SOCIAL SECURITY

The Commissioner

March 4, 2014

The Honorable Barbara Mikulski
Chairwoman, Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam Chairwoman:

We are pleased to share our fiscal year (FY) 2014 Operating Plan, as required by Section 516 of the Consolidated Appropriations Act, 2014 (Public Law 113-76).

Our Operating Plan provides proposed spending and expenditures for each of our accounts through the end of FY 2014 under the funding levels provided in the law. We hope that you find the information regarding workload and performance measures, which incorporate current workload projections, helpful. We also included a General Statement, which provides highlights of our Operating Plan.

We are sending similar letters to Senators Shelby, Harkin, and Moran, and Representatives Rogers, Lowey, Kingston, and DeLauro.

We are happy to work with your staff to answer any questions about our Operating Plan. If there are any questions, please have your staff contact Bonnie Kind, our Associate Commissioner for the Office of Budget, at (410) 965-3501. Please feel free to contact me if you have any questions.

Sincerely,

Carolyn W. Colvin

Carolyn W. Colvin
Acting Commissioner

Enclosure

SOCIAL SECURITY ADMINISTRATION
GENERAL STATEMENT

At the $11.697 billion administrative level appropriated in fiscal year (FY) 2014, we will be able to expand our capacity to complete more cost-effective continuing disability reviews (CDR), enhance our vigorous fraud prevention efforts, and improve our service to the American public.

Since our funding includes the program integrity level authorized by the Budget Control Act of 2011 (BCA), we will be able to increase the number of CDRs, while maintaining our high level of Supplemental Security Income non-disability redeterminations. These efforts will allow us to save billions of taxpayer dollars and to set the stage to complete even more CDRs in FY 2015.

It is important to note that while we will increase the volume of CDRs we complete in FY 2014 to 510,000 – a nearly 20 percent increase from FY 2013 – we will not be able to achieve the original FY 2014 BCA level of 764,000 CDRs. FY 2014 will be a year of transition as we rebuild our capacity to handle the full BCA volume of CDRs in future years.

However, we will be able to spend the full BCA level of funding in FY 2014. The funding authorized by the BCA does not cover the entire cost associated with our program integrity workloads, which includes information technology costs and rent expenses for office space. We have always had to charge these additional costs associated with the workload to our Limitation on Administrative Expenses account, and we have always accounted for these full costs in our program integrity reports to Congress.

In addition to increasing CDRs, we are investing in more fraud prevention efforts. We plan to bolster our Cooperative Disability Investigation units by adding staff to existing units and creating up to seven additional units. We also plan to increase the number of our Special Assistant United States Attorney Fraud Prosecutors. Our attorneys prosecute possible fraud cases referred by the Office of the Inspector General that would not otherwise be prosecuted in Federal Court. They secure millions of dollars in restitution orders each year.

We will also use our resources to provide better service to the American people. After losing nearly 11,000 people over the past 3 years, we will be able to replace some of the staffing losses we incurred and provide some relief to our front lines. We will have more staff to answer our National 800-Number, help customers in our field offices, and make decisions on claims and hearings. However, it will take some time to reverse the decline in service because we need to hire and train new staff. Service on our National 800-Number, in particular, has significantly deteriorated, and we do not expect an improvement until FY 2015. We will still have far fewer people than we had in FY 2010. Our work conducting hearings provides another challenge because hearings receipts remain well over 800,000 per year. We will hire qualified Administrative Law Judges (ALJs) when the Office of Personnel Management provides us with a new ALJ register.

We will continue to look for efficiencies and ways to work better and smarter, especially in light of these service challenges. We pride ourselves on the fact that our administrative costs are only 1.4 percent of benefit payments, a remarkable achievement, and a testament to our hard-working, innovative employees. With sustained, adequate, and timely funding, we can continue to increase our program integrity efforts while improving service for the millions of Americans who depend on us.

Social Security Administration (SSA) Fiscal Year (FY) 2014 Operating Plan
(Appropriated FY 2014 Funds and Carryover/Transfers of Unobligated Prior-Year Funds)
($ in millions)

Budget Authority:	FY 2014 President's Budget	FY 2014 Available Funding	
Payments to the Social Security Trust Funds (PTF)			
Pension Reform	$6.4	$6.4	
Unnegotiated Checks	10.0	10.0	
Total Appropriation (P.L. 113-76)	$16.4	$16.4	
Supplemental Security Income (SSI)			
FY 2014 Benefit Payments, Total	$55,579.0	$55,579.0	
- FY 2014 First Quarter Advance (P.L. 113-6)	19,300.0	19,300.0	
- FY 2014 Appropriation	36,279.0	36,279.0	
Administrative Expenses, Total	4,401.0	4,928.1	
- Administrative Expenses (Regular)	4,401.0	4,300.8	
- Program Integrity	N/A	246.0	
- Additional Program Integrity	N/A	381.3	
Beneficiary Services	3.0	3.0	
Research and Demonstration (R&D) Projects (FY 14 / FY 15)	54.0	47.0	
Total Appropriations (P.L. 113-6 and P.L. 113-76)	$60,037.0	$60,557.1	
Carryover of Unobligated FY 2013 Balances and Recoveries:			
- Benefits	$0.0	$0.0	
- Administrative Expenses	0.0	0.0	
- Beneficiary Services	45.0	65.0	1/
- R&D (No Year)	0.0	3.0	2/
- R&D (FY 13 / FY 14)	0.0	0.2	
Total, Carryover of Unobligated FY 2013 Balances and Actual Recoveries	$45.0	$68.2	
Total SSI Funds Available for FY 2014	$60,082.0	$60,625.2	

1/ An additional $36.2M in carryover is available for apportionment for FY 2015.

2/ An additional $9M in carryover is available for apportionment for FY 2015.

Note: Numbers may not add due to rounding.

Limitation on Administrative Expenses (LAE)	FY 2014 President's Budget	FY 2014 Available Funding
Regular LAE	$10,620.5 1/	$10,325.7 1/
PI-CDRs/Redets	273.0	273.0
PI-Additional CDRs/Redets	0.0	924.0
SSA Advisory Board	2.3	2.3
SSI User Fees	173.0	171.0
Non-Attorney Certification User Fee	1.0	1.0
Subtotal Appropriated (P.L. 113-76)	11,069.8	11,697.0
Program Integrity Administrative Expenses (PIAE)	1,227.0	0.0
Total Appropriated (P.L. 113-76)	$12,296.8	$11,697.0
American Recovery and Reinvestment Act (P.L. 111-5):		
NSC Replacement	$82.0	$77.6 2/
Medicare Improvement for Patients and Providers Act (P.L. 110-275):		
Low Income Subsidy	$6.1	$11.9
Other Available Funds:		
Automation Investment Fund (AIF) (No-Year)		
- Carryover/Recoveries from Unobligated AIF Balances	$0.0	$0.1
Information Technology Systems (ITS) (No-Year)		
- Carryover/Recoveries from Unobligated ITS Balances	$0.0	$101.0
Carryover/Recoveries of Other Unobligated Balances	$0.0	$22.1 3/
Office of the Inspector General, SSA		
Federal Funds	$30.0	$28.8
Trust Funds	75.7	73.2
Total Appropriated (P.L. 113-76)	$105.7	$102.1

Estimated Outlays:	President's Budget	Current Estimate
PTF	$16	$16
LAE	$12,109	$11,798
SSI	$59,978	$59,785
OIG	$105	$102

1/ Excludes funding for PI (CDRs and Redeterminations).

2/ An additional $23.2M in carryover is available for apportionment for FY 2015.

3/ Includes authority from prior years carried over for the following purposes: $21.9M for operation and maintenance of specific facilities delegated to SSA by the General Services Administration, $141K for construction, and $26K for Disaster Relief.

Note: Numbers may not add due to rounding.

FY 2014 Congressional Operating Plan Performance Tables
Social Security Administration
Workload and Outcome Measures

	FY 2013		FY 2014
	Enacted Appropriation	Actual	Enacted
SELECTED WORKLOAD MEASURES			
Retirement and Survivors Claims Completed (thousands)	5,269	5,007	5,131
Initial Disability Claims Completed (thousands)	2,962	2,988	2,947
Disability Reconsiderations Completed (thousands)	787	803	778
Hearings Completed (thousands)	793	794	735
National 800-Number Transactions Handled (millions)[1]	55	53	N/A
National 800-Number Calls Handled (millions)[1]	N/A	N/A	39
Average Speed of Answer (ASA) (seconds)[2]	535	617	1,020
Agent Busy Rate (ABR)	16%	12%	14%
Social Security Numbers Completed (millions)	16	17	16
Annual Earnings Items Completed (millions)	250	251	253
Social Security Statements Issued (millions)	0	0	4
SELECTED OUTCOMES MEASURES			
Initial Disability Claims Pending (thousands)	804	698	642
Disability Reconsiderations Pending (thousands)	220	173	174
Hearings Pending (thousands)	844	848	932
Average Processing Time for Initial Disability Claims (days)	109	107	109
Average Processing Time for Disability Reconsiderations (days)[3]	N/A	N/A	N/A
September Average Processing Time for Hearings Decisions (days)	389	396	N/A
Annual Average Processing Time for Hearings Decisions (days)	N/A	382	415
Disability Determination Services Production per Workyear	320	322	319
Office of Disability Adjudication and Review Production per Workyear	111	109	106
Disability Determination Services Accuracy Rate	97%	98%	97%
SELECTED PROGRAM INTEGRITY MEASURES			
Periodic Continuing Disability Reviews (CDRs) Completed (thousands)	1,322	1,576	1,410
Full Medical CDRs (included above, thousands)	422	429	510
Supplemental Security Income (SSI) Non-Medical Redeterminations Completed (thousands)	2,622	2,634	2,622

[1] Under the new CARE 2020 network structure, performance will be 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 will track 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] Since migrating to the new CARE 2020 network, complete wait time, including the time that the caller is on the line and the time the caller is waiting for a call back, is now included in the ASA calculation. This new calculation is in contrast to the former legacy network calculation which artificially deflated the ASA by only including the time the caller was on the line until a callback option was chosen, typically two to three seconds in duration. Under the legacy system, the customer's wait time was diluted and virtually excluded from the ASA calculation. The new CARE 2020 methodology is consistent with industry standards.

[3] The Average Processing Time for Disability Reconsiderations was under development in FY 2013. For September 2013, the first month for which data was available, the overall average processing time for disability reconsiderations was 101 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.