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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 activities 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
<i>“...and including the cost of carrying out the Social Security Administration's obligations as required under section 1411 of Public Law 111–148...”</i>	The language allows SSA to use LAE resources for some Affordable Care Act activities.
<i>“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...”</i>	The language allows SSA to carryover unobligated balances for non-payroll automation and telecommunications investment costs in future fiscal years.

Language Provision	Explanation
<p>“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] <i>\$1,439,000,000</i> 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: <i>Provided</i>, 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] <i>\$1,166,000,000</i> is additional new budget authority specified for purposes of section 251(b)(2)(B) of such Act: <i>Provided further</i>, 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.”</p>	<p>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.</p>
<p>“In addition, [\$124,000,000] <i>\$136,000,000</i> 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] <i>2016</i> exceed [\$124,000,000] <i>\$136,000,000</i>, the amounts shall be available in fiscal year [2016] <i>2017</i> only to the extent provided in advance in appropriations Acts.”</p>	<p>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.</p>
<p>“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.”</p>	<p>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.</p>

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
<p>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.</p>	<p>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.</p>
Continuing Disability Reviews and SSI Redeterminations of Eligibility	Actions Taken or To Be Taken
<p>The agreement includes a total of \$1,527,000,000 for SSA to conduct Continuing Disability Reviews (CDRs) under the Disability Insurance (DI) 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 251(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</p>	<p>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.</p>

Continuing Disability Reviews and SSI Redeterminations of Eligibility

Actions Taken or To Be Taken

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 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

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.

Field Office Closings and Consolidations	Actions Taken or To Be Taken
Representatives and the Senate within 120 days of enactment on how they plan to implement these changes.	

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 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.	We will maintain the current guidance regarding in-person requests and continue to encourage third parties to use online tools for benefit verifications.

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 the 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 [the Social Security Website](#). 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 pending. 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 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 reduce 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. 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 capable of determining common characteristics and patterns of

fraud based on data from past allegations and known cases of fraud. With these tools, we expect 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 identified by the agency 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 centralizing and capturing all death information in one system, and making 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 automate the enforcement of our policies, 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 to streamline our process of 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

By enhancing the technological infrastructure that supports disability case processing nationwide, SSA aims to improve both efficiency and effectiveness by rendering timely and accurate disability decisions. The Disability Case Processing System (DCPS) will replace 54 independently operated, outdated systems across the DDSs, which are 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:

- appointed a single, accountable, program executive with full authority needed to manage the program;
- arranged to establish an integrated program team; and
- 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.

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*, and online at [our website](#). 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 GPRM Modernization Act of 2010, we established the following ambitious and outcome-focused Agency Priority Goals (APG), 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 the number of citizens who complete their business with us online.**
 - 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.**
 - 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.

<u>Planned</u>	<u>Actual</u>	<u>Milestone</u>
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 underway 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
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Planned</u>	<u>Planned</u>
\$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

¹ In FY 2012, the actual bid for NSC construction came to \$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.

SSA-RELATED LEGISLATION ENACTED APRIL 1, 2014 – FEBRUARY 2, 2015

FY 2015***The Tax Increase Prevention Act of 2014 (P.L. 113-295, enacted on December 19, 2014)***

- This act incorporates the Achieving a Better Life Experience (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, which 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, which instead received appropriations 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	\$12,713,000
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, end-of-year	-\$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 ^{Error! Bookmark not}	\$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

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 account 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 reduce the number of completions 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
<i>LAE Funds for Indirect Costs Related to FY 2016 Program Integrity Work</i>	N/A	N/A	\$323 ⁵

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 dedicated 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 [Social Security Beneficiary Statistics](#);
- Disability appeals hearings backlog;
- Complex disability process, see [Social Security Disability](#);
- 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 [Social Security Improper Payments](#);
- 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 REFERENCE TABLE # HERE for clarity 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 2016¹
(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	<u>\$12,061,153</u>	<u>\$12,713,000</u>	+ <u>\$651,847</u>
Unobligated Balance, end- of-year ²	\$55,882	\$55,882	\$0
Recovery Act Obligations	<u>\$55,300</u>	<u>\$19,600</u>	- <u>\$35,700</u>
National Support Center ³	\$55,300	\$19,600	- \$35,700
MIPPA - LIS Obligations	<u>\$5,910</u>	<u>\$5,910</u>	<u>\$0</u>
SCHIP Obligations	<u>\$1,037</u>	<u>\$1,037</u>	<u>\$0</u>
Obligations, Total	<u>\$12,123,400</u>	<u>\$12,739,547</u>	+ <u>\$616,147</u>

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
<u>BUILT-IN INCREASES</u>				
<u>Payroll Expenses</u>	66,045	\$6,736,458		\$277,202
Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System				179,726
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
<u>Non-Payroll Costs</u>				
Mandatory growth in non-payroll costs, including higher costs of rent, security, and guard services		\$1,973,094		\$26,941
<u>State Disability Determination Services</u>				
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
<u>PROGRAM INCREASES</u>				
<u>Net Increase in WYs</u>			1,401	\$147,949
<u>Net Increase in State Disability Determination Services</u>				\$29,368
<u>Social Security Statements Mailed</u>		\$22,278		\$866
<u>Funding for IT</u>		\$764,515		\$173,697
Subtotal, Program Increases			1,401	+\$351,880
Total Increases			+1,401	+\$707,055

Table Continues on the Next Page

Limitation on Administrative Expenses

	FY 2015		Change from FY 2015	
	Federal WYs	Obligations	Federal WYs	Obligations
<u>PROGRAM DECREASES</u>				
<u>Decreases in Obligations Funded from Other Prior-Year Unobligated Balances</u>		\$255,208		-\$55,208
<u>Recovery Act – New NSC Resources</u> Non-personnel Costs		\$55,300		-\$35,700
Total Decreases				-\$90,908
<u>OTHER OBLIGATIONS</u>				
<u>MIPPA – LIS</u>		\$5,910		\$0
<u>State Children’s Health Insurance Program (SCHIP)</u>		\$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 Actual¹	2015 Amount Authorized	2015 Enacted²	2015 Amount Authorized	2016 Estimate³
Title II, Section 201(g)(1) of the Social Security Act	Indefinite	\$11,697,040	Indefinite	\$11,805,945	Indefinite	\$12,513,000

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			

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).

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- 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.

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- 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 expenses¹ 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.

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 Workyears⁴

	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: [Social Security Advisory Board](#).

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)**

<u>LAE Expired Accounts</u>	<u>Amounts</u>
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

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 Activity¹

	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-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.

¹ Excludes Reimbursable Authority

² One-year funds include regular one-year, base CDRs, and additional CDRs.

- **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 (WSU) 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.
 - 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.

- 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.
- 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 to claimants in six different SNO formats. The notices we offer are as follows:
 - Target Notice Architecture Automated Notices (TNA) create automated personalized notices for the public in a format similar to MS Word, with customized mainframe fonts for bolding, underlining, special characters and character height. 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.
 - 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.
 - 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.

- NOTICE.DLL Notices allow the submission of notices in MS Word format to a VSAM file and then subsequently upload and store the notice in ORS (the Online Retrieval System).
- 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.
- 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.
- Special Notice Options (SNO) provide formats that are accessible to the blind or visually impaired in a manner other than first-class print mail.

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:	<u>91,028</u> (total):	<u>159,635</u> (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:	<u>2,563</u> (total):	<u>4,764</u> (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

- Record Specifications (RecSpec) are notices SSA sends only in data streams to a print vendor/SNO vendor. The vendor then disburses the data to the locations specified on the SSA notices.

- **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 between November 2013 through September 2014, our total PFIR stats were as follows:

 - 4,736 confirmed cases
 - \$5,602,688 in confirmed savings/prevented check redirection
- **Electronic Death Registration (EDR) States:** In November 2014, SSA instituted modifications to the Electronic Death Registration (EDR) process. This update enabled the State of Virginia the ability to use EDR for death reporting. With the addition of Virginia, there are now a total of 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 electronic business practices and fee collection procedures in field offices by providing 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 sufficiently addresses OIG audit recommendations and complies with the requirements of OMB Circular A-25, pertaining to 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.

<u>AWR Postings for Week</u>	<u>Total postings YTD</u>	<u>FY 13 Actuarial Estimate</u>	<u>% YTD</u>
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 the 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. By striving to complete customer transactions at the first point of contact through our online and automated services, we aim to transform public service delivery. The Core Services Portfolio ensures the enhancement and execution of 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, which 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 policies 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 payment of 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 to the disciplines of design, software engineering, and product management to maximize 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 launching, this small OMB team has collaborated with Federal agencies to implement cutting edge digital and technology practices on the nation's highest impact programs.

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.

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 ([USAJobs](#)) 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 Employment¹

	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

¹Includes 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 Component¹

	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 Subtotal¹	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 2016⁴ (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	28,000

Number of Physicians Receiving PCAs by Category (non-add)	PY 2014 (Actual)	CY 2015 (Estimates)	BY 2016⁵ (Estimates)
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

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.

⁵ 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

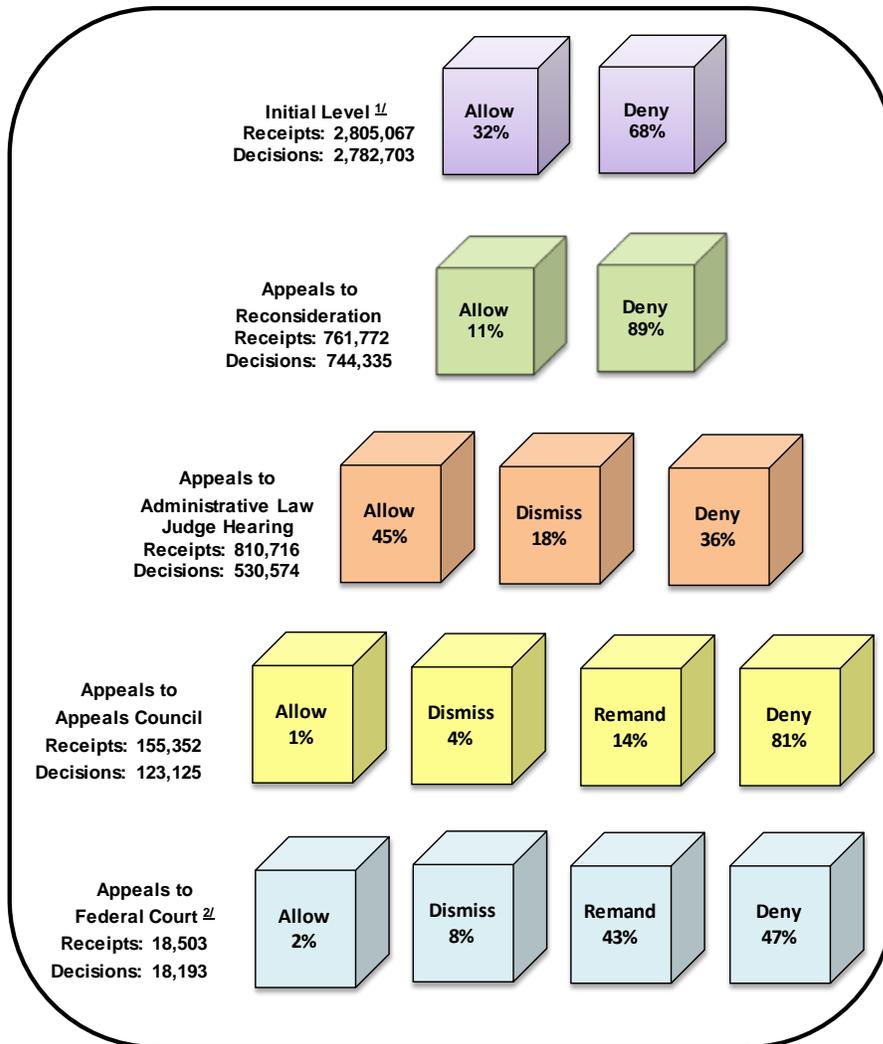
Table 3.26—Maximum Physician's Comparability Allowances - 2-Year Contract

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.



*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

Table 3.27—FY 2014

Workload Data Disability Appeals*

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 quarterly¹ 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.

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

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.