	106
Other Work/Service in Support of the Public - Annual Growth of Backlog (workyears)	N/A	(100)	(200)
Selected Program Integrity Performance Measures			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,675	1,890	2,008
Full Medical CDRs (included above, thousands)	526	790	908
Supplemental Security Income (SSI) Non-Medical Redeterminations Completed (thousands)	2,628	2,255	2,622

[1] Beginning in FY 2014 under the new CARE 2020 network structure, performance is tracked using Calls Handled as opposed to Transactions Handled. The legacy network recorded transactions handled within the network, either by agents or automation. In some instances, multiple transactions were completed within one call, making it appear as though we served a larger volume of callers. Calls Handled tracks the individual caller and is more in line with our other National 800 Number service performance metrics which track how long a single caller is on hold or how often they receive a busy signal.

[2] As of October 1, 2014, Scheduled Voice Callbacks (SVC) are included in the calculation for Average Speed of Answer (ASA). People who choose to receive a callback do not have to wait on hold for an agent. The system contacts the caller when it is their turn to speak with an agent. The new ASA calculation excludes the virtual wait time for SVC callers but includes the time callers wait to be connected to an agent. In most cases, people receiving a callback wait a very small amount of time to be connected to an agent.

[3] The Social Security Statements Issued measure includes paper statements only; does not include electronic statements issued.

[4] We developed management information for Average Processing Time for Disability Reconsiderations in FY 2013. FY 2014 is the first full fiscal year for which data are available for this measure. We will develop a performance target in FY 2016, after we have had the ability to analyze at least two years of actual data.

SSA's budget is fully integrated with its Annual Performance Plan (APP), which is included as the final tab in this *Justification of Estimates for Appropriations Committees*. The budget estimates are linked to key performance above and support all of the more detailed measures outlined in the APP.

RECENT ACCOMPLISHMENTS

We continue to be an efficient organization; in FY 2015, our administrative costs are about 1.3 percent of the benefit payments we pay each year. We are proud to have maintained our efficiency. In FY 2014, we**:**

- Paid over $890 billion to almost 66 million beneficiaries;
- Handled over 37 million transactions on our National 800 Number;
- Served about 40 million visitors in our 1,200 field offices nationwide;
- Completed nearly 8 million claims for benefits and more than 680,000 hearing dispositions;
- Handled approximately 35 million changes to beneficiary records;
- Completed more than 16 million new and replacement Social Security card applications;
- Performed almost 2 billion automated Social Security number verifications;
- Posted over 257 million earnings reports to workers' records;
- Handled over 18,000 disability cases in Federal District Courts;
- Completed over 2.6 million SSI non-medical redeterminations;
- Completed 526,000 full medical CDRs; and
- Completed approximately 3 million overpayment actions.

PRIORITY GOALS

We serve the American people in a wide variety of ways. In support of the Administration's performance improvement efforts, we have embraced the power of goal setting as a way to improve our performance and accountability to the American people.

As required by the GPRA Modernization Act of 2010, we established the following ambitious and outcome-focused Agency Priority Goals (APGs), linked directly to our overarching strategic goals and objectives set forth in our Fiscal Year 2014-2018 Agency Strategic Plan.

- **Improve access to our services by increasing citizens who complete their business with us online.**
    o In 2015, we will increase the number of online transactions by 10 percent over each respective prior fiscal year.

- **Deliver a world-class customer experience by expanding the use of video technology to hold hearings.**
    o By the end of FY 2015, 30% of hearings will be held using video technology.

- **Provide the public with access to personalized information by increasing the number of established *my* Social Security accounts.**
  - In 2015, we will increase the number of customers who sign up for *my* Social Security by 15% over the prior fiscal year.

- **Reduce the percentage of improper payments made under the SSI program.**
  - By the end of FY 2015, no more than 6.2% of all payments made under the SSI program will be improper payments (i.e. overpayments and underpayments).

We have specific measures and milestones to monitor our progress. Additionally, through our quarterly internal review process, our executives have candid discussions regarding progress, any challenges we must overcome, and strategies that will support goal achievement. APGs are two-year goals to advance progress toward achieving longer-term strategic goals and objectives. During FY 2015, we will evaluate our current APGs and establish new goals and targets for FY 2016 and FY 2017. Our proposed APGs for FY 2016 and FY 2017 will be included in our draft Annual Performance Report in September 2015.

NATIONAL SUPPORT CENTER

In FY 2009, Congress provided $500 million for the construction and partial equipping of a new National Support Center (NSC) as part of the American Recovery and Reinvestment Act (Recovery Act). We currently run our nationwide computer operations from the National Computer Center (NCC). Our systems maintain demographic, wage, and benefit information on almost every American. The data housed at the NCC are critical national economic and informational resources, essential to providing service to the millions of individuals who count on us each day. While once a state-of-the-art data center designed for mainframe use, the NCC is over 30 years old and the facility infrastructure systems have exceeded their useful life. With these Recovery Act funds, we are taking timely action to ensure a new facility will be built and operational as the NCC nears the end of its functional life.

Projected Milestone Schedule

On December 28, 2012, we received a Presidential waiver allowing us to retain and continue to obligate funds appropriated for expenses for the replacement of our NCC. As of September 30, 2014, we have obligated $459 million and we expect to spend the remaining ARRA funds by the end of FY 2016. The General Services Administration and the Social Security Administration provided the following schedule of key milestones.

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

We began moving the IT services from the NCC to the NSC in October 2014, and we will complete the transfer in August 2016. Preparatory efforts are under way to virtualize and consolidate significant portions of our IT equipment, perform application and asset inventory planning, and formulate a concise migration plan so that we can meet this goal.

Actual and Planned Obligations for the New NSC

The following table provides actual and planned obligations for the NSC as of January 14, 2015.

Table 3.5—Actual and Planned Obligations for the New NSC

(Dollars in thousands)

FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Actual	Actual	Actual	Actual	Actual	Actual	Planned	Planned
$1,330.4	$1,850.8	$387,699.5	($30,856.2)[1]	$39,191.0	$59,797.7 [2]	$5,300 [3]	$19,600

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[1] In FY 2012, the actual bid for NSC construction came $58.4 million under budget. Also in FY 2012, there were $27.5 million in IT obligations, resulting in a net recovery of $30.9 million.

[2] In FY 2014, $69.8 million were obligated and $10 million were recovered from previous construction obligations as costs came in under budget.

[3] In FY 2015, $55.3 million will be obligated and be offset by $50 million dollars in anticipated recoveries from previous construction obligations as costs came in under budget.

FY 2015

The Tax Increase Prevention Act of 2014 (P.L. 113-295, enacted on December 19, 2014)
- This act incorporates the ABLE Act of 2014, a bill previously passed by the House.
- The ABLE Act creates a new type of tax-advantaged account that would have limited effect on an individual's eligibility for the SSI program and other Federal means-tested programs.

The Carl Levin and Howard P. Buck McKeon National Defense Authorization Act for Fiscal Year 2015 (P.L. 113-291, enacted on December 19, 2014)
- This bill amends requirements relating to Federal information technology acquisition and the role of Chief Information Officers.
- The act extends the authority of Federal agencies to rehire Federal annuitants for part time work.

The No Social Security for Nazis Act (P.L. 113-270, enacted on December 18, 2014)
- The law terminates payment of Social Security benefits to additional individuals who participated in Nazi persecution.
- The act also clarifies the timeframe in which the Department of Justice or the Department of Homeland Security must notify the Social Security Administration of certain actions involving these individuals.

The Federal Information Security Modernization Act of 2014 (P.L. 113-283, enacted on December 18, 2014)
- The law amends the Federal Information Security Management Act of 2002, the law that oversees the security of the Federal government's information technology systems.

The Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235, enacted on December 16, 2014)
- The law provides fiscal year 2015 full-year appropriations through September 30, 2015 for all agencies except the Department of Homeland Security, for which appropriations are provided instead through February 27, 2015.

FY 2014

The Digital Accountability and Transparency Act of 2014 (P.L. 113-101, enacted on May 9, 2014)
- The law changes how Federal spending data is reported, instructs OMB to simplify the reporting requirements that apply to contractors, and changes when agencies report debt for administrative offset.

BUDGETARY RESOURCES

The LAE account represents SSA's administrative budget for carrying out its responsibilities under the Social Security Act. This includes administering the OASI, DI, SSI and Special Benefits for Certain WWII Veterans programs and supporting the Centers for Medicare and Medicaid Services in administering the HI, SMI, and Medicare Part D programs. The President's Budget for the LAE account in FY 2016 is $12.513 billion.

AMOUNTS AVAILABLE FOR OBLIGATION

Table 3.6—Amounts Available for Obligation[1,2]
(dollars in thousands)

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
LAE			
LAE Appropriation	$11,697,040	$11,805,945	$12,513,000
Unobligated Balance, start-of-year	$122,810	$56,090	$55,882
Recoveries and Transfers	$179,104	$255,000	$200,000
Unrealized Non-Attorney User Fees	-$828	$0	$0
Subtotal LAE Resources	**$11,998,126**	**$12,117,035**	**$12,768,882**
Unobligated Balance, lapsing	-$44,017	$0	$0
Unobligated Balance, end-of-year (LAE	-$319,690	-$55,882	-$55,882
Total Obligations, LAE	**$11,634,418**	**$12,061,153**	**$12,713,00**
American Recovery and Reinvestment Act Resources (ARRA) [3]			
National Support Center Unobligated Balances, start-of-year	$100,784	$40,987	$35,687
National Support Center Estimated Recovery	$10,002	$50,000	$0
National Support Center Unobligated Balances,	-$40,987	-$35,687	-$16,087
Obligations, Recovery Act	**$69,800**	**$55,300**	**$19,600**
MIPPA – LIS			
Unobligated Balances, start-of-year	**$11,919**	**$11,820**	**$5,910**
Unobligated Balances, end-of-year	-$11,820	-$5,910	$0
Obligations, MIPPA - LIS	**$99**	**$5,910**	**$5,910**
State Children's Health Insurance Program (SCHIP)			
Unobligated Balances, start-of-year	**$2,092**	**$2,074**	**$1,037**
Unobligated Balances, end-of-year	-$2,074	-$1,037	$0
Obligations, SCHIP	**$18**	**$1,037**	**$1,037**

[1] Totals may not add due to rounding.
[2] Totals do not include reimbursables
[3] SSA received a Presidential waiver from rescission allowing for the use of ARRA NSC funds until expended.

BUDGET AUTHORITY AND OUTLAYS

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

Table 3.7—Budget Authority and Outlays
(dollars in thousands) [1]

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
OASI and DI Trust Funds[2]	$4,795,269	$5,344,291	$5,749,188
HI and SMI Trust Funds	$1,807,407	$1,755,376	$1,858,882
SSA Advisory Board	$2,300	$2,300	$2,400
SSI Administrative Expenses	$4,920,064	$4,578,978	$4,765,530
SSI State Supplement User Fees	$171,000	$124,000	$136,000
Non-Attorney Representative User Fees	$1,000	$1,000	$1,000
MIPPA - LIS	N/A	N/A	N/A
Recovery Act	N/A	N/A	N/A
Total Budget Authority	**$11,697,040**	**$11,805,945**	**$12,513,000**
OASI and DI Trust Funds[2]	$5,096,008	$5,450,066	$5,805,378
HI and SMI Trust Funds	$1,666,977	$1,791,695	$1,877,578
SSI Administrative Expenses	$4,385,158	$4,654,775	$4,804,022
SSI State Supplement User Fees	$171,000	$124,000	$136,000
Non-Attorney Representative User Fees	$1,000	$1,000	$1,000
MIPPA - LIS	$283	$5,910	$5,910
Recovery Act - Workload Processing	$0	$0	$0
Recovery Act - Economic Recovery	$0	$0	$0
Recovery Act - New NSC	$140,875	$67,400	$42,600
Total Administrative Outlays	**$11,462,301**	**$12,094,846**	**$12,672,488**

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[1] Totals may not add due to rounding.
[2] OASDI includes funding for administration of the Special Benefits for Certain World War II Veterans.

PROGRAM INTEGRITY

The following table provides a consolidated accounting of the total funding required for CDRs and redeterminations for FY 2014 through FY 2016. In FY 2015, we originally planned to complete 888,000 CDRs and 2.622 million redeterminations. However, because of limitations in appropriations language, we had to make reductions in the number we will complete, to 790,000 CDRs and 2.255 million redeterminations. For more information about SSA's program integrity efforts and the Budget's legislative proposal, please refer to page 102 and page 144.

Table 3.8—Program Integrity
(dollars in millions)

	FY 2014 Actual[1]	FY 2015 Estimate[2]	FY 2016 Estimate[3]
Full Medical CDRs Completed	525,875	790,000	908,000
SSI Non-Medical Redeterminations Completed	2,627,518	2,255,000	2,622,000
Funding			
Dedicated Program Integrity Funding	$1,197	$1,396	$1,439
Related LAE Funding[4]	$102	$131	N/A
LAE Funds for Indirect Costs Related to FY 2016 Program Integrity Work	*N/A*	*N/A*	*$323[5]*

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[1] FY 2014 actual represents the combined costs of CDRs and SSI redeterminations in FY 2014, including the $1.197 billion in the base and cap adjustment (as authorized by the Budget Control Act) and an additional $102 million from LAE.

[2] FY 2015 estimate represents $1.396 billion in the base and cap adjustment (as authorized by the Budget Control Act) for dedicted program integrity funding and an additional $131 million from LAE as provided in the FY 2015 Omnibus.

[3] FY 2016 estimate represents $1.439 billion in the base and cap adjustment (as authorized by the Budget Control Act) for the direct costs associated with dedicated program integrity work.

[4] Funding reflects the fully loaded costs of performing CDRs and redeterminations in FY 2014 and FY 2015.

[5] Dedicated program integrity funding supports the direct costs of program integrity work in FY 2016 and beyond. For comparison purposes to FY 2014 and FY 2015 only, SSA estimates $323 million from LAE would cover all indirect costs.

KEY ASSUMPTIONS AND COST DRIVERS

We continue to do everything we can to reduce our operating costs. Nevertheless, as our beneficiary population increases each year, our costs continue to rise. While some of our programs have discrete cost-drivers associated with them, the majority of cost-drivers affect all programs.

We formulated this budget to address the following challenges:

- High demand for services due to the aging population, see http://www.socialsecurity.gov/OACT/STATS/OASDIbenies.html;
- Disability appeals hearings backlog;
- Complex disability process, see http://www.ssa.gov/pgm/disability.htm;
- Growth in non-traditional SSA workloads (e.g., Medicare, ACA, and verifications for other programs);
- Combatting waste, fraud and abuse;
- Reducing improper payments and completing cost-effective program integrity work, see http://www.socialsecurity.gov/improperpayments/;
- Finding additional efficiencies and streamlining business processes;
- Modernizing our service delivery;
- Modernizing computer systems;
- Cyber threats; and
- Rising infrastructure costs.

Please see the performance table for projected work completed for our major workloads, as well as our productivity numbers.

ANALYSIS OF CHANGES

The FY 2016 request for the LAE account represents a $616.1 million increase over the FY 2015 level. The following tables provide a summary of the changes from the FY 2015 level to the FY 2016 President's Budget.

Table 3.9—Summary of Changes from FY 2015 to FY 2016[1]
(dollars in thousands)

	FY 2015 Enacted	FY 2016 Estimate	FY15 to FY16 Change
Total LAE	$12,117,035	$12,768,882	+ $651,847
Appropriation	$11,805,945	$12,513,000	+ $707,055
Amounts Available From Prior Year Unobligated Balances	$311,090	$255,882	- $55,208
Obligations, LAE	$12,061,153	$12,713,000	+ $651,847
Unobligated Balance, end-of-year [2]	$55,882	$55,882	$0
Recovery Act Obligations	$55,300	$19,600	- $35,700
National Support Center [3]	$55,300	$19,600	- $35,700
MIPPA - LIS Obligations	$5,910	$5,910	$0
SCHIP Obligations	$1,037	$1,037	$0
Obligations, Total	$12,123,400	$12,739,547	+ $616,147

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[1] Totals do not include reimbursables and may not add due to rounding.
[2] Unobligated Balance end-of-year reflects $55,881,729 in FY 2014 Delegated Buildings carryover.
[3] In FY 2015, planned obligations are $55.3M. These will be offset by $50M recovered from NSC construction, resulting in $5.3M in net obligations. However, we are obligating $50.3M for ITS and $5.0M for Construction.

Table 3.10—Explanation of LAE Budget Changes from FY 2015 to FY 2016
(dollars in thousands)

	FY 2015		Change from FY 2015	
	Federal WYs	Obligations	Federal WYs	Obligations
BUILT-IN INCREASES				
Payroll Expenses	66,045	$6,736,458		$277,202
Increases due to periodic step increases, health benefits, career ladder promotions,				179,726
and new employees hired under the Federal Employees Retirement System				
Increase due to additional paid day				23,360
Three-month effect of assumed Federal pay increase effective January 2015 - 1%				15,245
Nine-month effect of assumed Federal pay increase effective January 2016 – 1.3%				58,872
Non-Payroll Costs				
Mandatory growth in non-payroll costs, including higher costs of rent, security, and guard services		$1,973,094		$26,941
State Disability Determination Services				
Mandatory growth in State DDS costs, including pay raises and the cost of medical evidence		$2,309,600		$51,032
Subtotal, Built-In Increases				**+$355,175**
PROGRAM INCREASES				
Net Increase in WYs			1,401	$147,949
Net Increase in State Disability Determination Services				$29,368
Social Security Statements Mailed		$22,278		$866
Funding for IT		$764,515		$173,697
Subtotal, Program Increases			1,401	**+$351,880**
Total Increases			**+1,401**	**+$707,055**

Table Continues on the Next Page

	FY 2015		Change from FY 2015	
	Federal WYs	**Obligations**	**Federal WYs**	**Obligations**
PROGRAM DECREASES				
Decreases in Obligations Funded from Other Prior-Year Unobligated Balances		$255,208		-$55,208
Recovery Act – New NSC Resources		$55,300		-$35,700
Non-personnel Costs				
Total Decreases				**-$90,908**
OTHER OBLIGATIONS				
MIPPA – LIS		$5,910		$0
State Children's Health Insurance Program (SCHIP)		$1,037		$0
Total LAE Obligations, Net Change	**66,045**	**$12,123,400**	**+1,401**	**+$616,147**

BUDGETARY RESOURCES BY OBJECT

Table 3.11—Budgetary Resources by Object [1,2]
(dollars in thousands)

	FY 2015	FY 2016	Change
Personnel Compensation			
Permanent positions	$4,801,360	$5,051,810	$250,450
Positions other than permanent	$110,689	$116,648	$5,958
Other personnel compensation	$220,552	$246,955	$26,403
Special personal service payments	$5,246	$5,398	$153
Subtotal, personnel compensation	$5,137,847	$5,420,811	$282,964
Personnel Benefits	$1,605,558	$1,747,746	$142,188
Travel and transportation of persons	$33,376	$38,811	$5,435
Transportation of things	$3,418	$3,419	$1
Rent, communications, and utilities			
Rental payments to GSA	$714,263	$717,088	$2,825
Rental payments to others	$8,925	$9,523	$598
Communications, utilities, misc.	$421,714	$453,557	$31,843
Printing and reproduction	$18,589	$18,691	$102
Other services (DDS, guards, etc.)	$3,719,605	$3,836,114	$116,509
Supplies and materials	$30,813	$30,825	$12
Equipment	$290,887	$321,314	$30,428
Land and structures	$85,462	$88,684	$3,222
Grants, subsidies and contributions	$20,048	$20,055	$8
Insurance claims and indemnities	$32,890	$32,903	$13
Interest and dividends	$6	$7	$0
Total Obligations	**$12,123,400**	**$12,739,547**	**$616,147**
Resources not being obligated in the current year (carrying over or lapsing)	$98,516	$71,969	- $26,547
Total Budgetary Resources	**$12,221,916**	**$12,811,516**	**$589,600**
Payments to State DDS (funded from other services and Communications, utilities, and misc.)	$2,309,600	$2,390,000	$80,400

[1] Totals may not add due to rounding.

[2] The obligations include the base LAE appropriation, Recovery Act, LIS, and SCHIP. The table reflects FY 2015 and FY 2016 projections of spending by object class. Resources are not managed at the object class level and SSA has the flexibility within the LAE account to modify projected spending during the budget execution process.

BACKGROUND

AUTHORIZING LEGISLATION

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

Table 3.12—Authorizing Legislation
(dollars in thousands)

	2014 Amount Authorized	2014 Actual[1]	2015 Amount Authorized	2015 Enacted[2]	2015 Amount Authorized	2016 Estimate[3]
Title II, Section 201(g)(1) of the Social Security Act	Indefinite	$11,697,040	Indefinite	$11,805,945	Indefinite	$12,513,000

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[1] The FY 2014 appropriation included $1,197 million in dedicated funding for program integrity, $171 million for SSI State Supplement user fees, and up to $1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[2] The FY 2015 appropriation included $1,396 million in dedicated funding for program integrity, $124 million for SSI State Supplement user fees, and up to $1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[3] The FY 2016 request includes $1,439 million in dedicated funding for program integrity, $136 million for SSI State Supplement user fees, and up to $1 million from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

APPROPRIATION HISTORY

The table below includes the amount requested by the President, passed by the House and Senate Committees on Appropriations, and ultimately appropriated for the LAE account, including any rescissions and supplemental appropriations, for the last 10 years. The annual appropriation includes amounts authorized from SSI State Supplement user fees and, beginning in FY 2006, non-attorney representative user fees.

Table 3.13—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2006	$9,403,000,000 [1]	$9,279,700,000 [2]	$9,329,400,000 [3]	$9,199,400,000 [4]
Rescission[5]				-$90,794,000
Final				**$9,108,606,000**
Hurricane Katrina Funding[6]				$38,000,000
2007	$9,496,000,000 [7]	$9,293,000,000 [8]	$9,093,000,000 [9]	**$9,297,573,000** [10]
2008	$9,596,953,000 [11]	$9,696,953,000 [12]	$9,721,953,000 [13]	$9,917,842,000 [14]
Rescission[15]				-$173,264,731
Final				**$9,744,577,269**
Economic Stimulus Act[16]				$31,000,000
2009	$10,327,000,000 [17]	- - - [18]	$10,377,000,000 [19]	**$10,453,500,000** [20]
MIPPA – Low Income Subsidy[21]				$24,800,000
Recovery Act[22]				$1,090,000,000
2010	$11,451,000,000 [23]	$11,446,500,000 [24]	$11,446,500,000 [25]	$11,446,500,000 [26]
Rescission[27]				-$47,000,000
2011	$12,378,863,280 [28]	- - - [29]	$12,377,000,000 [30]	$11,446,500,000 [31]
Rescission[32]				-$22,893,000
Final				**$11,423,607,000**
2012	$12,522,000,000 [33]	- - - [34]	$11,632,448,000 [35]	$11,474,978,000 [36]
Rescission[37]				$21,688,000
Final				**$11,453,290,000** [38]
2013	$11,760,000,000 [39]	- - - [40]	$11,736,044,000 [41]	$11,453,290,000 [42]
Rescission				-$21,394,476 [43]
Sequestration				-$386,329,494 [44]
Final				**$11,045,566,321** [45]
2014	$12,296,846,000	- - - [46]	$11,697,040,000 [47]	**$11,697,040,000** [48]
LAE	$11,069,846,000 [49]			
PIAE	$1,227,000,000 [50]			
2015	$12,024,000,000 [51]	- - - [52]	- - - [53]	**$11,805,945,000** [54]
2016	$12,513,000,000 [55]			

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[1] Includes a total of $601,000,000 in earmarked funding for continuing disability reviews in FY 2006. Total consists of $412,000,000 in base funding and $189,000,000 in additional funds. Includes up to $131,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to $3,600,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[2] H.R. 3010.

[3] H.R. 3010, reported from Committee with an amendment.

[4] Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149). Total includes up to $119,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[5] A total of $90,794,000 was rescinded by Department of Defense Appropriations Act, 2006 (P.L. 109-148).

[6] A transfer from Department of Homeland Security for Hurricane Katrina-related costs (appropriated by P.L. 109-234).

[7] Includes a total of $490,000,000 in funding designated for continuing disability reviews in FY 2007. Total consists of $289,000,000 in base funding and $201,000,000 in additional funds. Includes up to $119,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[8] H.R. 5647.

[9] S. 3708.

[10] Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

[11] Includes a total of $477,000,000 in funding designated for SSI redeterminations and continuing disability reviews (CDRs). The base and cap adjustment requests for 2008 include both CDRs and SSI redeterminations, whereas previous cap adjustment requests were for CDRs only. Total consists of $264,000,000 in base funding and $213,000,000 in additional funds. Includes up to $135,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[12] H.R. 3043.

[13] S. 1710.

[14] Consolidated Appropriations Act, 2008 (P.L. 110-161). Includes up to $132,641,550 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to $982,530 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[15] A total of $173,264,731 was rescinded by the Consolidated Appropriations Act, 2008 (P.L. 110-161).

[16] Economic Stimulus Act (P.L. 110-185) provides funds for work related to rebate checks for Title II beneficiaries and disabled veterans.

[17] Total includes $504,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $264,000,000 in base funding and $240,000,000 in additional funds. Includes up to $145,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

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

[19] S. 3230.

[20] Omnibus Appropriations Act, 2009 (P.L. 111-8). Total includes $504,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $264,000,000 in base funding and $240,000,000 in additional funds. After enactment of the FY 2009 appropriation, $1,378,700 was transferred from LAE to OIG.

[21] From the General Fund of the Treasury, the Medicare Improvements for Patients and Providers Act (MIPPA) (P.L. 110-275) provides $24,800,000 for activities related to the implementation of changes to the Low-Income Subsidy program. The MIPPA total does not include $24,100,000 for Medicare Savings Program outreach and transmittal of data to states. Also not included is the Children's Health Insurance Program Reauthorization Act (P.L. 111-3), which appropriated to SSA $5,000,000 to provide states the option to verify citizenship or nationality for the purposes of determining Medicaid or Children's Health Insurance Program eligibility.

[22] The American Recovery and Reinvestment Act (Recovery Act) (P.L. 111-5) provides SSA $500,000,000 to process growing disability and retirement workloads, $500,000,000 to replace the National Computer Center, and $90,000,000 to administer the $250 economic recovery payments for eligible Social Security and Supplemental Security Income beneficiaries.

[23] Total includes $758,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $485,000,000 in additional funds. Includes up to $165,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments. Also includes up to $500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[24] H.R. 3293.

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

[26] Consolidated Appropriations Act, 2010 (P.L. 111-117). Total includes $758,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $485,000,000 in additional funds. The enacted amount matches the President's request, after accounting for a technical adjustment resulting from CBO's scoring of user fees. Total includes up to $160,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments, and $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[27] $47,000,000 of Recovery Act Economic Recovery Payment administration funds rescinded by section 318 of P.L. 111-226.

[28] Total includes $796,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $283,000,000 in base funding and $513,000,000 in additional funds. Includes up to $185,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $500,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Includes $1,863,280 to increase SSA's acquisition workforce capacity and capabilities.

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

[30] S. 3686.

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

[32] A total of $22,893,000 was rescinded by the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). The table does not display a $200,000,000 rescission of no-year IT funds enacted in the Additional Continuing Appropriations Amendments, 2011 (P.L. 112-6) or a $75,000,000 rescission of no-year IT funds enacted in the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

[33] Total includes $938,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $315,000,000 in base funding and $623,000,000 in additional funds. Includes up to $163,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203). Includes $1,863,000 to increase SSA's acquisition workforce capacity and capabilities.

[34] The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included $12,041,494,000.

[35] S. 1599.

[36] Consolidated Appropriations Act, 2012 (P.L. 112-74). Total includes $483,484,000 for continuing disability reviews and SSI redeterminations appropriated in the Disaster Relief Appropriations Act (P.L. 112-77).

[37] A total of $21,688,000 was rescinded by the Consolidated Appropriations Act, 2012 (P.L. 112-74).

[38] The FY 2012 enacted LAE Budget Authority is $11,453 million. However, effective April 1, 2012, Massachusetts will assume control of its State Supplementary payments reducing the estimated SSI user fees by approximately $7.1 million. The resulting available SSI user fee funding for FY 2012 is approximately $154 million. The available LAE funding for FY 2012 is approximately $11,446 million.

[39] Total includes $1,024,000,000 in funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $751,000,000 in additional funds. Includes up to $170,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[40] The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included $10,684,414,000 for LAE.

[41] S. 3295.

[42] At the time the Budget was formulated we had not received a full year appropriation for FY 2013. We were operating under a six month CR (P.L. 112-175) that funded agency operations at $11,520,000,000 if annualized. This represents a 0.612 percent increase from the FY 2012 enacted level. Funding was reduced to the FY 2012 enacted level of $11,453,290,000 under a full year CR (P.L. 113-6).

[43] As per BDR 13-19, SSA was subject to an Across-the-Board (ATB) Reduction/Rescission of .2% of LAE. Both Base and Cap Program Integrity funds were exempt from this reduction.

[44] Under P.L. 112-175, all non-SSI funding was reduced by 5% after sequestration was triggered by Congress.

[45] Agency funding post sequestration (P.L. 112-175) and ATB reduction (BDR 13-19) was $407,723,000 lower than the original CR funding level (P.L. 113-6).

[46] The House Committee on Appropriations did not report a bill. The LAE appropriation of $11,697,040,000 for FY 2014 was incorporated into H.R. 3547.

[47] S. 3533.

[48] Consolidated Appropriations Act, 2014 (P.L. 113-76). Total includes $1,197,000,000 for continuing disability reviews and SSI redeterminations. Includes up to $171,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[49] Total includes $273,000,000 in funding designated for SSI redeterminations and continuing disability reviews. Includes up to $173,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[50] The FY 2014 President's Budget included a legislative proposal to create a new Program Integrity Administrative Expenses (PIAE) account and provide a more reliable stream of mandatory program integrity funding. The FY 2014 PIAE request was $1,227,000,000. With the addition of $273,000,000 requested for program integrity as part of the LAE, the total program integrity request for FY 2014 was $1,500,000,000.

[51] Total includes $1,396,000,000 in dedicated funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $1,123,000,000 in funds outside the discretionary caps as authorized by the BCA, as well as $131,000,000 from LAE to assist in program integrity work. Includes up to $124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

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

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

[54] Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). Total includes $1,396,000,000 for continuing disability reviews and SSI redeterminations. Includes up to $124,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

[55] Total includes $1,439,000,000 in dedicated funding designated for SSI redeterminations and continuing disability reviews – $273,000,000 in base funding and $1,166,000,000 in funds outside the discretionary caps as authorized by the BCA. Includes up to $136,000,000 from user fees paid by states for Federal administration of SSI State Supplement payments and up to $1,000,000 from fees collected pursuant to section 303(c) of the Social Security Protection Act (P.L. 108-203).

ADDITIONAL BUDGET DETAIL

SIZE AND SCOPE OF SSA'S PROGRAMS

SSA's administrative budget is driven by the programs we administer—both in terms of the amount of work performed and the number of people needed to process it—and by our continuing efforts to improve service, stewardship and efficiency.

Between the three major programs SSA administers—OASI, DI, and SSI—Federal benefit payment outlays totaled $893.5 billion in FY 2014; under current law, Federal benefit payment outlays are expected to increase to $940.8 billion in FY 2015 and $993.7 billion in FY 2016. At approximately 1.3 percent of total outlays, SSA's administrative expenses[1] continue to be a small fraction of overall program spending, demonstrating the agency's cost-conscious approach to managing its resources.

Table 3.14—Federal Benefit Outlays [2,3]
(dollars in billions)

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Old-Age and Survivors Insurance	$698.3	$740.5	$784.7
Disability Insurance	$141.3	$145.0	$148.2
Supplemental Security Income	$53.9	$55.4	$60.7
Total Outlays	**$893.5**	**$940.8**	**$993.7**

Paralleling the growth in benefit payment outlays, the number of Federal beneficiaries of the three major programs SSA administers is expected to increase from 63.8 million in FY 2014 to 65.4 million in FY 2015 and 67.1 million in FY 2016.

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[1] SSA's calculation of discretionary administrative expenses excludes Treasury administrative expenses which are mandatory outlays.
[2] Totals may not add due to rounding.
[3] Totals do not include payments to recipients of Special Benefits for World War II Veterans.

Table 3.15—Beneficiaries[1,2]
(average in payment status, in millions)

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Old-Age and Survivors Insurance	47.3	48.8	50.4
Disability Insurance	11.0	11.0	11.1
Supplemental Security Income[2]	8.2	8.2	8.2
Concurrent Recipients[3]	-2.6	-2.6	-2.6
Total Beneficiaries	**63.8**	**65.4**	**67.1**

FULL TIME EQUIVALENTS AND WORKYEARS

The following table summarizes the LAE Federal and State workyears requested for FY 2016.

Table 3.16—SSA Supported Federal and State Workyears[4]

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Federal Full-Time Equivalents (FTEs)	60,338	63,698	64,844
Federal Overtime/Lump Sum Leave	3,125	2,347	2,602
Total SSA Workyears (excludes OIG)	**63,463**	**66,045**	**67,446**
Total State DDS Workyears	14,187	14,650	14,750
Total SSA/DDS Workyears (excludes OIG)	**77,650**	**80,695**	**82,196**

SOCIAL SECURITY ADVISORY BOARD

This budget includes $2.4 million for the Social Security Advisory Board in FY 2016. The *Social Security Independence and Program Improvements Act of 1994* mandated the creation of a seven-member Advisory Board to make recommendations on policies and regulations relating to SSA's major programs: OASDI and SSI. The Board is required by law to meet at least four times per year. For more information about the Social Security Advisory Board, please see their website: http://www.ssab.gov/.

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[1] Totals do not include recipients of Special Benefits for World War II Veterans.
[2] Does not include recipients who only receive a Federally Administered State supplementary payment and no Federal benefit.
[3] Recipients receiving both DI and SSI benefits.
[4] Includes all workyears funded by MIPPA and the Children's Health Insurance Program Reauthorization Act of 2009.

IT FUND TABLES

Table 3.17— LAE Expired Balances & No-Year IT Account
(in thousands)

LAE Expired Accounts	Amounts
LAE unobligated balance from FY 2010-2013	$202,300
LAE unobligated balance available from FY 2014	$43,500
Total LAE unobligated balance from FY 2010-2014	$245,800[1]
Amounts projected for prior year adjustments	-$155,000 **[2]**
Total LAE unobligated balance available for transfer from FY 2010-2014	**$90,800**
No-Year ITS Account	
Carryover from funds transferred in FY 2013 for FY 2014	$100,000
Carryover from FY 2013 (Unobligated Balances)	$979
Total carryover from FY 2013 to FY 2014	$100,979
Funds transferred in FY 2014 for FY 2014	$175,100
Total FY 2014 no-year ITS funding available	$276,079
FY Est. 2014 Obligations	-$21,079
Recoveries in FY 2014	$0
Total carryover into FY 2015	**$255,000**
Funds available for transfer in FY 2015 for FY 2015	$90,800
Total FY 2015 no-year ITS funding available	**$345,800**

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[1] Reflects adjustments to the unobligated balances for these years. Balances as of 9/30/2014.
[2] We believe it is essential that these funds remain in the expired LAE accounts (FY 2010-2014) to cover potential upward adjustments. Otherwise, SSA could face an anti-deficiency violation.

ITS BUDGET AUTHORITY

SSA's FY 2016 Information Technology Systems (ITS) budget provides resources for the acquisition and maintenance of automated data processing (ADP) and telecommunications hardware and software, as well as ADP support services and related contractual services. SSA reviews all information technology (IT) spending to ensure it includes only those projects and activities that are most crucial for the agency's operations and/or have the highest payback. No-year funding is an essential portion of the total annual IT budget.

The table below displays ITS budget authority, split by type of funding, and obligations from FY 2014 through FY 2016.

Table 3.18—ITS Budget by Activity[1]

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
Limitation on Administrative Expenses			
One-Year[2]	$1,287,903,721	$764,515,300	$938,212,000
No-Year	$12,477,818	$255,000,000	$200,000,000
Subtotal	$1,300,381,539	$1,019,515,300	$1,138,212,000
Recovery Act (National Support Center)	$57,848,190	$55,300,000,	$19,600,000
Total	$1,358,229,729	$1,074,815,300	$1,157,812,000

Below are some of our significant accomplishments during FY 2014:

- **Affordable Care Act (ACA)** - Health Insurance Exchange Verification - H.R. 3590, the "Patient Protection and Affordable Care Act," requires SSA to determine whether an individual's name, Social Security Number, date of birth, and allegation of U.S. citizenship are consistent with SSA records and report such determinations to the Secretary of Health and Human Services (HHS) for individuals applying for a qualified health plan and employees of small businesses. It also requires such determinations to be made through the use of an online or electronic system developed by the Secretary of HHS, in consultation with the Commissioner of SSA. SSA implemented the ACA web service in August 2013. The Centers for Medicare and Medicaid Services (CMS) began using the SSA ACA application on October 1, 2013. On November 13, 2013, CMS began using our ACA web service to obtain SSN verifications, citizenship data, death data, and incarceration data.

- **Annual Benefit Change and Annual Benefit Statements (COLA and BRI):** On November 21, 2014, we implemented Cost of Living Adjustment (COLA) Adjustment and Medicare premium rate changes, and generated Annual Benefit Statements (SSA-

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[1] Excludes Reimbursable Authority

[2] One-year funds include regular one-year, base CDRs, and additional CDRs.

1099) for beneficiaries' tax purposes. We make these changes annually and in FY 2015, the 1.7% COLA change alone involved over 58 million accounts.

- *my* Social Security **Non-Benefit Verification Service:** In May 2014, we added an enhancement to the Internet Benefit Verification (iBEVE) that allowed *my* Social Security applicants who have never received benefits and those who have a pending claim the ability to request a benefit verification letter. As a result, total online benefit verification transactions increased in FY 2014 to 4.5 million as compared to 2.8 million in FY 2013.

- **iClaim/i3368 Marriage and iClaim Enhancements:** In January 2014, we implemented the iClaim/i3368 marriage. This enhancement combined the benefit application (iClaim) and the adult medical report (i3368) and provided user access to both applications via a single entry point for applicants who chose to apply online and eliminated duplicative questions. As a result, the electronic submission rate of adult disability claims is up to 88% as compared to 30 – 40% prior to this enhancement. In August 2014, we also implemented an enhancement to the Internet claims routing process to the Workload Support Units (WSUs) by replacing hard coded logic with a more flexible file structure. This enhancement gives SSA's operational components more flexibility in re-routing claims to a given WSU and eliminates the need for a full iClaim software release whenever these rerouting changes are necessary.

- **Cloud Computing Strategy & Implementation:** Build better digital services to meet the needs of people that use our services and make the delivery of our policy and programs more effective. Increase our flexibility and openness to establish environments using Cloud services.

  - Create a Cloud Computing Initiative Group (CCIG)
  - Identify potential projects to move into the cloud (internal & external)
  - Develop an agency Cloud Computing Strategy
  - Conduct an acquisition to operationalize use of external cloud services
  - Update Cloud Computing Policy to direct value proposition for cloud services

- **Utilizing the Cloud**: OMB implemented a "Cloud First" policy under which all new Information Technology projects must assess the viability of a Cloud implementation prior to choosing a specific technical solution. The new CCIG will be involved with evaluating potential cloud projects considered for external cloud service providers. Below we have listed the specific actions taken:

  - Develop a new SSA Cloud Computing Strategy to extend SSA use of Cloud Computing environments (internal and external) and to provide a complete capability to meet all business needs. Provide an agile, flexible environment that will become a major part of our future computing environment.

  - Establish acquisition vehicles necessary to use cloud services in a secure, FedRAMP-compliant manner.

o SSA will continue to maintain its Private/Internal Cloud as a deployment model for delivering many IT services. As cloud service providers become increasingly capable, additional capacity will enable a more utility based approach where performance, economy, and security are fully enabled.

o SSA implemented technical and security policies addressing the "Cloud First" principle. The policies apply to all SSA components engaged in or considering the outsourcing of IT services to Cloud Service Providers (CSP), or considering the acquisition of cloud-based products and services from external CSPs. The CIO must approve all investments in Cloud Computing.

o SSA developed, manages, and operates its Private Cloud to deliver IT infrastructure, platform, and software application capabilities as on-demand, scalable, and elastic services. Standardizing use of our Private Cloud infrastructure allows us to maximize capacity utilization, improve IT flexibility and minimize cost.

- **Real Time Fraud Prevention (RTFP) Device ID:** In August 2014, we implemented an enhancement to the Electronic Access Authentication Service by adding Device Recognition Software to aid in the detection and analysis of potential fraudulent access to *my* Social Security. Additionally, updates were made in support of the Fraud Language Notices project and iTOPSS (Automated Ticket Work Interface).

- **iAccommodate (Section 504):** Section 504 of the Rehabilitation Act of 1973 prohibits discrimination against qualified individuals with disabilities and requires Federal agencies and organizations that receive Federal financial assistance to provide meaningful access to their programs and activities to individuals with disabilities. Members of the public with disabilities may request accommodations that will enable them to participate in or receive the benefits of our programs and services. In 2014, SSA implemented the new 504 standard and non-standard accommodation process in field offices (FOs) and hearing offices (HOs), National Hearing Centers and TSC users to document and save accommodation request (s) for categories including Special Notice Options (SNO), standard, locally available, other, and non-Standard accommodations.

- **Notices and Special Notice Option (SNO):** Beginning in November 2014, all SSA produced Medicare notices deemed in scope of the court decision are now available in alternative formats and now available to claimants in any one of the six available Special Notice Option (SNO)formats that SSA offers. The project is now complete. We offer the following notices:

o Target Notice Architecture Automated Notices (TNA) formats automated "MS Word like" personalized notices for the public. Customized mainframe fonts for bolding, underlining, special characters and character height give the notices the "MS Word like" appearance. The notice application programs provide the text and fill-in data to TNA's processes in a consistent format. In addition to supplying the notice content, the application programs pass the language of preference to TNA. Most TNA notices are available in both English and Spanish.

- o Central Image Print Architecture Notices (CIPA) enable the personnel in the Office of Disability Adjudication and Review (ODAR) Hearings Offices to send a variety of notice types through an automated print process.

- o AURORA PSC Notices uses a manual notice system that creates and completes Title II notices for the Program Service Centers (PSC) that could not be completed in an automated fashion by batch processing operations.

- o NOTICE.DLL Notices allows applications to send notices in MS Word format to a VSAM file and then subsequently upload and store the notice in ORS (the Online Retrieval System).

- o Document Processing System Notices (DPS) is a manual notice system and a web-based intranet application. Field Offices, Teleservice Centers and some units in Program Service Centers utilize National, Regional and Local templates and UTIs (Universal Text Identifier) to create custom notices to claimants and beneficiaries.

- o Public Information Request System (PIRS) Pamphlets utilize a web-based intranet application that provides SSA field office (FO) employees with user-friendly screens for entering requests from the public for SSA's forms and pamphlets.

- o Special Notice Option (SNO) provides formats that are accessible to the blind or visually impaired in a manner other than first-class print mail.

- o Record Specification (RecSpec) are notices SSA sends only in data streams to a print vendor/SNO vendor. The vendor then parses out the data and places the data in specific locations on the notice as specified by SSA.

System / Type	Notice Totals (November 2014)	Notice Totals (Fiscal YTD)
TNA Automated Notices	17,057,795	30,324,917
CIPA Notices	458,617	961,259
AURORA PSC Notices	161,128	339,774
NOTICE.DLL Notices	91,306	183,423
DPS Notices	463,364	1,007,867
PIRS Pamphlets	64,603	136,425
SNO Notices:	91,028 (total):	159,635 (total):
Braille	4,596	6,881
Data CD	3,323	5,630
Audio CD	4,255	7,107
Large Print	78,854	140,017
RecSpec Notices:	2,563 (total):	4,764 (total):
Braille	129	190
Data CD	104	205
Audio CD	141	256
Large Print	2,189	4,113
Total:	18,390,404	33,118,064

- **Public Facing Integrity Review (PFIR):** This program integrity system uses Big Data analytics to identify fraud in on-line services and reduce improper payments. During the period November 2013 through September 2014, our total PFIR stats were as follows:

    o 4,736 confirmed cases
    o $5,602,688 in confirmed savings/prevented check redirection

- **Electronic Death Registration (EDR) States:** In November 2014, SSA deployed modifications to the Electronic Death Registration (EDR) process into production. This update enabled the State of Virginia with the ability to use EDR for death reporting. With the addition of Virginia, there are now 37 states and 2 entities (District of Columbia and New York City) using the EDR for death reporting.

- **Improving Death Process/Death Processing Redesign:** In August 2014, SSA deployed the first release of the Improving Death Process - Death Processing Redesign project into production. This release replaced the existing Death Alert Control and Update System (DACUS) screens with intelligent web-based screens that enforce policy, enhance the security and accuracy of death information, and provide data for future MI reporting. These screens allow field office users to add, delete, and change death information on the NUMIDENT.

- **Social Security Electronic Remittance System (SERS):** In December 2014, we completed the national rollout of the SERS Release 1.0. The SERS provides field offices with an automated solution to collect, track, record and report fees collected for providing various non-programmatic services to individuals and third parties. The fee for services is paid by check or credit card and is passed real time to the Social Security Online Accounting and Reporting System (SSOARS). Credit card information is processed in an encrypted manner without storing any credit card information in any SSA system. SERS replaces manual business processes and promotes standardized business practices and fee collection procedures in field offices, and provides a streamlined remittance process and an automated system solution to collect fees for services. SERS addresses the agency's vision to eliminate cash transactions, use card swipe and check scanner technology, and adopt processes that are prevalent throughout the banking and retail sectors. In addition, SERS will sufficiently address OIG audit recommendations and comply with requirements of OMB Circular A-25, User Charges.

- **AWR Redesign TY14 Rel 2.0 – AccuWage**: In October 2014, SSA deployed a new version of AccuWage 2014. This release incorporated options allowing users to test both W-2 (Initial) and W-2C (Correction) submissions through one unified interface. AccuWage is a downloadable SSA application that is used by employers and submitters of wage reports as a means of checking W-2 and W-2c forms for adherence to specifications prior to submission. This enhancement will aid in increasing the accuracy of wage reports sent to the agency.

AWR Postings for Week	Total postings YTD	FY 13 Actuarial Estimate	% YTD
6,042	238,949,353	238,300,000	99.94%

- **Certificate of Coverage (COC)/WebCOC:** In December 2014, we implemented changes to the COC and WebCOC application to support the addition of the Slovak Republic.

- **Health Information Technology:** SSA processes nearly 3 million disability claims annually, which require over 15 million requests for individual medical records from healthcare providers who have treated those claimants. The state DDS office manages the collection of supporting medical information and its analysis to adjudicate each disability claim. Traditionally, this is a tedious and largely paper-based process for all parties involved.

  SSA's Health IT provides health care organizations the ability to share medical information with us electronically. We have been able to streamline the disability determination process by requesting and obtaining medical records electronically and enabling computerized decision support.

  Health IT has demonstrated its potential to increase efficiencies in the disability program and dramatically improve service to the public.

  As of December 26, 2014, we have a total of 36 partners with 4,101 participating providers in 29 States and the District of Columbia. Since January 2014, SSA:

  - Partnered with about 2,428 new provider facilities
  - Expanded to 10 new states
  - Partnered with 18 new healthcare organizations:
    - Guthrie
    - Yale New Haven Health
    - Gundersen Health
    - Carle Foundation
    - MetroHealth
    - Cleveland Clinic
    - Salem Health
    - Texas Health Resources
    - Group Health Cooperative
    - Sanford Health
    - University of Iowa Hospitals and Clinics
    - Presbyterian Health
    - Carilion Clinic
    - Sentara
    - MemorialCare Health System
    - University of Wisconsin Health
    - Martin Health
    - Legacy Health System
  - Expanded current partners to additional facilities in new states:
    - Kaiser Permanente – remaining 2 new Kaiser Permanente regions

Below is a list of our agency portfolios and their vision statements:

- **Administrative and Mission Support:** The Administrative and Missions Support portfolio aims to develop IT capabilities that support and enable core business functions across the agency. The investments in the Administrative and Missions Support portfolio will improve our responsiveness to the American public through enhancing our services and programs, modernizing our information technology, and building a model workforce.

- **Core Services:** The Core Services Portfolio will provide innovative quality service to the public, strengthen the integrity of our programs by ensuring reliable, secure and efficient Online and Telephone Services, increase the use of Self-Services options, and partner with other agencies and organizations to improve Customer's Experience and Align with the Administration's One-Government Approach. We will transform the way we deliver service to the public and enhance the customer experience by striving to complete Customer's Business at the First Point of Contact through our online and automated services. Core Services Portfolio investments will enhance and execute plans to modernize our legacy systems and streamline workloads for our frontline employees, maintain system performance, and continuously Strengthen our Cyber Security Program and IT services.

- **Disability and Appeals:** The Disability and Appeals portfolio promotes efficient and effective IT systems that increase the quality, timeliness, and consistency of disability decisions and services. These systems will facilitate the accurate collection, processing, and flow, of data and information that will allow our employees to provide quality service to disabled applicants and beneficiaries. The portfolio will help ensure we make the correct disability decision at the correct time, and apply disability policy and procedures consistently across all adjudicative levels.

- **IT Infrastructure:** The Infrastructure Portfolio provides us with the information technology stability and flexibility that we need in order to meet and sustain current operational requirements, adapt to changes in business operations, and plan for future growth and demand in our workloads. Our reliance on information technology and electronic data continues to increase with each new workload and each new service delivery channel. The portfolio seeks to address the rising demands on our infrastructure by not only continuing to deliver high levels of end-to-end availability, stability, security and performance but also by instituting new and/or enhanced technologies to remain current with industry standards. Through anticipation of the technology demands of our strategic objectives and investments, the portfolio strives to ensure a ready environment with each application delivery as well as improvements and enhancements to application portfolios.

- **IT Program Integrity:** The IT Program Integrity Portfolio supports SSA's goals to strengthen the integrity of the Social Security programs, deliver innovative quality services, and ensure reliable, secure and efficient IT services. We seek to continually improve our comprehensive quality review and financial management programs in accordance with all laws and regulations. This includes accurately and timely paying

Limitation on Administrative Expenses

benefits to our recipients and beneficiaries, detecting and preventing fraud wherever it may occur, and minimizing improper payments.

In January 2015, SSA introduced a chief technology officer to lead SSA's technology change, and balance change with service delivery reliability.

The agency currently manages 13 major OMB 300 exhibits. They are:

- National Support Center
- Infrastructure Modernization
- Infrastructure Operations and Maintenance (O&M)
- Earnings Redesign
- Smart Claims
- Customer Engagement Tools
- Electronic Services
- SSI Modernization
- Title II Redesign
- DCPS
- DDS Automation
- Intelligent Disability (IDib)
- Financial Accounting System (FACTS)

DIGITAL SERVICES TEAM

SSA is working with OMB to provide exceptional digital services. The success rate of government digital services improves when agencies have digital service experts on staff with modern design, software engineering, and product management skills. To ensure the agency can effectively build and deliver important digital services, the Budget includes $4,600,000 for staffing costs to build a Digital Service team that will focus on transforming the agency's digital services with the greatest impact to citizens and businesses so they are easier to use and more cost-effective to build and maintain.

These digital service experts will bring private sector best practices in the disciplines of design, software engineering, and product management to bear on the agency's most important services. The positions will be term-limited, to encourage a continuous influx of up-to-date design and technology skills into the agency. The digital service experts will be recruited from among America's leading technology enterprises and startups, and will join with the agency's top technical and policy leaders to deliver meaningful and lasting improvements to the services the agency provides to citizens and businesses.

This digital service team will build on the success of the United States Digital Service team inside of OMB, created in 2014. Since standing up, this small OMB team has worked in collaboration with Federal agencies to implement cutting edge digital and technology practices on the nation's highest impact programs.

SSA FY 2016 Budget Justification

SSA E-GOV CONTRIBUTIONS

SSA supports many E-Government initiatives. These initiatives serve citizens, businesses, and Federal employees by delivering high-quality services more efficiently and by providing services that might not otherwise be available. These initiatives are included in the agency's IT budget.

Table 3.19 – SSA E-Gov Contributions (in thousands)

	FY 2014 Actuals	FY 2015 Estimate	FY 2016 Estimate
Disaster Assistance Improvement Plan	$39	$56	$0
E-Federal Health Architecture LoB	$100	$500	$100
E-Rulemaking	$50	$17	$24
Financial Management LoB	$67	$64	$67
Geospatial LoB	$25	$25	$25
GovBenefits.gov	$199	$217	$0
Grants.gov	$36	$27	$26
Grants Management LoB	$311	$0	$0
Human Resources Management LoB	$0	$130	$130
Integrated Acquisition Environment (IAE)	$104	$104	$104
IAE-Loans and Grants	$0	$0	$0
Performance Management LoB	$0	$0	$65
Budget Formulation LoB[1]	$50	$55	$55
Total	**$981**	**$1,195**	**$596**

Social Security remains an active participant to the following E-Government initiatives:

Disaster Assistance Improvement Plan provides a unified point of access to disaster management-related information, mitigation, response, and recovery information.

E-Federal Health Architecture Line of Business (LoB) supports integration of the agency's health information systems into the emerging Nationwide Health Information Network (NHIN).

E-Rulemaking improves collaboration across government on regulatory matters and provides a central web-based environment for the public to review and comment on SSA regulatory actions while reducing administration costs.

Financial Management LoB reduces non-compliant systems by leveraging common standards and shared service solutions in Federal financial operations.

Geospatial LoB maximizes geospatial investments by leveraging resources and reducing redundancies. Offering a single point of access to map-related data will allow SSA to improve mission delivery and increase service to citizens.

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[1] In FY 2014 and FY 2015, funds were paid from LAE. In FY 2016, funds are being requested in the IT budget.

GovBenefits.gov helps to promote awareness of SSA's benefit programs to the public, assisting SSA in its strategic goals of delivering citizen-centric world-class service and strengthening public understanding of Social Security programs.

Grants.gov provides a single, online portal and central storehouse of information on grant programs for all Federal grant applicants.

Grants Management LoB is developing solutions to standardize and streamline the grants management process government-wide. Grants Management LoB is pursuing a consortia based approach to share operations and maintenance costs, and development, modernization, and enhancement costs across agencies, decreasing the burden that any one grant-making agency must bear. Business processes as available through consortium lead agencies will decrease agency reliance on manual and paper-based grants processing.

Human Resources Management LoB provides common core functionality to support the strategic management of Human Capital government-wide.

Integrated Acquisition Environment and IAE - Loans and Grants create a secure environment to facilitate the acquisition of goods and services.

Performance Management LoB modernizes the Federal Government's performance reporting framework by facilitating a transition from print-based GPRA performance plans and reports to a shared, web-based, Government-wide performance portal, as required by the GPRA Modernization Act (Sec. 7 and Sec. 10).

Budget Formulation LoB supports the Federal Government's effort to improve agency budgeting through collaboration and information sharing.

Table 3.20 – Other SSA Expenses/Service Fees Related to E-Gov Projects (in thousands)

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Recruitment One-Stop	$416.2	$368.2	$389.6
Enhanced Human Resource Integration	$944.5	$1022.3	$971.2
E-Payroll	$13,649.3	$12,951.7	$12,951.7
E-Travel	$609.0	$700.0	$700.0
Total	**$15,619.0**	**$15,042.2**	**$15,012.5**

In addition to making annual contributions to the managing partners of certain E-Gov projects, SSA also funds various ongoing business services that are related to E-Gov projects. These funds are part of SSA's ongoing budget and pay for services provided by other agencies under authority of the Economy Act.

Recruitment One-Stop provides an online portal (https://www.usajobs.gov/) through which citizens can easily search for employment opportunities throughout the Federal Government.

Enhanced Human Resource Integration initiative develops policies and tools to streamline and automate the electronic exchange of standardized human resource data needed for the creation of an official employee record across the Executive Branch.

E-Payroll standardizes and consolidates government wide Federal civilian payroll services and processes.

E-Travel provides a government wide standard set of world-class travel management services to consolidate Federal travel, minimize cost, and improve customer satisfaction.

EMPLOYMENT

The following table provides a detailed view of the full-time equivalent employment levels.

Table 3.21—Detail of Full-Time Equivalent Employment[1]

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
Limitation on Administrative Expenses Accounts	60,105	63,398	64,544
Reimbursable Work	233	300	300
	60,338	**63,698**	**64,844**

The following table lists the Average Grade and Salary for SSA employees for FY 2014. It includes averages for Executive Service (ES) and General Service (GS) employees.

Table 3.22—Average Grade and Salary

	FY 2014 Actual
Average ES Salary	**$169,200**
Average GS/WG Grade	**11**
Average GS/WG Salary	**$67,400**

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[1] Includes all workyears funded by MIPPA and the Children's Health Insurance Program Reauthorization Act of 2009.

Table 3.23—Historical Staff-On-Duty by Major SSA Component[1]

	FY 2013 Actual	FY 2014 Actual
Field Offices	27,879	29,682
Teleservice Centers	4,275	4,535
Processing Centers	9,957	10,674
Regional Offices	1,575	1,797
Operations Subtotal[1]	**43,686**	**46,688**
Office of Disability Adjudication and Review	9,510	9,266
Systems	3,185	3,177
Office of Quality Performance[2]	1,122	-
Headquarters[3]	4,696	5,971
SSA Total	**62,199**	**65,102**

PHYSICIANS' COMPARABILITY ALLOWANCE

Physicians' Comparability Allowance (PCA) permits agencies to provide allowances to certain eligible Federal physicians who enter into service agreements with their agencies to address recruitment and retention problems (5 U.S.C. 5948). The following worksheet provides details on usage of PCA within SSA from FY 2013-2015.

Table 3.24—Physicians Comparability Allowance Worksheet

		PY 2014 (Actual)	CY 2015 (Estimates)	BY 2016[4] (Estimates)
Number of Physicians Receiving PCAs		3	3	3
Number of Physicians with One-Year PCA Agreements		0	1	1
Number of Physicians with Multi-Year PCA Agreements		3	2	2
Average Annual PCA Physician Pay (without PCA payment)		157,100	157,100	157,100
Average Annual PCA Payment		23,333	28,000	28,0000
Number of Physicians Receiving PCAs by Category (non-add)	Category I Clinical Position			
	Category II Research Position			
	Category III Occupational Health			
	Category IV-A Disability Evaluation			
	Category IV-B Health and Medical Admin.	3	3	3

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[1] Includes full time, part time, and temporary employees.

[2] The Office of Quality Performance merged with other Headquarters components in FY 2014.

[3] Headquarters includes counts for Operations Support Staff, Office of Appellate Operations, GSA Delegations, and the Advisory Board.

[4] FY 2016 data will be approved during the FY 2017 Budget cycle.

Maximum annual PCA amount paid to each category of physician:

See tables 3.25 and 3.26 for the maximum annual PCA amount paid to each category of SSA physicians. The amounts shown on the tables have allowed us to successfully recruit and retain our medical officers.

Recruitment and retention problem(s) for each category of physician:

SSA has had no medical officer (MO) accessions and 2 MO separations in fiscal year 2014.

SSA continues to offer PCAs to our MOs in order to recruit and retain the highly specialized physicians that we need. MOs are critical to our mission as they possess specialized skills required to write, revise, update, and develop agency medical policy, including medical policy that is used for evaluating claims for disability benefits under the Social Security disability insurance program or payments under the Supplemental Security Income program.

The PCA helps to compensate for the decrease in salary that a physician accepts when becoming a civil servant. Our MOs accept a reduction in income under the General Schedule (GS) pay scale, which is capped at the GS 15/step 10.

Also, PCAs continue to be a point of importance among our MOs and are a key factor in our ability to retain our current MOs and recruit new ones. If we do not retain the PCA, our MOs may elect to find employment in other areas or agencies where PCAs are offered.

SSA must continue to offer PCAs in order to recruit new physician MOs and retain the ones we have as we compete for their services with other government agencies.

Degree to which recruitment and retention problems were alleviated at SSA through the use of PCAs in the prior fiscal year:

SSA was able to retain its medical officers by continuing to offer PCAs.

MAXIMUM PHYSICIAN'S COMPARABILITY ALLOWANCES

Table 3.25—Maximum Physician's Comparability Allowances- 1-Year Contract

CATEGORY	PHYSICIANS WITH 24 MONTHS OR LESS OF SERVICE			PHYSICIANS WITH MORE THAN 24 MONTHS OF SERVICE		
	GS-13	GS-14	GS-15/ SES	GS-13	GS-14	GS-15/ SES
1. Occupational Health	*	*	*	*	*	*
2a. Disability Evaluation	*	*	*	*	*	*
2b. Administration	$8,000	$9,000	$10,000	$12,000	$18,000	$24,000

Table 3.26—Maximum Physician's Comparability Allowances - 2-Year Contract

CATEGORY	PHYSICIANS WITH 24 MONTHS OR LESS OF SERVICE			PHYSICIANS WITH MORE THAN 24 MONTHS OF SERVICE		PHYSICIANS WITH MORE THAN 24 MONTHS BUT NOT MORE THAN 48 MONTHS OF SERVICE	PHYSICIANS WITH MORE THAN 48 MONTHS OF SERVICE
	GS-13	GS-14	GS-15/ SES	GS-13	GS-14	GS-15/SES	GS-15/SES
1. Occupational Health	*	*	*	*	*	*	*
2a. Disability Evaluation	*	*	*	*	*	*	*
2b. Administration	$12,000	$13,000	$14,000	$18,000	$24,000	$27,000	$30,000

* SSA currently is not experiencing any recruitment or retention problems for the categories of Occupational Health and Disability Evaluation; therefore, no related maximum allowances have been established for these categories. Maximum allowances have been set for the category of Administration because the Commissioner has determined that there is a significant problem recruiting and retaining physicians for a few positions in this category in the Office of Disability Programs and the Office of Personnel.

FY 2014 DISABILITY WORKLOAD

The following table provides data on the FY 2014 disability claims and appeals workload.

Table 3.27—FY 2014 Workload Data Disability Appeals*
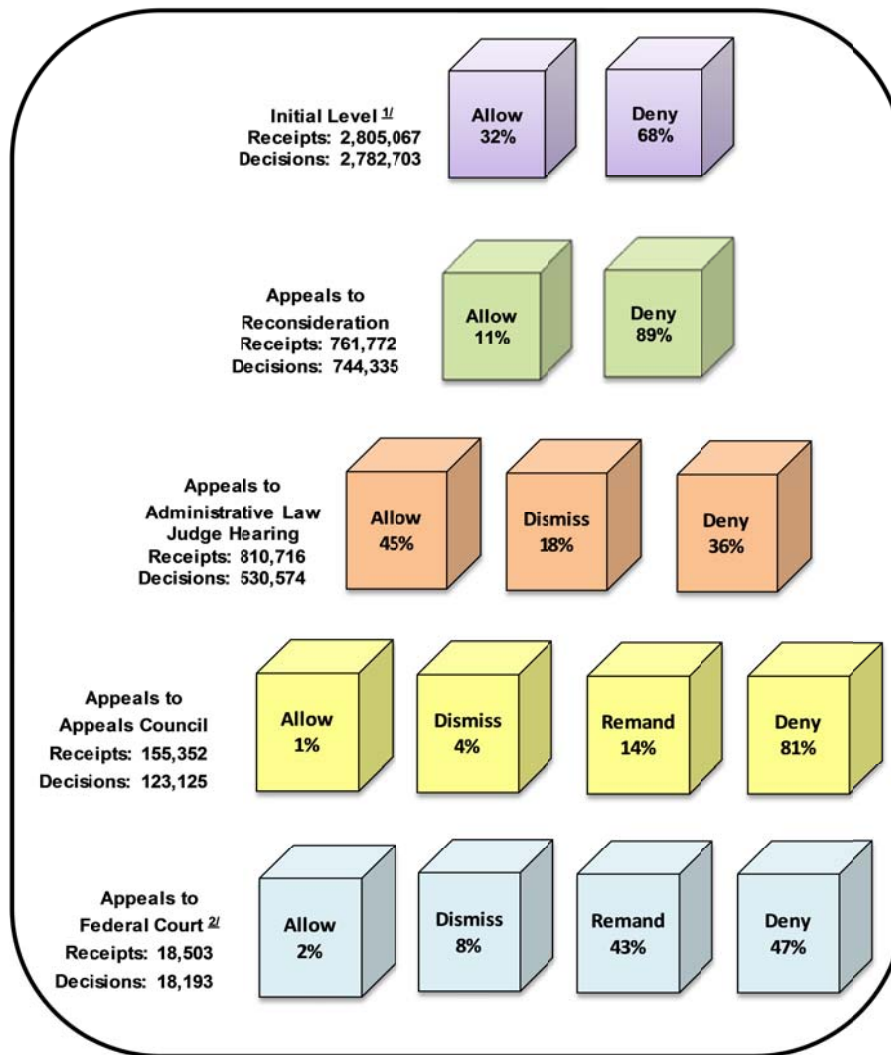
*Includes Title II, Title XVI, and concurrent initial disability determinations and appeals decisions issued in FY 2014, regardless of the year in which the initial claim was filed, and regardless of whether the claimant ever received benefits (in a small number of cases with a favorable disability decision benefits are subsequently denied because the claimant does not meet other eligibility requirements.) Does not include claims where an eligibility determination was reached without a determination of disability. If a determination or appeals decision was made on Title II and Title XVI claims for the same person, the results are treated as one concurrent decision.

1/ About 23% of initial level denials are issued in States that use the Disability Prototype process, which eliminates the reconsideration step of the appeals process. The first level of appeal for these cases is a hearing before an Administrative Law Judge.

2/ Federal Court data includes appeals of Continuing Disability Reviews.

NOTE: Due to rounding, data may not always total 100%.

Prepared by: SSA, ODPMI (Office of Disability Program Management Information), 12/4/14; Office of Budget, 12/11/14
Data Sources:
A) Initial and Reconsideration Data: SSA State Agency Operations Report
B) Administrative Law Judge and Appeals Council data: SSA Office of Disability Adjudication and Review (ODAR)
C) Federal Court data: SSA Office of General Counsel

LEGISLATIVE PROPOSALS

Benefit Improvements

1. **Social Security Benefits for Same-Sex Married Couples.** The Social Security Administration (SSA) is required by the Social Security Act to confer marriage-related benefits based on the law of the state in which the couple is domiciled. This prevents SSA from paying benefits to same-sex couples who were legally married in one state but are domiciled in another state that does not recognize same-sex marriage. This proposal amends the Defense of Marriage Act by requiring SSA (and any other agency that administers a program in which marital status is a factor) to consider an individual as married if the marriage is valid in the state where that marriage occurred.

2. **Extend SSI Time Limits for Qualified Refugees.** Refugees and certain other humanitarian immigrants who are disabled or elderly are potentially eligible for Supplemental Security Income (SSI) benefits for up to seven years from the date they attained their immigration status, and without time limit if they become naturalized. Congress acknowledged that humanitarian immigrants may be unable to attain citizenship within the seven-year period of SSI eligibility, even if they apply for naturalization as soon as they are eligible. Accordingly, Congress temporarily extended the time-limited SSI eligibility period from 7 years to 9 years for fiscal years (FY) 2009-2011. However, effective October 2011, the SSI eligibility period for refugees and other humanitarian immigrants reverted to seven years. This proposal would underscore the nation's commitment to refugees, asylees, and other humanitarian immigrants—who come to America with very little and frequently have nowhere else to go—by again extending the time limit from 7 to 9 years during FYs 2016 and 2017.

Preventing Improper Payments

3. **Program Integrity.** Current law provides for additional budget authority in appropriations dedicated for SSA's use in completing continuing disability reviews (CDRs) and SSI redeterminations through FY 2021. However, annual appropriations bills have not provided the full amount of funding for these activities. CDRs and SSI redeterminations are highly effective at detecting improper payments and provide an excellent return on the taxpayers' investment—specifically, CDRs conducted in FY 2016 will yield net Federal program savings over the next 10 years of roughly $9 on average per $1 budgeted for dedicated program integrity funding, including Old-Age, Survivors, and Disability Insurance (OASDI), SSI, Medicare and Medicaid program effects. SSI redeterminations conducted in FY 2016 will yield a ROI of about $4 on average of net Federal program savings over ten years per $1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects. This proposal would repeal the discretionary cap adjustments enacted in the Balanced Budget and Emergency Deficit Control Act, as amended by the Budget Control Act, for SSA beginning in FY 2017 and instead provide a dedicated and dependable source of mandatory funding for these program integrity activities.

4. **Allow SSA to Use Commercial Databases to Verify Wages in the SSI Program.** The SSI program is means-tested, and the correct benefit amount can vary monthly based on changes in a beneficiary's income, such as wages. SSI recipients are required to report changes in a timely manner, but some do not, which results in improper payments. This proposal would reduce improper payments and lessen the recipients' reporting burden by authorizing SSA to conduct data matches with private commercial databases and use that information to automatically increase or decrease benefits accordingly, after proper notification. New beneficiaries would be required to consent to allow SSA to access these databases as a condition of benefit receipt. All other current due process and appeal rights would be preserved.

5. **Expand Authority to Require Authorization to Verify Financial Information for Overpayment Waiver Requests.** SSA uses an automated process to verify the financial institution accounts of SSI recipients to improve payment accuracy. SSA has the authority to require applicants and beneficiaries to authorize the agency to get this information in connection with determining SSI eligibility. However, SSA cannot use this process for other determinations that involve consideration of financial institution account information. One such determination occurs when a beneficiary requests a waiver of recovery of an overpayment (whether an OASDI overpayment or an SSI one) or a change in the rate at which SSA withholds funds from a beneficiary's payment to collect a prior overpayment. Determining whether someone qualifies for a waiver or a different rate of recovery can involve determining whether the person has the financial means to repay. This proposal would require OASDI recipients seeking overpayment waivers to grant SSA authority to certify financial information and thereby improve the accuracy of waivers. Currently, there is no automated method for verifying financial assets for overpayment waiver claims.

6. **Hold Fraud Facilitators Liable for Overpayments.** In a few recent cases of fraud against SSA's disability programs, third parties, such as appointed representatives and doctors, facilitated fraudulent applications for benefits by submitting false statements or evidence purporting to show that the individuals were disabled, when in fact they were not disabled. Under current law, such facilitators may be subject to criminal prosecution and penalties, but they are not required to repay the benefits improperly paid to the person who was not eligible for them. This proposal would hold fraud facilitators liable for overpayments by allowing SSA to recover the overpayment from a third party with interest if the third party was responsible for making fraudulent statements or providing false evidence that allowed the beneficiary to receive payments that should not have been paid. Furthermore, a facilitator would be ineligible for a waiver of recovery of such an overpayment.

7. **Government-Wide Use of Customs and Border Patrol Entry and Exit Data to Prevent Improper Payments.** U.S. Customs and Border Protection (CBP) maintains data on when individuals enter and exit the United States. This entry and exit information may be useful in preventing improper payments in Federal programs that require U.S. residency in order to receive benefits. This proposal would provide for the use of CBP Entry/Exit data to prevent improper payments.

8. **Use the Death Master File to Prevent Federal Improper Payments.** SSA receives about 2.5 million reports of death each year from many sources, such as family members, funeral homes, financial institutions, and the states. SSA is authorized to share all of the death information it maintains with Federal and state agencies that administer federally-funded benefits, state agencies administering state-funded programs, and Federal and state agencies using the information for statistical and research activities. Currently, Do Not Pay instead receives a smaller file, which excludes state death information. This proposal would increase the amount of death information available to Federal agencies for use in preventing improper payments by authorizing SSA to share all of the death information it maintains with Do Not Pay.

Improve Efficiency

9. **Improve Collection of Pension Information from States and Localities.** Current law requires SSA to reduce OASDI benefits when someone also receives a pension based on work that was not covered by Social Security. SSA currently has a matching agreement with the Office of Personnel Management (OPM) to obtain information on Federal government retirees who receive a pension from work not covered by Social Security. However, SSA generally lacks a way to receive similar information from state and local governments. As a result, many of these pensions go unreported, leading to improper payments. This proposal would require state and local government pension payers to report information on pensions paid for non-covered work to SSA through an automated data exchange.

10. **Establish Workers' Compensation Information Reporting.** Current law requires SSA to reduce an individual's Disability Insurance (DI) benefit if he or she receives workers' compensation (WC) or public disability benefits (PDB). SSA currently relies upon beneficiaries to report when they receive these benefits. This proposal would improve program integrity by requiring states, local governments, and private insurers that administer WC and PDB to provide this information to SSA. Furthermore, this proposal would provide for the development and implementation of a system to collect such information from states, local governments, and insurers.

11. **Lower Electronic Wage Reporting Threshold to Five Employees.** SSA processes W-2 forms for Treasury. Currently, Treasury requires businesses that file 250 or more W-2s per calendar year to file electronically. This proposal would modify the Internal Revenue Code so that Treasury can require businesses that employ five or more employees to file electronically. This change would be phased-in over three years and would increase the efficiency and accuracy of this process, because electronic returns are completed more rapidly and are generally more accurate than scanned or keyed returns.

12. **Move from Annual to Quarterly Wage Reporting.** Employers report wages annually to SSA. However, from 1939 through 1977, SSA received wage reports on a quarterly basis. Increasing the frequency of wage reporting could enhance tax administration. More frequent reporting would also facilitate implementation of automated enrollment of employees in existing workplace pensions and be the foundation for the creation of a

system of automatic workplace retirement accounts for workers who do not currently have access to a retirement plan. Furthermore, more frequent reporting may improve program integrity by providing timelier wage data for use by Federal, income-tested programs. This proposal would restructure the Federal wage reporting process by requiring employers to report wages on a quarterly[1] basis.

Program Improvements

13. **Conform Treatment of State and Local Government Earned Income Tax Credits and Child Tax Credits for SSI.** When determining someone's eligibility for, and benefit amounts under, the SSI program, SSA excludes Federal earned income tax credits (EITC) and child tax credits (CTC). However, the law requires SSA to count state EITCs and CTCs for SSI purposes. This proposal would simplify administration of the SSI program by excluding state EITCs and CTCs, in the manner in which similar, Federal tax payments are excluded.

14. **Allow SSA to Electronically Certify Certain Railroad Retirement Board Payments**. For certain retired railroad workers, SSA computes the amount of SSA benefits the person should receive and sends that information to the Railroad Retirement Board (RRB), who actually pays the benefit. For most types of railroad workers and their family, SSA uses an automated process to certify electronically the payment amount to the RRB. However, SSA is not authorized to electronically certify certain categories of railroad workers, and must use a cumbersome manual process instead. This proposal would improve the efficiency and accuracy of the certification process by authorizing SSA to electronically certify the benefits of divorced spouses, to the RRB.

15. **Offset DI Benefits for Concurrent Receipt of Unemployment Insurance Benefits.** This proposal would eliminate dual benefit payments covering the same period a beneficiary is receiving state or Federal unemployment compensation, reducing duplicative spending in government programs.

16. **Reconcile Office of Personnel Management and Social Security Retroactive Disability Payments.** OPM must reduce disability payments made to Federal Employee Retirement System (FERS) annuitants who receive DI benefits. In many cases, OPM pays the FERS disability benefit before SSA decides whether the person is eligible for DI benefits. This results in FERS overpayments. This proposal would reduce these improper payments by further automating the coordination between SSA and OPM.

17. **Eliminate Aggressive SSA Benefits Claiming Strategies.** Individuals under full retirement age (FRA) who file for benefits on their own record or on the record of their spouse are deemed to file for either their own benefit or the spouse's benefit, as well. However, deemed filing does not apply to individuals over FRA (currently age 66) –

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[1] This proposal would have no effect on the reporting of self-employment income.

these individuals can choose to apply for benefits only as a spouse, thus allowing the person to earn delayed retirement credits (DRC) on their own record.

The Social Security Act includes another provision that allows a worker to opt to file for benefits based on his or her own work, then voluntarily suspend them, allowing the individual to accrue DRCs. In either case, DRCs can increase benefits by 8 percent for each year up to age 70. Some individuals—primarily those with higher incomes— manipulate these provisions to maximize DRCs by claiming and suspending benefits, or by filing for a lower benefit as a spouse, while allowing the higher benefit to increase due to DRCs. This proposal would eliminate such opportunities, resulting in equitable treatment of all individuals, regardless of income.

18. **Address Reserve Depletion of the DI Trust Fund.** To address reserve depletion of the DI Trust Fund, the Budget proposes a five-year reallocation of payroll taxes from the Old-Age and Survivors Insurance (OASI) trust fund to the DI trust fund. This policy would be in effect from January 1, 2016 through December 31, 2020, and will increase the payroll tax allocated to DI by 0.9 percentage points (with a corresponding decrease in OASI). At various points over the course of Social Security's history, Congress has passed reallocation legislation as the need arose for reallocating revenue from DI to OASI, and vice versa. This proposed reallocation will have no effect on the overall health of the OASI and DI trust funds on a combined basis.

Technical Changes

19. **Terminate Step Child Benefits in the Same Month as His or Her Parent.** A parent and stepchild may receive benefits on the record of a worker, but if the marriage terminates by divorce, they are no longer eligible for benefits. When a stepchild's parent is divorced, spousal benefits terminate in the month before the month of the final divorce. However, benefits for the stepchild terminate one month later, in the month of the final divorce. This proposal would fix this discrepancy by ending benefits for the stepchild in the same month as the parent, in the month before the final divorce.

20. **Clarify Penalties and Prohibitions for Misleading Internet Advertising.** Current law prohibits the use of certain words and symbols that, misleadingly, give the impression that SSA is connected to or has approved the communication. Violation of this prohibition is subject to certain penalties. However, it is unclear whether this prohibition applies to communications distributed or disseminated solely over the Internet. This proposal would clarify that such communication is prohibited, thereby protecting the public from misleading and potentially harmful communication.

Administrative Improvements

21. **Reauthorize and Expand Demonstration Authority for DI and SSI.** There are many options under discussion around specific program change to amend SSA's disability programs. Moreover, in most cases, there is not enough evidence to determine whether a proposed program change would do more harm than good. Demonstration projects are the best vehicles for identifying promising program changes and measuring their effects on existing and potential disability beneficiaries. However, SSA's authority to initiate DI demonstration projects expired in December 2005, and the agency has not initiated any new DI projects since then. Early intervention measures, such as supportive employment services for individuals with mental impairments; targeted incentives for employers to help workers with disabilities remain on the job; and opportunities for states to better coordinate services—have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities and gather evidence on which to base future program improvements. Our efforts for early intervention received bipartisan support of $35 million in the Consolidated and Further Continuing Appropriations Act, 2015. This proposal would provide SSA and partner agencies $50 million in discretionary funding for early intervention demonstrations in FY 2016, as well as $350 million for mandatory funding in FYs 2017-2020, to test innovative strategies to help people with disabilities remain in the workforce.

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TABLES

APPROPRIATION LANGUAGE

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, [$29,000,000] *$31,000,000[1]*, together with not to exceed [74,350,000] *$78,795,000*, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

In addition, an amount not to exceed 3 percent of the total provided in this appropriation may be transferred from the "Limitation on Administrative Expenses," Social Security Administration, to be merged with this account, to be available for the time and purposes for which this account is available: *Provided*, That notice of such transfers shall be transmitted promptly to the Committees on Appropriations of the House of Representatives and the Senate at least 15 days in advance of any transfer.

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[1] Note the FY 2016 President's Budget Appendix Volume inaccurately reflects this total. An errata will be provided to the Appendix in the near future to identify the estimate as $31 million.

GENERAL STATEMENT

OVERVIEW

The FY 2016 President's Budget for the SSA Office of the Inspector General (OIG) is $109,795,000 in total budget authority and 560 FTE. This is $6,445,000 above the funding received from the Consolidated and Further Continuing Appropriations Act, 2015 (PL 113-235).

The FY 2016 budget request will support spending at an operating level that will allow our auditors and investigators to meet their productivity goals. The budget request will provide funding for a 560 FTE staffing level, the President's proposed 1 percent pay raise, payroll increases (e.g., within-grade increases, scheduled promotions, health benefits, etc.), and other related support costs. The budget request assumes OIG will replace some staffing losses during FY 2016, and provides ongoing support for the major initiatives already in place. OIG will continue to meet its homeland security responsibilities through audit and investigative activities that focus on strengthening the enumeration process and combating SSN misuse.

Although American Recovery and Reinvestment Act of 2009 (ARRA) funding for oversight of the National Computer Center (NCC) replacement has expired, we plan to continue to oversee the ongoing IT migration to the new facility. We will complete reviews to address specific milestones as needed.

This FY 2016 budget includes $627,000 for training, which satisfies all FY 2016 training requirements for OIG. OIG will contribute to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) in FY 2016, and $274,000 has been requested for that purpose.

Table 4.1—Justification

	FY 2014[1] Actual	FY 2015 Enacted	FY 2016 Estimate	*FY15 to FY16 Change*
FTE	539	555	560	*+5*
Appropriation	$ 102,578,000	$ 103,350,000	$ 109,795,000	*+ $ 6,445,000*
Total Obligations	$ 101,564,000	$ 103,350,000	$ 109,795,000	*+ $ 6,445,000*
Unobligated balance lapsing	$ 1,014,000	$ 0	$ 0	*$ 0*

ONGOING INITIATIVES

Computer Forensic Cyber-Related Investigations

Over the past several years, we have become increasingly aware of the need for robust measures to protect government networks and to direct investigative resources toward cyber-crimes against those networks. With the issuance of *National Security Presidential Directive 54* and the emphasis placed on the *Government's Trusted Internet Connection* initiative, protecting government networks has become a priority. We recognize the potential for computer-based fraud against SSA systems and programs. Techniques used to compromise computer systems are on the rise nationally, as computer crimes become more prevalent. To be effective, we must keep pace with technological advances. Our FY 2016 budget request includes funds to provide our computer forensic investigators with the equipment, training, and software needed to combat computer crimes.

The OIG's Digital Forensics Team (DFT) is not only charged with providing computer forensic support to OIG and SSA components, but also with partnering with SSA to protect personally identifiable information (PII) stored within SSA's networks. However, with the increased focus on network security, DFT personnel must continually enhance their skills in the areas of computer security and incident response. We seek to develop the skills and hire personnel to create and maintain an effective Computer Security Incident Response Team, which would provide investigative and security support to SSA in the event of a network intrusion. DFT personnel received basic network intrusion training in FY 2013; however, they have not received additional training in this area. Without this critical training, DFT will be unable to adequately staff the Computer Security Incident Response Team.

Additionally, we are currently developing the initial infrastructure of a "cloud"-based forensics network that will allow field DFT agents to access evidence and conduct forensic exams from anywhere in the country. This infrastructure will allow for a central repository for all forensic evidence and a secure environment for all DFT cases. We will require additional equipment as the infrastructure grows and more storage capability for DFT forensic data, as well as future DFT

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[1] FY 2014 Actual includes our appropriation of $102,078,000 plus an additional $500,000 which was transferred from SSA to complete a fraud risk assessment at SSA as requested by the House Ways and Means Subcommittee on Social Security. Some FY 2014 obligation expenses may process after the end of the fiscal year. As a result, our lapse for FY 2014 may be reduced.

forensic network data projects. Data storage is vital to a computer forensics program so we can provide adequate support as components request it.

Cooperative Disability Investigations

The Cooperative Disability Investigations (CDI) Program is a key SSA anti-fraud initiative that plays a vital role in combating fraud, similar fault, and abuse within SSA's disability programs. CDI units, consisting of personnel from SSA, OIG, State disability determination agencies, and local law enforcement investigate initial disability claims and post-entitlement events involving suspected fraud. CDI units investigate claimants as well as third parties who are potentially facilitating disability fraud.

CDI investigations help SSA:
- prevent claimants who do not meet eligibility requirements from receiving benefits;
- terminate the benefits of those who have concealed medical improvement or failed to disclose substantial gainful activity; or
- revisit administrative determinations of claimants who may never have been eligible for benefits.

SSA is planning to increase the number of teams in FY 2016, as it has during the past few years. In addition, as the CDI program expands, we will need to add OIG staff to support the CDI mission both in the field and at headquarters.

Disability Fraud Focus: Expansion of Disability Fraud Pilot

The Disability Fraud Pilot (DFP) was established in order to increase our focus on disability program fraud and abuse, strengthening our efforts to identify, investigate, and seek prosecution of attorney and non-attorney representatives, expert witnesses, evidence providers, interpreters, and other parties, either inside or outside of SSA, who facilitate and promote disability fraud. DFP leverages our existing CDI infrastructure along with a dedicated OIG criminal investigator to exclusively investigate DFP cases.

Currently, DFP is located in five offices across two field divisions along with two CDI units in a third field division. The pilot phase of this project will conclude at the end of FY 2015, however, we are considering the feasibility of converting DFP into an organized disability fraud program and expanding it to all 10 field divisions.

Allegation Management and Fugitive Enforcement

The Allegation Management and Fugitive Enforcement Division (AMFED) is responsible for receiving, analyzing, and referring allegations of fraud, waste, and abuse in Social Security programs and operations. AMFED is also responsible for managing the fugitive warrant verification and referral process for Social Security's fugitive enforcement operations.

In FY 2014, these processes contributed significantly to the mission of OIG and SSA. AMFED received 58,755 allegations. Through the development of referred allegations, SSA identified $2,791,071 in benefit overpayments. AMFED matched 128,944 fugitive subjects from incoming

Federal, State, and local warrant files and referred them to law enforcement for apprehension and warrant verification. AMFED referred 1,183 fugitive subjects for benefit suspension. Through data-sharing efforts, 371 fugitives were apprehended.

Civil Monetary Penalty Program

We have recently increased our emphasis on enforcing Section 1129 of the *Social Security Act*, which authorizes Civil Monetary Penalties (CMPs) against those who make false statements or representations in connection with obtaining or retaining payments under Titles II, VIII, or XVI of the *Social Security Act*. We can also penalize representative payees for wrongful conversion of payments and penalize individuals who knowingly withhold a material fact from SSA. After consultation with the Department of Justice, we are authorized to impose penalties of up to $5,000 for each false statement, representation, conversion, or omission. A person may also be subject to an assessment, in lieu of damages, of up to *twice* the amount of any resulting overpayment.

Our CMP authority allows us to recover fraud losses from those responsible, when prosecutors decline to pursue OIG investigations for criminal prosecution. Many times, our investigations of individuals result in fraud losses below financial thresholds set by U.S. Attorneys' offices. The Section 1129 program is an effective supplemental tool to prevent and deter fraud, and recover fraud losses, thereby strengthening public trust in the agency. Thus, we remain committed to aggressive enforcement, and we are committed to increasing the number of cases we resolve each year. Thus, we anticipate the number of hearing requests to increase. The increase in Section 1129 cases going to hearings before administrative law judges will likely require additional attorney travel.

SSA'S SIGNIFICANT MANAGEMENT ISSUES

OIG annually identifies the most significant management issues facing SSA based on congressional mandates and its audit and investigative work. These issues are:

1. Disability Insurance Trust Fund Solvency
2. Reduce the Hearings Backlog and Prevent its Recurrence
3. Improve the Timeliness and Quality of the Disability Process
4. Reduce Improper Payments and Increase Overpayments and Increase Overpayment Recoveries
5. Improve Customer Service
6. Invest in Information Technology Infrastructure to Support Current and Future Workloads
7. Strengthen the Integrity and Protection of the Social Security Number
8. Strengthen Planning, Transparency, and Accountability

A summary of each management issue is discussed below:

Issue #1: Disability Insurance Trust Fund Solvency

The Board of Trustees of the Social Security Trust Funds' latest Annual Report projected that the reserves of the DI Trust Fund, which have been declining since 2009, will continue declining until they are depleted in 2016. When reserves are depleted, income to the DI Trust Fund would be sufficient to only pay 81 percent of scheduled DI benefits.

Over the last couple of decades, the baby boom generation has moved from less disability prone ages (25 to 44) to more disability prone ages (45 to 64). This is reflected in the increased DI applications, awards, and insured beneficiaries over the last decade. As more baby boomers seek disability benefits, raising costs to the Trust Fund, there are fewer workers paying into the DI Trust Fund to support current beneficiaries. The Trustees concluded that legislative action is needed as soon as possible to address the DI program's financial imbalance. They suggested that lawmakers may consider responding to the impending DI Trust Fund reserve depletion by reallocating the payroll tax rate between OASI and DI.

OIG shares the Trustees' concerns. Absent an act of Congress, the *Social Security Act* (Pub. L. No. 74-271) does not permit further funding or allow SSA to make benefit payments from funds other than the Trust Funds. Consequently, if the Social Security Trust Funds become depleted, current law would effectively prohibit SSA from paying full Social Security benefits on a timely basis. The Agency would then have to decide on the best course of action for paying beneficiaries with disabilities and their families. SSA needs to plan for this contingency, and it needs to share its plan with Congress and the American public.

Issue #2: Reduce the Hearings Backlog and Prevent its Recurrence

While SSA has emphasized the need for quality, consistency, and timeliness in its disability decisions, this remains a challenge with pending hearings of approximately 1 million cases and worsening timeliness.

Hearings Pending: The hearings process is a key piece of the Agency's disability process, providing the public with an opportunity to appeal an earlier State DDS decision. Since FY 2010, the hearings backlog pending has increased annually. While the number of new receipts has declined over the past 4 years, it has exceeded dispositions. The pending was about 705,000 cases in FY 2010 and grew to over 977,000 cases by the end of FY 2014.

Hearing Timeliness: SSA's hearings processing timeliness was about 426 days in FY 2010. SSA made progress in reducing hearing waiting time to an average of 353 days in FY 2012. However, timeliness increased to an average of 422 days per case in FY 2014.

Adjudicatory Capacity: The Agency's ability to reduce the backlog and improve timeliness depends in large part on its adjudicatory capacity. The number of available ALJ grew by 18 percent from FY 2010 to FY 2013, but this number dropped in FY 2014. SSA experienced delays in hiring new ALJs in part because the Agency exhausted the ALJ register administered by the Office of Personnel Management. As the Deputy Commissioner for Disability Adjudication and Review noted in November 2013 testimony, "The number of hearing requests we receive each year remains high, and we are losing many ALJs and support staff due to attrition, whom we are unable to replace. We are doing what we can to hold steady on our progress despite the loss of employees."

Cases decided by senior attorney adjudicators (SAA), who can make on-the-record allowances, has declined in recent years, leading to a reduction in the Agency's adjudicatory capacity. While SAAs decided about 54,000 cases in FY 2010, they decided only 19,000 cases in FY 2013. In late FY 2013, SSA implemented a National Screening Unit pilot program to screen cases for

possible on-the-record favorable decisions. This pilot has further reduced the number of favorable decisions issued by SAAs. In FY 2014, SAAs decided about 1,900 cases.

Issue #3: Improve the Timeliness and Quality of the Disability Process
SSA needs to address receipt of millions of initial disability and reconsideration claims and backlogs of initial disability claims and CDRs, while also protecting its disability programs from fraud.

Disability Claims Backlog: SSA completed almost 3 million initial and 803,000 reconsideration disability claims in FY 2013 and over 2.8 million initial and 757,000 reconsideration claims in FY 2014. While initial claims receipts have declined in recent years, SSA had a large number of initial claims pending completion. As of the end of FY 2014, SSA had over 632,000 initial disability claims pending. In addition, SSA expects to have approximately 621,000 initial disability claims pending at the end of FY 2015.

CDR Backlog: In our August 2014 report on *The Social Security Administration's Completion of Program Integrity Workloads*, we stated that SSA had a backlog of 1.3 million full medical CDRs at the end of FY 2013. SSA had a backlog because it had not completed all full medical CDRs when they became due. While SSA increased the number of full medical CDRs completed in recent years, it was still lower than needed to eliminate the backlog. As a result, SSA missed opportunities for potential savings. For example, if, during FY 2014, SSA conducted full medical CDRs at historic levels, we estimated it would identify more than $4.6 billion in additional Federal benefit savings.

SSA received funding to add capacity in the DDSs in FY 2014—including replacement hiring and some additional hires. SSA expects these new hires to enable the Agency to keep up with new disability claims and to process additional CDRs in FY 2015.

Disability Fraud: Recent high-profile fraud schemes uncovered in New York, Puerto Rico, and West Virginia highlighted the vulnerability of SSA's disability programs to fraud. In New York, criminal facilitators conspired with disability applicants to feign disabilities and submit disability applications with fabricated and/or exaggerated ailments, which led to many individuals receiving disability benefits for which they were not eligible. Similarly, in Puerto Rico, dishonest third-party facilitators conspired with claimants submitting medical documentation that fabricated or exaggerated disabilities. In West Virginia, it was alleged that an ALJ in Huntington, West Virginia, conspired with an attorney to grant favorable decisions to disability claimants who were potentially ineligible for benefits.

The fraud schemes revealed that numerous individuals, with the assistance of the same attorney, claimant representative, or other facilitator, could apply for disability benefits, allege similar physical and/or mental impairments, provide similar fabricated or exaggerated medical documentation certified by a common physician or medical facility, and receive disability benefits. These cases highlighted SSA's lack of the IT infrastructure and front-end analytical tools necessary to screen applications for "potential fraud warnings" and then to review or investigate further before approving; for example, flagging a string of disability claims from applicants in the same geographic area with a common claimant representative and similar

alleged disabilities. Watchful SSA and DDS employees ultimately caught the patterns present in the fraudulent claims in New York and Puerto Rico, but not before the Agency approved those claims and made millions of dollars of payments to the beneficiaries.

Issue #4: Reduce Improper Payments and Increase Overpayment Recoveries

SSA is one of the Federal agencies with a high amount of improper payments. In FY 2013, the last FY for which data were available, SSA reported about $8.1 billion in over- or underpayments, and the Agency incurred an administrative cost of $0.07 for every overpayment dollar it collected. Further, SSA needs to adhere to the requirements in Executive Order 3520 *Reducing Improper Payments,* the *Improper Payments Elimination and Recovery Act of 2010* (IPERA) (Pub. L. No. 111-204), and the *Improper Payments Elimination and Recovery Improvement Act of 2012* (IPERIA) (Publ. L. No. 112-248). SSA needs to take additional actions to reduce improper payments.

Improper Payment Rates: Workers, employers, and taxpayers who fund SSA's programs deserve to have their tax dollars effectively managed. As a result, SSA must be a responsible steward of the funds entrusted to its care and minimize the risk of making improper payments. SSA strives to balance its service commitments to the public with its stewardship responsibilities. However, given the size and complexity of the programs the Agency administers, some payment errors will occur.

For example, according to SSA, in FY 2013,

the Old-Age, Survivors and Disability Insurance (OASDI) overpayment error was $1.9 billion or 0.2 percent of program outlays, and the underpayment error was $1.1 billion or 0.1 percent of program outlays; and

the SSI overpayment error was $4.2 billion or 7.6 percent of program outlays, and the underpayment error was $918 million or 1.7 percent of program outlays.

For FYs 2013 through 2015, SSA's goal was to maintain OASDI payment accuracy at 99.8 percent for both over- and underpayments; and for SSI, the Agency's goal was to achieve over- and underpayment accuracy rates of 95 and 98.8 percent, respectively.
The Agency has not met its payment accuracy goals often in the last few years.

Executive Order 13520, IPERA, and IPERIA: In November 2009, the President issued Executive Order 13520 on reducing improper payments; and, in March 2010, the Office of Management and Budget issued guidance for implementing it. Also, in July 2010, IPERA was enacted. Furthermore, in January 2013, IPERIA was enacted, which refined steps agencies should take to address improper payments. As a result, all agencies with high-risk programs— those with significant improper payments—are required to intensify their efforts to eliminate payment errors. The Office of Management and Budget designated SSA's programs as high-risk.

Overpayment Recoveries: Once SSA determines an individual has been overpaid, it attempts to recover the overpayment. According to SSA, in FY 2014, the Agency recovered $4.7 billion

in overpayments at an administrative cost of $0.07 for every dollar collected and ended the FY with an uncollected overpayment balance of $17.5 billion.

Issue #5: Improve Customer Service

SSA faces several challenges, such as increasing workloads and representative payee oversight, as it pursues its mission to deliver services that meet the public's changing needs.

Increased Workload with Reduced Staff: The number of Americans age 55 and older will increase by more than 10 million between 2015 and 2020, further increasing the demand for SSA services. In FY 2014, SSA completed approximately 5 million retirement, survivor, and Medicare claims; over 2.8 million Social Security and SSI disability claims; and nearly 214,000 SSI aged claims.

In addition, in FY 2014, SSA reported it

- completed 757,000 reconsiderations, 614,000 hearings, and 162,000 Appeals Council reviews;

- conducted 2.6 million SSI redeterminations and 1.7 million periodic CDRs, including nearly 526,000 full medical CDRs;

- completed requests for 16 million new and replacement Social Security cards; and

- posted 257 million earnings items to workers' records.

One of SSA's greatest challenges is the loss of its most experienced employees. From FYs 2011 to 2013, nearly 11,000 SSA employees found other employment or retired. As a result, in FY 2014, the public waited longer for decisions on disability claims, to schedule an appointment in a field office, and to talk to a representative on the National 800-number. Busy signals nearly tripled from 5 percent in FY 2012 to 14 percent in FY 2014, and the average time to answer a call increased from about 5 minutes in FY 2012 to over 22 minutes in FY 2014.

SSA's projected retirement of its employees continues to challenge its customer service capability. SSA estimates that about 45 percent of its employees, including 54 percent of its supervisors, will be eligible to retire by FY 2022.

In a May 2013 report, the Government Accountability Office (GAO) noted SSA's human capital planning and analysis was not aligned with its long-term goals and objectives. SSA recognizes that it must recruit and retain a multi-generational, multi-cultural workforce with the competencies needed to achieve its mission and goals.

Changing Customer Expectations: Technology is transforming how SSA conducts business with the public. Computer technology, high-speed networks, and mobile innovation provide new opportunities for service delivery. The public also expects responsive service from multiple service delivery channels. At the same time, the nation is becoming more diverse. For example, the Census Bureau projects the U.S. Hispanic population will nearly triple, from 46.7 to 132.8 million, between 2008 and 2050. As SSA enhances its service delivery strategies, it must continue providing sufficient services for the multi-lingual, multi-cultural population it serves.

Representative Payment Program: SSA appoints representative payees to manage the benefits of incapable beneficiaries and recipients because of their age or mental or physical impairment. In January 2014, SSA reported that approximately 5.9 million representative payees managed about $74 billion in payments for 8.6 million beneficiaries and recipients. Our audits continue finding problems with representative payees who improperly use and account for beneficiaries' payments. Also, in a recent OIG review, we determined SSA paid $265 million in benefits to someone other than the selected representative payees for 11,749 beneficiaries. Further, GAO noted SSA struggled to effectively administer its Representative Payment Program. The projected growth in the aged population, as well as the incidence of individuals with dementia, will require that SSA spend more resources recruiting and monitoring representative payees.

Issue #6: Invest in IT Infrastructure to Support Current and Future Workloads

SSA faces the challenge of how best to use technology to meet its increasing workloads with limited budgetary and human resources. Further, SSA will not be able to manage its current and future workloads without the proper IT infrastructure. The Agency uses a variety of technologies to deliver service to its customers, including telephone, the Internet, and videoconferencing. We have concerns regarding the Agency's IT physical infrastructure, development and implementation of secure electronic services, logical access controls and security of information systems, and management of major IT projects.

IT Physical Infrastructure: SSA's National Computer Center (NCC), built in 1979, houses the infrastructure that supports the Social Security programs provided to the public and other services provided to Federal, State, international, and private agencies. Increased workloads and growing telecommunication services have strained the NCC's ability to support the Agency's business. SSA's primary IT investment over recent years has been replacing the NCC. The Agency currently projects that its new facility will be fully operational in 2016.

Development and Implementation of Secure Electronic Services: SSA must provide additional electronic services to meet its customers' growing needs. In FY 2014, the public completed over 70 million transactions online. The Agency's FY 2014 goal was to have 50.9 million transactions completed online.

While expanding its inventory of electronic services, the Agency needs to ensure its existing and future electronic services are secure. In January 2013, SSA expanded its *my* Social Security online portal to include direct deposit changes, change of address, and benefit verification. However, fraudulent accounts were established to redirect Social Security benefits to unauthorized bank accounts. From February 1, 2013 through FY 2014, we received nearly 40,000 fraud allegations related to *my* Social Security accounts from SSA and other sources.

Logical Access Controls and Security of Sensitive Information: SSA's FY 2009, 2010, and 2011 Financial Statement Audits identified a significant deficiency in the Agency's controls over access to its sensitive information. For example, SSA did not consistently comply with policies and procedures to periodically reassess the systems access given to its employees and contractors. Moreover, some employees and contractors had greater access to systems than they needed to perform their jobs. Additionally, certain configurations increased the risk of unauthorized access

to key financial data and programs. The FY 2012 Financial Statement Audit identified additional concerns and raised the significant deficiency to a material weakness.

The FY 2013 and 2014 Financial Statement Audits continued to identify issues in both the design and operation of key controls. In these audits, the independent auditor identified several deficiencies that, when aggregated, were considered to be a significant deficiency with regard to SSA's information systems controls.

We also found security weaknesses in SSA's systems through our audit work. In our October 2013 report on *SSA's Process to Identify and Monitor the Security of Hardware Devices Connected to its Network*, we found the Agency's inventory of hardware devices was incomplete and inaccurate and included devices that were not approved to be on the network. In addition, in our 2014 report on *Mobile Device Security*, we found that SSA's security of mobile devices did not always conform with Federal standards to mitigate unauthorized access to Agency sensitive information. SSA agreed with our recommendations and plans to implement them in FY 2015.

Development and Implementation of the Disability Case Processing System (DCPS): SSA has partnered with State DDSs to evaluate disability claims and make disability determinations. Each of the 54 DDSs uses a customized legacy system to process disability claims and other non-SSA workloads. Supporting and maintaining these systems requires significant resources. In 2009, SSA started the DCPS project to simplify DDS system support and maintenance by transitioning to a modern, common case processing system. At that time, SSA estimated the project to cost $381 million.

In March 2014, SSA contracted with an external firm to conduct an independent analysis of the DCPS project. The firm found that SSA invested $288 million in the DCPS over 6 years, but the project delivered limited functionality and faced schedule delays as well as increasing stakeholder concerns. The report stated that SSA leadership had decided to "reset" the program to increase the likelihood of successful delivery. In June 2014, SSA updated the estimated project costs to $752 million.

In July 2014, the Chairman of the House Subcommittee on Social Security, Committee on Ways and Means, requested that we investigate DCPS. On November 13, 2014, we issued our final report. We found that SSA has taken steps to get the project on track and ensure its successful completion. However, we believe SSA should suspend the development of certain custom-built components of DCPS until the agency has evaluated and determined whether off-the-shelf or modernized SSA-owned software are viable alternatives. The successful delivery of DCPS will require diligent oversight by Agency management and unified strategic decisions. SSA must ensure it has a process to monitor progress, identify issues timely, and take corrective action. In addition, the Agency should keep key stakeholders—including Congressional oversight committees and the Inspector General—informed of the project's status. We plan to continue monitoring SSA's progress as the DCPS project moves forward.

Issue #7: Strengthen the Integrity and Protection of the Social Security Number

In FY 2014, SSA issued approximately 16 million original and replacement SSN cards. In addition, for Tax Year 2013, the Agency received and processed about 254 million wage items,

totaling approximately $5.9 trillion in earnings. Protecting the SSN and properly posting the wages reported under SSNs are critical to ensuring SSN integrity and that eligible individuals receive the full benefits due them.

SSN Use: The SSN is heavily relied on as an identifier and is valuable as an illegal commodity. Accuracy in recording workers' earnings is critical because SSA calculates future benefit payments based on the earnings an individual accumulates over his/her lifetime. As such, properly assigning SSNs only to those individuals authorized to obtain them, protecting SSN information once the Agency assigns the numbers, and accurately posting the earnings reported under SSNs are critical SSA missions.

SSN Misuse: Given the frequency of SSN misuse and identity theft in U.S. society, we continue to believe protection of this critical number is a considerable challenge for SSA. Unfortunately, once SSA assigns an SSN, it has no authority to control the collection, use, and protection of the number by other public and private entities. The Inspector General testified regarding ways of improving SSN protection and guard against misuse, identity theft, and tax fraud. The Federal Trade Commission estimated that as many as 9 million Americans' identities are stolen each year.

Because the SSNs of deceased individuals are vulnerable to misuse, the public release of SSA's Death Master File (DMF) has raised concerns. More recently, the *Bipartisan Budget Act of 2013* restricted public access to the DMF. The public will have access only to a file containing deaths that occurred at least 3 calendar years before the request. To the extent possible, we believe SSA should limit public access to the DMF to only what is required by law and take all possible steps to ensure its accuracy.

Earnings: SSA's programs depend on earnings information to determine whether an individual is eligible for benefits and to calculate the amount of benefit payments. Properly posting earnings ensures eligible individuals receive the full retirement, survivors, and/or disability benefits due them. If employers report earnings information incorrectly or not at all, SSA cannot ensure all individuals entitled to benefits are receiving the correct payment amounts.

SSA spends scarce resources correcting earnings data when employers report incorrect information. The Earnings Suspense File (ESF) is the Agency's repository of wage reports on which wage earners' names and SSNs fail to match SSA's records. Per the latest available data, the ESF had accumulated over $1.2 trillion in wages and 333 million wage items for Tax Years 1937 through 2012. In Tax Year 2012 alone, SSA posted 6.9 million wage items, representing $71 billion, to the ESF. From Tax Years 2003 to 2012, the ESF grew by approximately $749 billion in wages and 89.7 million wage items, representing about 62 percent of the total wages and 26 percent of the total wage items.

Issue #8: Strengthen Planning, Transparency, and Accountability

Planning, transparency, and accountability are critical factors in effective management. Failure to plan properly to meet its mission and challenges will lessen the Agency's ability to provide its services efficiently and effectively now and in the future. Similarly, mismanagement and waste, as well as a lack of transparency in Government operations, can erode public trust in SSA's ability to tackle the challenges it faces.

Planning: The Agency has developed multiple year strategic plans in the past, which included general descriptions of the programs, processes, and resources needed to meet its mission and strategic objectives. SSA has also produced other strategic plans, like the Information Resources Management Strategic and Human Capital Operating Plans, which covered periods of only a few years. While planning for the next few years is important, SSA needs a longer-term vision to ensure it has the programs, processes, staff, and infrastructure required to provide needed services 10 to 20 years from now and beyond. Currently SSA is working to develop Vision 2025, which SSA expects to release in FY 2015, and the OIG will continue to monitor SSA's planning efforts.

Transparency: While the Agency has many performance measures and goals on which it publicly reports, we have questioned the usefulness of some of the measures and goals in the past. We have recommended that SSA develop more outcome-based performance measures and goals, including performance targets based on SSA's long-term outcomes instead of annual budgets.

Also, SSA needs to be more forthright with stakeholders when planned projects face obstacles. For example, a contractor evaluated SSA's implementation of DCPS and found that the program had invested $288 million over 6 years, delivered limited functionality, and faced schedule delays as well as increasing stakeholder concerns.

Accountability

Independent Auditor's Report: The FY 2014 *Independent Auditor's Report* contained two significant deficiencies in internal control (the full text of the report can be found in SSA's FY 2014 *Agency Financial Report*). First, the auditor identified three deficiencies in internal control that, when aggregated, were considered to be a significant deficiency in internal controls related to calculation, recording, and prevention of overpayments. Specifically, the auditor noted calculation errors in 12 percent of the overpayment items selected in a statistical sample. Although the impact of these errors was not deemed material to the financial statements, they indicate further control weaknesses in the overpayment process. In addition, SSA has a systems limitation where overpayment installments extending past 2049 are not tracked and reported. Further, SSA was not reconciling data between systems to detect discrepancies, which could lead to payment errors.

Second, the auditor identified five deficiencies that, when aggregated, were considered to be a significant deficiency in the area of information systems controls. The deficiencies noted were in the following areas:

- Threat and Vulnerability Management

- IT Oversight and Governance

- Change Management

- Mainframe Security

- Access Controls

Unused Facilities at SSA Headquarters: From March through October 2013, we identified empty workstations and workstations that SSA used to store such items as office supplies, boxes, obsolete computer equipment, and furniture. We also identified large areas of open space the Agency was not using. Additionally, we identified off-campus leased space that SSA was not fully occupying.

MONETARY BENEFITS

In FY 2014, OIG issued 84 audit reports with recommendations, identifying over $1.056 billion in questioned costs and over $5 billion in Federal funds that could be put to better use. OIG also received over 121,000 allegations of fraud, effected almost 1,300 criminal convictions, and obtained a return of over $551 million in monetary accomplishments, comprised of over $138 million in SSA recoveries, restitutions, fines, settlements, and judgments, and over $413 million in projected SSA savings. Our FY 2016 funding will enable us to issue timely reports, provide training required by Government Auditing Standards, and cover mission-critical travel.

STRATEGIC PLANNING

FY 2014 was the fourth year under OIG's 5-year Strategic Plan (FY 2011-FY 2015). OIG operates within a framework set by three general goals: the *Impact* OIG's investigations, audits, and legal activities have on SSA's effectiveness and efficiency; the *Value* OIG brings to SSA, Congress, and the public; and the strategies OIG uses to cultivate the talents of its *People*. These general goals are further broken down into 15 separate performance measures. All of these measures are designed to support OIG's core mission to inspire public confidence by detecting and preventing fraud, waste, and abuse in SSA's programs and operations. For FY 2014, OIG successfully met or exceeded 14 out of 15 performance measures. The specific results for FY 2014 are as follows:

Table 4.2—2014 Performance Measure Results

Goal	Target	Result
Impact		
1. Maintain an annual acceptance rate of at least 88% for all audit recommendations.	88%	**97%**
2. Achieve a 5-year average implementation rate of 85% for accepted recommendations aimed at improving the integrity, efficiency, and effectiveness of SSA.	85%	**88%**
3. Ensure at least 80% of all cases opened during the FY directly relate to improper payments within SSA's Title II and Title XVI Programs.	80%	**96%**
4. Achieve a successful conclusion on at least 75% of all Title II and Title XVI cases closed during the FY.	75%	**89%**
Value		
5. Generate a positive return of $8 for every tax dollar invested in OIG activities.	$8 to 1	**$64 to 1**
6. Evaluate and respond to 90% of all allegations received within 45 days.	90%	**95%**
7. Complete investigative fieldwork on 75% of all cases within 180 days.	75%	**91%**
8. Respond to 95% of constituent-based congressional inquiries within 21 days.	95 %	**95%**
9. Take action on 90% of Civil Monetary Penalty (CMP) subjects within 30 days of receipt.	90%	**97%**
10. Achieve a positive external user assessment rating of 85% for product service quality.	85%	**95%**
11. Issue 85% of final audit reports within 1 year of the entrance conference with SSA.	85%	**90%**
12. Complete 85% of requests for legal advice and review within 30 days.	85%	**99%**
People		
13. Achieve an annual attrition rate of 5% or less.	≤5 %	**3%**
14. Conduct an annual employee job-satisfaction survey and implement corrective action plans to identify areas where improvements are needed. (Improvement is indicated when the score of any of the 12 questions relating to job satisfaction is ≤ 75%.)	75%	**68%**
15. Ensure that 90% of OIG staff receives 40 or more hours of appropriate developmental and skill enhancement training annually.	90%	**98%**

TRANSFER AUTHORITY

The budget request includes language providing authority to transfer an amount of up to 3 percent of the total OIG appropriation from SSA's LAE appropriation. This language provides the flexibility to meet unanticipated funding requirements and to ensure that adequate resources are available to meet program objectives. The request is consistent with similar authority to transfer funds between appropriations provided to other departments and agencies in appropriation language.

BUDGETARY RESOURCES

The OIG annual appropriation consists of appropriations from both the general fund and the trust funds. The President's budget request for FY 2016 consists of $31,000,000 appropriated from the general fund and $78,795,000 which will be transferred and expended as authorized by Section 201(g) (1) of the Social Security Act from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

Table 4.3—Amounts Available for Obligation
(in thousands)

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
General Funds Annual Appropriation	$ 28,829	$ 29,000	$ 31,000
Trust Funds Annual Transfer	$ 73,749	$ 74,350	$ 78,795
Total Appropriation	**$ 102,578**[1]	**$ 103,350**	**$ 109,795**
Total Budgetary Resources	**$ 102,578**	**$ 103,350**	**$ 109,795**
Total Obligations	$ 101,564	$ 103,350	$ 109,795
Unobligated balance lapsing	$ 1,014	$ 0	$ 0

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[1] FY 2014 Appropriation includes our appropriation of $102,078,000 plus an additional $500,000 which was transferred from SSA to complete a fraud risk assessment at SSA as requested by the House Ways and Means Subcommittee on Social Security. Some FY 2014 obligation expenses may process after the end of the fiscal year. As a result, our lapse for FY 2014 may be reduced.

ANALYSIS OF CHANGES

The FY 2016 request represents a $6,445,000 increase over the FY 2015 estimate. These increases can be attributed to an increase in base expenses for employee salaries and benefits, to include the President's proposed 1 percent pay increase and for related support costs.

Table 4.4—Summary of Changes

	FY 2015 Enacted	FY 2016 Estimate	FY15 to FY16 Change
General Fund Appropriation	$ 29,000,000	$ 31,000,000	+ $ 2,000,000
Trust Fund Appropriation	$ 74,350,000	$ 78,795,000	+ $ 4,445,000
Total Appropriation	**$ 103,350,000**	**$ 109,795,000**	**+ $ 6,445,000**
Total Obligations	**$ 103,350,000**	**$109,795,000**	**+ $ 6,445,000**

Table 4.5—Explanation of OIG Budget Changes

	FY 2015 Base		Change from Base	
	WYs (FTEs)	Budgetary Resources	WYs (FTEs)	Budgetary Resources
BUILT-IN INCREASES				
Base Payroll Expenses	**558 (555)**	*$ 91,012,000*	*+5 +5*	
• *Change in base payroll expenses related to career ladder promotions and within-grade increases*	- - -	- - -	- - -	*+ $ 2,200,000*
• *Change in base expenses for employee benefits including health benefits and new employees hired under the Federal Retirement Employees System*	- - -	- - -	- - -	*+ $ 813,000*
• *All other payroll changes, including overtime and awards*	- - -	- - -	- - -	- - -
Non-Payroll Costs - All other built-in nonpayroll changes, including ARRA, travel management support and equipment	- - -	*$ 6,461,000*	- - -	+$3,035,000
• **Rent**	- - -	*$ 5,640,000*	- - -	+$360,000
• **CIGIE Contribution**	- - -	*$237,000*	- - -	+$37,000
Subtotal, Built-in increases	**558 (555)**	*$ 103,350,000*	*+5 +5*	*+$6,445,000*
PROGRAM INCREASES				
Increase for operations and maintenance of facilities and equipment	- - -	- - -	- - -	*$ 0*
Subtotal, Program Increases	- - -	- - -	- - -	*$ 0*
Total Increases	**558 (555)**	*$ 103,350,000*	*+5 +5*	*+$6,445,000*

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	FY 2015 Base		Change from Base	
	WYs (FTEs)	**Budgetary Resources**	**WYs (FTEs)**	**Budgetary Resources**
BUILT-IN DECREASES				
Base Payroll Expenses—Decrease in all other payroll costs	**558 (555)**	---	**+5 +5**	---
Non-Payroll Costs	- - -	- - -	- - -	- - -
Rent	- - -	- - -	- - -	- - -
CIGIE Contribution	- - -	- - -	- - -	- - -
Subtotal, Built-in decreases	- - -	- - -	- - -	- - -
PROGRAM DECREASES	- - -	- - -	- - -	- - -
Decrease in costs for training, other support, services, and supplies	- - -	- - -	- - -	- - -
Subtotal, Program Decreases	- - -	- - -	- - -	- - -
Total Decreases	- - -	**$ 103,350,000**	- - -	- - -
Net Change	**558 (555)**	**$ 103,350,000**	**+5 +5**	**+$ 6,445,000**

BUDGET AUTHORITY BY ACTIVITY

The table below displays budget authority, split by type of funding, and obligations. This table also includes FTEs.

Table 4.6—Budget Authority by Activity
(in thousands)

	FY 2014 Actual	FY 2015 Enacted	FY 2016 Estimate
General Funds	$ 28,829	$ 29,000	$31,000
OASDI Trust Fund Transfers	$ 73,749	$ 74,350	$ 78,795
Total Appropriation	**$ 102,578[1]**	**$ 103,350**	**$ 109,795**
Total Budgetary Authority	**$ 102,578**	**$ 103,350**	**$ 109,795**
Obligations	$ 101,564	$ 103,350	$ 109,795
Unobligated balance lapsing	$ 1,014	$ 0	$ 0
FTEs	539	555	560

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[1] FY 2014 Appropriation includes our appropriation of $102,078,000 plus an additional $500,000 which was transferred from SSA to complete a fraud risk assessment at SSA as requested by the House Ways and Means Subcommittee on Social Security. Some FY 2014 obligation expenses may process after the end of the fiscal year. As a result, our lapse for FY 2014 may be reduced.

BUDGET RESOURCES BY OBJECT

The table below displays the breakdown of budget resources by object class.

Table 4.7—Budget Resources by Object

	FY 2014	FY 2015	FY 2016	*FY15 to FY16 Change*
Full-time permanent	$ 63,568,000	$ 65,879,000	$ 68,074,000	*+ $ 2,195,000*
Other than full-time permanent	$ 383,000	$ 385,000	$ 390,000	*+ $ 5,000*
Other compensation	$ 171,000	$ 175,000	$ 175,000	*$ 0*
Subtotal, Personnel Compensation	$ 64,122,000	$ 66,439,000	**$ 68,639,000**	*+ $ 2,200,000*
Civilian personnel benefits	$ 24,040,000	$ 24,573,000	$ 25,386,000	*+$ 813,000*
Total, Compensation and Benefits	$ 88,162,000	$ 91,012,000	**$ 94,025,000**	*+ $ 3,013,000*
Travel	$ 2,781,000	$ 2,250,000	$ 3,933,000	*+$ 1,683,000*
Transportation of things	$ 33,000	$ 60,000	$ 50,000	*-$ 10,000*
Rental payments to GSA	$ 4,625,000	$ 5,640,000	$ 6,000,000	*+ $360,000*
Rental payments to others	$ 78,000	$ 60,000	$ 185,000	*+ $ 125,000*
Communications, utilities, and others	$ 226,000	$ 100,000	$ 909,000	*+ $ 809,000*
Printing and reproduction	$ 4,000	$ 2,000	$ 5,000	*+$ 3,000*
Other services	$ 3,248,000	$3,171,000	$ 3,639,000	$ 468,000
Supplies and materials	$ 319,000	$ 300,000	$ 344,000	*+ $ 44,000*
Equipment	$ 2,336,000	$ 1,000,000	$ 954,000	*-$ 46,000*
Insurance Claims	$ 0	$ 5,000	$ 6,000	*+$ 1,000*
Adjustments	-$ 248,000	-$ 250,000	-$ 255,000	*- $ 5,000*
Total Budgetary Resources	$ 101,564,000	$ 103,350,000	**$ 109,795,000**	*+ $ 6,445,000*

BACKGROUND

AUTHORIZING LEGISLATION

The Office of the Inspector General is authorized necessary expenses to carry out the provisions of the Inspector General Act of 1978, as amended.

Table 4.8—Authorizing Legislation

	FY 2015 Authorized	FY 2015 Enacted	FY 2016 Authorized	FY 2016 Estimate
Office of the Inspector General (P.L. 103-296)	$ 103,350,000	$ 103,350,000	Indefinite	$ 109,795,000

APPROPRIATION HISTORY

The table below displays the President's budget request, amounts passed by the House and Senate, and the actual amount appropriated for the period FY 2004 to FY 2015.

Table 4.9—Appropriation History Table

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
General Funds	$ 25,000,000	$ 24,500,000	$ 20,863,000	**$ 24,355,400**
Trust Funds	$ 65,000,000	$ 63,700,000	$ 61,597,000	**$ 63,324,200**
2004 Total	$ 90,000,000	$ 88,200,000[1]	$ 82,460,000[2]	**$ 87,679,600[3]**
General Funds	$ 26,000,000	$ 25,748,000	$ 26,000,000	**$ 25,542,000**
Trust Funds	$ 66,000,000	$ 65,359,000	$ 66,000,000	**$ 64,836,100**
2005 Total	$ 92,000,000	$ 91,107,000[4]	$ 92,000,000[5]	**$ 90,378,100[6]**
General Funds	$ 26,000,000	$ 26,000,000	$ 26,000,000	**$ 25,740,000**
Trust Funds	$ 67,000,000	$ 66,805,000	$ 67,000,000	**$ 65,736,000**
2006 Total	$ 93,000,000	$ 92,805,000[7]	$ 93,000,000[8]	**$ 91,476,000[9]**
General Funds	$ 27,000,000	$ 26,435,000	$ 25,740,000	**$ 25,902,000**
Trust Funds	$ 69,000,000	$ 67,976,000	$ 65,736,000	**$ 66,149,000**
2007 Total	$ 96,000,000	$ 94,411,000[10]	$ 91,476,000[11]	**$ 92,051,000[12]**
General Funds	$ 27,000,000	$ 27,000,000	$ 28,000,000	**$ 25,988,901**
Trust Funds	$ 68,047,000	$ 68,047,000	$ 68,047,000	**$ 65,926,000**
2008 Total	$ 95,047,000	$ 95,047,000[13]	$ 96,047,000[14]	**$ 91,914,901[15]**
General Funds	$ 28,000,000	- -	$ 28,000,000	**$ 28,000,000**
Trust Funds	$ 70,127,000	---	$ 70,127,000	**$ 70,127,000**
2009 Total	$ 98,127,000	---[16]	$ 98,127,000[17]	**$ 98,127,000[18]**
ARRA[19]	N/A	N/A	N/A	**$ 2,000,000**
General Funds	$ 29,000,000	$ 29,000,000	$ 29,000,000	**$ 29,000,000**
Trust Funds	$ 73,682,000	$ 73,682,000	$ 73,682,000	**$ 73,682,000**
2010 Total	$ 102,682,000	$ 102,682,000[20]	$ 102,682,000[21]	**$ 102,682,000[22]**
General Funds	$ 30,000,000	- - -	$ 30,000,000	**$ 28,942,000**
Trust Funds	$ 76,122,000	- - -	$ 76,122,000	**$ 73,535,000**
2011 Total	$ 106,122,000	- - -[23]	$ 106,122,000[24]	**$ 102,477,000[25]**
General Funds	$ 30,000,000	- - -	$ 28,942,000	**$ 28,887,000**
Trust Funds	$ 77,113,000	- - -	$ 73,535,000	**$ 73,396,000**
2012 Total	$ 107,113,000	- - -[26]	$ 102,477,000[27]	**$ 102,283,000[28]**
General Funds	$ 30,000,000	- - -	$ 28,887,000	**$ 27,376,000**
Trust Funds	$ 77,600,000	- - -	$ 73,396,000	**$ 72,557,000**
2013 Total	$ 107,600,000	- - -[29]	$ 102,283,000[30]	**$ 99,933,000**
General Funds	$ 30,000,000			**$ 28,829,000**
Trust Funds	$ 75,733,000			**$ 73,249,000**
2014 Total	$ 105,733,000			**$ 102,078,000**
General Funds	$ 29,000,000			**$ 29,000,000**
Trust Funds	$ 75,622,000			**$ 74,350,000**

Fiscal Year	Budget Estimate to Congress	House Committee Passed	Senate Committee Passed	Enacted Appropriation
2015 Total	$104,622,000			**$103,350,000**
General Funds	$31,000,000			
Trust Funds	$78,795,000			
2016 Total	$109,795,000			

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[1] H.R. 2660.

[2] S. 1356.

[3] Consolidated Appropriations Act, 2004 (P.L. 108-199). The $24,500,000 in general funds and $63,700,000 in trust funds included in the language for this account for FY 2004 were reduced by $144,600 and $375,800, respectively, in accordance with P.L. 108-199.

[4] H.R. 5006.

[5] S. 2810.

[6] Consolidated Appropriations Act, 2005 (P.L. 108-447). The $25,748,000 in general funds and $65,359,000 in trust funds included in the language for this account for FY 2005 were reduced by $206,000 and $522,900, respectively, in accordance with P.L. 108-447.

[7] H.R. 3010.

[8] H.R. 3010, reported from Committee with an amendment.

[9] Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149). The $26,000,000 in general funds and $66,400,000 in trust funds included in the language for this account for FY 2006 were reduced by $260,000 and $664,000, respectively, in accordance with the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148).

[10] H.R. 5647.

[11] S. 3708.

[12] Revised Continuing Appropriations Resolution, 2007 (P.L. 110-5).

[13] H.R. 3043.

[14] S. 1710.

[15] Consolidated Appropriations Act, 2008 (P.L. 110-161). The $26,451,000 in general funds and $67,098,000 in trust funds included in the language for this account for FY 2008 were reduced by $462,099 and $1,172,000 respectively, in accordance with P.L. 110-161.

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

[17] S. 3230.

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

[19] OIG received $2,000,000 through the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). OIG will conduct necessary oversight and audit of SSA programs, projects, and activities, assessing whether SSA used the resources as intended by the Act, and will identify any instances of fraud, waste, error, and abuse.

[20] H.R. 3293.

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

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

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

[24] S. 3686.

[25] Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10). The $29,000,000 in general funds and $73,682,000 in trust funds included in the language for this account for FY 2011 were reduced by $58,000 and $147,000 respectively, in accordance with P.L. 112-10.

[26] The House Committee on Appropriations did not report a bill. Appropriations Chairman Rehberg introduced H.R. 3070, which included $30,000,000 from general funds and $77,113,000 from trust funds, totaling $107,113,000.

[27] S. 1599.

[28] Consolidated Appropriations Act, 2012 (P.L. 112-74). The $28,942,000 in general funds and $73,535,000 in trust funds included in the language for this account for FY 2012 were reduced by $55,000 and $139,000 respectively, in accordance with P.L. 112-74.

[29] The House Committee on Appropriations did not report a bill. The Committee posted a draft bill which included $28,887,000 from general funds and $77,600,000 from trust funds, totaling $106,487,000.

[30] S. 3295.

OIG'S ORGANIZATIONAL STRUCTURE AND MISSION

GENERAL PURPOSE

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                        ┌─────────────────────────┐
                        │   Inspector General     │
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  │Office of Audit│                 │Office of Communications│
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 │ Immediate Office of│ │ Office of Counsel to│ │     Office of     │
 │the Inspector General│ │the Inspector General│ │  Investigations   │
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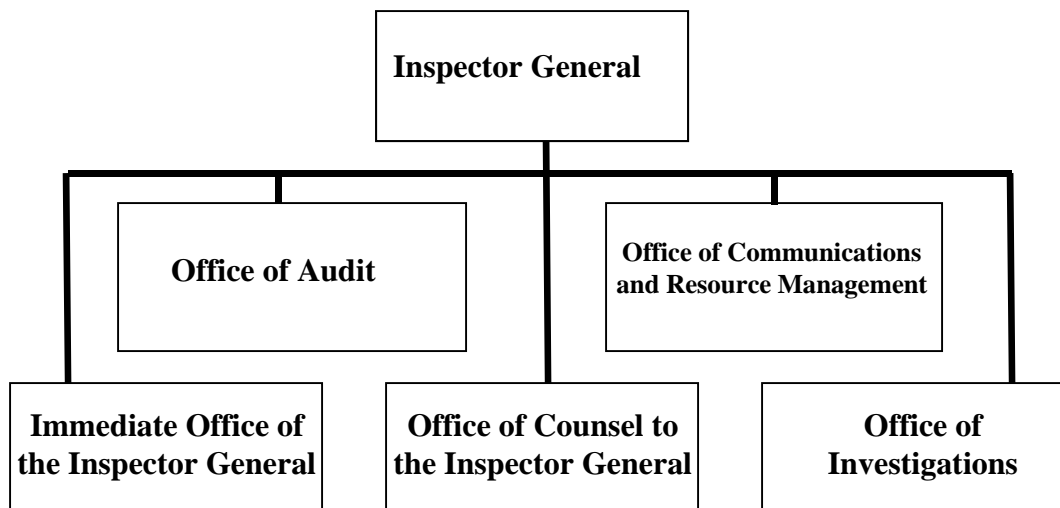
As mandated by the *Inspector General Act of 1978*, as amended, OIG's mission is to protect the integrity of SSA's programs. By conducting independent and objective audits, evaluations, and investigations, OIG works to ensure public confidence in the integrity and security of SSA's programs and operations, and works to protect them against fraud, waste, and abuse. OIG provides timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

OIG is comprised of five components: The Immediate Office of the Inspector General (IO), Office of Audit (OA), Office of Counsel to the Inspector General (OCIG), Office of Communications and Resource Management (OCRM), and the Office of Investigations (OI).

Immediate Office of the Inspector General

IO provides the Inspector General (IG) and the Deputy IG with staff assistance on the full range of their responsibilities. IO also administers a comprehensive Quality Assurance and Professional Responsibility program, and conducts Quality Control reviews that ensure the adequacy of OIG compliance with its policies and procedures, internal controls, and professional standards. In addition, IO oversees the Organizational Health Committee (OHC). The purpose of the OHC is to be an agent of positive change by discussing, evaluating, and presenting to senior management employee issues and proposed solutions that affect the operations, administration, and efficiency of OIG. In doing this, the committee acts as a representative of all OIG employees.

Office of Audit

OA conducts and/or supervises comprehensive financial and performance audits of SSA's programs and operations and makes recommendations to ensure that program objectives and operational functions are achieved effectively and efficiently. Financial audits, required by the *Chief Financial Officers' Act of 1990*, assess whether SSA's financial statements fairly present the agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program and operational fraud, waste, and abuse, as well as inefficiency and ineffectiveness.

Office of Counsel to the Inspector General

OCIG provides independent authoritative legal advice, guidance, and counsel to the IG and senior staff on a wide range of issues, including regulatory strategy, policy directives, and interpretation of new and emerging authorities and agency responsibilities. OCIG reviews materials to ensure sufficiency and compliance with regulatory and statutory requirements. OCIG advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. OCIG is also responsible for the CMP program, including imposition of penalties and assessments and the settlement and litigation of CMP cases.

Office of Communications and Resource Management

OCRM provides administrative and management support to OIG by providing information resource management; systems security and software development; and the coordination of budget, procurement, telecommunications, facilities, equipment, and human resources activities. OCRM also administers the Fugitive Felon Program and the OIG Fraud Hotline. OCRM also manages OIG's public affairs programs, develops OIG's media and public information policies, and serves as the primary contact for those seeking information about OIG. In addition, OCRM is responsible for strategic planning, organizational performance management, and reporting.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations, including wrongdoing by individuals such as applicants, grantees, or contractors perpetrating criminal activity against SSA programs and operations. OI is responsible for managing DFT. OI also investigates allegations of employee misconduct in the performance of their official duties. This office serves as the OIG liaison to the Department of Justice on all matters relating to investigations of SSA programs and personnel. OI works with other investigative agencies and organizations on special projects and assignments.

RATIONALE FOR THE BUDGET REQUEST

The budget request for FY 2016 is $109,795,000 and 560 FTEs, which reflects an increase of $6,445,000 from the FY 2015 annual appropriations level. The FY 2016 funding increase will provide funding for a 560 FTE staffing level, mandatory payroll increases (such as within-grade increases and benefit-rate increases), and for related support costs.

Table 4.10—Detail of Full-Time Equivalent Employment and Workyears

	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate
FTEs	539	555	**560**
Overtime/Lump Sum Leave	4	3	**3**
Total	**543**	**558**	**563**

Table 4.11—Average Grade and Salary

	FY 2014 Actual
Average ES Salary	$ 171,329
Average GS Grade	13
Average GS Salary	$ 102,309

SOCIAL SECURITY ADMINISTRATION
ANNUAL PERFORMANCE REPORT
2014–2016

my Social Security

Annual Performance Plan for Fiscal Year 2016
Revised Performance Plan for Fiscal Year 2015
Annual Performance Report for Fiscal Year 2014

socialsecurity.gov

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Acting Commissioner's Message

The achievements of an organization are the results of the combined effort of each individual. – Vince Lombardi

I am pleased to present our *Annual Performance Plan for Fiscal Year 2016, Revised Performance Plan for Fiscal Year 2015, and Annual Performance Report for Fiscal Year 2014.* To ensure effective and efficient management of the programs our agency administers, we set goals and report annually on progress and results. In this report, we define key initiatives that support our strategic goals and objectives in carrying out our mission to deliver services that meet the changing needs of the public.

Over the past year, we made great strides to move our agency forward. I am proud to report that we met or made significant progress towards *all* of our goals. The report details our progress, notes any changes made to our fiscal year (FY) 2015 plans, and provides our new measures and initiatives for FY 2016.

Highlights of our FY 2014 performance include:

- Initiated development of a long-range vision to meet the needs of our future customers and provide them with service options that accommodate their changing needs and expectations.
- Continued to improve and expand service delivery options for customers to conduct business face-to-face, by phone, through video interviews, or online, which allowed us to:
  - Serve about 40 million visitors and handle approximately 21 million calls in our field offices;
  - Handle more than 37 million calls through our National 800 Number; and
  - Process more than 70 million online transactions.
- Continued our aggressive program integrity and fraud prevention efforts, including:
  - Completed more than 525,000 full medical continuing disability reviews;
  - Expanded our Cooperative Disability Investigation by opening units in Baltimore and Detroit, and establishing special fraud investigations unit in New York, Kansas City and San Francisco; and
  - Prevented online theft of more than 4,700 benefit payments totaling more than $5.6 million.
- Worked diligently to deliver quality disability decisions, including:
  - Completed nearly 2,862,000 claims for disability benefits; and
  - Completed nearly 681,000 hearing dispositions.

It is imperative that we maintain our momentum in positioning our agency for future success. Over the next two years, we will increase our efforts to attract, train, and retain employees who can best serve the public. We will also continue to invest in and leverage technology to meet the changing needs of our customers. We are dedicated to being good stewards, providing the American taxpayer the maximum value of the resources entrusted to us. In partnership with our stakeholders, we will take every available measure to prevent waste, fraud, and abuse from happening and to prosecute those responsible when it does.

The achievements of our organization are the results of the combined effort of our dedicated employees – our greatest asset. We have the most customer-focused, compassionate, and resilient employees in all of government. I want to personally thank each employee for his or her contribution to our success.

In closing, based on internal evaluations, I assure you that the performance data in this report is complete, reliable, and accurate.

Carolyn W. Colvin

Carolyn W. Colvin
Acting Commissioner

Chief Strategic Officer's Message

I am pleased to join Acting Commissioner Colvin in presenting the *Annual Performance Report 2014-2016*. The report highlights our key priorities, details our progress toward meeting our performance goals, and describes our work to drive improvements in our service to the American public.

As Social Security's Chief Strategic Officer and Performance Improvement Officer, I help drive agency performance and innovation, and lead our efforts to prepare to meet future challenges. I invite you to read our *Fiscal Year 2014-2018 Agency Strategic Plan* (www.socialsecurity.gov/asp), which lays out our goals, objectives, strategies, and priorities for the next few years. Meanwhile, we are also hard at work developing a long-range vision for bold and innovative improvements in the way we will serve the public in the next decade and beyond. Based on our new Vision 2025, we will make any necessary adjustments to our strategic plan.

As part of our planning and visioning, we evaluate our actions and initiatives, asking: What needs to change? Are there more efficient ways to achieve our goals and objectives? What can we do faster, better, and with greater transparency? How can we make it easier for customers to interact with us and get what they need?

The answers to these questions can be found in data. We rely on high-quality agency data to drive our decision-making and improve the way we administer our programs. By thoroughly analyzing our data, we can assess our actions, identify performance gaps, and align our resources with strategies that enhance our performance outcomes. We want to harness the power of data analytics to achieve better program results, while keeping our customers' needs, program integrity, and the quality of our services at the center of all our decisions.

We take great pride in our long history of outstanding customer service, as well as several other areas where we have notable achievements:

- Systems availability remains above our FY 2014 target of 99.5 percent;
- Our telework pilot has been successful and more than 8,500 employees now telework;
- Our online services continue to dominate the top five positions in the Federal Government's customer satisfaction rankings with our Retirement Estimator and Extra Help with Medicare both tied for first place ranking.
- We continue to exceed our targets for hiring veterans and disabled veterans.

Even as we celebrate our many successes, we recognize our opportunities for improvement. For example, we continue to explore ways to increase payment accuracy and prevent improper payments.

We know at least two things about change: it is constant, and it can be difficult. For these reasons, we must take steps now to address the challenges facing us over a 10-year horizon. Through advance analysis and preparation, we will position ourselves to anticipate and exceed the future expectations of our diverse customer population. We seek and welcome your participation in that endeavor!

Ruby D. Burrell

Ruby Burrell
Chief Strategic Officer

Our Values

Our Vision

Provide the highest standard of considerate and thoughtful service for generations to come

Our Mission

Deliver Social Security services that meet the changing needs of the public

Our Motto

Social Security Benefits America

Our Service Principles

We serve with empathy, creativity, integrity, and an unbeatable determination to do the job at hand by following these service principles:

- Adherence to the law
- Clarity
- Commitment to best demonstrated practices
- Cultural sensitivity
- Honesty
- Prevention of waste, fraud, and abuse
- Protection of privacy and personal information
- Recruitment and training of the best public servants
- Safety of the public and our employees

Our Programs

Americans Rely on Social Security

Considered by many to be the most successful large-scale federal programs in our Nation's history, the programs we administer provide a financial safety net for millions of Americans. In fact, 9 out of 10 individuals age 65 and older receive Social Security benefits. During fiscal year 2014, we paid more than $893 billion to an average of approximately 64 million beneficiaries each month.

Old-Age, Survivors, and Disability Insurance Programs

Who Receives Old-Age, Survivors, and Disability Insurance Benefits?

38.8 Million Retired Workers and 2.9 Million Dependents

9 Million Disabled Workers and 2 Million Dependents

71%

19%

3%

7%

1.9 Million Children of Deceased Workers

4.3 Million Widows/Widowers
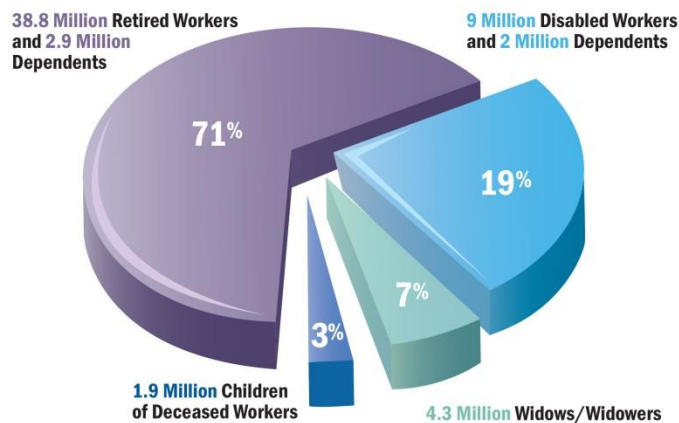
Source: Social Security Administration, Master Beneficiary Record, September 2014

Old-Age and Survivors Insurance Program

Today, most retirees plan their retirement dates based on when they can receive their Social Security benefits. Created in 1935, the Old-Age and Survivors Insurance program (what most people think of as their Social Security benefit) provides retirement and survivors benefits to qualified workers and their families. Working and paying Social Security taxes earns workers credit toward Social Security benefits. Most people need 40 credits, or 10 years of covered work, to qualify for retirement benefits.

A person qualifies for full retirement benefits between the ages of 65 and 67, depending on the year he or she was born. Reduced retirement benefits are payable as early as age 62. Certain members of retired workers' families may also receive benefits. Spouses (including divorced spouses), minor children, and children who became disabled before age 22 may also be eligible for benefits.

Social Security also provides income for families of workers who die. Survivors benefits were added in 1939, and benefits for disabled widows and widowers were added in 1968. Widows, widowers (and divorced widows and widowers), dependent parents, and children may be eligible for survivors benefits. In fact, 98 of every 100 children could get benefits if a working parent dies. In addition, Social Security pays more benefits to children than any other federal program.

Disability Insurance Program

The chance of becoming disabled before reaching full retirement age is not something most people consider. However, studies show that a 20-year-old worker has more than a 1-in-4 chance of becoming disabled before reaching full retirement age.

People who have worked long enough and paid Social Security taxes and certain members of their families can qualify for Social Security Disability Insurance benefits.

The disability program began in 1956 as a benefit for disabled workers between the ages of 50 and full retirement. The program expanded in 1960 to include disabled workers of all ages. Social Security Disability Insurance provides benefits to people who cannot work because they have a medical condition expected to last at least one year or result in death.

Supplemental Security Income Program

Supplemental Security Income, established in 1972, is a federal program designed to provide a monthly payment to people who are aged, blind, or disabled with limited income and resources. Adults and children under the age of 18 can receive payments based on disability or blindness.

General tax revenue, not workers' Social Security taxes, funds the Supplemental Security Income program.

Who Receives Supplemental Security Income Benefits?

2.1 Million Adults, ages 65 or older — 25%

59% — 5 Million Adults, ages 18–64

15% — 1.3 Million Children
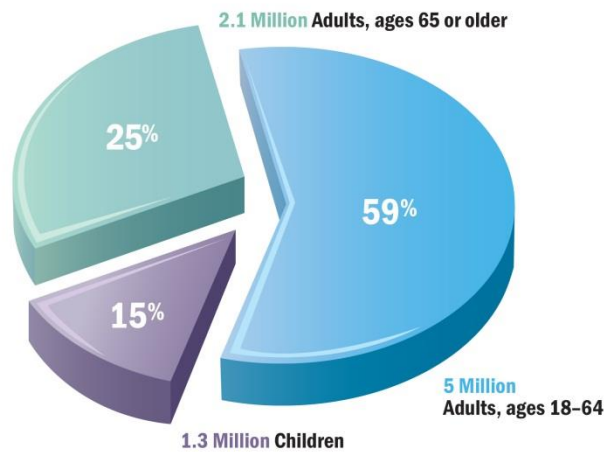
SOURCE: Social Security Administration, Supplemental Security Record, September 2014

Our Organization

Serving the American public requires a vast network of facilities, technology, and skilled staff. Every day more than 65,000 federal employees provide service to our customers. Nationwide, we have a network of more than 1,500 offices which includes regional offices, field offices (including Social Security card centers), teleservice centers, processing centers, hearing offices (including satellite offices and National Hearing Centers), the Appeals Council, and our headquarters in Baltimore, Maryland.

Nearly 17,000 state employees at the disability determination services (DDS) offices work in 54 jurisdictions and provide services in about 100 offices across the country and U.S. territories. Internationally, we deliver services in the U.S. embassies in hundreds of countries.

Customers receive in-person service primarily at our field offices and Social Security card centers. Our teleservice centers primarily handle calls to our National 800 Number. Employees in our processing centers typically handle Social Security retirement, survivors, and disability payments. These employees also provide a wide range of other services, including handling telephone calls to our National 800 Number.

We have created strong partnerships with state agencies and depend on state employees in 54 state and territorial DDS offices to make disability determinations. Administrative law judges in our hearing offices and the administrative appeals judges in our Appeals Council decide appeals of Social Security and Supplemental Security Income issues.

We organize our field and hearing offices into the 10 regions shown on the map below. For more information about our components and their functions, visit our organizational structure webpage (www.socialsecurity.gov/org).
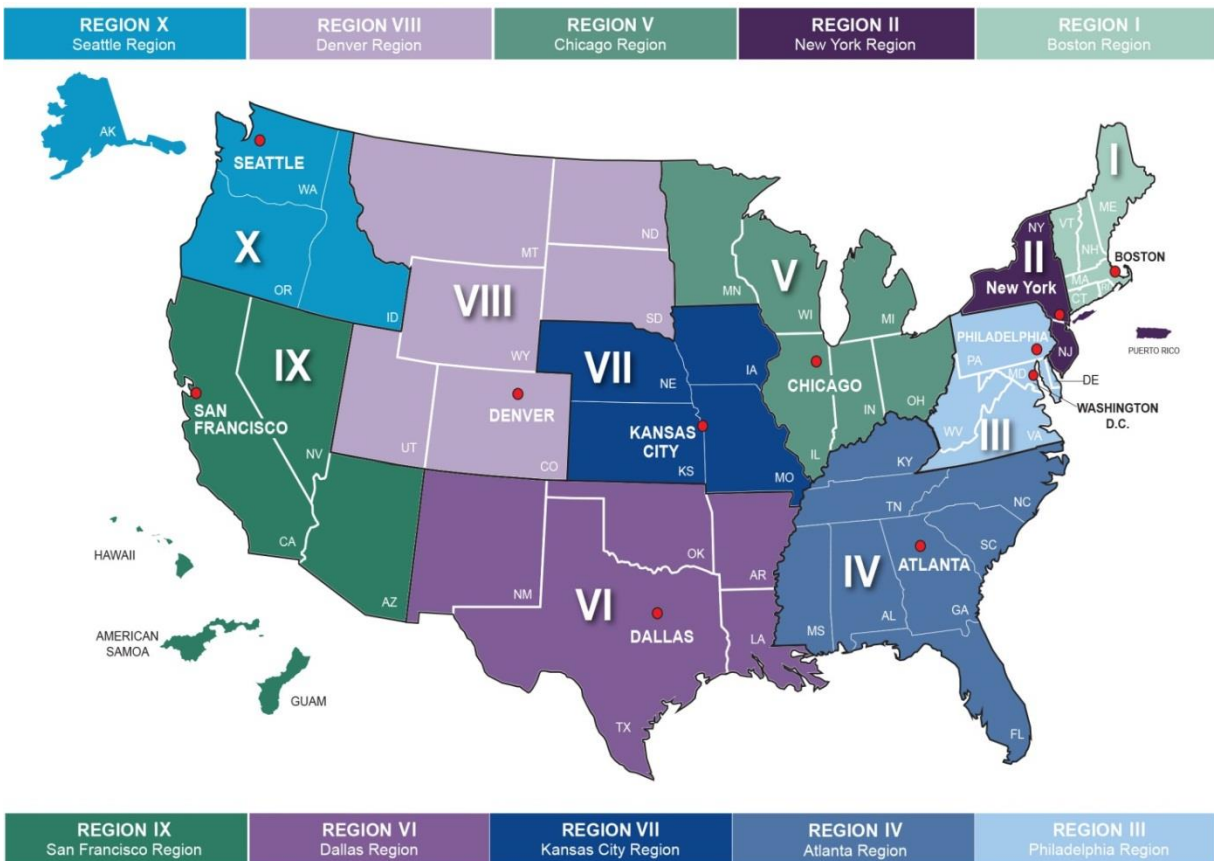
Summary of Our Goals, Objectives, and Performance Measures

Summary of Our Goals and Objectives

Goal 1: Deliver Innovative, Quality Services

- Strategic Objective 1.1: Develop and Increase the Use of Self-Service Options
- Strategic Objective 1.2: Enhance the Customer Experience by Completing Customers' Business at the First Point of Contact
- Strategic Objective 1.3: Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach
- Strategic Objective 1.4: Evaluate Our Physical Footprint to Incorporate Improved Service Options

Goal 2: Strengthen the Integrity of Our Programs

- Strategic Objective 2.1: Transform the Way We Record Earnings to Enhance Data Accuracy
- Strategic Objective 2.2: Protect the Public's Data and Provide Secure Online Services
- Strategic Objective 2.3: Increase Payment Accuracy

Goal 3: Serve the Public through a Stronger, More Responsive Disability Program

- Strategic Objective 3.1: Improve the Quality, Consistency, and Timeliness of Our Disability Decisions
- Strategic Objective 3.2: Maximize Efficiencies throughout the Disability Program
- Strategic Objective 3.3: Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work

Goal 4: Build a Model Workforce to Deliver Quality Service

- Strategic Objective 4.1: Attract and Acquire a Talented and Diverse Workforce that Reflects the Public We Serve
- Strategic Objective 4.2: Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public
- Strategic Objective 4.3: Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement
- Strategic Objective 4.4: Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs

Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services

- Strategic Objective 5.1: Maintain System Performance and the Continuity of Information Technology Services
- Strategic Objective 5.2: Enhance and Execute Plans to Modernize Our Systems
- Strategic Objective 5.3: Incorporate Innovative Advances in Service Delivery
- Strategic Objective 5.4: Continuously Strengthen Our Cyber Security Program

Agency Priority Goals

In support of the Government Performance and Results Modernization Act of 2010, we established four Agency Priority goals (APG). The APGs are 24-month goals, scheduled for completion by the end of fiscal year (FY) 2015. The APGs reflect performance improvement priorities of our executive leadership, as well as those of the Administration.

Our APGs support our overarching strategic goals set forth in our *Fiscal Year 2014-2018 Agency Strategic Plan* (www.socialsecurity.gov/asp). We established the APGs noted below in FY 2014, and we expect to achieve them by the end of FY 2015.

Agency Priority Goals	Strategies to Achieve Priority Goals	External Factors	Goal Leader
Improve access to our services by increasing the number of citizens who complete their business with us online.	Migrate existing online services to the *my* Social Security portal. Work with external partners to promote direct access to online services. Conduct a national marketing campaign targeted toward people approaching retirement age and current beneficiaries.	Availability of information technology resources to add additional services to the *my* Social Security portal and expand direct access through external partners. Stakeholder and advocacy groups acceptance of the *my* Social Security portal.	Robin Sabatino Associate Commissioner (Acting), Office of Electronic Services and Technology, Office of Operations
Deliver a world-class customer experience by expanding the use of video technology to hold hearings.	Update systems and infrastructure to improve the quality of video hearings. Increase marketing and educational information. Pursue policy and business process changes to maximize efficiency.	Availability of information technology resources. Stakeholder acceptance of video hearings. Public reaction to regulatory changes regarding video hearings.	Jim Borland Assistant Deputy Commissioner, Office of Disability Adjudication and Review

Agency Priority Goals	Strategies to Achieve Priority Goals	External Factors	Goal Leader
Provide the public with access to personalized information by increasing the number of established *my* Social Security accounts.	Enhance services provided online through the *my* Social Security portal. Increase marketing and educational activities to promote *my* Social Security. Pilot quick-service customer service stations in field offices. Increase number of customer service stations in external partner sites that provide full suite of Social Security online services.	Budget constraints could affect our ability to migrate additional services to the *my* Social Security portal and impede our ability to implement new features.	Robin Sabatino Associate Commissioner (Acting), Office of Electronic Services and Technology, Office of Operations
Reduce the percentage of improper payments made under the Supplemental Security Income (SSI) program.	Increase the volume of our program integrity workloads. Enhance and expand use of technology to reduce improper payments. Pursue new initiatives and program improvements to the extent funding is available. Ensure that we design new initiatives to produce measurable outcomes through well-developed evaluation plans.	Dependence upon SSI recipients and deemors (i.e., those whose income and assets are considered for SSI eligibility and payment amount) timely reporting changes in income and resources. Increase in job growth may result in more SSI recipients working and not reporting their wages timely. Budgetary constraints determine the number of redeterminations we may conduct.	Nancy J. Martinez Associate Commissioner, Office of Income Security Programs, Office of Retirement and Disability Policy

Cross-Agency Priority Goals

Established by the Government Performance and Results Modernization Act of 2010, Cross-Agency Priority (CAP) goals accelerate progress on presidential priority areas. Multiple agencies actively collaborate to achieve results in these areas.

The Office of Management and Budget established CAP goals based on input from federal agencies and congressional committees. These goals reflect the President's second-term priorities. They were announced in the 2015 budget and have a four-year timeframe. There are 15 CAP goals (noted in the chart below): 7 mission-oriented and 8 management-focused goals.

Each CAP goal has two senior leaders – one within the Executive Office of the President and one within key delivery agencies. The Social Security Administration and Office of Management and Budget co-lead the Customer Service CAP goal.

Per the Government Performance and Results Modernization Act requirement to address CAP goals in the agency strategic plan, the annual performance plan, and the annual performance report, please refer to Performance.gov (www.performance.gov) for our contributions to the CAP goals and progress, where applicable.

Mission-oriented Goals	
	Cybersecurity
	Climate Change (Federal Actions)
	Insider Threat and Security Clearance
	Job-Creating Investment
	Infrastructure Permitting Modernization
	STEM Education
	Service Members and Veterans Mental Health
Management-focused Goals	Customer Service
	Smarter IT Delivery
	Strategic Sourcing
	Shared Services
	Benchmark and Improve Mission-Support Operations
	Open Data
	Lab-To-Market
	People and Culture

Performance Measures at a Glance

These tables are a summary of our fiscal year (FY) 2015 and FY 2016 performance measures and FY 2014 performance results. We organized the measures based on the strategic goals and objectives they support in the _Fiscal Year 2014-2018 Agency Strategic Plan (www.socialsecurity.gov/asp)_ and indicated which measures are Agency Priority Goals (APG). We identify our budgeted workload measures as BWM. A listing of acronyms for the responsible officials is in Appendix E, Summary of Key Management Officials' Responsibilities.

Strategic Goal 1: Deliver Innovative, Quality Services

Strategic Objective 1.1: Develop and Increase the Use of Self-Service Options

Strategic Objective 1.1 Lead: DCO

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
1.1a APG	Improve access to our services by increasing the number of citizens who complete their business with us online	70.8 million transactions Met	Increase the number of citizens completing business online by 10% over FY 2013 (50.9 million transactions)	Increase the number of citizens completing business online by 10% over FY 2014 (77.8 million transactions)	TBD	DCO	39

Strategic Objective 1.2: Enhance the Customer Experience by Completing Customers' Business at the First Point of Contact

Strategic Objective 1.2 Lead: DCO

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
1.2a APG	Deliver a world-class customer experience by expanding the use of video technology to hold hearings	28% Met	28% of hearings conducted by video	30% of hearings conducted by video	TBD	DCDAR	43

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
1.2b	Expand the services available under *my* Social Security by implementing an online Social Security Number Replacement Card application	Project timeline was adjusted to accommodate pending changes to regulations and contract Not Met	Complete planning and analysis for implementing an online Social Security Number Replacement Card application	Complete development and begin testing of the online Social Security Number Replacement Card application	Begin implementation of the online Social Security Number Replacement Card application	DCO	43
1.2c	Maintain high customer satisfaction with our online services	83 Met	Maintain an average customer satisfaction score of at least 80	Maintain an average customer satisfaction score of at least 80	Maintain an average customer satisfaction score of at least 80	DCO	44
1.2d APG	Provide the public with access to personalized information by increasing the number of established *my* Social Security accounts	6.14 million new accounts Not Met	Increase the number of customers who sign up for *my* Social Security by 15% over FY 2013 (7.27 million new accounts)	Increase the number of customers who sign up for *my* Social Security by 15% over FY 2014 (7.06 million new accounts)	TBD	DCO	45
1.2e BWM	Complete the budgeted number of retirement, survivors, and Medicare claims	5,023,533[1] Met	5,131,000 (4,990,259 rec'd)	5,247,000	5,434,000	DCO	46
1.2f BWM	Achieve the target speed in answering National 800 Number calls	1,323 seconds Not Met	1,020 seconds	700 seconds	545 seconds	DCO	46
1.2g BWM	Achieve the target busy rate for National 800 Number calls	13.5% Met	14%	8%	2%	DCO	47

[1] Performance results are based on actual receipts because actual receipts were lower than the target.

Strategic Objective 1.3: Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach

Strategic Objective 1.3 Lead: DCO

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
1.3a	Minimize the average response time to deliver medical evidence to the Department of Veteran Affairs (VA) for wounded warriors and veterans	5.9 days Not Met	Deliver medical evidence to the VA within an average of 5 days	Deliver medical evidence to the VA within an average of 5 business days	Deliver medical evidence to the VA within an average of 5 business days	DCO	51
1.3b	Partner with the Department of Health and Human Services (HHS) and the VA to better serve the homeless population	In FY 2014, we worked with our federal partners to draft a list of key strategies for facilitating access to Supplemental Security Income (SSI) and Social Security Disability Insurance benefits for persons experiencing homelessness Met	Partner with HHS and VA to draft a federal best-practices model for facilitating access to Supplemental Security Income (SSI) and Social Security Disability Insurance benefits			DCRDP	52

Strategic Objective 1.4: Evaluate Our Physical Footprint to Incorporate Improved Service Options

Strategic Objective 1.4 Lead: DCBFQM/DCO

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
1.4a	Evaluate our physical footprint as described in our OMB-approved Real Property Cost Savings and Innovation Plan	We have issued colocation guidelines to the regions. Met	Evaluate potential opportunities for colocating and consolidating our public service facilities within and outside of the Social Security Administration (SSA)	Reduce our physical footprint from our FY 2012 level by 1.86 million usable square feet	Reduce our physical footprint from our FY 2012 level by TBD[2] usable square feet	DCBFQM DCO DCDAR	55

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[2] We will determine this measure once we receive OMB guidance for and develop the FY 2016 Real Property Cost Savings and Innovation Plan.

Strategic Goal 2: Strengthen the Integrity of Our Programs

Strategic Objective 2.1: Transform the Way We Record Earnings to Enhance Data Accuracy

Strategic Objective 2.1 Lead: DCS

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
2.1a	Redesign our earnings system to improve the accuracy and timeliness of the earnings data used to calculate benefits	We released the Annual Wage Reporting system on 02/08/2014 Met	Complete construction of at least 50% of the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system	Implement the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system by 09/30/2015	Implement the redesigned functionality to process Forms W-2c (Corrections) within the Annual Wage Reporting system by 09/30/2016	DCS	60

Strategic Objective 2.2: Protect the Public's Data and Provide Secure Online Services

Strategic Objective 2.2 Lead: DCO

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
2.2a	Implement a fraud and integrity unit to protect the public's data	Fraud Analysis and Coordination Team unit was established in August 2013 and expanded from 6 to 10 unit employees in early FY 2014 Met	Establish the *my Social Security* Fraud Analysis and Coordination Team			DCO	64

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
2.2b	Enhance our security features and business processes to prevent and detect fraud	Using Public Facing Integrity Review data, we were able to create and implement the routing transit number blocking process Met	Expand the Public Facing Integrity Review system to more rapidly detect a greater variety of fraudulent Internet transactions	Increase *my Social Security* potential fraud referrals through Public Facing Integrity Review system to the Office of Operations by 10%	Increase *my Social Security* potential fraud referrals through Public Facing Integrity Review system to the Office of Operations by 10%	DCO	64

Strategic Objective 2.3: Increase Payment Accuracy

Strategic Objective 2.3 Lead: DCO

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
2.3a APG	Reduce the percentage of improper payments made under the SSI program	Data available April 2015 TBD	No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayments and underpayments)	No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayments and underpayments)	TBD	DCRDP	71
2.3b	Maintain the low percentage of improper payments made under the Old-Age, Survivors, and Disability Insurance program	Data available April 2015 TBD	No more than 0.4% of all payments made under the Old-Age, Survivors, and Disability Insurance program are improper payments (i.e., overpayment and underpayments)			DCRDP	72

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
2.3c NEW	Maintain a high accuracy rate of payments made through the Old-Age, Survivors, and Disability Insurance program to minimize improper payments			99.8% (O/P)	99.8% (O/P)	DCRDP	73
				99.8% (U/P)	99.8% (U/P)		
2.3d BWM	Complete the budgeted number of full medical continuing disability reviews (CDR)	525,875	510,000	790,000	908,000	DCO	74
		Met					
2.3e BWM	Complete the budgeted number of Supplemental Security Income (SSI) non-medical redeterminations	2,627,518	2,622,000	2,255,000	2,622,000	DCO	74
		Met					

Strategic Goal 3: Serve the Public through a Stronger, More Responsive Disability Program

Strategic Objective 3.1: Improve the Quality, Consistency, and Timeliness of Our Disability Decisions

Strategic Objective 3.1 Lead: DCRDP

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
3.1a	Expedite cases for the most severely disabled individuals by achieving the target percentage of initial disability cases identified as Quick Disability Determinations or Compassionate Allowances	6.6% Met	6.5%			DCRDP	79
3.1b	Ensure the quality of our decisions by achieving the disability determination services (DDS) decisional accuracy rate for initial disability decisions	98% Met	97% decisional accuracy	97% decisional accuracy	97% decisional accuracy	DCO	79
3.1c	Ensure the quality and consistency of our hearing decisions by randomly reviewing a percentage of cases using an inline review process	2.4% Met	Randomly review 0.1% of our hearing decisions			DCDAR	80

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
3.1d	Increase our ability to provide timely decisions by focusing on our oldest cases first	98%	Make decisions on 99.5% of cases that start the year 310 days or older			DCDAR	80
		Not Met					
3.1e	Increase our ability to provide timely decisions by reducing the percentage of pending Appeals Council requests for review 365 days old or older	16%	21% or less of cases pending 365 days or older	80% of cases pending less than 365 days	81% of cases pending less than 365 days	DCDAR	81
		Met					
3.1f BWM	Complete the budgeted number of initial disability claims	2,861,895	2,947,000	2,767,000	2,773,000	DCO	81
		Not Met					
3.1g BWM	Complete the budgeted number of disability reconsideration claims	757,198	778,000	739,000	719,000	DCO	82
		Not Met					
3.1h BWM	Complete the budgeted number of hearing requests	680,963	735,000	727,000	829,000	DCDAR	82
		Not Met					
3.1i BWM	Achieve the target number of initial disability claims pending	632,656	642,000	621,000	628,000	DCO	82
		Met					
3.1j BWM	Achieve the target number of disability reconsiderations pending	170,255	174,000	143,000	144,000	DCO	83
		Met					
3.1k BWM	Average processing time for initial disability claims	110 days	109 days	109 days	107 days	DCO	83
		Not Met					

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
3.1l BWM	Average processing time for reconsiderations[3]	108 days				DCO	84
3.1m BWM	Average processing time for hearings decisions	422 days / Not Met	415 days	470 days	490 days	DCDAR	84
3.1n BWM	Achieve the budgeted goal for disability determination services (DDS) case production per workyear	311 / Not Met	319	313	317	DCO	85
3.1o BWM	Achieve the budgeted goal for hearing case production per workyear	102 / Not Met	106	104	106	DCDAR	85

[3]The average processing time for disability reconsiderations performance measure was under development in FY 2013. We began tracking actual data in September 2013. The overall average processing time for disability reconsiderations in FY 2014 is 108 days. We will develop a performance target for this measure in FY 2016 after we have had the ability to analyze at least two years of actual data.

Strategic Objective 3.2: Maximize Efficiencies throughout the Disability Program

Strategic Objective 3.2 Lead: DCS

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
3.2a	Improve the disability determination process by increasing the percentage of initial disability claims with health information technology (IT) medical evidence	3% (84,779 initial claims) Met	2.5% of initial disability claims with health IT medical evidence (75,000 initial claims)	6% of processed initial disability claims with health IT medical evidence (164,820 initial claims)	8% of processed initial disability claims with health IT medical evidence (220,100 initial claims)	DCS	88

Strategic Objective 3.3: Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work

Strategic Objective 3.3 Lead: DCRDP

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
3.3a	Achieve the target number of beneficiaries participating in the Ticket to Work program who begin earning above a certain level	Data available April 2015 TBD	1,300 beneficiaries			DCRDP	92

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
3.3b NEW	Increase the number of beneficiaries returning to work by achieving the target number of Social Security Disability Insurance and Supplemental Security Income disability beneficiaries with Tickets assigned and in use, who work above a certain level			50,000 beneficiaries	55,000 beneficiaries	DCRDP	92

Strategic Goal 4: Build a Model Workforce to Deliver Quality Service

Strategic Objective 4.1: Attract and Acquire a Talented and Diverse Workforce that Reflects the Public We Serve

Strategic Objective 4.1 Lead: DCHR

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
4.1a	Maintain the target veteran and disabled veteran new hire percentage to improve their representation in our workforce	41.28% Veterans	25.00% Veterans	25.00% Veterans	25.00% Veterans	DCHR	95
		Met					
		19.68% Disabled Veterans	16.49% Disabled Veterans	17.50% Disabled Veterans	17.50% Disabled Veterans		
		Met					
4.1b	Achieve the target on-board representation of employees with targeted disabilities	2%	2%	2%	2%	DCHR	96
		Met					

Strategic Objective 4.2: Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public

Strategic Objective 4.2 Lead: DCHR

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
4.2a	Reduce skills gaps for leaders and potential leaders to improve leadership competencies	Reduced skills gaps in critical competencies	Reduce skills gaps in Leadership Development Program participants in at least two critical competencies			DCHR	100
		Met					

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
4.2b	Reduce skills gaps in mission-critical occupations to improve general and technical competencies	Assessed human resources specialists to identify skills gaps Met	Assess skills gaps for human resources specialists			DCHR	100
4.2c NEW	Improve talent management to strengthen the competence of our workforce			Increase the talent management index score to 60%	Increase the talent management index score to 65%	DCHR	101

Strategic Objective 4.3 Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement

Strategic Objective 4.3 Lead: DCHR

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
4.3a	Maintain status as one of the Top 10 Best Places to Work among large agencies in the Federal Government	Top 10 Ranking Met	Achieve a Top 10 Ranking	Achieve a Top 10 Ranking	Achieve a Top 10 Ranking	DCHR	105
4.3b	Achieve the target two-year new hire retention percentage	84% Not Met	Retain 85% of newly hired employees			DCHR	105
4.3c	Increase workplace flexibilities by expanding telework participation among employees	104% increase over FY 2013 levels (8,547 employees) Met	Increase the percentage of employees participating in telework by 100% over FY 2013 (8,200 employees)	Increase the number of employees participating in telework to 16,400 by the end of the fiscal year	Increase the number of employees participating in telework to 20,000 by the end of the fiscal year	DCHR	106

Strategic Objective 4.4: Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs

Strategic Objective 4.4 Lead: DCHR

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
4.4a	Conduct workforce analysis and planning activities to support future workforce transition initiatives	Updated the Organization Health document and completed organizational assessment to support the Human Capital Operating Plan Met	Conduct workforce staffing analysis to support workforce planning efforts			DCHR	111
4.4b	Achieve target number of human capital metrics to ensure progress toward building a model workforce	77% Met	Achieve 75% of the human capital metrics	Achieve 75% of the human capital metrics	Achieve 75% of the human capital metrics	DCHR	111

Strategic Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services

Strategic Objective 5.1: Maintain System Performance and the Continuity of Information Technology Services

Strategic Objective 5.1 Lead: DCS

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
5.1a	Provide uninterrupted access to our systems during scheduled times of operation	99.97% Met	99.5% availability	99.5% availability	99.5% availability	DCS	114
5.1b	Ensure the continuity of our agency's operations by transitioning information technology (IT) production functions to the National Support Center by FY 2016	Migration planning and preparations are complete. We have taken ownership of the National Support Center and are making progress toward FY 2016 Met	Complete migration planning and preparations			DCS	115

Strategic Objective 5.2: Enhance and Execute Plans to Modernize Our Systems

Strategic Objective 5.2 Lead: DCS

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
5.2a	Enhance systems performance and reliability by upgrading the tele-communications infrastructure in our offices	Upgraded infrastructure to better incorporate new technologies. Met	Complete the infrastructure upgrade to incorporate modern technologies that support future Internet and network capacity needs and new capabilities	Refresh 50% of our network connection devices by September 30, 2015	Refresh 50% of our network connection devices by September 30, 2016	DCS	118
5.2b	Maintain reliable IT services by continually assessing business and infrastructure applications to identify those that are high risk, and determine strategies to renovate, replace, or retire	An analysis of our Application Inventory identified potential modernization project efforts that have business as well as technology impact. Those potential modernization efforts were shared with the DCS/CIO and the Portfolio Executive staff to be considered along with the normal Strategic IT Assessment and Review process Met	Identify high-risk applications and appropriate mitigation strategies Submit proposals to IT Investment selection process			DCS	119

Strategic Objective 5.3: Incorporate Innovative Advances in Service Delivery

Strategic Objective 5.3 Lead: DCS

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
5.3a	Enhance our IT infrastructure by implementing innovative systems accessibility and performance capabilities	Bandwidth-on-Demand capabilities were implemented and are operational at over 75% of agency sites Met	Implement Bandwidth-on-Demand, which will provide us with the ability to increase tele-communications capacity to quickly meet the changing service needs of our offices and clients	Reduce open systems infrastructure size from 1,500 servers to 1,000 servers by September 2015	Modify employee system accessibility by using a single device for systems access from all duty stations; thereby reducing the number of agency workstations and software licenses from 152,000 to 100,000 by 09/30/2016	DCS	122
5.3b	Explore the use of emerging technologies by establishing a testing lab to promote research and development of innovative technology solutions that provide more effective and flexible ways for the public to conduct business with us online and for our employees to complete their work	We are actively supporting new agency electronic initiatives such as customer service stations and an upgraded environment for self-help personal computers Met	Identify and implement new, innovative tools to expand the capabilities of the testing lab to develop solutions that accommodate evolving customer preferences	Conduct three new research projects in emerging technologies such as predictive analytics, cloud, shared services, self-help personal computers, real-time chat, digital analytics, and cognitive computing by September 30, 2015	Conduct three new research projects in emerging technologies such as predictive analytics, cloud, shared services, self-help personal computers, real-time chat, digital analytics, and cognitive computing by September 30, 2016	DCS	123

Strategic Objective 5.4: Continuously Strengthen Our Cyber Security Program

Strategic Objective 5.4 Lead: DCS

Performance Measure		FY 2014 Performance	FY 2014 Target	FY 2015 Target	FY 2016 Target	Responsible Official	Page
5.4a	Provide secure and effective services to the public by improving cyber security performance	We met 3 out of 4 targets. Homeland Security Presidential Directive 12 Compliance - target 75%; results 87% Information Security Continuous Monitoring - target 95%; results 98% Trusted Internet Connections Consolidation - target 95%; results 100% Trusted Internet Connections 2.0 Capabilities - target 100%; results 94% Met	Meet the performance requirements of the Department of Homeland Security's Federal Network Security Compliance and Assurance Program and the Cybersecurity Cross-Agency Priority Goals	Meet the performance requirements of the Department of Homeland Security's Federal Network Security Compliance and Assurance Program and the Cybersecurity Cross-Agency Priority Goals	Meet the performance requirements of the Department of Homeland Security's Federal Network Security Compliance and Assurance Program and the Cybersecurity Cross-Agency Priority Goals	DCS	126

Agency Plans and Performance

Agency Plans and Performance

Setting goals and measuring our achievements is vital to our success. This annual performance report reflects the goals and objectives defined in our *Fiscal Year 2014-2018 Agency Strategic Plan* (www.socialsecurity.gov/asp).

This section presents our five strategic goals, the objectives supporting our goals, the specific key initiatives underway to achieve our goals and objectives, and our performance measures. The performance measures and targets define how we will evaluate our results.

We based our fiscal year (FY) 2016 plans on full funding of the FY 2016 President's Budget.

Strategic Goal 1: Deliver Innovative, Quality Services

We have a long history of exemplary customer service marked by high customer satisfaction. Our high level of customer satisfaction is, in part, the result of our success using technology to improve and expand the services we offer the American public.

We serve the public through multiple channels: in person, telephone, online, and by mail. In FY 2014, we assisted about 40 million field office visitors, handled over 37 million calls through our National 800 Number and 21 million calls in our field offices, registered 6.1 million users for *my* Social Security, processed over 70 million online transactions, and mailed more than 250 million notices.

Technology will not replace our employees or in-person service for customers who require or prefer more personalized service. Our goal is to provide high quality and timely services while offering customers the convenience of interacting with us from anywhere. At the same time, we continue providing telephone and field office options for situations requiring personalized service. We are working to increase customer satisfaction by expanding personalized self-service delivery options, which enable customers to access our services at their convenience.

Strategic Objective 1.1: Develop and Increase the Use of Self-Service Options

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. In 2007, less than 10 percent of claims were filed online – in FY 2014, more than 52 percent of claims were filed online.

The public expects to complete more business online, and we continue to explore new and improved technologies. As we increase the number and types of self-service solutions, paperless processes, and electronic workflows, we will improve our overall efficiency. As we expand our online options, we will ensure our customers' information remains secure.

While we are expanding the number of services and service delivery options we offer to the public, we continue to provide our customers with their preferred service delivery option, whether it is in person, by telephone, or online.

Strategies

- Expand personal services available under *my* Social Security to include high-volume workloads, such as Social Security number replacement cards;
- Move our online applications under a single customer account registration;
- Accelerate development of additional online products;
- Expand the availability of online applications using responsive design and the use of self-help personal computers available in our offices or community locations;
- Provide direct access to information and notices for individuals and designated third parties;
- Offer electronic delivery of notices and an option to opt out of paper notices; and
- Increase the public's use of self-service options by aggressively promoting and marketing our online applications and services.

Progress Update

The Social Security Administration, in consultation with the Office of Management and Budget (OMB), has highlighted this objective as a focus area for improvement. We took the following steps in FY 2014 to develop and increase our self-service options (see Key Initiatives and Performance Measures for more details):

- Exceeded our online transaction goals in FY 2014 by 40 percent;
- Launched our Social Security Express initiatives – self-help personal computers, customer service stations, and desktop icons;
- Initiated two marketing campaigns to promote online services: "Retire Online" and "Someday";
- Tested a new stand-alone customer service station in selected locations;
- Increased fraud prevention measures for online services; and
- Trained employees on enrolling individuals in *my* Social Security.

Next Steps

- Continue planning, analysis, and development of new applications to put behind the *my* Social Security portal, including:
  - Request a replacement Social Security card;
  - Request an i1099 benefit statement;
  - Request a Medicare replacement card application; and
  - Message center functionality, which will enable secure communications online;
  - SMART Claim application, which will enable customers to file for retirement, disability, and Medicare benefits at the same time
- Evaluate the success of the customer service stations and add additional stations;
- Enhance self-help personal computer options; and
- Conduct and evaluate customer satisfaction surveys to assist in planning future enhancements.

Key Initiatives

Expanding Online Access through Social Security Express

Customers without access to a computer might think they cannot use our online services, but our new service options expand access to our online services. Our Social Security Express initiative provides access to our online services, including my Social Security (www.socialsecurity.gov/myaccount), in our field offices and in external locations. Using these services helps minimize wait times for those visitors who must complete their business with us in person.

Currently, we have three major Social Security Express projects underway:

- **Self-help personal computers** are available in approximately 550 offices nationwide. These computers allow our customers to access our online services using computers inside our offices, enabling customers to complete some transactions without waiting to see a representative.

    In FY 2014, we purchased a new virtual desktop infrastructure technology, which will enable us to troubleshoot these computers remotely. It will reduce the amount of staff time required to maintain our current self-help personal computers. By summer 2015, we plan to replace all the existing self-help personal computers with the new virtual infrastructure and add additional self-help personal computers, bringing the usage to about 650 field offices nationwide.

- **Desktop icons** provide a direct link from a public computer to our online services. These icons are available to 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.

- **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, if needed. The unit also contains the following features:

    - A scanner, enabling customers to scan and upload identification (ID) documents (up to passport size);
    - A printer, enabling customers to print verification letters. (If the customer does not take the document within 10 seconds, the printer retracts the document and stores it for employees to destroy); and
    - A pressure sensitive floor mat that begins the computer session when a person steps on it. (If the customer steps away without personally ending the session, the system will begin a 10-second countdown and end the session automatically.)

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 host 17 million visits to our website each month! Our customers are demanding more online services, and we are responding as quickly as possible, while ensuring my Social Security (www.socialsecurity.gov/myaccount) remains secure and easy to use.

Current features enable Social Security disability and Supplemental Security Income beneficiaries to access their benefit verification letters, payment histories, and earnings records instantly. Beneficiaries can also change their address and start or change direct deposit information online. Since it launched in 2012, *my* Social Security has more than 14.4 million registered 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, and Medicare benefits using a single application within *my* Social Security by the end of FY 2016.

Additional features planned for *my* Social Security and SMART Claim in FY 2015 and into FY 2016 include:

- Social Security number replacement card requests;
- New secure customer engagement tools, including a secure message center, alerts and notifications;
- An alternate path allowing customers to complete their applications online, if they are unable to register for or do not have a *my* Social Security account;
- Online continuing disability review notification and response options for beneficiaries; and
- A claims appeal path.

Expanding Our Nationwide Marketing Campaign

We use public service announcements on television and radio, printed leaflets, billboards, bus posters, and displays in airport terminals to promote our online services. We also use social media to direct customers to our online service options. Our mailed Social Security Statements also encourage people to create *my* Social Security accounts. Additionally, our local offices find creative and cost-effective ways to inform the community about the advantages of using our online services.

We work with a broad network of national organizations, advocacy groups, and other stakeholders to promote our online services. A few examples of organizations in our network include other federal agencies, congressional offices, American Association of Retired Persons, Society for Human Resource Management, National Urban League, and American Library Association. Our audiences include individuals who are aged or disabled, claimants' representatives, financial planners, human resource managers, and our colleagues from other federal agencies and state, local, and tribal governments. We have a database of almost 12,000 contacts who promote our online services. We also produce webinars and webcasts. These efforts increase our customers' awareness of our online services and the benefits of these services.

In the beginning of FY 2014, we conducted a two-month Retire Online campaign to motivate more people to apply for retirement benefits online. We also conducted a *my* Social Security campaign to support our goal of reaching 7.2 million new *my* Social Security accounts in FY 2014. We sent email blasts and post cards to targeted beneficiaries and provided an article advertising *my* Social Security and emphasizing the benefits of the portal to our network of contacts for online and print publication. We also promoted *my* Social Security using online display ads and billboards.

To promote *my* Social Security in FY 2014, we produced three television and radio public service announcements, which began airing in August 2014. We updated *my* Social Security promotional materials to incorporate the messages and theme of the public service announcements. We expect to involve other agencies and organizations and continue to build relationships as part of our outreach. In FY 2014, we also participated in over 50 national conferences and continued to coordinate *my* Social Security signup events. From April 1, 2014 to September 30, 2014, we participated in 1,731 *my* Social Security sign-up events with over 215,899 individuals attending and we assisted the public in creating 26,619 accounts. In FY 2015, we plan to participate in national conferences, host or cohost webinars and webcasts with other federal partners, advocacy groups, and national organizations, and conduct quarterly conference calls with advocates.

People who visit our website (www.socialsecurity.gov) by smartphones can access a mobile-friendly version of our frequently asked questions and publications in both English and Spanish. In addition, visitors to the mobile site can learn how to create a personal *my* Social Security account and connect with us on Facebook, Twitter, YouTube, and Pinterest.

We redesigned the cover page of the mailed Social Security Statement and resumed mailing Statements to certain individuals beginning in September 2014. We will continue marketing our online services with an emphasis on encouraging individuals to sign up for a *my* Social Security account.

Social Media Use by Age Group Over Time
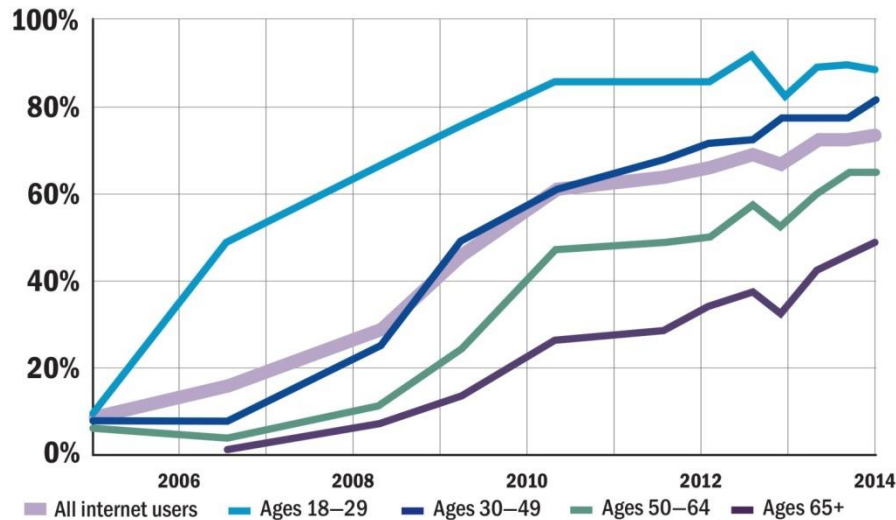
Source: Pew Research Center Internet Project Survey, January 2014.

Enhancing iAppeals

iAppeals is an online appeals application, released in FY 2007, allowing claimant representatives to request a hearing online. In FY 2015, we will improve the existing application to simplify the user experience and enable users to complete the full application online. We will enhance the application's usability and streamline the application process by reducing redundant keying and providing clearer navigation.

Users will also have the option to submit additional forms and documents online. These changes will contribute to a more efficient and functional application that will allow users to submit a complete hearing request at first contact.

External Factors

The following external factors may affect our efforts to develop and increase the use of self-service options:

- Dramatic increase in mobile and broadband Internet access is driving public expectation for instantaneous service via multiple service delivery channels; and
- Input from external entities (e.g., advocacy groups, professional groups, and state, local, and other federal agencies) can influence our decisions on self-service options.

Performance Measure – Strategic Objective 1.1

1.1a: Improve access to our services by increasing the number of citizens who complete their business with us online (Agency Priority Goal)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance		13.5 million	16.0 million	21.8 million	46.3 million	70.8 million		
Target						Increase the number of citizens completing business online by 10% over FY 2013 (50.9 million transactions)	Increase the number of citizens completing business online by 10% over FY 2014 (77.8 million transactions)	TBD
Target Met						Met		

Results: We significantly exceeded our FY 2014 target.

Data Definition: Online services usage for *my* Social Security suite, *my* Social Security Help Desk-Call Back, Pre-entitlement – Informational Services (excludes visits to Social Security Online, Frequently Asked Questions, and Field Office Locator), Entitlement – Claims & Appeals, and Post Entitlement. In FY 2014, our customers conducted 70.8 million online transactions.

Data Source: Social Security, Office of Electronic Services and Technology Intranet site: eServices Statistics (http://eis.ba.ssa.gov/oesweb/mi_space/index.html)

Strategic Objective 1.2: Enhance the Customer Experience by Completing Customers' Business at the First Point of Contact

Whether customers call, visit us in person, or use our website, they expect to get accurate information and quickly complete their business without the need to recontact us. As more customers expect to complete their business online or through other self-service channels, we are focusing on improved call routing, video service delivery, and ongoing employee training to ensure we complete transactions efficiently and accurately at the first point of contact.

Strategies

- Implement online support options, including click-to-talk, screen sharing, and instant messaging;
- Integrate our online applications, such as the streamlined online disability application; and
- Increase the use of video service.

Progress Update

We took the following steps in FY 2014 to help ensure our customers can complete their business during their first contact with us (see Key Initiatives and Performance Measures for more details):

- Conducted market research and benchmarking for online support tools to identify potential vendors for these tools;
- Completed a business process description for integrating our online applications;
- Developed a quarterly video use report so we can review video usage patterns and move video units to locations with more demand;
- Piloted a new video infrastructure to improve the equipment's quality and reliability, making video a more desirable option for the public; and
- Enabled receipt of credit and debit card payments for certain processing fees, enabling customers to complete these types of transactions in a single visit.

Next Steps

- Begin planning and analysis phase for messaging functionality within *my* Social Security to allow for two-way communication between our customers and service representatives;
- Begin planning and analysis phase of SMART Claim, enabling customers to apply for all benefits with a single application;
- Determine how environmental factors in hearing rooms affect video quality, and update hearing rooms accordingly; and
- Assess the impact of new scheduling regulations to determine impact on video hearings.

Key Initiatives

Implementing Online Social Security Number Replacement Card Application

Replacing Social Security number cards is one of our most requested services. In FY 2014 alone, we issued approximately 10 million replacement cards in field offices and Social Security card centers across the country. This workload is significant, highly sensitive, and sometimes complex, often requiring in-person interviews. In FY 2014, we began work to enable *my* Social Security users over the age of 18 who are U.S. citizens with U.S. mailing addresses, and have no changes to their records to apply online for a replacement Social Security number card.

We expect to roll out this new feature to select states in FY 2016, enabling users to avoid travel time, wait time, and in-person interviews. The application will provide users with a secure way to request replacement Social Security number cards online and will allow our employees more time to process other workloads.

Establishing the Social Security Electronic Remittance System

Currently, customers can pay preapproved standard service fees, such as those for copying electronic or paper folders, only by check or money order. Our new electronic remittance system will enable payment by credit and debit card. Because we must receive payment before we can complete the customer's request, the new system will allow us to process transactions immediately. Customers will be able to request service, make payment, and receive service promptly in cases where the files are readily accessible.

The Social Security Electronic Remittance System is currently in production in select field offices, and we expect full implementation in all field offices by the end of the first quarter of FY 2015. In a later phase of this project, we plan to handle other types of collections through this system.

Increase Video Hearings

We have held over one million video hearings to date. Video hearings play a critical role in our disability adjudication process by enabling some claimants to participate in a hearing nearer their homes. We conduct video hearings in hearing offices, permanent remote sites, claimant-only sites inside field offices, National Hearing Centers, and through select representatives participating in the Representative Video Project. Video hearings allow our administrative law judges to spend less time traveling to hearings and more time hearing and deciding cases. Additionally, we are able to balance our hearings workloads by electronically transferring cases to offices that have shorter wait times.

We will continue to expand and improve video hearing services in FY 2015 and FY 2016 by replacing our existing, aging technology with cutting-edge, high-quality equipment. We also plan to increase marketing and educational information to emphasize the benefits of video hearings and pursue policy and business process changes to maximize efficiency.

Expanding Video Service Delivery

Some of our customers live in areas with limited public transportation and have difficulty getting to our field offices. Video service delivery allows us to provide services to our customers at convenient third-party sites, such as hospitals, libraries, community centers, American Indian tribal centers, and homeless shelters. Video services reduce time and costs for traveling to remote locations.

In FY 2013, we provided 20 video units for disability determination services (DDS) offices, allowing them to conduct video disability hearings and video consultative exams. Additionally, we installed 20 video units in other third party sites to assist veterans in Wounded Warrior programs and reduce our travel expenses.

To support a projected increase in DDS disability hearing workloads (i.e., appeals of continuing disability review decisions), we are relocating 35 existing video units to offices where there is a greater need. In FY 2014, and into FY 2015, we will expand video service delivery by an additional 133 desktop units to increase our capacity for conducting video hearings, expanding video remote interpreting services and video support for other work efforts. In FY 2016, we will analyze the benefits of video service delivery and explore more cost efficient technology.

Highlighting Section 504

Section 504 of the *Rehabilitation Act of 1973* requires federal agencies to provide individuals with disabilities meaningful access to programs and services. We created The Center for Section 504 Compliance in 2013 to centralize our Section 504 compliance efforts.

In FY 2014, we focused our efforts on developing processes that improved customer service and helped prevent discrimination complaints and lawsuits. Our results include:

- Developed policy guidance for direct-service offices;
- Developed an automated system, iAccommodate, for receiving and processing accommodation requests from our customers;
- Implemented a broad communication strategy;
- Provided additional training for our employees; and
- Launched a national 800 number our customers can use to notify us of their accommodation needs.

In FY 2015, the Center for Section 504 Compliance will enhance the functionality of iAccommodate by integrating with other internal systems, as needed, to meet our customers' needs.

Providing Real-Time Assistance to Online Users

We are dedicated to delivering world-class customer service to all of our customers, including our online users. In May 2014, we celebrated 20 years of online services.

In FY 2013, we implemented a help desk to provide near real-time telephone support for users of *my* Social Security online services. Users can receive support by calling the National 800 Number or using a web-based form to request a call back from us.

We are developing a suite of customer engagement tools that will allow *my* Social Security account users to receive alerts, messages, and agency announcements through a secure, personalized Message Center. Additionally, we will add click-to-communicate technologies and screen-sharing, allowing anyone navigating our website to click a link to communicate with us.

External Factors

The following external factor may affect our efforts to enhance the customer experience by completing customers' business at the first point of contact:

- The effectiveness of video service delivery expansion relies on our customers' acceptance of its use.

Performance Measures – Strategic Objective 1.2

1.2a: Deliver a world-class customer experience by expanding the use of video technology to hold hearings (Agency Priority Goal)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	16.5%	20.3%	20.1%	22.8%	26.1%	28%		
Target						28% of hearings conducted by video	30% of hearings conducted by video	TBD
Target Met						Met		

Results: We met our FY 2014 target.

Data Definition: The percentage of total video hearings held during the fiscal year that were video hearings. We derived the percentage by dividing the total number of video hearings held during the fiscal year by the total number of hearings held during the fiscal year.

Data Source: Case Processing Management System

1.2b: Expand the services available under *my* Social Security by implementing an online Social Security Number Replacement Card application

Fiscal Year	2014	2015	2016
Performance	Project timeline was adjusted to accommodate pending changes to regulations and contract		
Target	Complete planning and analysis for implementing an online Social Security Number Replacement Card application	Complete development and begin testing of the online Social Security Number Replacement Card application	Begin implementation of the online Social Security Number Replacement Card application
Target Met	Not Met		

Results: We did not meet our FY 2014 target.

Data Definition: FY 2014 - Completion of the planning and analysis portion of the project as defined by the System Development Lifecycle on the Project Resource Guide Intranet website (http://pride.ssahost.ba.ssa.gov/Planning_and_Analysis/default.cfm)

Data Source: Completed Project Scope Agreement and System Development Plan

1.2c: Maintain high customer satisfaction with our online services

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance		81	81	82	82	83		
Target						Maintain an average customer satisfaction score of at least 80	Maintain an average customer satisfaction score of at least 80	Maintain an average customer satisfaction score of at least 80
Target Met						Met		

Results: We exceeded our FY 2014 target.

Data Definition: Average American Customer Satisfaction Index score for the Social Security Administration's (SSA) online services. Note that Average American Customer Satisfaction Index reports their data quarterly, based upon the calendar year. For this measure to be consistent with the fiscal year, we deviate from the Average American Customer Satisfaction Index time-period and use the fiscal year quarters. As a result, there may be some deviation from Average American Customer Satisfaction Index published documents and the measure reported here.

Data Source: Table entitled "SSA Average Satisfaction Score" found on the Office of Electronic Services and Technology Intranet site (http://eis.ba.ssa.gov/oesweb/web_analytics/ACSI/index.html)

1.2d: Provide the public with access to personalized information by increasing the number of established *my* Social Security accounts (Agency Priority Goal)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance					6.32 million new accounts	6.14 million new accounts		
Target						Increase the number of customers who sign up for *my* Social Security by 15% over FY 2013 (7.27 million new accounts)	Increase the number of customers who sign up for *my* Social Security by 15% over FY 2014 (7.06 million new accounts)	TBD
Target Met						Not Met		

Results: We did not meet our FY 2014 target.

Data Definition: The target is calculated as a percentage increase over the previous year's actual results. Thus, the FY 2015 target was calculated by taking the FY 2014 actual registrations (6.14 million) and increasing it by 15%, resulting in a target of 7.06 million.

Data Source: Office of Electronic Services and Technology, Division of Authentication

1.2e: Complete the budgeted number of retirement, survivors, and Medicare claims (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	4,742,218	4,700,990[1]	4,877,955	5,001,092	5,006,855[1]	5,023,533[1]		
Target	4,543,000	4,718,000 (4,658,124 rec'd)	4,590,000	4,918,000	5,269,000 (4,952,591 rec'd)	5,131,000 (4,990,259 rec'd)	5,247,000	5,434,000
Target Met	Met	Met	Met	Met	Met	Met		

Results: We met our FY 2014 target.

Data Definition: The number of retirement, survivors, and Medicare claims completed in the current fiscal year.

Data Source: Social Security Administration's Cost Analysis System

1.2f: Achieve the target speed in answering National 800 Number calls (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	245 seconds	203 seconds	180 seconds	294 seconds	617 seconds	1,323 seconds		
Target	330 seconds	269 seconds	267 seconds	285 seconds	535 seconds	1,020 seconds	700 seconds	545 seconds
Target Met	Met	Met	Met	Not Met	Not Met	Not Met		

Results: We did not meet our FY 2014 target.

Data Definition: We calculate the speed of answering by dividing the wait time of all National 800 Number calls answered by agents by the number of all National 800 Number calls answered by agents in the fiscal year. Wait time begins from the time we transfer the caller to the agent queue (waiting for an agent) and continues until an agent answers the call.

Data Source: Data generated by Cisco Intelligent Contact Management system

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[1] Performance results are based on actual receipts because actual receipts were lower than the target.

1.2g: Achieve the target busy rate for National 800 calls (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	8.0%	5.0%	3.0%	5.0%	11.9%	13.5%		
Target	10.0%	8.0%	6.0%	6.0%	16.0%	14%	8%	2%
Target Met	Met	Met	Met	Met	Met	Met		

Results: We met our FY 2014 target. Less than 14 percent of calls to the National 800 Number received a busy message in FY 2014.

Data Definition: We calculate the agent busy rate as the number of National 800 Number busy messages divided by the number of National 800 Number calls requesting agent service in the fiscal year. The caller receives a busy message when the number of calls offered exceeds the number of telephone lines available or when the agent queue has reached its maximum capacity of waiting calls.

Data Source: Data generated by Cisco Intelligent Contact Management system

Strategic Objective 1.3: Partner with Other Agencies and Organizations to Improve Customers' Experience and Align with the Administration's One-Government Approach

Many people seeking benefits from us also interact with other agencies and private organizations. By partnering with other agencies, community-based organizations, tribal governments, and the private sector, we can improve our customers' experiences. We can learn from each other, share data, and develop processes that help our customers access services more quickly and easily.

Strategies

- Implement Social Security Express to provide service using self-service customer service stations in community locations;
- Provide Social Security services through other government agencies, community-based organizations, tribal governments, and private organizations that serve our customers;
- Increase collaboration with the Department of Defense (DoD) and Department of Veterans Affairs (VA) to improve processes for veterans and service members; and
- Improve information sharing among other government agencies for records, data, and other information.

Progress Update

We took the following steps in FY 2014 to improve customers' experience through partnerships with other agencies (see Key Initiatives and Performance Measures for more details):

- Launched our Social Security Express initiatives – self-help personal computers, customer service stations and desktop icons, which enable online access to our services from other community and governmental agencies;
- Began two key collaborations with the DoD to receive medical information; and
- Established an information exchange agreement with the VA that expedites receiving medical information.

Next Steps

- Complete testing on the desktop icon and self-service station initiatives and implement enhancements based on test results; and
- Collaborate with the VA and DoD to expand data exchanges, thus simplifying the benefits application process for veterans and their families.

Key Initiatives

Expand Our Partnerships with External Organizations

Our Social Security Express initiative currently includes two self-service options that allow the public to complete their business from external partner locations (local, state, or federal government agencies such as the VA or the Department of Housing and Urban Development). Those self-service options are:

- A Social Security Express icon installed on the partner sites' desktop computers, enabling access to our online services; and
- A customer service station, containing a desktop computer and a printer, offering limited online services and video assistance from one of our employees.

In FY 2013, we launched the program, and 25 partner sites downloaded the Social Security Express icon to the desktops of their public computers. In FY 2014, we expanded our partnership to 168 sites.

In FY 2014, we installed one customer service station in a field office as a proof of concept and implemented three additional customer service stations in three external partner sites. By the middle of FY 2015, we expect to add three additional customer service stations, bringing the total to seven.

The customer service stations allow us to offer our services in locations other than field offices, providing an additional vehicle for service delivery to our customers and reducing foot traffic in our field offices. We will evaluate usage levels and customer satisfaction from our proof of concept. If the proof of concept is successful, we will make modifications based on customer feedback and proceed with a pilot.

Expanding the Virtual Lifetime Electronic Record

In April 2009, the DoD and VA launched the Virtual Lifetime Electronic Record (www.prim.osd.mil/init/vler.html) initiative to create a unified lifetime electronic health record for members of the Armed Services. We are working closely with both agencies to ensure we address service members and veterans' needs as seamlessly as possible when applying for Social Security benefits by fully automating access to medical records.

In FY 2014 and FY 2015, we plan to enhance the clinical content available for health information technology (IT) exchange, continue to evaluate the integration of our eAuthorization initiative into the health IT solution, and pilot a health IT exchange. eAuthorization allows for electronic signature on our Authorization to Disclose Information, Form SSA-827. The health IT exchange will provide our veterans, service members, and their families with a high level of customer service and will enable greater decision support for examiners, thereby improving the overall case processing time. We will implement the national rollout plan in FY 2016 in collaboration with the DoD and VA.

Strengthening the Social Security Number Application Process

Enumeration is our process of assigning Social Security numbers and issuing Social Security cards. Each year we receive approximately 16 million applications for original and replacement Social Security cards. Our employees use the Social Security number application process, a web-based enumeration system, to record information and evidence submitted with a Social Security number application. This system is available in all field offices (including Social Security card centers) and Foreign Service posts. It also enables employees to correct the individuals' Social Security number records.

As resources permit, we will develop and implement the following enhancements to help us enforce enumeration policy:

- Establish alerts to field office personnel of potential problems with an applicant's immigration status (received from the Department of Homeland Security's system);
- Further improve documentation of identity; and
- Further enhance enforcement of our proof of identity policy.

These enhancements ensure data accuracy in our Social Security number records. Data accuracy enables us to make proper payments. Further, in line with the Administration's one-government approach, data accuracy enables us to partner with the Department of Homeland Security and Department of State to accurately and consistently enumerate noncitizens.

In FY 2014, we:

- Increased the accuracy of enumeration data through improvements to the data entry screens;
- Improved customer service by adding more immigration documents to our automated applications process systems, enabling us to verify immigration documents more efficiently; and
- Implemented a fully automated process to verify refugee evidence.

In FY 2015, we will provide additional management information. In FY 2016, our plan is to expand Social Security number exception and sensitive processing, support additional improvements to the noncitizen verification process with the Department of Homeland Security, and implement the online Social Security number replacement card application project.

External Factors

The following external factors may affect our efforts to partner with other agencies and organizations to improve our customers' experience and align with the Administration's one-government approach:

- The economy and the number of veterans filing for disability benefits affect the virtual electronic lifetime record. If a veteran has difficulty finding employment, he or she is more likely to file for disability benefits. An increase in disability claims can result in an increased backlog and longer processing times;
- The DoD and VA have their own mission-critical work, priorities, and resource limitations, which affect implementation decisions related to the virtual electronic lifetime record;
- Lack of buy-in from potential partners affects this objective; and
- Other entities have competing priorities and resource limitations that may impede partnership efforts.

Performance Measures – Strategic Objective 1.3

1.3a: Minimize the average response time to deliver medical evidence to the VA for wounded warriors and veterans

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	6.5 days	9.7 days	7.3 days	5.6 days	7.2 days	5.9 days		
Target						Deliver medical evidence to the VA within an average of 5 days	Deliver medical evidence to the VA within an average of 5 business days	Deliver medical evidence to the VA within an average of 5 business days
Target Met						Not Met		

Results: We did not meet our FY 2014 target. We missed our target by less than one day.

Data Definition: We currently track requests received from the VA for medical evidence. We also track how long it takes us to respond to the request.

Data Source: Office of Systems

1.3b: Partner with the Department of Health and Human Services and the VA to better serve the homeless population

Fiscal Year	2014	2015	2016
Performance	In FY 2014, we worked with our federal partners to draft a list of key strategies for facilitating access to SSI and Social Security Disability Insurance benefits for persons experiencing homelessness		
Target	Partner with the Department of Health and Human Services (HHS) and VA to draft a federal best-practices model for facilitating access to SSI and Social Security Disability Insurance benefits		
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: Completion of targeted milestones for FY 2014.

Data Source: Office of Research and Disability Policy

Strategic Objective 1.4: Evaluate Our Physical Footprint to Incorporate Improved Service Options

Our facility maintenance costs continue to increase despite staff losses. We are concerned about the high upfront costs for facilities and associated services (e.g., rent, utilities, security guard services), especially as more cost-effective and reliable alternatives to in-person service exist. As building maintenance costs continue to increase and customer preferences move to electronic service channels, we are reassessing our facility needs, while still ensuring that we have appropriate levels of in-person service options available.

We are fully committed – now and in the future – to keeping a field office structure that provides in-person service for those customers who need or prefer it. Additionally, as technology drives the realignment of our physical footprint, we see opportunities to scale back and colocate some large brick-and-mortar facilities.

Strategies

- Design space, maintain offices, and reassess the structure of internal facilities to optimize cost and maximize opportunities for improved service delivery; and
- Explore solutions that optimize the operational efficiencies of offices, including colocations.

Progress Update

We took the following steps in FY 2014 to evaluate our physical footprint to incorporate improved service options:

- Developed business plan defining criteria for colocating some remote sites within existing field offices; and
- We planned to open two colocated permanent remote sites in FY 2014; however, the construction bids were higher than expected. As a result, we requested new bids and expect to award the contracts in FY 2015.

Next Steps

- Explore the feasibility of colocating Office of Disability Adjudication and Review hearing offices with Deputy Commissioner of Operations field offices to optimize operational efficiencies; and
- Finalize colocation plans by March 2015 for upcoming expiring leasing contracts.

Key Initiatives

Consolidating Field and Hearing Offices

We developed a business plan for colocating claimant-only video and permanent remote sites with field offices in FY 2013. Consolidated offices can share reception areas, guard services, training rooms, and common areas. We currently have eight colocated permanent remote sites with field offices.

We planned to open two colocated permanent remote sites in FY 2014; however, the construction bids were higher than expected. As a result, we requested new bids and plan to award the contracts in FY 2015. We also expect to finalize our field office and hearing office colocation policy in October 2014, almost six months ahead of schedule.

Throughout FY 2015, we will analyze lease expiration dates and the availability of space in the marketplace. As leases expire, staffing needs change, and telework becomes more prevalent, we anticipate colocations will play a key role in improving space utilization for years to come.

External Factors

The following external factors may affect our efforts:

- Increasing costs for rent and contract security guard services may affect savings realized;
- Space availability and labor relations issues also affect this objective; and
- Long-term lease commitments are a barrier to short-term implementation.

Performance Measure – Strategic Objective 1.4

1.4a: Evaluate our physical footprint as described in our OMB-approved Real Property Cost Savings and Innovation Plan

Fiscal Year	2014	2015	2016
Performance	We have issued colocation guidelines to the regions. In FY 2015, we will evaluate each space action for potential colocation opportunities for offices within the same local area whose leases are ending at the same time		
Target	Evaluate potential opportunities for colocating and consolidating our public service facilities within and outside of SSA	Reduce our physical footprint from our FY 2012 level by 1.86 million usable square feet	Reduce our physical footprint from our FY 2012 level by TBD[2] usable square feet
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: Completing the targeted milestones.

Data Source: Office of Operations, Office of Disability Adjudication and Review, and Office of Budget, Finance, Quality, and Management

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[2] We will determine this target once we receive OMB guidance for and develop the FY 2016 Real Property Cost Savings and Innovation Plan

Strategic Goal 2: Strengthen the Integrity of Our Programs

Currently, we pay $75 billion each month in benefits across all our programs. Paying the right person the right amount at the right time is critical, and we take this responsibility very seriously. The payment accuracy rate for our retirement and survivors programs has been over 99 percent for the past several years.

Our disability programs are much more complex to administer, resulting in both overpayments and underpayments:

- Social Security Disability Insurance provides benefits to people who cannot work because they have medical conditions expected to last at least one year or result in death. The laws governing this program are complex, and we may not always have timely and accurate information about a beneficiary's medical and work status. Changes in either status may affect continued eligibility for benefits.

- Supplemental Security Income (SSI) provides cash assistance to people with limited incomes and resources who are aged, blind, or disabled. A beneficiary's eligibility for payment or the amount of payment can change when his or her living arrangements or income changes. Beneficiaries self-report changes, and reporting delays can result in improper payments.

Accurate, timely information reduces improper payments. We are using the latest technology to prevent identity theft and improve debt collection. We will invest in and enhance partnerships with our beneficiaries. We will find opportunities to share information with other federal and state agencies. We expect these efforts to help us get information sooner.

We are also using experts in evaluation methods to review implementation plans for each improper payment initiative. We want our initiatives to produce clear and measureable outcomes that lead to actionable efforts to reduce improper payments and reclaim overpaid funds.

Strategic Objective 2.1: Transform the Way We Record Earnings to Enhance Data Accuracy

A worker's lifetime earnings determine the amount of his or her Social Security benefits, making it vital that we have accurate earnings records on file. We devote a significant amount of resources to ensure earnings records are accurate.

In fiscal year (FY) 2013, we posted over 251 million earnings items to individuals' records. When we provide workers, employers, and government agencies with the tools they need to accurately report wages, our records are more accurate.

In 2013, employers filed over 87 percent of Forms W-2 electronically. We also received nearly 29 million paper Forms W-2. As we migrate to a more fully electronic earnings record process, we anticipate increased accuracy through fewer manual entries and a more stringent electronic editing process.

We have a multiyear initiative underway that will further modernize our earnings reporting system. This initiative will increase processing capacity and post information faster. In addition, we are working with the Internal Revenue Service (IRS) to enhance earnings data exchanges. Both will improve wage reporting and make our earnings process more efficient and accurate.

We are also encouraging our customers to verify their earnings information when they review their Social Security Statements online or when they receive mailed copies.

Strategies

- Modernize our earnings system;
- Encourage electronic wage reporting; and
- Encourage workers to review their Social Security Statements for earnings accuracy.

Progress Update

We took the following steps in FY 2014 to transform the way we record earnings to enhance data accuracy (see Key Initiatives and Performance Measures for more details):

- Developed new functionality that alerts us to possible unreported resources from cases meeting specific criteria;
- Reviewed results of mobile wage reporting applications and found a more than 400 percent increase in successful reporting;
- Initiated a new effort to identify unreported absences from the United States that could make a recipient ineligible for SSI benefits;
- Began automating our receipt of monthly payroll information from external providers and integrating it into our SSI systems;
- Proposed regulatory changes that would enable us to further automate reporting from payroll providers for SSI recipients; and
- Began analysis on non-home real property study data to determine whether changes are needed in agency business processes.

Next Steps

- Determine next steps resulting from non-home real property study and implementing any defined changes in business processes; and
- Continue to monitor results of mobile wage reporting to determine if modifications are needed.

Key Initiatives

Continue Earnings Redesign

We are redesigning our systems to make our earnings process more efficient and accurate. In addition, we are enhancing earnings data exchanges, improving wage reporting, modernizing our systems, and modifying our software to handle increasing record volumes.

In FY 2014, we released several enhancements within the earnings redesign program, continuing our multiyear effort to improve our detection and prevention of potential wage reporting fraud -- replace outdated technology, streamline automated business processes, and consolidate and streamline our earnings reconciliation processes. We completed over 50 percent of the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system.

In FY 2015, we plan to continue to improve our error-detection capabilities, retire obsolete system functionality, streamline automated business processes, implement the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system, and increase automation of our earnings reconciliation process.

In FY 2016, we plan to complete construction of at least 50 percent of the redesigned functionality to process Forms W-2c (used to correct previously submitted Forms W-2) within the Annual Wage Reporting system. The planned modifications to the Annual Wage Reporting system will increase processing capacity and improve data quality.

Increased system processing capacity will allow the system to post more data to the Master Earnings File (the administrative file used to store earnings data which is then used determine an individual's Social Security eligibility and benefits payment). The increased capacity will also allow us to post the data earlier in the year and share data with the IRS sooner. In addition, earlier rejection of invalid data will improve the quality of data used internally for benefit calculations and by the IRS for tax reconciliation.

Increasing Electronic Wage Report Filing

Annually, we receive more than 2.9 million paper wage reports from employers containing over 27 million paper Forms W-2. Paper wage reports are more error-prone, labor intensive, and expensive to process. Our electronic wage reporting applications must reflect IRS tax code revisions, matching imposed tax amounts and limits. Our applications must also adhere to legislation affecting IRS tax forms. We must coordinate process changes with the IRS and update our electronic wage reporting applications accordingly.

In FY 2014, we added functionality allowing users in Puerto Rico to file Forms W-2PR online. This completed a multiyear effort to expand our United States territorial customers' ability to submit wage reports electronically through the W-2 Online service. We also enhanced our W-2 Online service to make it easier for users to submit wage reports for prior-years.

Planned enhancements for FY 2015 include a self-registration, self-testing process for all new electronic wage reporting web service users. For FY 2016, we plan a phased expansion of the electronic wage reporting web service, including expanding the electronic wage reporting status function, and allowing submitters to find out why a submission was returned.

We will encourage employers and third-party submitters (people who submit wages to us on behalf of employers) to use electronic wage reporting. We will continue to use promotional materials, trade publications, and direct contact. We will continue to market electronic wage reporting online, at conferences, and at meetings attended by the wage reporting community.

Accessing the Social Security Statement

The Social Security Statement is a concise, easy-to-read, personal record of workers' earnings, the amount of Social Security taxes paid, and a summary of estimated benefits that workers' may receive. For many years, we mailed annual Statements to more than 150 million people. However, in March 2011, we stopped automatically mailing paper Statements due to budget constraints. Although we resumed mailings to some workers in early and mid-2012, we suspended all mailings, including on-request Statement mailings, in October 2012.

In May 2012, we launched a secure online version of the Statement, providing workers with immediate access to their earnings records, estimated benefits, and related information. Since that time, more than 13 million people have registered for *my* Social Security, enabling them to access their Statements online. *My* Social Security accountholders receive email reminders three months before their birthdays, reminding them to view their Statements and report any inaccuracies. Increasing the number of people reviewing their Statements and reporting any discrepancies, improves data accuracy. Correcting discrepancies sooner, rather than later, ensures people receive correct benefit amounts.

During FY 2013, we mailed Statements to customers who were unable to successfully register for a *my* Social Security account, and who requested that a Statement be mailed to them.

In FY 2014, funding was restored enabling us to resume mailing printed Statements to workers ages 25, 30, 35, 40, 45, 50, 55, and 60 or older who do not have a *my* Social Security account. The mailings began in September 2014. Additionally, we redesigned the Statement cover page to promote *my* Social Security online services and encourage people to view their information online.

External Factors

The following external factors may affect our efforts to transform how we record earnings to enhance data accuracy:

- Fluctuating job markets affect the number of wage reports received for any given tax year;
- Congress implementing new and modified tax laws late in the year affects employers' ability to quickly react and update any software used to report wages on Forms W-2;
- If immigration reform legislation becomes law, it may adversely affect resources for the initiatives that support this strategic objective, altering schedules and related tasks; and
- Increased marketing of online business services will foster use of electronic wage reporting. Without directed marketing efforts, small businesses that currently submit paper forms may not be aware of the services offered online.

Performance Measure – Strategic Objective 2.1

2.1a: Redesign our earnings system to improve the accuracy and timeliness of the earnings data used to calculate benefits

Fiscal Year	2014	2015	2016
Performance	We released the Annual Wage Reporting system on 02/08/2014		
Target	Complete construction of at least 50% of the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system	Implement the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system by 09/30/2015	Implement the redesigned functionality to process Forms W-2c (Corrections) within the Annual Wage Reporting system by 09/30/2016
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: Construction of the redesigned Annual Wage Reporting functionality is defined as the development of the software to meet the high-level requirements for processing Forms W-2. In FY 2015, we will apply the redesigned annual wage reporting software to process Forms W-2.

Data Source: The data source is the aggregate of the base-lined, high-level requirements for the redesigned Form W-2 processing within the Annual Wage Reporting system. The software release certification process will document the software implementation.

Strategic Objective 2.2: Protect the Public's Data and Provide Secure Online Services

Our mission is to provide the public with high quality, convenient service while maintaining the confidentiality of the public's information. We are committed to safeguarding the information used in our online services as we keep up with increasing service demands. We take the public's trust seriously, and take great pride in securing their personal information. We continually strengthen our beneficiary information record protections to combat identity theft as new threats emerge.

Strategies

- Ensure strong authentication technologies and appropriate access to information and services;
- Ensure online services have appropriate security features; and
- Join with other federal agencies to aggressively combat identity theft to prevent unauthorized transactions.

Progress Update

We took the following steps in FY 2014 to protect the public's data and provide secure online services (see Key Initiatives and Performance Measures for more details):

- Implemented a new system that purges personally identified information from our testing and training systems;
- Implemented new fraud detection and data loss prevention capabilities into our online business processes; and
- Used predictive analytics to expand our fraud detection scenarios.

Next Steps

- Incorporate evolving fraud scenarios and patterns into our additional online business processes;
- Establish an internal joint antifraud unit; and
- Implement a risk-scoring model for disability cases that will help us identify the potential for fraud more quickly.

Key Initiatives

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 low risk of exposing sensitive public data.

In FY 2013, we released the new system and the basic infrastructure for delivering and managing sanitized data (data modified to conceal a person's identity). Specifically, the system sanitizes the Social Security number, Employer Identification Number, telephone number, email, and bank account data consistently across all validation databases.

In FY 2014, we:

- Developed code to sanitize name fields;
- Developed requirements for enhancing a third-party tool we will use to help sanitize names and addresses appearing in fields which also contain other information;
- Designed, developed, and Implemented enhancements to the existing Enterprise Test Data Management System to improve performance and usability; and
- Began requirements analysis and design for future enhancements.

For FY 2015 and FY 2016, we will continue our work on sanitizing name and address information. Currently, much of the data used for testing and training throughout the agency contains personally identifiable information and federal tax information. While individuals currently accessing the data are authorized to view it, the Enterprise Test Data Management System will provide sanitized test data to our test environments (development, validation, integration, and training), further minimizing our risk of unnecessary exposure. We expect full implementation in FY 2016.

Producing a Public Facing Integrity Review

As we add more online services, we will remain alert to fraudulent and malicious acts against our systems. We developed our Public Facing Integrity Review system in FY 2013 to identify unusual and potentially fraudulent activity in our Internet applications.

In FY 2014, we enhanced the system with additional functionality and new scenarios to detect fraud. In FY 2014, we prevented the attempted theft of 4,736 benefit payments totaling more than $5.6 million.

In FY 2015, we will continue to enhance our Public Facing Integrity Review by adding additional scenarios and integrating with the online Social Security number replacement card process. We also plan to implement a robust architecture that will alert us sooner of fraud attempts.

As the Public Facing Integrity Review evolves and its functionality expands, it will become the foundation for our enterprise online antifraud review process, which will also include results from the Fraud Analysis Coordination Team and the advanced data analytics lab.

Fraud Prevented

4,736 Thefts Prevented

$5.6 Million Losses Avoided

Source: Social Security Administration, Public Facing Integrity Review Report, September 2014

Jump Starting Predictive Analytics for Disability Fraud

Disability fraud is a major concern for us. By developing and implementing a predictive disability fraud program, we will be better equipped to prevent improper payments.

In February 2014, we established the intercomponent disability fraud predictive analytics project team. The project team conducted a pilot using data analytics to enhance our ability to detect and prevent disability fraud. The pilot had two phases in FY 2014:

- Apply predictive analysis to disability claims data to see how well we can use data to identify fraud; and
- Use analytic tools to identify suspicious patterns of activity in disability claims.

Through the pilot, we built three scenarios based on the characteristics of previous fraud cases. Using those scenarios, we discovered fraud in 79% in cases run against scenario 1, 90% in cases run against scenario 2, and 86% in cases run against scenario 3. Additionally, we completed a master inventory of agency antifraud projects; performed further data analysis to identify geographic areas showing specific fraud patterns; and created a mathematical model that produces risk scores for disability claims.

FY 2015 planned activities include establishing an internal joint antifraud unit and building a disability scenario supporting the Public Facing Integrity Review project.

We will closely examine potentially fraudulent cases identified and, if appropriate, refer them to our Office of the Inspector General for investigation.

External Factors

The following external factors may affect our efforts to protect the public's data and provide secure online services:

- Unanticipated workload increases; and
- Unknown changes in the threat environment due to new and emerging threats.

Performance Measures – Strategic Objective 2.2

2.2a: Implement a fraud and integrity unit to protect the public's data

Fiscal Year	2014	2015	2016
Performance	Fraud Analysis and Coordination Team unit was established in August 2013 and expanded from 6 to 10 unit employees in early FY 2014		
Target	Establish the *my* Social Security Fraud Analysis and Coordination Team		
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: Completing the targeted milestones.

Data Source: Office of Operations

2.2b: Enhance our security features and business processes to prevent and detect fraud

Fiscal Year	2014	2015	2016
Performance	Using Public Facing Integrity Review data, we were able to create and implement the routing transit number blocking process		
Target	Expand the Public Facing Integrity Review system to more rapidly detect a greater variety of fraudulent Internet transactions	Increase *my* Social Security potential fraud referrals through Public Facing Integrity Review system to the Office of Operations by 10%	Increase *my* Social Security potential fraud referrals through Public Facing Integrity Review system to the Office of Operations by 10%
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: Expand functionality by planning, developing, and implementing new or additional reviews for fraud in existing online applications and new online services, as they are made available to the public.

Data Source: Public Facing Integrity Review system

Strategic Objective 2.3: Increase Payment Accuracy

The American public expects us to be outstanding stewards of general revenues and the Social Security Trust Funds – and as such, we are committed to protecting our programs from waste, fraud, and abuse.

Our most important program integrity tools are continuing disability reviews, which are periodic reevaluations to determine if Social Security Disability Insurance and Supplemental Security Insurance (SSI) beneficiaries are still disabled, and SSI redeterminations, which are periodic reviews of non-medical eligibility factors such as income and resources.

We estimate that continuing disability reviews conducted in 2016 will yield net Federal program savings over the next ten years of roughly $9 on average per $1 budgeted for dedicated program integrity funding, including the Old-Age, Survivors and Disability Insurance (OASDI), SSI, Medicare and Medicaid program effects. Similarly, we estimate that non-medical redeterminations conducted in 2016 will yield a return on investment of about $4 on average of net Federal program savings over ten years per $1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects.

We will continue to perform continuing disability reviews and SSI redeterminations, and despite our rising additional workloads, enhance our program integrity efforts in other areas to improve payment accuracy for our programs. We will:

- Simplify our work incentive policies and procedures;
- Continue to partner with financial institutions to expand on the success of our Access to Financial Institutions initiative to identify financial resources that often go unreported;
- Implement new guidance and expand existing programs to recover more debt;
- Pilot new computer technologies and data searches; and
- Use new computer technologies to analyze agency data in new ways, focusing on the most error-prone aspects of our programs.

Representative payees (people or organizations who receive payments on behalf of beneficiaries who cannot manage their own benefits) play a significant role in many beneficiaries' lives. We are always exploring ways to better identify, screen, and appoint representative payees. We will improve how we monitor representative payees to prevent benefit misuse. We will also coordinate research and initiatives with other federal agencies that serve similar populations.

Strategies

- Collaborate with other federal agencies, such as the Department of Veterans Affairs and Centers for Medicare and Medicaid Services, to find innovative ways to prevent and reduce improper payments;
- Increase efforts to recover overpayments;
- Enhance predictive models and automation tools to help identify error-prone aspects of benefit eligibility;
- Expand use of data analytics to reduce fraud and payment errors; and
- Streamline the Representative Payee program to better identify potential misuse of benefits.

Progress Update

We took the following steps in FY 2014 to increase payment accuracy (see Key Initiatives and Performance Measures for more details):

- Conducted redeterminations of selected beneficiaries to ensure eligibility;
- Developed new functionality to alert us when couples receiving SSI benefits may own resources that have not been reported;
- Improved our Representative Payee selection process to reduce the probability of misused benefits;

- Implemented a new process to identify unreported absences from the United States that would make individuals ineligible for SSI benefits; and
- Implemented a new direct deposit fraud prevention process.

Next Steps

- Continue to promote mobile and telephone wage reporting tools to increase use;
- Improve reporting we receive from banks and other financial institutions;
- Begin implementation of a new process to verify unreported ownership of non-home real property;
- Continue redeterminations to ensure ongoing eligibility for benefits;
- Expand use of predictive modeling and data mining;
- Add additional investigative units to resolve fraud allegations;
- Streamline our death reporting process; and
- Enhance data exchanges with other federal, state, local and foreign government agencies.

Key Initiatives

Promoting Use of the Supplemental Security Income Telephone Wage Reporting System and the Supplemental Security Income Mobile Wage Reporting

Unreported and untimely reported wages continue to be a major source of payment error in the SSI program. To improve timely reporting, we implemented the SSI Telephone Wage Reporting system. SSI telephone wage reporting increases efficiency because it reduces unnecessary visits to the field office, lessens manual keying errors, and allows us to automatically process wage reports.

Beneficiaries, their spouses and parents, and their representative payees can report monthly wages directly into the SSI system via a combination of touch-tone entry and voice-recognition software.

In FY 2013, as part of our online services initiatives, we began piloting the SSI Mobile Wage Reporting program, which allows mobile wage reporting on both Android and Apple smartphones.

Americans who have a cell phone
90%
Americans who have a smart phone
58%
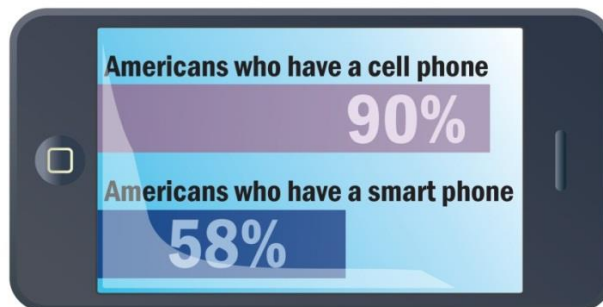
Source: Pew Research Center Internet Project Survey, January 2014.

In FY 2014, we began allowing people to report wages at any time during the month rather than just the first six days of the month and began using GovDelivery as a means for SSI wage reporters to sign up for email or text reminders. GovDelivery is a web-based public sector communications platform that sends notices, emails, and reminders to customers.

During recruitment activities for the SSI Telephone Wage Reporting system and the SSI Mobile Wage Reporting program, we encourage people to sign up for monthly email or text reminders to report monthly wages. We also include this reminder option in our online public information materials. We continue to increase the field office recruiting efforts during claims, redetermination interviews, pre-effectuation reviews, or other wage-related post-eligibility contacts.

In FY 2014, we processed 30 percent more reports using the SSI Telephone Wage Reporting system and SSI Mobile Wage Reporting system than we processed in FY 2013. Much of this increase was due to the nationwide implementation of the SSI Mobile Wage Reporting program.

For FY 2015, we will increase the number of monthly wage reports using our automated wage reporting tools by six percent over the volume we processed at the end of FY 2014.

Conducting Continuing Disability Reviews

To ensure we pay disability benefits to only those who meet our medical requirements, we periodically conduct continuing disability reviews for both Social Security Disability Income and SSI beneficiaries to determine if a beneficiary's medical condition has improved and if they are still eligible for benefits. In many cases, we use statistical modeling to identify a beneficiary's probability of medical improvement allowing us to target specific cases for continuing disability reviews.

Although most continuing disability reviews do not result in a cessation of benefits, our process is cost effective. In FY 2014, we received funding to complete 510,000 continuing disability reviews. In FY 2015, we plan to complete 790,000 continuing disability reviews, and 908,000 in FY 2016.

Conducting Supplemental Security Income Redeterminations

Changes in beneficiaries' living arrangements or the amount of their income and resources can affect both their eligibility for SSI and the amount of their payments. To ensure the accuracy of SSI payments, we conduct redeterminations. In FY 2014, we conducted 2,627,518 redeterminations. In FY 2015, we plan to conduct 2.25 million redeterminations, and 2.62 million redeterminations in FY 2016.

Using Predictive Modeling in Continuing Disability Review Enforcement Operation

The Continuing Disability Review Enforcement Operation identifies Social Security disability beneficiaries whose earnings put them at risk of receiving overpayments.

We developed and piloted a predictive model to identify cases having a high likelihood of receiving overpayments. We prioritize these cases for work-related continuing disability reviews. These reviews determine if the beneficiary is no longer eligible for payments.

Initial findings suggest a 55 percent increase in the proportion of Social Security payments ceased using the predictive modeling scoring. By prioritizing the work-related continuing disability reviews, we identified and avoided potential overpayments more quickly. In FY 2013, within the first six months of processing, we completed approximately 253,000 work-related continuing disability reviews, resulting in 8,195 cessations with overpayments.

In FY 2014, we processed 43 percent of cessations within the first 90 days, up from 30 percent in 2010, prior to using the predictive model.

In FY 2015, we expect to improve our results by 2 percent. Our goal for FY 2016 is to exceed our FY 2015 results by an additional 2 percent. We continue to enhance the predictive model to improve results.

Using Predictive Modeling in the Redetermination Process

We use a statistical scoring model to identify and prioritize redetermination cases having a high likelihood of error. The statistical model uses income, resources, and living arrangement variables to predict likely SSI overpayments.

In FY 2013, the cases we completed resulted in the prevention and recovery of $3.4 billion in total lifetime SSI overpayments. If we had relied on random case selection rather than using a predictive model, projections indicate that

we would have prevented and recovered only $2.1 billion in total lifetime savings for the same period. Results for FY 2014 are expected to be finalized in February 2015.

We continue to improve our predictive statistical modeling and data mining techniques to determine the potential value of such data in our SSI redetermination modeling and selection process. We will use these advanced analytical techniques to focus on ways to enhance our current redetermination selection model and potentially the redetermination process.

Expanding the Access to Financial Institutions Initiative

Excess resources in financial accounts are a leading cause of SSI payment errors. Access to Financial Institutions (AFI) is an electronic process that verifies bank account balances with financial institutions to help determine SSI eligibility. In addition to verifying alleged accounts, the process detects undisclosed accounts by using a geographic search to generate requests to other financial institutions. Along with preventing overpayments, the AFI process will help us eliminate ineligible applicants at the beginning of the application process and reduce the workload in the disability determination services (DDS). We currently use the AFI system in all 50 states, the District of Columbia, and the Commonwealth of the Northern Mariana Islands.

We define full implementation as using AFI on every potential SSI claim and redetermination, conducting bank searches, and fully integrating the process with our systems. In FY 2013, we lowered the AFI liquid resources (e.g., cash or bank accounts) threshold from $750 to $400 and increased the number of bank searches. This program has proven very cost effective and useful in identifying undisclosed accounts.

Expanding Our Cooperative Disability Investigation Program

Our Cooperative Disability Investigation units work collaboratively with the Office of Inspector General, DDS offices, and state and local law enforcement agencies to resolve allegations of fraud in our disability programs. Cooperative Disability Investigation units help prevent payments to people who are not disabled and reduce improper payments to beneficiaries who have failed to report medical improvement or work activity.

The units have proven to be vital tools in identifying fraud and preventing erroneous disability payments. Since their inception in 1998 through FY 2014, Cooperative Disability Investigation units nationwide have contributed $2.9 billion in projected savings to our Social Security disability and SSI programs and $1.9 billion to non-SSA programs, such as Medicare and Medicaid.

In FY 2014, we opened Cooperative Disability Investigation units in Baltimore, Maryland and Detroit, Michigan. In FY 2015, we plan to expand the program by adding another five units and up to five additional Cooperative Disability Investigation units in FY 2016.

Improving the Death Reporting System Process

We are enhancing and streamlining our death reporting system to ensure we comply with policy, reduce improper payments, prevent improper release of personally identifiable information, and improve consistency of data in our records. In FY 2014, we provided a new user interface for death reporting and collecting new, comprehensive management information. Ultimately, our goal is to have one official agency source of death information available to all our systems. We will make additional systems enhancements in FY 2015 and FY 2016 to improve the consistency and accuracy of data in our records and help reduce improper payments.

Implementing Data Exchange and Verification Online

We have a mission-critical need to meet the demands of the verification and data exchange workloads to ensure timely sharing of accurate data with partners such as federal, state, local, and foreign government agencies, as well as court systems, the medical community, and employers. We maintain over 1,500 electronic information exchanges. We provide and receive data essential in making eligibility and entitlement decisions for us and other federal and state agencies.

In FY 2013, we implemented the Data Exchange and Verification Online application to modernize our existing data exchange and verification systems into a new centralized application. The benefits of the new application include:

- Centralized application for processing all Social Security number verification and data exchange requests;
- Efficient processing and data generation for an increased volume of Social Security number verifications and data exchange requests;
- Quick and accurate response to customized requests and legislative mandates;
- Enhanced stability and portability;
- Reduced maintenance activity;
- Enhanced management information capabilities;
- Leveraged new technology that maintains existing customer requirements; and
- Flexible, modern, and reusable software to support our current workloads.

In FY 2014, we completed the following activities for the Data Exchange and Verification Online application:

- Redesigned Release 1 architecture to support web services;
- Implemented Release 2 which enhances our current online verification process; and
- Conducted pre-planning and analysis of business rules to enhance Social Security number verification accuracy.

In FY 2015, planned activities include:

- Supporting the roll out of online verification processing;
- Implementing modernized batch verification software; and
- Developing an online portal for access to Data Exchange and Verification Online.

In FY 2016, planned activities include:

- Implementing new business rules;
- Conducting analysis to determine additional systems enhancements; and
- Planning and analysis for adding data exchanges into Data Exchange and Verification Online.

Implementing Direct Deposit Auto-Enrollment Fraud Prevention

In an effort to prevent redirection of beneficiaries' payments to another account without their knowledge, we created the direct deposit auto-enrollment fraud prevention service. This service allows beneficiaries who have been victims of fraud, or who think they may become victims in the future, to block changes to their payment information. People who block account changes must come into a field office to make direct deposit or address changes.

In August 2014, we began sending notices of change to beneficiaries' old addresses when we process an address change requested through *my* Social Security. The notice tells the beneficiary to contact us if an address change was not requested. We will explore expansion to other service delivery methods in the future.

Implementing New Tools for Debt Collection

Although we strive to pay benefits accurately and on time, the complexity of our programs and dependence on beneficiaries to report changes can lead to overpayments. When overpayments occur, we use different debt collection techniques (i.e. payment withholding, Treasury Offset Program, Credit Bureau Reporting, Cross Program Recovery) to recover these overpayments.

We now have statutory authority to offset eligible state payments due to debtors as a way to collect delinquent debts. In 2009, the Department of the Treasury (Treasury) published regulations authorizing the State Reciprocal Program. The State Reciprocal Program allows states to enter into reciprocal agreements with Treasury to collect unpaid state debt by offset of federal non-tax payments and the Federal Government to collect delinquent federal non-tax debt by offset of state payments.

In FY 2011, we published regulatory changes authorizing us to collect our delinquent debts by offsetting eligible state payments via the Treasury Offset Program. To offset the payment, the issuing state must be in a reciprocal agreement with Treasury. We began notifying our delinquent debtors of our ability to offset eligible state payments to collect their delinquent debt in FY 2013 and continue making those notifications.

Implementing Automatic Earnings Reappraisal Operation Delay Pilot

We tested a new method to identify and delay processing of certain cases pending work-related continuing disability reviews for six months in FY 2013. Since that time, we used our predictive model to score all pending cases, to identify cases with a high risk of incurring large work-related overpayments. We identified the top 10 percent of scored cases and matched them against the October automatic earnings reappraisal increase cases. We identified nearly 11,000 beneficiaries likely to receive an overpayment and for whom we should delay processing the recomputations.

Then, we evaluated the results of using the predictive model to help prioritize work-related continuing disability reviews when a delay in benefit recomputation was warranted. We found that nearly 2,000 of the pilot cases had an average overpayment of $22,000. We concluded that we processed the sampled cases more quickly, preventing an even larger overpayment, and properly prevented the release of an underpayment. This conclusion supports the effectiveness of the sample selection criteria.

In FY 2014, the pilot continued to be successful with nearly 15,000 sampled disability beneficiaries. In FY 2015, the selection will include approximately 12,000 beneficiary records for a recomputation delay. In FY 2016, we will select a new sample based on an enhanced predictive model to prioritize work-related continuing disability reviews.

We expect an average overpayment exceeding $20,000 for approximately 20 percent of the pilot cases. We expect to process the sampled cases more quickly, preventing an even larger overpayment, and properly preventing the release of an underpayment. The expected outcomes include increased efficiency of operations and improved payment accuracy.

External Factors

The following external factors may affect our efforts to increase payment accuracy:

- Our ability to implement new debt collection tools depends on the availability of system and operational resources;
- Timely execution of our information technology initiatives is always dependent on sufficient funding; and
- New legislation and other government mandates can also force a reprioritization of scarce budgetary and personnel resources.

Performance Measures – Strategic Objective 2.3

2.3a: Reduce the percentage of improper payments made under the SSI program (Agency Priority Goal)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	10.0%	9.1%	9.1%	8.1%	9.3%	TBD		
Target						No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayment and underpayments)	No more than 6.2% of all payments made under the SSI program are improper payments (i.e., overpayment and underpayments)	TBD
Target Met						TBD		

Results: Our FY 2014 performance data is not available until April 2015. We will discuss our FY 2014 performance in next year's report.

Data Definition: We determine the SSI payments free of overpayment and underpayment error by an annual review of a statistically valid sample of all payments issued. We base the payment accuracy on a non-medical review of sampled individuals who received SSI payments during the fiscal year. We determine the overpayment accuracy rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. We determine the underpayment accuracy rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

Data Source: SSI Payment Accuracy (i.e., Stewardship) Report

2.3b: Maintain the low percentage of improper payments made under the Old-Age, Survivors, and Disability Insurance Program

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	0.5%	0.6%	0.4%	0.3%	0.3%	TBD		
Target						No more than 0.4% of all payments made under the Old-Age, Survivors and Disability Insurance program are improper payments (i.e., overpayment and underpayments)		
Target Met						TBD		

Results: Our FY 2014 performance data is not available until April 2015. We will discuss our FY 2014 performance in next year's report.

Data Definition: We determine Old-Age, Survivors and Disability Insurance payment free of overpayment and underpayment error by an annual review of a statistically valid sample of the beneficiary rolls. We determine the overpayment accuracy rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year. We determine the underpayment accuracy rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year.

Data Source: Old-Age, Survivors and Disability Insurance Stewardship Report

2.3c: Maintain a high accuracy rate of payments made through the Old-Age, Survivors, and Disability Insurance program to minimize improper payments (NEW)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	99.6% (O/P) 99.9% (U/P)	99.6% (O/P) 99.8% (U/P)	99.7% (O/P) 99.9% (U/P)	99.8% (O/P) 99.9% (U/P)	99.8% (O/P) 99.9% (U/P)	TBD (O/P) TBD (U/P)		
Target	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)		99.8% (O/P) 99.8% (U/P)	99.8% (O/P) 99.8% (U/P)
Target Met	NOT MET MET	NOT MET MET	NOT MET MET	MET MET	MET MET			

Results: Our FY 2014 performance data is not available until April 2015. We will discuss our FY 2014 performance in next year's report.

Data Definition: We determine Old-Age, Survivors and Disability Insurance payment free of overpayment and underpayment error by an annual review of a statistically valid sample of the beneficiary rolls. We determine the overpayment accuracy rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. We determine the underpayment accuracy rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

Data Source: Old-Age, Survivors, and Disability Insurance Stewardship Report

2.3d: Complete the budgeted number of full medical continuing disability reviews (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	316,960	324,567	345,492	443,233	428,568	525,875		
Target				435,000	422,000	510,000	790,000	908,000
Target Met				Met	Met	Met		

Results: We exceeded our FY 2014 target.

Data Definition: The number of full medical continuing disability reviews completed in the fiscal year. This number represents only full medical reviews completed by state DDS offices and other agency components and cases where we initiated a review but could not complete one because the individual failed to cooperate.

Data Source: Continuing Disability Review Tracking Files

2.3e: Complete the budgeted number of Supplemental Security Income (SSI) non-medical redeterminations (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	1,730,575	2,465,878	2,456,830	2,624,170	2,634,183	2,627,518		
Target	1,711,000	2,422,000	2,422,000	2,622,000	2,622,000	2,622,000	2,255,000	2,622,000
Target Met	Met	Met	Met	Met	Met	Met		

Results: We exceeded our FY 2014 target.

Data Definition: The number of non-disability SSI redeterminations completed in the fiscal year. This number includes scheduled (i.e., identified for review through profiling) and unscheduled reviews (i.e., reviewed because of changes that may affect payment), as well as targeted redeterminations (i.e., limited issue reviews).

Data Source: Integrated SSA Unified Measurement System Counts Report

Strategic Goal 3: Serve the Public through a Stronger, More Responsive Disability Program

From fiscal year (FY) 2007 to FY 2014, initial disability claims increased 11 percent, and our hearings workload increased 40 percent.

By the end of FY 2014, our average processing time for hearing requests was 422 days, and the number of hearings pending was almost one million. These increases stem from the record number of initial disability applications we received between FY 2007 through FY 2011, budget constraints, staffing challenges, as well as refocused attention on the quality of our hearings decisions.

Thanks to additional funding in FY 2014, we were able to hire 70 administrative law judges; however, we will still begin FY 2015 with 35 fewer judges than we had at the beginning of FY 2014. We also opened the new National Case Assistance Center in Baltimore.

While our customers expect us to make timely decisions, they also expect us to make the right decisions, appropriately and consistently applying our rules and regulations. We will continue to balance timeliness with an emphasis on quality and consistency in decision-making. We continue to look for ways to strengthen policies, improve processes, and increase the use of automation.

We also strive to provide timely and appropriate services to beneficiaries. We plan to meet the needs of our disability beneficiaries by increasing opportunities for those who want to return to work and by collaborating with other federal agencies to coordinate our disability programs.

Strategic Objective 3.1: Improve the Quality, Consistency, and Timeliness of Our Disability Decisions

We continuously strive to improve the timeliness, quality, and consistency of our disability processing times and decisions. We need to make sure our decisions are accurate and made at the earliest possible point in our process. We also need to ensure our policies are applied consistently across the country.

Strategies

- Expand use of management information to identify training needs and areas for improvement;
- Broaden use of case-analysis tools;
- Expand use of predictive modeling;
- Simplify policies;
- Collaborate with Bureau of Labor Statistics to collect updated occupational information; and
- Formalize our pre-decisional quality review processes to increase national uniformity.

Progress Update

We took the following steps in FY 2014 to improve the quality, consistency, and timeliness of our disability decisions (see Key Initiatives and Performance Measures for more details):

- Expanded use of our online analysis and documentation tools (Electronic Claims Analysis Tool and Electronic Bench Book);
- Implemented random in-line quality reviews of our senior attorney adjudicators;
- Published new rules in an effort to update and revise medical policy; and
- Began work with the Bureau of Labor Statistics (BLS) to develop a new occupational information system to determine skills needed to perform specific jobs.

Next Steps

- Continue work with the BLS to update the occupational information system;
- Enhance our online tools to support additional types of claims and reconsiderations; and
- Add more non-attorney quality reviewers to the inline quality review to address the staffing issue.

Key Initiatives

Enhancing the Electronic Claims Analysis Tool

We continue to enhance our web-based Electronic Claims Analysis Tool (eCAT), which guides adjudicators through the five-step sequential process for determining disability. The tool produces a detailed, policy-compliant explanation of the determination made on the case and stores the supporting documentation. A subsequent reviewer can then review the explanation to understand the decision maker's analysis and conclusions throughout the adjudication processes.

All DDS sites use the tool for initial and reconsideration level disability claims. In FY 2014, we enhanced eCAT to include functionality for processing electronic concurrent adult initial level continuing disability reviews. In FY 2015, we plan to add functionality to process childhood continuing disability reviews. In FY 2016, we will continue to add functionality for processing other types of continuing disability reviews, as well as refine eCAT in response to policy changes and input from its users.

Expanding Use of Electronic Bench Book

Electronic Bench Book is a policy compliant web-based application designed to help adjudicators analyze and document decisions on disability appeals. The Electronic Bench Book guides users through every step of the sequential evaluation process. We expect the systematic process will reduce errors, improve consistency, and reduce remands from the Appeals Council.

Enhancements to the Electronic Bench Book continued throughout FY 2014 and will continue into FY 2015. At the end of FY 2014, hearing operations staff was accessing the Electronic Bench Book 5,000 times each week to process casework or examine case data.

In FY 2015, we expect to have a fully functioning decision-writing component for the most frequently used types of decisions. We are improving the case information page and adding print functionality so the Electronic Bench Book can replace the legacy system case fact sheet. We continue to review and add decision types to the list of claims users can complete through the Electronic Bench Book.

In FY 2016, we will:

- Add additional claim types that can be processed using the Electronic Bench Book, including partially favorable decisions due to amended onset date and new options for child Supplemental Security Income (SSI), age 18 redetermination, and Social Security childhood disability beneficiary cases; and
- Enhance our testimony guides (which contain required and suggested questions to ask witnesses during disability hearings) and add additional decision types, such as partially favorable and other types of dismissals, as they are released.

Developing an Occupational Information System

Currently, we rely on occupational information found in the Department of Labor's Dictionary of Occupational Titles to determine whether adult disability applicants can do their past work or any other work. Because the Department of Labor no longer updates its Dictionary of Occupational Titles, we have been working with the Bureau of Labor Statistics to develop a new occupational information system.

We expect our new web-based system will be easier to use and will increase the quality of disability decisions by providing current information about specific job requirements. Unlike the old system, which was designed as a job placement tool, the new system will be tailored to help us determine disability.

The new system will contain information about the mental and cognitive requirements of occupations, enabling more standardized decisions for claimants with mental impairments. The Dictionary of Occupational Titles does not include information about mental and cognitive work demands. The current mental and cognitive work demand information was developed in 2013 by our policy experts with input from the Bureau of Labor Statistics.

In FY 2015, we will continue working in partnership with the Bureau of Labor Statistics, which will conduct the following activities:

- Conduct a large pre-production test;
- Continue to test the primary mental and cognitive demands of occupations identified by our policy experts; and
- Determine a sampling plan and update schedule for production data collection based on our needs and budget.

In FY 2015, we will continue working with the Department of Labor's Employment and Training Administration to identify and incorporate some elements from the Occupational Information Network (O*NET) into our occupational information system. O*NET is a is a publicly available, web-based job placement tool designed by the Department of Labor's Employment and Training Administration to replace the Dictionary of Occupational Titles. We are reviewing O*NET to:

- Help inform our process of developing an information technology platform to support our occupational information system; and
- Explore the feasibility of using some of the existing occupational information in O*NET in combination with the new data gathered by the Bureau of Labor Statistics to support our new occupational information system.

Depending on the results of the FY 2015 testing, we will begin gathering production data in FY 2016. Our budget will influence the sample size and the frequency of the occupational data updates.

We will review the early production data to test its usability in disability adjudication and to determine what policy revisions will be necessary.

In FY 2016, we plan to complete and test the new Occupational Information System in preparation for a limited implementation in FY 2017.

Updating the Medical Listing of Impairments

The medical Listing of Impairments (Listings) is one of the most effective tools used to make disability decisions. The Listings allow us to find a claimant disabled when his or her impairment meets specified medical criteria, without the need to consider age, education, or work experience. The Listings improve the consistency and accuracy of our decisions throughout all levels of the disability process.

In FY 2014, we published four rules for public comment, one final rule, and three Social Security Rulings in an effort to update and revise medical policy. In FY 2015, we plan to develop and submit eight final rules, two Social Security Rulings, and targeted updates for the medical listings for publication in the Federal Register.

Conducting Inline Quality Reviews

The inline quality review 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.

We initially conducted inline quality reviews of cases ready to schedule and draft fully favorable decisions prepared by our senior attorney adjudicators. We began the review in 2010, and in November 2013, we expanded the reviews to include cases drafted by decision writers. Prior to this expansion, there was no review of those decisions.

In FY 2014, we conducted random inline quality reviews on 13,258 hearing cases. We will continue to review support staff work for quality and policy compliance.

Reducing the Backlog at the Appeals Council

As we decide more cases at the hearing level, the Appeals Council receives more requests for review of hearing decisions. Historically, we received approximately 100,000 requests for review annually. However, from FY 2011 until FY 2013, requests for reviews grew to 175,000 annually. While we saw a reduction in requests to 155,000 in FY 2014, we finished the fiscal year with more than 150,000 cases waiting to be reviewed. We are actively recruiting new staff in the Office of Appellate Operations to address the ongoing backlog.

We are now focusing on decreasing the percentage of pending Appeals Council requests for review over 365 days old. In FY 2014, we completed about 162,000 Appeals Council requests for review. We will continue to adjust Appeals Council staff levels to reduce the Appeals Council backlog and meet any changes in capacity at the DDS and the hearings levels.

External Factors

The following external factor may affect our efforts to improve the quality, consistency, and timeliness of our disability decisions:

- Continued high levels of disability applications and appeals could negatively influence our ability to reduce the Appeals Council backlog.

Performance Measures – Strategic Objective 3.1

3.1a: Expedite cases for the most severely disabled individuals by achieving the target percentage of initial disability cases identified as Quick Disability Determinations or Compassionate Allowances

Fiscal Year	2010	2011	2012	2013	2014	2015	2016
Performance	4.6%	4.8%	5.8%	6.6%	6.6%		
Target					6.5%		
Target Met					Met		

Results: We exceeded our FY 2014 target.

Data Definition: We derive the percentage by dividing the total number of initial disability cases identified as Quick Disability Determinations, Compassionate Allowances, or both by the total number of electronic initial disability cases filed in the fiscal year.

Data Source: Management Information Disability Intranet site (http://emis.ba.ssa.gov/emis/menus/management_information_menu.cfm

3.1b: Ensure the quality of our decisions by achieving the DDS decisional accuracy rate for initial disability decisions

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	97%	98%	98%	98%	98%	98%		
Target	97%	97%	97%	97%	97%	97%	97%	97%
Target Met	Met	Met	Met	Met	Met	Met		

Results: We met our FY 2014 target.

Data Definition: Net accuracy is the percentage of correct initial state disability determinations and is based on the net error rate (i.e., the number of corrected deficient cases with changed disability decisions), plus the number of deficient cases not corrected within 90 days from the end of the period covered by the report, divided by the number of cases reviewed.

Data Source: Disability Quality Assurance Databases

3.1c: Ensure the quality and consistency of our hearing decisions by randomly reviewing a percentage of cases using an inline review process

Fiscal Year	2014	2015	2016
Performance	2.4%		
Target	Randomly review 0.1% of our hearing decisions		
Target Met	Met		

Results: We exceeded our FY 2014 target.

Data Definition: The percentage of hearing decisions randomly reviewed. The percentage was derived by dividing the total number of hearing decisions reviewed during the fiscal year by the total number of hearing decisions made during the fiscal year.

Data Source: Case Processing Management System

3.1d: Increase our ability to provide timely decisions by focusing on our oldest cases first

Fiscal Year	2014	2015	2016
Performance	98%		
Target	Make decisions on 99.5% of cases that start the year 310 days or older		
Target Met	Not Met		

Results: We did not meet our FY 2014 target. We made decisions on 98 percent of cases which started the year 310 days or older.

Data Definition: The oldest hearing requests are those cases that are 310 days old or more as of the start of the fiscal year. We derive the percentage by dividing the total number of those targeted cases disposed during the fiscal year by the total number of those targeted cases identified during the fiscal year.

Data Source: Case Processing Management System

3.1e: Increase our ability to provide timely decisions by reducing the percentage of pending Appeals Council requests for review 365 days or older

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance				12%	8.9%	16%		
Target				20% or less of cases pending 365 days or older	19% or less of cases pending 365 days or older	21% or less of cases pending 365 days or older	80% of cases pending less than 365 days	81% of cases pending less than 365 days
Target Met				Met	Met	Met		

Results: We met our FY 2014 target of reducing the percentage of Appeals Council cases pending 365 days or over.

Data Definition: The percentage of Appeals Council cases that are pending less than 365 days at the end of the fiscal year. The percentage is derived by dividing the total number of Appeals Council cases pending 365 days or more by the total number of Appeals Council cases pending.

Data source: Appeals Review Processing System

3.1f: Complete the budgeted number of initial disability claims (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	2,812,918	3,161,314	3,390,936	3,206,869	2,987,883	2,861,895		
Target	2,637,000	3,081,000	3,273,000	3,173,000	2,962,000	2,947,000	2,767,000	2,773,000
Target Met	Met	Met	Met	Met	Met	Not Met		

Results: We did not meet our FY 2014 target.

Data Definition: The number of Social Security and SSI initial disability claims that state DDS offices and other agency components complete in the current fiscal year up to the budgeted number.

Data Source: National DDS System and Disability Operational Data Store

3.1g: Complete the budgeted number of disability reconsideration claims (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	598,098	735,067	828,010	808,521	803,194	757,198		
Target				787,000	787,000	778,000	739,000	719,000
Target Met				Met	Met	Not Met		

Results: We did not meet our FY 2014 target.

Data Definition: The number of Social Security and SSI disability claims completed at the reconsideration level in the state DDS offices and other agency components in the current fiscal year up to the budgeted number.

Data Source: National DDS System and Disability Operational Data Store

3.1h: Complete the budgeted number of hearing requests (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	660,842	737,616	795,424	820,484	793,580	680,963		
Target	647,000	725,000	815,000	875,000	793,000	735,000	727,000	829,000
Target Met	Met	Met	Not Met	Not Met	Met	Not Met		

Results: We did not meet our FY 2014 target.

Data Definition: The number of hearing requests completed in the current fiscal year.

Data Source: Case Processing Management System

3.1i: Achieve the target number of initial disability claims pending (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	779,854	842,192	759,023	707,700	698,127	632,656		
Target		1,041,000	845,000	861,000	804,000	642,000	621,000	628,000
Target Met		Met	Met	Met	Met	Met		

Results: We met our FY 2014 target.

Data Definition: The number of Social Security and SSI initial disability claims pending in state DDS offices and other agency components at the end of the fiscal year.

Data Source: National DDS System and Disability Operational Data Store

3.1j: Achieve the target number of disability reconsiderations pending (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	161,264	157,977	164,049	197,788	173,472	170,255		
Target				184,000	220,000	174,000	143,000	144,000
Target Met				Not Met	Met	Met		

Results: We met our FY 2014 target.

Data Definition: The number of Social Security and SSI disability claims pending at the reconsideration level in state DDS offices and other agency components at the end of the fiscal year.

Data Source: National DDS System and Disability Operational Data Store

3.1k: Average processing time for initial disability claims (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	101 days	111 days	109 days	102 days	107 days	110 days		
Target	129 days	132 days	118 days	111 days	109 days	109 days	109 days	107 days
Target Met	Met	Met	Met	Met	Met	Not Met		

Results: We did not meet our FY 2014 target. We missed our target by one day.

Data Definition: The number of Social Security and SSI initial disability claims that state DDS offices and other agency components complete in the current fiscal year up to the budgeted number.

Data Source: National DDS System and Disability Operational Data Store

3.1l: Average processing time for reconsiderations (Budgeted Workload Measure)[3]

Fiscal Year	2014	2015	2016
Performance	108 days		
Target			
Target Met			

Data Definition: We count the average number of days it takes to process a reconsideration disability claim from the date a reconsideration claim is filed in a field office to the time the state DDS office makes a determination.

Data Source: Social Security Unified Management System Appeals/Management Information Central

3.1m: Average processing time for hearing decisions (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	491 days	426 days	360 days	353 days	396 days (September only)	422 days		
Target	516 days	485 days	373 days	321 days	389 days (September only)	415 days	470 days	490 days
Target Met	Met	Met	Met	Not Met	Not Met	Not Met		

Results: We did not meet our FY 2014 target. We missed our target by seven days.

Data Definition: The average processing time is the cumulative processing time for all hearing requests processed divided by the total number of hearing requests processed in the fiscal year.

Data Source: Case Processing Management System

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[3] The average processing time for disability reconsiderations was under development in FY 2013. We began tracking actual data in September 2013. The overall average processing time for disability reconsiderations in FY 2014 is 108 days. We will develop a performance target for this measure in FY 2016 after we have had the ability to analyze at least two years of actual data.

3.1n: Achieve the budgeted goal for disability determination service case production per workyear (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	274	273	287	324	322	311		
Target	265	268	275	322	320	319	313	317
Target Met	Met	Met	Met	Met	Met	Not Met		

Results: We did not meet our FY 2014 target.

Data Definition: The average number of all state DDS cases produced per workyear expended. A workyear represents both direct and indirect time, including overhead (time spent on training, travel, leave, holidays, etc.). It includes the time of staff on the DDS payroll, including doctors under contract to the DDS. The DDS case production per workyear is a national target.

Data Source: National DDS System and Disability Operational Data Store

3.1o: Achieve the budgeted goal for hearing case production per workyear (Budgeted Workload Measure)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	105	105	109	111	109	102		
Target	107	108	107	114	111	106	104	106
Target Met	Not Met	Not Met	Met	Not Met	Not Met	Not Met		

Results: We did not meet our FY 2014 target.

Data Definition: The average number of hearings completed per direct workyear used. A direct workyear represents actual time spent processing cases. It does not include time spent on training, ALJ travel, leave, holidays, etc.

Data Source: Office of Disability Adjudication and Review's Monthly Activity Report, Case Processing and Management System, Payroll Analysis Recap Report, Travel Formula, and Training Reports (Regional reports on new staff training, ongoing training, and special training).

Strategic Objective 3.2: Maximize Efficiencies throughout the Disability Program

We remain committed to meeting the public's needs by using technology and tools that are cost effective for the taxpayer and convenient for our customers. We have a history of finding smarter, more cost-effective ways of doing business. With workloads still at high levels, we continue to explore new technologies and the modern business environment to help cut costs, operate more efficiently, and provide the service that our customers expect and deserve.

Strategies

- Enhance our ability to share workloads among our offices to maximize resources;
- Increase process automation; and
- Expand the use of health information technology (IT).

Progress Update

We took the following steps in FY 2014 to maximize efficiencies throughout the disability program (see Key Initiatives and Performance Measures for more details):

- Launched beta sites to test our consolidated Disability Case Processing System;
- Implemented data analytics and predictive modeling to identify disability applicants with severe medical conditions; and
- Expanded our heath IT partnerships and completed the national rollout of our Kaiser Permanente partnership.

Next Steps

- Continue beta testing and adding functionality to our Disability Case Processing System initiative, due for full nationwide release in FY 2018;
- Continue our participation in national and federal health IT policy and standards workgroups; and
- Expand the use of electronic health records for disability claims processing.

Key Initiatives

Developing the Disability Case Processing System

We are undertaking an effort to enhance the technology infrastructure that supports disability case processing nationwide, to improve our effectiveness and efficiency in rendering timely and accurate disability decisions. Moving to a new common Disability Case Processing System brings the opportunity to modernize the technology that underpins it and provide improved performance and availability while better supporting system changes. The Disability Case Processing System (DCPS) will replace 54 independently operated, outdated systems across the Disability Determinations Services (DDS), the state agencies that make disability determinations for the Social Security Administration.

Development of this system has been more complex and challenging than initially anticipated. Recognizing the importance of the program, we proactively sought and commissioned an independent analysis of the DCPS program in March 2014. The purpose of that analysis was to bring in an independent entity to perform an objective assessment of the DCPS program. The independent management consultant concluded DCPS does represent a significant opportunity for us and State DDS offices to improve case processing quality, enhance customer service, and reduce administrative costs. We are committed to implementing the assessment recommendations, and we are confident we will deliver the Disability Case Processing System successfully.

Through FY 2015, we will continue investigating whether the growing/improving market for off-the-shelf software could

improve the current development approach, update our cost benefit analysis with operational benefits, and adding functionality that provides the most value for beta sites.

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 15 million medical records from about 500,000 providers for approximately 3 million initial disability claims annually. Our primary goal is to increase the volume of medical evidence received via health IT by expanding existing partnerships and adding new partners.

We have 28 active health IT partners, giving us access to the medical records of 3,143 medical providers in 29 states and the District of Columbia. In FY 2014, 2.98 percent of initial claims included health IT medical evidence, exceeding our performance goal by 0.48 percent. Cases with health IT sources processed 6 percent (5 days) faster than other cases, while cases with only health IT sources processed 47 percent (42 days) faster than all other cases (data based on cases initiated in FY 2014).

In FY 2015, our performance goal is to receive records via health IT for six percent of initial disability claims and eight percent in FY 2016.

External Factors

The following external factors may affect our efforts to maximize efficiencies throughout the disability program:

- We are dependent on the medical community's capability to respond to our requests for claimants' records. Not all providers have the same electronic capabilities, so we must continue to provide a full range of response options, including traditional methods of obtaining medical records;
- The industry does not have an electronic health record standard that provides the specific health information we need for disability determinations; and
- The demand for people with specialized health IT skillsets is increasing, making it more difficult for us to retain the employees we need to support our health IT efforts.

Performance Measure – Strategic Objective 3.2

3.2a: Improve the disability determination process by increasing the percentage of initial disability claims with health IT medical evidence

Fiscal Year	2014	2015	2016
Performance	3% (84,779 initial claims)		
Target	2.5% of initial disability claims processed with health IT medical evidence (75,000 initial claims)	6% of processed initial disability claims with health IT medical evidence (164,820 initial claims)	8% of processed initial disability claims with health IT medical evidence (220,100 initial claims)
Target Met	Met		

Results: We exceeded our FY 2014 target.

Data Definition: Percent of initial disability claims processed with health IT medical evidence

Data Source: Health IT Management Information Database for number of initial level health IT cases, Performance Management Reports for number of initial level disability cases

Strategic Objective 3.3: Enhance Employment Support Programs and Create New Opportunities for Returning Beneficiaries to Work

To increase the numbers of beneficiaries returning to work, we must create clear, consistent employment incentives. The complexity of our rules and the fear of incurring an overpayment (because of earnings) discourage beneficiaries' attempts to work. We continue to:

- Look for ways to simplify work incentives and minimize improper payments due to earnings;
- Strengthen our employment support programs, including the Ticket to Work program; and
- Provide help for beneficiaries who want to work through the Work Incentive Planning and Assistance program.

To encourage beneficiaries' work efforts and prevent potential work-related overpayments, we updated our Supplemental Security Income (SSI) work incentive notices in 2013 to provide more information on our work incentive policies and clearly explain beneficiaries' reporting responsibilities. We encourage young people who receive SSI benefits to work and reduce their dependency on disability benefits. Recent agency-funded research has found that policy changes and improved services to young adults who receive SSI can sharply improve employment outcomes.

We focus our employment support efforts on ensuring that people who use those supports not only work, but also work at their maximum capacity, reaching self-sufficient earnings whenever possible.

We are working with other federal agencies to develop early intervention demonstration proposals that would provide resources and support to workers with disabilities to help them stay in the labor force as long as possible.

Strategies

- Partner with the Departments of Education, Labor, and Health and Human Services to implement Promoting Readiness of Minors on SSI;
- Simplify work incentive policies and improve programs such as Ticket to Work and Vocational Rehabilitation Cost Reimbursement program; and
- Develop return-to-work demonstration proposals.

Progress Update

We took the following steps in FY 2014 to enhance employment support programs and create new opportunities for returning beneficiaries to work (see Key Initiatives and Performance Measures for more details):

- Developed a strategy using the existing Ticket to Work infrastructure to support the new Department of Labor federal contracting guidelines for hiring individuals with disabilities; and
- Simplified work incentive regulations.

Next Steps

- Target challenges and risks related to regulatory changes;
- Create new opportunities for returning beneficiaries to work; and
- Begin targeted Ticket mailings to beneficiaries.

Key Initiatives

Improving Employment Support Programs

Many disabled beneficiaries want to work and, with adequate support, some beneficiaries attain self-sufficiency. The Ticket to Work program and the Vocational Rehabilitation Cost Reimbursement program help beneficiaries transition to employment.

Employment networks coordinate and deliver employment services under the Ticket to Work program. In addition to helping beneficiaries find jobs, the employment network staff also helps beneficiaries stay employed, advance in their jobs, and remain off the disability rolls.

We monitor the business practices of employment networks to ensure they provide quality services. We continue to develop clear performance goals to ensure employment networks support beneficiaries in gaining and sustaining longterm employment, economic security, and financial independence. We conduct an annual customer satisfaction survey of beneficiaries who are working with employment networks and provide the results on a website maintained by our Ticket marketing contractor. Beneficiaries can use the survey results and other information on the website to evaluate and select an employment network that best meets their needs, interests, and employment goals.

We are expanding our Internet Ticket Operation Support System (iTOPS) to centralize the systems support for various applications in our return to work programs. Our partners can use iTOPS to assign Tickets, request payment, report on beneficiaries' progress, receive marketing files, and access reports about their programs. Many of actions in iTOPS are real time, enabling both our partners and our beneficiaries to have access to the most current information available.

We are improving our beneficiary outreach and education efforts by expanding our Ticket to Work call center, Internet information, and social media tools (e.g., YouTube, Facebook, and Twitter). All our work incentive seminar events are now available via webinars.

Most working-age individuals become eligible to participate in the Ticket to Work program when they begin receiving Social Security Disability Insurance or SSI benefits. Up until June 2011, we sent paper Tickets to eligible participants, and we plan to resume these mailings in April 2015.

While there were 84,027 new Tickets assigned during FY 2014 (a 26 percent increase in new Ticket assignments over the prior year), the net number of Tickets assigned or in use dipped from 321,218 at the end of FY 2013 to 316,363 at the end of FY 2014. However, the number of beneficiaries using Tickets who were removed from the disability rolls because they successfully returned to work increased from 8,682 to 10,529.

In FY 2014, we reported how many participating beneficiaries earned at least at the trial work level ($770 per month in FY 2014) within a year of starting the program. In FY 2015 and beyond, we will report the number of disability beneficiaries who use their Tickets and earn above trial work level, regardless of how quickly they did so. Our reporting will provide data on beneficiaries each year (not cumulative) and will tell us how many program participants have earnings at least at the trial work level or higher in the reporting year.

We joined with many other federal agencies to plan for and implement a new rule published by the Department of Labor in FY 2014. The regulation encourages businesses awarded federal contracts to hire people with disabilities. As part of that effort, we began using our outreach tools to link beneficiaries participating in our employment support programs with federal contractors seeking to hire people with disabilities.

In FY 2015, our marketing contractor will host virtual job fairs that will connect beneficiaries who are participating in the Ticket to Work program with federal contractors seeking to hire people with disabilities. We will also be working with other federal agencies as we focus on keeping more people with disabilities in the workforce and off disability benefits entirely. In FY 2016, we will continue to improve our outreach and job matching activities, focusing on bringing more beneficiaries and potential beneficiaries into the federal contractor workforce.

Improving Employment Support Outreach to Targeted Working-Age Beneficiaries

Historically, we educated beneficiaries about our work incentive programs by mailing them brochures when they began receiving benefits.

In January 2012, we began making automated telephone calls to beneficiaries we determine most likely to return to work. The calls inform individuals of their eligibility for the ongoing employment services and support available through the Ticket to Work program.

External Factors

The following external factor may affect our efforts to enhance employment support programs and create new opportunities for returning beneficiaries to work:

- Economic recovery is an ongoing factor in our performance and that of our service provider partners as they assist beneficiaries to return to work and become financially independent.

Performance Measures – Strategic Objective 3.3

3.3a: Achieve the target number of beneficiaries participating in the Ticket to Work program who begin earning above a certain level

Fiscal Year	2014	2015	2016
Performance	TBD		
Target	1300 beneficiaries		
Target Met	TBD		

Results: Our FY 2014 performance data is not available until April 2015. We will discuss our FY 2014 performance in next year's report.

Data Definition: The number of Social Security Disability Insurance, Supplemental Security Income and concurrent beneficiaries who have achieved trial-work-level earnings for the first time within 12 months after assigning their Ticket to an employment network or to a state vocational rehabilitation agency operating as an employment network. Beneficiaries achieving trial-work-level earnings prior to Ticket assignment will not be counted in this measure, nor will beneficiaries who place their Ticket in use with vocational rehabilitation. Ticket assignments that occur in the previous fiscal year may be counted if trial-work-level earnings are first achieved within the reporting period.

Data Source: Office of Child Support Enforcement earnings database and the Disability Control File

3.3b: Increase the number of beneficiaries returning to work by achieving the target number of Social Security Disability Insurance and Supplemental Security Income disability beneficiaries with Tickets assigned and in use, who work above a certain level (NEW)

Fiscal Year	2014	2015	2016
Performance			
Target		50,000 beneficiaries	55,000 beneficiaries
Target Met			

Data Definition: The total number of Social Security Disability Insurance, Supplemental Security Income, and concurrent beneficiaries who used their Ticket to sign up with an employment network or state vocational rehabilitation agency and who have recorded quarterly earnings in the Office of Child Support Enforcement database that are at or above three times the trial-work-level.

Data Source: Office of Child Support Enforcement earnings database

Strategic Goal 4: Build a Model Workforce to Deliver Quality Service

Our employees are our most valuable asset. Their commitment, along with our partners in disability determination services (DDS) sites, allows us to provide dedicated and compassionate services to the public. We will fully support and engage our workforce to create the necessary foundation for achieving the goals laid out in our strategic plan.

It is critical that we maintain a quality workforce using practices that support excellent service. Even with our economic challenges, our employees are our most vital and valued asset. Their training, developmental opportunities, and institutional knowledge-sharing are a high priority, and we continue to invest in these areas. We are also increasing our attractiveness as an employer of choice by expanding flexible workplace options, such as telework.

Strategic Objective 4.1: Attract and Acquire a Talented and Diverse Workforce that Reflects the Public We Serve

We have one of the most diverse workforces among agencies our size. We take great pride in knowing our employees reflect the diversity of the people we serve.

To remain an employer of choice for top talent, we are improving our hiring processes by using modernized recruitment strategies, such as social networking tools and virtual job fairs. We will retain this talent by updating our human resources programs, and equipping employees with the essential tools and support needed to complete their work and communicate with people of all ages, education levels, and cultural backgrounds.

Strategies

- Compete for top talent through modernized recruitment strategies;
- Use hiring flexibilities and programs to expand qualified applicant pools;
- Market and expand use of hiring authorities for veterans and individuals with disabilities; and
- Bridge knowledge gaps with core competencies for mission-critical positions.

Progress Update

We took the following steps in FY 2014 to attract and acquire a talented and diverse workforce (see Key Initiatives and Performance Measures for more details):

- Promoted diversity through the Veterans Employment Initiative and Employees with Disabilities Initiative;
- Promoted employee collaboration through web-based platforms; and
- Enhanced employees' understanding of potential career paths.

Next Steps

- Continue to monitor our diversity statistics at the national, regional, and component; and
- Expand recruiting into federal Pathways programs.

Key Initiatives

Focusing on the Employment of Veterans and Individuals with Disabilities

We honor the courage and sacrifice the men and women in our armed forces made during their active service. One of the best ways to express our appreciation is by creating civilian employment opportunities, enabling veterans to use the skills they acquired while serving this country.

We also recognize the rich talent pool that exists among individuals with disabilities, and we benefit from their experience as we develop strategies to improve our service to the American people.

Each fiscal year (FY), we establish goals for recruiting veterans and individuals with disabilities. Despite recent hiring limitations and budget constraints, we achieved or exceeded our commitments to hiring veterans and disabled workers. In FY 2014, veterans represented 41.28 percent and disabled veterans represented 19.68 percent of our total hiring. In FY 2015 and FY 2016, we will continue to work to meet or exceed our hiring goals of 25 percent for veterans and 17.50 percent for disabled veterans.

In addition, we employ individuals with targeted disabilities at nearly twice the rate of the Federal Government as a whole. In FY 2013, employees with targeted disabilities represented 1.98 percent of our total workforce and represented 1.9 percent of our total hiring. In FY 2014, employees with targeted disabilities represented 2 percent of our total workforce.

To assist with hiring individuals with disabilities, in FY 2014 we developed resources to guide recruiters, hiring officials, and managers throughout the hiring process. We collaborated with federal, state, and local veteran support networks to communicate employment and internship opportunities. Our collaborations include the Non-Paid Work Experience program, offered by the Department of Veterans Affairs (VA) for disabled veterans, and Operation War Fighter Internship program, offered by the Department of Defense for injured service men and women who are still on active duty, but awaiting medical discharge.

By working with groups such as the VA, the Wounded Warrior program, vocational rehabilitation agencies, college and university disability services offices, armed forces job fairs, disability advocacy organizations and other employment networks for qualified applicants, we hope to create an awareness of employment opportunities.

Highlighting the Pathways Programs (for Students and Recent Graduates to Federal Careers)

Students and recent graduates infuse our workplaces with new enthusiasm, talents, and perspectives. 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 educations;
- **The Recent Graduates program** provides developmental experiences to individuals who, within the previous two years, graduated from qualifying educational instructions; 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 2014, we hired 17 percent of new employees through the Pathways programs. In FY 2015 and FY 2016, we plan to expand our recruiting efforts in these programs.

External Factors

The following external factors may affect our efforts to attract and acquire a talented and diverse workforce that reflects the public we serve:

- Budget constraints may affect our ability to continue some of our current human capital initiatives, such as meeting our hiring goals for veterans and disabled veterans; and
- Hiring freezes, pay freezes, and budget restrictions, coupled with increasing workloads, may create a decrease in employee satisfaction, which may affect retention.

Performance Measures – Strategic Objective 4.1

4.1a: Maintain the target veteran and disabled veteran new hire percentage to improve their representation in our workforce

Veterans Hiring

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	15.07%	17.33%	26.72%	36.78%	46.60%	41.28%		
Target				26.72%	18.00%	25.00%	25.00%	25.00%
Target Met				Met	Met	Met		

Disabled Veterans Hiring

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	7.50%	8.72%	13.59%	15.49%	18.10%	19.68%		
Target				14.59%	15.00%	16.49%	17.50%	17.50%
Target Met				Met	Met	Met		

Results: We exceeded our FY 2014 target s for veterans hiring and disabled veterans hiring. Our percentage of FY 2014 disabled veteran hires increased 1.58 percent over FY 2013 results.

Data Definition:

Veteran Hiring: For a given fiscal year, the percentage of overall permanent hires who are veterans (e.g., an employee who has been discharged or released from active duty in the armed forces under honorable conditions, has a 5-point or 10-point Veterans' Preference, has creditable military service, has an annuitant indicator, or has an appointment under either the Veterans Recruitment Appointment, the Veterans Employment Opportunities Act of 1998, or the 30 percent or more disabled veteran hiring authorities).

Disabled Veteran Hiring: For a given fiscal year, the percentage of overall permanent hires who are disabled veterans (e.g., an employee who has been discharged or released from active duty in the armed forces under honorable conditions and has a 10-point preference due to a service-connected disability). This category is a subset of the overall veterans hiring statistic.

Data includes full-time permanent and part-time permanent employees only.

Data Source: Federal Personnel and Payroll System Datamart

4.1b: Achieve the target onboard representation of employees with targeted disabilities

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	2.02%	1.99%	1.99%	1.99%	1.99%	2%		
Target				2%	2%	2%	2%	2%
Target Met				Not Met	Not Met	Met		

Results: We met our FY 2014 target for employees with targeted disabilities.

Data Definition: The percentage of the on-duty workforce, as of the end of the fiscal year (September 30), who self-identified as an individual with a targeted disability (e.g., an employee who has self-identified with one or more of the following physical or mental impairments: deafness, blindness, missing extremities, partial paralysis, complete paralysis, epilepsy, severe intellectual disability, psychiatric disability, or dwarfism).

Data includes full-time permanent and part-time permanent employees only.

Data Source: FY 2014: Human Resources Operational Data Store; FY 2015 and FY 2016: Federal Personnel and Payroll System Datamart

Strategic Objective 4.2: Strengthen the Competency, Agility, and Performance of Our Workforce to Align with the Needs of the Public

No matter how much automation we use to help us work more efficiently, we must equip our workforce with the information and tools to perform every task well. Although finding ways to get our employees the training they need while responding to customer needs quickly and expertly is challenging, we are committed to providing them with all the developmental, leadership, knowledge sharing, and systems training opportunities available to enhance their performance.

Strategies

- Ensure effective use of the agency's performance management systems to manage employee performance;
- Expand supervisor proficiencies;
- Prepare employees for future leadership opportunities;
- Develop methods to share subject matter expertise;
- Reduce skills gaps in mission-critical positions; and
- Provide employees with continued access to training and developmental experiences.

Progress Update

We took the following steps in FY 2014 to strengthen the competency, agility and performance of our workforce (see Key Initiatives and Performance Measures for more details):

- Launched our Leadership Essentials for New Supervisors (LENS) Training Initiative;
- Promoted employee development through the Leadership Development Program and Advanced Leadership Development Program; and
- Finalized our Human Capital Operation Plan (HCOP).

Next Steps

- To reduce skill gaps in mission-critical occupations, we are working closely with Office of Personnel Management (OPM) to develop a framework for competency/skills development and assessment;
- Pilot an internal skill-sharing program, Skills Connect, which is part of the Gov Project skill sharing project; and
- Pilot a formal national mentoring program.

Key Initiatives

Creating Management Training

We have established several programs to sustain a competent and effective group of leaders. Our competency-based Leadership Essentials for New Supervisors training integrates technical skills with leadership competencies and emphasizes performance management. We started this program in April 2014, and approximately 40 percent of our new supervisors participated during FY 2014.

We plan to build and maintain a cadre of leaders who have skills that are transferrable throughout our organization, thereby increasing the flexibility and responsiveness of our leadership. In FY 2015, we plan to expand our Leadership Essentials for New Supervisors training.

Reducing Skills Gaps

Identifying and reducing skill gaps at all levels of the organization, while promoting ways for employees to develop flexible career paths are important for our agency. Currently, we are creating competency models for critical positions and leaders based on a contemporary service delivery model, establishing competency-based hiring and promotion procedures, and developing competency-driven management tools. We are also developing a continuous learning program for experienced supervisors and managers, supporting agency-wide initiatives aimed at infusing data-based decision-making, and providing opportunities for cross-functional skill development.

Our efforts also align with the Cross-Agency Priority Goals to close skills gaps as reflected on performance.gov (www.performance.gov/clear_goals).

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 and the Advanced Leadership Development Program.

These programs target employees with demonstrated leadership potential and strengthen their leadership skills through developmental assignments and formal training. The Leadership Development Program prepares employees for General Series (GS)-11 through GS-13 leadership positions, and the Advanced Leadership Development Program prepares employees for GS-14 and GS-15 leadership positions.

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

Ultimately, these programs provide us with a cadre of leaders who are prepared, equipped, and ready to lead the agency.

In addition to our formal leadership programs, many of our employees gain leadership skills through progressively higher positions requiring greater levels of responsibility, accountability, and employee interactions.

Using GovProject to Share Talent Across Our Agency

The Office of Personnel Management is partnering with various federal agencies to implement GovConnect, a federal initiative designed to create a culture of excellence based on collaboration and teamwork within and across agencies. GovProject provides employees with opportunities to showcase their skills, develop new skills, establish networks and gain exposure to workloads outside of their position of record.

GovConnect has three collaboration models: GovCloud, GovStart, and GovProject. We volunteered to participate in a pilot of GovProject in FY 2015. GovProject is a talent-sharing model that focuses on creating a collaborative and engaged federal workforce. Its goal is to create a more agile and unified workforce by mobilizing skilled talent across the agency to develop employee skills and respond quickly to mission critical workload demands. In this model, employees work part-time on short-term, management-initiated projects. To expand exposure and participation on projects that employees normally could not access, projects are virtual.

GovProject provides employees with opportunities to showcase their skills, develop new skills, establish networks and gain exposure to workloads outside of their position of record. Following the pilot, we plan to evaluate the program and make any needed changes before launching the initiative agency-wide in FY 2016.

Enhancing our Human Resources Services Portal

Our Human Resources (HR) business processes currently rely on several disparate and standalone applications, most requiring separate security access. Our enhanced portal will provide one-stop-shopping for our managers, employees, and specialists to access HR information and applications. To improve the experience and provide quicker access to the tools needed, access is role-based, and we will enable single sign-on where possible.

In 2015, we will continue to add links to existing services and information, which is currently located in disparate locations; build a compliant and nationally available version of a regional application that provides a user-friendly interface with the federal personnel and payroll system data; and begin work on an electronic version of SSA-7B, Employee Record.

Marketing Availability of On-Demand Training and Development

We continue to promote our electronic libraries, online and distance training, and just-in-time training for employees. Our comprehensive online library delivers agency-specific content and training on new skills. It provides over 3,500 interactive courses; 28,000 eBooks; 4,500 leadership videos; 5,700 information technology desktop application videos; and 300 audio books. Most of the training sessions are less than an hour long, and employees can choose the format and training pace that accommodates their job, work location, and personal commitments.

In FY 2015, we will use awareness campaigns, presentations, and new employee orientations to promote training and development sessions.

Supporting Employees through Mentoring

Mentoring is a dynamic developmental and learning partnership through which one person (mentor) shares knowledge, skills, information, experience, perspective, and wisdom to foster the personal and professional development of another (mentee) through ongoing communication.

To support our employees and help prepare them for future job requirements, we are establishing a formal National Mentoring Program for all employees and expect to pilot it in FY 2015. Mentoring programs increase morale and organizational productivity and help participants plan their career paths.

Our goals for the mentoring program are to:

- Help new employees settle into our agency;
- Encourage development of leadership competencies;
- Communicate our values, vision, and mission agency;
- Help bridge the gap between formal education and hands-on experience;
- Enable experienced, highly competent employees to share their expertise with others;
- Create a culture that is attractive to top talent to influence employee retention; and
- Encourage the development of competencies in support of quality customer service.

External Factors

The following external factor may affect our efforts to strengthen the competency, agility, and performance of our workforce to align with the needs of the public:

- Successful implementation of workforce plans is based on sustained funding levels and sufficient levels of qualified staff to administer and maintain our key initiatives and programs.

Performance Measures – Strategic Objective 4.2

4.2a: Reduce skills gaps for leaders and/or potential leaders to improve leadership competencies

Fiscal Year	2014	2015	2016
Performance	Reduced skills gaps in critical competencies		
Target	Reduce skills gaps in Leadership Development Program participants in at least two critical competencies		
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: A skill gap is a gap in a person's knowledge of a skill or ability to perform it at a high level of proficiency. Competency is defined as a measurable pattern of knowledge, skills, abilities, behaviors, and other characteristics that an individual needs to perform work roles or occupational functions successfully. Participants in the 2013 Leadership Development Program will identify gaps in their skills associated with agency core and leadership competencies. Leadership Development Participants will use 360-degree assessments to identify skill gaps. Human Resources will use the aggregate results to identify the two lowest scored competencies and target learning experiences to raise the aggregate proficiency levels.

Data Source: Vendor provided 360-degree assessments and our survey tools

4.2b: Reduce skills gaps in mission critical occupations to improve general and technical competencies

Fiscal Year	2014	2015	2016
Performance	Assessed human resources specialists to identify skills gaps		
Target	Assess skills gaps for human resources specialists		
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: The expected proficiencies are under development.

Data Source: Agency Skills Inventory and Interagency Agreement through Office of Personnel Management

4.2c: Improve talent management to strengthen the competence of our workforce (NEW)

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance		61%	62%	59%	55%	57%		
Target							Increase the talent management index score to 60%	Increase the talent management index score to 65%
Target Met								

Data Definition: During a given year, the Office of Personnel Management uses data from seven Federal Employee Viewpoint Survey questions to determine the extent to which employees perceived the organization has the talent necessary to achieve organizational goals. The seven survey questions follow:

Question 1 - I am given a real opportunity to improve my skills in my organization.
Question 11 - My talents are used well in the workplace.
Question 18 - My training needs are assessed.
Question 21 - My work unit is able to recruit people with the right skills.
Question 29 - The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals.
Question 47 - Supervisors/team leaders in my work unit support employee development.
Question 68 - How satisfied are you with the training you receive for your present job?

Data Source: Office of Personnel Management

Strategic Objective 4.3: Foster an Inclusive Culture that Promotes Employee Well-Being, Innovation, and Engagement

We have consistently ranked among the Top 10 Best Places to Work among large agencies in the Federal Government. Our employees believe strongly in our mission and in the work that they do on behalf of the American people.

We care about the well-being of our workforce and support their engagement at work. We know that the more effort we place on employee safety, collaboration between management and labor representatives, and agency-wide communication, the better the opportunities we will have to generate creativity and innovation.

Strategies

- Promote work-life balance and employee well-being through workplace flexibilities;
- Ensure access to employee services (e.g., financial literacy, career development, work-life resources) regardless of location;
- Provide employees and managers with support to navigate complex personnel matters (e.g., employee conduct, performance, reasonable accommodations);
- Promote safety of employees through ongoing safety training and emergency preparedness activities;
- Engage labor organizations to promote collaboration and transparency; and
- Develop practices that facilitate open communication and understanding in order to enhance employee engagement and appreciation of our diversity.

Progress Update

We took the following steps in FY 2014 to foster an inclusive culture that promotes employee well-being, innovation and engagement (see Key Initiatives and Performance Measures for more details):

- Held forums with labor representatives to discuss workplace issues;
- Promoted work/life support training programs and wellness resources to our employees;
- Rolled out telework pilot; and
- Instituted a Diversity and Inclusion Council comprising employees from all levels, including leadership.

Next Steps

- Develop an action plan based on the results of the Federal Employee Viewpoint Survey;
- Continue working collaboratively with labor representatives;
- Expand telework opportunities throughout the agency; and
- Increase employee awareness of available training and work/life support services.

Key Initiatives

Improving the Employee Satisfaction Action Plan

The Federal Government has faced challenging times in recent years. While we address workload increases with finite resources, our employees' satisfaction remains a priority for our agency. Our employees are essential to meeting our challenges and achieving agency strategic goals. Therefore, it is paramount that we continue to promote an engaged and satisfied workforce.

Every year the Office of Personnel Management invites federal employees to participate in a survey, which asks about their satisfaction at work. Once we receive our agency results, we conduct extensive analysis and identify areas for improvement to address in our employee action plan. We will continue to focus on employee development, achieving optimal work-life balance, effective leadership, and communication, as part of our plan.

An engaged employee is most often a satisfied employee. A study, conducted by the United States Merit Systems Protection Board, shows the following elements are among those needed for effective employee engagement:

- Pride in one's work or workplace;
- Satisfaction with leadership;
- Opportunity to perform well at work;
- Satisfaction with the recognition received;
- Prospect for future personal and professional growth; and
- A positive work environment with a focus on teamwork.

We will continue to use annual survey information as a gauge for employee satisfaction and indicator for areas we need to improve. Our analysis of the 2014 federal employee survey identified employee development and work-life balance, effective leadership, and communication as areas to look for innovative ways to keep our employees engaged and satisfied in FY 2015 and FY 2016.

Creating Management and Labor Forum Meetings and Predecisional Involvement Opportunities

We are committed to fostering a collaborative labor-management relationship with our four unions (American Federation of Government Employees, International Federation of Professional and Engineers, National Treasury Employees Union, and National Federation of Federal Employees) through discussions during forums. Engaging in predecisional involvement on workplace issues is crucial for strengthening the labor-management relationship.
The input and support of employees and management are critical to meeting our long-term public service commitment. We will continue to work collaboratively with employee representatives to ensure we deliver the highest quality service to the American people.

Highlighting Diversity and Inclusion

We serve a diverse nation and strive to recruit, promote, and retain a workforce that draws from all segments of society. We have a long-standing history of being among the most diverse federal agencies – a goal we achieved through careful planning and recruitment efforts. Our *Diversity and Inclusion Strategic Plan*, developed in FY 2012, highlights proven best practices for attracting, hiring, and retaining a diverse workforce. The plan also describes how we can foster a work environment that draws on our collective talents, respects individual differences, and leverages diversity.

To sustain our commitment, we instituted a Diversity and Inclusion Council with representation from all levels of the agency, including senior leadership. The Council's ongoing mission is to provide overarching guidance and support for our diversity and inclusion efforts by recognizing employees' unique perspectives and contributions. Our human resources staff collaborates with the Council on training, marketing, employee engagement, and outreach.
Council members serve as role models and champions on initiatives that promote inclusiveness and leverage the diversity of our workforce.

Our diversity and inclusion practices help ensure we have a workforce representative of our customers and that we support Executive Order 13583, *Establishing a Coordinated Government-Wide Initiative to Promote Diversity and Inclusion in the Federal Workforce*.

Supporting Work-Life Balance

We are actively making efforts to remain an employer of choice and maintain our ranking among the Top 10 Best Places to Work in the Federal Government. We demonstrate our commitment through family friendly policies, work/life services, and employee seminars on personal topics like financial literacy, fitness, stress management, and career development. We have also increased career opportunities across components.

In FY 2014, the agency implemented a new telework policy allowing employees to work in alternate locations, other than their official work locations. In FY 2015 and FY 2016, we will continue to increase participation in the agency's telework program.

External Factors

The following external factors may affect our efforts to foster an inclusive culture that promotes employee well-being, innovation, and engagement:

- While we are committed to a diverse and inclusive workforce reflecting the public we serve, limited budgets in the past have curtailed our resources to replace lost employees and reduced our ability to participate in outreach and recruitment activities that enhance the diversity of our job applicant pool; and
- The Diversity and Inclusion Council must draw on resources and people who have limited time to accomplish the initiatives and educational opportunities it undertakes.

Performance Measures – Strategic Objective 4.3

4.3a: Maintain status as one of the top 10 Best Places to Work among large agencies in the Federal Government

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016
Performance	Top 10 Ranking	Top 10 Ranking	Top 10 Ranking	Top 10 Ranking	Top 10 Ranking	Top 10 Ranking		
Target						Achieve a Top 10 Ranking	Achieve a Top 10 Ranking	Achieve a Top 10 Ranking
Target Met						Met		

Results: We met our FY 2014 target. Since 2007, our employees have ranked us in the top 10 Best Places to Work in the Federal Government (www.bestplacestowork.org).

Data Definition: During a given year, the Partnership for Public Service uses responses to three Federal Employee Viewpoint Survey questions to develop index scores. The Partnership for Public Service ranks Federal Government agencies based on the calculated index scores using a proprietary formula. The rankings provide a rating of employee satisfaction and commitment across government. The three Federal Government Viewpoint Survey questions follow:

Question 40 - I recommend my organization as a good place to work.
Question 69 - Considering everything, how satisfied are you with your job?
Question 71 - Considering everything, how satisfied are you with your organization?

Data Source: The Partnership for Public Service

4.3b: Achieve the target two-year new hire retention percentage

Fiscal Year	2013	2014	2015	2016
Performance	84.3%	84.0%		
Target		Retain 85% of newly hired employees		
Target Met		Not Met		

Results: We did not meet our FY 2014 target. We retained 84 percent of newly hired employees, missing our target by one percentage point.

Data Definition: The percentage of employees who entered on duty as a new hire, including former employees who returned, and remained at our agency for 730 days or longer.

Data includes full-time permanent and part-time permanent employees only.

Data Source: Human Resources Operational Data Store

4.3c: Increase workplace flexibilities by expanding telework participation among employees

Fiscal Year	2014	2015	2016
Performance	104% increase over FY 2013 levels (8,547 employees)		
Target	Increase the percentage of employees participating in telework by 100% over FY 2013 levels (8,200 employees)	Increase the number of employees participating in telework to 16,400 by the end of the fiscal year	Increase the number of employees participating in telework to 20,000 by the end of the fiscal year
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: The agency is increasing the number of employees nationwide who telework (as reported to the Office of Personnel Management annually). Telework is defined as working a normal tour of duty at a location other than an official work site. In FY 2014, we had a total of 8,547 teleworkers. Our FY 2015 target is to increase participation to 16,400 teleworkers.

Data Source: Office of Personnel Management, Annual Telework Data

Strategic Objective 4.4: Enhance Planning and Alignment of Human Resources to Address Current and Future Public Service Needs

Large multilayered organizations often lack the agility to keep up with the frequent changes required to address public service needs. We will analyze our current workforce and develop strategies to meet our future organizational needs. Using workforce restructuring and reshaping programs, we will develop approaches to streamline and align our workforce. Our approaches will be supported by data analysis and forecasting to ensure we are prepared for the near term and for future service delivery needs.

Strategies

- Use workforce restructuring and reshaping programs (e.g., Voluntary Early Retirement Authority) to adjust and align the workforce with agency needs;
- Use human resource management information and data analytics to conduct effective workforce planning and forecasting that assists leaders in making data-driven decisions;
- Conduct data-driven performance reviews to assess, monitor, and track alignment of human capital programs with service delivery needs; and
- Utilize effective management principles to optimize organizational structures and workforce composition as we automate processes and expand self-service.

Progress Update

We took the following steps in FY 2014 to enhance planning and alignment of human resources to address current and future public service needs (see Key Initiatives and Performance Measures for more details):

- Implemented HRStat, a process developed by the Office of Personnel Management, to track and monitor human capital outcomes;
- Established the Office of Strategic Human Capital Management to research and benchmark various workforce-planning approaches;
- Finalized our Human Capital Operation Plan;
- Conducted retirement wave analysis; and
- Conducted Federal Employee Viewpoint Surveys.

Next Steps

- Enhance our inter-component oversight structure and process for workforce management;
- Expand our metrics-based evaluation and tracking;
- Fully implement HRStat;
- Establish organizational health assessment; and
- Institutionalize a new process to mitigate the risks encountered with competing priorities and limited resources.

Key Initiatives

Implementing HRStat Review Process

In FY 2014, we implemented the Office of Personnel Management's new process, HRStat, to track and monitor human capital outcomes. As part of the HRStat approach, we conduct quarterly data-driven human capital reviews. Senior executives review each quarter's outcomes to monitor our human capital initiatives and supporting metrics.

Our HRStat reviews provide us with the information we need to determine our strengths and weaknesses, monitor implementation of our programs, and evaluate our performance. HRStat also establishes a structure to track interim results of our human capital planning and implementation progress. This system provides ongoing progress, ensuring that our workforce aligns with the strategic direction of the agency.

Using Applicant Flow Data

The Federal Government must attract, develop, and retain a world-class, high-quality workforce that can deliver results for the American people and ensure the continued growth and prosperity of the nation. Federal agencies must make full use of our nation's talent by promoting workplaces that provide a level playing field and the opportunity for employees to achieve their potential.

One important tool in examining the inclusiveness of the Federal Government's recruitment efforts is Applicant Flow Data. Applicants for federal positions using USAJOBS have the option to complete a form that collects demographic information (i.e., sex, ethnicity, and race, and how they learned about the position). Applicant Flow Data refers to the analysis of this demographic information to determine differences in selection rates among different groups for a particular job.

We use this information to:

- Examine the fairness and inclusiveness of recruiting efforts;
- Determine whether recruitment efforts are reaching all segments of the population, consistent with federal equal employment opportunity laws;
- Identify barriers to employment and best practices at each stage of the hiring process: application, qualification, referral, and selection; and
- Strategically target resources to address the challenges most applicable to each demographic group.

Applicant Flow Data collection and sharing is an important initiative for the Federal Government. The Office of Personnel Management strongly supports conducting organizational self-analyses, along with the removal of any discriminatory barriers found through these analyses. The collection of demographic data, including Applicant Flow Data, is an integral part of the barrier-identification process described in the Equal Employment Opportunity Commission's Management Directive 715, which provides policy guidance to federal agencies on establishing and maintaining effective equal opportunity.

In FY 2015 and FY 2016, we will continue to analyze the data by components, regions, major occupations, and grade levels. As we identify differences in selection rates among different groups in a particular component or region, we will share the information with executives so we can address the challenges.

Implementing the Human Capital Operating Plan

Human capital is a major concern for leaders across the government. Federal leadership faces the challenge of recruiting, retaining, and developing a talented workforce in a fiscal climate marked by tight budgets, furloughs, and government shutdowns. In the face of increasingly complex and demanding realities, it is more important than ever for us to have employees with the right skills, in the right places, at the right times to achieve the agency's mission.

The Human Capital Operating Plan represents the agency's commitment to renew our focus on human capital and succession management and aligns with, and supports, the goals of our *Agency Strategic Plan for Fiscal Years 2014 – 2018* (www.socialsecurity.gov/asp). Our plan includes a mandate to Build a Model Workforce to Deliver Quality Service as one of our five strategic goals. To ensure we are able to achieve our workforce goal and objectives, we are working to revitalize our enterprise-wide approach for effective and proactive human capital management.
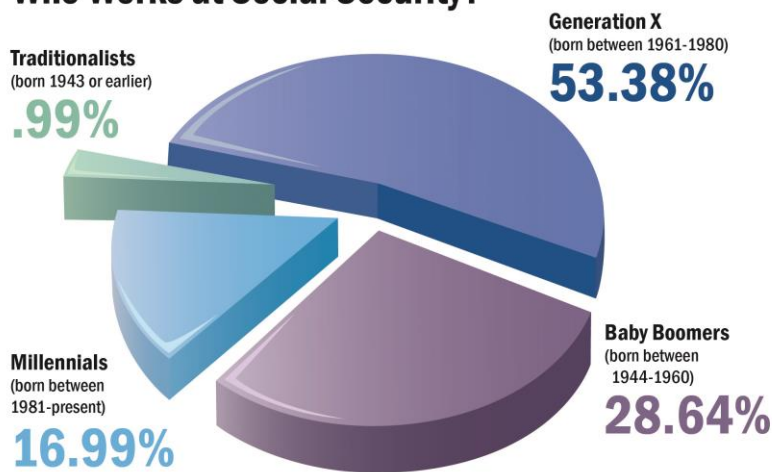
Our plan includes an analysis of our current and future workforce, identifying agency-specific initiatives, milestones, and outcome metrics, and it focuses on the following key areas:

- Transform the agency into an employer of choice;
- Transition to competency-based human capital management;
- Expand leadership and core competency skill development; and
- Establish an integrated and collaborative human capital management framework.

Human capital management encompasses the process of managing how people are hired, developed, deployed, motivated, and retained. It builds upon the traditional model of HR by focusing on results and seeks to align HR decisions and investments more directly with our agency's mission, goals, and objectives.

We must adopt a more proactive and data-driven approach toward managing human capital to meet the needs of our future workforce. Further, we must commit the requisite resources to ensure staff remains fully prepared to provide quality service to the public both now and in the future. This initiative, coupled with the resources and governance structure to monitor success, provides a solid foundation for achieving a reimagined, revitalized effort toward the attraction, acquisition, development, engagement, and retention of our greatest asset – our employees.

Who Works at Social Security?

Traditionalists (born 1943 or earlier) .99%

Generation X (born between 1961-1980) 53.38%

Baby Boomers (born between 1944-1960) 28.64%

Millennials (born between 1981-present) 16.99%

Source: Social Security Administration's Workforce at a Glance Report, September 30, 2014

Retirement Wave Analysis

Steady losses of employees from retirements present us with a unique opportunity to reshape our workforce. With almost 20 percent of our workforce eligible to retire, we will continue to build generational bridges and create an environment that focuses on developing a culture of continuous learning.

In FY 2013, we developed our FY 2013 2022 Retirement Wave Report (www.personnel.ba.ssa.gov/ope/RetirementWave/2013 2022 Retirement_Wave_Report_Final August_15_2013). This report provides valuable workforce data that our decision-makers can use for human capital and financial management decisions. Although we lose employees through all types of attrition, we focus this report on our highest source of attrition: retirements. This report provides information on actual retirements, retirement eligibility, and retirement projections, and provides us with an outlook on how our workforce may change over time. We will look for ways to prevent gaps and build the succession bench to guarantee continuity of the quality of service to the American public.

External Factors

The following external factors may affect our efforts to enhance planning and alignment of human resources to address current and future public service needs:

- Stakeholders continue to demand higher levels of accountability from the Federal Government; and
- The Office of Personnel Management (OPM) is crafting new regulatory language to fully integrate federal agencies' human capital strategies with th*e Government Performance and Results Modernization Act* process.

Performance Measures – Strategic Objective 4.4

4.4a: Conduct workforce analysis and planning activities to support future workforce transition initiatives

Fiscal Year	2014	2015	2016
Performance	Updated the Organization Health document and completed organizational assessment to support the Human Capital Operating Plan		
Target	Conduct workforce staffing analysis to support workforce planning efforts		
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: Workforce analysis and planning, a key component of strategic human capital management, is about aligning an organization's human capital - its people - with its business plan to achieve its mission. It is a systematic process for analyzing the current workforce, identifying future workforce needs, and establishing the gap between the workforce of today and the human capital needs of tomorrow to provide a basis for developing and implementing human capital initiatives and solutions.

Data source: Human Resources Operational Data Store, Federal Personnel and Payroll System Datamart, and Office of Human Resources

4.4b Achieve target number of human capital metrics to ensure progress toward building a model workforce

Fiscal Year	2014	2015	2016
Performance	77%		
Target	Achieve 75% of the human capital metrics	Achieve 75% of the human capital metrics	Achieve 75% of the human capital metrics
Target Met	Met		

Results: We exceeded our FY 2014 target. We achieved 77% of the human capital metrics.

Data Definition: After the end of the fiscal year, we determine the number of initiatives that met or exceeded the established target. We divide the number of metrics where we achieved the selected targets to the total number of initiatives that we monitored throughout the fiscal year.

Data Source: Office of Personnel Management's Federal Employee Viewpoint Survey, Federal Personnel and Payroll System, Human Resources Operational Data Store

Strategic Goal 5: Ensure Reliable, Secure, and Efficient Information Technology Services

As the demand for our agency's services increases, the American public expects to interact with us using every technology available to them. Online and mobile service options are in high demand for those who prefer electronic channels, yet some people and some services still require in-person assistance at a field office.

A robust and cost-effective information technology (IT) environment is at the core of every service our agency provides for the American public and for our employees. We support our mission-critical business and service operations by designing, deploying and maintaining one of the Nation's most sophisticated IT infrastructures.

With advances in technology, come increased security risks. Ensuring information and systems security is vital, and enhancing our cyber security protection is an ongoing task. When fully operational, our new data center, the National Support Center, will serve as the hub for our information technology operations. The National Support Center opened in September 2014, and we expect to complete the full systems migration by the end of 2016. We have planned carefully to ensure there is no service interruption during the transition.

Strategic Objective 5.1: Maintain System Performance and the Continuity of Information Technology Services

Technology is essential to everything we do. If our systems experience a problem, our productivity and service immediately decline. Maintaining strong IT performance is vital, despite rising IT demands, increasing cyber security risks, and constant industry changes.

We rely on a large and complex technology infrastructure. Our infrastructure includes dual data centers, extensive national databases, hundreds of software applications, large supporting computing platforms, and thousands of networked computers, printers, telephones, and other devices. Change to our IT infrastructure is constant, and we will ensure responsive, reliable performance.

Our dual data centers, the National Computer Center and the Second Support Center, maintain beneficiary demographic, wage, and benefit information, enabling us to promptly and accurately make benefits payments. The National Computer Center has been in continuous operation since 1980.

As part of the *American Recovery and Reinvestment Act of 2009*, Congress approved funding to build a new data center. All current production data center operations now housed in our aging National Computer Center will transition to the new National Support Center in 2015 and 2016. The new center will provide increased capacity and improved operational reliability and efficiency.

Strategies

- Successfully transition to the new National Support Center; and
- Maintain responsive, reliable system performance.

Progress Update

We took the following steps in FY 2014 to maintain system performance and the continuity of information technology services (see Key Initiatives and Performance Measures for more details):

- Began transition to the National Support Center, as scheduled; and
- Maintained system continuity, as planned.

Next Steps

- Continue transition plan to National Support Center; and
- Maintain current systems reliability metrics throughout the transition to the National Support Center.

Key Initiatives

Enhancing Our Infrastructure

Our new National Support Center opened in September 2014 and will dramatically increase our computing power, while reducing energy consumption. We designed the facility to be Leadership in Energy and Environmental Design Gold certified.

Minimal staffing, lighting most areas only when staff are present, and managing the infrastructure remotely will help reduce energy costs. Innovative heating and cooling systems will also help reduce costs. For example, we will capture the heat generated by our computer servers and use it to heat the building.

Our move into the new state-of-the-art National Support Center is essential to future enhancements to our infrastructure. Over the next several years, we will implement several technologies including high-speed disc replication, dynamic load balancing with high bandwidth connectivity between data centers, additional data center capacity, and automatic failover and staging systems.

Maintaining Systems Performance While Transitioning to the National Support Center

Moving our data infrastructure is no simple task. The transition is a complex process and the nature of our business requires continuous operation. Our goal is to provide uninterrupted service during the transition from our National Computer Center in Baltimore to the new National Support Center in Western Maryland.

Our service migration will begin in October 2014 and continue until August 2016. Our multiyear strategy includes using the latest technological advances to enhance the capacity, flexibility, and performance of our IT environment and infrastructure.

Improving Information Technology Cost and Performance

We use proven technologies to lower IT cost and improve performance. As part of our capital planning and investment control process, we evaluate the cost of IT projects in terms of their return on investment. We adopt new technologies to provide stable and high-performing environments.

When appropriate, we are leveraging technology, including cloud-computing, virtualization, and using open source infrastructure to lower our costs while increasing our performance.

External Factors

The following external factor may affect our efforts to maintain system performance and the continuity of information technology services:

- New legislation, changing technology, and high volumes of workloads may affect planned activities.

Performance Measures – Strategic Objective 5.1

5.1a: Provide uninterrupted access to our systems during scheduled times of operation

Fiscal Year	2010	2011	2012	2013	2014	2015	2016
Performance	99.84%	99.89%	99.9%	99.96%	99.97%		
Target			99.5% availability	99.5% availability	99.5% availability	99.5% availability	99.5% availability
Target Met			Met	Met	Met		

Results: We exceeded our FY 2014 target for uninterrupted systems availability.

Data Definition: We define enterprise availability as a weighted total availability of service channel mission-critical applications for all our customers. We consider an application available when the end user can perform all business functions within the application with reasonable response times. The weighting takes into account the relative impact that an outage could have on our customers, considering both the functionality and the service hours that are potentially affected. Six different service channels (i.e., online, electronic disability process, Internet, telephone, data exchange, and weekend online services) and accompanying applications are included. Mission-critical services in our enterprise availability include:

- Self-service Internet benefits applications;
- Automated telephone menu data applications;
- Email and case processing systems used by our direct support staff or by our partnering disability determination services staff; and
- External business services, including application services between us and other federal agencies, as well as data exchange systems used by our governmental or business partners.

Data Source: Hewlett-Packard OpenView Service Center (data is limited to Critical Application Severity 1 outages)

5.1b: Ensure the continuity of our agency's operations by transitioning information technology production functions to the National Support Center by FY 2016

Fiscal Year	2014	2015	2016
Performance	Migration planning and preparations are complete. We have taken ownership of the National Support Center and are making progress toward FY 2016		
Target	Complete migration planning and preparations		
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: The planning, design, development, and construction of a new National Support Center to replace the aging National Computer Center facilities infrastructure.

Data Source: National Support Center Migration Master Schedule

Strategic Objective 5.2: Enhance and Execute Plans to Modernize Our Systems

Our information technology (IT) solutions are constantly evolving as we meet our business needs with stable, modern technologies. We support and employ technologies championed by the Federal Chief Information Officer Council and the Federal Information Technology Reform Plan, such as digital government, shared services, modular development, near 24/7 system availability, and cloud computing architecture.

We are revising our computer code, once dominated by older programming languages (e.g., Common Business Oriented Language and Assembler Language Code) to provide a better balance of more modern code while maintaining older, highly functioning code. Improving the presentation and usability of our older systems, while removing technical risks, continues to be our focus.

As funding permits, we invest in new business applications, while improving existing applications and infrastructure. We incrementally modernize our older software applications based on business opportunity and technical risk. We continue to enable newer, more adaptable technologies, when appropriate, while maintaining the code base and systems supporting the services we provide the American public every day.

Strategies

- Refresh IT planning activities to effectively prioritize and manage IT investments;
- Employ technology to extend service, mitigate risk, and reduce cost; and
- Assess application portfolios, focusing on cost, business value, and technology sustainability.

Progress Update

We took the following steps in FY 2014 to enhance and execute plans to modernize our systems (see Key Initiatives and Performance Measures for more details):

- Enhanced our annual application portfolio management review by combing data collection and detail analysis.

Next Steps

- Eliminate use of Assembler Language Code; and
- Convert selected databases to relational database technology.

Key Initiatives

Modernizing Older Software Applications

We manage our IT application portfolio the same way you would manage your investment portfolio. First, we evaluate existing software applications to ensure they meet our business goals while fitting into our overall IT plan. Then we use those evaluations to retire, modernize, or maintain the applications.

Our application portfolio management practice includes ongoing reviews of all our applications.

Modernization efforts include updating database designs, replacing outdated user interfaces, upgrading infrastructure and more complete service integration.

Improving Information Technology Governance and Architectural Planning

IT governance and architectural planning covers a wide range of systems development and planning activities related to standards and regulations, systems management, life-cycle support, user groups, performance and availability, and new technologies. Governance helps ensure that we adhere to our policies and to federal IT requirements.

Our Architecture Design Group reviews project proposals to determine their impact on our enterprise architecture. If changes are needed, the project team is advised. The Architecture Design Group also documents and maintains our architectural standards. In addition, we also have an electronic review process for reviewing and assessing architectural changes.
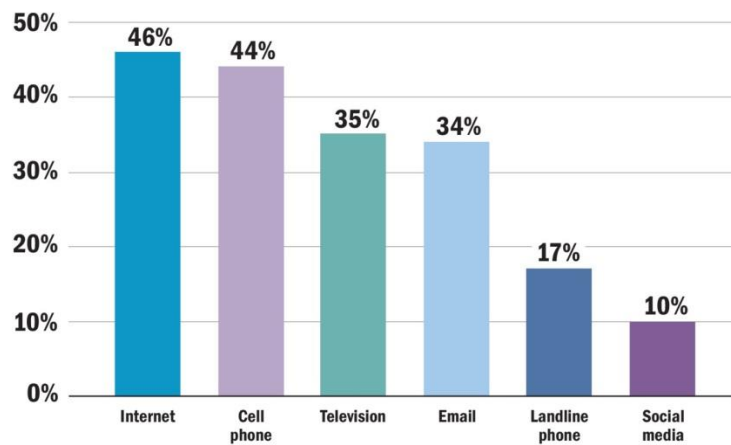
We provide support for the design, installation, and maintenance of the hardware and software needed to ensure a reliable, efficient, and effective environment for all of our platforms.

External Factors

The following external factors may affect our efforts to enhance and execute plans to modernize our systems:

- It is critical that our budget continues to allow us to modernize our IT infrastructure; and
- Legislative changes and other federal mandates often require reallocation of scarce resources.

Technologies Internet Users Say Would Be Very Hard to Give Up

Technology	Percentage
Internet	46%
Cell phone	44%
Television	35%
Email	34%
Landline phone	17%
Social media	10%

Source: Pew Research Center Internet Project Survey, January 2014.

Performance Measures – Strategic Objective 5.2

5.2a: Enhance systems performance and reliability by upgrading the telecommunications infrastructure in our offices

Fiscal Year	2014	2015	2016
Performance	Upgraded infrastructure to better incorporate new technologies		
Target	Complete the infrastructure upgrade to incorporate modern technologies that support future Internet and network capacity needs and new capabilities	Refresh 50% of our Network Connection devices by September 30, 2015	Refresh 50% of our Network Connection devices by September 30, 2016
Target Met	Met		

Results: We met our target through a variety of upgrade activities, including upgrading 90 percent of our field office network locations with new Internet service providers, relocating our downtown Baltimore office to a new building with a modern infrastructure, and beginning our transition to our new National Service Center.

Data Definition: This target provides for the design, installation, implementation, monitoring, and maintenance of our Wide Area and Local Area Networks and the connectivity to these network services to end users nationwide. It also provides the communication medium through which our employees receive data such as voice and video, administers the Network's services agency-wide, and the exchange of data with other federal and state agencies. The projects in this initiative involve the National 800 Number, Satellite and Wireless Communications Solutions, Video Teleconferencing, fax, Voice over Internet Protocol, Electronic Messaging, and the procurements of system hardware and software services.

Data Source: Our Wide Area and Local Area Networks and Connectivity Plan

5.2b: Maintain reliable IT services by continually assessing business and infrastructure applications to identify those that are high risk, and determine strategies to renovate, replace, or retire those identified

Fiscal Year	2014	2015	2016
Performance	An analysis of our Application Inventory identified potential modernization project efforts that have business as well as technology impact. Those potential modernization efforts were shared with the DCS/CIO and the Portfolio Executive staff to be considered along with the normal Strategic IT Assessment and Review process		
Target	Identify high-risk applications and appropriate mitigation strategies Submit proposals to IT Investment selection process		
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: Application Portfolio Management is a disciplined and repeatable process used to assess the business value of existing software applications and services. The process reviews alignment with strategic business goals and evaluates which applications should be retired, renovated, or maintained, while taking into account the risk factors involved.

Selected applications are reviewed during our strategic information technology assessment and review process to ensure requirements and proposals support our strategic direction and other architecture plans.

Data Source: Application Portfolio Management Annual Review, Strategic Information Technology Assessment and Review Prioritization Review

Strategic Objective 5.3: Incorporate Innovative Advances in Service Delivery

Advances in computer technology, the increase of high-speed networks, and widespread use of mobile technology have reshaped our service channels. Our customers expect us to provide exceptional service, regardless of the technology they use.

We are constantly reviewing emerging technologies, and we are planning effective, efficient service delivery options based on our research. As we develop new options, we are targeting areas where reengineering is most needed.

We actively participate in the Federal Chief Information Officers Council and leverage the expertise of industry experts, as well as our own business and technical staffs, to develop the most effective solutions for our customers and our employees. Additionally, we are participating in the Federal Strategic Sourcing Initiative for Desktops and Laptops to support our infrastructure enhancement efforts.

Strategies

- Deliver accurate, convenient, and flexible agency systems and services in a cost-conscious manner;
- Explore the use of emerging technologies to improve service and increase efficiency; and
- Engage and benchmark private and public IT communities to ensure the timely identification of important Key Initiatives.

Progress Update

We took the following steps in fiscal year (FY) 2014 to incorporate innovative advances in service delivery (see Key Initiatives and Performance Measures for more details):

- Continued participation in the Federal Chief Information Officers Council.

Next Steps

- Continue to support and maintain the testing lab with current devices based on trending internal and external usage patterns.

Key Initiatives

Enhancing our National 800 Number Infrastructure

With our new National 800 Number infrastructure fully implemented, enhancements for FY 2014 focused on strategic planning and day-to-day management of our call centers to improve performance. The enhancements will provide information managers can use to coach and mentor our call center staff.

Additionally, the enhancements will improve speech recognition, enabling callers to complete their business using our automated services. By FY 2015, we expect the increases in quality and call completion to result in increased customer service ratings.

Training is currently underway for all levels of staff, and we expect training to be complete by early FY 2015. By the end of FY 2016, we expect to implement the full suite of services available, which includes forecasting/planning, post-call customer surveys, real-time management, training, quality management, and performance monitoring.

Expanding Video Conferencing Capabilities throughout the Agency

We expanded video conferencing throughout the agency, including hearing offices, field offices, and individual employee workstations. We currently use large desktop video units to provide video conferencing, particularly in rural areas where there is no local office. These units, while expensive and cumbersome, provide a much-needed service and are readily available.

External Factors

The following external factors may affect our efforts to incorporate innovative advances in service delivery:

- The public demands more sophisticated, integrated service channels to supplement our traditional structure; and
- Implementing and maintaining customer service stations may not be cost effective.

Performance Measures – Strategic Objective 5.3

5.3a: Enhance our IT infrastructure by implementing innovative systems accessibility and performance capabilities

Fiscal Year	2014	2015	2016
Performance	Bandwidth-on-Demand capabilities are operational at over 75% of agency sites		
Target	Implement Bandwidth-on-Demand, which will provide the ability to increase telecommunications capacity to quickly meet the changing service needs of our offices and clients	Reduce open systems infrastructure size from 1,500 servers to 1,000 servers by September 2015	Modify employee system accessibility by using a single device for systems access from all duty stations, thereby reducing the number of agency workstations and software licenses from 152,000 to 100,000 by September 30, 2016
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: This target provides for the design, installation, implementation, software, monitoring, and maintenance of our Wide Area and Local Area Networks and the connectivity to these network services to end-users nationwide. It also provides the communication medium through which our employees receive data such as voice and video, administers the network's services agency-wide, and the exchange of data with other federal and state agencies. The projects in this initiative involve the National 800# Call Center, Satellite and Wireless Communications Solutions, Video Teleconferencing, Fax, Voice over Internet Protocol, Electronic Messaging, and the procurements of system hardware and software services.

Data Source: Our Wide Area and Local Area Networks and Connectivity Plan

5.3b: Explore the use of emerging technologies by establishing a testing lab to promote research and development of innovative technology solutions that provide more effective and flexible ways for the public to conduct business with us online and for our employees to complete their work

Fiscal Year	2104	2015	2016
Performance	We are actively supporting new agency electronic initiatives such as customer service stations and an upgraded environment for self-help personal computers		
Target	Identify and implement new innovative tools to expand the capabilities of the testing lab to develop solutions that accommodate evolving customer preferences.	Conduct three new research projects in emerging technologies such as predictive analytics, cloud, shared services, self-help personal computers, real-time chat, digital analytics, and cognitive computing by September 30, 2015	Conduct three new research projects in emerging technologies such as predictive analytics, cloud, shared services, self-help personal computers, real-time chat, digital analytics, and cognitive computing by September 30, 2016
Target Met	Met		

Results: We met our FY 2014 target.

Data Definition: As a result of today's volatile and unpredictable mobile, tablet and personal computer environment, we must conduct compatibility testing with a multitude of devices, browsers and operating systems to ensure our online customers are able to successfully conduct business with us no matter what device they use. By monitoring the advances being made in delivery channels and by monitoring the use of these channels to access our services, we determine which devices to purchase and test in our testing lab, focusing on the devices with the highest percent of use.

Data source: Industry and national trends. Google Analytics

Strategic Objective 5.4: Continuously Strengthen Our Cyber Security Program

Given the sensitive nature of the highly personal information and data within our systems, data integrity and security, as well as the protection of individual privacy, are primary service imperatives. New services and delivery channels expose us to modern threats. We must be vigilant and continue to strengthen our cyber security intelligence and protections.

We maintain a comprehensive, agency-wide information security program of controls that protect our information and communications assets. We continually review policies and processes, taking appropriate corrective action to prevent misuse and unauthorized access to assets and sensitive data, including personally identifiable information.

Strategies

- Maintain information security preparedness;
- Continually adjust security processes and procedures to reflect changes in technology, the sensitivity of our data and systems, and awareness of actual and potential internal and external threats;
- Perform risk-based systems reviews to enhance continuous monitoring and data loss prevention strategies; and
- Enhance our audit trail, integrity review, and fraud prevention processes.

Progress Update

We took the following steps in FY 2014 to strengthen our cyber security program (see Key Initiatives and Performance Measures for more details):

- Implemented several new processes and capabilities to strengthen our cybersecurity program, including:
    - Security awareness training campaign;
    - Continued implementation use of Personal Identity Verification credentials; and
    - Continuous dashboard monitoring.

Next Steps

- Implement new technical architecture to strengthen our audit trail system capabilities.

Key Initiatives

Protecting Our Systems and Data

We continue to strengthen our information security program to meet the standards and requirements of the *Federal Information Security Management Act of 2002* by training our employees and implementing effective cybersecurity technologies.

Our systems and data are constantly at risk from emerging threats and technology. We deploy new tools and techniques as threats are discovered. Software flaws pose an ongoing risk, potentially making our systems vulnerable to malicious or accidental actions. In response, we have added additional licenses of a tool our developers use to scan their code and repair it before release if security flaws are found.

Threats to data and systems can also come from within an organization. We are rolling out an agency-wide automated access control system, replacing our current paper based system. The new system will improve timeliness in granting and removing user access, improve accuracy in assigning access to information resources, and provide clearer audit records. We are also analyzing new technologies to review employee activity. Our changing service delivery channels and other system changes require ongoing updates to our monitoring systems.

Finally, employee security awareness and training remains a high priority. Agency-wide on-demand video training helps raise employee awareness on protecting our systems and data. Because our work often involves personal interactions,

we must always be on guard against a threat known as social engineering, where people pretend to be coworkers, repair technicians, or any other role, where they could access to our systems or data. We have invested heavily in special training for all of our employees to help them recognize and prevent social engineering activities and other types of activities that can cause system problems.

Implementing Audit Trail System New Architecture Phase II

Our audit trail system ensures we protect our records and funds by collecting and maintaining detailed information about both internal and external transactions. The system stores data from programmatic and select Internet applications, allowing us to review transactions for signs of fraud and abuse.

The new audit trail system architecture will strengthen our fraud detection and prevention efforts by capturing details of transactions most vulnerable to fraud. The system pilot launched in February 2014 with a product launch planned for March 2015.

Implementing 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 have completed the following activities supporting both the federal Cybersecurity Cross-Agency Priority Goals and the Department of Homeland Security's Federal Network Security Compliance and Assurance program:

- Established Trusted Internet Connection Access Provider designation through the Department of Homeland Security;
- Participated in the National Cyber Protection System, a collaboration between the Department of Homeland Security and other federal agencies to share security resources;
- Collaborated with the Department of Homeland Security to develop monthly security assessments of our public-facing network;
- Defined and implemented an information security continuous monitoring strategy to manage information security risks;
- Participated in the Department of Homeland Security's Continuous Diagnostics and Mitigation program to ensure we have an accurate view of our risks and the effectiveness of our controls. We share our computer security information across the federal civilian government agencies to help ensure they are aware of the threats to their infrastructures and can swiftly take corrective measures; and
- Implemented personal identity verification credentials, as defined in Homeland Security Presidential Directive 12, as a secure form of identification.

New services and delivery channels expose us to modern threats. We must be consistently diligent and continue to strengthen our cybersecurity intelligence and protections. We continually adjust our information security program to reflect changes in technology, the sensitivity of covered information and information systems, and internal or external threats to information and communications.

External Factors

The following external factor may affect our efforts to strengthen our cybersecurity program:

- As the agency continues to shift its business model to enable the public to use more online services, the potential for fraud will increase. Sufficient resources are essential to effectively safeguard personal information and protect the public trust against fraudulent activity.

Performance Measure – Strategic Objective 5.4

5.4a: Provide secure and effective services to the public by improving cyber security performance

Fiscal Year	2013	2014	2015	2016
Performance	Homeland Security Presidential Directive 12 Compliance – result 85% Information Security Continuous Monitoring – result 96% Trusted Internet Connections Consolidation – result 100% Trusted Internet Connections 2.0 Capabilities – result 96%	We met 3 out of 4 targets. Homeland Security Presidential Directive 12 Compliance – target 75%; result 87% Information Security Continuous Monitoring – target 95%; result 98% Trusted Internet Connections Consolidation – target 95%; result 100% Trusted Internet Connections 2.0 Capabilities – target 100%; result 94%		
Target		Meet the performance requirements of the Department of Homeland Security's Federal Network Security Compliance and Assurance program and the Cyber Security Cross-Agency Priority Goals	Meet the performance requirements of the Department of Homeland Security's Federal Network Security Compliance and Assurance program and the Cyber Security Cross-Agency Priority Goals	Meet the performance requirements of the Department of Homeland Security's Federal Network Security Compliance and Assurance program and the Cyber Security Cross-Agency Priority Goals
Target Met		Met		

Results: We met three out of four of our FY 2014 targets.

Data Definition: Define and implement strong controls to continuously monitor the security status of network, systems, and information and ensure that individuals with access to our network resources are using strong authentication to connect.

Data Source: Department of Homeland Security Cross-Agency Priority Goals (www.goals.performance.gov/goals_2013)

Appendices

Appendix A:
Our Management and Performance Challenges

In fiscal year 2014, The Office of the Inspector General identified seven top management and Social Security Administration (SSA) Management Issues, summarized below. For additional information, please refer to the Fiscal Year 2014 Inspector General Statement on the Social Security Administration's Major Management and Performance Challenges (http://oig.ssa.gov/sites/default/files/audit/full/pdf/A-02-15-15038_0.pdf. (Responsible official acronyms are listed in Appendix F, Summary of Key Management Official's Responsibilities.)

Reduce the Hearings Backlog and Prevent its Recurrence (DCDAR)

Challenge: While SSA has emphasized the need for quality, consistency, and timeliness in its disability decisions, this remains a challenge as the hearings backlog approaches one million cases and timeliness continues to worsen.

Improve the Timeliness and Quality of the Disability Process (DCDAR, DCO, DCBFQM)

Challenge: SSA needs to address receipt of millions of initial disability and reconsideration claims and backlogs of initial disability claims and continuing disability reviews, while also protecting its disability programs from fraud.

Reduce Improper Payments and Increase Overpayment Recoveries (DCRDP, DCBFQM)

Challenge: SSA is responsible for issuing over $800 billion in benefit payments, annually, to about 60 million people. Given the amount of overall dollars involved in SSA's payments, even the slightest error in the overall process can result in millions of dollars in over or underpayments.

Improve Customer Service (DCDAR, DCO, DCBFQM, DCS)

Challenge: SSA faces several challenges, such as increasing workloads and representative payee oversight, as it pursues its mission to deliver services that meet the public's changing needs.

Invest in Information Technology Infrastructure to Support Current and Future Workloads (DCS)

Challenge: SSA faces major challenges to ensure it has sufficient information technology controls, provides secure electronic services to meet its customers' growing needs, strategically plans to modernize its systems for future service delivery, and efficiently implements major information technology initiatives.

Strengthen the Integrity and Protection of the Social Security Number (DCS)

Challenge: Protecting the Social Security number and properly posting the wages reported under Social Security numbers are critical to ensuring eligible individuals receive the full benefits they are due.

Strengthen Planning, Transparency, and Accountability (COSS, CSO, DCHR, DCS)

Challenge: Planning, transparency, and accountability are critical factors in effective management. Failure to plan properly to meet its mission and challenges will lessen the Agency's ability to provide its services efficiently and effectively now and in the future. Similarly, mismanagement and waste, as well as a lack of transparency for citizens in Government operations, can erode trust in SSA's ability to tackle the challenges it faces.

Appendix B:
Program Evaluations

We routinely evaluate our programs by conducting a variety of studies and surveys to determine if our programs are effective. We continue to build on our collection of program data, research, and analyses to identify our program strengths and weaknesses. We use information from program evaluations to develop strategies to address the major challenges we face and to improve the day-to-day administration of our programs. We complete many of our evaluations annually while others may be one-time efforts.

We list the evaluations under the strategic goal they support from our Agency Strategic Plan, Fiscal Years 2014- FY 2018 (www.socialsecurity.gov/asp).

Strategic Goal 1 – Deliver Innovative, Quality Services

Field Office Telephone Service Evaluation

We conduct an annual evaluation of the telephone service in our field offices. Each year, since 1999, we select a random sample of over 100 field offices across the country for the evaluation. We monitor about 2,000 randomly selected calls over the course of the year to assess the accuracy of the information representatives provide and the actions they take. The representatives do not know when we monitor their calls. We use the results of our Field Office Telephone Service Evaluation to identify training needs and clarify operating instructions for our representatives.

We assess the accuracy of the information representatives provide and the actions they take based on our program policies and operating guidelines. We use three measures of accuracy in our Field Office Telephone Service Evaluation:

- **Payment Accuracy** – indicates the percentage of calls free of payment error. A payment error occurs when a representative's information or action (or failure to give information or take action) has the potential to affect a caller's payment or eligibility for benefits adversely;
- **Service Accuracy** – reflects the percentage of calls free of service error. A service error occurs when a representative does not meet the caller's need for information, causes the caller inconvenience, or creates an unnecessary additional workload; and
- **Access and Disclosure Accuracy** – reflects the percentage of callers properly identified to permit release of personal information from our records. We previously included access and disclosure errors in the calculation of service accuracy.

Our latest published accuracy rates are for fiscal year (FY) 2013. Payment accuracy was 96.8 percent, identical to the FY 2012 rate. Service accuracy was 90.4 percent, which was comparable to the FY 2012 rate of 91.5 percent. Access and disclosure accuracy in FY 2013 was 70.3 percent. Although this rate was 3 percentage points higher than the FY 2012 rate of 67.1 percent, the difference was not statistically significant. Nevertheless, the FY 2013 access and disclosure accuracy rate maintained the upward trend that began in FY 2011 when the rate rose by almost 8 percentage points to 69.4 percent.

National 800 Number Telephone Service Evaluation

We monitor calls to our National 800 Number to evaluate both the accuracy of the information our telephone agents provide and the actions they take. Each year, since 1989, we monitor about 3,000 calls handled by agents in our 35 call centers nationwide. We randomly select and monitor calls throughout the year based on a statistical sampling methodology. Our agents do not know when we monitor their calls. We use the results of our annual National 800 Number Service Evaluation to identify training needs and improve operating instructions for our agents.

This evaluation identifies the specific causes of error and the operating policies that our agents did not follow. It uses the same standards of payment, service, and access and disclosure accuracy as our Field Office Telephone Service Evaluation discussed above. Our latest published accuracy rates are for FY 2013. The FY 2013 payment accuracy rate fell to 96 percent in FY 2013, returning to a level last seen in FY 2009 (95.8 percent), and reversing the significant improvement maintained from FY 2010 through FY 2012. Service accuracy was 92.4 percent in FY 2013, nearly identical to the rate in FY 2012 (92.2 percent). The access and disclosure accuracy was 95.7 percent in FY 2013. While the FY 2013 rate was statistically the same as the FY 2012 rate of 94.5 percent, both were significantly higher than access and disclosure accuracy rates ever achieved previously.

Online Authentication Survey

The Online Authentication Survey (OAS) focused on the satisfaction of customers who visited a field office to complete their *my* Social Security account registrations after encountering a problem during the online process. The OAS measured satisfaction with key aspects of the service experience and obtained an overall rating of the online account registration process using our standard six-point rating scale: excellent, very good, good (E/VG/G), fair, poor, or very poor. In addition to addressing satisfaction with the online registration process, the survey also assessed satisfaction with service received during the field office visit or on the telephone.

Our FY 2014 survey found that responder perceptions of the process for resolving an online registration problem and creating an account improved significantly compared with FY 2013. Responders gave a rating of 86 percent E/VG/G for their "start-to-finish" experience creating the account, up from 77 percent E/VG/G in FY 2013. Improved perceptions of telephone service in connection with the account registration contributed to the overall improvement. The rating of telephone service overall rose by 11 percentage points to 71 percent E/VG/G in FY 2014, following the introduction of the *my* Social Security 800 number Help Desk. Ratings of other aspects of the telephone experience, such as ease of access, also improved by a margin of 6 to 17 percentage points. Responders continued to report a high degree of satisfaction with the service they received when they visited the field office, rating the in-person service experience at 91 percent E/VG/G.

Service Satisfaction Surveys

We measure satisfaction with our services by surveying people who use them. The surveys we conduct reflect the public's perception of the services we provide in person, on the Internet, or by telephone at our National 800 Number, and in our field offices. The feedback helps us identify strengths and weaknesses in our service delivery so we can make necessary improvements. In addition to reporting satisfaction rates from our surveys here, we make them available to the public on Data.gov (www.data.gov).

Results from our FY 2014 surveys showed that overall satisfaction with our field office telephone service remained stable, while satisfaction with our national 800 number service declined. Callers rated the 800 number service overall at 66 percent E/VG/G, down from 70 percent E/VG/G in FY 2013. Callers rated field office telephone service overall at 79 percent E/VG/G, in line with the FY 2013 rating of 78 percent E/VG/G.

The decline in overall satisfaction with 800 number service was linked to decreased satisfaction with access to service. The access rating to 800 number service in FY 2014 fell to 44 percent E/VG/G, furthering the steep decline that occurred in FY 2013 when the access rating dropped to 52 percent from 64 percent E/VG/G the previous year. Satisfaction with access to field office telephone service held steady in FY 2014 at 71 percent E/VG/G.

Despite the decline in satisfaction with overall service and access, 800 number callers continued to give high marks for the service they received from staff. Ratings of courtesy, helpfulness, job knowledge, and clarity of explanations were all close to 90 percent E/VG/G. Field office staff received similar high marks from callers.

Retirement Applicant Survey

The Retirement Applicant Survey sampled recently awarded retirement beneficiaries. It explores service delivery preferences and expectations, particularly around electronic services. We expect survey results to be available by March 2015. The findings will be reported in the FY 2015 Annual Performance Report.

Strategic Goal 2 – Strengthen the Integrity of Our Programs

Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds

The Social Security Act requires the Board of Trustees of the Old-Age and Survivors Insurance and Disability Insurance Trust Funds to report annually to Congress on the actuarial status and financial operations of the Trust Funds. *The 2014 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds* (www.socialsecurity.gov/OACT/TR/2014), issued in July 2014, includes projections for years 2014 to 2088. The 2014 report showed a similar projected long-term financial status of the Social Security program as compared to the Trustees' 2013 report.

Highlights in the report included:

- Non-interest income fell below program costs in 2010 for the first time since 1983. Program costs are projected to exceed non-interest income throughout the remainder of the 75-year projection period;
- The combined Old-Age and Survivors Insurance and Disability Insurance Trust Fund reserves are still growing and will continue to do so through 2019. Beginning in 2020, the cost of the program is projected to exceed total income, and the trust fund reserves will begin to decline;
- The projected point at which the combined Trust Fund reserves will become depleted, if Congress does not act before then, comes in 2033 – unchanged from the estimate in last year's report;
- The projected point at which the Disability Insurance Trust Fund reserves will become depleted is 2016 – unchanged from the estimate in last year's report; and
- The projected actuarial deficit over the 75-year long-range period is 2.88 percent of taxable payroll – up slightly from 2.72 percent in last year's report.

Annual Report of the Supplemental Security Income Program

We report annually to the President and to Congress the status of the Supplemental Security Income (SSI) program. The report's purpose is to provide the necessary data to manage the SSI program effectively. The 2014 SSI Annual Report (www.socialsecurity.gov/OACT/ssir/SSI14), issued in August 2014, includes projections for years 2014 to 2038.

Significant findings stemming from our evaluation included:

- By 2038, the end of the 25-year projection period, we estimate that the federal SSI recipient population will reach 9.2 million. The projected growth in the SSI program over the 25-year period is largely due to the overall growth in the U.S. population, though the growth in the SSI recipient population is projected to be somewhat slower than the growth in the U.S. population;
- As a percentage of the total U.S. population, the number of federal SSI recipients increased slightly from 2.51 percent in 2012 to 2.52 percent in 2013. We project this percentage to gradually decline throughout the 25-year projection period, reaching 2.35 percent of the population in 2038;
- We estimate that federal expenditures for SSI payments in calendar year 2014 will increase by $1.2 billion to $54.6 billion, an increase of 2.3 percent from 2013 levels;
- In dollars adjusted by the Consumer Price Index to 2014 levels, we project that federal expenditures for SSI payments will increase to $61.2 billion in 2038, a real increase of 0.5 percent per year; and
- In 2013, federal SSI expenditures expressed as a percentage of the gross domestic product (GDP) were 0.32 percent. We project that expenditures, as a percentage of GDP, will decrease to 0.31 percent of GDP in 2014, and continue to decline thereafter to 0.22 percent of GDP by 2038.

Preeffectuation Review of Disability Determinations

Public Law 96-265, Public Health and Welfare, Section 221-c, requires us to review at least 50 percent of all Social Security Disability Insurance (SSDI) and concurrent SSDI/SSI adult disability favorable initial and reconsideration determinations made by the state disability determination services (DDS). In addition, Public Law 109-171, Deficit Reduction Act, requires we review at least 50 percent of all SSI adult initial and reconsideration favorable determinations made by the DDS.

We select Preeffectuation Review (PER) cases from all 54 DDS jurisdictions (the 50 states, plus U.S. territories) using a statistical model to identify allowances with a higher probability of containing substantive errors (i.e., potential to ultimately reverse the determination from allowance to denial).

Three agency components work in conjunction with the Centers for Medicare and Medicaid Services to produce a report to Congress on the lifetime savings resulting from PER.

The most recent PER Report to Congress for FY 2012 shows estimated program savings of $668 million, which include Medicare and Medicaid savings. Preliminary data for FY 2013 indicates that more than 6,600 DDS determinations were reversed, but the program savings information is not yet available. The FY 2013 and FY 2014 results will be made available in a future Annual Performance Report.

Retirement, Survivors, and Disability Insurance Stewardship Review

Stewardship findings provide the basic measure we use to report on the accuracy of the Old-Age, Survivors and Disability Insurance (OASDI) payments. We base the FY 2013 report findings on non-medical reviews of monthly samples of OASDI payments issued from October 2012 through September 2013. We also provide payment accuracy rates for the current and previous reporting periods. The FY 2014 findings will be published in the FY 2015 Annual Performance Report.

Overall, the OASDI accuracy rate was 99.8 percent for overpayments in FY 2013 based on improper payments totaling a projected $1.9 billion (i.e., 99.8 percent of all dollars paid were free of overpayment errors).

Accuracy for OASDI underpayments was 99.9 percent in FY 2013, based on unpaid dollars projected at $1.1 billion (i.e., underpayment dollar errors, as a percentage of total dollars paid, were 0.13 percent).

Comparable accuracy rates for FY 2012 were 99.8 percent for overpayments and 99.9 percent for underpayments. The changes in the overall OASDI overpayment and underpayment accuracy rates are not statistically significant.

Supplemental Security Income Stewardship Review

The review evaluates non-medical factors of eligibility and measures the accuracy of payments made to people receiving SSI benefits. The primary objective is to measure the accuracy of payments we issued and to report these accuracy rates as required by the *Improper Payments Information Act of 2002* and the *Improper Payments Elimination and Recovery Act of 2010*.

We reviewed 4,105 SSI cases in FY 2013. Accuracy rates are derived using data from the review of SSI cases with a payment made in at least one month of the fiscal year under review. Any difference between what was actually paid and what the quality review determines should have been paid, is expressed as an overpayment or underpayment error. The overpayment accuracy rate is the percentage of all dollars paid that are free of overpayment errors. The underpayment accuracy rate is the projected dollar value of underpayment errors represented as a ratio of all dollars paid. The overpayment and underpayment accuracy rates are calculated and reported separately.

In FY 2013, the overpayment accuracy rate was 92.4 percent based on overpaid dollars totaling a projected $4.2 billion. This represents an increase of 1 percentage point from the FY 2012 overpayment accuracy rate of 93.7 percent, but this increase is not statistically significant.

In FY 2013, the underpayment accuracy rate was 98.3 percent based on underpaid dollars totaling a projected $0.9 billion. This represents no percentage point change from the FY 2012 underpayment accuracy rate of 98.2 percent. The FY 2014 findings will be published in the FY 2015 Annual Performance Report.

Strategic Goal 3 – Serve the Public through a Stronger, More Responsive Disability Program

Office of Quality Review Denial Review

In FY 2014, we conducted an internal control review of medically denied disability applications adjudicated by the DDS. We conducted this review to identify whether denial decisions by the DDS were policy compliant and supported by the medical and vocational evidence in the case file.

We reviewed 26,688 cases from 52 DDS sites (all 50 states, the District of Columbia, and the Commonwealth of Puerto Rico). To select the cases, we used a statistical model to identify cases that matched the profile for highly error-prone medically denied disability applications. Out of the 26,688 cases we reviewed, 2,768 (10.4 percent) contained a substantive error (i.e., an error that could result in a change in the determination of the case).

Our review of denials in FY 2014 resulted in the reversal of 1,833 DDS denial determinations to allowances. These reversals resulted in claimants receiving their benefits at an earlier stage in the process.

Quality Review Assessment of Senior Attorney Advisor Disability Decisions

In our FY 2013 Quality Review Assessment of Senior Attorney Advisor (SAA) Disability Decisions, we agreed with 83 percent of the 792 sampled SAA decisions, because a preponderance of the evidence supported those decisions. This agreement rate was a statistically meaningful difference from FY 2012, when we agreed with 78 percent of the SAA decisions. When comparing the FY 2013 rate to earlier fiscal years, the differences were also statistically meaningful.

We attribute the change in the allowance agreement rate from FY 2012 to a decrease in the number of decisions that lacked sufficient documentation to support a fully favorable decision or in which the evidence was conflictive. We also identified a decrease in cases with onset date issues where the evidence did not support the onset date that the SAA established.

We will discuss the results of our FY 2014 Quality Review Assessment of Senior Attorney Advisor Disability Decisions in our FY 2015 Annual Performance Report.

Disability Case Review of Administrative Law Judge Hearing Decisions

The disability case review is an ongoing, post-effectuation quality review of administrative law judge hearing decisions. Our four-year data comparison begins with the last six months of FY 2009 and ends with the first six months of FY 2013.

- For the last six months of FY 2009 (April through September), we agreed with 90 percent of administrative law judge favorable decisions and 89 percent of their unfavorable decisions.
- For FY 2010, we agreed with 84 percent of the administrative law judge favorable decisions and 91 percent of the unfavorable decisions.
- For FY 2011, we agreed with 77 percent of the administrative law judge favorable decisions as compared to 87 percent of the unfavorable decisions.
- For FY 2012 we agreed with 77 percent of the administrative law judge favorable decisions and 91 percent of the unfavorable decisions.
- For the first six months of FY 2013, we agreed with 81 percent of the favorable decisions and 93 percent of the unfavorable decisions.

As noted above, there was no change in the agreement rate between FY 2011 and FY 2012 for administrative law judge favorable decisions. When comparing the FY 2012 findings to the 90 percent agreement rate for FY 2009, the difference is statistically meaningful. However, the 7 percentage point difference between FY 2012 and FY 2010 findings for administrative law judge favorable decisions is not statistically meaningful.

We agreed with 91 percent of the administrative law judge unfavorable decisions for FY 2012 because a preponderance of the evidence supported those decisions. When comparing the FY 2012 agreement rate for administrative law judge unfavorable decisions to the prior reporting periods, none of the differences was statistically meaningful.

When comparing the first six months of FY 2013 to prior fiscal years, the differences were not statistically meaningful. We will discuss the results of our FY 2013 Disability Case Review of administrative law judge hearing decisions in our FY 2015 Annual Performance Report.

Disability Scorecard Surveys

The disability scorecard surveys measure customer satisfaction with the disability application process at the initial and hearing levels. We conduct the initial and hearing level surveys in alternate years. Our survey samples include both SSDI and SSI claimants in the following groups that reflect different stages of the process:

- **Mid-process** – after an initial disability application is filed but before a decision is made;
- **Initial awards and denials** – after the initial level decision on the application; and
- **Hearing awards and denials** – after the hearing level decision on the application.

We ask those surveyed for an overall rating of the service we provided during the disability application process. Survey findings consistently show that respondent opinion is influenced greatly by the outcome of the application for disability benefits. Our latest results are for FY 2013, when we conducted the hearing level segment of the disability scorecard surveys. These results showed a gap of 45 percentage points in the overall satisfaction of claimants awarded at the hearing level (overall rating of 85 percent E/VG/G) and those denied at the hearing (overall rating of 40 percent E/VG/G).

Evaluation of Ticket to Work Program

The *Ticket to Work and Work Incentives Act of 1999* (P.L. 106-170) requires the Commissioner of Social Security to provide for independent evaluations to assess the effectiveness of the Ticket to Work program and submit reports to Congress with findings and recommendations to improve the program. We completed the seventh and final evaluation report in July 2013.

Overall, the evaluation found that beneficiaries who participated in Ticket to Work we satisfied with the program, and had better outcomes than those who returned to work without using our employment services.

However, the program's efforts have not translated into recipients becoming self-sufficient enough to no longer need benefits. Additional information about the findings are available at Ticket to Work Evaluation Reports (http://www.socialsecurity.gov/disabilityresearch/twe_reports.htm)

Strategic Goal 4 – Build a Model Workforce to Deliver Quality Service

Federal Employee Viewpoint Survey (formerly the Annual Employee Survey/Federal Human Capital Survey)

The U.S. Office of Personnel Management sent the 2014 Federal Employee Viewpoint Survey to over 17,000 of our employees. Our employees had from May 6, 2014 through June 13, 2014 to take the survey. Over half of our permanent employees completed the survey.

We use the Federal Employee Viewpoint Survey results as a tool for measuring employee satisfaction and engagement throughout our agency. We also use the results to develop both departmental and agency-wide action plans to address areas targeted for improvement. Traditionally, results demonstrate that employee job satisfaction is one of the strengths of our agency.

For more information about survey results, see the Federal Employee Viewpoint Survey (www.fedview.opm.gov/).

Management Directive-715

The directive provides policy guidance and standards for establishing and maintaining effective affirmative action programs. The Equal Employment Opportunity Commission (EEOC) Management Directive 715 requires federal agencies to conduct an annual self-assessment of their Equal Employment Opportunity (EEO) program to ensure it meets the requirements for each of the six essential elements of a model program. The assessment occurs in the first quarter of a fiscal year, with the report due to the EEOC in the second quarter of the fiscal year.

Below, we present our FY 2013 results, which were not available when we published our *FY 2013 Performance and Accountability Report*.

Our FY 2013 Management Directive 715 self-assessment showed that of the 117 measures of the essential elements of a model Equal Employment Opportunity (EEO) program that are applicable to us, we met 103 measures and were deficient in only 14 measures. Highlights included:

- The Acting Commissioner issuing an EEO Policy Statement in May 2013, three months after installation as the agency head;
- Consistently informing employees about inappropriate behavior in the workplace through various methods [e.g., new employee orientation, mandatory Notification and Federal Employee Antidiscrimination and Retaliation (No FEAR) Act training, annual EEO training];
- Continuing to use contractors to identify barriers that may be impeding the realization of EEO; and
- Collaborating and coordinating effectively between EEO and Human Resources.

For the 14 identified deficiencies, we described our plans to correct them to the extent possible. Examples of identified deficiencies included:

- Lack of timely compliance with EEO Commission orders;
- Not requiring managers to participate in Alternative Dispute Resolution;
- Not timely completing EEO pre-complaint counseling; and
- Not timely completing EEO investigations.

We will discuss the results of our FY 2014 assessment in our FY 2015 Annual Performance Report.

Center for Section 504 Compliance

We ensure agency compliance with Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against individuals with disabilities and requires federal agencies to provide meaningful access to their programs and activities to individuals with disabilities. We have developed an Intranet application, iAccommodate, to track the accommodations that our employees provide to individuals with disabilities.

In FY 2014, we launched iAccommodate nationwide. iAccommodate tracks accommodations our employees provide and allows employees to refer decisions for accommodations that their offices cannot provide to the Center for Section 504 Compliance (Center). iAccommodate tracks the time it takes for the Center to issue a decision. We expect to make most decisions within two weeks. However, more complex requests may require additional time. Our goal is to make all decisions within 45 days of receiving the request.

iAccommodate also allows us to determine which accommodations are being requested most often. We can use that information to change the accommodations we offer to ensure we are providing the accommodations that our customers need.

Strategic Goal 5 – Ensure Reliable, Secure, and Efficient Information Technology Services

Federal Information Security Management Act Report

The Federal Information Security Management Act (FISMA) is part of the E-Government Act of 2002. FISMA is a framework requiring federal agencies to ensure they provide adequate security and privacy protections for federal information systems and information. We must submit an annual FISMA status report to the Office of Management and Budget.

Our report summarizes the results from security and privacy reviews conducted on our major information systems and programs, progress on correcting identified weaknesses, and the results of other work performed during the reporting period using the Office of Management and Budget's performance measures. Several bills are pending in Congress intended to strengthen FISMA. As Congress considers new cybersecurity legislation, we will continue our efforts to meet and exceed existing information security requirements for protecting federal information systems and personally identifiable information.

For more information refer to the complete report, FY 2011 Report to Congress on the Implementation of the Federal Information Security Management Act of 2002 (www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/fy11_fisma.pdf).

Appendix C:
How We Ensure Our Data Integrity

We are committed to providing clear, reliable, and valid data. We have internal controls to ensure that our data are quantifiable, verifiable, and secure. Our internal systems and controls include:

- Audit trails;
- Integrity reviews;
- Separation of duties;
- Restricted access to sensitive data;
- Reviews at all levels of management; and
- Validation and verification in our System Development Life Cycles.

We designed these controls to safeguard the integrity and quality of our vast data resources. These controls ensure that our data contain no material inadequacies. These same controls support the Commissioner's Federal Managers' Financial Integrity Act Assurance Statement.

Data Integrity Systems and Controls

We gather performance data using automated management information and other workload measurement systems. In fiscal year (FY) 2010, we initiated a new data quality program designed to assess, measure, and monitor the quality of performance data.

We evaluate the data in terms of four quality dimensions:

- Accuracy – measuring how well data adheres to specification (e.g., definitions, rules, and policies);
- Consistency – measuring consistency in internal and external reporting of data;
- Completeness – measuring missing occurrences or attributions of the data; and
- Timeliness – measuring the currency of the data (i.e., data are up to date, and reporting occurs on time).

We conduct these quality evaluations based on established internal methodologies. As we introduce new performance measures, we perform a comprehensive data assessment using these four quality dimensions. From the assessment results, we establish a baseline. After the baseline, we automate continuous monitoring to sustain high-quality data. Continuous monitoring allows us to follow data trends and proactively remediate potential issues.

In FY 2013, we performed baseline assessments for the following performance measures:

- Increase the percentage of claims filed online;
- Net disability determination services accuracy by state;
- Medicare determinations by state; and
- Social Security Administration enumeration accuracy.

We conducted these assessments in addition to continuously monitoring previously base lined performance measures, thereby expanding data quality program.

In our data quality program, we also derive several accuracy and public satisfaction measures from surveys and work samples. These measures provide confidence levels of 95 percent or higher.

As part of our fiduciary responsibility to the public, we use an Audit Trail System (ATS) to protect our records and taxpayer funds from improper use. The Audit Trail System collects and maintains detailed information about SSA and public transactions. We store the data from programmatic and select internet applications, so we can review transactions for fraud and abuse.

Audit of Our FY 2014 Financial Statements

The Chief Financial Officers Act of 1990 requires the Office of the Inspector General (OIG) or an independent external auditor that it selects to audit our financial statements. OIG selected Grant Thornton, LLP to conduct the FY 2014 audit. The auditor found we present fairly the basic financial statements, in all material respects, in conformity with accounting principles generally accepted in the United States of America for Federal entities.

The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

Role of the Office of the Inspector General

The Office of the Inspector General (OIG) plays a key role in protecting our programs and operations from waste, fraud, and abuse. OIG conducts independent and objective audits, evaluations, and investigations. OIG provides timely, useful, and reliable information and advice to agency officials, Congress, and the public.

OIG's Office of Audit conducts performance audits and makes recommendations to make sure we achieve our program objectives. To audit our performance indicators and to ensure that our established performance measures comply with the Government Performance and Results Act (GPRA) Modernization Act of 2010, OIG contracted with KPMG, LLP, and an independent auditing firm.

In FY 2013, OIG issued two audits, completed by KPMG, evaluating three of our GPRA performance indicators: (1) DDS case production per work year, (2) Achieve the target number of initial disability claims pending, and (3) Complete the budgeted number of hearing requests.

The reports are:

- Performance Indicator Audit: Disability Claims (A-15-12-12116) (http://oig.ssa.gov/sites/default/files/audit/full/pdf/A-15-12-12116.pdf) and
- Performance Indicator Audit: Hearing Requests (A-15-12-12115) (http://oig.ssa.gov/sites/default/files/audit/full/pdf/A-15-12-12115.pdf).

The objectives of these audits were to:

- Comprehend and document our sources of data for the specific performance measure OIG selected for review;
- Identify and test critical controls (both electronic data processing and manual) of systems that generated the specified performance data;
- Test the adequacy, accuracy, reasonableness, completeness, and consistency of the underlying data for the specified performance measure; and
- Recalculate each performance measure to ascertain its accuracy.

For the performance indicators, disability determination services cases production per work year and Achieve the target number of initial disability claims, KPMG stated:

"Based on the results of our audit, we do not believe the performance indicators (PI) were adequate, accurate, reasonable, complete, and consistent with the underlying data. We noted, however, that internal controls over the system supporting the PIs were operating effectively."

For the third performance indicators, complete the budgeted number of hearing requests, KPMG stated:

> "Based on the results of our audit, we believe the PI was adequate, accurate, reasonable, complete, and consistent with the underlying data. In addition, we noted that internal controls over the system supporting the PI were operating effectively."

These and other OIG reports are located on OIG's webpage (http://oig.ssa.gov/audits-and-investigations/audit-reports/2012-10--2013-09).

Appendix D:
Changes to Performance Measures

Performance Measures Established in Fiscal Year 2015

2.3c **NEW**	Maintain a high accuracy rate of payments made through the Old-Age, Survivors, and Disability Insurance program to minimize improper payments
3.3b **NEW**	Achieve the target number of Social Security Disability Insurance and Supplemental Security Income disability beneficiaries with Tickets assigned and in use, who work above a certain level
4.2c **NEW**	Improve talent management to strengthen the competence of our workforce

Carryover Performance Measures with Title Changes

	Fiscal Year 2015 New Title	**Fiscal Year 2014 Old Title**
1.2c	Maintain high customer satisfaction with our online services	Maintain customer satisfaction with our online services
1.4a	Evaluate our physical footprint as described in our OMB-approved Real Property Cost Savings and Innovation Plan	In light of substantial staff losses and availability of many self-service options, we will reassess our physical footprint to identify opportunities for improved service delivery
4.1a	Maintain the target veteran and disabled veteran new hire percentage to improve their representation in our workforce	Achieve the target veteran and disabled veteran new hire percentage to improve their representation in the SSA workforce
4.3c	Increase workplace flexibilities by expanding telework participation among employees	Increase workplace flexibilities by expanding telework opportunities for employees
4.4b	Achieve target number of human capital metrics to ensure progress toward building a model workforce	Achieve target number of human capital metrics identified in ongoing human capital performance review sessions

Appendix E:
Summary of Key Management Officials' Responsibilities

Commissioner of Social Security (COSS), Carolyn W. Colvin (Acting), manages all agency programs and staff. Also serves as the Chief Operating Officer, responsible for improving agency management and performance.

Deputy Commissioner of Social Security (DCOSS) [Vacant], an appointed position, authorized to act on behalf of the COSS.

Chief Strategic Officer (CSO), Ruby Burrell, advises and assists the Commissioner to ensure that we achieve our mission and goals through strategic and performance planning, measurement, analysis, regular assessment of progress, and the use of performance information to improve the results achieved. The CSO also oversees our transparency efforts and serves as the Performance Improvement Officer.

Chief Actuary (CAct), Stephen C. Goss, plans and directs program actuarial estimates and analyses for our programs and for any proposed changes in programs and trust funds. The CAct provides technical and consultative services to the COSS, the Board of Trustees of the Social Security Trust Funds, Congress, and their respective staffs.

General Counsel (GC), David F. Black, advises the COSS, DCOSS, and all subordinate organizational components (except the Inspector General) on legal matters.

Inspector General (IG), Patrick P. O'Carroll Jr., promotes economy, efficiency, and effectiveness in administering our programs and operations, and prevents and detects fraud, waste, abuse, and mismanagement.

Deputy Commissioner for Budget, Finance, Quality, and Management (DCBFQM), Chief Financial Officer (CFO), Peter D. Spencer, directs our comprehensive management programs including budget, quality reviews and studies, financial policy, acquisition, grants, facilities supply management, and security and emergency preparedness. The DCBFQM also serves as the Chief Financial Officer.

Deputy Commissioner for Communications (DCCOMM), Douglas K. Walker, conducts our national public information and outreach programs and fosters the transparency of our operations.

Deputy Commissioner for Disability Adjudication and Review (DCDAR), Glenn E. Sklar, administers our nationwide appeal and review program in accordance with relevant federal laws.

Deputy Commissioner for Human Resources (DCHR), Chief Human Capital Officer (CHCO), Reginald F. Wells, Ph.D., administers our human resources programs, including training human capital initiatives, personnel and employee relations, labor management, and civil rights and equal opportunity. The DCHR also serves as the Chief Human Capital Officer.

Deputy Commissioner for Legislation and Congressional Affairs (DCLCA), Judy L. Chesser, develops and conducts our legislative program, serves as our liaison to Congress, and analyzes legislative and regulatory initiatives.

Deputy Commissioner for Operations (DCO), Nancy A. Berryhill, directs our network of field offices, National 800 Number Teleservices Centers, and Processing Centers. The DCO oversees the Disability Determination Services.

Deputy Commissioner for Retirement and Disability Policy (DCRDP), Marianna LaCanfora (Acting), advises the COSS on the major policy issues and is responsible for all major activities in the areas of program policy planning, policy research and evaluation, statistical programs, and overall policy development, analysis, and implementation. The DCRDP serves as liaison with the Centers for Medicare and Medicaid Services. The DCRDP also serves as the accountable official for improper payments and leads our efforts to improve the clarity, tone, and readability of our notices.

Deputy Commissioner for Systems (DCS), Chief Information Officer (CIO), William B. Zielinski, directs the strategic management of our systems and databases, which includes the development, validation, and implementation of new systems. The DCS directs operational integration, strategic planning processes, and implementation of a systems configuration program. The DCS also serves as the Chief Information Officer, responsible for managing our information technology (IT) investment process and assessing the performance of our major IT investments.

Appendix F:
Glossary of Acronyms

A

AFI	Access to Financial Institutions
APG	Agency Priority Goals
ASA	Average Speed of Answer
ATS	Audit Trail System

C

CAct	Chief Actuary
CAL	Compassionate Allowances
CAP	Cross-Agency Priority
CDR	Continuing Disability Review
CFO	Chief Financial Officer
CHO	Chief Human Capital Office
CIO	Chief Information Officer
COSS	Commissioner of Social Security
CSO	Chief Strategic Officer

D

DCBFQM	Deputy Commissioner for Budget, Finance, Quality, and Management
DCCOMM	Deputy Commissioner for Communications
DCDAR	Deputy Commissioner for Disability Adjudication and Review
DCHR	Deputy Commissioner for Human Resources
DCLCA	Deputy Commissioner for Legislation and Congressional Affairs
DCO	Deputy Commissioner for Operations
DCOSS	Deputy Commissioner of Social Security
DCPS	Disability Case Processing System
DCRDP	Deputy Commissioner for Retirement and Disability Policy
DCS	Deputy Commissioner for Systems
DDS	Disability Determination Services
DoD	Department of Defense

E

eCAT	Electronic Claims Analysis Tool
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
E/VG/G	Excellent/Very Good/Good

F

FISMA	Federal Information Security Management
FPPS	Federal Personnel and Payroll System
FY	Fiscal Year

G

GAO	Government Accountability Office
GC	General Counsel
GDP	Gross Domestic Product
GPRA	Government Performance and Results Act (GPRA) Modernization Act of 2010
GS	General Series

H

HCAAF	Human Capital Accountability Framework
HCAS	Human Capital Accounting System
HHS	Department of Health and Human Services
HR	Human Resources
HRMA	Human Resources Management Assets
HRODS	Human Resources Operational Data Store

I

IG	Inspector General
IT	Information Technology
iTOPS	Internet Ticket Operations Support

O

OAS	Online Authentication Survey
OASDI	Old-Age, Survivors, and Disability Insurance
OIG	Office of the Inspector General
OMB	Office of Management and Budget

P

PER	Preeffectuation Review
PI	Performance Indicator
PPS	Partnership for Public Service

Q

QDD	Quick Disability Determinations

S

SAA	Senior Attorney Advisor
SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
SSN	Social Security Number
SSNAP	Social Security Number Application Process

T

TBD	To Be Determined
TOP	Treasury Offset Program
TWL	Trial Work Level

V

VA	Department of Veterans Affairs